

BANCA SISTEMA S.P.A.

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

Tax code and Milan Companies' Register No. 12870770158 - ABI code No. 03158.3

Largo Augusto 1/A, angolo Via Verziere 13, 20122 Milan

www.bancasistema.it

**ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING, HELD ON SINGLE CALL
AT THE REGISTERED OFFICE AT LARGO AUGUSTO 1/A, ANGOLO VIA VERZIERE 13, MILAN
23 APRIL 2020, 10.00 A.M.**

**BOARD OF DIRECTORS' REPORT
ON ITEM 9 OF THE AGENDA**

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

EXTRAORDINARY MEETING

**AMENDMENT TO ARTICLES 8, 9, 10, 11, 12, 14 (13 WITH NEW NUMBERING), 18 (17 WITH NEW
NUMBERING), AND 20 (19 WITH NEW NUMBERING) OF THE ARTICLES OF
ASSOCIATION; REPEAL OF ARTICLE 13 OF THE ARTICLES OF ASSOCIATION AND
CONSEQUENT NEW NUMBERING OF ARTICLES 14 TO 24 OF THE ARTICLES OF
ASSOCIATION; INTRODUCTION OF NEW ARTICLE 25 TO THE ARTICLES OF
ASSOCIATION. RELATING AND RESULTING RESOLUTIONS**

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of the Bank has resolved to submit a project to the extraordinary Shareholders' Meeting with regard to the overall amendment to the By-laws.

The proposal aims, on the one hand, to identify appropriate solutions to ensure that the corporate structure is able to adapt to the future development of the Bank over the long term, acknowledging the importance of shareholders that wish to remain part of the corporate structure on a stable basis, also with a view to ensuring sound and prudent management for the future. On the other hand, a number of the clauses of the current By-laws need to be reviewed as they are no longer consistent with the current corporate structure or are not up to the standard required for listed banks or, in some cases, may be viewed as elements of rigidity.

In light of the above, the Board of Directors has deemed appropriate to conduct an overall review of the Bank's current By-laws, also identifying a number of additional amendments that take into account the provisions of the Code of Conduct of Borsa Italiana, as detailed below, as well as verifying best market practice.

The checks completed, also with the support of primary external consultants, have excluded the eventuality that the proposed amendments to the By-laws, if approved by the Shareholders Meeting, give rise to a right of withdrawal.

Furthermore, pursuant to the applicable regulations and supervisory provisions (e.g. art. 56 of the Consolidated Law on Banking, Title III, Chapter 1 of Circular no. 229 of 21 April 1999, the Supervisory provisions governing amendments to By-laws of 21 March 2007, and the Bank of Italy Notice of 10 September 2010 - Decision), an application for a decision is currently pending with the Bank of Italy as of 10 January 2020. The procedure is due to be completed once the Supervisory Authority has verified that the proposed amendments to the By-laws are not in contrast with the requirement of sound and prudent management.

Once issued, the assessment will be made public in a specific press release.

In the context described above, the Bank has identified the amendments to the By-laws, as indicated and described below, grouped by subject area.

In addition, for comparison purposes, the provisions subject to amendment are shown in the first column and the proposed amendments in the second column. Brief reasons for the amendments are given in the third column.

(i) Removal of the clauses referring to the changed ownership structure following the Bank's listing (art. 10.2, paragraph eleven, letters a), b) and c) (three-list system); art. 12.2, paragraph two (larger quorum for specific resolutions of the Board of Directors); and art. 13 (deadlock procedure) of the By-laws, which is repealed in its entirety).

First of all, the Board has deemed appropriate to review art. 10 of the current By-laws in its entirety in order to ensure the overall consistency of the text.

In particular, the purpose of the review is to take into account, on the one hand, that there is no longer the need to ensure the presence of certain governance mechanisms to protect the interests of the pre-listing relative majority shareholder, in the event that, at the end of the listing process, the latter had maintained a significant stake in the Bank and, on the other hand, that there is an opportunity to make the process of appointing the members of the corporate bodies more organic, also with a view to rebalancing the weight of candidates drawn from the majority list and those drawn from the minority list.

In detail, the current provision requiring three lists and the fact that three out of the nine members of the Board of Directors are drawn from one or even two minority lists seems somewhat unjustified in view of the current shareholder structure, and is also atypical in the case of listed banks, which usually draw only one director from the minority list.

This proposal therefore concerns the update of some of the articles, in particular, the procedure for appointing the Board of Directors (including the review of the list system, currently based on three lists, one majority and two minority lists, with the right for minority shareholders to appoint one third of directors, i.e., three out of the nine appointed), the provision for a larger quorum for resolutions of the

BANCA

S I S T E M A

Board of Directors regarding certain matters (art. 12.2 of the By-laws) and the so-called deadlock procedure set out in art. 13 of the By-laws.

The amendments in question will however ensure that the list voting procedure is maintained in place with regard to the appointment of members of the Bank's Board of Directors and Board of Statutory Auditors.

(ii) Amendments to the composition of the Board of Directors and to the list voting procedure governing the election of the members of the Bank's Board of Directors and Board of Statutory Auditors (art. 10.1; 10.2, paragraph six; 10.3, paragraphs one, three and four; 14.2 (renumbered as 13.2); 18.1 (renumbered as 17.1) and 18.5 (renumbered as 17.5), paragraph two of the By-laws).

(iii) Alignment of the By-laws to the new provisions governing "gender balance" (art. 10.1-bis (new) and art. 18.1 (renumbered as 17.1)).

The Board of Directors therefore deems appropriate to propose the review, in terms of other aspects, of art. 10 of the current By-laws.

In particular, the proposed amendments concern the following aspects:

- a) in order to give the Shareholders' Meeting greater flexibility in deciding the composition of the Board of Directors, it is proposed to include a provision (in art. 10.1), in line with the By-laws of other listed banks, that allows the appointment of a variable number of members, from a minimum of 7 to a maximum of 11 members, instead of the current fixed number of directors (9 members). Consequently, adjustments will also need to be made to the other provisions of the By-laws that make reference to the minimum and/or maximum number of directors;
- b) with regard to independent directors, it is proposed, in light of the amendments described in letter a) above, to include a reference to the minimum number and the independence requirements established by regulations in force from time to time. Concomitantly, in order to ensure that the Board comprises a sufficient number of directors meeting the independence requirements, also in light of the current Supervisory Provisions governing sound and prudent management (Part One, Title IV, Chapter 1, Section IV of Circular no. 285 of 17 December 2013, as amended and supplemented), it is deemed appropriate to include a rounding mechanism to round fractional numbers up, instead of down, to the nearest whole number, as provided by the Supervisory Provisions currently in force. In this way, if the current composition of 9 directors is confirmed by the Shareholders' Meeting, the Board of Directors would be comprised, in any event and in line with the current provisions of the By-laws, of at least 3 directors who meet the independence requirements;
- c) the proposed amendment (to paragraph six of art. 10.2 requiring the ownership of shares to be entitled to submit lists) is aimed solely at removing the reference to the thresholds currently provided for in art. 144-quater of Consob Regulation No. 11971/1999 when identifying which shareholders are entitled to submit lists for the office of director or statutory auditor, thereby neutralising possible effects on the By-laws of any subsequent repeal or amendment of the aforesaid regulatory provision;
- d) in line with the provisions of Law 120/2011, the enactment of Law No. 160 of 27 December 2019 (2020 Budget Law), which has extended for a further six terms the obligation (already in force) to reserve a quota of the members of the management and control bodies for the least represented gender, increasing the quota from one third to two fifths and amending articles 147-ter and 148 of the Consolidated Law on Finance (TUF), has given rise to the need to update the provisions governing the minimum level of participation of the least represented gender in the Bank's corporate bodies; the same rule also applies to the composition of the Board of Statutory Auditors (art. 17.1 with new numbering); moreover, the rules on the composition of the Executive Committee (art. 13.2 with new numbering), if appointed, are also amended.

(iv) Removal of clauses that constitute a mere literal repetition of the supervisory provisions for banks (art. 10.2, paragraph one; art. 10.2, paragraph eight; and art. 10.9 of the By-laws).

(v) Amendments made purely for coordination purposes, to rectify errors and/or incorrect references/cross-references and to streamline the internal workings of the company (art. 5.3; 8.4; 8.6; 9.1; 10.2, paragraph three; 10.4; 11.2; 11.5, paragraph one, letter b); 11.5, paragraph one, letter e); 11.6, paragraph one; 12.2, paragraph one, letter k), with the addition of letter y); 12.3, paragraph two; 12.4, paragraph two; 18.5 (renumbered as 17.5), paragraph five; 18.13

BANCA

S I S T E M A

(renumbered as 17.13), paragraph one; 18.15 (renumbered as 17.15), paragraph one, letter b); and 20.3 (renumbered as 19.3) of the By-laws; renumbering of articles 14 to 24).

The Board of Directors also believes that the aforesaid amendments to the By-laws should be taken as an opportunity to remove those clauses that constitute a mere literal repetition of mandatory regulatory provisions, which apply in any case.

Likewise, it is also a perfect opportunity to correct certain errors and make other changes of a formal nature so as to improve coordination between the various provisions.

(vi) Proposal to introduce transitional provisions to the By-laws by way of new art. 25.

In order to ensure effective alignment between the current provisions of the By-laws and those proposed, the Board of Directors deems appropriate to include transitional rules in those provisions referring to the composition of the Board of Directors.

In particular, it is proposed to provide that all of the amendments to art. 10 of the By-laws enter into force from the date of renewal of the said Board so as to ensure the more orderly application of the new provisions. Therefore, if the aforesaid amendments are approved, the provisions of art. 25 - which contains the current text of art. 10 of the By-laws - shall apply up to the next renewal of the Board of Directors.

All of the aforementioned amendments are set out in detail in the table below, which compares the current text of the By-laws with the proposed amended version of the text.

CURRENT TEXT	AMENDED TEXT	NOTES
<p style="text-align: center;">SECTION III</p> <p>CORPORATE BODIES</p> <p>Article 8: Shareholders' Meeting</p> <p>8.1 The Meeting, duly constituted, represents all shareholders and its resolutions passed in compliance with the law and these By-laws are binding upon all shareholders, even if they are absent, abstaining or dissenting. The Meeting convenes in ordinary and extraordinary session in accordance with the law and these By-laws.</p> <p>The manner in which the Meeting operates is laid down by appropriate regulations approved by resolution of the ordinary Meeting.</p> <p>8.2 The ordinary Meeting is called at least once every 120 (one hundred and twenty) days from the closure of the business year</p>	<p style="text-align: center;">SECTION III</p> <p>CORPORATE BODIES</p> <p>Article 8: Shareholders' Meeting</p> <p>8.1 The Meeting, duly constituted, represents all shareholders and its resolutions passed in compliance with the law and these By-laws are binding upon all shareholders, even if they are absent, abstaining or dissenting. The Meeting convenes in ordinary and extraordinary session in accordance with the law and these By-laws.</p> <p>The manner in which the Meeting operates is laid down by appropriate regulations approved by resolution of the ordinary Meeting.</p> <p>8.2 The ordinary Meeting is called at least once every 120 (one hundred and twenty) days from the closure of the business year</p>	

BANCA

S I S T E M A

<p>Moreover, the Meeting is called by the Administrative Body whenever it deems it necessary and appropriate and in the cases provided by law, or following written notification to the Chair of the Board of Directors, by the Board of Auditors or at least two of its members in accordance to what is provided under applicable legal provisions. The Meeting is also legally convened by the Board of Directors when a request is made to do so by shareholders representing at least twenty per cent of the share capital and where the request indicates the issue to be covered. Convening at the request of shareholders is not allowed for issues on which the Meeting legally resolves at the proposal of the directors or on the basis of a project or report prepared by them.</p> <p>Finally, the Meeting is convened in other cases provided by law and these By-laws.</p> <p>8.3 The Meeting is convened in the Town where the Company has its registered office or elsewhere provided this is in Italy, other members States of the European Union, Switzerland or in the United States of America.</p> <p>8.4 The Meeting is convened according to the terms and conditions fixed by law and by the</p>	<p>Moreover, the Meeting is called by the Administrative Body whenever it deems it necessary and appropriate and in the cases provided by law, or following written notification to the Chair of the Board of Directors, by the Board of Auditors or at least two of its members in accordance to what is provided under applicable legal provisions. The Meeting is also legally convened by the Board of Directors when a request is made to do so by shareholders representing at least twenty per cent of the share capital and where the request indicates the issue to be covered. Convening at the request of shareholders is not allowed for issues on which the Meeting legally resolves at the proposal of the directors or on the basis of a project or report prepared by them.</p> <p>Finally, the Meeting is convened in other cases provided by law and these By-laws.</p> <p>8.3 The Meeting is convened in the Town where the Company has its registered office or elsewhere provided this is in Italy, other members States of the European Union, Switzerland or in the United States of America.</p> <p>8.4 The Meeting is convened according to the terms and conditions fixed by law and by the</p>	
---	---	--

