

ILLIMITY BANK S.P.A.

**ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS
ON ITEM 1 ON THE AGENDA
OF THE ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF
ILLIMITY BANK S.P.A. OF 24 APRIL 2024 IN SINGLE CALL**

Prepared pursuant to article 125-ter of Legislative Decree no. 58 of 24 February 1998 as amended and article 84-ter of Consob Regulation no. 11071/1999 as amended

Approved by the Board of Directors on 8 March 2024

This report can also be consulted on the Bank's website www.illimity.com

Shareholders,

You are called to attend an Ordinary General Meeting to be held at 09:00 CET on 24 April 2024, in single call, to discuss and adopt resolutions on the following agenda:

1. **Integration of the Composition of the Board of Directors: appointment of a Director. Resolutions pertaining thereto and arising therefrom.**
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6. *[omissis].*
7. *[omissis].*

This Illustrative Report has accordingly been prepared pursuant to 125-*ter* of Legislative Decree no. 58 of 24 February 1998 as amended (the “**TUF**”) and article 84-*ter* of Consob Regulation no. 11071/1999 as amended (the “**Issuers’ Regulation**”) and provides a description of item 1 on the agenda of the Ordinary Shareholders’ Meeting, as well as the draft resolutions you are called to adopt.

Shareholders,

We are calling you to a General Meeting of the Shareholders of illimity Bank S.p.A. (the “**Bank**”, “**illimity**” or the “**Company**”) to discuss and adopt resolutions, *inter alia* – in compliance with applicable laws and regulations, as well as those of the Bylaws, including therein the “*Supervisory guidelines on assessing the requirements and fit and proper criteria for corporate officers of banks, financial intermediaries, electronic money institutions, payment institutions and deposit guarantee systems to hold office*” issued by the Bank of Italy on 4 May 2021 (effective from 1 July 2021) (the “**Guidelines**”) regarding the procedure of assessing the fit and proper criteria for the corporate officers of banks - , on the reintegration of the Bank’s Board of Directors following the resignation, with effect from 1 April 2024, of the non-executive and independent director Patrizia Canziani, a member of the Risks Committee and the Sustainability Committee, elected from the minority list, due to the emergence of new professional commitments which are not compatible with the continuance of the positions she holds in the Bank. Her resignation was announced to the market on 22 February 2024.

It is recalled that the current management body was appointed by the Company’s Ordinary Shareholders’ Meeting of 28 April 2022 for financial years 2022, 2023 and 2024 and accordingly up to the Shareholders’ Meeting approving the annual financial statements as at 31 December 2024. The elected director will hold office for the remaining period of the current mandate and, therefore, until the date of the Shareholders’ Meeting approving the annual financial statements for 2024.

As stated in the above announcement to the market (to which reference should be made), given the resignation of Ms. Canziani, the Board of Directors, with the support of the Appointments Committee, (i) noting the impossibility of replacing Ms. Canziani under the current Bylaws – as selecting the first unelected candidate on the list to which Ms. Canziani belonged (a list submitted at the time by a series of asset management companies and investment fund managers for the purpose of the above-mentioned 2022 Annual General Meeting) would have made it impossible to comply with gender balance requirements – and (ii) aware of the timing of the upcoming Annual General Meeting, accordingly resolved not to co-opt a new board member, thereby remitting a decision on the replacement of Ms. Canziani to Shareholders.

As the matter regards the appointment of a single director, the list-voting procedure contemplated by article 14 of the current Bylaws does not apply and the Shareholders’ Meeting will elect the replacement director from the names of candidates submitted with the majorities required by law.

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As stated in the notice of call for the Shareholders’ Meeting (to which reference should be made), published in the public domain on 22 March 2024, entitled Shareholders wishing to submit the names of candidates are kindly invited to present their proposals, by the means described in the notice of call, by 1 April 2024, so that the Company may proceed with their subsequent publication. Proposals received in this way will be published on the Company’s website by 9 April 2024, so that holders of voting rights may take note of such in order to grant proxies and or sub-proxies, with the relative voting instructions, to the Designated Representative.

