
EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON ITEM 6 ON THE AGENDA OF THE
ORDINARY SHAREHOLDERS' MEETING

(PREPARED PURSUANT TO ARTICLE 125-TER OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998.
AS AMENDED AND SUPPLEMENTED)

(convened for 17 April 2025 in a single call)

6. Proposal for the free assignment of shares to Group employees. Related and consequent resolutions

Dear Shareholders,

you have been called to attend the Ordinary Shareholders' Meeting of BFF Bank S.p.A. (the "**Company**" or "**Bank**") to resolve on the proposal to approve a free *one-off assignment* of ordinary shares of the Bank (the "**One-off Assignment**" and the "**Shares**", respectively) to the employees of the Company and/or its subsidiaries (the "**BFF Group**" or just the "**Group**"").

The One-off Assignment will be provided with newly issued Shares resulting from the free capital increase according with Article 2349 of the Italian Civil Code, resolved by the Extraordinary Shareholders' Meeting on 14 April 2020 (the "**Free Capital Increase**").

The purpose of this Report is to provide a description of the features of the One-off Assignment and the related proposal on the agenda, in accordance with the provisions of Articles 114-bis and 125-ter of Legislative Decree no. 58 of 24 February 1998, as subsequently supplemented and amended (the "**TUF**").

1. Object and methods of implementation of the One-off Assignment

The One-off Assignment provides for the attribution to each of the Beneficiaries (as defined below) the right to receive Shares from the Company free of charge. The Shares will be awarded, in a single instalment, on a date to be set by the Board of Directors by the date of the Shareholders' Meeting called to approve the Bank's financial statements for the year ended 31 December 2025 and in any case after the date on which the Bank of Italy removes the temporary prohibition on resolving or implementing the payment of the variable part of the remuneration imposed on the Company in dated 29 April 2024 (see press releases of 9 May 2024 and 10 May 2024 available on the Company's website www.bff.com, section "Investor/Press Releases" (the "**Grant Date**").

On the Grant Date (as defined below), each Beneficiary will receive a number of Shares (corresponding to a maximum value of Euro 2,065.00 per Beneficiary) to be identified on the basis of the market value of the Shares on the Grant Date, which will be determined, according to the criteria provided for by tax legislation, on the basis of the arithmetic average of the prices recorded in the last month prior to the Grant Date. "Last month" means the period from the Grant Date to the same day of the preceding calendar month. For the purposes of calculating the average, only the days of actual quotation must be assumed.

Notwithstanding the foregoing, members of the Senior Management (as defined in the 2024 Remuneration and Incentive Policy) who are also employees of the Group will be symbolically assigned only one share.

Subject to the above, the number of shares to be assigned will be decided in relation to the number of Beneficiaries identified and the assignment price. Assuming a number of Beneficiaries not exceeding 900, it is expected that a maximum of 300,000 shares may be assigned in execution of the One-off Assignment, equal to 0.2% of the Bank's current share capital.

The One-Time Assignment is not linked to *performance parameters*.

2. Beneficiaries of the One-Time Assignment

The One-off Assignment is addressed without distinction to all natural persons (employees, middle managers or managers) who, on the Assignment Date, are linked to the Company and/or to the Group companies by an employment relationship with a permanent contract – including those with a part-time *contract* – (the "**Beneficiaries**") and:

- (i) who are not the recipients of a notice of dismissal or withdrawal by the Company or one of the Group companies or of revocation from the employment relationship;
- (ii) who have not agreed on the consensual termination of the employment relationship;
- (iii) against whom no disciplinary proceedings are pending resulting in the termination of the employment relationship;
- (iv) who are not in a probationary period or "notice for resignation";
- (v) who have not been convicted at first instance in court proceedings
 - (a) work-related, resulting in the termination of the employment relationship, or
 - (b) connected with facts that constitute a violation of the principles of the Group's Code of Ethics.

3. Reasons for approving the One-Time Grant

The One-off Allocation is aimed at motivating the Beneficiaries by building their loyalty, strengthening their sense of belonging to the BFF Group and increasing their participation in the strategies adopted by the Bank.

The One-off Assignment, due to its characteristics and size, is a marginal benefit granted to the personnel of the Bank and the BFF Group on a non-discretionary basis – part of the Bank's remuneration policy – which has no effect on the Bank's risk profile.

4. Limits on the transfer of Shares

There is no commitment by the Beneficiaries to the Bank not to transfer the Shares.

5. Resolution proposal

Considering the above, the Board of Directors proposes that you adopt the following resolution:

"The Shareholders' Meeting of BFF Bank S.p.A., in relation to item 6 on the agenda of the ordinary session:

- *having examined the report of the Board of Directors illustrating the proposed resolution (the "Report"); and*
- *Having examined the information document prepared pursuant to art. 84-bis of the regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "Information Document");*

deliberation

- 1) *to approve, pursuant to and for the purposes of art. 114-bis of Legislative Decree no. 58/1998, the free one-off assignment of ordinary shares of the Bank to employees of the Company and/or its subsidiaries, in accordance with the terms indicated in the Report and the Information Document;*
- 2) *to confer on the Board of Directors, and on its behalf on the Chief Executive Officer, with the power of sub-delegation, all powers necessary to implement this resolution, including, but not limited to, (i) all powers to identify the Beneficiaries, determine the number of ordinary shares to be allocated to each Beneficiary, proceed with the related allocations and the actual delivery of the shares to the Beneficiaries and, in general, to provide for the drafting and/or finalization of any document necessary or appropriate in relation to the One-off Assignment and to carry out any act, fulfilment (including disclosure to the market in accordance with the applicable laws and regulations), communication formalities that are necessary or appropriate for the purposes of managing and/or implementing the One-off Assignment, (ii) any power to define terms and conditions for the implementation of the One-off Assignment plan, including through the adoption or amendment of specific regulations, to the extent that this does not conflict with the provisions of this resolution, as*

well as (iii) the right to introduce into the resolution adopted any amendments or additions that may be necessary in order to comply with legal obligations and obligations".

Milan, 12 March 2025

For the Board of Directors

THE PRESIDENT

(Ranieri De Marchis)