BANCA

S I S T E M A

<p>statutory regulations applicable at the time.</p> <p>The notice of call must indicate the date, time, place of the meeting and the list of matters to be discussed and other information and particulars as may be required by applicable law and regulations currently in force.</p> <p>The Meeting is carried out in a single sitting, pursuant to the meeting and decision quorum established by law under these circumstances, unless the meeting notice does not foresee dates for any subsequent meetings, including a third call.</p> <p>Pursuant to the provisions of article 126-bis of Legislative Decree no. 58 dated 24 February 1998, shareholders who, including jointly, represent at least one fortieth of the share capital, of a different smaller percentage of the share capital provided by regulations in force at the time, may, within a period of 10 (ten) days from the publication of the notice of call by the Meeting, unless a different period is provided under law, request the completion of the list of agenda items to be covered, and themselves indicate further items, or present proposals for deliberation on items already on the agenda, within the manner and means provided under legal and applicable laws and regulations. Whoever holds voting rights can</p>	<p>statutory regulations applicable at the time.</p> <p>The notice of call must indicate the date, time, place of the meeting and the list of matters to be discussed and other information and particulars as may be required by applicable law and regulations currently in force.</p> <p>The Meeting is carried out in a single sitting, pursuant to the meeting and decision quorum established by law and these By-laws under these circumstances, unless the meeting notice does not foresee dates for any subsequent meetings, including a third call.</p> <p>Pursuant to the provisions of article 126-bis of Legislative Decree no. 58 dated 24 February 1998, shareholders who, including jointly, represent at least one fortieth of the share capital, of a different smaller percentage of the share capital provided by regulations in force at the time, may, within a period of 10 (ten) days from the publication of the notice of call by the Meeting, unless a different period is provided under law, request the completion of the list of agenda items to be covered, and themselves indicate further items, or present proposals for deliberation on items already on the agenda, within the manner and means provided under legal and applicable laws and regulations.</p>	<p>This amendment is merely formal and also serves the purpose of transposing the effects of shares with increased voting rights</p>
--	---	--

BANCA

S I S T E M A

<p>individually submit proposals to be debated at the Meeting.</p> <p>After the agenda had been completed or subsequent proposals have been submitted to be discussed on the agenda, following the request for the agenda to be completed for proposals to be submitted as stated in the previous paragraph, notice is given, in the prescribed manner for the publication of the notice of call, at least 15 (fifteen) days prior to the one fixed for the Meeting to be held, unless a different period is stipulated by law. Subsequent proposed resolutions for topics already on the agenda are made available to the public within the manner and means stipulated by law.</p> <p>Inclusion is not allowed for issues on which the Meeting legally resolves at the request of directors or on the basis of projects or reports prepared by them, other than indicated under article 125-ter, paragraph 1 of Legislative Decree no. 58 dated 24 February 1998.</p> <p>8.5 Where the formalities set out under the previous paragraphs or of any other formality required by law is not followed, the Meeting shall be deemed to be properly convened and may validly resolve on any issue, unless this is opposed by a shareholder who is not sufficiently</p>	<p>Whoever holds voting rights can individually submit proposals to be debated at the Meeting.</p> <p>After the agenda had been completed or subsequent proposals have been submitted to be discussed on the agenda, following the request for the agenda to be completed for proposals to be submitted as stated in the previous paragraph, notice is given, in the prescribed manner for the publication of the notice of call, at least 15 (fifteen) days prior to the one fixed for the Meeting to be held, unless a different period is stipulated by law. Subsequent proposed resolutions for topics already on the agenda are made available to the public within the manner and means stipulated by law.</p> <p>Inclusion is not allowed for issues on which the Meeting legally resolves at the request of directors or on the basis of projects or reports prepared by them, other than indicated under article 125-ter, paragraph 1 of Legislative Decree no. 58 dated 24 February 1998.</p> <p>8.5 Where the formalities set out under the previous paragraphs or of any other formality required by law is not followed, the Meeting shall be deemed to be properly convened and may validly resolve on any issue, unless this is opposed by a shareholder who is not sufficiently</p>	
---	---	--

BANCA

S I S T E M A

<p>informed, when the entire share capital is represented and the majority of members of the Board of Directors and Board of Auditors in represented. Under these circumstances, timely notice should be given of the resolutions made to members of the Board of Directors and Board of Auditors who are not in attendance.</p> <p>8.6 The right to attend the meeting and exercise voting rights is certified by a notice to the company, sent by the intermediary authorised under the provisions of law and regulations, in accordance with its accounting records, in favour of the party who has the right to vote. This notice is made on the basis of evidence from the accounts specified in article 83- quater, paragraph 3 of Legislative Decree no. 58 dated 24 February 1998, relating to the end of the accounting day of the seventh trading day prior to the date set for the meeting. To this end, reference is made to the date of the first call of the Meeting, provided that the dates of the subsequent calls are included in the only notice of the meeting; otherwise reference is made to the date of each call.</p> <p>8.7 The persons entitled to attend and vote at the Meeting may be represented by another person or</p>	<p>informed, when the entire share capital is represented and the majority of members of the Board of Directors and Board of Auditors in represented. Under these circumstances, timely notice should be given of the resolutions made to members of the Board of Directors and Board of Auditors who are not in attendance.</p> <p>8.6 The right to attend the meeting and exercise voting rights is certified by a notice to the company, sent by the intermediary authorised under the provisions of law and regulations, in accordance with its accounting records, in favour of the party who has the right to vote. This notice is made on the basis of evidence from the accounts specified in article 83- quater, paragraph 3 of Legislative Decree no. 58 dated 24 February 1998, relating to the end of the accounting day of the seventh trading day prior to the date set for the meeting. To this end, reference is made to the date of the single or of the first call of the Meeting, provided that the dates of the subsequent calls are included in the only notice of the meeting; otherwise reference is made to the date of each call.</p> <p>8.7 The persons entitled to attend and vote at the Meeting may be represented by another person or</p>	<p>This amendment ensures coordination between the deadline and the ordinary rules for calling the Shareholders' Meeting</p>
---	---	--

BANCA

S I S T E M A

<p>entity, including a non-shareholder, by means of a written proxy in the manner and means stipulated by the law and applicable regulations. The proxy will be notified electronically via certified mail or using the special section of the company website and with other methods of notification as may be provided for in the notice of call, in accordance with the law and regulations.</p> <p>The Company has the option to nominate a person for each Meeting to which shareholders can confer a proxy with voting instructions for all or any of the proposals on the agenda in the manner provided by the law and applicable statutory regulations. The proxy is not effective with regard to proposals for which voting instructions have not been conferred.</p> <p>8.8 Postal voting can also take place. Postal voting is exercised in the manner specified in the notice of call, in accordance with the applicable statutory provisions, using any means of communication (including fax and e-mail) which is appropriate to provide proof of receipt.</p> <p>8.9 The Meeting can also be held with participants located in several places, whether contiguous or remote, with audio-visual connections (only audio connection is permitted when the participants may be easily recognised by the Chair of the Meeting),</p>	<p>entity, including a non-shareholder, by means of a written proxy in the manner and means stipulated by the law and applicable regulations. The proxy will be notified electronically via certified mail or using the special section of the company website and with other methods of notification as may be provided for in the notice of call, in accordance with the law and regulations.</p> <p>The Company has the option to nominate a person for each Meeting to which shareholders can confer a proxy with voting instructions for all or any of the proposals on the agenda in the manner provided by the law and applicable statutory regulations. The proxy is not effective with regard to proposals for which voting instructions have not been conferred.</p> <p>8.8 Postal voting can also take place. Postal voting is exercised in the manner specified in the notice of call, in accordance with the applicable statutory provisions, using any means of communication (including fax and e-mail) which is appropriate to provide proof of receipt.</p> <p>8.9 The Meeting can also be held with participants located in several places, whether contiguous or remote, with audio-visual connections (only audio connection is permitted when the participants may be easily recognised by the Chair of the Meeting),</p>	
--	--	--

BANCA

S I S T E M A

<p>providing that the collegial method and principles of good faith and equal treatment of shareholders have been followed. In this case, it is required that:</p> <p>a) the Chair of the Meeting is able to unequivocally ascertain the identity and legitimacy of the participants, conduct the meeting and note and declare the results of the voting procedure.</p> <p>b) at the place where the video/audio conference is held, an attendance sheet should be kept giving the names of those attending the meeting at this place; this attendance sheet shall be attached to the minutes of the meeting;</p> <p>c) the person taking the minutes is able to adequately follow the events of the Meeting;</p> <p>d) the participants are able to take simultaneously part in the discussions and vote on the items on the agenda in real time;</p> <p>e) where the Meeting is not held in plenary session, the notice of call indicates the audio/video locations at which the participants can attend and the meeting shall be deemed to have been held at the location where the Chair and minute-taker are in attendance.</p> <p>The means of telecommunications shall be recorded in the minutes.</p>	<p>providing that the collegial method and principles of good faith and equal treatment of shareholders have been followed. In this case, it is required that:</p> <p>a) the Chair of the Meeting is able to unequivocally ascertain the identity and legitimacy of the participants, conduct the meeting and note and declare the results of the voting procedure.</p> <p>b) at the place where the video/audio conference is held, an attendance sheet should be kept giving the names of those attending the meeting at this place; this attendance sheet shall be attached to the minutes of the meeting;</p> <p>c) the person taking the minutes is able to adequately follow the events of the Meeting;</p> <p>d) the participants are able to take simultaneously part in the discussions and vote on the items on the agenda in real time;</p> <p>e) where the Meeting is not held in plenary session, the notice of call indicates the audio/video locations at which the participants can attend and the meeting shall be deemed to have been held at the location where the Chair and minute-taker are in attendance.</p> <p>The means of telecommunications shall be recorded in the minutes.</p>	
---	---	--

BANCA

S I S T E M A

<p>8.10 The Meeting is chaired by the Chair of the Board or, in the event of him being absent or incapacitated, by the Deputy Chair, if appointed, or any other person designated by the Board of Directors; otherwise the Meeting appoints as Chair one of the persons taking part by simple majority of the capital represented.</p> <p>The Chair of the Meeting is assisted by a secretary designated by the Meeting, by simple majority of the capital represented and possibly by one or more scrutineers, including non-shareholders; where prescribed by law or where deemed appropriate by the administrative body, the functions of secretary are attributed to a notary designated by the same administrative body.</p> <p>The Chair of the Meeting is responsible for ensuring that the meeting is properly convened, ascertaining the right of shareholders to take part and vote, noting the legitimacy of the proxies, guiding and managing the discussion and proceedings of the Meeting, establishing the method of voting and also ascertaining and declaring the related results. In this he may be assisted by appropriate appointees.</p> <p>The Meeting sessions are run and governed by law, these By-laws and by the Meeting regulations.</p>	<p>8.10 The Meeting is chaired by the Chair of the Board or, in the event of him being absent or incapacitated, by the Deputy Chair, if appointed, or any other person designated by the Board of Directors; otherwise the Meeting appoints as Chair one of the persons taking part by simple majority of the capital represented.</p> <p>The Chair of the Meeting is assisted by a secretary designated by the Meeting, by simple majority of the capital represented and possibly by one or more scrutineers, including non-shareholders; where prescribed by law or where deemed appropriate by the administrative body, the functions of secretary are attributed to a notary designated by the same administrative body.</p> <p>The Chair of the Meeting is responsible for ensuring that the meeting is properly convened, ascertaining the right of shareholders to take part and vote, noting the legitimacy of the proxies, guiding and managing the discussion and proceedings of the Meeting, establishing the method of voting and also ascertaining and declaring the related results. In this he may be assisted by appropriate appointees.</p> <p>The Meeting sessions are run and governed by law, these By-laws and by the Meeting regulations.</p>	
--	--	--

