

**INFORMATION DOCUMENT RELATING TO THE 2017-2019 STOCK GRANT PLAN
OF THE BANCA SISTEMA GROUP, DRAWN UP IN ACCORDANCE WITH ART.
114-BIS OF LEGISLATIVE DECREE NO. 58/98 AND ART. 84-BIS OF REGULATION
NO. 11971, AS APPROVED BY CONSOB RESOLUTION DATED 14 MAY 1999, AS
AMENDED**

Milan, 28 March 2017

Definitions

In addition to the terms otherwise defined in the paragraphs of this information document, the terms and expressions listed below shall have the following meaning:

Shares	The ordinary shares of Banca Sistema underlying this Plan, giving regular dividend rights and having a nominal value of EUR 0.12 each.
Assignment of Shares	The determination - subject to meeting the individual and company-level performance targets specified in the 2017 Remuneration Policies Document (hereinafter the “ 2017 Policies ”) and in this Plan - of the number of Shares to be granted free of charge to each Beneficiary with reference to each Cycle, as resolved by the Board of Directors at the end of the three-year reference period.
Banca Sistema or Bank	Banca Sistema S.p.A., having registered office in Milan, Corso Monforte no. 20, 20122, registered at the Milan Companies' Register under no. 12870770158.
Beneficiaries	Executives with Strategic Responsibilities and other subjects identified as “key personnel”, i.e. in Bands 1 to 3 according to the 2017 Policies.
Bonus Pool Bonus	Amount allocated by the Board of Directors of the Bank at the start of each Cycle Variable component (payable either in cash or Shares) of the remuneration relating to the financial years 2017-2019 as provided for in the 2017 Policies.
Transfer	Any transfer, including but not limited to, the sale, donation, pledge, usufruct, contribution or exchange of the shares, the granting of a beneficial interest on them or the forced sale of the shares, or any other form of disposal (free of charge or at a cost), which directly or indirectly transfers to a third party the ownership of the Banca Sistema ordinary shares or any associated right.
Cycle	The period of time comprising the financial years in relation to which the Bank has set performance targets, to which the Assignment of the Bonus is subject. 1st Cycle: 01/01/2017 - 31/12/2017 (the 1 st Cycle ends on the date of approval of the

	2017 consolidated financial statements); 2nd Cycle: 01/01/2018 - 31/12/2018 (the 2 nd Cycle ends on the date of approval of the 2018 consolidated financial statements); 3rd Cycle: 01/01/2019 - 31/12/2019 (the 3 rd Cycle ends on the date of approval of the 2019 consolidated financial statements).
Remuneration Committee or “RC”	The committee set up by Banca Sistema in implementation of the recommendations contained in the Corporate Governance Code of Listed Companies and in Bank of Italy Circular no. 285 of 17 December 2013 (<i>Supervisory provisions for banks</i>), as amended.
Board of Directors	The Board of Directors of Banca Sistema.
Executives with Strategic Responsibilities	The persons having direct or indirect powers and responsibility over the planning, management and control of the Company's activities, including its directors (executive and non-executive).
2017 Remuneration Policies Document	The Document containing the remuneration policies of the Banca Sistema Group, which was approved by the Board of Directors on 8 February 2017 and updated on 28 March 2017.
Business Day	Each calendar day, excepting Saturdays and Sundays and days on which banks are not open for normal business on the Milan market.
Banca Sistema Group or Group	Banca Sistema and the companies over which it has or may in the future have direct or indirect control pursuant to article 2359 of the Italian Civil Code and article 93 of the Consolidated Law on Finance (TUF).
Permanent disability	Any medically certified condition which permanently impairs the Beneficiary's ability to work and that leads to the termination of the employment relationship.
Letter of Assignment Letter of Assignment	A special Letter with which the beneficiary is notified of the Assignment of the Bonus and the method it is awarded. The letter that is sent by Banca Sistema to the Beneficiaries, indicating: (i) the value of the cash bonus; (ii) the number of Shares assigned; (iii) the Retention Period applicable to the Assigned shares. Regarding the 1st Cycle only, the foregoing information that should be provided to the

