

NOTICE OF CALL OF THE ORDINARY SHAREHOLDERS' MEETING

The Shareholders entitled to attend and exercise their voting rights in Banca SISTEMA S.p.A. ("**Company**" or "**Bank**") are invited to attend the Ordinary Shareholders' Meeting to be held at the Bank's registered office in **Milan - Corso Monforte 20** - on **14 December 2017 at 10:00 hrs**, on single call.

AGENDA

- 1. Appointment of new members of the Board of Statutory Auditors pursuant to Article 2401 of the Civil Code.**
- 2. Appointment of a Director pursuant to Article 2386 of the Civil Code.**
- 3. Amendment of the resolution of the Shareholders' Meeting held on 27 April 2017 as regards point 7 of the agenda "Approval of the remuneration policies of the Banca Sistema Group for the year 2017 and setting of the maximum limit of 2:1 as the ratio between the variable and fixed components of remuneration for employees and "key personnel". Relating and resulting resolutions.**

It is stated that at the date of publication of this notice:

- the subscribed and paid-up share capital of the Company is Euro 9,650,526.24;
- the share capital is divided into 80,421,052 ordinary shares, each ordinary share attributes the right to one vote in both the ordinary and the extraordinary session;

As at 14 November 2017, the Company holds 68,240 treasury shares.

Any subsequent changes in the information outlined above will be published on the website of Banca SISTEMA and communicated at the beginning of the Meeting.

Participation rights and voting by proxy

Under Art. 83-sexies of the Legislative Decree no. 58/98 ("Consolidated Law on Finance"), the legal power to participate in the Meeting and exercise the right to vote shall be attested by a communication prepared by the intermediary authorized by law, confirming such a right and delivered to the Company, in favour of the person entitled the right to vote, on the basis of the accounting registration at the end of the seventh business trading day prior to the date of the Shareholders' Meeting on single call, i.e. on 5 December 2017. All crediting and debiting of the accounts subsequent to said date, have no relevance for the right to exercise the right to vote at the Shareholders' Meeting. The above communication of the intermediary shall be received by the Company by the end of the third business trading day prior to the date set for the Shareholders' Meeting on single call (i.e. on 11 December 2017). The Shareholders shall be entitled to intervene and vote if the communication reached the Company after the above mentioned term, in any case by the beginning of the Meeting of each single call.

Under article 135-novies of the Consolidated Law on Finance and article 8.7 of the Articles of Association, those who are entitled the right to vote may be represented by proxy issued in writing in the manner prescribed by the legislation and regulations from time to time in force.

The proxy may be notified to the Company by registered letter to the Company's registered office in Milan, Corso Monforte 20 or by email to the following certified e-mail address: bancasistema.affarisocietari@legalmail.it.

A proxy form is available on the Company's website www.bancasistema.it in the section Governance/Assemblea degli Azionisti/2017/Documentazione Assembleare-Assemblea Ordinaria del 14 dicembre 2017.

Notwithstanding the advance notice, prior to the start of the Meeting, the Proxy Holder shall be required to confirm the identity of the party he/she is representing and that the proxy is a true copy of the original. Under article 135-*novies* of the Consolidated Law on Finance, the proxy can also be conferred by electronic document signed electronically in accordance with article 21, paragraph 2, of the Legislative Decree no. 82/2005 and notified to the certified e-mail address bancasistema.affarisocietari@legalmail.it.