BANCA

S I S T E M A

<p>Article 9: constitution, powers and resolutions of the Meeting</p> <p>9.1 The ordinary and extraordinary Meeting is validly convened in a single call, unless the notice of call states, apart from the initial one, the date of other subsequent calls, including a possible third call pursuant to the provisions of the previous paragraph 8.4, third paragraph, of these By-laws, with the quorum required for the meeting and resolutions stipulated by law. The provisions of articles 10 and 18 of these By-laws shall apply with regard to the appointment of the Board of Directors and Board of Auditors.</p> <p>9.2 The ordinary and extraordinary Meeting shall resolve on the issues attributed to it by law and these By-laws.</p> <p>In particular, the ordinary Meeting apart from setting the fees payable to the appointed bodies approves: (i) the remuneration and incentives policies in favour of the members of the Board of Directors and of the Board of Auditors and of the remaining members; (ii) any remuneration plans based on financial instruments (for example stock option); (iii) the criteria for determining the fee is to be paid in the case of early termination of the employment contract or of any early</p>	<p>Article 9: constitution, powers and resolutions of the Meeting</p> <p>9.1 The ordinary and extraordinary Meeting is validly convened in a single call, unless the notice of call states, apart from the initial one, the date of other subsequent calls, including a possible third call pursuant to the provisions of the previous paragraph 8.4, third paragraph, of these By-laws, with the quorum required for the meeting and resolutions stipulated by law and these By-laws. The provisions of articles 10 and 17 of these By-laws shall apply with regard to the appointment of the Board of Directors and Board of Auditors.</p> <p>9.2 The ordinary and extraordinary Meeting shall resolve on the issues attributed to it by law and these By-laws.</p> <p>In particular, the ordinary Meeting apart from setting the fees payable to the appointed bodies approves: (i) the remuneration and incentives policies in favour of the members of the Board of Directors and of the Board of Auditors and of the remaining members; (ii) any remuneration plans based on financial instruments (for example stock option); (iii) the criteria for determining the fee is to be paid in the case of early termination of the employment contract or of any early</p>	<p>This amendment is merely formal and also serves the purpose of transposing the effects of shares with increased voting rights</p>
--	--	--

<p>cessation of the task, including the limits set for this payment in terms of annuities of the fixed remuneration and the maximum amount deriving from their application.</p> <p>The Ordinary General Meeting, at the time of approving remuneration and incentive policies, also resolves on any proposal to set a limit on the ratio between the variable and fixed remuneration of individual staff at more than 100% (ratio of 1 : 1), but not exceeding the maximum limit of 200% (ratio of 2: 1). In this case, the shareholders' resolution is based on a proposal of the Board of Directors, indicating at least: (i) the functions to which those persons affected by the decision belong, for each function, their number and those who are identified as "key personnel"; (ii) the reasons underlying the proposed increase; (iii) the implications, even in a forward-looking perspective, on the company's ability to continue to comply with all applicable prudential rules. The proposal of the Board of Directors is approved by the Ordinary Meeting when: (i) the Meeting is constituted with at least half of the share capital and the decision is taken by the favourable vote of at least 2/3 of the share capital represented at the meeting; or (ii) the decision is taken by the favourable vote of at least 3/4 of the share</p>	<p>cessation of the task, including the limits set for this payment in terms of annuities of the fixed remuneration and the maximum amount deriving from their application.</p> <p>The Ordinary General Meeting, at the time of approving remuneration and incentive policies, also resolves on any proposal to set a limit on the ratio between the variable and fixed remuneration of individual staff at more than 100% (ratio of 1 : 1), but not exceeding the maximum limit of 200% (ratio of 2: 1). In this case, the shareholders' resolution is based on a proposal of the Board of Directors, indicating at least: (i) the functions to which those persons affected by the decision belong, for each function, their number and those who are identified as "key personnel"; (ii) the reasons underlying the proposed increase; (iii) the implications, even in a forward-looking perspective, on the company's ability to continue to comply with all applicable prudential rules. The proposal of the Board of Directors is approved by the Ordinary Meeting when: (i) the Meeting is constituted with at least half of the share capital and the decision is taken by the favourable vote of at least 2/3 of the share capital represented at the meeting; or (ii) the decision is taken by the favourable vote of at least 3/4 of the share</p>	
---	---	--

BANCA

S I S T E M A

<p>capital represented at the meeting, regardless of the share capital with which the Meeting is constituted.</p> <p>9.3 The Meeting shall be provided with adequate information on remuneration and incentive policies adopted by the company, and its implementation, as required by the laws and regulations from time to time applicable.</p> <p>9.4 The Directors may not vote in the resolutions regarding their responsibilities.</p> <p>9.5 The resolutions of the Meeting are minuted and signed by the chair, secretary or notary.</p>	<p>capital represented at the meeting, regardless of the share capital with which the Meeting is constituted.</p> <p>9.3 The Meeting shall be provided with adequate information on remuneration and incentive policies adopted by the company, and its implementation, as required by the laws and regulations from time to time applicable.</p> <p>9.4 The Directors may not vote in the resolutions regarding their responsibilities.</p> <p>9.5 The resolutions of the Meeting are minuted and signed by the chair, secretary or notary.</p>	
<p>Article 10: Board of Directors</p> <p>10.1 The company is managed by a Board of Directors appointed by the Meeting and comprised of 9 members which:</p> <ul style="list-style-type: none"> a) bring to the company the specific skills they possess; b) know the tasks and responsibilities of the role and are in possession of the requirements requested by law and regulations in force at the time; c) act and resolve with full knowledge of the facts and autonomously in pursuit of the aim to create value for shareholders; d) only accept the position when they believe they are able to dedicate the time needed to diligently carry out their tasks, also being mindful of the 	<p>Article 10: Board of Directors</p> <p>10.1 The company is managed by a Board of Directors appointed by the Meeting and comprised of a minimum of 7 and a maximum of 11 members who:</p> <ul style="list-style-type: none"> a) bring to the company the specific skills they possess; b) know the tasks and responsibilities of the role and are in possession of the requirements requested by law and regulations in force at the time; c) act and resolve with full knowledge of the facts and autonomously in pursuit of the aim to create value for shareholders; d) only accept the position when they believe they are able to dedicate the time needed to diligently carry out their tasks, also being mindful of the 	<p>The amendment aims to give greater flexibility to the Shareholders' Meeting in deciding the corporate governance structure.</p>

BANCA

S I S T E M A

<p>can take into account the professional skills required. This is notwithstanding the possibility for shareholders to make their own assessments on the optimal composition of the Board of Directors and to bring forward candidates commensurate with these, explaining any differences with regard to the analysis carried out by the Board. Subsequently, the Board of Directors checks the compliance between the qualitative and quantitative composition deemed optimal and the one actually resulting from the appointments process.</p> <p>The Members of the Board of Directors are elected using the list system in which a minimum of three and maximum of nine candidates must be listed in sequential order. The candidate at sequential number "1" of each list shall also be the candidate appointed as chair of the Board of Directors.</p> <p>Any shareholder, as well as shareholders belonging to the same group, members of a shareholders' agreement pursuant to article 122 of legislative decree no 58 dated 24 February, the entity controlling it, the entity by which it is controlled and the entity subject to joint control pursuant to article 93 of legislative decree no 58 dated 24 February 1998, may not be present or be</p>	<p>can take into account the professional skills required. This is notwithstanding the possibility for shareholders to make their own assessments on the optimal composition of the Board of Directors and to bring forward candidates commensurate with these, explaining any differences with regard to the analysis carried out by the Board. Subsequently, the Board of Directors checks the compliance between the qualitative and quantitative composition deemed optimal and the one actually resulting from the appointments process.</p> <p>The Members of the Board of Directors are elected using the list system in which a minimum of three and maximum of eleven nine candidates must be listed in sequential order. The candidate at sequential number "1" of each list shall also be the candidate appointed as chair of the Board of Directors.</p> <p>Any shareholder, as well as shareholders belonging to the same group, members of a shareholders' agreement pursuant to article 122 of legislative decree no 58 dated 24 February, the entity controlling it, the entity by which it is controlled and the entity subject to joint control pursuant to article 93 of legislative decree no 58 dated 24 February 1998, may not be present or be</p>	<p>This amendment ensures coordination with the above-mentioned proposals concerning the composition of the Board</p>
--	--	---

<p>involved in the presentation, either by proxy of trust company, in more than one list and may not vote on lists other than the one presented. Where the competition, either directly or indirectly, indicates applicants present in more than one list, these lists shall be deemed to have not been submitted.</p> <p>For the purposes of the preceding paragraph, entities, even those with a corporate status, which exercise direct or indirect control pursuant to Article 93 of Legislative Decree 24 February 1998 n. 58 over the shareholder in question and all the companies controlled directly or indirectly by this entity are deemed to belong to the same group.</p> <p>Each candidate may appear in one list, under pain of ineligibility.</p> <p>Only those shareholders who, together or separately, are holders of shares representing at least 2.5% (two point five percent) - or any other lower percentage established by the legislation currently in force are entitled to submit lists - of the capital entitled to vote on Meeting resolutions that relate to the appointment of members of the Board.</p>	<p>involved in the presentation, either by proxy of trust company, in more than one list and may not vote on lists other than the one presented. Where the competition, either directly or indirectly, indicates applicants present in more than one list, these lists shall be deemed to have not been submitted.</p> <p>For the purposes of the preceding paragraph subsection, entities, even those with a corporate status, which exercise direct or indirect control pursuant to Article 93 of Legislative Decree 24 February 1998 n. 58 over the shareholder in question and all the companies controlled directly or indirectly by this entity are deemed to belong to the same group.</p> <p>Each candidate may appear in one list, under pain of ineligibility.</p> <p>Only those shareholders with voting rights who, separately or together with other shareholders, are holders of shares representing at least the percentage of share capital established by the applicable legislation in force at the time, are entitled to submit lists who, together or separately, are holders of shares representing at least 2.5% (two point five percent) - or any other lower percentage established by the legislation currently in force are entitled to submit lists - of the capital entitled to vote on Meeting</p>	<p>Amendment made purely for coordination purposes</p> <p>This generic formulation, without any explicit reference to the thresholds set out in art. 144-quater of the Issuers' Regulation, neutralises the possible effects on the By-laws of any subsequent repeal or amendment of the regulatory provision above. In any event, the amendment specifies the requirement that the notice of call of the Shareholders'</p>
---	---	---

<p>The lists must be sent to the company's head office and to the management company at least 25 (twenty- five) days prior to the one planned for the Meeting called to resolve on the appointment of the administrative body and be made available to the public at the registered office, the market management company, the Company's internet site and with the other means stipulated under applicable legal and regulatory provisions at least 21 (twenty-one) days prior to the one fixed for the Meeting in the first call. The lists indicate which directors are in possession of the requirements of independence stipulated by law and these By-laws. Each list must contain at least three candidates, of which at least two are in possession of the requirements of independence established by Law and the By-laws. Moreover, each list must include candidates of different genders,</p>	<p>resolutions that relate to the appointment of members of the Board. The percentage shareholding required to submit lists of candidates for the appointment of the Board of Directors is specified in the notice of call of the Shareholders' Meeting called to resolve on the appointment of the said body.</p> <p>The lists must be sent to the company's head office and to the management company at least 25 (twenty- five) days prior to the one planned for the Meeting called to resolve on the appointment of the administrative body and be made available to the public at the registered office, the market management company, the Company's internet site and with the other means stipulated under applicable legal and regulatory provisions at least 21 (twenty-one) days prior to the one fixed for the Meeting on single or first call. The lists indicate which directors are in possession of the requirements of independence stipulated by law and these By-laws. Each list must contain at least three candidates, of which at least two are in possession of the requirements of independence established by Law and the By-laws. Moreover, each list must include candidates of different genders,</p>	<p>Meeting must indicate the percentage shareholding required to submit the lists</p> <p>This amendment ensures coordination between the deadline and the ordinary rules for calling the Shareholders' Meeting</p>
---	---	--