	Beneficiaries in the Letter of Assignment can be provided in the Letter of Bonus Assignment, as detailed in the 2017 Remuneration Policies Document.
Plan	The 2017-2019 Stock Grant Plan, which is governed by the Regulations and the related documents and is drawn up by the Board of Directors, with input from the Remuneration Committee, and submitted for the approval of the Company's ordinary Shareholders' Meeting.
Price of Shares	The price of Shares determined on the basis of the arithmetic average of the official prices achieved by the Banca Sistema shares on the MTA Italian Equities' Market - STAR segment in the last three months preceding the date the Board of Directors resolves on the Assignment of Shares.
Regulations	This document is approved by the Board of Directors and describes the legal and administrative rules associated with the LTIP and the Plan and the rights and undertakings of the Beneficiaries and the Company.
Retention Period	The period during which the Beneficiary undertakes not to transfer the Assigned shares.

Introduction

This information document (the “**Information Document**”) has been drawn up in accordance with the combined provisions of article 114-bis of the Consolidated Law on Finance and article 84-bis of the Issuers’ Regulation, and in line with schedule 7 of Annex 3A to said Regulation concerning the information to be disclosed to the market in connection with remuneration plans based on financial instruments and in particular contains changes to that laid down in the “**2016 Stock Grant Plan**” approved by the Shareholders’ Meeting on 28 April 2016.

The 2017 Remuneration Policies Document provides an incentive instrument, based on the assignment of ordinary shares of the Company to Executives with strategic responsibilities and other subjects identified as “key personnel” who are paid a bonus for an amount exceeding €50,000: in this case the variable remuneration will be paid 60% upfront (50% in cash and 50% in Bank shares); the remaining 40% will be deferred and will be paid at the end of the three-year deferment period, 50% in cash and the remaining 50% in Bank shares.

In detail, the incentive system provides for the free assignment of the Company’s ordinary shares, subject to meeting specific individual and company-related performance targets.

On 8 February 2017, the Board of Directors resolved to submit the Plan for the approval of the Shareholders’ Meeting, to be held on single call on 27 April 2017.

The information resulting from the resolutions which the Board of Directors will pass to implement the Plan - subject to approval by the Shareholders’ Meeting and in accordance with criteria established therein - will be provided in compliance with the terms and procedures specified in article 84-bis, paragraph 5, letter a) of the Issuers’ Regulation.

The aim of this Information Document is to provide shareholders with the information necessary to exercise their vote at the meeting in an informed manner.

The Information Document is published, pursuant to law, at the registered office and on the Company’s website www.bancasistema.it, Governance/Shareholders’ Meeting section.

The Plan is to be deemed “of particular importance” pursuant to article 114-bis, paragraph 3 of the Consolidated Law on Finance and article 84-bis, paragraph 2, letters a) and b) of the Issuers’ Regulation.

1. Beneficiaries

1.1. ***Names of the beneficiaries who are members of the Board of Directors of the Company, its Parent Companies and its Subsidiaries***

The names of the Beneficiaries of the Plan and the other information set forth in paragraph 1 of Schedule 7 of Annex 3A to the Issuers' Regulation will be provided in accordance with the terms and procedures set forth in article 84-bis, paragraph 5, letter a) of the Issuers' Regulation.

1.2 ***Categories of employees who are beneficiaries of the Plan or collaborators of the Company and its parent companies or subsidiaries***

The Beneficiaries of the Plan are Executives with strategic responsibilities and other subjects identified as "key personnel" according to the 2017 Remuneration Policies Document who are paid a bonus for an amount exceeding €50,000: in this case the variable remuneration will be paid 60% upfront (50% in cash and 50% in Bank shares); the remaining 40% will be deferred and will be paid at the end of the three-year deferment period, 50% in cash and the remaining 50% in Bank shares.

