



2026 Remuneration Report of Banca Sistema S.p.A. and overview of the application of the Policies of the Banca Sistema Group in 2025

drawn up pursuant to Art. 123-ter of Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented ("Consolidated Law on Finance"), Art. 84-quater of the regulation adopted by CONSOB resolution no. 11971/1999 as amended ("Issuers' Regulation"), and in compliance with Bank of Italy Circular No. 285 of 17 December 2013 as amended, and the Corporate Governance Code for listed companies

**Approved by the Board of Directors on 30 March 2026 and submitted for
approval in point 6 of the agenda of the ordinary session of the Shareholders'
Meeting to be held on 23 April 2026**

Contents

SECTION I – 2026 REMUNERATION POLICIES DOCUMENT	3
1. INTRODUCTION.....	3
2. MISSION OF THE BANK, OBJECTIVES OF THE REMUNERATION POLICIES AND RELEVANT EVENTS	4
2.1 COMPANY’S SITUATION.....	6
2.2 GENDER-NEUTRAL POLICIES	9
3. PROCESS OF FORMATION AND REVIEW OF REMUNERATION POLICIES	10
4. KEY PERSONNEL - IDENTIFICATION AND EXCLUSION PROCESS	15
5. DISCLOSURE REQUIREMENTS.....	16
6. THE STRUCTURE OF REMUNERATION AT BANCA SISTEMA	16
6.1 GENERAL PRINCIPLES	16
6.2 FIXED COMPONENT.....	17
6.3 VARIABLE COMPONENT	19
6.3.1 <i>The Bonus Pool</i>	21
6.3.2 <i>Rules governing the variable component of the remuneration payable to "key personnel"</i>	22
6.3.3 <i>Rules governing the bonus payable to personnel other than "key personnel"</i>	26
6.4 RATIO OF THE VARIABLE TO FIXED COMPONENTS OF REMUNERATION.....	26
6.5 SEVERANCE POLICY	27
6.5.1 <i>Golden Parachutes</i>	27
6.5.2 <i>Non-compete agreements</i>	31
6.5.3 <i>Retention Bonus</i>	31
6.6 <i>Personal data protection</i>	32
7. STRUCTURE OF THE REMUNERATION OF SPECIFIC CATEGORIES	33
7.1 THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS	33
7.2 THE REMUNERATION OF THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS	33
7.3 THE REMUNERATION OF THE MEMBERS OF THE BANK’S CONTROL DEPARTMENTS, HUMAN CAPITAL DEPARTMENT, AND MANAGER IN CHARGE OF FINANCIAL REPORTING	34
7.4 THE REMUNERATION OF THE DISTRIBUTION NETWORK.....	34
ANNEX 1	37
ANNEX 2	40
SECTION II – IMPLEMENTATION OF THE PERSONNEL REMUNERATION AND INCENTIVE POLICIES AND REMUNERATION PAID IN 2025	46
TABLES.....	51

SECTION I – 2026 REMUNERATION POLICIES DOCUMENT

1. Introduction

This First Section (the “**Remuneration Policies Document**” or “**Policies**”) of the “Report on the remuneration policy and remuneration paid”, pursuant to art. 123-ter of Italian Legislative Decree no. 58 of 24 February 1998 (“Consolidated Law on Finance”), was drawn up in accordance, in addition to the mentioned provision of the Consolidated Law on Finance, with Part One, Section IV, Chapter 2 of Bank of Italy Circular No. 285 of 17 December 2013, as subsequently amended and supplemented concerning “Remuneration and incentive policies and practices” (hereinafter “**Circular 285**”) and in compliance with the prescriptions of the Corporate Governance Code for listed companies, approved by the Corporate Governance Committee, promoted by Borsa Italiana S.p.A. in January 2020 and entered into force on 1 January 2021 (the “**Corporate Governance Code**”) and with the guidelines of the European Banking Authority (“**EBA**”) on sound remuneration policies (hereinafter, the “**Guidelines**”, and jointly the “**Provisions**”).

The Provisions on “Transparency of banking and financial transactions and services - Correctness of relations between intermediaries and customers” are also relevant and establish specific principles with reference to remuneration policies and practices for personnel and third parties in the sales network.

The Provisions also implement Directive 2013/36/EU (hereinafter “**CRD**”), insofar as the prescriptions governing remuneration and incentive policies and practices adopted by banks and banking groups are concerned. The Provisions also take into account the guidelines and criteria agreed at international level, including those issued by the EBA and the Financial Stability Board (hereinafter “**FSB**”). The Provisions also consider the Regulatory Technical Standards issued by the European Commission on proposal of the EBA.

In particular, the Provisions set out the specific principles and criteria that banks are required to comply with in order that:

- remuneration systems are correctly established and implemented, also with regard to gender neutrality in application practices;
- any conflicts of interest are effectively dealt with;
- the remuneration system takes due account of current and potential risks, and of each intermediary’s capitalisation and liquidity level;
- the degree of transparency vis-à-vis the market is increased;
- control by the Supervisory Authorities may be strengthened.

The aim of the Provisions is to establish - in the interests of all stakeholders - a remuneration system in keeping with the company’s long-term goals, values and strategies linked to company results that are appropriately adjusted to take into account all associated risks. The system must be consistent with the levels of capital and liquidity required to run the business. Incentive distortions of the type which encourage recipients to breach the provisions or expose the bank and the financial system in general to

excessive risks must be avoided at all times. Furthermore, they aim to ensure compliance with the principles of diligence, transparency and fairness in customer relations, to contain legal and reputational risks, to ensure gender-neutral work environments and remuneration practices and to protect and retain customers.

In accordance with the Provisions, Banca Sistema prepares the Remuneration Policies Document in compliance with the Policies of the Banca CF+ Group of which it has been a member since 6 March 2026.

Pursuant to Part One, Title IV, Chapter 2, Section I, paragraph 7, of Circular 285, as most recently updated on 24 November 2021 (37th update), in application of the principle of proportionality, Banca Sistema qualifies as a "*smaller and less complex bank*" as it recognised, in its separate financial statements, assets of less than € 5 billion (calculated as the average of the four years immediately preceding the current financial year) and does not belong to a group with consolidated assets equal to or greater than € 30 billion. When preparing the Remuneration Policies Document, the previous recommendations of the Bank of Italy addressed to banks to continue to adopt a prudent and far-sighted approach to their remuneration policies have been considered.

The remuneration guidelines issued by the Italian Corporate Governance Committee, promoted by ABI, Ania, Assogestioni, Assonime, Borsa Italiana and Confindustria for 2023 were also taken into account.

Although the provision of investment services and activities by the Bank is limited to only some of them and to a limited extent, the Policies take into account the "*Guidelines on certain aspects of the MIFID II remuneration requirements*" introduced by the ESMA update on the remuneration of intermediaries providing investment activities or services to retail or professional customers. It should be noted that the Bank does not have an external network of financial advisors and acts solely through its employees when providing investment services and activities.

Lastly, as regards the impact of the policies on the financial standing, it should be noted that the Bank's variable remuneration structure is strictly linked to the maintenance of capitalisation levels and, in particular: the provision of specific gates ensures compliance with the Risk Appetite Framework (RAF) of the Bank, preventing the payment of the bonus pool in the event of consolidated net profit net of negative extraordinary items, CET 1 ratio below the limits of the Risk Capacity threshold, LCR below the limits of the Risk Capacity threshold; mechanisms are envisaged for any reduction of the deferred amount through malus.

2. Mission of the Bank, objectives of the Remuneration Policies and relevant events

Banca Sistema has adopted a specific business model whereby its mission is to become the leading independent operator in the field of "Specialty Finance". Its growth strategy focuses on leveraging the development of the expertise and capabilities of its resources and on respecting and protecting customer relations over the long term, given that customer satisfaction is a primary objective.

Bearing in mind the aforementioned mission, the Provisions and the Guidelines, the Bank's chosen remuneration strategy pursues the following goals:

- to direct the efforts of executive directors and employees towards the priorities and objectives established at Bank level, supporting the creation of value over the medium and long term;
- to attract and retain highly qualified personnel, also through external remuneration competitiveness;
- to motivate personnel, by recognising merit and encouraging the development of professional skills;
- to develop and improve the quality of the services provided to customers, avoiding marketing products that are not suitable to the needs and characteristics of the individual customer;
- to ensure sound and prudent management of the Bank and its risk profile, containing legal and reputational risks;
- ensure the overall achievement of sustainability objectives that take into account, among other things, environmental, social and governance (ESG) factors;
- to ensure remuneration fairness – also with respect to gender neutrality – rewarding individual employees for their contribution, the responsibilities given and their specific working conditions;
- to ensure conduct that is consistent with the Code of Ethics of the Bank (hereinafter the "**Code of Ethics**"), the internal regulations and the legislative and regulatory provisions applicable to Banca Sistema.

Therefore, these Remuneration Policies describe the principles, structure, responsibilities, roles and rules for the application of the various remuneration instruments, including variables, without these contents constituting any obligation to pay or to make payment until the aforementioned review of the Company's situation by the Supervisory Board.

The Bank applies the following employment contracts to Employees:

- the "National Collective Bargaining Agreement for the Banking sector for Middle Managers and Personnel of Banks, Financial Companies and Associated Companies", for White-Collar Employees and Middle Managers;
- the "National Collective Bargaining Agreement for Senior Managers of Banks, Financial Companies and Associated Companies" for Senior Managers;

as negotiated and signed by the representatives of the employers and employees, throughout the period of their respective validity.

In these agreements, there are specific representations regarding the main areas of professional responsibility, knowledge and competencies and any involvement in decision-making processes and in the coordination of other resources based on which the Bank applies specific and proportionate category and remuneration levels.

On 23 November 2023, employers and the trade unions signed the renewal of the National Collective Labour Agreement for Middle Managers and Personnel of the Banking sector,

whose agreed economic increases will be paid to the covered employees in tranches until 30 March 2026.

In this context, based on an assessment of the scope of the increases for the Bank's employees, the practices of its competitors and the overall remuneration positioning, the Bank's Board of Directors decided by resolution of 15 December 2023 to absorb the increases of the new CCNL in any ad personam remuneration (A.P.), in addition to the contractual salary scales, previously granted individually as a result of the annual remuneration reviews, and to defer future analysis and evaluation of possible targeted remuneration measures.

Banca Sistema's remuneration strategy also takes account of the RAF (Risk Appetite Framework) adopted by the Bank, which includes specific performance indicators that take account of risk appetite.

The Bank observes the prohibition of not providing for any form of employee remuneration or incentives (e.g. payments or other benefits) using special purpose vehicles, instruments or means that do not conform to the Provisions, also in regard to any foreign branches or offices (regardless of where they are located). Therefore, remuneration is paid exclusively and directly by the Bank.

2.1 Company's situation

Following the inspection of the Bank of Italy that started in July 2024, the Supervisory Authority has instructed that Banca Sistema, until further review by the Bank of Italy, also based on the feedback that will be provided by the Bank, refrain from resolving or taking the following actions: i) the distribution of profits generated from the current 2024 financial year or other elements of equity; ii) the payment of the variable component of remuneration for the 2024 financial year and subsequent years.

The deferred portions of the variable component of remuneration relating to financial years prior to 2024 have been regularly paid.

The definition and communication to the key personnel of the relevant objectives has been activated (see Annex 2) for the achievement of the annual results, based on the 2025 budget, on the implementation of the 2024 – 2026 Business plan – as supplemented by the subsequent Capital Plan requested by the Supervisory Authority - on the remedial plan defined on the basis of the provisions of the inspection report and the letter on the company's situation, delivered on 20 December 2024 by the Bank of Italy.

On 30 June 2025, Banca CF+ received a communication, pursuant to art. 102, paragraph 1, of Legislative Decree no. 58 of 24 February 1998 (the Consolidated Law on Finance), as subsequently amended and supplemented, and art. 37 of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, of the promotion of a voluntary public tender offer – under the same terms and conditions for all shareholders – concerning all the ordinary shares of Banca Sistema and not aimed at delisting the Issuer's shares. Subject to the completion of the offer and the consequent change of control, the Offeror has communicated its intention to achieve the benefits deriving from the project of

integration with the Issuer through a reverse merger by incorporation of the Offeror into Banca Sistema, whereby the combined entity is a company listed on the regulated market.

On 28 June 2025, the Chief Executive Officer and General Manager of Banca Sistema and Banca CF+ entered into an agreement on the subject of the "Acceptance Commitment Proposal". This agreement provides, among other things, for the Chief Executive Officer and General Manager of Banca Sistema, following the successful conclusion of the purchase offer and the consequent change of control event, to sign an agreement to terminate the CEO and employee employment relationship in advance (hereinafter, the "**Acceptance Agreement**").

On 16 January 2026, Banca CF+, following the issuance of the necessary authorisations by the competent authorities (in the first place, Bank of Italy and Consob), published the offer document relating to the voluntary public tender and exchange offer on all the ordinary shares of Banca Sistema promoted by the same Banca CF+. Banca CF+ recognises a consideration of a maximum of € 1.80 for each share of Banca Sistema, consisting of a cash portion of € 1.382 (payable on 6 March 2026, subject to extensions or other modifications) and another share in Kruso Kapital shares of a maximum of € 0.418 (payable within 6 months from 6 March 2026, through the allocation of 21 shares of Kruso Kapital). The acceptance period to the offer was equal to 25 trading days, starting on 26 January 2026 and ending on 27 February 2026.

On 23 January 2026, the Board of Directors of Banca Sistema approved and published the Issuer's Press Release, pursuant to article 103, paragraphs 3 and 3-bis, of the Consolidated Law on Finance and article 39 of the Issuers' Regulation, which contains the assessments regarding the public tender and exchange offer and takes into account the opinion of the independent directors drawn up pursuant to art. 39-bis of the Issuers' Regulation, to which is attached the specific fairness opinion issued by Equita SIM S.p.A. The Board of Directors considered the aforementioned consideration to be reasonable, from a purely financial point of view.

On 18 February 2026, Banca CF+ increased the consideration of the Offer up to a maximum of € 1.89 per share of Banca Sistema, for a maximum of € 0.09 per share of Banca Sistema (+5%), of which € 0.05 in cash and a maximum of € 0.04 in shares of Kruso Kapital and consisting of a cash share of €1.432 (to be paid on 6 March 2026, subject to any extensions or other changes) and a share in shares of Kruso Kapital equal to a maximum of € 0.458 (to be paid within 6 months from 6 March 2026, through the allocation of 23 shares of Kruso Kapital).

On 6 March 2026, following the public tender and exchange offer, Banca CF+ became a controlling shareholder of Banca Sistema, holding approximately 70.7% of the share capital (approximately 69% of the voting rights). In addition, on 18 March 2026, following the reopening of the terms of the public tender and exchange offer, the shareholding in Banca Sistema held by Banca CF+ definitively settled at the threshold of 80.75%.

Also on 6 March 2026, Banca CF+ also announced the forthcoming commencement of the total mandatory public tender and exchange offer on the remaining shares of Banca Sistema.

With the completion of the public tender and exchange offer, Banca Sistema - whose shares are still admitted to trading on Euronext Milan, Euronext STAR Milan segment - becomes part of the Banca CF+ Group, within which the Parent Banca CF+ carries out management and coordination activities on Banca Sistema and its subsidiaries.

As a result of the transaction and in application of the Acceptance Agreement, on 13 March Mr Gianluca Garbi resigned from the roles of CEO and General Manager with immediate effect. On the same date, the other 8 members of the Bank's Board of Directors resigned, effective from the date of the Shareholders' Meeting of 23 April 2026.

Also on 13 March, the Board of Directors of Banca Sistema resolved and, therefore, a recognition deed (the "Recognition Deed") was signed with the Chief Executive Officer and General Manager, Mr Gianluca Garbi, concerning the mere recognition of what will be due to Mr Garbi as a result of the termination and/or resolution of the relationships in place with Banca Sistema on the basis of the Acceptance Agreement, the terms of which are illustrated in the offer document published on the Banca Sistema website on 16 January 2026 (the "Offer Document").

At the same meeting and in the same context, taking into account the Acceptance Agreement and within the terms indicated in the Offer Document, the Board of Directors also resolved and, therefore, a professional consultancy contract, lasting 24 months, with effect from 16 March 2026, was entered into with Mr Gianluca Garbi, in his capacity as a self-employed worker, for the performance of strategic, technical and relational support activities, aimed at the recovery by Banca Sistema of certain receivables from the latter against subjects of the Public Administration. The main terms of this contract substantially reflect what is already stated in the Offer Document and provide for a consideration measured at the value of the receivables actually recovered (principal and default interest) of a maximum total amount of € 2 million.

Subsequently, on 16 March 2026, the Board of Directors resolved - pursuant to Article 2386 of the Italian Civil Code and Article 10.4 of the Articles of Association and within the framework of the succession programme in the governance of Banca Sistema and the related terms, as described in the Offer Documents and agreed in the Acceptance Agreement - the appointment by co-optation of Iacopo De Francisco - Chief Executive Officer and General Manager of Banca CF+ S.p.A. ("Banca CF+" or the "Parent") - to the role of Chief Executive Officer and General Manager, conferring upon him the necessary powers. On the same date, the Board of Directors resolved to terminate the Executive Committee.

In light of the developments in the regulatory framework, of the context in which the Bank operates, and of the objectives for sustainable growth over the long term, this document provides for the following main updates with respect to the previous version of 2025:

- the update to the process of identifying "Key Personnel", always through the adoption of the criteria laid down in the update of the EBA RTS of June 2020 and the consequent Delegated Regulation (EU) 2021/923 of 25/03/21;
- updating of the analyses and assessments conducted by the Remuneration Committee and the Board of Directors regarding the "gender pay gap" previously introduced in the 2022 Remuneration Policies, with specific provisions concerning the gender neutrality of the Bank's remuneration policies and practices;
- the analysis of the remuneration for equivalent company roles assigned to employees in order to assess the Bank's compliance with the provisions of the new EU Pay Transparency Directive ("Directive 2023/970") applicable from 1/7/2026 and the setting of any pay transparency adjustments;

The 2025 Policies (Section I of the Report on the remuneration policy and compensation paid: 2025 Remuneration Policy) were approved by the Shareholders' Meeting on 30 April 2025 with a vote in favour of 99.91% of those present and, on that occasion, no questions were asked or comments made.

2.2 Gender-neutral Policies

The Bank adopts remuneration and incentive policies which provide for remuneration based on equity, understood as pay consistency between comparable roles and responsibilities, and the recognition of merit, thus excluding any possible influence on the remuneration package of external factors, such as, for example, gender diversity.

The Bank undertakes to guarantee equal opportunities and treatment, through the use of neutral, objective and inclusive performance assessment criteria, based on the objective and measurable recognition of skills, experience, performance and professional qualities, as provided for by the performance management process and also described by the aforementioned Operational Procedure regarding flexible bonuses assignable to the employees in order to encourage the full and effective participation of all personnel in the creation of value.

In order to facilitate the application of gender-neutral policies, be able to assess their effectiveness and monitor in a timely manner the application of equality criteria in terms of remuneration with respect for gender neutrality, over time the Bank performed a series of analyses and assessments of the remuneration practices applied to the genders represented in the Bank, subdivided into Key Personnel and other personnel, and also subdivided according to levels of office. These analyses have also been updated and revised in the light of external market remuneration comparisons, already carried out with the assistance of qualified consultants, by ranking positions and comparing them with similar ones. These additional and more in-depth analyses also showed no significant pay differences between the most and least represented gender.

The Human Capital Department periodically updates these analyses - in particular that of the distribution of gender at different contractual levels - in order to provide support to the annual review of fixed remuneration and of employment categories, and when advances are made as a result of any organisational changes implemented.

3. Process of formation and review of Remuneration Policies

The Policies are defined and reviewed in accordance with the process described below, in compliance with the Provisions and with Banca Sistema's Articles of Association, which are in effect consistent with said Provisions.