BANCA

S I S T E M A

<p>including for individual independent candidates, according to what is stated in the Meeting call notice, so as to enable the Board of Directors to be comprised pursuant to current regulations regarding gender equality.</p> <p>The ownership of the minimum share required to submit the lists referred to in this paragraph shall be determined with regard to the shares registered to the shareholder on the day when these lists are deposited at the company's headquarters. In order to prove ownership of the number of shares required to submit lists, members putting forward lists have to submit or send to the registered office a copy of the appropriate certificate issued by an authorised intermediary proving ownership of the number of shares required for the submission of the list at least twenty-one days before the Meeting called to approve the appointment of the members of the Board of Directors. Each list submitted must include: a) information regarding the shareholders who have presented the list and the percentage of shares held; b) the declarations in which each candidate accepts the nomination (in the case of candidates</p>	<p>including for individual independent candidates, according to what is stated in the Meeting call notice, so as to enable the Board of Directors to be comprised pursuant to current regulations the provisions of the By-laws regarding gender equality.</p> <p>The ownership of the minimum share required to submit the lists referred to in this paragraph shall be determined with regard to the shares registered to the shareholder on the day when these lists are deposited at the company's headquarters. In order to prove ownership of the number of shares required to submit lists, members putting forward lists have to submit or send to the registered office a copy of the appropriate certificate issued by an authorised intermediary proving ownership of the number of shares required for the submission of the list at least twenty-one days before the Meeting called to approve the appointment of the members of the Board of Directors. Each list submitted must include: a) information regarding the shareholders who have presented the list and the percentage of shares held; b) the declarations in which each candidate accepts the nomination (in the case of candidates</p>	
---	---	--

BANCA

S I S T E M A

<p>positioned at sequential number "1" on each list, they also accept applicants for Chair of the Board) and declare, under their own responsibility that there are no causes of ineligibility or incompatibility, and that the requirements of professionalism and integrity and any other requirement stipulated under current laws and these By-laws for undertaking the position are met; c) declarations of independence issued pursuant to the applicable legislative, regulatory and statutory provisions; as well as d) the CV of each candidate, containing extensive information of the individual's personal and professional characteristics, indicating for which theoretical profile he/she is suitable and the positions of administration and control covered.</p> <p>The lists submitted which do not satisfy the provisions stated above shall be void.</p> <p>Each shareholder has the right to vote for one list. Where a vote is made for several lists, the vote shall be deemed as not having been cast for any of them.</p> <p>The election of the Board of Directors shall be made as follows:</p> <p>a) from the list that obtains the majority of votes (majority list) a number of directors equal to six are</p>	<p>positioned at sequential number "1" on each list, they also accept applicants for Chair of the Board) and declare, under their own responsibility that there are no causes of ineligibility or incompatibility, and that the requirements of professionalism and integrity and any other requirement stipulated under current laws and these By-laws for undertaking the position are met; c) declarations of independence issued pursuant to the applicable legislative, regulatory and statutory provisions; as well as d) the CV of each candidate, containing extensive information of the individual's personal and professional characteristics, indicating for which theoretical profile he/she is suitable and the positions of administration and control covered.</p> <p>The lists submitted which do not satisfy the provisions stated above shall be void.</p> <p>Each shareholder has the right to vote for one list. Where a vote is made for several lists, the vote shall be deemed as not having been cast for any of them.</p> <p>The election of the Board of Directors shall be made as follows:</p> <p>a) all directors to be appointed, less one, are drawn from the list that obtains the majority of votes</p>	<p>This clause constitutes a mere literal repetition of the supervisory provisions for banks, which apply without the need to add any reference in the By-laws</p> <p>As highlighted in the Directors' Report, the changes made to the</p>
---	---	--

<p>elected, of which at least one is in possession of the independence requirements pursuant to art. 10.3; candidates are elected on the basis of the progressive order shown by the list; the candidate positioned at sequential number "1" is appointed Chair of the Company's Board of Directors;</p>	<p>(majority list), in the progressive order in which they are listed on that same list, and in compliance with the minimum number of directors pursuant to art. 10.3 a number of directors equal to six are elected, of which at least one is in possession of the independence requirements pursuant to art. 10.3 below; candidates are elected on the basis of the progressive order shown by the list; the candidate positioned at sequential number "1" is appointed Chair of the company's Board of Directors;</p>	<p>procedure for appointing the Board of Directors are aimed at updating the By-laws following the listing and the Fund's exit from the share capital. In light of the change in the Bank's shareholder structure, this provision is no longer justified</p>
<p>b) two directors, of which at least one in possession of the independence requirements pursuant to art. 10.3 will be taken from the list, if any, that gets the most votes after the list referred to in subparagraph a), which is not connected in any way, even indirectly, to that list and / or with the shareholders who submitted or voted for the majority list; are elected in those limits candidates in a progressive order in the list;</p>	<p>b) the last member of the Board of Directors is drawn from the minority list that gets the most votes after the list referred to in subparagraph a), which is not connected in any way, even indirectly, to that list and/or with the shareholders who submitted or voted for the majority list, on the basis of the progressive order of that list. That member must be two directors, of which at least one—in possession of the independence requirements pursuant to art. 10.3 below; will be taken from the list, if any, that gets the most votes after the list referred to in subparagraph a), which is not connected in any way, even indirectly, to that list and / or with the shareholders who submitted or voted for the majority list; are elected</p>	

<p>c) a director in possession of the independence requirements pursuant to art. 10.3 will be taken from the list, if any, which receives the highest number of votes after the list in b), which is not connected in any way, even indirectly, with previous lists and / or the shareholders who presented or voted on the previous lists; is the first candidate in the sequential order of the list in the possession of the independence requirements pursuant to art. 10.3. In the event that only two lists have been submitted and allowed, the remaining independent director will be chosen from the list referred to in point b).</p> <p>To this end, however, lists that do not obtain a percentage of votes equal to half of that required for the submission of lists, referred to in paragraph six of this subsection shall not be taken into account.</p> <p>10.3 The Directors must meet the requirements of professionalism and integrity and any other requirement under the regulations in force and in these By-laws. In addition, at least three directors, and in any event a number of directors not less than that required by the regulations in</p>	<p>in those limits candidates in a progressive order in the list;</p> <p>e) a director in possession of the independence requirements pursuant to art. 10.3 will be taken from the list, if any, which receives the highest number of votes after the list in b), which is not connected in any way, even indirectly, with previous lists and / or the shareholders who presented or voted on the previous lists; is the first candidate in the sequential order of the list in the possession of the independence requirements pursuant to art. 10.3. In the event that only two lists have been submitted and allowed, the remaining independent director will be chosen from the list referred to in point b).</p> <p>To this end, however, lists that do not obtain a percentage of votes equal to half of that required for the submission of lists, referred to in paragraph six of this subsection shall not be taken into account.</p> <p>10.3 The Directors must meet the requirements of professionalism and integrity and any other requirement under the regulations in force and in these By-laws. In addition, at least three directors, and in any event a number of directors not less than that required by the regulations in</p>	<p>The amendment is in line with the definition of a variable number of directors. Furthermore, the reference</p>
---	--	---

<p>force, must meet the independence requirements of art. 148, paragraph three, of Legislative Decree no 58 dated 24 February 1998, as well as the Code of Corporate Governance to which the Company adheres.</p> <p>The loss of the requirements for the position will entail revocation, with it being specified that the loss of the independence requirements mentioned above in relation to a director, notwithstanding the obligation to immediately notify the Board of Directors, shall not lead to revocation if the requirements are met by the remaining minimum number of directors pursuant to these By-laws.</p> <p>If the candidates elected in the manner described above do not ensure the appointment of a number of directors who meet the independence requirements provided for above equal to the minimum number established by law and these By-laws in relation to the total number of directors, the non-independent candidate elected last in sequential order in the list that received the highest number of votes referred to in subparagraph a) of</p>	<p>force, with rounding up to the nearest whole in the case of a fractional number, must meet the independence requirements established in regulations in force from time to time of art. 148, paragraph three, of Legislative Decree no 58 dated 24 February 1998, as well as the Code of Corporate Governance to which the Company adheres.</p> <p>The loss of the requirements for the position will entail revocation, with it being specified that the loss of the independence requirements mentioned above in relation to a director, notwithstanding the obligation to immediately notify the Board of Directors, shall not lead to revocation if the requirements are met by the remaining minimum number of directors pursuant to these By-laws.</p> <p>If the candidates elected in the manner described above do not ensure the appointment of a number of directors who meet the independence requirements provided for above equal to the minimum number established by law and these By-laws in relation to the total number of directors, the non-independent candidate elected last in sequential order in the majority list that received the highest number of votes referred to in subparagraph a)</p>	<p>to regulations in force from time to time neutralises the possible effects on the By-laws of any subsequent amendment of the applicable regulatory provision.</p> <p>The amendment coordinates the references to the “majority” and “minority” lists previously defined in the text of the By-laws</p>
--	---	---

BANCA

S I S T E M A

<p>paragraph 10.2, paragraph eleven paragraph, will be replaced by the first independent candidate in sequential order not elected from the same list, or, failing that, by the first independent candidate in sequential order not elected from other lists, according to the number of votes obtained by each. This substitution procedure will be followed until the number of independent directors to be appointed is met.</p> <p>Without prejudice to compliance with the minimum number of directors in possession of the independent requirements as stipulated above, where the candidates elected in the manner indicated above in the composition of the Board of Directors do not ensure compliance with the regulations in force in relation to gender equality, the candidate of the gender most elected as last in sequential order in the least who has secured the highest number of votes pursuant to letter a) of subsection 10.2, paragraph eleven, shall be replaced by the first candidate of the gender least represented based on the non-elected sequential order of the same list, or, failing this, by the first candidate of the gender least represented on the basis of the non-elected sequential order of the other</p>	<p>of paragraph 10.2, paragraph eleven paragraph, will be replaced by the first independent candidate in sequential order not elected from the same list, or, failing that, by the first independent candidate in sequential order not elected from the minority list other lists, according to the number of votes obtained by each. This substitution procedure will be followed until the number of independent directors to be appointed is met.</p> <p>Without prejudice to compliance with the minimum number of directors in possession of the independent requirements as stipulated above, where the candidates elected in the manner indicated above in the composition of the Board of Directors do not ensure compliance with the regulations in force with the provisions of the By-laws in relation to gender equality, the candidate of the gender most elected as last in sequential order in the majority list least who has secured the highest number of votes pursuant to letter a) of subsection 10.2, paragraph eleven, shall be replaced by the first candidate of the gender least represented based on the non-elected sequential order of the same list, or, failing this, by the first candidate of the gender least represented on the basis of the non-</p>	<p>See preceding note</p>
---	---	---------------------------

BANCA

S I S T E M A

<p>lists, according to the number of votes obtained by each. This replacement procedure will be carried out unless the Board of Directors is compliant with the current regulations in respect of gender equality.</p> <p>In the event of there being only one list that is presented and allowed, all the candidates on this list shall be elected, but ensuring the nomination of directors in possession of the independence requirements at least in the overall number required under current laws and these By-laws, and also in compliance with current laws on gender equality. Where no list is submitted or allowed, the Meeting shall resolve according to the legal majority without observing the procedure referred to above. This is notwithstanding, however, different and other provisions provided under mandatory and statutory laws. In any event, there shall be compliance with the minimum number of independent directors and the current laws on gender equality. For the appointment of Directors who for whatever reason are not nominated pursuant to the procedures given above, the Meeting shall resolve by legal majority voting so as to ensure that the composition of the Board of</p>	<p>electe d sequential order of the minority list other lists, according to the number of votes obtained by each. This replacement procedure will be carried out unless the Board of Directors is compliant with the current regulations with the provisions of the By-laws in respect of gender equality.</p> <p>In the event of there being only one list that is presented and allowed, all the candidates on this list shall be elected, but ensuring the nomination of directors in possession of the independence requirements at least in the overall number required under current laws and these By-laws, and also in compliance with current laws with the provisions of the By-laws on gender equality. Where no list is submitted or allowed, the Meeting shall resolve according to the legal majority without observing the procedure referred to above. This is notwithstanding, however, different and other provisions provided under mandatory and statutory laws. In any event, there shall be compliance with the minimum number of independent directors and the current laws with the provisions of the By-laws on gender equality. For the appointment of Directors who for whatever reason are not nominated pursuant to the procedures given above, the Meeting shall resolve by</p>	
--	---	--

