

BANCA SISTEMA S.P.A.

Fully paid-up share capital € 9,650,526.24

Tax code and Milan Companies' Register No. 12870770158 - ABI code No. 03158.3

Largo Augusto 1/A, angolo Via Verziere 13, 20122 Milan

www.bancasistema.it

**ORDINARY SHAREHOLDERS' MEETING, HELD ON SINGLE CALL
AT THE REGISTERED OFFICE AT LARGO AUGUSTO 1/A, ANGOLO VIA VERZIERE 13, MILAN
28 APRIL 2023, 10.00 A.M.**

**BOARD OF DIRECTORS' REPORT
ON ITEM 7 OF THE AGENDA**

**“APPROVAL OF THE SECOND SECTION (APPLICATION OF THE REMUNERATION POLICIES
OF THE BANCA SISTEMA GROUP AND REMUNERATION PAID FOR 2022) OF THE REPORT ON
THE REMUNERATION POLICY AND REMUNERATION PAID: RESOLUTION PURSUANT TO
ARTICLE 123-TER, PARAGRAPH 6, OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998
AS AMENDED AND SUPPLEMENTED. RELATING AND RESULTING RESOLUTIONS.”**

**(prepared pursuant to Art. 125-ter of Legislative Decree No. 58 of 24 February 1998,
as amended and supplemented)**

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

We wish to draw your attention to the proposal for a resolution submitted for analysis by the Ordinary Shareholders' Meeting of Banca Sistema S.p.A. (the "Bank" or the "Company") as described hereunder, concerning the second section of the Report on the remuneration policy and remuneration paid drawn up pursuant to article 123-ter of Legislative Decree no. 58 of 24 February 1998, as amended and supplemented (the "Consolidated Law on Finance"), article 84-quater and Annex 3A, Schedule 7-bis of CONSOB Regulation no. 11971/1999 as amended and supplemented (the "Issuers' Regulation").

In accordance with article 123-ter of the Consolidated Law on Finance, article 84-quater and Annex 3A, Schedule 7-bis of the Issuers' Regulation and article 5 of the Corporate Governance Code adopted by the Corporate Governance Committee promoted by Borsa Italiana S.p.A. as per the last amendment, the Board of Directors prepared and approved on 30 March 2023, on proposal of the Remuneration Committee, which met on 29 March 2023, the second section of the Report on the remuneration policy and remuneration paid that includes a description of the remuneration paid for any reason and in any way during the financial year ended 31 December 2022 to members of the management and control bodies, the General Manager and, together, the key management personnel of the Company.

More in detail, in application of art. 123-ter, paragraph 4, of the Consolidated Law on Finance, the second section of the Report on the remuneration policy and remuneration paid:

a) provides an adequate representation of each of the items that make up the remuneration, including the contributions provided in the event of termination of office or termination of the employment relationship, highlighting its consistency with the company's remuneration policy for the reference financial year;

b) provides an analytical overview of the fees paid in the period, for any reason and in any form, by the Company and its Subsidiaries and Affiliates and the details of any components of the aforesaid remuneration that refer to services supplied prior to the reference year, as well as remuneration that is payable over one or more financial years for services supplied in the reference year, thereby possibly indicating an estimate for the components that cannot be objectively quantified in the reference period.

b-bis) illustrates how the company took into account the vote expressed the previous year on the second section of the report.

Pursuant to article 123-ter, paragraph 6, of the Consolidated Law on Finance, the second section of the Report on the remuneration policy and remuneration paid is subject to non-binding resolution by the ordinary Shareholders' Meeting called to approve the financial statements as at and for the year ended 31 December 2022.

* * * *

Dear Shareholders,

Given the above, the following proposed resolution is hereby submitted for your approval:

"The ordinary Shareholders' Meeting of Banca Sistema S.p.A.,

- having acknowledged the second section of the Report on the remuneration policy and remuneration paid approved by the Board of Directors of the Bank on 30 March 2023, on proposal of the Remuneration Committee, which met on 29 March 2023, pursuant to article 123-ter of the*

Consolidated Law on Finance and article 84-quater and Annex 3A, Schedule 7-bis of the Issuers' Regulation,

resolves

- *to approve the Second Section of the Report on the remuneration policy and remuneration paid”.*

Milan, 6 April 2023

On behalf of the Board of Directors
Ms. Luitgard Spögler
Chairperson of the Board of Directors