For the purpose of identifying "key personnel", namely, those persons whose professional activity has or may have a significant impact on the Company's risk profile, the 2017 Remuneration Policies Document provides for the applicability of (EU) Regulation no. 604/2014 ("**Regulatory Technical Standards**" or "**RTS**") in accordance with the Regulatory Provisions for Banks concerning remuneration and incentive policies and practices, as specified in Bank of Italy Circular no. 285 of 17 December 2013 ("**Circular 285**").

In accordance with the quantitative and qualitative criteria set out in the RTS, the potential beneficiaries of the Plan have been identified as those falling under the following categories:

- Directors who hold executive offices (or who are members of the Executive Committee)
- Non-executive Directors;
- The heads of the Company's key functions (Factoring; Banking; Finance and Administration; Commercial Factoring; Legal and Corporate Affairs; Operations; Marketing and Communications)
- Managers and other high ranking personnel belonging to the control functions (Internal Audit; Human Resources; Risk and Compliance; Manager responsible for preparing the Company's financial reports)
- Other persons who may have a significant impact on the Company's risk profile (Treasury Department; Underwriting Department; Investor Relations Department).

1.3 ***Names of the beneficiaries of the Plan who belong to the categories specified in point 1.3, letters a), b) and c) of Schedule 7, Annex 3A to the Issuers' Regulation***

The names of the Beneficiaries of the Plan and the other information set forth in paragraph 1.3 of Schedule 7, Annex 3A to the Issuers' Regulation will be provided in accordance with the terms and procedures set forth in article 84-bis, paragraph 5, letter a) of the Issuers' Regulation.

1.4 *Description and number of the beneficiaries of the Plan who belong to the categories specified in point 1.4, letters a), b), c) and d) of Schedule 7, Annex 3A to the Issuers' Regulation*

The description and the number of Beneficiaries of the Plan and the other information set out in paragraph 1.4 of Schedule 7 Annex 3A to the Issuers' Regulation will be provided in accordance with the terms and procedures set forth in article 84-bis, paragraph 5, letter a) of the Issuers' Regulation.

2. Reasons for adopting the Plan

2.1. Objectives of the Plan

The Plan provides for the free assignment of ordinary shares of the Company, subject to meeting the performance targets specified below.

By adopting the Plan, Banca Sistema intends to achieve the following aims:

- to direct the efforts of directors and employees towards the Bank and the Group's priorities, supporting the creation of value over the medium and long term;
- to attract and retain highly qualified personnel;
- to motivate staff, rewarding merit and assigning value to professional development;
- to develop and improve the quality of services for customers;
- to reflect and promote sound, effective management of the Bank;
- to ensure the fairness of remuneration, rewarding individuals for their contribution and the responsibilities given;
- to offer competitive salary packages;
- to ensure conduct that is consistent with the Group's Code of Ethics (the Code of Ethics), the Group's internal procedures and the provisions and regulations in force applicable to Banca Sistema and the Group.

In accordance with the provisions of Circular 285, which require a portion of the variable component of remuneration paid in financial instruments to be deferred, the Plan is subdivided into three Cycles, each linked to specific performance targets, to which the free assignment of Shares is subject. In detail:

- 1st Cycle: 01/01/2017 - 31/12/2017 (the 1st Cycle ends on the date of approval of the 2017 consolidated financial statements);
- 2nd Cycle: 01/01/2018 - 31/12/2018 (the 2nd Cycle ends on the date of approval of the 2018 consolidated financial statements);
- 3rd Cycle: 01/01/2019 - 31/12/2019 (the 3rd Cycle ends on the date of approval of the 2019 consolidated financial statements);

The free Assignment of Shares to each Beneficiary at the end of each Cycle is subject to specific individual and company-level performance targets being met, as detailed below. The achievement of the targets is verified by the Board of Directors, with input from the Remuneration Committee, subsequent to the approval of the consolidated financial statements as at 31 December 2017, 31 December 2018 and 31 December 2019.

