

BANCA SISTEMA S.P.A.

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

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

Largo Augusto 1/A, at the corner of Via Verziere 13, 20122 Milan

www.bancasistema.it

**ORDINARY SHAREHOLDERS' MEETING, HELD ON SINGLE CALL
AT THE REGISTERED OFFICE AT LARGO AUGUSTO 1/A, AT THE CORNER OF VIA VERZIERE
13, MILAN
18 APRIL 2019, 10.00 A.M.**

**BOARD OF DIRECTORS' REPORT
ON ITEM 6 OF THE AGENDA**

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

**"REMUNERATION REPORT: RESOLUTION PURSUANT TO
ARTICLE 123-TER, PARAGRAPH 6, OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998
AS AMENDED AND SUPPLEMENTED"**

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

We are submitting to your attention the Remuneration Report drawn up pursuant to article 123-ter of Legislative Decree no. 58 of 24 February 1998, as amended and supplemented (the "**Consolidated Law on Finance**") and article 84-quater and Annex 3A, Schedule 7-bis of CONSOB Regulation no. 11971/1999 as amended and supplemented (the "**Issuers' Regulation**").

In accordance with article 123-ter of the Consolidated Law on Finance, article 84-quater and Annex 3A, Schedule 7-bis of the Issuers' Regulation and article 6 of the Corporate Governance Code adopted by the Corporate Governance Committee promoted by Borsa Italiana S.p.A. as per the last amendment, the Board of Directors prepared and approved on 1 March 2019, on proposal of the Remuneration Committee, which met on 27 February 2019, the Remuneration Report that includes:

- in Section I, a description of the 2019 Policies and a description of the procedure used to adopt and implement such Policies;
- in Section II, a description of the remuneration paid for any reason and in any way during the financial year ended 31 December 2018 to members of the management and control bodies, the General Manager and, together, the key management personnel of the Bank.

The Report, to which we refer, is made available to the public within the terms and in the manner set forth by applicable laws, including publication on the Bank's website.

Pursuant to article 123-ter, paragraph 6, of the Consolidated Law on Finance, Section I of the Remuneration Report is subject to non-binding resolution by the ordinary Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2018.

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Dear Shareholders,

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

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

- *having acknowledged the Remuneration Report approved by the Board of Directors of the Bank on 1 March 2019, on proposal of the Remuneration Committee, which met on 27 February 2019, pursuant to article 123-ter of the Consolidated Law on Finance and article 84-quater and Annex 3A, Schedule 7-bis of the Issuers' Regulation*

Resolves

- *to approve Section I of the Remuneration Report".*

Milan, 27 March 2019

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