In consideration of the importance and stability over time of the guidelines and principles which provide the inspirational foundations of the Bank's Remuneration Policies (legislation, industry best practices and guidelines defined by the Shareholders' Meeting and the Bank's strategic management Bodies), the Remuneration Policies, as defined in this Document, are analysed, assessed and, when necessary, reviewed at least once a year. Each review is disclosed through the drafting of an ad hoc Document according to the procedure and with the engagement of the relevant bodies and departments, as described in this section.

The following company bodies and departments are involved in establishing the Policies, according to the remits and responsibilities described hereinafter:

The **Board of Directors** (or the "**Board**"):

- formulates and approves the Bank's Policies, submits them to the Shareholders' Meeting, and reviews them at least once a year, and is responsible for their correct implementation;
- approves the results of any procedure for the exclusion of "key personnel" referred to in Paragraph 4 and in Annex 1 to the Policies, and periodically reviews the criteria for such exclusion;
- ensures that the Remuneration Policies are duly documented and accessible within the company, and that personnel are aware of the consequences of any breach of the provisions contained in these Policies; it defines the incentive plan for those persons within the "key personnel" category (see Paragraph 4 below and Annex 1), as well as for all other Bank employees;
- also ensures that the Bank's Policies are effectively implemented and that they are consistent with the Bank's overall corporate governance, corporate culture, risk appetite, their actual application with respect to gender neutrality and the specific working conditions, as well as the associated governance processes, and ensures that the granting, payment and accrual of variable remuneration do not negatively affect the need to maintain a strong capital base;
- analyses, with the support of the Remuneration Committee, the gender neutrality of remuneration policies, verifying the gender pay gap and its evolution over time;
- approves, in compliance with the principles set out in these Policies and in implementing the rules in the Provisions on "Transparency of banking and financial transactions and services", the criteria for the remuneration of personnel who offer products to customers, interacting with the latter, personnel they report to hierarchically and credit intermediaries, as well as personnel in charge of assessing creditworthiness and personnel responsible for handling complaints; it submits a

clear and complete information document concerning the Policies to be adopted, to the Shareholders' Meeting. The purpose of this information document is to illustrate: the reasons, aims and means of implementation of the Policies; the controls carried out in regard to said Policies; the characteristics of the remuneration system; the consistency of such characteristics with the established guidelines and objectives; compliance with applicable law; the principal information regarding the process of identification of "key personnel" and the corresponding outcomes, including any exclusions (see Paragraph 4 below and Annex 1); any changes to systems and processes that have already been approved; the evolution of the dynamics of remuneration, also compared to the trend within the sector.

The Board of Directors discharges its duties with the support of the following company departments:

- the **Human Capital Department**, which coordinates the Policies definition process and contributes to the drawing up of the Policies, providing the required information also in relation to the organisational structure, the remuneration levels and the incentive systems. In particular, the Human Capital Department provides its support to the Compliance and Anti-Money Laundering Department in verifying compliance with the regulations. Among other things, it ensures consistency between the Policies and the various human resource management procedures (skills assessment system, organisational, professional and managerial development, HR administration) and the remuneration and incentive systems of the Bank;
- the **Risk and Sustainability Department** is involved in identifying events that could potentially affect the Company's business, analysing the impact of such events in relation to acceptable levels of risk, and periodically monitoring the effects of implementation of Policies on the Bank's risk profiles. The Risk and Sustainability Department is invited to meetings of the Remuneration Committee to discuss the drawing up, implementation and monitoring of the Policies; in particular, it helps to ensure compliance with the reference framework for measuring risk appetite and with the risk control and management policies defined in the Risk Appetite Framework (RAF), also by establishing risk indicators to be used for (ex ante and ex post) adjustment mechanisms; it also expresses its opinion on the correct use of these mechanisms. Based on the data supplied by the Manager in charge of financial reporting, the Risk and Sustainability Department performs the necessary controls and checks concerning the achievement of the corporate access conditions and criteria and the consequent establishment of the "bonus pool" (as defined below) and the performance indicators, and highlights any possible impacts which these factors may have on the conduct of employees and/or in terms of the riskiness of the activities undertaken;
- the **Compliance and Anti-Money Laundering Department**, which verifies ex ante the compliance of the Policies and checks, on an annual basis, that the remuneration policies are consistent with the applicable legal framework and the internal policies, including the Bank's Code of Ethics so as to take into account legal and reputational risks present, in particular, in relations with customers. The Compliance and Anti-

Money Laundering Department informs the Board of Directors of any findings with a specific assessment on the compliance of the Policies with the regulatory framework in order that due account may be taken of such assessment by the Board when approving and assessing the Policies;

- the **Internal Audit Department**, which assesses, among other things, at least yearly, whether the remuneration practices are consistent with the approved policies and with the current provisions of law. The outcome of the assessment, brought to the attention of the Board of Directors, is submitted to the Shareholders' Meeting;
- the **Finance Department**, which verifies the compliance of the Policies with the Bank's medium and long term objectives and strategies, so as to ensure financial sustainability over the medium to long term through the definition of the final level of the "gate" parameters and access criteria to define the bonus pool payable for each financial year;
- the **Manager in charge** of financial reporting, who verifies the compliance and consistency of the Policies with accounting and company documents, and in particular their accuracy with respect to the approved accounting entries. The Manager in charge of financial reporting confirms the level of satisfaction of the corporate access conditions and criteria, as defined in this Document, and sends them to the Risk and Sustainability Department for the relevant controls and checks and to the Human Capital Department for the application of the Policies for the year and for the assessment of any "malus" condition relating to deferred portions from previous years, and the level of achievement of the targets assigned.

The **Remuneration Committee** assists the Board of Directors in reviewing the Policies to be submitted to the Shareholders' Meeting, with support also from the previously specified company departments, and has the following responsibilities:

- to make proposals on the remuneration paid to "key personnel" and evaluate the overall application of the Policies for the remaining personnel as well;
- to provide advice in determining the remuneration criteria for "key personnel";
- to offer its opinion, also on the basis of the information received from the relevant company departments, regarding the outcome of the process of identification of "key personnel", including any exclusions pursuant to paragraph 4 and to Annex 1 of the Policies;
- to support the Board of Directors in monitoring gender neutrality in the application of remuneration policies; in this activity it is in turn supported by the Human Capital Department or by specialist external consultants;
- to carefully monitor due application of the rules on the remuneration of the managers in charge of the corporate control departments, in close coordination with the Board of Statutory Auditors;

- to prepare the documentation to be submitted to the body tasked with the strategic supervision of the related decisions;
- to cooperate with the other committees within the Board of Directors, in particular with the Internal Control, Risk Management and Sustainability Committee;
- to ensure that all appointed departments are involved in the process of preparing and monitoring the Policies;
- to provide input, based also on the information received from the corporate departments concerned, on the achievement of the performance targets to which the incentive plans are subject and to verify the other requirements for payment of the remuneration;
- to assess the need to make ex-post adjustments to the variable remuneration (malus and claw-back) and to submit proposals in this respect to the Board of Directors;
- to provide adequate feedback on the activities carried out to the corporate bodies, including the Shareholders' Meeting, checking the adequacy of the information to be provided to shareholders in relation to the Policies, particularly concerning any proposals to exceed the variable-fixed remuneration ratio of 1:1;
- to make proposals to the Board of Directors concerning the use of external experts specialised in Remuneration and Incentive Policies;
- to check that the existing remuneration policy is up-to-date, and to propose any required amendments.

In order to perform its duties effectively and responsibly, the Remuneration Committee is given access to all data and information associated with the Board of Directors' decision-making process in relation to the preparation, implementation, monitoring and review of the Policies. The Committee is also provided with the necessary resources and has unconditional access to all information and data produced by the control functions; it interacts with said control functions and with other relevant departments (e.g. the Human Capital, Legal Affairs and Finance Departments), whose resources may be asked to attend the Committee's meetings.

The Remuneration Committee adopts specific measures and practices to evaluate any external consultants that may be necessary for identifying and managing conflicts of interest, which are described in the Internal Regulation on the operation of the Committee.

The **Internal Control, Risk Management and Sustainability Committee** ascertains that the incentives underlying Banca Sistema's remuneration and incentive system are consistent with the RAF, notwithstanding the powers of the Remuneration Committee, checking, in the absence of the Director responsible for the Internal Control and Risk Management System, that the remuneration of the Head of the Internal Audit Department, the Head of the Compliance and Anti-Money Laundering Department and of the Risk and Sustainability Department is defined consistently with the Company's policies.

The **Shareholders' Meeting** approves:

- the remuneration and incentive policies applicable to employees and "key personnel" of the Bank;
- any remuneration plans based on financial instruments (for example, stock option and stock grant plans);
- the criteria for determining any compensation to be paid in the event of early termination of employment or early exit from office, including the limits upon such compensation in terms of the number of years of fixed remuneration and the maximum amount resulting from application of such criteria (so-called golden parachute) ⁽¹⁾.

On approving the Policies, the Shareholders' Meeting also resolves on any proposal to cap the ratio between the variable and fixed remuneration paid to individual staff members at more than 1:1, but not in excess of the maximum limit of 2:1⁽²⁾.

For the current year, only with reference to the Chief Executive Officer and General Manager, a maximum limit of 2:1 on the ratio between variable and fixed remuneration is envisaged. Therefore, for the remaining personnel the general limit of 1:1 is envisaged, without prejudice to what is specified below with reference to certain specific categories of personnel (see Chapter 7).

The Shareholders' Meeting is informed of the fact that the cap on the ratio between variable and fixed remuneration includes any amounts payable as discretionary pension benefits, in anticipation of or as a result of the early termination of employment, or early exit from office (so-called golden parachute) according to the methods and limits laid down by the applicable Supervisory Provisions.

The **Board of Statutory Auditors** has an advisory function and monitors the proper application of the remuneration policies based on the provisions and regulations in force at the time.

Banca Sistema's control departments cooperate and exchange all relevant information.

¹ At its meeting on 24 April 2024, when renewing the Board of Directors and determining their remuneration, the Shareholders' Meeting reaffirmed the provisions already adopted in 2021 regarding the golden parachute for Directors. Likewise, the Shareholders' Meeting, at its meeting on 30 April 2025, during the partial renewal of the Board of Directors and the determination of the related remuneration, reiterated what was already established in 2021 and 2024, providing that, in the event of the early termination of the Board of Directors following any extraordinary transaction on the Bank's capital, the remuneration approved in favour of the same in the same Shareholders' Meeting shall be automatically recognised for two years, in favour of all the Directors (for the CEO/GM, the remuneration is added to the annual fixed and variable remuneration as well as to the benefits).

² The resolution is voted on with the abstention of those employees who are shareholders in the Bank, if the decision concerns the approval of an increase in the cap on their own remuneration.

The Policies are reviewed at least annually, and the associated activities and any amendments which are proposed, approved and implemented thereof are documented in written reports or in the minutes of the related meetings.

4. Key personnel - Identification and exclusion process

The process of identifying “key personnel” (employees whose professional activity has or may have a material impact on the Bank’s risk profile) takes into account the provisions of the Commission Delegated Regulation (EU) of 25 March 2021 which incorporated the new Regulatory Technical Standards (“RTS”) published by the EBA in June 2020, together with any further criteria established by the Bank and set out in Annex 1.

“Key personnel” are identified at least once a year by the Bank’s Board of Directors, and at the time of any change to the organisational structure, based on a structured self-assessment process which sees the involvement of the Remuneration Committee and the internal control departments, as described in greater detail in Annex 1. This process enables the aforementioned rules and criteria to be applied on the basis of the actual capacity of individual members of personnel to impact the Bank’s risk profile.

“Key personnel” are governed by more stringent rules with regard to the structuring of remuneration, in order that remuneration is fully consistent with economic-financial performance, both currently and with a view to the future. This is achieved by taking account of the risks taken and the sustainability over the course of time of the company’s performance.

On the basis of specific agreements, the Bank requires its “key personnel” not to avail themselves, also via third parties, of personal hedging strategies or insurance on remuneration or other elements that could undermine or affect the risk alignment effects embedded in remuneration arrangements. In order to ensure compliance with the foregoing, the control departments conduct sample checks on securities custody and administration deposits held with the Bank by “key personnel”. The Bank requires, in any case, that “key personnel” inform the Bank, on the basis of the aforementioned individual agreements, of the existence or opening of custody and administration accounts with other intermediaries. These agreements shall be drawn up by the Human Capital Department, and expressly accepted by each person belonging to the category of “Key Personnel”. Failure to expressly accept said specific agreements shall result in the individual employee in question being excluded from the provisions and benefits of these Policies.

In order to prevent any avoidance of the Policies, the Bank, in establishing and implementing them, shall take due account of any transactions carried out independently, either directly or indirectly, by personnel, on the shares, or on any financial instruments with the Bank’s shares underlying them, including:

- transactions on derivatives with the shares, or in general the deferred part of variable remuneration, underlying them;
- securities lending transactions concerning the shares.

In any case, the Bank requires "key personnel" to report any financial transactions and investments that come within the aforementioned categories, and it shall take account of such in order to adjust the Policies, in particular with regard to the risk alignment mechanisms and to the Bank's financial position and results of operations (e.g. duration of the deferral period, malus and claw-back mechanisms, etc.).

In accordance with the Provisions, the Bank, following the aforementioned identification process, and on the basis of the exclusion process, may consider certain members of personnel identified as above not to be "key personnel" (see Annex 1). With reference to the financial year 2026, the Bank did not activate the prior authorisation process for the exclusion of personnel from the "key personnel" category pursuant to Article 6, paragraph 3 of Delegated Regulation (EU) no. 923/2021.

5. Disclosure requirements

The Bank publishes on its website the information referred to in Article 450 of the CRR, according to the templates and instructions identified in Implementing Regulation (EU) no. 637 of 15 March 2021.

6. The structure of remuneration at Banca Sistema

6.1 General Principles

Pursuant to Part I, Title IV, Chapter 2, Section I, Paragraph 3, of Circular 285:

- i) remuneration shall mean: *"any payment or benefit, including any additional items (allowances), provided directly or indirectly to personnel in the form of cash, financial instruments or services, or fringe benefits, for the work or professional services they provide to the Bank or to third parties in the sales network. Marginal payments or benefits granted to personnel on a non-discretionary basis, which come within a general policy of the Bank and do not have any effect in terms of incentives to take or manage risks, may not be included";*
- ii) fixed remuneration shall mean: *"remuneration of a stable, irrevocable nature calculated and paid on the basis of pre-established, non-discretionary criteria - such as, in particular, the levels of professional experience and responsibility - that do not create incentives to the taking of risks and do not depend on the Bank's performance";*
- iii) variable remuneration shall mean: *"(i) any remuneration that is granted and paid subject to performance, however measured (income-based targets, volume targets, etc.) or that is conditional on other parameters (e.g. seniority of service), excluding severance pay paid pursuant to employment laws, and indemnity in lieu of notice, where their amount is determined in accordance with, and within the limits set by, the provisions of law; (ii) discretionary pension benefits and compensation agreements stipulated by the Bank and personnel in anticipation of, or as a result of, early termination of employment or early exit from office, regardless of the entitlement to, the legal qualification of, and the financial grounds for, payment of*

this remuneration. These amounts include those granted in relation to non-compete agreements, or within the context of an agreement for the settlement of an existing or potential dispute, regardless of where such agreement is reached; (iii) carried interest, as classified by the provisions on remuneration and incentive policies and practices within the asset management sector, in implementation of Directives 2009/65/EC (UCITS) and 2011/61/EU (AIFMD); (iv) any other form of remuneration that is not clearly classifiable as fixed remuneration”.

In light of the preceding definitions, the remuneration paid to the Bank’s personnel includes a fixed component, which is paid to all employees and is arranged as described below, and a variable component that is paid to the “key personnel” (without prejudice to the exceptions indicated by this Remuneration Policies Document), that may be applied to other employees of the Bank in line with the guidelines and principles of these Policies and in compliance with the applicable law.

The ratio between the variable and fixed components of remuneration is duly balanced, accurately calculated and carefully assessed in relation to the characteristics of Banca Sistema and of the various categories of personnel, particularly that of “key personnel” (for further information on the ratio between the variable and fixed components of remuneration, see paragraph 6.5 of the Policies).

With regard to the credit intermediaries that the Bank may use to distribute its products, reference is made to the specific provisions set out below (see Chapter 7.4).

The remuneration paid to the Bank’s employees consists of the components described below.

6.2 Fixed component

The fixed component of remuneration:

- is based on employee’s technical, professional and managerial skills and the responsibilities assigned to that employee, and is monitored constantly and reviewed annually to ensure fairness, both internally and externally with respect to the rest of the sector and as regards gender neutrality, taking also into account any assessments conducted by external consultants appointed by the Bank. The Bank adopts (i) the National Collective Bargaining Agreement for Employees of Distribution and Service Companies (CCNL) applicable to Middle Managers and Personnel of Banks, Financial Companies and Associated Companies; (ii) the National Collective Bargaining Agreement for Senior Managers of Banks, Financial Companies and Associated Companies; and in the sole case of the subsidiary that does not conduct financial business, the National Collective Bargaining Agreement for Employees of Distribution and Service Companies;
- is based on the principle of sustainability, to a degree that allows the variable component to be substantially reduced – and in extreme cases, to be reduced to zero – in relation to the results actually achieved.

- can be supplemented with "allowances" paid periodically, linked to the role and adapted to the specific responsibilities (e.g. office allowance for the Heads of the Control Functions, valuation allowance for the expert collateral appraisers, cash allowance, etc.). These allowances, linked to specific company roles, are a continuous and recurring component of the remuneration and are not linked to economic and capital parameters or objectives of the bank or the recipient;
- is supplemented by cash and non-cash benefits, with different weights depending on the company role and the service and gender-neutral, the main ones being medical insurance, the company car and the Flexible Benefits Plan, within the scope of internal forecasts and regulations. The Flexible Benefits Plan is extended to all personnel in order to support employees and their families in connection with caring, social and cultural activities, public transport and education/schooling costs, in accordance with the limits and conditions set out in the specific applicable Regulation, and in accordance with the applicable provisions of tax law. Subsidiaries may adopt a specific Flexible Benefit regulation, aimed at regulating the needs and characteristics of the specific business, in any case within the maximum limits of the amount provided for in the regulation and within the limits of the budget approved for the same categories of personnel. In view of the stable and pre-set nature of the plan, as well as the payment of the amounts on the basis of objective and non-discretionary criteria – such as, in particular, the levels of professional experience and responsibility – which do not incentivise risk-taking and are not linked to the Bank's performance, the flexible benefit is classified as a component of fixed remuneration.

The benefits expected to be granted in 2026 can be summarised as follows:

- medical insurance for all employees and their families and for the members of the Board of Directors; life, LTC, disability and accident insurance policies for Managers;
- annual medical check-up for Managers and for the members of the Board of Directors;
- company cars for managers and staff with sales or business development roles, the assignment and use of which is regulated by a specific policy governing their characteristics, procedures as well as obligations and duties;
- supplementary pension for Managers;
- favourable conditions for credit and access to the Bank's products to support the financial needs of employees and their families (in particular to meet the housing needs of all Personnel);
- digital medical assistance service for all employees that provides qualified health support to director employees and their families anytime, anywhere via apps and the web.

With regard to Flexible Benefits, the Board of Directors on 24 October 2025 planned and approved the Flexible Benefits Plan for the two-year period 2026-2027 in continuity with the past and with the same characteristics and amounts. Specifically, in order to encourage working on site and to support the increased costs of daily commuting, an additional amount of welfare credit was confirmed for those employees who only work on site. Finally, to support the expenses of employees' families with dependent children, the additional contribution will continue in 2026 for each child under the age of 25 on 31 December 2025.

With reference to medical insurance, in order to ensure continuity of care in line with the health plans provided during working life, the option has been introduced for current managers who are due to leave this financial year upon meeting the pension eligibility criteria, to opt in on a voluntary, individual and annual basis to the health cover provided for serving Managers and their families for the reimbursement of medical expenses until they reach the age of 75, bearing 30% of the cost (the remainder will be borne by the bank).