The Board of Directors is of the opinion that an incentive plan based on the free assignment of Shares deferred over the medium-term, subject to performance targets, is the incentivizing tool which better responds, also in terms of effectiveness, to the interests of the Banca Sistema Group.

The Plan is one of the new tools adopted by the Company to add performance-based variable components to the fixed component of the salaries of key employees, in accordance with the best practices in the sector.

2.2. *Key variables and performance indicators*

Please see paragraph 4.5 below in this respect.

2.3 *Criteria for determining the number of shares to be assigned*

Subsequent to verification that the performance targets provided for in the Plan have been met, the Board of Directors calculates the number of Shares to be assigned to each Beneficiary at the end of each Cycle, taking into account the Price of the Shares.

2.4 *Reasons underlying any decision to implement remuneration plans based on financial instruments that are not issued by the Company*

The Plan is based solely on the ordinary shares of the Company.

2.5 *Considerations on the subject of significant tax and accounting implications*

The definition of the Plan was not subjected to applicable tax provisions or accounting-type implications.

2.6 *Possible support for the Plan by the special Fund for incentivizing the participation of workers in enterprises, as per art. 4, paragraph 112 of Italian Law no. 350 of 24 December 2003*

The Plan does not receive support from the special Fund for incentivizing the participation of workers in enterprises, as per art. 4, paragraph 112 of Italian Law no. 350 of 24 December 2003.

3. Approval process and share assignment timing

3.1 *Powers and functions delegated by the Shareholders' Meeting to the Board of Directors to implement the Plan*

On 8 February 2017, the Board of Directors, in cooperation with other company functions and having taken into account the proposal of the Remuneration Committee, resolved to submit the Plan for the approval of the ordinary Shareholders' Meeting to be held on single call on 27 April 2017. The Plan was subsequently update by the Board of Directors on 28 March 2017.

On 8 February 2017, the Board of Directors also approved some changes to the 2016 Plan below.

The Ordinary Shareholders' Meeting will also be asked to vest the Board of Directors with the power, having consulted the Remuneration Committee, to: (i) implement the Plan; (ii) determine the number of Shares to be assigned to each Beneficiary; (iii) prepare and approve the documentation associated with the implementation of the Plan.

3.2 *Parties appointed to manage the Plan*

Without prejudice to the responsibilities of the Shareholders' Meeting, the Board of Directors approves the Plan and the related Regulation and adopts resolutions on the matters associated with the Plan. Resolutions adopted by the Board of Directors on the interpretation and application of the Plan are final and binding for all interested parties.

The responsibility for the management of the Plan is assigned to the Board of Directors. In this regard, the Board is vested with broad ranging operational powers, including but not limited to:

- (i) the power to verify that the performance targets required for the Assignment of the Shares have been met;
- (ii) the power to define the terms and procedures for the Assignment of the Shares in the event of transfer of the company or the division in which the Beneficiary works, pursuant to art. 2112 of the Italian Civil Code;
- (iii) the power to change the Plan as specified in paragraph 3.3 below.

In exercising the powers granted by the Shareholders' Meeting in relation to the Plan, the Board of Directors may delegate powers, tasks and responsibilities to one or more of its members in connection with the implementation of the aforesaid Plan.

3.3 *Existing procedures for revising the Plan*

The Board of Directors may amend the Plan when such amendments are deemed appropriate to ensure compliance with regulations in force at any time.

Additionally, the Board of Directors is vested with the necessary and/or appropriate powers to fully implement the Plan and make any amendments to the related Regulation, consistent with the essential content, objectives and purposes of the Plan approved by the Shareholders' Meeting, subject to applicable laws and regulations, particularly Circular 285.

The Board of Directors will notify the Beneficiary of any amendments made to the Plan within 10 business days from the date of approval of the same.

