

**BANCA SISTEMA S.P.A.**

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

Tax code and Milan Company Register No. 12870770158 – ABI code No. 03158.3

Corso Monforte, 20 - 20122 Milan

www.bancasistema.it

**ORDINARY SHAREHOLDERS' MEETING, HELD ON SINGLE CALL  
AT THE REGISTERED OFFICE IN MILAN - CORSO MONTEFORTE 20  
14 DECEMBER 2017, 10:00 HRS**

**BOARD OF DIRECTORS' REPORT  
POINT 2 OF THE AGENDA**

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

**“APPOINTMENT OF A DIRECTOR PURSUANT TO ARTICLE 2386 OF THE CIVIL CODE”**

### **BOARD OF DIRECTORS' REPORT**

Dear Shareholders,

on 14 April 2017, Mr. Andrea Zappia, elected from the list presented by Società di Gestione delle Partecipazioni di Banca Sistema S.r.l., Fondazione Sicilia, Fondazione Pisa and Fondazione Cassa di Risparmio di Alessandria, resigned from the office of Director as from 1 May 2017.

Pursuant to article 2386 of the Civil Code and art. 10.4, second paragraph, letter b) of the Articles of Association of Banca Sistema S.p.A., on 28 April 2017 the Board of Directors, based on the preliminary activities conducted by the Appointments Committee and upon resolution adopted by the Board of Statutory Auditors, co-opted to appoint Mr. Diego De Francesco to the office of Director, to replace Mr. Andrea Zappia as from 1 May 2017. Pursuant to article 2386 of the Civil Code, Mr. Diego De Francesco's office as a non-executive and independent director ends on the date of this Shareholders' Meeting.

The need has therefore arisen to appoint a new Director for the remainder of the term of office of the Board of Directors, that is, until the date the Shareholders' Meeting is called to approve the financial statements at 31 December 2017. The slate voting procedure applies only when the entire Board of Directors is re-appointed pursuant to article 10.4 of the Articles of Association of Banca Sistema S.p.A. and does not therefore apply in the case at hand. Therefore, the appointment of the Director shall be made with the legal majorities established by law and in compliance with the applicable principles of independence and gender equality requirements.

Without prejudice to the right to present candidates for the office of Director directly at the Shareholders' Meeting, Shareholders are invited to notify Company (in writing to the registered office to the attention of the Corporate Affairs Department or by certified e-mail to the address [bancasistema.affarisocietari@legalmail.it](mailto:bancasistema.affarisocietari@legalmail.it)), with advance notice, of any proposed nominations that they intend to submit to the Shareholders' Meeting.

The final version of the document "Qualitative and quantitative composition of the Banca Sistema Board of Directors", approved by the Board of Directors on 15 December 2016 and published on the Company's website, is available to Shareholders in order to enable them to carry out, in due time, the choice of the candidates to be presented for the integration of the Board of Directors, taking into account the skills required and motivating any difference from the evaluation carried out by the Board of Directors.

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Dear Shareholders,

In view of the above, Shareholders are invited to appoint a new Director to the Board of Directors by casting their vote in favour of the candidates proposed.

Milan, 14 November 2017

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