BANCA

S I S T E M A

<p>Directors is compliant to the law and to these By-laws, and also complies with current laws in respect of gender equality.</p> <p>10.4 The members of the Administrative Body shall remain in post for three years (expiring at the same time as the Meeting convened to approve the accounts relating to the last year of their post) or for a lesser period which may be fixed by the Meeting and the time of appointment. Directors may be re-elected.</p> <p>Where during the course of the period one or more directors are missing, provided that the majority remain comprised of directors appointed by the Meeting, the Board of Directors can arrange for their substitution through a resolution approved by the Board of Auditors in accordance with what is indicated below:</p> <p>a) the Board of Directors shall arrange substitution using the persons belonging to the same list as the one to which the outgoing director belonged and the Meeting, pursuant to the first subsection of article 2386 of the Civil Code, resolves by legal majority voting in compliance with the same criterion;</p>	<p>legal majority voting so as to ensure that the composition of the Board of Directors is compliant to the law and to these By-laws, and also complies with current laws with the provisions of the By-laws in respect of gender equality.</p> <p>10.4 The members of the Administrative Body shall remain in post for three years (expiring at the same time as the Meeting convened to approve the accounts relating to the last year of their post) or for a lesser period which may be fixed by the Meeting and the time of appointment. Directors may be re-elected.</p> <p>Where during the course of the period one or more directors are missing, provided that the majority remain comprised of directors appointed by the Meeting, the Board of Directors can arrange for their substitution through a resolution approved by the Board of Auditors in accordance with what is indicated below:</p> <p>a) the Board of Directors shall arrange substitution using the persons belonging to the same list as the one to which the outgoing director belonged and the Meeting, pursuant to the first subsection of article 2386 of the Civil Code, resolves by legal majority voting in compliance with the same criterion;</p>	
--	--	--

<p>b) where the list does not contain previously non-elected candidates or candidates with the necessary requirements, or else when for any reason it is not possible to comply with what is stipulated above under, the Board of Directors proceeds with substitution as subsequently approved by the Meeting, pursuant to the first subsection of article 2386 of the Italian Civil Code, with legal majority voting with the list vote.</p> <p>In any case, the Board of Directors and the Meeting pursuant to the first subsection of article 2386 of the Civil Code shall appoint so as to ensure the presence of directors in possession of the requirements of independence stipulated in the previous subsection 10.3 at least in the overall minimum number required by current laws and these Articles and also in compliance with current laws in respect of gender equality.</p> <p>Pursuant to article 2386, subsection one of the Civil Code, directors appointed in this way shall remain in post until the next Meeting and those appointed by the Meeting shall remain in post for time that the directors they replaced would have remained in post.</p> <p>10.5 If the majority of the members of the administrative body appointed by Meeting resolution ceases to hold</p>	<p>b) where the list does not contain previously non-elected candidates or candidates with the necessary requirements, or else when for any reason it is not possible to comply with what is stipulated above under, the Board of Directors proceeds with substitution as subsequently approved by the Meeting, pursuant to the first subsection of article 2386 of the Italian Civil Code, with legal majority voting with the list vote.</p> <p>In any case, the Board of Directors and the Meeting pursuant to the first subsection of article 2386 of the Civil Code shall appoint so as to ensure the presence of directors in possession of the requirements of independence stipulated in the previous subsection 10.3 at least in the overall minimum number required by current laws and these Articles and also in compliance with current laws with the provisions of the By-laws in respect of gender equality.</p> <p>Pursuant to article 2386, subsection one of the Civil Code, directors appointed in this way shall remain in post until the next Meeting and those appointed by the Meeting shall remain in post for time that the directors they replaced would have remained in post.</p> <p>10.5 If the majority of the members of the administrative body appointed by Meeting resolution ceases to hold</p>	
---	--	--

<p>office, the entire administrative body shall lapse from the time when the new body is appointed and the directors remaining in post shall urgently convene the Meeting for it to be fully re-appointed and they may in the meantime perform acts of ordinary administration.</p> <p>10.6 The Chair of the Board of Directors is appointed by the Meeting in the manner pursuant to article 10.2 paragraph 11, letter a) of the By-laws. Where no lists are presented and allowed, the Chair of the Board of Directors is appointed by the Meeting pursuant to the legal majority and manner.</p> <p>10.7 The Board of Directors appoints from among its members a CEO in accordance with what is stipulated under article 12.2 letter h). The Board of Directors has the option to attribute the position of general director to this same CEO. The position of general director can be exclusively attributed to the CEO.</p> <p>The Board of Directors has the option to appoint a Deputy Chair, in accordance with the provisions of art. 12.2 letter g), which shall have the power, in the case of the absence or incapacity of the Chair, to chair the Shareholders' Meeting and the Board of Directors' meetings.</p>	<p>office, the entire administrative body shall lapse from the time when the new body is appointed and the directors remaining in post shall urgently convene the Meeting for it to be fully re-appointed and they may in the meantime perform acts of ordinary administration.</p> <p>10.6 The Chair of the Board of Directors is appointed by the Meeting in the manner pursuant to article 10.2 paragraph 11, letter a) of the By-laws. Where no lists are presented and allowed, the Chair of the Board of Directors is appointed by the Meeting pursuant to the legal majority and manner.</p> <p>10.7 The Board of Directors appoints from among its members a CEO in accordance with what is stipulated under article 12.2 letter h). The Board of Directors has the option to attribute the position of general director to this same CEO. The position of general director can be exclusively attributed to the CEO.</p> <p>The Board of Directors has the option to appoint a Deputy Chair, in accordance with the provisions of art. 12.2 letter g), which shall have the power, in the case of the absence or incapacity of the Chair, to chair the Shareholders' Meeting and the Board of Directors' meetings.</p>	
---	---	--

BANCA

S I S T E M A

<p>10.8 The Board of Directors may also delegate its own powers to an Executive Committee.</p> <p>10.9 The non-executive members of the Board of Directors bring their own specific skills to the board discussions and contribute to the taking of decisions. They are called upon to perform an important dialectical function and to monitor the choices made by the executive members. The non-executive members shall acquire, also through the use of internal committees, information on the management and organisation of the company, internal audit and other control functions. The non-executive members must in any case be actively involved in the tasks entrusted to them, also as far as time availability is concerned and take part in the processes of appointing and dismissing internal audit and risk management managers. They diligently perform any other activity incumbent upon them pursuant to legal and regulatory provisions that may be in force.</p> <p>10.10 The Board of Directors also appoints a Secretary in the person of a director of senior manager or executive of the company or a substitute, or an external consultant.</p> <p>10.11 The Board of Directors is subject to a process of self-</p>	<p>10.8 The Board of Directors may also delegate its own powers to an Executive Committee.</p> <p>10.9 The non-executive members of the Board of Directors bring their own specific skills to the board discussions and contribute to the taking of decisions. They are called upon to perform an important dialectical function and to monitor the choices made by the executive members. The non-executive members shall acquire, also through the use of internal committees, information on the management and organisation of the company, internal audit and other control functions. The non-executive members must in any case be actively involved in the tasks entrusted to them, also as far as time availability is concerned and take part in the processes of appointing and dismissing internal audit and risk management managers. They diligently perform any other activity incumbent upon them pursuant to legal and regulatory provisions that may be in force.</p> <p>10.9 The Board of Directors also appoints a Secretary in the person of a director of senior manager or executive of the company or a substitute, or an external consultant.</p> <p>10.10 The Board of Directors is subject to a process of self-</p>	<p>This clause constitutes a mere literal repetition of the supervisory provisions for banks, which apply without the need to add any reference in the By-laws</p>
--	--	--

BANCA

S I S T E M A

<p>assessment, according to the means and criteria stipulated under the regulations in force at the time.</p>	<p>assessment, according to the means and criteria stipulated under the regulations in force at the time.</p>	
<p>Article 11: Board of Directors' meetings</p> <p>11.1 The Board of Directors meets, either at the company's registered office, provided this is in Italy, a member State of the European Union or in Switzerland, whenever the Chair deems it necessary or when a request to do so is made by at least a third of its members or by the Board of Auditors or else individually by an Auditor.</p> <p>11.2 The Board of Directors is convened by the Chair by means of a notice to be sent at least five days before the meeting to each of its members and to the statutory auditors and, in urgent cases, at least two days before. The notice may be drafted on any medium (hard or soft) and may be sent using any means of communication (including fax and e-mail) appropriate to guarantee proof of receipt thereof.</p> <p>11.3 The Board of Directors is validly constituted and able to resolve where, in the absence of these formalities having been carried out (notwithstanding the right of each of the participants to object to the discussion of the issues about which they do not feel sufficiently</p>	<p>Article 11: Board of Directors' meetings</p> <p>11.1 The Board of Directors meets, either at the company's registered office, provided this is in Italy, a member State of the European Union or in Switzerland, whenever the Chair deems it necessary or when a request to do so is made by at least a third of its members or by the Board of Auditors or else individually by an Auditor.</p> <p>11.2 The Board of Directors is convened by the Chair by means of a notice to be sent at least five days before the meeting to each of its members and to the statutory auditors, except in urgent cases. and, in urgent cases, at least two days before. The notice may be drafted on any medium (hard or soft) and may be sent using any means of communication (including fax and e-mail) appropriate to guarantee proof of receipt thereof.</p> <p>11.3 The Board of Directors is validly constituted and able to resolve where, in the absence of these formalities having been carried out (notwithstanding the right of each of the participants to object to the discussion of the issues about which they do not feel sufficiently</p>	<p>The purpose of the amendment is to streamline the operations of the Board, which, in some cases, may be called <i>ad horas</i> (without prejudice to the assessment of the reasons of urgency by the Chair of the Board)</p>

<p>informed), all the members of the Board itself and all the members of the Board of Auditors are in attendance.</p> <p>11.4 The meetings of the Board of Directors, at the initiative of the Chair or CEO can be attended by managers of the company, or any other person that the Board of Directors wishes to invite to support its work on specific topics. The Secretary, or his substitute, takes the minutes of each meeting, which must be signed by the person chairing the meeting and by the secretary himself.</p> <p>11.5 The meetings of the Board of Directors may also be held with participants being located in several places, contiguous or remote, with audio-visual connections (only audio connection is permitted when the participants are easy to recognise by the Chair of the Meeting), providing that the collegial method and principles of good faith and equal treatment of shareholders have been followed. In this case, it is necessary that:</p> <p>a) the Chair of the Meeting is able to unequivocally ascertain the identity and legitimacy of the participants, manage the meeting and note and declare the results of the voting procedure;</p> <p>b) at the place where the video/audio conference is held, an attendance</p>	<p>informed), all the members of the Board itself and all the members of the Board of Auditors are in attendance.</p> <p>11.4 The meetings of the Board of Directors, at the initiative of the Chair or CEO can be attended by managers of the company, or any other person that the Board of Directors wishes to invite to support its work on specific topics. The Secretary, or his substitute, takes the minutes of each meeting, which must be signed by the person chairing the meeting and by the secretary himself.</p> <p>11.5 The meetings of the Board of Directors may also be held with participants being located in several places, contiguous or remote, with audio-visual connections (only audio connection is permitted when the participants are easy to recognise by the Chair of the Meeting), providing that the collegial method and principles of good faith and equal treatment of shareholders have been followed. In this case, it is necessary that:</p> <p>a) the Chair of the Meeting is able to unequivocally ascertain the identity and legitimacy of the participants, manage the meeting and note and declare the results of the voting procedure;</p> <p>b) at the place where the video/audio conference is held, an attendance</p>	<p>The purpose of the amendment is to streamline</p>
--	---	--