3.4 Procedure for determining the availability and the assignment of the Shares

The Shares for the Plan were found:

- i) by the resolution of the Shareholders' Meeting on 28 April 2016, which arranged for the capital increase for the Plan by delegating the Board of Directors of the Bank to issue the relevant shares, in line with all the applicable rules, according to the procedures laid down by the relevant governing bodies. A specific equity reserve tied to the afore-mentioned capital increase was also established by the above mentioned Shareholders' Meeting.
- ii) by the resolution of the Shareholders' Meeting on 27 November 2015 as well as the proposal to be submitted for the approval of the Shareholders' Meeting to be held on 27 April 2017, for the purchase of treasury shares to be allocated to the "key personnel" in implementation of the remuneration and incentive policies approved by the Shareholders' Meeting.

3.5 The role of each Director in defining the characteristics of the Plan; possible instances of conflict of interest

The Remuneration Committee, consisting of three non-executive directors, two being independent, was involved in the various phases of the preparation of the Plan.

3.6 Date the decision was taken by the competent management body to propose that the Shareholders' Meeting approve the Plan and date of any proposal made by the Remuneration Committee

The Remuneration Committee submitted a proposal relating to the Plan in the meeting held on 7 February 2017. On 8 February 2017, the Board of Directors resolved to submit the adoption of the Plan for the approval of the ordinary Shareholders' Meeting to be held on 27 April 2017. The Plan was subsequently updated by the Board of Directors on 28 March 2017, based upon the opinion released by the Remuneration Committee on 27 March 2017.

3.7 Date the decision was taken by the competent management body concerning the assignment of the instruments and date of any proposal made by the Remuneration Committee to said management body

Once the Board of Directors, with input from the Remuneration Committee, has verified that the performance targets have been met subsequent to the approval of the consolidated financial statements as at 31 December 2017, 31 December 2018 and 31 December 2019, it then determines the number of Shares to be assigned to each Beneficiary at the end of each Cycle, taking into account the Price of Shares, and assigns the Shares.

The Beneficiaries are notified of the Assignment of Shares in the related Letter of Assignment, of which two copies are prepared and signed by the Company, within 60 days of the approval of the consolidated financial statements referring to the relevant Cycle.

The Letter of Assignment indicates:

- the value of the cash Bonus;
- the number of Shares assigned;
- a summary statement of the performance targets associated with the Plan;
- the Retention Period.

The dates of Assignment of Shares will be notified in accordance with the terms and procedures set forth in article 84-bis, paragraph 5, letter a) of the Issuers' Regulation.

3.8 *The market price of the shares on the dates indicated in points 3.6 and 3.7*

The Price of Shares at the time of the Assignment of Shares by the Board of Directors shall be communicated with the terms and procedures set forth in article 84-bis, paragraph 5, letter a) of the Issuers' Regulation.

3.9 *Procedures adopted by the Company regarding the possible time correlation between the date of Assignment of Shares or the date of any related decisions by the Remuneration Committee and the date of publication of the disclosures required under art. 114, paragraph 1 of the Consolidated Law on Finance*

The timing of the Assignment of Shares is established in the remuneration policies adopted annually, prior to and from a viewpoint of neutrality with respect to any events that could potentially affect the market value of the Shares of the Company. Any disclosures required under the provisions and regulations in force at the time shall be provided to the market during the implementation phase of the Plan.

4. Features of the assigned instruments

4.1 Plan structure

The purpose of the Plan is the free assignment of Shares once certain company and individual performance targets have been achieved, at the end of each Cycle and in particular according to the following procedures: one part upfront, following approval of the consolidated financial statements at 31 December 2017; the deferred portion of the 2017 Bonus will be assigned 60% upfront (50% in cash and 50% in Bank shares); the remaining 40% will be deferred and will be paid at the end of the three-year deferment period, 50% in cash and for the remaining 50% in Bank shares.

The entitlement to be assigned the Shares free of charge is personal, granted to the named person and cannot be transferred or traded (except to heirs in case of death). Any attempted or completed Transfer of Shares shall be deemed invalid and ineffective by the Company.