6.3 Variable component

The variable component of remuneration is divided into:

- Variable incentive linked to results ("**Bonus**") that:
 - is established for all of the Bank's Personnel in line with the level of responsibility each of them is assigned;
 - is based on performance indicators measured net of risks and consistently with the measures used for management purposes by the Risk Department (the so-called ex ante risk adjustment);
 - is calculated on the basis of objective parameters regarding the mainly quantitative targets set and reported at the end of the financial period;
 - is subject to the achievement of specific performance targets both at bank and personal level, as per Annex 2 to this Remuneration Policy Document.

In order to ensure the financial sustainability of the Bonus, and to guarantee the Bank's ability to maintain a sufficient level of capital, the overall value of the Bonuses assigned and paid to employees and "key personnel" cannot exceed the total value of the Bonus Pool, as defined in paragraph 6.3.1. If it is necessary to increase the level of capital, the bonus pool, as described below, is reduced and/or ex-post adjustment mechanisms are applied.

The variable component is also subject, on the basis of specific agreements, to ex-post adjustment mechanisms (malus as per point 6.3.2.2 and claw-back as per point 6.3.2.3 below) capable of reflecting performance and capital levels net of the risks actually taken or incurred. Pursuant to the aforesaid provisions, the Company, without prejudice to the right to greater damages, following disbursement of the Bonus accrued, and in accordance with the applicable terms and conditions, may request the refund of the Bonus paid,

regardless of whether the beneficiary's employment is still on-going or has been terminated.

On 19 July 2024, the Bank's Board of Directors approved the update of the Operational Procedure regarding flexible bonuses assignable to the Bank's employees, following the opinion of the Remuneration Committee, applicable to the variable incentive for the 2024 financial year. This Operational Procedure, which was issued for the first time in 2022, has been progressively refined over time, also on the basis of the experience gained and following the progressive extension of its application.

The system for calculating the aggregate bonus pool and the assignable individual bonuses adopted through the mentioned Operational Procedure aims to: (i) calculate the entity of the assigned bonus pool on the basis of results achieved, (ii) guarantee the correlation between individual performance and the economic rewards that each individual material risk taker (hereinafter "MRT") can obtain in the form of variable annual remuneration and, (iii) render the variable component of remuneration foreseeable ex ante, and link it to objective, risk-adjusted performance criteria. Therefore specific ex ante relations have been established between business target results on the one hand, and the distributable bonus pool and the individual bonuses assignable to individual MRTs, on the other. The system for calculating bonuses was applied and progressively extended in order to gradually verify its sustainability and overall stability, and to evaluate the introduction of specific bonuses for achieving specific results, always in line with the bonus pool available for distribution.

The target business objectives assigned at Bank, Division and MRT level are defined within the scope of the annual budget approved by the Board of Directors on the basis of defined macroeconomic, market and regulatory assumptions. In the event of occurrence of any unforeseen events or exogenous circumstances leading to significant changes in these assumptions that are objectively verifiable, the Board of Directors, in order to ensure a fair calibration of the objectives, may evaluate, at the time of verifying the results and subject to the opinion of the Remuneration Committee and of the Internal Control and Risk Management Committee for any issues pertaining to relations with related parties, appropriate and weighted adjustments to be made to the assigned objectives (e.g. definition of the objective, target levels, percent weights, etc.), in compliance with a prudent approach and the maximum payable bonus pool amount.

➤ **"LTI"** medium and long term variable incentive:

The Bank reserves the right to evaluate the introduction of remuneration plans (**LTI**) in order to strengthen the alignment of medium and long term interests between shareholders and management and the achievement of objectives whose nature and scope exceed the short term horizon, in particular by stimulating the overall and sustainable growth of the Bank's value. Proposals for LTI Plans, their viability from an economic and capital perspective, their characteristics and their consistency with the guidelines and principles set out in this Policy must be reviewed and approved by the relevant corporate bodies on a case-by-case basis. The effectiveness of the LTI Plan is always, and in any case, subject to approval by the Shareholders' Meeting of the Bank.

6.3.1 The Bonus Pool

Banca Sistema has defined a structured funding process for the variable component of remuneration, as defined in paragraph 6.3, in order to ensure its sustainability on a capital and financial level.

The so-called "Bonus Pool" represents part of the consolidated personnel expense, which is approved by the Bank's competent management bodies at the end of the budgeting process for the relevant year. This component, planned by cost centre (Division/Corporate Centre/Bank) and including social security contributions as required by applicable law, is measured by means of the so-called "*funding curve*" against the achievement of the income results set in the budget, and it can decrease or increase, within the limit of predefined thresholds, according to the actual degree of achievement of those results and with a minimum level achieved equal to 80% of the gross profit (excluding the bonus pool).

Furthermore, consistently with the principle of financial sustainability, the Bonus Pool budgeted for each Division is then adjusted, as final balance, according to the actual result achieved by the same Division against the budget, in addition to a specific weighting linked to the actual achievement of the result attained by the Bank.

The actual availability of the Bonus Pool is in any case conditional, in the calculation of the final balance, upon prior compliance with the capital and liquidity requirements consistent with the RAF ("gates"):

- (i) consolidated net profit net of extraordinary items greater than 0;
- (ii) CET1 ratio within the limits of the Risk Capacity threshold, as defined for the purposes of RAF Group monitoring;
- (iii) Liquidity Coverage Ratio within the limits of the Risk Capacity threshold as defined for the purposes of RAF Group monitoring.

Failure to meet even one of the aforementioned parameters will result in the Bonus Pool not being activated and consequently no bonus will be allocated.

Verification of compliance with the gates and the amount of the Bonus Pool actually available falls under the responsibility of the Board of Directors, upon consultation with the competent departments (Finance Department, Risk and Sustainability Department, Manager in charge of financial reporting, Human Capital Department), subject to the opinion of the Remuneration Committee.

It should also be noted that, for 2026, as was the case for 2025, no bonus pool was approved, in accordance with the constraint imposed by the Bank of Italy.

6.3.2 Rules governing the variable component of the remuneration payable to "key personnel"

As indicated in the Introduction, Banca Sistema, having a four-year average of total assets of less than € 5 billion and not belonging to a group with assets worth more than € 30 billion, is considered to be a "*smaller and less complex bank*".

Therefore, the Bank shall apply the provisions relating to key personnel subject to percentages and to deferral and retention periods that may be defined in proportion to their characteristics, thereby ensuring a proportional alignment criterion also in relation to the provisions of the Corporate Governance Code, for longer deferral in the case of members of the Board of Directors and key management personnel (they are thus extended to all Key Personnel).

The Bank indicates 25% of average total remuneration of Italian high earners, as shown in the latest EBA report (published in April 2024) and relating to data processed at the end of 2022, as being a particularly high level of variable remuneration (3).

6.3.2.1 Deferral

The variable remuneration for "key personnel" will be paid as follows, after the approval of the financial statements, subject to verification of compliance with the gates and the actual availability of the bonus pool or corresponding provisions pertaining to the year of accrual of the deferred amounts, as defined in paragraph 6.3.1:

- amounts equal to or lower than € 50,000 of variable remuneration, provided that this does not represent more than one third of the beneficiary's total annual remuneration: entirely up-front and in cash;
- amounts greater than € 50,000 and up to € 456,258 or where the condition referred to in the previous point is not met:
 - o up-front and in cash for 70%;
 - o for the remaining 30%: deferred in the first and second subsequent year, with payment according to the pro-rata criterion equal to 15%;
- for amounts greater than € 456,258:
 - o up-front and in cash for 60%;
 - o for the remaining 40%: deferred in the first and second subsequent year, with payment according to the pro-rata criterion equal to 20%.

³ Pursuant to Title IV, Chapter 2, Section III, Paragraph 2, no. 4: "*Particularly high variable remuneration means the lower of: i) 25 per cent of the average total remuneration of Italian high earners, as indicated in the latest EBA report; and ii) 10 times the average total remuneration of the Bank's employees. The banks' remuneration policies shall indicate the level of variable remuneration that they consider to be particularly high, and they shall update this figure at least once every three years*". An examination of the EBA Report on 2023 figures shows that the amount referred to in point i) above is € 456,258.

Given the provisions of the Bank of Italy Circular, which allow banks with assets of less than € 5 billion (as an average based on the figures for the last four years) to neutralise the provisions relating to the disbursement of variable remuneration in financial instruments and to solely apply an "appropriate" deferral period for the annual variable component only, Banca Sistema intends to make use of this simplification provision and apply the abovementioned cash payment schemes for the payment of variable remuneration starting from 2022 (without prejudice to any regulatory updates and/or the reaching of the size thresholds indicated by Circular no. 285).

6.3.2.2 Malus

With a view to allowing the use of suitable ex-post adjustment mechanisms, during the deferral period of variable remuneration, the Bank may reduce or cancel altogether the deferred portion of the remuneration to reflect actual performance throughout the whole two-year period, net of risks assumed or incurred, and/or to take into account the Bank's financial position (understood as the need to recover a TCR at least equal to the first threshold set in the reference RAF) and liquidity position, any unexpected situations/extraordinary events (e.g. new risks, unexpected losses) or the beneficiary's individual conduct.

In this sense, the deferred portions will be effectively paid subject to verification of compliance with the gates defined by the Remuneration Policy for the year of accrual thereof. In the event of failure to meet the gates, the Board of Directors, subject to the opinion of the Remuneration Committee and the Internal Control and Risk Management Committee, will decide to reduce those portions or cancel them altogether.

The amount of the reduction (or cancellation) of the deferred portion of variable remuneration shall be decided by the Bank's Board of Directors, on proposal of the Remuneration Committee and of the Ethics Committee, if applicable. The assessments made are suitably tracked in the resolution minutes.

The amount of the reduction (or cancellation) of the deferred portion of variable remuneration may be applied in the same circumstances in those cases provided for in relation to the claw-back referred to in point 6.3.2.3 below, as well as in the cases of needing to strengthen the Bank's capital arising before the date of accrual of the portions of deferred variable remuneration or for the recovery of sums already disbursed.

Any disciplinary measures applied by the Bank to employees during the deferral period shall be taken into consideration for evaluation purposes, in regard to individual conduct as per this paragraph, in particular conduct implying an impact on the risks actually taken or incurred, or to the following conduct:

- conduct that does not comply with the provisions of law, regulations, Articles of Association or the Bank's Code of Ethics or other codes of conduct that apply to the Bank, which results in a significant loss for the bank or for customers;

- other conduct that does not comply with the provisions of law, regulations, Articles of Association or any codes of ethics or conduct that apply to the Bank, in those cases provided for by the Bank;
- breach of the requirements set out in article 26, or, if the employee is an interested party, the breach of the requirements of article 53, paragraph 4 ff. of the Consolidated Law on Banking or of the requirements associated with remuneration and incentives;
- fraudulent conduct or gross negligence to the detriment of the Bank.

For the purposes of applying the malus mechanisms, the Bank also considers any conduct by the Bank's personnel or credit intermediaries that has caused or contributed to causing significant damage to customers or a violation of the provisions contained in Title VI of the Consolidated Law on Banking or the related implementing provisions.

6.3.2.3 Claw Back

Incentives that have already been granted and/or paid to employees are subject to claw-back (i.e. the incentives granted are no longer paid or those already paid must be refunded) when it is found that the beneficiaries are responsible for or involved in:

- conduct that does not comply with the provisions of law, regulations or Articles of Association that apply to the Bank or with the Code of Ethics adopted by the Bank or other codes of conduct applicable to the Bank, in those cases provided for by the Bank, which result in a significant loss for the Bank or for customers;
- other conduct that does not comply with the provisions of law, regulations or Articles of Association that apply to the Bank or with the Code of Ethics adopted, in those cases provided for by the Bank;
- breach of the requirements set out in Section 26, or, if the employee is an interested party, breach of the requirements of Section 53, paragraph 4 ff. of the TUB (Consolidated Law on Banking) or of the requirements associated with remuneration and incentives;
- fraudulent conduct or gross negligence to the detriment of the Bank;
- conduct that caused or contributed to causing significant damage to customers.

The period of application of the claw-back clauses for "Key personnel" is at least 5 years, and this period shall run from payment of the single (up-front or deferred) portion of variable remuneration.

Upon the occurrence of the aforementioned events, following the adoption of a disciplinary measure, the Bank activates the decision-making process aimed at assessing the reductions to be applied, involving the bodies and departments in charge of defining the remuneration for the individual personnel categories.

6.3.2.4 Special rules applicable in the event of termination of employment

The following are the terms and conditions governing relations between the Bank and the beneficiaries of the bonuses upon occurrence of certain specific events.

Dismissal, resignation, consensual termination

If a beneficiary is dismissed by the Bank for any reason or leaves the company due to resignation, but excluding retirement or disability, the beneficiary shall lose the entitlement to receive any deferred portion of the Bonus still outstanding at the date of employment termination, unless otherwise decided on justifiable grounds by the Bank's Board of Directors, subject to the favourable opinion of the Remuneration Committee and the Related Parties Committee, if applicable.

The Bank applies to all Employees the "National Collective Bargaining Agreement for the Banking sector for Middle Managers and Personnel of Banks, Financial Companies and Associated Companies", the "National Collective Bargaining Agreement for Senior Managers of Banks, Financial Companies and Associated Companies" and the "National Collective Bargaining Agreement for Employees of Distribution and Service Companies", as negotiated and signed by the representatives of the employers and employees, throughout the period of their respective validity.

These agreements define the various types of applicable employment contracts with specification of their duration (fixed-term or permanent contracts) and the minimum notice required on resignation for the various categories of personnel.

With regard to Key Personnel and other personnel (for example, that assigned to specific commercial and business development roles) with whom non-compete agreements have been concluded pursuant to and for the purposes of Article 2125 of the Italian Civil Code, the amount of which can be disbursed at a later date, subsequent to the date of termination of employment and the positive outcome of checks of compliance with the signed agreement in the three-year period subsequent to termination, the consideration for the non-compete commitment assumed is agreed for each of the three years following the exit from office at a rate of 25% of the gross annual salary received in the last year of office, including any flexible benefits granted, and which, therefore, in accordance with the rules established, shall not be included in the calculation of the ~~1+1~~ ratio of fixed to variable remuneration.

Any breach of the aforesaid undertaking will entail the application of the penalties defined in the signed agreements.

The variable part of remuneration cannot be paid during the notice period, whether worked or not.

This is without prejudice to the bank's right, in certain exceptional and justified circumstances (e.g. termination of employment due to reaching retirement age), to pay out components of variable remuneration (in full or in part) even if the employee is no

longer in service (good leaver). For manager and key personnel, the good leaver status will be approved by the BOD and for the remaining personnel by the CEO.

6.3.3 Rules governing the bonus payable to personnel other than “key personnel”

The variable component of the remuneration payable to personnel other than “key personnel”, established and granted subject to the limits of the Bonus Pool actually available, and subject to verification of the gates, on the basis of the criteria referred to in Paragraph 6.3.1 above, shall be fully paid up-front and in cash.

In order to allocate the bonus, the Bank, following approval of the financial statements, delivers a written communication to the beneficiaries indicating, among other things, the amount paid.

The bonus granted to personnel other than “key personnel” remains subject to the same claw-back mechanisms referred to in paragraph 6.3.2.3. above that apply to the bonus for “key personnel”.

6.4 Ratio of the variable to fixed components of remuneration

The ratio between the fixed and variable components of remuneration is accurately determined and carefully evaluated in relation to the characteristics of the Bank and of the various categories of personnel.

As a rule, the variable component of remuneration may not exceed 100% of the fixed component (ratio of 1:1). However, as permitted under the applicable legislation and in the Bank’s Articles of Association, the Board of Directors may request the Shareholders’ Meeting to grant to one or more “key personnel” positions or uniform categories of personnel a variable remuneration in excess of 100% but not exceeding 200% of the fixed remuneration (ratio of 2:1). This applies only in exceptional cases and the reasons for the proposal to exceed the aforementioned ratio must be clearly stated, with indication also of the current and future implications on the Bank’s ability to continue to comply with all prudential rules.

In detail, the Board of Directors’ proposal to the Shareholders’ Meeting will indicate at least the following information: (i) the departments to which those persons affected by the decision belong and their number, for each department; (ii) the reasons underlying the proposed increase; (iii) the implications, even in a forward-looking perspective, for the Company’s ability to continue to comply with all applicable prudential rules.

The Board of Directors sends the Bank of Italy:

- at least 60 days prior to the date set for the Shareholders’ Meeting’s decision, the proposal it intends to submit to the Shareholders’ Meeting, together with details and proof of the fact that the higher limit(s) for “key personnel” or for certain categories of such, does/do not prejudice compliance with prudential rules, and in particular those rules regarding requirements concerning own funds;

- without delay, and in any case no later than 30 days after the date on which the Shareholders' Meeting resolved to increase the limit, the Shareholders' Meeting's decision complete with details of the approved limit(s) for each category of personnel concerned.

If the Shareholders' Meeting approves the increased limit, then there shall be no need to submit a new resolution to the Shareholders' Meeting in subsequent years, provided that the underlying premises, on the basis of which the increase was decided, nor the personnel to whom it refers or the amount of the limit itself, do not change. In any case, the remuneration policy contains suitable information about the increase in the previously-agreed limit, and about the reasons why it is not subject to a further decision by the Shareholders' Meeting. The Shareholders' Meeting may however decide, at any time, on a reduction of the limit exceeding 1:1, on the basis of the majorities envisaged for the ordinary Shareholders' Meeting. Within five days of the Shareholders' Meeting's decision, the Bank shall inform the Bank of Italy of the decision taken.

Without prejudice to the derogations provided for by applicable law, the calculation of the limit to the variable/fixed remuneration ratio includes:

- retention bonuses in proportion to the annual quotas established for such purpose;
- any long-term incentive plans;
- discretionary pension benefits;
- the agreements stipulated in anticipation of, or as a result of, early termination of employment ("golden parachute" payments), with the exceptions provided for in paragraph 6.5 below.

At present, only the retention bonus remuneration scheme has been assigned, in the forms and manner described in this Document.

6.5 Severance Policy

6.5.1 Golden Parachutes

The Bank may pay individual Bank employees, upon termination of employment, additional benefits to what is due pursuant to the provisions of the law in force and of the applicable national and corporate collective bargaining agreements (including severance pay, allowance in lieu of notice, any allowance in lieu of holidays accrued but not taken, etc.).

These benefits, governed by the Supervisory Provisions on remuneration ("Severance" or "Golden Parachutes"), may be agreed between the Bank and individual Directors, employees or collaborators provided that there is an initiative and/or an interest on the part of the Bank in this regard.

Consequently, in the event of voluntary resignation or in any other case in which such payment does not appear to be consistent with the Bank's interests, the requirements for the agreement between the parties of such benefits are not met.

The amount deriving from the application of these clauses/agreements may not in any case exceed a maximum of 24 months of fixed remuneration, defined at the time of activation of the agreement, taking into consideration the Bank's overall performance, individual performance and the duration of the employment relationship. This amount may not in any case exceed the maximum limit calculated as twice the amount resulting from the sum of the remuneration assigned to the Chief Executive Officer and the Gross Annual Remuneration in addition to the amount of the flexible benefit attributed to the latter for the role of General Manager.

Such maximum limits are inclusive of any amounts allocated under a non-compete agreement signed in the past and not converted into retention bonuses during 2022.

Consistently with the regulatory provisions, if the related amounts are defined within the limit of one annual fixed remuneration payment, they are not subject to:

- verification of the alignment with the Bank's overall performance, individual performance or duration of the employment relationship;
- the rules relating to the composition of the payment, with particular reference to the deferral, malus and the breakdown between cash and financial instruments.

The "Golden Parachutes" are included in the calculation of the incidence of variable remuneration with respect to the fixed remuneration for the last year of employment or tenure of office, with the exception of:

- amounts agreed and paid on the basis of a non-compete agreement in regard to the portion which for each year of said agreement, does not exceed the most recent annual fixed remuneration;
- amounts agreed and paid within the framework of an agreement between the Bank and its personnel, regardless of where such agreement is reached, for the settlement of an existing or potential dispute.