Shareholder representative appointed by the Company

Proxies, with voting instructions for the items on the agenda, may be granted to Computershare S.p.A., with registered office at Via Lorenzo Mascheroni 19, Milan 20145, which has been duly designated by the Company for this purpose in accordance with art. 135-*undecies* of the Consolidated Law on Finance. Proxies can be granted to Computershare S.p.A. by signing the printable version of the relevant form, which can be downloaded from the website www.bancasistema.it (under the section Governance/Assemblea degli Azionisti 2017) or obtained from the Company's registered office or from the registered office of Computershare S.p.A. The original of the proxy, with voting instructions, must be received by Computershare S.p.A., Via Lorenzo Mascheroni 19, Milan 20145, by close of business on the penultimate trading day before the date scheduled for the meeting on single call (i.e. by 12 December 2017). A copy of the proxy, with a statement confirming that it is a true copy of the original, may be provided to the designated Proxy Holder within the above-mentioned deadlines by fax to +39 02 46776850, or appended to an email sent to the address ufficiomilano@pecserviziotitoli.it. The proxy is only valid if voting instructions are given. Proxies and voting instructions may be revoked by the deadlines specified above. Please note that the statement to be communicated to the Company by the authorized intermediary, confirming the eligibility to take part and exercise voting rights at the Shareholders' meeting, is also required if the proxy is granted to the designated Proxy Holder. By law, shares for which a proxy is granted, whether in full or in part, are taken into account in determining whether the Shareholders' Meeting is duly constituted, although proxies without voting instructions do not count for the purposes of calculating the majority and quorum required to pass resolutions. Information concerning proxies granted to Computershare S.p.A. (which can be contacted for further clarifications at +39 02 46776811) are also provided in the relevant proxy form mentioned above.

Postal voting

Pursuant to Article 127 of the Consolidated Law on Finance and article 8.8 of the Articles of Association, voting may also be exercised by correspondence in accordance with the applicable regulations.

The postal voting form, which is available on the Company's Internet website in the section Governance/Assemblea degli Azionisti/2017/Documentazione Assembleare-Assemblea Ordinaria del 14 dicembre 2017 or at the Company's registered office, can also be mailed by the Corporate Affairs Department to those who have requested it, together with the related envelope. The postal voting form - duly filled in and signed - must be received by the Corporate Affairs Department by and no later than 13 December 2017 and mailed to the Company's registered office in Milan - Corso Monforte No. 20 or sent to the certified e-mail address bancasistema.affarisocietari@legalmail.it.

Voting forms received after the specified deadline or which have not been signed shall not be counted in the initial or the voting quorum of the Shareholders' Meeting. The postal voting is exercised directly by the holder of the voting right and is exercised separately for each of the resolutions proposed. The vote

may be revoked with a written statement notified to the Company by 13 December 2017, or by way of an express statement issued by the holder during the course of the Shareholders' Meeting.

Right to submit questions on the items of the agenda

Under article 127-*ter* of the Consolidated Law of Finance, those entitled to vote can submit questions on the agenda even prior to the Meeting, by the deadline of 11 December 2017, by registered letter to the Company's registered office in Milan - Corso Monforte No.. 20 or by certified e-mail, to the address bancasistema.affarisocietari@legalmail.it.

For the exercise of said right, appropriate communication issued by intermediaries depository of the shares owned by the entitled shareholders will have to be addressed to the Company. Questions received before the Shareholders' Meeting will be answered at the latest during the Meeting, and the Company reserves the right to provide a single answer to questions having the same content.

Additions to the agenda and presentation of new proposed resolutions

Under article 126-*bis* of the Consolidated Law on Finance, the shareholders who, even jointly, represent at least one fortieth of the share capital, may request in writing, within ten days from the publication hereof (i.e. 24 November 2017), to integrate the items to be discussed during the Meeting, indicating in their request the additional items they propose for discussion or to submit resolution proposals on items already on the agenda.

The requests, together with the certification attesting the ownership of the shareholding of the requesting shareholders, issued by the intermediaries depository of the shares owned by the shareholder, shall be submitted in writing to the registered office by registered letter sent to the attention of the Corporate Affairs Department or by certified e-mail to the address bancasistema.affarisocietari@legalmail.it provided they are received by the Company within the term referred to above.

Those who have the right to vote may individually submit proposed resolutions at the Meeting.

The supplementing of the agenda and submission of additional proposed resolutions on items already on the agenda will be declared at least fifteen days prior to the date scheduled for the Shareholders' Meeting on single call. The additional proposed resolutions on matters already on the agenda shall be made available to the public in the manner prescribed for the publication of the notice of call, with the publication of the news of the presentation.

Shareholders requesting additions to the agenda shall prepare a report outlining the reasons for the proposed resolutions on new matters they propose to be discussed, that is the justification for the additional proposed resolutions submitted on matters already on the agenda. The report shall be submitted to the Board of Directors before the deadline for submission of the integration request. The Board of Directors shall make the report available to the public, accompanied by its own evaluations, if any, together with the publication of the news of the integration or submission, in the manner provided for under article 125-*ter*, paragraph 1, of the Consolidated Law on Finance.