4.2 Period of implementation of the Plan with reference also to any other cycles envisaged

In accordance with the provisions of Circular 285, which require a portion of the variable component of remuneration paid in financial instruments to be deferred, the Plan is subdivided into three Cycles:

- 1st Cycle: 01/01/2017 - 31/12/2017 (the 1st Cycle ends on the date of approval of the 2017 consolidated financial statements);
- 2nd Cycle: 01/01/2018 - 31/12/2018 (the 2nd Cycle ends on the date of approval of the 2018 consolidated financial statements);
- 3rd Cycle: 01/01/2019 - 31/12/2019 (the 3rd Cycle ends on the date of approval of the 2019 consolidated financial statements);

On verification that the Company capitalisation and liquidity targets relating to the indicators envisaged in the Plan have been met, the Board of Directors calculates the number of Shares to be assigned to each Beneficiary at the end of each Cycle, taking into account the Price of Shares.

The Beneficiaries are notified of the Assignment of Shares in the related Letter of Assignment, of which two copies are prepared and signed by the Company, within 60 days of the approval of the consolidated financial statements referring to the relevant Cycle.

4.3 Termination of the Plan

The 1st Cycle ends upon approval of the consolidated financial statements as at 31 December 2017.

The 2nd Cycle ends upon approval of the consolidated financial statements as at 31 December 2018.

The 3rd Cycle ends upon approval of the consolidated financial statements as at 31 December 2019.

The foregoing is without prejudice to the possibility of early assignment of the Shares in the cases provided for in point 3.2 of this Information Document.

4.4 *Maximum number of Shares underlying the Plan*

It is currently impossible to indicate the number of Shares that will be assigned under the Plan, since their precise calculation is subject to the performance targets being met.

Said information will be provided in accordance with the terms and procedures set forth in article 84-bis, paragraph 5, letter a) of the Issuers' Regulation.

4.5 *Terms and conditions for implementing the Plan*

The free assignment of Shares to the Beneficiaries at the end of each Cycle into which the Plan is subdivided is subject to meeting specific individual and company-level performance targets.

The Beneficiaries must also meet the following requirements at the date of Assignment of Shares:

- have a permanent employment contract with the Company and not have taken a period of extended leave;
- not have given notice of resignation;
- they have not been given notice of dismissal;
- not have mutually agreed to end the employment relationship.

Please see Paragraph 4.8 for further details regarding the relationship between the Beneficiary and the Company.

Company-level performance targets:

With reference to each Cycle, the free allocation of shares is conditional upon achieving performance and capitalisation targets; in particular, the Bank has identified the following access criteria for the three-year period 2017/2019 (Key Risk Indicator, hereinafter, **KRI**) provided in the RAF for the reference year, each equally weighted:

- **Common Equity Tier 1 ratio (CET1)**
- **Liquidity Coverage Ratio (LCR)**

In the event of failure to reach the first level threshold indicated in the RAF of even just one of the aforementioned 2 KRIs, the Bank does not award any bonuses.

The annual bonus pool is determined *ex-ante* on a percentage of gross profit (never more than 10%) provided in the budget approved by the Bank's Board of Directors. The annual bonus pool is approved by the Board of Directors when approving the annual budget.

The bonus pool is, however, quantified subject to an *ex-post* correction factor according to the Return on Risk Adjusted Capital (RORAC) level provided in the RAF for the previous year:

- if the RORAC made in the year exceeds the first level threshold, as identified in the RAF, 100% of the bonus pool is awarded;
- if the RORAC made is between the first and second level threshold, 80% of the bonus pool is awarded;
- if the RORAC made is below the second level threshold, as provided by the RAF, the Board of Directors of the Bank will approve the non-distribution of the Bonus.

In case of reduction of the bonus pool in accordance with the above determined criteria, the individual bonus will be proportionally reduced for all the beneficiaries.

With input from the Remuneration Committee, the Board of Directors verifies whether the Company's capitalisation and liquidity targets associated with the foregoing indicators have been met, based on the target levels specified in the RAF in the reference year.