Any Golden Parachute is quantified as a rule according to the following formulas:

Chief Executive Officer and General Manager of the Bank: 2 years of fixed remuneration⁴ - (corrective factors)⁵;

Other individuals belonging to Key Personnel: (6 months' fixed remuneration * years of service with the company up to a maximum of 12 months in total) +/- (corrective factors)⁶.

In the event of consensual termination of employment, the amounts calculated according to the above formulas may be supplemented by a sum equal to the gross value of the

⁴ This amount includes the allowance in lieu of notice.

⁵ The application of the corrective factors may also result in the amount being zeroed, it being understood that, if the regulatory and contractual conditions are met, the Bank will pay the General Manager the allowance in lieu of notice.

⁶ In addition to the allowance in lieu of notice – with reference to Employees – pursuant to the applicable collective agreement.

allowance in lieu of notice pursuant to Article 2121 of the Italian Civil Code due in the event of dismissal, subject to the maximum limits under a) and b) indicated above.

Corrective factors are determined with reference to objective elements relating to performance and individual conduct and to the performance of the Bank and the Group. Corrective factors are applied as a decrease or an increase, in accordance with the formulas indicated above. In any event, following their application, the maximum increase is 100% and the maximum decrease is 100%. Under no circumstances is the maximum amount established by the Shareholders' Meeting and set out above exceeded. Below is a table describing the application of the "corrective factors":

Age	Up to 40 years	0
	Up to 45 years	1
	Over 45 years and until the right to a pension accrues	2
	After the right to a pension accrues	0
Individual performance	Average of the previous three years in line with expectations	1
	Average of the previous three years above expectations	2
	Average of the previous three years below expectations	0
Litigation risk	None/Low	0
	Medium	2
	High	3
Risk-taking consistent with RAF	Positive	0
	Negative	-2
Individual conduct	In the event that the individual concerned is found to have engaged in conduct that is inconsistent with the Code of Ethics and Conduct or with statutory, regulatory or constitutional provisions, whether	

	such conduct occurred in the year in which the employment relationship ended or during the preceding three years, for each instance of such conduct:	
	· for minor non-compliance (i.e. that did not result in losses for the Bank in terms of damage of an economic, asset, financial or reputational nature or for customers):	-1
	· for non-compliance of medium severity (i.e. that resulted in non-significant losses for the Bank in terms of damage of an economic, asset, financial or reputational nature or for customers): -	-3

Any remuneration granted by way of Golden Parachute is usually paid, in cash, within 1 (one) year from termination of employment and/or exit from office or, with reference to any components relating to non-compete agreements, within the time limits defined by the same agreement. In the event that such remuneration is granted to Key Personnel, the payment, with the exception of any amount granted under a non-compete agreement payable entirely in cash and within the time limits defined in the agreement, shall be made in the same way as the variable remuneration is paid in the relevant year and subject to the capital and liquidity requirements being met in the year of payment.

Calculation and payment methods are adjusted over time based on the evolution of the Bank's characteristics and complexity and taking into account the developments of the applicable regulatory framework. Any remuneration paid is subject to the same malus and claw-back rules envisaged for variable remuneration.

The rules described above do not apply to the amounts agreed in anticipation of, or as a result of, early termination of employment or exit from office of both Key Personnel and

the remaining personnel in the context of non-recurring transactions (e.g. mergers or changes of control) or company reorganisation processes in cases where they are aimed exclusively at containing company costs and rationalising personnel and whose amount does not exceed € 100,000.00.

Likewise, with the exception of compliance with the maximum amount in absolute terms or as a number of monthly payments approved by the Shareholders' Meeting, the rules described above do not apply to voluntary redundancy benefits, including those connected to non-recurring transactions (e.g. mergers or changes of control) or company reorganisation processes, granted to personnel other than key personnel, provided they are aimed exclusively at containing company costs and rationalising personnel and that they favour compliance with supporting measures provided for by law or by national collective bargaining agreements, for all employees, and do not produce ex-ante distortive effects on the conduct of personnel.

Any amounts granted in both cases are subject to claw-back mechanisms in the event of fraudulent conduct or gross negligence to the detriment of the Bank.

6.5.2 Non-compete agreements

With reference to professional roles with particularly relevant characteristics, such that termination of employment may cause risks, the Bank reserves the right to define, on a case-by-case basis, including in the context of consensual termination of the employment relationship, non-competition agreements – including with staff members receiving the retention bonus referred to in paragraph 6.5.3 below, where this is in the Bank's interest - that provide for the payment of an amount proportional to the duration and extent of the obligation deriving from the same agreement following termination of employment and/or exit from office as described in paragraph 6.3.2.4. Non-competition agreements are currently stipulated with 7 employees, of which 5 are key personnel, and other personnel with particularly important professional roles.

6.5.3 Retention Bonus

As an alternative to non-compete agreements, all the members of the Bank's key personnel and other employees with professional roles with particularly relevant characteristics may be granted remuneration linked to their seniority within the Bank over a medium-long period, and as such, not linked to performance targets (so-called retention bonus). The provisions set out in the relevant regulations as detailed in Bank of Italy Circular no. 285 are applicable to such sums as may be disbursed, in a medium to long-term period by way of stability pact, which represent forms of variable remuneration.

The proposal for non-compete agreements or retention bonuses in favour of key personnel at the Bank is submitted to the Remuneration Committee on a preliminary basis, which assesses the reasons, the beneficiaries and the overall pay consistency.

During the course of 2022, in accordance with point 6.6.3 (Retention Bonus) of the 2022 Remuneration Policy and on the basis of the Board of Directors' resolutions passed on 25 November 2022, a total of 29 retention bonus agreements were stipulated to replace the

non-competition agreements – subsequently terminated - aimed at the key personnel employed by the Bank, together with other personnel possessing particularly significant experience and skills. More specifically, in accordance with the applicable regulatory provisions, said agreements must be:

- based on motivated, documented reasons, which in the Bank's case are rooted in the need to strengthen the retention of key personnel and skills within the context of an increasingly dynamic labour market;
- connected to a set time period or until a given date; in the case in hand, such events have been identified as including the termination of employment of such personnel when they reach the age of 67, their retirement, death or invalidity, and the completion of any extraordinary transaction on the share capital of the Bank;
- payable only after the conditions mentioned in the preceding point have been met (and thus not before the end of the pre-established period or the occurrence of the event); in fact, the regulations do not permit the payment of a retention bonus to the same person more than once;
- considered as constituting variable remuneration, and thus subject to all of the rules applicable to such based on the Remuneration Policy in force, according to the beneficiary's category (variable/fixed ratio; deferral and nature of pay-out; malus and claw-back clauses, etc.);
- computed, for the purposes of calculating the limit of the variable/fixed ratio, in equal shares for each year of the individual's seniority of service or in a given period of said period (e.g. the first 5/10 years) using the linear pro-rata system, or as a single amount in the year in which the service requirement is met. These conditions were taken into account when drafting the wording of the agreement;
- non-renewable or able to be stipulated more than once in regard to the same member of personnel, except in exceptional or duly justified cases.

6.6 Personal data protection

The employee expressly authorises the Company, through its own representatives, together with all those persons involved in the management and administration of the Policies, to use his/her personal data in accordance with Italian Legislative Decree no. 196 of 30 June 2003, with Regulation (EU) 679/2016 on personal data protection, and with other related provisions of law, for the purposes of the Remuneration Policies.

However, it should be noted that any information relating to application of the Remuneration Policies and the relations between the Company and the individual Beneficiaries, is of a strictly confidential nature and may not be disclosed or transferred to third parties, without prejudice to legal obligations.

7. Structure of the remuneration of specific categories

7.1 The remuneration of the members of the Board of Directors

The remuneration of the members of the Board of Directors is determined by the Shareholders' Meeting, and consists in a fixed annual amount for each Director. Directors are paid a fee of different amounts for the Chairperson of the Board of Directors, the CEO and the Directors, as resolved by the Board of Directors.

With the exception of the Chairperson of the Board of Directors and the CEO, each member of the Board of Directors is paid an additional fixed annual fee for each internal Committee they are members of, plus the reimbursement of documented expenses incurred in relation to their offices.

Furthermore, each member of the Board of Directors receives an attendance fee for each meeting of the Board of Directors he/she attends in person.

The fee paid to the Chairperson of the Board of Directors, proportional to the role assigned, is determined ex ante for a value not exceeding the fixed remuneration received by the CEO.

The CEO receives a fee determined by the Board of Directors. Furthermore, as General Manager, and thus as an employee of the Bank, he/she receives a gross annual remuneration, determined again by the Board of Directors, in addition to the series of benefits for which the Bank's senior managers are eligible, as specified in paragraph 6.2.

A health insurance policy is provided for all directors and their families and an annual health check-up benefit is provided. In addition, the life, LTC, disability and accident insurance policies, the supplementary pension and the flexible benefits plan may be extended, with the related treatments and amounts paid, also to the category of directors with special assignments, subject to a resolution of the company's Board of Directors.

The variable remuneration paid to the CEO is subject to the provisions of paragraph 6.3 and Annex 2 as well as to the rules applying to the Bonus Pool.

No incentive schemes are provided for non-executive directors. Where established, these schemes would not represent a significant part of remuneration. In such case, the financial instruments used to pay the variable component are subject to retention until expiry or termination of the term of office. For the sake of completeness of information, it should be noted that renewals do not constitute a case of expiry of the term of office.

7.2 The remuneration of the members of the Board of Statutory Auditors

The remuneration paid to the members of the Board of Statutory Auditors is of a fixed nature only, and the amount of such remuneration is established by the Shareholders' Meeting at the time of appointment, and is valid for the entire term of office. The remuneration also takes account of the level and trends in remuneration paid (as measured through periodic surveys conducted by independent external consultants with regard to

market practices of Banks of a comparable size and complexity), the expertise, professionalism and the commitment effectively needed and required to perform the relevant duties, also on the basis of guidance and insights that may be supplied by the Control Body.

7.3 The remuneration of the members of the Bank's Control Departments, Human Capital Department, and Manager in charge of financial reporting

In the case of personnel employed in the Bank's Control Departments and Human Capital Department, and of the Manager in charge of financial reporting, the variable component of remuneration is limited, and granting of the bonus is subject to the achievement of targets consistent with the duties assigned to the departments, in particular with corporate sustainability targets (e.g. cost containment, strengthening of capital, etc.) provided that they do not result in possible conflicts of interest, that are in no way linked to the Bank's financial performance and are independent of the results achieved by those areas under their control.

For key personnel in the Control Departments and in the Human Capital Department, and for the Manager in charge of financial reporting, fixed remuneration is commensurate with key responsibilities and with the commitment associated with the role performed. "Department allowances", as defined by the Board of Directors during the approval of the Remuneration Policies Document of the relevant year, are granted on an annual basis to the Parent's Heads of the Control Departments (Internal Audit Department, Risk and Sustainability Department, and Compliance and Anti-Money Laundering Department). This allowance is paid to each employee assigned by the Bank to the role of Head of one of the afore-mentioned departments in relation to the implicit responsibilities associated with the role and therefore, insofar as being closely linked to this role assignment, it shall cease to be paid in the event of assignment to another role also on the Bank's initiative.

The variable component of the remuneration payable to key personnel of control departments may not exceed the limit of 1/3 (one-third) of the fixed component.

The Bank's control departments include the Internal Audit Department, the Risk and Sustainability Department, and the Compliance and Anti-Money Laundering Department.

7.4 The remuneration of the distribution network

To distribute its credit products, Banca Sistema also avails itself of the services of credit brokers and financial agents forming an integral part of the Bank's commercial structures (so-called Credit Intermediaries).

The principles governing the remuneration of credit intermediaries are set out in specific contracts (mandates, agreements, etc.) signed separately with each party and are based on the sound and prudent management of the Bank and on the protection of customers' interests.

The remuneration of credit intermediaries may be comprised of the following components:

- the “recurring” component, i.e. the portion of remuneration other than “non-recurring” remuneration, which represents the most stable and ordinary remuneration element;
- the “non-recurring” component, the part of remuneration which has an incentive value.

The “non-recurring” component is comparable to the variable remuneration of personnel; whereas the “recurring” component is comparable to fixed remuneration.

Except for key personnel, the total remuneration of the individual credit intermediary may be entirely “recurring”. When it also includes the “non-recurring” component, the criteria for its determination are defined contractually, in compliance with the rules set out in the specific company regulations, and are subject to ex-post adjustment mechanisms, in a similar way to those provided for the Bank’s personnel. Granting of the non-recurring component is subject to meeting the implementation criteria defined by the Board of Directors from time to time in the document entitled “Criteria for applying the Remuneration Policies Document in implementation of the Provisions governing Transparency”.

Granting of the non-recurring component, where provided for in the agreements entered into with the specific intermediaries, is linked to factors such as, by way of example, increasing volumes disbursed, overcoming certain product benchmarks, and launching new products. In any case, this component must not lead to incentives for the credit intermediary to pursue its own or the Bank’s interests to the detriment of those of customers, as set forth in the Provisions regarding “Transparency of banking and financial transactions and services”.

Both the “recurring” and “non-recurring” components may be subject to partial or total reduction mechanisms and/or refund if wilful conduct or gross negligence is ascertained and other conduct as emerging from the complaints received from customers (number, nature, management and resolution).

The rules of this paragraph do not apply to credit intermediaries, not qualifying as key personnel, who have been registered for less than 3 years and have not previously had employment relationships with banks or non-banking financial intermediaries.

However, with regard to financial advisors authorised to make off-premises offers, the Bank does not have an external network of financial advisors and only acts through its own employees to provide investment services and activities. These employees are remunerated in the same way as the Bank’s employees. Therefore, the provisions of Part One, Title IV, Chapter 2 Section IV of Circular 285 do not apply.

For persons identified as key personnel, in accordance with the provisions of Annex 1, the remuneration always consists of a “recurring” and a “non-recurring” component. The stricter rules laid down for key personnel, in paragraph 6.3.2, are applied to the “non-recurring” component of remuneration.

Pursuant to Part One, Title IV, Chapter 2, Section IV of Circular 285, the analyses have been carried out in accordance with the procedure for identifying "key personnel" referred to in paragraph 4 of the Policies in relation to agents in financial activities and financial advisors authorised to make off-premises offers. No agent engaged in financial activities or financial advisor authorised to make off-premises offers was found to fall within the category of "key personnel".

Annex 1

KEY PERSONNEL IDENTIFICATION AND EXCLUSION PROCESS

1. “Key personnel” identification process

The process of identification of “key personnel” referred to in paragraph 4 of the Policies, is carried out by the Bank annually and involves various corporate bodies. This process enables the aforementioned rules and criteria to be applied on the basis of the actual capacity of individual members of personnel to impact the Bank’s risk profile.

The Human Capital Department coordinates the process of identification and exclusion of “key personnel”, with the support of the Bank’s control departments, and it submits the results of this process to the Board Committees, as identified by paragraph 3 of the Policies.

More specifically, the Human Capital Department, bearing in mind the criteria established by the RTS, gathers all the necessary information in order to conduct relevant analyses.

In this context, for the purposes of the assessments conducted to identify key personnel, agents in financial activities and financial advisors authorised to make off-premises offers that the Bank may use to distribute its products are also considered. The assessment of the importance of these persons is supported by economic/quantitative and managerial criteria (e.g. assignment of specific coordination and control roles: “area managers”, “divisional managers”, etc.).

At the beginning of each year, the Human Capital Department then prepares a list of persons who could be classified as “key personnel” (the “**List**”), accompanied by a brief evaluation of the aforementioned criteria, the number of persons identified for the first time, the roles and responsibilities of such personnel, and a comparison with the results of previous evaluations conducted for the previous year, which shall be promptly transmitted to the Risk and Sustainability Department, the Compliance and Anti-Money Laundering Department, the Internal Audit Department, and subsequently, together with any observations, to the Remuneration Committee, in order to collect any amendment proposals forthcoming.

Once the opinion of the Remuneration Committee has been received, the Human Capital Department proceeds to formalise the proposed List in a single document. The proposed List is then sent by the Remuneration Committee to the Board of Directors to be duly assessed and decided on.

The Bank’s Board of Directors:

- approves the List, re-examines it regularly, and approves any derogations;
- is involved in, and constantly monitors, the process.

In this respect, the “key personnel” category includes key management personnel, namely, those persons who have direct or indirect powers and responsibilities over the planning, management and control of the Bank’s business activity. Key management personnel includes the Bank’s directors (executive and non-executive).

In accordance with the quantitative and qualitative criteria set out in the RTS, the further criteria described above, and on the basis of an evaluation of the various risk levels regarding the Bank’s different business activities, a total of 32 persons have been identified for 2026, falling into the following categories:

A. Directors who hold executive offices

- Directors who hold executive offices in the Bank (2 persons)⁽⁷⁾;

B. Non-executive Directors

- Directors who do not hold executive offices in the Bank (7 persons);

C. Managers of key company functions (9 persons in total)

- Deputy General Manager of the Bank
- Bank Coordination Department
- Factoring Division
- Retail Financing Division
- Credit Department - Factoring Division
- Commercial Department - Factoring Division
- Commercial Department – Retail Financing Division
- Finance Department
- Banking Services Department
- Legal Affairs Department
- Corporate Strategy Department
- Institutional Relations Department

D. Managers and other high ranking members of the Control Departments and the Human Capital Department, and the Manager in charge of financial reporting (5 persons)

- Internal Audit Department
- Risk and Sustainability Department
- Compliance and Anti-Money Laundering Department

(7) The CEO also holds the office of General Manager and the Head of AML.

- Manager in charge of financial reporting
 - Human Capital Department
- E. Other "risk takers"** (9 persons) - Heads of the following corporate departments:
- Treasury and Structured Finance - Finance Department
 - Investor Relations - Finance Department
 - Chief of Staff
 - Preliminary Credit Assessment – Credit Department of the Factoring Division
 - Collection – Credit Department of the Factoring Division
 - ICT and Innovation Office – Banking Services Department
 - Structured Finance - Finance Department
 - Credit and After Sales – Retail Financing Division
 - North Area and Islands - Commercial Factoring Department
 - Central South Area - Commercial Factoring Department

2. Exclusion from the category of key personnel

Following the procedure illustrated above, which is conducted also bearing in mind the quantitative criteria set out in the RTS, the Board of Directors, on the proposal of the Remuneration Committee, may decide that certain persons identified by means of the aforesaid quantitative criteria are not to be considered "key personnel" insofar as:

- the member of personnel conducts professional activities and has powers only in an operating/business unit which is not a key structure;
- the professional activities of the member of personnel or personnel category do not have a significant impact on the risk profile of a key operating/business unit.

In such event, following the decision of the Board of Directors taken also on the basis of analyses conducted by the Human Capital Department, with the support of the Risk and Sustainability Department, the Compliance and Anti-Money Laundering Department, the Internal Audit Department and the Remuneration Committee, the Bank will proceed pursuant to and for the purposes of Circular 285, paragraph 6.1 "Key Personnel exclusion procedure".

With regard to the financial year 2026, the Bank has decided not to apply the exclusion procedure for any member of personnel identified as "key personnel". Therefore, this category shall remain as previously mentioned.

Annex 2

PERFORMANCE INDICATORS

This Annex describes the individual and company-level performance indicators to which granting of the variable remuneration ("**Bonus**") is linked, following the definition of the Bonus Pool in accordance with the Bank's Remuneration Policies Document.

The Bank uses these indicators to measure performance and subsequently to calculate individual Bonuses.

With reference to "Key Personnel", the conditions for access (gates), as subsequently defined, are also used as ex-post adjustment mechanisms (so-called malus) for the deferred portions of variable remuneration relating to the incentives of previous years and other medium and long-term incentive plans.

As specified in the Policies, the application of malus mechanisms could result in a reduction, even of a substantial nature, or in the zeroing of the Bonus, particularly in the case where company-level or individual performance is significantly below the set targets.

The total variable remuneration resulting from the individual incentives may not in any case exceed the amount of the Bonus Pool actually available calculated in accordance with the established procedures. If this amount is lower than the amount set in the budget according to the mechanism established in the Policy ("funding curve", paragraph 6.3.1), the bonuses actually paid will be reduced proportionally.