The integration of the agenda is not allowed for matters on which the Meeting resolves, by law, at the proposal of the Directors or on the basis of a project or a report prepared by them, other than those referred to under article 125-*ter*, paragraph 1, of the Consolidated Law on Finance.

Appointment of new members of the Board of Statutory Auditors

The appointment of new members of the Board of Statutory Auditors is not subject to list-associated constraints and is governed by the Civil Code, the Consolidated Law on Finance, the Legislative Decree. no. 385/93 and the related regulations, as well as Art. 18 of the Articles of Association of Banca Sistema, which should all be referred to in this regard.

Should the need arise to replace statutory auditors elected in the majority list, the appointment comes about on the basis of majority voting without any constraints connected with the list.

Shareholders are invited to submit their candidate proposals for the offices of Standing Auditor and Alternate Auditor to the registered office together with:

- i) information concerning the identity of the shareholders who presented the candidates and the total percentage interest held by those shareholders;
- ii) declarations whereby individual candidates accept their candidacy and attest, under their own responsibility, that there are no grounds for them to be considered ineligible or disqualified, including the limit on concurrent positions, and that they satisfy the requirements established by laws, regulations and the Articles of Association for the respective positions;
- iii) a declaration by shareholders other than the shareholders who, separately or collectively, hold a controlling or relative majority interest, attesting to the absence of relationships of association, as defined in applicable laws and regulations, with such shareholders;
- vi) the curriculum vitae of each candidate, containing thorough information about each candidate's personal and professional characteristics, as well as an indication of management and control positions filled at other companies.

For more information about the presentation, deposit and publication of the candidates, please refer to the provisions of Art.18 of the Articles of Association, available on the Company's website as well as the Board report on the items on the agenda, which will be available on the same website in accordance with law.

Appointment of a Director

Pursuant to Article 2386 of the Italian Civil Code and Article 10.4 of the Articles of Association, in order to appoint a Director, the Shareholders' Meeting shall resolve, with the majorities established by law, on the proposals presented at the Meeting without adopting the slate voting procedure, subject to compliance with the principles of independence prescribed by the current applicable legislation and regulations.

Without prejudice to the right to present candidates for the position of Director directly at the Shareholders' Meeting, Shareholders are invited to notify the Company and the public, with appropriate advance notice, of any proposed nominations that they intend to submit to the Shareholders' Meeting.

Shareholders may only submit proposals if they are accompanied by complete information on both the personal and professional characteristics of the candidates, the statements of the candidates accepting the nomination and affirming, under their personal responsibility, the absence of any grounds making them ineligible or incompatible for such position and that they satisfy the requirements for the position established by applicable law and the Articles of Association (including the satisfaction of any independence requirements established by the Articles of Association and their qualification as "independent" under Article 3 of the Corporate Governance Code for listed companies) as well as the list of any administration and control positions they may hold in other companies.

The document "Qualitative and quantitative composition of the Banca Sistema Board of Directors", 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.

For further information, please refer to the Board of Directors' report, which will be made available in the manner and by the deadline established by law.

Documentation

The documentation relating to the items on the agenda, the full text of the proposed resolutions together with the reports required by law and, as of today's date, the Reports on all the items on the agenda, shall be made available to the public in accordance with law at the registered office and on the authorized storage mechanism 1Info at the address www.1info.it as well as on the Company's Internet website

www.bancasistema.it, in the section Governance/ Shareholders' Meeting/2017/Shareholders' meeting documentation/Ordinary Shareholders' meeting 14 December 2017.

An excerpt of this notice is published today in the newspaper "Il Giornale".

Milan, 14 November 2017

THE CHAIRPERSON OF THE BOARD OF DIRECTORS

Signed by Luitgard Spögler

*Shareholders entitled to attend and vote at the Meeting are kindly requested to arrive in advance of the stated time, together with ID documents, to allow for the preliminary checks and to ensure that the Meeting starts on time.
Information about attendance at the Shareholders' Meeting can be obtained from the Number 02.80280.1 which is available from Monday to Friday from 8.30 a.m. until 1 p.m. and from 2 p.m. to 6 p.m..*