Individual performance targets:

In addition to the company performance requirements indicated above, the Assignment of Shares is subject to achievement of the quantitative and qualitative individual performance targets defined and communicated to key personnel at the start of the reference financial year which is checked by the Bank's Board of Directors, with input from the Remuneration Committee, such as, by way of example:

Quantitative indicators:

Meeting the individual and area-level budget targets: these targets are the easiest to quantify and are associated mainly with the sales area and with functions where a certain quantitative parameter exists (e.g. volume of sales completed compared to budget, annual cost funding savings compared to budget).

Value creation: these targets provide added value to a new product or a new service (e.g. contribution to marketing initiatives to achieve factoring targets, timely management of complaints, professional growth of co-workers).

Reduction of costs: operating cost reduction targets (e.g. reduction of consultancy costs, overtime, maintenance costs.)

Reduction of response times: these targets are linked to customer satisfaction, internal and external (e.g. timeliness of reporting adjustments to the budget, number of applications priced/headcount per pricing, timeliness in closing Open Issues reported by the control functions).

Increase in efficiency: these targets are based on a comparison with the same activities performed in the previous years regarding the improvement of the overall performance of the Bank (e.g. reducing the percentage of operating errors, increasing the equivalent advertising value, compliance with project timelines).

Qualitative indicators:

The Group uses 4 qualitative indicators, each divided into 2 sub-indicators. These are included in the performance sheet provided on the aforementioned website. There are 4 performance levels:

- A) EXCEEDS THE REQUESTED LEVEL
- B) ADEQUATE FOR THE POSITION HELD

C) ROOM FOR IMPROVEMENT FOR THE POSITION HELD

D) WELL BELOW EXPECTATIONS FOR THE POSITION HELD

In particular, qualitative indicators concern

- the observance and respect of the Bank's essential "values" and compliance with the applicable provisions of law and the Group's Code of Ethics;
- customer retention and the appropriateness of relationships with customers;
- professional ability and skills;
- constant dedication to work, cooperation with colleagues and teamwork;
- the ability to find effective and possibly innovative solutions, whilst continuing to pursue the objectives of sound and prudent management of the Company and its value over the long-term;
- the tendency to take responsibility for decisions and the timely achievement of the identified targets;
- the ability to use resources efficiently, involve and motivate staff and make sensible use of the delegation tool to promote growth;
- the containment of legal and reputational risks.

Slightly in departure from the above and in compliance with the 2017 Remuneration Policies Document, for those employed by the Company's control functions (including the Human Resources Department and the Manager responsible for preparing the Company's financial reports) the Assignment of the Shares is subject to meeting qualitative targets only, which are to no extent linked to the Company's financial results.

4.6 *Restrictions on the availability of the Shares*

The entitlement to be assigned the Shares free of charge is personal, granted to the named person and cannot be transferred or traded (except to heirs in case of death). Any attempted or completed Transfer of the Shares shall be deemed invalid and ineffective by the Company.

Pursuant to the prescriptions of Circular 285 and the Corporate Governance Code, the Plan provides for a Retention Period (a period in which the Beneficiary undertakes not to transfer the Shares assigned), which has a different duration for each Cycle of the Plan and runs from the date of the financial year referring to the corresponding Cycle. In detail:

- 1st Cycle: from 01/01/2017 to 31/12/2017 and ends on the date of approval of the 2017 consolidated financial statements;
- 2nd Cycle: from 01/01/2018 to 31/12/2018 and ends on the date of approval of the 2018 consolidated financial statements;

- 3rd Cycle: from 01/01/2019 to 31/12/2019 and ends on the date of approval of the 2019 consolidated financial statements.

The Shares are subject to the Retention Period even if the employment contract is terminated, except in the case of death or permanent disability of the Beneficiary; in these cases, the Retention Period does not apply.

Shares that are subject to a Retention Period remain in a time deposit managed by an authorized intermediary appointed by the Company.