BANCA

S I S T E M A

<p>sheet should be kept giving the names of those attending the meeting at this place; this attendance sheet shall be attached to the minutes of the meeting;</p> <p>c) the person taking the minutes is able to adequately follow the events of the Meeting;</p> <p>d) the participants are able to simultaneously take part in the discussions and vote on the items on the agenda in real time;</p> <p>e) where the Meeting is not in plenary session, the notice of call of the meeting stipulates the audio/video location at which the participants can attend and the meeting shall be deemed to have taken place at the location where the Chair and the minute-taker are in attendance.</p> <p>11.6 The Board of Directors meeting shall be deemed to be held in the place where the Chair and the Secretary or the minute-taker are in attendance.</p> <p>The meetings of the Board of Directors are presided over by the Chair or, in the case of his absence or incapacity, by the Deputy Chair or, in the case of his absence or incapacity, by the director longest in post or else by age.</p>	<p>sheet should be kept giving the names of those attending the meeting at this place; this attendance sheet shall be attached to the minutes of the meeting;</p> <p>b) e) the person taking the minutes is able to adequately follow the events of the Meeting;</p> <p>c) d) the participants are able to simultaneously take part in the discussions and vote on the items on the agenda in real time;</p> <p>d) e) where the Meeting is not in plenary session, the notice of call stipulates the audio-video conferencing procedures. In any event, at the discretion of the Chair, the notice of call may stipulate the audio/video location at which the participants can must attend the meeting, and the meeting shall be deemed to have taken place at the location where the Chair and the minute-taker are in attendance.</p> <p>11.6 The Board of Directors meeting shall be deemed to be held in the place in which where the Chair and the Secretary or the minute-taker are in attendance.</p> <p>The meetings of the Board of Directors are presided over by the Chair or, in the case of his absence or incapacity, by the Deputy Chair or, in the case of his absence or incapacity, by the director longest in post or else by age.</p>	<p>the formalities involved in managing Board meetings</p> <p>See preceding note.</p> <p>The specific reference to the meeting being deemed held in the place where the chair and secretary are in attendance is included in art. 11.6 and can therefore be repealed</p> <p>This amendment is purely lexical</p>
---	---	--

BANCA

S I S T E M A

<p>11.7 The resolutions of the Board of Directors are taken by absolute majority voting of those present, except for the resolutions indicated in the last paragraph of article 12.2 below.</p>	<p>11.7 The resolutions of the Board of Directors are taken by absolute majority voting of those present, except for the resolutions indicated in the last paragraph of article 12.2 below.</p>	
<p>Article 12: Board of Directors' powers</p> <p>12.1 The administrative body performs all the operations necessary for the attainment of the corporate purpose and has full powers of company administration and the power to carry out all the actions deemed necessary or appropriate for attaining the company purposes and business management with the diligence required by the nature of the task.</p> <p>12.2 In addition to those The resolutions listed below are reserved for the Board of Directors and cannot be delegated, within the exception of those, not included in this list, established by law and regulatory provisions which may be in force at the time, or by other statutory provisions are reserved for the Board of Directors and may not be delegated regarding:</p> <p>a) the determination of the general guidelines relating to the company's development, the strategic operations, business and financial plans of the company, as well as the</p>	<p>Article 12: Board of Directors' powers</p> <p>12.1 The administrative body performs all the operations necessary for the attainment of the corporate purpose and has full powers of company administration and the power to carry out all the actions deemed necessary or appropriate for attaining the company purposes and business management with the diligence required by the nature of the task.</p> <p>12.2 In addition to those The resolutions listed below are reserved for the Board of Directors and cannot be delegated, within the exception of those, not included in this list, established by law and regulatory provisions which may be in force at the time, or by other statutory provisions are reserved for the Board of Directors and may not be delegated regarding:</p> <p>a) the determination of the general guidelines relating to the company's development, the strategic operations, business and financial plans of the company, as well as the</p>	

BANCA

S I S T E M A

<p>assessment of the general management performance;</p> <p>b) the approval of the company structure and corporate governance, thereby guaranteeing a clear separation of tasks and functions as well as the prevention of conflicts of interest;</p> <p>c) the approval of the accounting reporting systems;</p> <p>d) the supervision of the public information and communication process;</p> <p>e) the adoption of measures aimed at ensuring an efficient dialogue with the management function and with the managers of the main corporate functions, as well as gradual control of the choices and decisions these make;</p> <p>f) the risk management policies, as well as, after the Board of Auditors has expressed its opinion, the assessment of the functionality, effectiveness, efficiency of the internal control system and adequacy of the organisational, administrative and accounting structure;</p> <p>g) any appointment of Deputy Chair and its revocation, if appointed;</p> <p>h) the appointment and dismissal of the CEO. Any appointment or dismissal, if appointed of the general director, which shall necessarily coincide with the CEO;</p>	<p>assessment of the general management performance;</p> <p>b) the approval of the company structure and corporate governance, thereby guaranteeing a clear separation of tasks and functions as well as the prevention of conflicts of interest;</p> <p>c) the approval of the accounting reporting systems;</p> <p>d) the supervision of the public information and communication process;</p> <p>e) the adoption of measures aimed at ensuring an efficient dialogue with the management function and with the managers of the main corporate functions, as well as gradual control of the choices and decisions these make;</p> <p>f) the risk management policies, as well as, after the Board of Auditors has expressed its opinion, the assessment of the functionality, effectiveness, efficiency of the internal control system and adequacy of the organisational, administrative and accounting structure;</p> <p>g) any appointment of Deputy Chair and its revocation, if appointed;</p> <p>h) the appointment and dismissal of the CEO. Any appointment or dismissal, if appointed of the general director, which shall necessarily coincide with the CEO;</p>	
--	--	--

BANCA

S I S T E M A

<p>i) the assumption and transfer of strategic shareholdings;</p> <p>j) the approval and modification of the main internal regulations;</p> <p>k) the establishment, modification and removal of internal committees for the company's bodies;</p> <p>l) the appointment, replacement and dismissal, after listening to the view of the Board of Auditors, of the managers of the internal review, risk management and compliance functions, of the manager tasked with drafting the accounting and corporate documents;</p> <p>m) the determination of the criteria for the coordination and direction of the group's companies;</p> <p>n) the sales and acquisition of treasury shares, in accordance with the resolution of authorisation by the Shareholders' Meeting and following authorisation from the Supervisory Authority;</p> <p>o) the issue of convertible bonds for a maximum overall amount of 20,000,000 Euros within the maximum period permitted by law;</p> <p>p) the establishment, closure and transfer of general offices or representative offices or subsidiaries;</p> <p>q) the elaboration of the remuneration and incentives policies of the company and group, as well as the definition of the systems of</p>	<p>i) the assumption and transfer of strategic shareholdings;</p> <p>j) the approval and modification of the main internal regulations;</p> <p>k) the establishment, modification and removal of board committees; of internal committees for the company's bodies;</p> <p>l) the appointment, replacement and dismissal, after listening to the view of the Board of Auditors, of the managers of the internal review, risk management and compliance functions, of the manager tasked with drafting the accounting and corporate documents;</p> <p>m) the determination of the criteria for the coordination and direction of the group's companies;</p> <p>n) the sales and acquisition of treasury shares, in accordance with the resolution of authorisation by the Shareholders' Meeting and following authorisation from the Supervisory Authority;</p> <p>o) the issue of convertible bonds for a maximum overall amount of 20,000,000 Euros within the maximum period permitted by law;</p> <p>p) the establishment, closure and transfer of general offices or representative offices or subsidiaries;</p> <p>q) the elaboration of the remuneration and incentives policies of the company and group, as well as the definition of the systems of</p>	<p>The reference to “board” committees clarifies the scope of application of the provision more clearly</p>
---	--	---

BANCA

S I S T E M A

<p>remuneration and incentives for at least the following persons: (i) executive board members; (ii) general director where nominated; (iii) managers of the main lines of business, company functions or geographic areas; (iv) those who report directly to the bodies with corporate functions of strategic supervision, management and control;</p> <p>r) the remuneration of the CEO (and of the general director, if nominated) and of any other director responsible for specific tasks, in compliance with the applicable regulations in terms of remuneration and the company's policies of remuneration and incentives;</p> <p>s) the approval of the annual budget;</p> <p>t) the attribution, modification and removal of the powers delegated to the Executive Committee and to the CEO;</p> <p>u) the adoption of the company's development policies which are necessary in order to determine the long- term business plan and the budget for the period;</p> <p>w) the resolutions of the items delegated to the Executive Committee and to the CEO beyond the limits laid down for them;</p> <p>x) the delegation of the powers to other directors and power to modify,</p>	<p>remuneration and incentives for at least the following persons: (i) executive board members; (ii) general director where nominated; (iii) managers of the main lines of business, company functions or geographic areas; (iv) those who report directly to the bodies with corporate functions of strategic supervision, management and control;</p> <p>r) the remuneration of the CEO (and of the general director, if nominated) and of any other director responsible for specific tasks, in compliance with the applicable regulations in terms of remuneration and the company's policies of remuneration and incentives;</p> <p>s) the approval of the annual budget;</p> <p>t) the attribution, modification and removal of the powers delegated to the Executive Committee and to the CEO;</p> <p>u) the adoption of the company's development policies which are necessary in order to determine the long- term business plan and the budget for the period;</p> <p>w) the resolutions of the items delegated to the Executive Committee and to the CEO beyond the limits laid down for them;</p> <p>x) the delegation of the powers to other directors and power to modify,</p>	
--	--	--

<p>add and exclude these delegated powers;</p> <p>For the validity of the powers under letters h), i), j), k), l), m), o), r), s), t), u), w), and x) of this article 12.2, it is necessary to receive the favourable vote of at least 7 members of which at least five come from the majority list, notwithstanding that this strengthened decision-making quorum does not apply in relation to the sole decisions that will be adopted by the company by virtue of the regulatory rules on the basis of the request documented by the supervisory authority.</p> <p>12.3 The following powers are also allocated to the Board of directors:</p> <p>a) merger pursuant to the cases provided under articles 2502 and 2505-bis of the Italian Civil Code and de- merger in the cases in which these rules apply;</p> <p>b) the reduction of the capital in the event of the withdrawal of one or more shareholders;</p> <p>c) the adjustments of the Articles to legal provisions;</p> <p>Directors refer to the Board of Auditors in a timely manner and with a frequency of at least quarterly at the meeting of the Board of Auditors of executive committee, if appointed, or also directly through a written</p>	<p>add and exclude these delegated powers;</p> <p>y) the execution of instructions issued by the Bank of Italy.</p> <p>For the validity of the powers under letters h), i), j), k), l), m), o), r), s), t), u), w), and x) of this article 12.2, it is necessary to receive the favourable vote of at least 7 members of which at least five come from the majority list, notwithstanding that this strengthened decision-making quorum does not apply in relation to the sole decisions that will be adopted by the company by virtue of the regulatory rules on the basis of the request documented by the supervisory authority.</p> <p>12.3 The following powers are also allocated to the Board of directors:</p> <p>a) merger pursuant to the cases provided under articles 2502 and 2505-bis of the Italian Civil Code and de- merger in the cases in which these rules apply;</p> <p>b) the reduction of the capital in the event of the withdrawal of one or more shareholders;</p> <p>c) the adjustments of the Articles to legal provisions;</p> <p>Directors refer to the Board of Auditors in a timely manner and with a frequency of at least quarterly at the meeting of the Board of Auditors of executive committee, if appointed, or also directly through a written</p>	<p>The amendment aims to ensure better links with the Supervisory Provisions (see Title I, Chapter 2, Section IV of Circular no. 285 of 17 December 2013, as amended and supplemented)</p> <p>As highlighted above, the removal of the provisions requiring larger decision-making quorums for resolutions of the Board of Directors on specific issues is consequential to the changed shareholder structure of the Bank</p> <p>The purpose of the amendment is to eliminate a formulation that is redundant in respect of the</p>
---	---	---