It is recalled that the submission of names must be accompanied by a candidate’s statement of acceptance, in which he/she attests under his/her responsibility that he/she holds the personal requisites (professionalism, integrity and independence, as well as competence and propriety, availability of time to perform the relative duties in an effective manner, compliance with the

requirements of interlocking legislation and the absence of causes of ineligibility or situations giving rise to impediment). In this respect the following should be highlighted: (i) article 26 of Legislative Decree no. 385/1993 containing the Consolidated Law on Banking (the “TUB”), Ministerial Decree no. 169/2020, which became effective on 30 December 2020, and the above-mentioned provision of the Bank of Italy of 4 May 2021; (ii) article 148, paragraph 3 of the TUF, as referred to in article 147-ter of the TUF; (iii) article 14 of the Bank’s Bylaws; (iv) the new Corporate Governance Code issued in 2020 and effective from the year in course 2021; as well as (v) article 36 of Decree Law no. 201/2011, as converted by Law no. 214/2011 (the “interlocking prohibition” law).

In this respect, it is noted the “*Orientation of the Board of Directors of illimity Bank S.p.A. on the Optimum Qualitative and Quantitative Composition of the Corporate Bodies* (the “**Orientation**”), most recently put into the public domain on 22 February 2024⁽¹⁾, establishes the Policy for assessing the fit and proper criteria for corporate officers to perform their duties and contains a precise and detailed indication of the documents they must produce, as well as the areas subject to verification.

The Board of Directors brings Shareholders’ attention to the profiles and relative skills and professional qualities desired for candidates standing as independent director for the purpose of reintegrating the board (and possibly also the board committees), as stated in the Orientation, as well as to the need to meet the requirements and criteria – including availability of time – established by applicable laws and regulations, while still maintaining gender balance.

The appointment of the new member of the Board of Directors must therefore be consistent with the above-mentioned qualitative and quantitative profile and ensure that the board continues to have a suitable overall composition.

The appointment of the new member of the Board of Directors must also continue to ensure compliance with gender balance legislation (article 147-ter of the TUF as amended by Law no. 160/2019). More specifically, it is recalled that 2/5 (two fifths) of the members of the Board of Directors must belong to the lesser-represented gender, with fractions rounded up to the next whole number. In light of the present composition, therefore, the candidate for the position as director must be of the female gender.

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Voting on candidates will take place in the chronological order in which their names were received, without prejudice to the fact that, following the appointment, the Board of Directors will need to carry out checks, in accordance with law, to ensure compliance with applicable laws and regulations on the requisites to be held by banking officers (the fit and proper requirements) and checks to ensure the absence of interlocking positions.

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Shareholders,

in consideration of the above, we invite you to adopt the resolution for reintegrating the Board of Directors, consisting of 13 members, as established by the General Meeting of the Bank’s Shareholders’ Meeting of 28 April 2022, and accordingly, to proceed with the appointment of a new

(1) The Orientation is published on the website www.illimity.com under the section “*Governance / Governance System*”, to which reference should be made for further details and matters not specified in the Illustrative Report.

director.

The elected director will hold office for the remaining period of the current mandate and, therefore, until the date of the Shareholders' Meeting approving the annual financial statements for 2024. The new director will be entitled to receive the compensation, on a *pro rata temporis* basis, set by the Shareholders' Meeting of 28 April 2022 in the amount of EUR 50,000.00 for the members of the Board of Directors, together with that due for any participation at board committee meetings, and the reimbursement of any expenses incurred for performing his/her duties, in accordance with the Bank's applicable policy, consistent with the provisions of the remuneration and incentive policy for 2024.

Milan, 8 March 2024

On behalf of the Board of Directors

The Chair