Dividends and interest accrued during the Retention Period are paid into said time deposit account. Such amounts are released together with the Shares at the end of the Retention Period.

The Shares will become freely tradeable at the end of the Retention Period.

4.7 *Possible termination conditions in relation to the Plan if the Beneficiaries enter into hedging transactions*

The Plan does not provide for termination conditions of the type above.

4.8 *Effects of termination of the employment relationship*

The Plan provides that Beneficiaries lose the entitlement to receive the Shares free of charge, unless otherwise resolved on justifiable grounds by the Board of Directors, if their employment relationship with the company is terminated due to resignation or dismissal by the Company on any grounds or as a consequence of the Beneficiaries gaining access to old age pension or permanent disability pension rights.

Expressly excluded from the above is any entitlement to the free Shares that arises during the notice period, whether worked or not.

The Beneficiaries cannot claim any form of indemnity and/or compensation from the Company if their entitlement to receive the free Shares is lost, as per above.

In the event of termination of the employment relationship by mutual agreement, the Beneficiaries maintain the entitlement to receive a portion of the Shares on a “*pro-rata temporis*” basis, subject to the level of achievement of the performance targets, to be verified - with reference to the date of termination of the employment relationship - at the exclusive discretion of the Board of Directors, with input from the Remuneration Committee.

The foregoing is without prejudice to any more favourable determination of the portion of assigned Shares that may be decided at the discretion of the Board of Directors.

The “*pro-rata temporis*” criterion applied to the mutually agreed termination of the employment relationship applies also when the Beneficiary gains access to old age pension, contribution-based pension or disability pension rights when this results in the termination of the employment relationship with the Company.

In the event of the death of the Beneficiary, the heirs, after the opening of the will, have the right to request the Bonus (already matured and not distributed) due to the Beneficiary in the entitlement prescription period.

Additionally, in accordance with the prescriptions of the Plan, Beneficiaries shall maintain, mutatis mutandis, the rights acquired under the Plan if the individual employment relationship with the Company is transferred to another Group Company and/or terminated (by mutual agreement or not) to take employment with another company of the Group.

In the event of termination of the employment relationship, the Shares are subject to the Retention Period provided for in Paragraph 4.6 of this Information Document.

4.9 Other reasons for cancellation of the Plan

No cancellation clauses are provided for in the Plan.

4.10 Reasons for any redemption by the Company of the financial instruments underlying the Plan

No right of redemption is envisaged for Banca Sistema with respect to the Shares underlying the Plan.

4.11 Possible loans or subsidies to purchase the Shares

No loans or subsidies are envisaged to purchase the Shares as these are granted free of charge.

4.12 Measurement of the expected cost for the Company at the assignment date, according to the previously defined terms and conditions, with indication of the total amount and the amount relating to each instrument of the Plan

It is currently impossible to accurately quantify the cost involved, since the quantification of this amount is subject to the satisfaction of specific conditions and performance targets.

The total cost of the Plan will be notified in accordance with the terms and procedures set forth in article 84-bis, paragraph 5, letter a) of the Issuers' Regulation.

4.13 Possible dilutive effects on capital resulting from remuneration plans

The dilutive effect of the Plan is equivalent to 0.062% (not applicable in the event that the shares allocated to serve the Plan be composed exclusively of Banca Sistema treasury shares).

4.14 Possible restrictions on voting rights and the right to dividends

No restrictions are envisaged in relation to the right to dividends and voting rights, which will be granted in accordance with the Plan.

4.15 *If shares are not traded on regulated markets, any useful information for a complete assessment of the value attributable to them*

Not applicable. The Shares of Banca Sistema are listed on the Italian Equities Market - STAR Segment - organised and managed by Borsa Italiana S.p.A..

4.16 – 4.23

Not applicable

4.24 *Table*

Table no. 1 referenced in paragraph 4.24 of Schedule 7 Annex 3A to the Issuers' Regulation will be provided in accordance with the terms and procedures set forth in article 84-bis, paragraph 5, letter a) of the Issuers' Regulation.