The amount of variable remuneration for key personnel, determined in accordance with the provisions of the Operating Procedure, is approved by the Board of Directors.

1. Access Criteria

The indicators of company-level performance - to which the distribution of the variable component under the Bonus Pool is subject - are as follows:

CONDITION FOR ACCESS – GATES:

Joint achievement of the access criteria envisaged in the RAF for the reference year, which are equally weighted:

- (i) Consolidated net profit net of extraordinary items greater than 0;
- (ii) CET1 ratio within the limits of the Risk Capacity threshold, as defined for the purposes of RAF Group monitoring;
- (iii) Liquidity Coverage Ratio within the limits of the Risk Capacity threshold as defined for the purposes of RAF Group monitoring.

Failure to meet even one of the aforementioned parameters will prevent access to the Bonus Pool and consequently no bonus will be allocated.

The fulfilment of the aforesaid Conditions for access is assessed by the Board of Directors, with input from the Internal Control and Risk Management Committee and the Remuneration Committee, in accordance with the procedure described in the Policies and with the Operational Procedure regarding flexible bonuses assignable to the Bank's employees.

2. Assignable targets

After verifying the satisfaction of the conditions for access, the bonuses will be calculated on the basis of the results actually achieved relative to each target set in the bonus sheet defined for each member of key personnel in the year considered.

In fact, at the beginning of the year, all beneficiaries of the incentive system are assigned specific quantitative and qualitative targets linked to the Bank, their Department and Division, with a maximum number of 10 and a minimum number of 5. Each quantitative and qualitative target is assigned a percentage weight generally not less than 5%, indicating its importance, and includes a precise description of the performance standards in terms of methods, timeframes and content so as to enable the accurate appraisal of the results achieved.

These specific objectives are evaluated annually through the performance management process, based on the business results achieved for the quantitative objectives.

The Direct Managers then make their own assessment of the qualitative achievements, incorporating the assessment of the quantitative objectives provided by the Finance Department, in accordance with the Operational Procedure regarding flexible bonuses assignable to the Bank's employees.

Examples are given below of some of the indicators used, based on the different roles involved in each category of targets linked to the Bank's performance, the performance of the Department and/or Division and the beneficiary's own managerial and professional activities.

2.1. Targets linked to the Bank's performance

The targets set for the assessment of the Bank's performance - with an overall weighting of no less than 30% - are linked to the following categories:

- **Profitability of the Bank** (determined by means of at least one of the following indicators: gross earnings, ROE/RORAC, Cost/Income, Risk profile/RWA, loss rate, etc.);
- **Sustainable Growth of the Bank** (determined by means of at least one of the following indicators: total income, market share, ESG targets and climate and environmental risk management targets, increase in the value of the Bank's shares,

human capital development, internal reorganisations, specific projects of general interest to the Bank, etc.);

2.2. Targets linked to the performance of the Beneficiary's Business structure (Department, Division, Subsidiary)

The targets set for the performance of the Beneficiary's Business structure - having an overall weight of at least 30% - are linked to the following categories:

- **Budget targets for the Directorate/Division and Subsidiary:** these targets are primarily linked to sales volumes, credit disbursement, cost containment/reduction, overall profitability and capitalization, and the risk exposure of individual business areas. They are particularly relevant where measurable quantitative or qualitative parameters exist or where precise performance standards can be defined (e.g., divisional gross profit, cost/income ratio and return on risk-adjusted capital (RORAC) of the division, sales volume achieved versus budget, annual cost funding savings versus budget, containment of indirect costs, containment of personnel costs, reduction of maintenance and management costs, etc.).
- **Managing and reducing risks:** capital and liquidity indicators at Division/Business Line level, loss rate, Risk profile/RWA, again at Division/Business Line and Subsidiary level, projects and actions implemented to reduce risks, NPE ratio, etc.;
- **Value creation:** these targets measure the value added of a new product or new service, the correct performance of a company process or its redesign, the growth and enhancement of the Bank's technical and human resources (e.g. the contribution of marketing activities to the achievement of the commercial target, revenue from new products, the timely management of complaints, the professional growth of collaborators);
- **Management of operations:** these targets are linked to increasing customer satisfaction, internal and external, and to actions that improve the effectiveness of internal management of operations (e.g. timeliness of reporting adjustments to the budget, number of applications priced/headcount, timeliness in closing Open Issues reported by the control departments, correct and timely performance of management processes linked to the human resources allocated).
- **Increased efficiency:** Considering the contents of the 2024 - 2026 Business Plan, these targets are based on a comparison with the same activities performed in the previous years in connection with increasing the overall performance of the Bank (e.g. reducing the percentage of operating errors, increasing the equivalent advertising value, compliance with project completion timelines, reducing the completion time of business processes, implementation of AI, etc.);
- **Management of the technical and human resources allocated:** these targets are linked to the improved management of human resources, for example: the

creation of a constructive working environment, the growth of talent and the best allocation and development of professional skills, the dissemination and capitalisation of company knowledge, effectiveness and awareness in the use of company tools and processes, also with a view to minimising costs, the correct and timely performance of the main processes dedicated to human resources (selection, time management, training and development, gender gap management, etc.).

2.3. Targets linked to individual managerial and professional activities

These objectives can be traced back to those already listed for key personnel in senior positions and are related to specific activities or projects of individual competence or for which a transversal effort is made for the remaining personnel.

For certain categories of personnel (e.g. Head of the Treasury Department, sales personnel), specific forms of incentives are provided, which are added to the ordinary bonus if the expected level of performance is achieved.

2.4. ESG Targets

These objectives are related to the key themes underlying ESG (Environmental, Social, and Governance) factors, for which the Bank, within the specific competencies of each Division and Department, sets the necessary targets to ensure:

- compliance with the standards required by the Corporate Sustainability Reporting Directive (CSRD);
- Implementation of the forecasts set out in the Three-Year Business Plan.

At least one ESG objective must be included, with a weighting of no less than 3%.

2.5 Individual professional managerial competencies

The qualitative and quantitative targets are complemented by an assessment of the professional and managerial skills they possess in terms of technical and organisational work skills, goal orientation, meeting deadlines, customer relations (internal and external), teamwork and relationship management, and change management. These are in turn broken down into specific constituent and descriptive skills, contained in the "Skills" form in the above-mentioned portal, and according to seven progressively increasing levels of mastery of the skill described (from "inadequate" to "excellent" mastery).

There are 7 overall performance levels:

- 1) INADEQUATE;
- 2) SIGNIFICANT AREAS FOR IMPROVEMENT;
- 3) AREAS FOR IMPROVEMENT;
- 4) ALMOST ADEQUATE;

5) ADEQUATE;

6) MORE THAN ADEQUATE;

7) EXCELLENT.

The assessment of these skills by the Direct Manager determines the overall performance score which each Manager assigns annually to each direct report and records them in the appropriate section of the portal. The overall score, which is based on the level of achievement of the individual and business targets described above, is supplemented with the assessment of:

- the observance and respect of the “values” that underpin the Bank’s activity, in compliance with the applicable regulations and the Bank’s Code of Ethics;
- appropriateness of customer retention and customer relationships;
- professional ability and skills;
- constant dedication to work, cooperation with co-workers and teamwork;
- the ability to find effective and possibly innovative solutions, whilst continuing to pursue the objectives of sound and prudent management of the Bank and its value over the long-term;
- the tendency to take responsibility for decisions and the timely achievement of the identified individual targets;
- the ability to use resources efficiently, to involve and motivate collaborators and make sensible use of delegation to promote growth, also with a focus on building a gender-neutral working environment;
- the containment of legal and reputational risks.

3. Process for defining objectives and performance indicators

The targets described above, and the indicators and weightings described above, are defined by the CEO/General Manager for his/her own direct reports, who, in turn, may apply them to any of their own key personnel direct reports.

Targets linked to the Bank’s performance are assigned consistently to the Chief Executive Officer – General Manager and all direct reports. For the Chief Executive Officer – General Manager, the quantitative and qualitative objectives are defined in line with the company’s long-term values, strategies and objectives, linked to business performance, appropriately adjusted to take account of all risks, consistent with the levels of capital and liquidity required to support the activities undertaken and, in any event, such to avoid distorted incentives that could lead to regulatory breaches or excessive risk-taking for the bank and the financial system as a whole. The targets linked to the performance of the individual Department/Division are likewise defined by the CEO/General Manager and are assigned to all key personnel of the Department/Division concerned.

4. Objectives assignable to specific categories of Key Personnel

The **heads of the control departments** have access to the variable incentive system described in these Policies but in such case, the incentive mechanisms are in line with the duties assigned and are not linked to the results achieved by any of the areas controlled by them. Therefore, bonuses linked to financial results are excluded. The objective sheets assigned to the heads of the control functions who report to the Board of Directors (Head of Internal Audit, Head of Compliance & Anti-Money Laundering, and Head of Risk Management) and the assessment of the results achieved are carried out by the Board Committee, with input from the Internal Control and Risk Management Committee and the Remuneration Committee.

For the **Manager in charge of financial reporting and the Head of Human Resources**, the award of the variable component of remuneration is subject to the achievement of company sustainability targets, with prior verification that this will not give rise to any conflicts of interest.

5. Targets set for other employees

For the remaining employees - pursuant to the relevant National Collective Bargaining Agreement and in line with the principles and instruments described in the Policies - the Bank may assign "Business" targets linked to the performance of each employee's Department/Division (not less than two and with an approximate weight of 20%) as well as individual targets linked to their managerial and professional activity (not less than two) - to be assigned and documented through the "targets" sheet of the tool - and individual performance targets ("performance" sheet of the tool).

SECTION II – IMPLEMENTATION OF THE PERSONNEL REMUNERATION AND INCENTIVE POLICIES AND REMUNERATION PAID IN 2025

1. General considerations

Information is provided below regarding the implementation of the remuneration policy for 2025 (hereinafter the "2025 Policy"), with an analysis of the fees paid for any reason and in any way by the Bank and its subsidiaries or associates during the financial year, specifying the fee components referring to activities carried out in previous financial years, and the fees to be paid during one or more subsequent financial years for activities performed during the financial year in question.

Based on the verification conducted by the Remuneration Committee during the periodic assessment required by the Code of Conduct, the award of remuneration analysed below is consistent with the 2025 Remuneration Policy, which was approved by the Board of Directors on 14 March 2025 and with the resolutions passed by the Shareholders' Meeting on 30 April 2025.

2. Information on remuneration according to role and functions

During 2025, the fixed portion of the remuneration for directors and employees was paid in accordance with the 2025 Remuneration Policies, and in compliance with the applicable national Collective Bargaining Agreements.

Following the inspection of the Bank of Italy that started in July 2024, the Supervisory Authority has instructed that the Banca Sistema Group, until further review by the Bank of Italy, also based on the feedback that will be provided by the Bank, refrain from resolving or taking the following actions: i) the distribution of profits generated from the current 2024 financial year or other elements of equity; ii) the payment of the variable component of remuneration for the 2024 financial year and subsequent years.

On 30 June 2025, Banca CF+ received a communication, pursuant to art. 102, paragraph 1, of Legislative Decree no. 58 of 24 February 1998 (the Consolidated Law on Finance), as subsequently amended and supplemented, and art. 37 of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, of the promotion of a voluntary public tender offer – under the same terms and conditions for all shareholders – concerning all the ordinary shares of Banca Sistema and not aimed at delisting the Issuer's shares. Subject to the completion of the offer and the consequent change of control, the Offeror has communicated its intention to achieve the benefits deriving from the project of integration with the Issuer through a reverse merger by incorporation of the Offeror into Banca Sistema, whereby the combined entity is a company listed on the regulated market.

On 28 June 2025, the Chief Executive Officer and General Manager of Banca Sistema and Banca CF+ entered into an agreement on the subject of the "Acceptance Commitment Proposal". This agreement provides, among other things, for the Chief Executive Officer and General Manager of Banca Sistema, following the successful conclusion of the purchase offer and the consequent change of control event, to sign an agreement to terminate the CEO and employee employment relationship in advance.

Banca Sistema has not provided for discretionary pension benefits or compensation agreements in the event of early termination of employment or early exit from office.

The ordinary Shareholders' Meeting of 30 April 2021 also resolved, in the event the term of office of the Board of Directors ends prematurely as a result of any extraordinary transaction on the Bank's capital, that all Directors shall automatically receive, for two years, the remuneration approved for the same in the same Shareholders' Meeting as referred to in item 4 of the respective Agenda. As regards the Chief Executive Officer, who in accordance with paragraph 10.7 of the Articles of Association also holds the post of General Manager, the calculation basis for determining the amount to be paid upon the aforementioned condition being met includes fixed and variable remuneration, in addition to the amount of benefits assigned to the General Manager.

Board of Directors and Board of Statutory Auditors

Information is provided below regarding members of the Board of Directors and the Board of Statutory Auditors and the items making up their remuneration, which is also summarised in Table 1.

The remuneration received in 2025 by the current members of the Board of Directors was decided by the Shareholders' Meeting on 24 April 2024, with the appointment of the new Board of Directors, which established to pay an annual remuneration of € 50,000.00 (fifty thousand euro) to each Director plus an attendance fee for participation in the meetings of the Board of Directors in the amount of € 500.00 (five hundred) for each Director, except for the Chairperson, who is granted an attendance fee of € 1,500.00 (one thousand five hundred).

On 30 April 2025, the Shareholders' Meeting, on the occasion of the replacement of four members of the Board of Directors, also determined the remuneration to be paid to the members of the Executive Committee.

Committee membership fees are shown in table 1, under "Committee membership fees", and are paid for each member as follows:

- Chairpersons of the Internal Control and Risk Management Committee and the Supervisory Body: € 20,000;
- Other members of the Internal Control and Risk Management Committee and the Supervisory Body: € 15,000;
- Chairpersons of the Appointments Committee, Remuneration Committee and Ethics Committee: € 7,000;
- Other members of the Appointments Committee, Remuneration Committee and Ethics Committee: € 5,000;
- Members of the Executive Committee: €30,000.

As of 31 December 2025, the Directors of the Group in office during 2025, received a total of € 2,755,010, relating to the deferred portion of bonuses prior to 2024, including incentives paid during 2025 to the Chief Executive Officer.

Specific medical insurance is also reserved for the Directors for direct access to medical services and to cover health expenses, taken out annually with a leading sector operator

and with coverage no higher than that applied to key personnel with a managerial contract level, as well as a free health check-up service.

The fee due to members of the Board of Statutory Auditors was established by the Shareholders' Meeting called to approve the 2022 Financial Statements on 28 April 2023, with the appointment of the new Board of Statutory Auditors, to be € 55,000 for the Chairperson and € 40,000 for the Standing Auditors.

An additional remuneration of € 20,000 is paid to the Chairperson of the Supervisory Body and € 15,000 for the other members.

Chairperson and CEO

On 24 April 2024, with the appointment of the new Board of Directors, the remuneration payable to the Chairperson of the Board of Directors was established to be € 190,000 inclusive of the fee of € 50,000 as Director as well as Committee membership fees. The aforesaid Shareholders' Meeting of 24 April 2024 also granted to the Chairperson of the Board of Directors an attendance fee for participating in the meetings of the sole Board of Directors in the amount of € 1.500.

In 2025, the CEO, who is also the General Manager, accrued a pro-rata total fee of € 365,041, and received a Gross Annual Salary of € 650,000 as the General Manager.

The fees established for the Chairperson of the Board of Directors, the Directors, the members of the internal committees and the members of the Board of Statutory Auditors were consistent with the fees paid during 2025 for the services provided. No incentive mechanism was applied, except in the case of the Chief Executive Officer and General Manager, for whom, a quantified bonus is provided on the overall achievement of the assigned targets and with the application of linear calculation between one interval and another, in order to ensure the adequate measurement of the results achieved.

The decision not to approve or pay the variable incentive provided for by the Bank of Italy and set out in the 2025 Policies also affected the implementation of the variable incentive system for the Chief Executive Officer and General Manager for 2025.

Banca Sistema has signed a non-compete agreement with the CEO, pursuant to and for the purposes of Article 2125 of the Italian Civil Code.

During 2022, in keeping with the resolution adopted by the Board of Directors at its meeting held on 25 November 2022 regarding key personnel, the CEO agreed with the proposal to replace the non-compete agreement with a retention bonus scheme. This agreement became effective - for the portion referring to the emoluments paid to the CEO - after the Ordinary Shareholders' Meeting approved the 2023 Remuneration Policies Document.

Internal Audit Department

The Internal Audit Department was unable to carry out the verification activities required by banking supervision legislation to assess the process associated with the definition, assessment and assignment of the variable component accrued under the 2025 Remuneration Policies. This process was not implemented by the Bank following the

provisions set out in Bank of Italy's letter of 20 December 2024, titled "Banca Sistema Group – Company Situation," which was issued as a result of the supervisory inspection conducted in the second half of 2024. In this regard, the Supervisory Authority has ruled that Banca Sistema Group must refrain from approving or executing the payment of the variable component of remuneration (for the 2024 financial year and beyond).

In any case, the Internal Audit Department has confirmed compliance with the condition for access to the incentive system of the 2025 Policies, in order to justify the payment of deferred portions of bonuses relating to previous financial years, for which the Bank has obtained authorisation from the Supervisory Authority to make such payments.

Shareholders' Meeting

On 30 April 2025, the Shareholders' Meeting approved the 2025 Remuneration Report of the Banca Sistema Group and the overview of the application of the Policies in 2024 drawn up pursuant to Art. 123-ter of Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented ("Consolidated Law on Finance"), Art. 84-quater of the regulation adopted by CONSOB resolution no. 11971/1999 as amended ("Issuers' Regulation"), and in compliance with Bank of Italy Circular No. 285 of 17 December 2013 as amended, and the Code of Conduct for listed companies.

Compliance and Anti-Money Laundering Department

The Compliance and Anti-Money Laundering Department participated in the drafting of the 2025 Policies and verified compliance of the same with the Provisions and the supervisory rules applicable to the Bank.

Risk and Sustainability Department

The Risk and Sustainability Department verified compliance with the risk parameters set out in the 2024 Remuneration Policies Document and applied during 2025. In particular, it collaborated with the Manager in charge of financial reporting to determine the finalised level of the "gate" parameters and access criteria set out in the 2025 Remuneration Policies, even though these were not used for the subsequent reporting on variable remuneration.

Central Finance Department

The Central Finance Department verified compliance of the Bank's medium-long term objectives and strategies, so as to ensure financial sustainability over the medium-long term. In particular, it collaborated with the Risk and Sustainability Department to determine the finalised level of the "gate" parameters and access criteria set out in the 2025 Remuneration Policies, even though these were not used for the subsequent reporting on variable remuneration.

Manager in charge of financial reporting

Verified the consistency of the financial statement and budget parameters used to quantify the bonus pool and the correct accounting of the calculated amount, with particular reference to the "gate" parameters and access criteria set out in the 2025 Remuneration Policies, even though these were not used for the subsequent reporting on variable remuneration.

Remuneration Committee

The Remuneration Committee was appointed on 20 May 2024, and its current composition was established on 30 May 2025.

As of 31 December 2025, it consists of three non-executive directors, two of whom are independent:

- Giuliana Grassia (Chairperson of the Committee, independent Director, non-executive),
- Daniele Pittatore (Non-executive director),
- Andrea De Tomas (Independent and non-executive director).

The Committee meets at the intervals needed to carry out its functions, and at any time deemed appropriate by the Chairperson of the Committee, or in the cases specified in the Committee regulation.