BANCA

S I S T E M A

<p>note sent to the Chair of the Board of Auditors, on the activity carried out by the company or subsidiaries. Directors shall also refer to operations in which they have had an interest, on their own behalf or on behalf of third parties, or which are influenced by any person exercising the activity of direction and coordination.</p> <p>12.4 For the performance of certain categories of acts or on individual business, the Board of Directors may confer a proxy on individual directors, determining the content, limits and possible means of exercising the proxy.</p> <p>In any event, the appointment of the person delegated to vote for the company at the meetings of subsidiaries, such as the conferring of related instructions, must always be resolved by the Board of Directors.</p>	<p>note sent to the Chair of the Board of Auditors, on the activity carried out by the company or subsidiaries. Directors shall also refer to operations in which they have had an interest, on their own behalf or on behalf of third parties, or which are influenced by any person exercising the activity of direction and coordination.</p> <p>12.4 For the performance of certain categories of acts or on individual business, the Board of Directors may confer a proxy on individual directors, determining the content, limits and possible means of exercising the proxy.</p> <p>In any event, the appointment of the person delegated to vote for the company at the meetings of subsidiaries, such as the conferring of related instructions, must always be resolved by the Board of Directors.</p>	<p>provisions already included in art. 17.2</p> <p>The proposed amendment aims to simplify the process of delegating powers to attend shareholders' meetings of subsidiaries</p>
<p>Article 13: deadlock procedure</p> <p>13.1 In relation to the resolutions pursuant to article 12.2 for which these By-laws provide for a strengthened decision-making quorum, the rules under the subsequent article 13.2 et seq., shall apply.</p> <p>13.2 Where the Board of Directors is not able to decide, a second meeting of the Board of Directors will be convened within 30 (thirty) working</p>	<p>Article 13: deadlock procedure</p> <p>13.1 In relation to the resolutions pursuant to article 12.2 for which these By-laws provide for a strengthened decision-making quorum, the rules under the subsequent article 13.2 et seq., shall apply.</p> <p>13.2 Where the Board of Directors is not able to decide, a second meeting of the Board of Directors will be convened within 30</p>	<p>As highlighted above, the removal of the deadlock procedure is consequential to the changed shareholder structure of the Bank</p> <p>The amendment also entails renumbering the successive articles and adding further cross references to those articles in the By-laws</p>

BANCA

S I S T E M A

<p>days (with working days meaning all calendar days with the exception of Saturday and Sunday and days in which the financial institutions are not open to the public) from the date of the meeting at which the deadlock procedure has occurred.</p> <p>13.3 Where in the course of this meeting, the members of the Board of Directors are not able to decide, the decision-making quorum provided by law shall apply.</p> <p>13.4 For the decisions pursuant to art. 12.2 letter. i), o), and x) which require the strengthened decision-making quorum pursuant to the last paragraph of article 12.2, where the Board of Directors is unable to adopt any resolution as a result of the decision-making quorum stipulated, no decision shall be taken.</p>	<p>(thirty) working days (with working days meaning all calendar days with the exception of Saturday and Sunday and days in which the financial institutions are not open to the public) from the date of the meeting at which the deadlock procedure has occurred.</p> <p>13.3 Where in the course of this meeting, the members of the Board of Directors are not able to decide, the decision making quorum provided by law shall apply.</p> <p>13.4 For the decisions pursuant to art. 12.2 letter. i), o), and x) which require the strengthened decision-making quorum pursuant to the last paragraph of article 12.2, where the Board of Directors is unable to adopt any resolution as a result of the decision making quorum stipulated, no decision shall be taken.</p>	
<p>Article 14: Executive Committee</p> <p>14.1 The Board of Directors can appoint, from within its number, an Executive Committee and determine its duration, powers, attributions and means of functioning.</p> <p>14.2 The Executive Committee is comprised of three board members. The CEO is part of the Executive Committee. The Chair may not be a member of the Executive Committee, but can take part in its meetings but with any voting rights.</p>	<p>Article 1314: Executive Committee</p> <p>1314.1 The Board of Directors can appoint, from within its number, an Executive Committee and determine its duration, powers, attributions and means of functioning.</p> <p>1314.2 The Executive Committee is comprised of three board members.</p> <p>In any event, at least one third of the members of the Executive Committee must be of the least represented gender. The CEO is part of the Executive Committee. The</p>	<p>The amendment is a consequence of the addition to the By-laws of the provisions aimed at safeguarding the participation of the least represented gender</p>

<p>14.3 The Executive Committee shall remain in post for the period determined by the Board of Directors which determines its powers and attributions and may, fully or in part, dismiss the related members. The period in which the Executive Committee remains in service may not exceed that of the directors which comprise it.</p> <p>14.4 The Executive Committee is chaired by the CEO; where he is absent or missing the related functions, including the power to propose the resolutions to be adopted, is incumbent upon the most senior members in terms of age.</p> <p>14.5 At the invitation of the CEO, the meetings of the Executive Committee can be attended by managers of the company, or any other person that the Executive Committee wishes to invite to support its work on specific issues.</p> <p>14.6 The role of the Secretary of the Executive Committee shall be fulfilled by the person nominated for this purpose at the suggestion of the person chairing the meeting.</p> <p>14.7 The Executive Committee, which meets monthly, is convened by the CEO by means of a notice of call to be</p>	<p>Chair may not be a member of the Executive Committee, but can take part in its meetings but with any voting rights.</p> <p>1314.3 The Executive Committee shall remain in post for the period determined by the Board of Directors which determines its powers and attributions and may, fully or in part, dismiss the related members. The period in which the Executive Committee remains in service may not exceed that of the directors which comprise it.</p> <p>1314.4 The Executive Committee is chaired by the CEO; where he is absent or missing the related functions, including the power to propose the resolutions to be adopted, is incumbent upon the most senior members in terms of age.</p> <p>1314.5 At the invitation of the CEO, the meetings of the Executive Committee can be attended by managers of the company, or any other person that the Executive Committee wishes to invite to support its work on specific issues.</p> <p>1314.6 The role of the Secretary of the Executive Committee shall be fulfilled by the person nominated for this purpose at the suggestion of the person chairing the meeting.</p> <p>1314.7 The Executive Committee, which meets monthly, is convened by the CEO by means of a notice of call</p>	
--	--	--

<p>sent at least two days prior to the meeting to each member and to the statutory auditors. The notice may be drafted on any medium (hard or soft) and may be sent using any means of communication (including fax and e-mail) appropriate to guarantee proof of receipt thereof.</p> <p>14.8 In order for the resolutions of the Executive Committee to be valid it is necessary that at least two directors vote in favour.</p> <p>14.9 he resolutions made by the Executive Committee are minuted and signed by the Chair and Secretary of the meeting.</p> <p>14.10 The meetings of the Executive Committee can be held using appropriate audio-visual conferencing systems, with the same rules and in the same way as stipulated for the meetings of the Board of Directors.</p>	<p>to be sent at least two days prior to the meeting to each member and to the statutory auditors. The notice may be drafted on any medium (hard or soft) and may be sent using any means of communication (including fax and e-mail) appropriate to guarantee proof of receipt thereof.</p> <p>1314.8 In order for the resolutions of the Executive Committee to be valid it is necessary that at least two directors vote in favour.</p> <p>1314.9 he resolutions made by the Executive Committee are minuted and signed by the Chair and Secretary of the meeting.</p> <p>1314.10 The meetings of the Executive Committee can be held using appropriate audio-visual conferencing systems, with the same rules and in the same way as stipulated for the meetings of the Board of Directors.</p>	
<p>Article 15: CEO</p> <p>15.1 The CEO manages the company's activities within the constraints of the powers conferred upon him and in compliance with the general management guidelines determined by the Board of Directors.</p> <p>15.2 The CEO, within the constraints of the powers conferred upon him by the Board of Directors, can delegate decision-making powers in respect of the giving of credit and ordinary</p>	<p>Article 1415: CEO</p> <p>1415.1 The CEO manages the company's activities within the constraints of the powers conferred upon him and in compliance with the general management guidelines determined by the Board of Directors.</p> <p>1415.2 The CEO, within the constraints of the powers conferred upon him by the Board of Directors, can delegate decision-making powers in respect of the giving of credit and</p>	

BANCA

S I S T E M A

<p>management to executives, officials, middle managers, branch managers and other company employees, within predetermined limits graded on the basis of their functions and level covered.</p>	<p>ordinary management to executives, officials, middle managers, branch managers and other company employees, within predetermined limits graded on the basis of their functions and level covered.</p>	
<p>Article 16: other board committees The Board of Directors shall establish its own internal committees with consulting and advisory functions, determining their duties and powers, also in compliance with applicable regulations and codes of conduct for the management companies of the regulated markets in which the company's shares will be traded.</p>	<p>Article 1516: other board committees 1516.1 The Board of Directors shall establish its own internal committees with consulting and advisory functions, determining their duties and powers, also in compliance with applicable regulations and codes of conduct for the management companies of the regulated markets in which the company's shares will be traded.</p>	
<p>Article 17: Chair of the Board of Directors and executive bodies 17.1 The Chair of the Board of Directors: - Ensures the smooth functioning of the Board, promotes internal dialogue and ensures the balance of power, in accordance with the tasks relating to the organisation of the board's proceedings and the flow of information that may be assigned by the Italian Civil Code; - Promotes the effective functioning of the corporate governance system, ensuring a balance between the powers of the CEO and the other executive directors and is the interlocutor of the body with the</p>	<p>Article 1617: Chair of the Board of Directors and executive bodies 1617.1 The Chair of the Board of Directors: - Ensures the smooth functioning of the Board, promotes internal dialogue and ensures the balance of power, in accordance with the tasks relating to the organisation of the board's proceedings and the flow of information that may be assigned by the Italian Civil Code; - Promotes the effective functioning of the corporate governance system, ensuring a balance between the powers of the CEO and the other executive directors and is the interlocutor of the body with the</p>	

BANCA

S I S T E M A

<p>control function and internal committees;</p> <ul style="list-style-type: none">- Ensures that the process of self-assessment is carried out effectively and that the company draws up and implements induction programmes and training plans for the board members and, where required, succession plans for the top executive positions;- Organises and coordinates the activities of the Board of Directors and ensures that priority is afforded to issues of strategic importance, ensures that these are allowed as much time as is necessary, ensures the effectiveness of the Board discussions and ensures that the resolutions reached by the Board are the result of a proper debate between executive and non-executive directors and the conscious and reasoned contribution of all its members;- Ensures that adequate advance information is provided to all directors on the agenda of the Board of Directors;- Convenes meetings of the Board of Directors and shall decide on its agenda, taking into account any instances or issues listed by shareholders, directors or committees and verifies the validity of its constitution and ascertains the	<p>control function and internal committees;</p> <ul style="list-style-type: none">- Ensures that the process of self-assessment is carried out effectively and that the company draws up and implements induction programmes and training plans for the board members and, where required, succession plans for the top executive positions;- Organises and coordinates the activities of the Board of Directors and ensures that priority is afforded to issues of strategic importance, ensures that these are allowed as much time as is necessary, ensures the effectiveness of the Board discussions and ensures that the resolutions reached by the Board are the result of a proper debate between executive and non-executive directors and the conscious and reasoned contribution of all its members;- Ensures that adequate advance information is provided to all directors on the agenda of the Board of Directors;- Convenes meetings of the Board of Directors and shall decide on its agenda, taking into account any instances or issues listed by shareholders, directors or committees and verifies the validity of its constitution and ascertains the	
--	--	--

BANCA

S I S T E M A

<p>identity and legitimacy of those present and the voting results;</p> <ul style="list-style-type: none"> - Supervises implementation of the resolutions of the governing bodies and on the general performance of the company; - May participate, without a vote, in meetings of the Executive Committee; - Diligently and promptly encourages any other activity whose power he / she is awarded under the provisions of law or regulations in force. <p>17.2 The delegated bodies, such as the CEO and / or the Executive Committee, refer, at least quarterly, to the Board of Directors and Board of Auditors on the general operating performance and its outlook, as well as on the most important economic and financial transactions made by the company and its subsidiaries; in particular, they report on transactions in which they have an interest, either directly or on behalf of third parties.</p> <p>The Board of Directors also has the power itself to control and advocate the operations included in the delegation, as well as the power to revoke proxies, notwithstanding that these bodies are nevertheless required to report to the Board of Directors and Board of Auditors on at least a quarterly basis.</p>	<p>identity and legitimacy of those present and the voting results;</p> <ul style="list-style-type: none"> - Supervises implementation of the resolutions of the governing bodies and on the general performance of the company; - May participate, without a vote, in meetings of the Executive Committee; - Diligently and promptly encourages any other activity whose power he / she is awarded under the provisions of law or regulations in force. <p>1617.2 The delegated bodies, such as the CEO and / or the Executive Committee, refer, at least quarterly, to the Board of Directors and Board of Auditors on the general operating performance and its outlook, as well as on the most important economic and financial transactions made by the company and its subsidiaries; in particular, they report on transactions in which they have an interest, either directly or on behalf of third parties.</p> <p>The Board of Directors also has the power itself to control and advocate the operations included in the delegation, as well as the power to revoke proxies, notwithstanding that these bodies are nevertheless required to report to the Board of Directors and Board of Auditors on at least a quarterly basis.</p>	
---	--	--

