

BANCA SISTEMA S.P.A.

Fully paid up Share Capital € 9,650,526.24

Tax Code and Milan Companies' Register No. 12870770158 – ABI (Italian Banking Association)

Code 03158.3

Corso Monforte, 20 - 20122 Milan

www.bancasistema.it

**ORDINARY SHAREHOLDERS' MEETING HELD ON SINGLE CALL
AT THE REGISTERED OFFICE IN MILAN - CORSO MONFORTE 20
27 APRIL 2017, 10:00 AM**

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

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

“DETERMINATION OF THE REMUNERATION OF THE BOARD OF STATUTORY AUDITORS”

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

on appointment of the Board of Statutory Auditors, as per item 5) on the agenda, the remuneration entitlements of the members of such Board shall need to be determined for the entire term of office in compliance with art. 2402 of the civil code.

We are therefore asking you to determine the remuneration payable to members of the Board of Statutory Auditors, highlighting in this respect, that the Shareholders' Meeting held on 22 April 2014 established to pay Euro 40,000 to the Chairman of the Board of Statutory Auditors and Euro 24,000 to each Standing Auditor. The aforesaid Shareholders' Meeting also determined to reimburse, where specifically requested by the Statutory Auditors, any documented expenses incurred in relation to their office, including travel expenses.

May we also remind you that, pursuant to art. 18.6 of the Articles of Association, the remuneration paid to Statutory Auditors cannot be based on financial instruments or linked to the Company's financial performance.

The outgoing Board of Directors has not made any proposal in relation to this item of the agenda.

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Dear Shareholders,

We are hereby asking you to submit your proposals on this item of the agenda and to approve one of such proposals.

Milan, 17 March 2017

On behalf of the Board of Directors
Ms Luitgard Spögler
Chairwoman of the Board of Directors