In 2025, the Remuneration Committee met 8 times with the meetings lasting on average an hour. During these meetings, the Committee:

- assessed the outperformance of the 2025 gates and the resulting disbursement of the deferred portion of bonuses (both cash and shares) relating to previous years' bonuses;
- prepared and discussed the 2026 Remuneration Policies Document of the Banca Sistema Group;
- examined and acknowledged the annual self-assessment and identification process of key personnel pursuant to Regulation (EU) No. 604/2014 ("Regulatory Technical Standards" or "RTS") as amended by the provisions laid down in the Commission Delegated Regulation (EU) of 25 March 2021 which incorporated the new Regulatory Technical Standards ("RTS") published by the EBA in June 2020;
- examined the 2026 Remuneration Report and the overview of the application of the 2025 Policies pursuant to art. 123-ter of Legislative Decree no. 58/1998, and the Board of Directors' Report on points 3 and 4 of the agenda of the Shareholders' Meeting of 24 April 2026 (ordinary session);
- reviewed updates on the gender pay gap analysis, as required by applicable regulations and in line with what was done in previous years;
- examined the flexible benefits plan for the two-year period 2026-2027 in continuity with the past and with the same characteristics and amounts;
- considered the decision to update the Operational Procedure on variable bonuses assignable to employees, given that the Procedure remains in effect and expires on 31 July 2026.

At the Shareholders' Meeting, the Committee also provides feedback regarding any proposals to increase the variable-fixed ratio of remuneration to 2:1 and in relation to the

self-assessment used to identify key personnel, as well as in respect of the performance targets associated with the incentive plans. In accordance with the Code of Conduct and Bank of Italy Circular no. 285, the Remuneration Committee has proposal, advisory and inquiry functions to support the Board of Directors and is provided with the powers and resources necessary to discharge its duties.

Remuneration data

The remuneration was paid in accordance with the remuneration policy approved by the Shareholders' Meeting on 30 April 2025, taking into account the broad consensus obtained:

- Section I – 2025 Report on the remuneration policy: 99.907% of favourable votes
- Section II – Annual report on remuneration paid in 2024: 87.402% of favourable votes

In line with the latest regulatory provisions, as set out in the update of 15 December 2020 to Article 123-ter of Legislative Decree No. 58 of 24 February 1998, as amended (the "Consolidated Law on Finance"), and Article 84-quater of the regulation adopted by CONSOB with Resolution No. 11971/1999, as amended (the "Issuers' Regulation"), the following section provides a comparative overview of annual variations over the past three years.

TABLES

The tables relating to the remuneration paid, drawn up pursuant to Annex 3, Schedule 7-bis of the Issuers' Regulation and Table 1 - Schedule 7-ter of the same Regulation, regarding the equity investments of the members of the management and control bodies, of general managers and of other key management personnel, are attached hereto; The following additional information tables are included pursuant to Bank of Italy provisions and article 450 of the CRR, as laid down in Implementing Regulation (EU) no. 637 of 15 March 2021.

With reference to the financial year 2025, only the Chief Executive Officer /General Manager received a total fixed remuneration of more than € 1 million.

Variazione dei compensi individuali	remunerazione FY 2025(€/000)	variazione % FY 2025 versus 2024	variazione % FY 2024 versus 2023
Remunerazione dei Componenti dell'Organo di gestione			
Gianluca Garbi	1.546,30	-17,66%	5,55%
Remunerazione dei Componenti dell'Organo di supervisione Strategica			
Luitgard Spögl	236,72	8,51%	3,99%
Giovanni Puglisi	29,40	-152,89%	5,38%
Alessandra Grendele	84,13	42,41%	n.d.
Marco Cuniberti	88,13	36,85%	n.d.
Daniele Pittatore	92,02	2,44%	-1,07%
Gianpaolo Alessandro	67,41	n.d.	n.d.
Andrea De Tomas	58,71	n.d.	n.d.
Giuliana Grassia	53,54	n.d.	n.d.
Maria Gaia Soana	58,23	n.d.	n.d.
Maria Leddi	30,53	-161,53%	1,87%
Daniele Bonvicini	32,69	-148,97%	3,61%
Francesca Granata	46,14	-48,59%	-2,05%
Carlotta de Franceschi	21,56	-4,62%	-217,27%
Attilio Baruffi	29,06	0,38%	5,03%
Donato Trenta	21,56	0,48%	6,80%
Pier Angelo Taverna	21,56	-11,09%	-215,01%
Alessandro Mazzola	21,56	0,46%	6,80%
Remunerazione dei Componenti del Collegio Sindacale			
Guido Paolucci	48,44	n.d.	n.d.
Lucia Abati	61,59	-25,02%	20,91%
Anna Maria Allievi	35,49	n.d.	n.d.
Maurizio Zazza	25,50	13,40%	n.d.
Massimo Conigliaro	12,50	5,57%	n.d.
Maria Elena Vavala'	12,50	5,57%	n.d.

in carica fino al 30.4.2025

in carica dal 30.4.2025

in carica dal 30.4.2025

in carica dal 30.4.2025

in carica dal 30.4.2025

in carica fino al 30.4.2025

in carica fino al 30.4.2025

in carica dal 30.4.2025

in carica dal 1.6.2025

in carica dal 1.1.2025

	2025	2024	2023
Utile lordo consolidato (€/1000)	69.108	41.896	28.236

	2025	2024	2023
Remunerazione totale Amministratore Delegato (€/1000)	1.546	1.819	1.718

	Media FY 2025 (€)	variazione % FY 2024 versus 2023	variazione % FY 2024 versus 2023
Variazione della remunerazione media dei dipendenti	71.795	-4,19%	2,03%

Regolamento emittenti - Allegato 3A - SCHEMA N. 7-BIS: Relazione sulla remunerazione

TABELLA 1'

Compensi corrisposti ai componenti degli organi di amministrazione e di controllo, ai direttori generali e agli altri dirigenti con responsabilità strategiche (in euro/1000)

A	B	C	D	1		2	3		4	5	E	7	8
Nome e Cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	gettoni di presenza	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari (**)	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
							Bonus e altri incentivi	Partecipazione agli utili					
GARBI GIANLUCA	AMMINISTRATORE DELEGATO / DIRETTORE GENERALE	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2025	1.030,00			432,00		84,00	-	1.546,00	n.d.	-
LUITGARD SPOGLER	PRESIDENTE CDA	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2026	189,48	45,00	-	-	-	2,24	-	236,72		
ALESSANDRA GRENDELE	CONSIGLIERE	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2026	49,86	14,00	18,71	-	-	1,56	-	84,13		
MARCO CUNIBERTI	CONSIGLIERE	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2026	49,86	14,50	21,53	-	-	2,24	-	88,13		
DANIELE PITTATORE	CONSIGLIERE	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2026	49,86	15,00	25,60	-	-	1,56	-	92,02		
GIANPAOLO ALESSANDRO	CONSIGLIERE	Dal 30/04/2025 al 31/12/2025	Approvazione bilancio al 31.12.2026	33,56	8,50	23,79	-	-	1,56	-	67,41		
ANDREA DE TOMAS	CONSIGLIERE	Dal 30/04/2025 al 31/12/2025	Approvazione bilancio al 31.12.2026	33,56	9,00	14,59	-	-	1,56	-	58,71		
GIULIANA GRASSIA	CONSIGLIERE	Dal 30/04/2025 al 31/12/2025	Approvazione bilancio al 31.12.2026	33,56	8,50	9,92	-	-	1,56	-	53,54		
MARIA GARA SOANA	CONSIGLIERE	Dal 30/04/2025 al 31/12/2025	Approvazione bilancio al 31.12.2026	33,56	9,00	13,43	-	-	2,24	-	58,23		
GIOVANNI ANTONINO PUGLISI	CONSIGLIERE	Dal 01/01/2025 al 30/04/2025	30/04/2025	16,30	6,00	5,54	-	-	1,56	-	29,40		
MARIA LEDDI	CONSIGLIERE	Dal 01/01/2025 al 30/04/2025	30/04/2025	16,30	5,50	7,17	-	-	1,56	-	30,53		
FRANCESCA GRANATA	CONSIGLIERE	Dal 01/01/2025 al 30/04/2025	30/04/2025	16,30	6,00	2,28	-	-	1,56	-	26,14		
DANIELE BONVICINI	CONSIGLIERE	Dal 01/01/2025 al 30/04/2025	30/04/2025	16,30	6,00	8,15	-	-	2,24	-	32,69		
GIUDIO PAOLUCCI	PRESIDENTE CS	Dal 30/04/2025 al 31/12/2025	Approvazione bilancio al 31.12.2025	36,77	-	11,67	-	-	-	-	48,44		
LUCIA ABATI	SINDACO EFF. / PRESIDENTE CS	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2025	44,67	-	16,92	-	-	-	-	61,59		
ANNA MARIA ALLIEVI	SINDACO EFF. / PRESIDENTE CS	Dal 01/06/2025 al 31/12/2025	Approvazione bilancio al 31.12.2025	35,49	-	-	-	-	-	-	35,49		
II) Compensi nella società che redige il bilancio				1.885,43	147,00	179,30	432,00	-	105,46	-	2.549,19		
GARBI GIANLUCA (*)	Presidente Cda Kruso Kapital	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2025	20,00							20,00		
ALESSANDRO MAZZOLA	CONSIGLIERE Kruso Kapital	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2025	20,00					1,56		21,56		
DONATO TRENTA	CONSIGLIERE Kruso Kapital	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2025	20,00					1,56		21,56		
PIER ANGELO TAVERNA	CONSIGLIERE Kruso Kapital	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2025	20,00					1,56		21,56		
ATTILIO BARUFFI	CONSIGLIERE Kruso Kapital	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2025	20,00		7,50			1,56		29,06		
CARLOTTA DE FRANCESCHI	CONSIGLIERE Kruso Kapital	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2025	20,00					1,56		21,56		
FRANCESCA GRANATA	CONSIGLIERE Kruso Kapital	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2025	20,00							20,00		
MAURIZIO ZAZZA	PRESIDENTE DEL COLLEGIO SINDACALE KRUSO CAPITAL	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2025	18,00		7,50					25,50		
MASSIMO CONIGLIARO	SINDACO EFFETTIVO Kruso Kapital	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2025	12,50							12,50		
MARIA ELENA VAVALA'	SINDACO EFFETTIVO Kruso Kapital	Dal 01/01/2025 al 31/12/2025	Approvazione bilancio al 31.12.2025	12,50							12,50		
III) Compensi da controllate e collegate				183,00	-	15,00	-	-	7,82	-	205,82		
III) Totale				1.888,43	147,00	194,30	432,00	-	113,28	-	2.755,01		

(*) il compenso deliberato è trattenuto sulla base di un accordo individuale

(**) Comprendono Flexible Benefit (per AD / DG) e valore della polizza sanitaria (per tutti gli Amministratori)

La tabella assolve gli obblighi relativi alla informativa prevista dalla Circolare Banca d'Italia 285/2013 - Sezione VI - Obblighi di informativa e di trasmissione dei dati - Par.1 Obblighi di informativa al pubblico: Informazioni sulla remunerazione complessiva del presidente dell'organo con funzione di supervisione strategica e di ciascun membro dell'organo con funzione di gestione, del direttore generale, dei condirettori generali e dei vice direttori generali

SCHEMA N. 7-BIS: Relazione sulla remunerazione - TABELLA 2																	
Stock-option assegnate ai componenti dell'organo di amministrazione, ai direttori generali e agli altri dirigenti con responsabilità strategiche																	
		Opzioni detenute all'inizio dell'esercizio				Opzioni assegnate nel corso dell'esercizio						Opzioni esercitate nel corso dell'esercizio			Opzioni scadute nell'esercizio	Opzioni detenute alla fine dell'esercizio	Opzioni di competenza dell'esercizio
A	B	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15= 2+5-11-14	16
Nome e Cognome	Carica	Piano	Numero opzioni	Prezzo di esercizio	Periodo possibile esercizio (dal - al)	Numero opzioni	Prezzo di esercizio (euro)	Periodo possibile esercizio (dal - al)*	Fair value alla data di assegnazione (euro)	Data di assegnazione	Prezzo di mercato delle azioni sottostanti all'assegnazione delle opzioni	Numero opzioni	Prezzo di esercizio	Prezzo di mercato delle azioni sottostanti alla data di esercizio	Numero opzioni	Numero opzioni	Fair value
Gianluca Garbi	AD		-			-						-			-	-	
12	Dir. con resp strategica		-			-						-			-	-	
(I) Compensi nella società che redige il bilancio			-			-						-			-	-	
(II) Compensi da controllate e collegate			-			-						-			-	-	
(III) Totale			-			-						-			-	-	

SCHEMA N. 7-BIS: Relazione sulla remunerazione - TABELLA 3A													
Piani di incentivazione basati su strumenti finanziari, diversi dalle stock option, a favore dei componenti dell'organo di amministrazione, dei direttori generali e degli altri dirigenti con responsabilità strategiche													
			Strumenti finanziari assegnati negli esercizi precedenti non vested nel corso dell'esercizio		Strumenti finanziari assegnati nel corso dell'esercizio					Strumenti finanziari vested nel corso dell'esercizio e non attribuiti	Strumenti finanziari vested nel corso dell'esercizio e attribuibili		Strumenti finanziari di competenza dell'esercizio
A	B	1	2	3	4	5	6	7	8	9	10	11	12
Nome e Cognome	Carica	Piano	Numero e tipologia* di strumenti finanziari	Periodo di vesting	Numero e tipologia* di strumenti finanziari	Fair value alla data di assegnazione	Periodo di vesting	Data di assegnazione	Prezzo di mercato all'assegnazione	Numero e tipologia* di strumenti finanziari	Numero e tipologia* di strumenti finanziari	Valore alla data di maturazione	Fair value
Gianluca Garbi	AD / DG	Piano 2022			-	-				-			-
		Piano 2021		2022-2025	73.483	149.075	1 anno	apr-25	2.029	-			
		Piano 2020		2021-2024							175.486	310.610	
8	Componenti dell'organo di amministrazione (n.)		-		-					-	-		
11	Altri Dirigenti con responsabilità strategiche (n.)	Piano 2022			-	-				-			
		Piano 2021		2022-2025	25.732	52.203	1 anno	apr-25	2.029				
		Piano 2020		2021-2024							38.814	68.701	
(I) Compensi nella società che redige il bilancio			-		-					-	-		
(II) Compensi da controllate e collegate			-		-					-	-		
(III) Totale			-								214.300	379.311	

SCHEMA N. 7-BIS: Relazione sulla remunerazione - TABELLA 3B									
Piani di incentivazione monetari a favore dei componenti dell'organo di amministrazione, dei direttori generali e degli altri dirigenti con responsabilità strategiche									
A	B	1	2			3			4
Cognome e Nome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
			(A)	(B)	(C)	(A)	(B)	(C)	
Nome Cognome	Carica		Erogabile/erogato	Differito	Periodo di differimento	Non più erogabili	Erogabile/erogati	Ancora differiti	
Gianluca Garbi	AD / DG	Piano 2025 (*)	-	-	-	-	-	-	-
		Piano 2024 (*)			2026-2027		-	-	
		Piano 2023			2025-2026		347.642	231.761	
		Piano 2022			2024-2025		135.016	135.016	
		Piano 2021			2023-2025			47.077	
10	Altri Dirigenti con responsabilità strategiche (n.)	Piano 2025 (*)	-	-	-	-	-	-	-
		Piano 2024 (*)			2026-2027		-	-	
		Piano 2023			2025-2026		274.235	52.998	
		Piano 2022			2024-2025		40.021	40.021	
		Piano 2021			2023-2025			52.200	
(I) Compensi nella società che redige il bilancio			-	-		-	-	-	-
(II) Compensi da controllate e collegate			-	-		-	-	-	-
(III) Totale			-	-		-	796.914	559.073	

(*) sospensione della corresponsione dell'incentivo variabile disposta da Banca d'Italia

SCHEMA N. 7-TER Schema relativo alle informazioni sulle partecipazioni dei componenti degli organi di amministrazione e di controllo, dei direttori generali e degli altri dirigenti con responsabilità strategiche

TABELLA 1 Partecipazioni dei componenti degli organi di amministrazione e di controllo e dei direttori generali

COGNOME E NOME	CARICA	SOCIETA' PARTECIPATA	NUMERO DI AZIONI POSSEDUTE ALLA FINE DELL'ESERCIZIO PRECEDENTE	NUMERO AZIONI ACQUISTATE	NUMERO AZIONI VENDUTE	NUMERO DI AZIONI POSSEDUTE ALLA FINE DELL'ESERCIZIO IN CORSO
Gianluca Garbi	Amministratore Delegato e Direttore Generale	BANCA SISTEMA SpA	179.486	34.741		214.227
			731.791			731.791

TABELLA 2: Partecipazioni degli altri dirigenti con responsabilità strategica

NUMERO DIRIGENTI CON RESPONSABILITA' STRATEGICA	SOCIETA' PARTECIPATA	NUMERO DI AZIONI POSSEDUTE ALLA FINE DELL'ESERCIZIO PRECEDENTE	NUMERO AZIONI ACQUISTATE	NUMERO AZIONI VENDUTE	NUMERO DI AZIONI POSSEDUTE ALLA FINE DELL'ESERCIZIO IN CORSO
10 (*)	BANCA SISTEMA SpA				

(*) numero dirigenti con responsabilità strategica nel corso del 2025

EU TABLES ANNEXED

- Table EU REM A: remuneration policy
- Template EU REM 1: remuneration awarded for the financial year
- Template EU REM 2: special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)
- Template EU REM 3: deferred remuneration
- Template EU REM 4 - Remuneration of 1 million EUR or more per year
- Template EU REM 5: information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (key personnel)

TABLE EU REM A: REMUNERATION POLICY

a.1) Name, composition and mandate of the main body (management body or remuneration committee as applicable) overseeing the remuneration policy and the number of meetings held by that main body during the financial year

The following main bodies supervise the Group's remuneration and incentive policies (hereinafter "the Group Policies" or "the Policies") and perform the following functions:

The **Board of Directors** formulates and approves the Bank's Remuneration Policy, submits it to the Shareholders' Meeting, and reviews it at least once a year, and is responsible for its correct implementation. It also approves the results of any procedure for the exclusion of "key personnel" and periodically reviews the relevant criteria for exclusion.

Within its sphere of influence, the **Remuneration Committee** has advisory and proposal-making duties vis-à-vis the Board of Directors. More specifically, the Committee has a proposal-making and preliminary investigation duty in respect of the Board of Directors, with regard to defining the Policy. The Remuneration Committee comprises three non-executive directors of which two meet the independence requirements set out by applicable legislation and regulations, and in the Bank's Articles of Association. At least two Committee members must have adequate knowledge and experience in financial or remuneration policy matters, without prejudice to the Bank adopting appropriate training programmes to ensure that all Committee members carry out their role with due cognisance. The Remuneration Committee was appointed on 20 May 2024, and its current composition was established on 30 May 2025. As of 31 December 2025, it consists of three non-executive directors, two of whom are independent:

- Giuliana Grassia (Chairperson of the Committee, independent Director, non-executive),
- Daniele Pittatore (Non-executive Director),

- Andrea De Tomas (Independent and non-executive director).

The Committee meets at the intervals needed to carry out its functions, and at any time deemed appropriate by the Chairperson of the Committee, or in the cases specified in the Committee regulation.

In 2025, the Remuneration Committee met 8 times.

a.2) External consultants whose advice has been sought, the body by which they were commissioned, and in which areas of the remuneration framework.

In 2025, Banca Sistema S.p.A. did not use external consultants in the remuneration framework.

a.3) A description of the scope of the institution's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to subsidiaries and branches located in third countries

The Policies apply to all personnel of the Banking Group - Italy and abroad, except where expressly specified for some benefit components and in compliance with the tax and administrative rules of the reference country (excluding the Art-Rite subsidiary which, although consolidated in the Group Financial Statements, is not part of the banking group and to which the Policies do not apply) with specific rules and application guidelines regarding variable incentive systems specifically for key personnel and key management personnel as well as all other personnel.

a.4) A description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile (key personnel)

Banca Sistema identifies key personnel on an annual basis and with the involvement of various corporate bodies. In this context, for the purposes of determining key personnel, agents in financial activities and other credit intermediaries that the Bank may use to distribute its products are also considered. Assessing the importance of these persons is based both on economic/quantitative criteria and on the possible attribution of specific coordination and control roles to some of these persons (area managers, divisional managers, etc.). No agent engaged in financial activities or financial advisor authorised to make off-premises offers was found to fall within the category of "key personnel".

The Human Capital Department then prepares a list of persons who could be classified as "key personnel" (the "List"), accompanied by a brief evaluation of the aforementioned criteria, the number of persons identified for the first time, the roles and responsibilities of such personnel, and the comparison with the results of previous evaluations conducted for the previous year, which shall be promptly transmitted to the Compliance and Anti-Money Laundering Department, the Internal Audit Department and, together with any observations made by them, to the Remuneration Committee, in order to collect any amendment proposals. The process of identification of "key personnel" conducted by the Bank shall actively involve the Group's companies, which shall provide the necessary information and comply with the instructions received. Once the control departments'

contributions have been received, together with those of the Remuneration Committee, said contributions shall be processed and formalised by the Human Capital Department in a single document containing the proposed List. The proposed List is then sent by the Remuneration Committee to the Board of Directors to be duly assessed and decided on. The Bank's Board of Directors:

- approves the List, re-examines it regularly, and approves any derogations;
- is involved in, and constantly monitors, the process.

In this respect, the "key personnel" category includes key management personnel, namely, those persons who have direct or indirect powers and responsibilities over the planning, management and control of the Bank's business activity. Key management personnel includes the Bank's directors (executive and non-executive). In accordance with the quantitative and qualitative criteria set out in the RTS, the further criteria described above, and on the basis of an evaluation of the various risk levels regarding the Group's different business activities, a total of 52 persons have been identified for 2025, as detailed in Annex 1 of the 2025 Remuneration Policies Document.

b. Information relating to the design and structure of the remuneration system for identified staff

b.1) An overview of the key features and objectives of remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders (for example, the Shareholders' Meeting)

The Group Policy - which does not have an established duration but is nevertheless reviewed annually - pursues the following aims:

- to direct the efforts of executive directors and employees towards the priorities and objectives established at Bank and Group level, supporting the creation of value over the medium and long term;
- to attract and retain highly qualified personnel, also through external remuneration competitiveness;
- to motivate personnel, by recognising merit and encouraging the development of professional skills;
- to develop and improve the quality of the services provided to customers;
- to ensure sound and prudent management of the Bank and its risk profile, containing legal and reputational risks;
- ensure the overall achievement of sustainability objectives that take into account, among other things, environmental, social and governance (ESG) factors;
- to ensure remuneration fairness – also with respect to gender neutrality – rewarding individual employees for their contribution, the responsibilities given and their specific working conditions;

- to ensure conduct that is consistent with the Code of Ethics of the Group (hereinafter the "Code of Ethics"), the Group's internal regulations and the legislative and regulatory provisions applicable to Banca Sistema and the Group.

The Policies are defined and reviewed in accordance with the process described below, in compliance with the Provisions and with Banca Sistema's Articles of Association, which are in effect consistent with said Provisions.

The following company bodies and departments are involved in establishing the Policies, according to the remits and responsibilities described hereinafter:

The Board of Directors (or the "Board"): formulates and approves the Bank's Policies, submits them to the Shareholders' Meeting, and reviews them at least once a year, and is responsible for their correct implementation;

- approves the results of any procedure for the exclusion of "key personnel" referred to in Paragraph 4 and in Annex 1 to the Policies, and periodically reviews the criteria for such exclusion;
- ensures that the Remuneration Policies are duly documented and accessible within the company, and that personnel are aware of the consequences of any breach of the provisions contained in these Policies; it defines the incentive plan for those persons within the "key personnel" category, as well as for all other Group employees;
- also ensures that the Bank's Policies are effectively implemented and that they are consistent with the Bank's overall corporate governance, corporate culture, risk appetite, their actual application with respect to gender neutrality and the specific working conditions, as well as the associated governance processes, and ensures that the granting, payment and accrual of variable remuneration do not negatively affect the need to maintain a strong capital base;
- analyses, with the support of the Remuneration Committee, the gender neutrality of remuneration policies, verifying the gender pay gap and its evolution over time;
- approves, in compliance with the principles set out in the Policies and in implementing the rules in the Provisions on "Transparency of banking and financial transactions and services", the criteria for the remuneration of personnel who offer products to customers, interacting with the latter, personnel they report to hierarchically and credit intermediaries, as well as personnel in charge of assessing creditworthiness and personnel responsible for handling complaints; it submits a clear and complete information document concerning the Policies to be adopted, to the Shareholders' Meeting. The purpose of this information document is to illustrate: the reasons, aims and means of implementation of the Policies; the controls carried out in regard to said Policies; the characteristics of the remuneration system; the consistency of such characteristics with the established guidelines and objectives; compliance with applicable law; the principal information regarding the process of identification of "key personnel" and the corresponding outcomes, including any exclusions; any changes to systems and processes that have already been approved; the evolution of the dynamics of remuneration, also compared to the trend within the sector.

The Board of Directors discharges its duties with the support of the following company departments:

- the Human Capital Department, which coordinates the Policies definition process and contributes to the drawing up of the Policies, providing the required information also in relation to the organisational structure, the remuneration levels and the incentive systems. In particular, the Human Capital Department provides its support to the Compliance and Anti-Money Laundering Department in verifying compliance with the regulations. Among other things, it ensures consistency between the Policies and the various human resource management procedures (skills assessment system, technical, professional and managerial development, HR administration) and the remuneration and incentive systems of the Bank;
- the Risk and Sustainability Department is involved in identifying events that could potentially affect the Company's business, analysing the impact of such events in relation to acceptable levels of risk, and periodically monitoring the effects of implementation of Policies on the Group's risk profiles. The Risk and Sustainability Department is invited to meetings of the Remuneration Committee to discuss the drawing up, implementation and monitoring of the Policies; in particular, it helps to ensure compliance with the reference framework for measuring risk appetite and with the risk control and management policies defined in the Risk Appetite Framework (RAF), also by establishing risk indicators to be used for (ex ante and ex post) adjustment mechanisms; it also expresses its opinion on the correct use of these mechanisms. Based on the data supplied by the Manager in charge of financial reporting, the Risk and Sustainability Department performs the necessary controls and checks concerning the achievement of the corporate access conditions and criteria and the consequent establishment of the "bonus pool" (as defined below) and the performance indicators, and highlights any possible impacts which these factors may have on the conduct of employees and/or in terms of the riskiness of the activities undertaken;
- the Compliance and Anti-Money Laundering Department, which verifies ex ante the compliance of the Policies and checks, on an annual basis, that the remuneration policies are consistent with the applicable legal framework and the internal policies, including the Group's Code of Ethics so as to take into account legal and reputational risks present, in particular, in relations with customers. The Compliance and Anti-Money Laundering Department informs the Board of Directors of any findings with a specific assessment on the compliance of the Policies with the regulatory framework in order that due account may be taken of such assessment by the Board when approving and assessing the Policies;
- the Internal Audit Department, which assesses, among other things, at least yearly, whether the remuneration practices are consistent with the approved policies and with the current provisions of law. The outcome of the assessment, brought to the attention of the Board of Directors, is submitted to the Shareholders' Meeting;
- the Finance Department, which verifies the compliance of the Policies with the Bank's medium and long term objectives and strategies, so as to ensure financial

sustainability over the medium to long term through the definition of the final level of the "gate" parameters and access criteria to define the bonus pool payable for each financial year.

- the Manager in charge of financial reporting, who verifies the compliance and consistency of the Policies with accounting and company documents, and in particular their accuracy with respect to the approved accounting entries. The Manager in charge of financial reporting confirms the level of satisfaction of the corporate access conditions and criteria, as defined in the Policies Document, and sends them to the Risk Department for the relevant controls and checks and to the Human Capital Department for the application of the Policies for the year and for the assessment of any "malus" condition relating to deferred portions from previous years, and the level of achievement of the targets assigned.

The **Remuneration Committee**: assists the Board of Directors in reviewing the Policies to be submitted to the Shareholders' Meeting, with support also from the previously specified company departments, and has the following responsibilities:

- to make proposals on the remuneration paid to "key personnel" and evaluate the overall application of the Policies for the remaining personnel as well;
- to provide advice in determining the remuneration criteria for "key personnel";
- to offer its opinion, also on the basis of the information received from the relevant company departments, regarding the outcome of the process of identification of "key personnel", including any exclusions pursuant to paragraph 4 and to Annex 1 of the Policies;
- to support the Board of Directors in monitoring gender neutrality in the application of remuneration policies; in this activity it is in turn supported by the Human Capital Department and by specialist external consultants;
- to carefully monitor due application of the rules on the remuneration of the managers in charge of the corporate control departments, in close coordination with the Board of Statutory Auditors;
- to prepare the documentation to be submitted to the body tasked with the strategic supervision of the related decisions;
- to cooperate with the other committees within the Board of Directors, in particular with the Internal Control and Risk Management Committee;
- to ensure that all appointed departments are involved in the process of preparing and monitoring the Policies;
- to provide input, based also on the information received from the corporate departments concerned, on the achievement of the performance targets to which the incentive plans are subject and to verify the other requirements for payment of the remuneration;
- to assess the need to make ex-post adjustments to the variable remuneration (malus and claw-back) and to submit proposals in this respect to the Board of Directors;

- to provide adequate feedback on the activities carried out to the corporate bodies, including the Shareholders' Meeting, checking the adequacy of the information to be provided to shareholders in relation to the Policies, particularly concerning any proposals to exceed the variable-fixed remuneration ratio of 1:1;
- to make proposals to the Board of Directors concerning the use of external experts specialised in Remuneration and Incentive Policies;
- to check that the existing remuneration policy is up-to-date, and to propose any required amendments.

In order to perform its duties effectively and responsibly, the Remuneration Committee is given access to all data and information associated with the Board of Directors' decision-making process in relation to the preparation, implementation, monitoring and review of the Policies. The Committee is also provided with the necessary resources, and has unconditional access to all information and data produced by the control departments; it interacts with said control departments and with other relevant departments (e.g. the Human Capital, Legal and Finance Departments), whose resources may be asked to attend the Committee's meetings.

The Remuneration Committee adopts specific measures and practices to evaluate any external consultants that may be necessary for identifying and managing conflicts of interest, which are described in the Internal Regulation on the operation of the Committee.

The **Internal Control and Risk Management Committee** ascertains that the incentives underlying Banca Sistema's remuneration and incentive system are consistent with the RAF, notwithstanding the powers of the Remuneration Committee, checking that the remuneration of the Head of the Internal Audit Department and of the Head of the Compliance and Anti-Money Laundering Department is defined consistently with the Company's policies.

The **Shareholders' Meeting** approves:

- the Policies applicable to Group employees and "key personnel";
- any remuneration plans based on financial instruments (for example, stock option and stock grant plans);
- the criteria for determining any compensation to be paid in the event of early termination of employment or early exit from office, including the limits upon such compensation in terms of the number of years of fixed remuneration and the maximum amount resulting from application of such criteria (so-called golden parachute).

On approving the Policies, the Shareholders' Meeting also resolves on any proposal to cap the ratio between the variable and fixed remuneration paid to individual staff members at more than 1:1, but not in excess of the maximum limit of 2:1.

For the current year, only with reference to the Chief Executive Officer and General Manager, a maximum limit of 2:1 on the ratio between variable and fixed remuneration is envisaged. Therefore, for the remaining personnel the general limit of 1:1 is envisaged, without prejudice to what is specified below with reference to certain specific categories of personnel.

The Group companies are also given the opportunity to cap the ratio between the variable and fixed remuneration paid to individual employees at more than 1:1, but not in excess of the maximum limit of 2:1. In this regard, being a Group, the Shareholders' Meeting empowered to decide on the proposal to set a ratio of more than 1:1 is that of the Group company in which the personnel to whom the decision refers are employed. Banca Sistema may vote in favour of the proposal to increase the limit submitted for approval to the Shareholders' Meeting of a Group company.

The **Board of Statutory Auditors** has an advisory function and monitors the proper application of the remuneration policies based on the provisions and regulations in force at the time.

b.2) Information on the criteria used for performance measurement and ex-ante and ex-post risk adjustment

In order to align the incentive systems with prudent risk management policies and ensure long-term business solidity and continuity, the annual Incentive Systems take into account the Group's Risk Appetite and Risk Tolerance as expressed in the RAF. The payable Bonus Pool is linked to the verification of the achievement of some indicators referred to as "gates", without which no bonus can be paid. Profitability, risk and capital requirements targets are also identified and assigned in the sheets of the main management roles.

b.3) Whether the management body or the remuneration committee where established reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration.

The 2025 Group Policies have been drawn up in accordance with Part One, Title IV, Chapter 2 of Bank of Italy Circular No. 285 of 17 December 2013, as subsequently amended and supplemented concerning "Remuneration and incentive policies and practices" ("Circular 285"), implementing Directive 2013/36/EU ("CRD IV"), and with the guidelines of the European Banking Authority ("EBA") on sound remuneration policies (hereinafter, the "Guidelines", and jointly the "Provisions"). The Policy also takes into account the technical standards and regulations agreed at international level, including those issued by the EBA, the Financial Stability Board ("FSB"), as well as those governing related party transactions.

Following the inspection of the Bank of Italy that started in July 2024, the Supervisory Authority has instructed that the Banca Sistema Group, until further review by the Bank of Italy, also based on the feedback that will be provided by the Bank, refrain from

resolving or taking the following actions: i) the distribution of profits generated from the current 2024 financial year or other elements of equity; ii) the payment of the variable component of remuneration for the 2024 financial year and subsequent years. The deferred portions of the variable component of incentive remuneration relating to financial years prior to 2024 have been regularly paid.

The definition and communication to the key personnel of the relevant objectives has been activated (see Annex 2) for the achievement of the annual results, based on the 2025 budget, on the implementation of the 2024 – 2026 Business plan – as supplemented by the subsequent Capital Plan requested by the Supervisory Authority - on the remedial plan defined on the basis of the provisions of the inspection report and the letter on the company's situation, delivered on 20 December 2024 by the Bank of Italy.

On 30 June 2025, Banca CF+ received a communication, pursuant to art. 102, paragraph 1, of Legislative Decree no. 58 of 24 February 1998 (the Consolidated Law on Finance), as subsequently amended and supplemented, and art. 37 of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, of the promotion of a voluntary public tender offer – under the same terms and conditions for all shareholders – concerning all the ordinary shares of Banca Sistema and not aimed at delisting the Issuer's shares. Subject to the completion of the offer and the consequent change of control, the Offeror has communicated its intention to achieve the benefits deriving from the project of integration with the Issuer through a reverse merger by incorporation of the Offeror into Banca Sistema, whereby the combined entity is a company listed on the regulated market.

On 28 June 2025, the Chief Executive Officer and General Manager of Banca Sistema and Banca CF+ entered into an agreement on the subject of the "Acceptance Commitment Proposal". This agreement provides, among other things, for the Chief Executive Officer and General Manager of Banca Sistema, following the successful conclusion of the purchase offer and the consequent change of control event, to sign an agreement to terminate the CEO and employee employment relationship in advance.

In light of the developments in the regulatory framework, the context in which the Group operates and the objectives for sustainable growth over the long term, the 2025 Remuneration Policies Document provides for the following main updates with respect to the previous version of 2024:

- the update to the process of identifying "Key Personnel", always through the adoption of the criteria laid down in the update of the EBA RTS of June 2020 and the consequent Delegated Regulation (EU) 2021/923 of 25/03/21;
- updating of the analyses and assessments conducted by the Remuneration Committee and the Board of Directors regarding the "gender pay gap" previously introduced in the 2022 Remuneration Policies, with specific provisions concerning the gender neutrality of the Bank's remuneration policies and practices;

- the analysis of the remuneration for equivalent company roles assigned to employees in order to assess the Bank's compliance with the provisions of the new EU Pay Transparency Directive ("Directive 2023/970") applicable from 1/7/2026 and the setting of any pay transparency adjustments.

b.4) Information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee

In the case of personnel employed in the Bank's Control Departments and Human Capital Department, and of the Manager in charge of financial reporting, the variable component of remuneration is limited, and granting of the bonus is subject to the achievement of targets consistent with the duties assigned to the departments, in particular with corporate sustainability targets (e.g. cost containment, strengthening of capital, etc.) provided that they do not result in possible conflicts of interest, that are in no way linked to the Bank's financial performance and are independent of the results achieved by those areas under their control.

For key personnel in the Control Departments and in the Human Capital Department, and for the Manager in charge of financial reporting, fixed remuneration is commensurate with key responsibilities and with the commitment associated with the role performed. The Heads of the Control Functions of the Parent (Internal Audit Department, Risk and Sustainability Department, and Compliance and Anti-Money Laundering Department) and of the subsidiary Kruso Kapital S.p.A. (Internal Audit Department and Compliance, Anti-Money Laundering & Risk Management Department) are granted annual "department allowances" as defined by the Board of Directors when approving the Remuneration Policies Document for the relevant year. This allowance is paid to each employee assigned by the Bank to the role of Head of one of the aforementioned departments of the Parent and of the subsidiary Kruso Kapital S.p.A. in relation to the implicit responsibilities associated with that role and, therefore, insofar as it is closely linked to that role assignment, will cease to be paid in the event of assignment to another role, including at the Bank's initiative.

These allowances are not a continuous and recurring component of the remuneration, nor are they linked to economic and capital parameters or objectives of the bank or the recipient.

The variable component of the remuneration payable to key personnel of control departments may not exceed the limit of 1/3 (one-third) of the fixed component.

The Bank's control departments include the Internal Audit Department, the Risk and Sustainability Department, and the Compliance and Anti-Money Laundering Department. For the subsidiary Kruso Kapital S.p.A., this includes the Internal Audit Department and the Compliance, Anti-Money Laundering and Risk Management Department.

b.5) Policies and criteria applied for the award of guaranteed variable remuneration and severance payments

Details regarding the golden parachutes in place for the year 2025 are provided in chapter 6.5 "Severance Policy", paragraph 6.5.1 Golden Parachutes of the Remuneration Policies.

c. Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration.

The total amount of the variable component to be paid to the Bank's personnel ("Bonus Pool") is based on actual, long-term results and also takes into account financial and non-financial qualitative and quantitative targets, including those established by the business plan approved by the Board of Directors and indicated by the annual budgets, and the RAF.

Banca Sistema has defined a structured funding process for the variable component of remuneration, as defined in paragraph 6.3 of the Remuneration Policies Document, in order to ensure its sustainability on a capital and financial level.

The so-called "Bonus Pool" represents part of the consolidated personnel expense, which is approved by the Bank's competent management bodies at the end of the budgeting process for the relevant year. This component, planned by cost centre (Division/Corporate Centre/Group), is measured by means of the so-called "funding curve" against the achievement of the income results set in the budget, and it can decrease or increase, within the limit of predefined thresholds, according to the actual degree of achievement of those results and with a minimum level achieved equal to 80% of the Group's gross profit (excluding the bonus pool).

Furthermore, consistently with the principle of financial sustainability, the Bonus Pool budgeted for each Division is then adjusted, as final balance, according to the actual result achieved by the same Division against the budget, in addition to a specific weighting linked to the actual achievement of the result attained by the Group.

The actual availability of the Bonus Pool is in any case conditional, in the calculation of the final balance, upon prior compliance with the capital and liquidity requirements consistent with the RAF ("gates"), in particular, joint compliance - at the end of the relevant year - with the first-level threshold, as defined in the RAF, for the TCR and LCR.

Failure to meet even one of the aforementioned parameters will result in the Bonus Pool not being activated and consequently no bonus will be allocated.

Verification of compliance with the gates and the amount of the Bonus Pool actually available falls under the responsibility of the Board of Directors, upon consultation with the competent departments (Finance Department, Risk and Sustainability Department, Manager in charge of financial reporting, Human Capital Department), subject to the opinion of the Remuneration Committee.

As already described in paragraph b.3, the Supervisory Authority has instructed that the Banca Sistema Group, until further review by the Bank of Italy, also based on the feedback that will be provided by the Bank, refrain from resolving or taking the following actions: i) the distribution of profits generated from the current 2024 financial year or other elements of equity; ii) the payment of the variable component of remuneration for the 2024 financial year and subsequent years. Until a favourable review of the aforementioned provisions is completed, the Group will refrain from initiating the setup and issuance of any form of variable incentives. Likewise, any resolutions regarding the disbursement of incentives under medium- and long-term variable remuneration plans and the reimbursement of portions of the purchase price of Kruso Kapital S.p.A. shares remain suspended.

d. The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.

The ratio between the fixed and variable components of remuneration is accurately determined and carefully evaluated in relation to the characteristics of the Bank and of the various categories of personnel.

As a rule, the variable component of remuneration may not exceed 100% of the fixed component (ratio of 1:1). However, as permitted under the applicable legislation and in the Bank's Articles of Association, the Board of Directors may request the Shareholders' Meeting to grant to one or more "key personnel" positions or uniform categories of personnel a variable remuneration in excess of 100% but not exceeding 200% of the fixed remuneration (ratio of 2:1). This applies only in exceptional cases and the reasons for the proposal to exceed the aforementioned ratio must be clearly stated, with indication also of the current and future implications on the Bank's ability to continue to comply with all prudential rules.

In detail, the Board of Directors' proposal to the Shareholders' Meeting will indicate at least the following information: (i) the departments to which those persons affected by the decision belong and their number, for each department; (ii) the reasons underlying the proposed increase; (iii) the implications, even in a forward-looking perspective, for the Company's ability to continue to comply with all applicable prudential rules.

For the current year, only with reference to the Chief Executive Officer and General Manager, a maximum limit of 2:1 on the ratio between variable and fixed remuneration is envisaged.

e. Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration. Disclosures shall include:

e.1) An overview of main performance criteria and metrics for institution, business lines and individuals

The indicators of company-level performance - to which the distribution of the variable component under the Bonus Pool is subject - are as follows:

▪ **CONDITION FOR DISTRIBUTION** – The "Bonus Pool" is measured by means of the so-called "funding curve" against the achievement of the income results set in the budget, and it can decrease or increase, within the limit of predefined thresholds, according to the actual degree of achievement of those results and with a minimum level achieved equal to 80% of the Group's gross profit (excluding the bonus pool). Furthermore, consistently with the principle of financial sustainability, the Bonus Pool budgeted for each Division is then adjusted, as final balance, according to the actual result achieved by the same Division against the budget, in addition to a specific weighting linked to the actual achievement of the result attained by the Group;

▪ **CONDITION FOR ACCESS** - satisfying the Key Risk Indicators ("KRI"), which are envisaged in the RAF for the reference year, defined as first-level threshold of the TCR and LCR.

Failure to meet even one of the aforementioned parameters will prevent access to the Bonus Pool and consequently no bonus will be allocated.

The fulfilment of the aforesaid Conditions for access is assessed by the Board of Directors, with input from the Remuneration Committee, in accordance with the procedure described in the Policies.

e.2) An overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance

After verifying the satisfaction of the conditions for access, the bonuses will be calculated on the basis of the results actually achieved relative to each target set in the bonus sheet defined for each member of key personnel in the year considered.

In fact, at the beginning of the year, all beneficiaries of the incentive system are assigned specific quantitative and qualitative "Business" targets linked to their Department and/or Business Line/Division.

The performance appraisal process is carried out yearly as follows: the Bank's employees log onto their personal account on the Banca Sistema HR portal and share the quantitative and qualitative targets for the year with their direct heads.

Each quantitative and qualitative target is assigned a percentage weight, indicating its importance, and includes a precise description of the performance standards in terms of methods, timeframes and content so as to enable the accurate appraisal of the results achieved.

e.3) Information on the criteria used to determine the balance between different types of instruments awarded including shares, equivalent ownership interest, options and other instruments.

Pursuant to Part One, Title IV, Chapter 2, Section I, paragraph 7, of Circular 285, as most recently updated on 24 November 2022 (37th update), in application of the principle of

proportionality, Banca Sistema qualifies as a "smaller and less complex bank" as it recognised, in its separate financial statements, assets of less than € 5 billion (calculated as the average of the four years immediately preceding the current financial year) and does not belong to a group with consolidated assets equal to or greater than € 30 billion.

The Bank indicates 25% of average total remuneration of Italian high earners, as shown in the latest EBA report (published in April 2024) and relating to data processed at the end of 2022, as being a particularly high level of variable remuneration ⁽⁸⁾.

Deferred variable incentive fees may be paid for years prior to 2024.

e.4) Information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution's criteria for determining "weak" performance metrics.

Failure to meet even one of the aforementioned parameters and access criteria ("gates") referred to in point e.1 above will prevent access to the Bonus Pool and consequently no bonus will be allocated.

The fulfilment of the aforesaid Conditions for access is assessed by the Board of Directors, with input from the Remuneration Committee, in accordance with the procedure described in the Policies.

f. Description of the ways in which the institution seeks to adjust remuneration to take account of longterm performance.

f.1) An overview of the institution's policy on deferral, payout in instrument, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff.

The variable remuneration for "key personnel" for the year will be paid, after approval of the financial statements and subject to verification of compliance with the gates and the actual availability of the bonus pool pertaining to the year of accrual of the deferred amounts, as follows:

- for amounts equal to or lower than € 50,000, variable remuneration shall be paid entirely up-front and in cash, subject to the necessary approval of the Board of Directors and of the Shareholders' Meeting provided for in these Policies;
- amounts greater than € 50,000 and up to € 456,258 or where the condition referred to in the previous point is not met: or 70% up-front and in cash; or for the remaining

⁸ Pursuant to Title IV, Chapter 2, Section III, Paragraph 2, no. 4: "Particularly high variable remuneration means the lower of: i) 25 per cent of the average total remuneration of Italian high earners, as indicated in the latest EBA report; and ii) 10 times the average total remuneration of the Bank's employees. The banks' remuneration policies shall indicate the level of variable remuneration that they consider to be particularly high, and they shall update this figure at least once every three years". An examination of the EBA Report on 2023 figures shows that the amount referred to in point i) above is € 456,258.

30% deferred in the first and second subsequent year with payment according to the pro-rata criterion equal to 15%;

- for amounts greater than € 456,258: or 60% up-front and in cash; or for the remaining 40% deferred in the first and second subsequent year with payment according to the pro-rata criterion equal to 20%.

Given the provisions of the Bank of Italy Circular, which allow banks with assets of less than € 5 billion (as an average based on the figures for the last four years) to neutralise the provisions relating to the disbursement of variable remuneration in financial instruments and to solely apply an "appropriate" deferral period for the annual variable component only, Banca Sistema intends to make use of this simplification provision and apply the abovementioned cash payment schemes for the payment of variable remuneration starting from 2022 (without prejudice to any regulatory updates and/or the reaching of the size thresholds indicated by Circular no. 285).

The variable remuneration for "key personnel" related to the 2025 financial year has been suspended pending a favourable review by the Supervisory Authority.

Following a positive assessment of the achievement of the thresholds set for the "gates," the deferred portions of variable remuneration related to financial years prior to 2024 will be paid.

f.2) Information of the institution's criteria for ex post adjustments (malus during deferral and clawback after vesting, if permitted by national law).

With a view to allowing the use of suitable ex-post adjustment mechanisms, during the deferral period, whether relating to variable remuneration in cash or shares, the Bank may reduce or cancel altogether the deferred portion of the remuneration to reflect actual performance throughout the whole three-year period, net of risks assumed or incurred, and/or to take into account the Bank's financial and liquidity position or any unexpected situations/extraordinary events (e.g. new risks, unexpected losses) or the beneficiary's individual conduct. For the purposes of applying the malus mechanisms, the Bank also considers any conduct by the Bank's personnel or credit intermediaries that has caused or contributed to causing significant damage to customers or a violation of the provisions contained in Title VI of the Consolidated Law on Banking or the related implementing provisions. In this sense, the deferred portions will be effectively paid subject to verification of compliance with the gates defined by the Remuneration Policy for the year of accrual thereof. In the event of failure to meet the gates, the Board of Directors, subject to the opinion of the Remuneration Committee and the Internal Control and Risk Management Committee, will decide to reduce those portions or cancel them altogether.

Any disciplinary measures applied by the Bank to employees during the deferral period shall be taken into consideration for evaluation purposes, in regard to individual conduct as per this paragraph, in particular conduct implying an impact on the risks actually taken or incurred, or to the following conduct:

- conduct that does not comply with the provisions of law, regulations, Articles of Association or the Bank's Code of Ethics or other codes of conduct that apply to the Bank, which results in a significant loss for the bank or for customers;
- other conduct that does not comply with the provisions of law, regulations, Articles of Association or any codes of ethics or conduct that apply to the Bank, in those cases provided for by the Bank;
- breach of the requirements set out in article 26, or, if the employee is an interested party, the breach of the requirements of article 53, paragraph 4 ff. of the Consolidated Law on Banking or of the requirements associated with remuneration and incentives;
- fraudulent conduct or gross negligence to the detriment of the Bank.

For the purposes of applying the malus mechanisms, the Bank also considers any conduct by the Bank's personnel or credit intermediaries that has caused or contributed to causing significant damage to customers or a violation of the provisions contained in Title VI of the Consolidated Law on Banking or the related implementing provisions.

Incentives that have already been granted and/or paid to employees are subject to claw-back (i.e. the incentives granted are no longer paid or those already paid must be refunded) when it is found that the beneficiaries are responsible for or involved in:

- conduct that does not comply with the provisions of law, regulations or Articles of Association that apply to the Bank or with the Code of Ethics adopted by the Bank or other codes of conduct applicable to the Bank, in those cases provided for by the Bank, which result in a significant loss for the Bank or for customers;
- other conduct that does not comply with the provisions of law, regulations or Articles of Association that apply to the Bank or with the Code of Ethics adopted, in those cases provided for by the Bank;
- breach of the requirements set out in article 26, or, if the employee is an interested party, the breach of the requirements of article 53, paragraph 4 ff. of the Consolidated Law on Banking or of the requirements associated with remuneration and incentives;
- fraudulent conduct or gross negligence to the detriment of the Bank;
- conduct that caused or contributed to causing significant damage to customers.

The period of application of the claw-back clauses for "Key personnel" is at least 5 years, and this period shall run from payment of the single (up-front or deferred) portion of variable remuneration.

Upon the occurrence of the aforementioned events, following the adoption of a disciplinary measure, the Bank activates the decision-making process aimed at assessing the reductions to be applied, involving the bodies and departments in charge of defining the remuneration for the individual personnel categories.

f.3) Where applicable, shareholding requirements that may be imposed on key personnel

Since the 2022 financial year, the Remuneration Policies have stipulated that deferral will be applied solely through cash instalments.

g. The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR.

g.1) Information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non-cash instruments, options and other instruments

The remuneration paid to the Group's personnel includes a fixed component, which is paid to all employees, a "benefit" component and a variable component that is paid to the "key personnel", that may be applied to the remaining personnel other than key personnel of the Bank. The variable component of remuneration (hereinafter also referred to as the "Bonus"):

- is paid to personnel classifiable as "key personnel" when certain set targets are achieved (without prejudice to the provisions of the Policy); may also be paid to personnel other than "key personnel";
- is based on performance indicators measured net of risks and consistently with the measures used for management purposes by the Risk and Sustainability Department (the so-called ex-ante risk adjustment);
- is subject to attaining specific performance targets both at Group, Business Division/Department/Subsidiary and personal level.

h. Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management, in accordance with point (j) of Article 450(1) CRR

Reference is made to the tables at the foot of Section II of the Remuneration Report.

i. Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR.

The Banca Sistema Group does not benefit from the application of the derogation referred to in Article 94(3) of the CRD.

Template EU REM1 - Remunerazione riconosciuta per l'esercizio

		a	b	c	d
		Organo di Amministrazione - funzione di supervisione strategica	Organo di amministrazione - funzione di gestione	Altri membri dell'alta dirigenza	Altri membri del personale più rilevante
Remunerazione Fissa	Numero dei membri del personale più rilevante	14	1	9	22
	Remunerazione fissa complessiva	593.300	1.114.000	1.933.601	3.133.313
	Di cui in contanti	593.300	1.030.000	1.665.001	2.665.613
	(Non applicabile nell'EU)				
	di cui azioni o partecipazioni al capitale equivalente	-	-	-	-
	di cui strumenti collegati alle azioni o strumenti non monetari equivalenti	-	-	-	-
	di cui : altri strumenti	-	-	-	-
	(Non applicabile nell'EU)				
	di cui altre forme	-	84.000	268.600	467.700
	(Non applicabile nell'EU)				
Remunerazione variabile	Numero dei membri del personale più rilevante	14	1	9	22
	Remunerazione variabile complessiva	258.570	432.296	161.023	-
	Di cui in contanti	258.570	297.973	113.771	-
	di cui differita	-	297.973	113.771	-
	di cui azioni o partecipazioni al capitale equivalente	-	134.322	47.252	-
	di cui differita	-	134.322	47.252	-
	di cui strumenti collegati alle azioni o strumenti non monetari equivalenti	-	-	-	-
	di cui differita	-	-	-	-
	di cui altri strumenti	-	-	-	-
	di cui differita	-	-	-	-
	di cui altre forme	-	-	-	-
	di cui differita	-	-	-	-
Remunerazione complessiva(2 + 10)		851.870	1.546.296	2.094.624	3.133.313

Template EU REM2 - pagamenti speciali al personale le cui attività professionali hanno un impatto rilevante sul profilo di rischio dell'ente (personale più rilevante) -

		a	b	c	d
		Organo di Amministrazione - funzione di supervisione strategica	Organo di amministrazione - funzione di gestione	Altri membri dell'alta dirigenza	Altri membri del personale più rilevante
Premi facenti parte della remunerazione variabile garantita					
1	Premi facenti parte della remunerazione variabile garantita - Numero dei membri del personale più rilevante	0	0	0	0
2	Premi facenti parte della remunerazione variabile garantita - importo complessivo	0	0	0	0
3	Di cui premi facenti parte della remunerazione variabile garantita versati nel corso dell'esercizio che non sono presi in considerazione nel limite massimo dei bonus				
Trattamenti di fine rapporto riconosciuti nei periodi precedenti che sono stati versati nel corso dell'esercizio					
4	Trattamenti di fine rapporto riconosciuti nei periodi precedenti che sono stati versati nel corso dell'esercizio - Numero dei membri del personale più rilevante	0	0	0	0
5	Trattamenti di fine rapporto riconosciuti nei periodi precedenti che sono stati versati nel corso dell'esercizio - Importo complessivo	0	0	0	0
Trattamento di fine rapporto riconosciuti nel corso dell'esercizio					
6	Trattamenti di fine rapporto riconosciuti nel corso dell'esercizio - Numero dei membri del	0	0	0	0
7	Trattamenti di fine rapporto riconosciuti nel corso dell'esercizio - Importo Complessivo	0	0	0	0
8	di cui versati nel corso dell'esercizio				
9	di cui differiti				
10	di cui trattamenti di fine rapporto versati nel corso dell'esercizio non considerati nel limite				
11	di cui l'importo più elevato riconosciuto a una singola persona				

Template EU REM3 - remunerazione differita

	a	b	c	d	e	f	EU - g	EU - h
Remunerazione differita e soggetta a mantenimento	Importo complessivo della remunerazione differita riconosciuta per periodi di prestazione precedenti	Di cui importi che maturano nel corso dell'esercizio	Di cui importi che matureranno negli esercizi successivi	Importo della correzione delle performance effettuata nell'esercizio sulla remunerazione differita che sarebbe dovuta maturare nel corso dell'esercizio	Importo della correzione delle performance effettuata nell'esercizio sulla remunerazione differita che sarebbe dovuta maturare in successivi anni di prestazione	Importo complessivo delle correzioni effettuate nel corso dell'esercizio dovute a correzioni implicite ex post (ossia variazioni di valore della remunerazione differita dovute alle variazioni dei prezzi degli strumenti)	Importo complessivo della remunerazione differita riconosciuta prima dell'esercizio effettivamente versato nel corso dell'esercizio	Importo complessivo della remunerazione differita riconosciuta per il precedente periodo di prestazione che è stata maturata ma è soggetta a periodi di mantenimento
Organo di Amministrazione - funzione di supervisione strategica								
In contanti								
Azioni o partecipazioni al capitale equivalenti								
Strumenti collegati alle azioni o strumenti non monetari equivalenti								
Altri strumenti								
Altre forme								
Organo di Amministrazione - funzione di gestione	548.176	432.295	115.881	-	-	-	608.583	134.322
In contanti	413.854	297.973	115.881	-	-	-	297.973	-
Azioni o partecipazioni al capitale equivalenti	134.322	134.322	-	-	-	-	310.610	134.322
Strumenti collegati alle azioni o strumenti non monetari equivalenti	-	-	-	-	-	-	-	-
Altri strumenti	-	-	-	-	-	-	-	-
Altre forme	-	-	-	-	-	-	-	-
Altri membri dell'alta dirigenza	187.521	161.022	26.499	-	-	-	182.471	47.252
In contanti	140.269	113.770	26.499	-	-	-	113.770	-
Azioni o partecipazioni al capitale equivalenti	47.252	47.252	-	-	-	-	68.701	47.252,00
Strumenti collegati alle azioni o strumenti non monetari equivalenti	-	-	-	-	-	-	-	-
Altri strumenti	-	-	-	-	-	-	-	-
Altre forme	-	-	-	-	-	-	-	-
Altri membri del personale più rilevante	-	-	-	-	-	-	-	-
In contanti	-	-	-	-	-	-	-	-
Azioni o partecipazioni al capitale equivalenti	-	-	-	-	-	-	-	-
Strumenti collegati alle azioni o strumenti non monetari equivalenti	-	-	-	-	-	-	-	-
Altri strumenti	-	-	-	-	-	-	-	-
Altre forme	-	-	-	-	-	-	-	-
Importo Totale	735.697	593.317	142.380	-	-	-	-	-

Template EU REM4 - Remunerazione di 1 milione di EUR o più per esercizio

	a
	Membri del personale più rilevante che hanno una remunerazione elevata ai sensi dell'articolo 450, lettera i), del CRR.
	EUR
1	Da 1 000 000 a meno di 1 500 000
2	Da 1 500 000 a meno di 2 000 000
3	Da 2 000 000 a meno di 2 500 000
4	Da 2 500 000 a meno di 3 000 000
5	Da 3 000 000 a meno di 3 500 000
6	Da 3 500 000 a meno di 4 000 000
7	Da 4 000 000 a meno di 4 500 000
8	Da 4 500 000 a meno di 5 000 000
9	Da 5 000 000 a meno di 6 000 000
10	Da 6 000 000 a meno di 7 000 000
11	Da 7 000 000 a meno di 8 000 000
x	Da ampliare se del caso qualora siano necessarie ulteriori fasce di pagamento

Template EU REMS

		a	b	c	d	e	f	g	h	i	j
		Remunerazione dell'organo di amministrazione			Aree di business						
		Organo di amministrazione - funzione di supervisione strategica	Organo di amministrazione - funzione di gestione	Totale organo di amministrazione	Banca d'investimento	Servizi bancari al dettaglio	Gestione del risparmio (asset management)	Funzioni aziendali	Funzioni di controllo interno indipendenti	Tutte le altre	Totale
1	Numero complessivo dei membri del personale più rilevante	14	1	15				9	8	14	46
2	Di cui membri dell'organo di amministrazione	14		14							14
3	Di cui altri membri dell'alta dirigenza		1	1				9	-	-	10
4	Di cui altri membri del personale più rilevante	-	-	-					8	14	22
5	Remunerazione complessiva del personale più rilevante	851.870	1.495.296	2.347.166				2.094.624	1.167.312	1.966.001	7.575.103
6	Di cui remunerazione variabile	258.570	432.296	690.866				161.023	-	-	851.889
7	Di cui remunerazione fissa	593.300	1.063.000	1.656.300				1.933.601	1.167.312	1.966.001	6.723.214