BANCA

S I S T E M A

<p>17.3 The members of the administrative body are entitled to be reimbursed for expenses incurred as a result of their office, including travel and transfer expenses, and a fee determined by the Meeting at the time of appointment.</p> <p>The remuneration of directors serving as Chair, Deputy Chair (if nominated), CEO, members of the Board who are entrusted with special missions and members of the Executive Committee is established by the Board of Directors, upon the advice of the Board of Auditors, as well as upon the proposal of the internal committee possible established for this purpose, in compliance with the remuneration and incentives policies determined by the Meeting.</p> <p>The Meeting can determine an overall amount for the remuneration of all directors, including those vested with particular tasks and for the general director if appointed pursuant to article 10.7 of these By-laws.</p> <p>17.4 The corporate responsibility actions provided under article 2393-bis of the Italian Civil Code may be exercised by shareholders representing at least 1/40 (a fortieth) of the share capital.</p>	<p>1617.3 The members of the administrative body are entitled to be reimbursed for expenses incurred as a result of their office, including travel and transfer expenses, and a fee determined by the Meeting at the time of appointment.</p> <p>The remuneration of directors serving as Chair, Deputy Chair (if nominated), CEO, members of the Board who are entrusted with special missions and members of the Executive Committee is established by the Board of Directors, upon the advice of the Board of Auditors, as well as upon the proposal of the internal committee possible established for this purpose, in compliance with the remuneration and incentives policies determined by the Meeting.</p> <p>The Meeting can determine an overall amount for the remuneration of all directors, including those vested with particular tasks and for the general director if appointed pursuant to article 10.7 of these By-laws.</p> <p>1617.4 The corporate responsibility actions provided under article 2393-bis of the Italian Civil Code may be exercised by shareholders representing at least 1/40 (a fortieth) of the share capital.</p>	
<p>Article 18: Board of Auditors</p>	<p>Article 1718: Board of Auditors</p>	

<p>18.1 The Meeting appoints three statutory auditors and two alternates who remain in post for three financial years, can be re-elected and whose function ceases on the date of the Meeting convened to approve the financial accounts for the third financial year of their office. Auditors cease to hold office upon the expiry of the term stipulated at the time the Board was established. Legal rules and these By-laws apply in respect of the appointment, dismissal and replacement of board members.</p>	<p>1718.1 The Meeting appoints three statutory auditors and two alternates who remain in post for three financial years, can be re-elected and whose function ceases on the date of the Meeting convened to approve the financial accounts for the third financial year of their office.</p> <p>In accordance with the need to ensure an adequate degree of diversification in the composition of the Board, in terms of skills, experience, age, international profile and gender, at least one of the standing auditors and one of the alternates (or the higher number prescribed by regulations in force from time to time) of the Board of Auditors must be of the least represented gender.</p> <p>Auditors cease to hold office upon the expiry of the term stipulated at the time the Board was established. Legal rules and these By-laws apply in respect of the appointment, dismissal and replacement of board members.</p>	<p>The amendment is a consequence of the addition to the By-laws of the provisions aimed at safeguarding the participation of the least represented gender</p>
<p>18.2 Board members must be in possession of the requirements of professionalism, integrity and independence prescribed under regulations in force at the time, including those indicated in the Decree of the Ministry of Justice no 162 dated 30 March 2000, as well as those envisaged by the Code of Conduct for Listed Companies to</p>	<p>1718.2 Board members must be in possession of the requirements of professionalism, integrity and independence prescribed under regulations in force at the time, including those indicated in the Decree of the Ministry of Justice no 162 dated 30 March 2000, as well as those envisaged by the Code of Conduct for Listed Companies to</p>	

<p>which the Company has adhered. Pursuant to the provisions of article 1, subsection 2, letter b) and c) of this Decree, issues inherent to the financial, credit and insurance sectors shall be considered to be strictly relating to the Company's scope of activities. Auditors can undertake tasks for members of bodies of administration and control in other companies within the constraints laid down by applicable provisions.</p> <p>18.3 Other than those stipulated by law, it shall be deemed to be a cause of ineligibility or invalidity to be linked to the company through a full-time employment contract or by any other contract to supply goods and/or services, to be a member of administrative bodies of other banks or other companies performing activities in competition with those of the company, or to be linked to these by a full-time contract of employment.</p> <p>18.4 Auditors may not assume tasks other than those of control at other companies belonging to the group or to the financial conglomerate, nor to companies in which the company, including indirectly, holds a strategic stake.</p> <p>18.5 In order to ensure the election of a statutory and alternate auditor for minority shareholders, the appointment of the Board of Auditors</p>	<p>which the Company has adhered. Pursuant to the provisions of article 1, subsection 2, letter b) and c) of this Decree, issues inherent to the financial, credit and insurance sectors shall be considered to be strictly relating to the Company's scope of activities. Auditors can undertake tasks for members of bodies of administration and control in other companies within the constraints laid down by applicable provisions.</p> <p>1718.3 Other than those stipulated by law, it shall be deemed to be a cause of ineligibility or invalidity to be linked to the company through a full-time employment contract or by any other contract to supply goods and/or services, to be a member of administrative bodies of other banks or other companies performing activities in competition with those of the company, or to be linked to these by a full-time contract of employment.</p> <p>1718.4 Auditors may not assume tasks other than those of control at other companies belonging to the group or to the financial conglomerate, nor to companies in which the company, including indirectly, holds a strategic stake.</p> <p>1718.5 In order to ensure the election of a statutory and alternate auditor for minority shareholders, the appointment of the Board of Auditors</p>	
--	---	--

<p>comes about on the basis of lists presented by shareholders in which the candidates are listed in sequential order. The list is comprised of two sections: one for candidates for the position of statutory auditor, the other for candidates to the post of alternate auditor.</p> <p>Lists which have a number of candidates equal to or greater than three must also include candidates of a different gender, in accordance with what is stated in the Meeting call of notice, so as to allow the Meeting to be set up in accordance with current laws regarding gender equality. Both shareholders which present, including jointly at least 2.5% (two point five per cent) of the share capital represented by voting rights at Meeting resolutions whose purpose is to appoint the members of the administrative body, or another measure which may be established by mandatory legal or statutory provisions, can present a list of candidates.</p>	<p>comes about on the basis of lists presented by shareholders in which the candidates are listed in sequential order. The list is comprised of two sections: one for candidates for the position of statutory auditor, the other for candidates to the post of alternate auditor.</p> <p>Lists which have a number of candidates equal to or greater than three must also include candidates of a different gender, in accordance with what is stated in the Meeting call of notice, so as to allow the Meeting to be set up in accordance with the provisions of the By-laws regarding gender equality.</p> <p>Only those shareholders with voting rights who, separately or together with other shareholders, are holders of shares representing at least the percentage of share capital established by Consob (National Regulatory Body for Italian Companies and the Stock Exchange) are entitled to submit lists.</p> <p>The percentage shareholding required to submit lists of candidates for the appointment of the Board of Auditors is specified in the notice of call of the Shareholders' Meeting called to resolve on the appointment of the said body.</p>	<p>The proposal to include a reference to the thresholds provided for in regulations in force, instead of the specific reference to the percentage shareholding required to submit lists for the appointment of the Board of Auditors, is consistent with what is being proposed for art. 10.2 with regard to the submission of lists for the appointment of the Board of Directors</p>
--	---	---

<p>The holding of this minimum share necessary to submit lists is determined having regard to the shares which are registered to the shareholder on the day in which these lists are submitted to the company's head office. In order to prove the holding of the number of shares required to present lists, shareholders who present or are involved in submitting lists, must submit to deliver to the registered office a copy of the appropriate certificate issued by an authorised intermediary pursuant to law, issued within the period laid down for the publication of the lists. Each shareholder, including shareholders belonging to the same group, member of a shareholders' agreement pursuant to article 122 of legislative decree no 58 dated 24 February 1998, parent companies, subsidiaries and those subject to joint control pursuant to article 93 of</p>	<p>Both shareholders which present, including jointly at least 2.5% (two point five per cent) of the share capital represented by voting rights at Meeting resolutions whose purpose is to appoint the members of the administrative body, or another measure which may be established by mandatory legal or statutory provisions, can present a list of candidates.</p> <p>The holding of this minimum share necessary to submit lists is determined having regard to the shares which are registered to the shareholder on the day in which these lists are submitted to the company's head office. In order to prove the holding of the number of shares required to present lists, shareholders who present or are involved in submitting lists, must submit to deliver to the registered office a copy of the appropriate certificate issued by an authorised intermediary pursuant to law, issued within the period laid down for the publication of the lists. Each shareholder, including shareholders belonging to the same group, member of a shareholders' agreement pursuant to article 122 of legislative decree no 58 dated 24 February 1998, parent companies, subsidiaries and those subject to joint control pursuant to article 93 of</p>	
--	--	--

<p>legislative decree no 58 dated 24 February 1998, may not submit or be involved in the submission, either by proxy of trust company, in more than one list and may not vote on lists other than the one presented and any candidate can only appear in a single list under pain of being declared ineligible. For the purposes of the preceding paragraph, entities, even those with a corporate status, which exercise direct or indirect control pursuant to Article 93 of Legislative Decree 24 February 1998 n. 58 over the shareholder in question and all the companies controlled directly or indirectly by this entity are deemed to belong to the same group.</p> <p>In the event of any breach of these provisions, regard shall not be had, pursuant to the application of what is set out in this article, of the position of the shareholder in question in relation of none of the lists.</p> <p>Notwithstanding the incompatibilities provided by law, candidates acting as auditors in another 5 (five) issuers or else in violation of the limits on the cumulation of positions possible set out under applicable legal or statutory provisions may not be included in the lists. Outgoing auditors may be re-elected. The lists must be sent to the company's head</p>	<p>legislative decree no 58 dated 24 February 1998, may not submit or be involved in the submission, either by proxy of trust company, in more than one list and may not vote on lists other than the one presented and any candidate can only appear in a single list under pain of being declared ineligible. For the purposes of the preceding paragraph, entities, even those with a corporate status, which exercise direct or indirect control pursuant to Article 93 of Legislative Decree 24 February 1998 n. 58 over the shareholder in question and all the companies controlled directly or indirectly by this entity are deemed to belong to the same group.</p> <p>In the event of any breach of these provisions, regard shall not be had, pursuant to the application of what is set out in this article, of the position of the shareholder in question in relation of none of the lists.</p> <p>Notwithstanding the incompatibilities provided by law, candidates acting as auditors in another 5 (five) issuers or else in violation of the limits on the cumulation of positions possible set out under applicable legal or statutory provisions may not be included in the lists. Outgoing auditors may be re-elected. The lists must be sent to the company's head</p>	
---	---	--

BANCA

S I S T E M A

<p>office at least 25 (twenty-five) days prior to the one planned for the Meeting called upon to resolve on the appointment of the control body and be made available to the public at the registered office, on the Company's internet site and with the other means stipulated under applicable legal and regulatory provisions at least 21 (twenty-one) days prior to the one fixed for the Meeting. This shall be mentioned in the notice of call. Where only one list has been submitted within this period of 25 (twenty-five) days, i.e. only lists have been presented by inter-related shareholders pursuant to current legislative and statutory provisions, lists may be submitted up to the third day subsequent to this date, unless a different period is stipulated under applicable legal and statutory provisions. In this case, shareholders who individually or jointly are owners of shares representing half of the capital threshold previously identified shall be entitled to submit lists.</p> <p>Together with each list, within the periods indicated above, the following information must be submitted: i) the information relating to the shareholders who have submitted the list and the shareholding percentage held; ii) the declarations by which the individual</p>	<p>office at least 25 (twenty-five) days prior to the one planned for the Meeting called upon to resolve on the appointment of the control body and be made available to the public at the registered office, on the Company's internet site and with the other means stipulated under applicable legal and regulatory provisions at least 21 (twenty-one) days prior to the one fixed for the Meeting. This shall be mentioned in the notice of call. Where only one list has been submitted within this period of 25 (twenty-five) days, i.e. only lists have been presented by inter-related shareholders pursuant to current legislative and statutory provisions, lists may be submitted up to the third day subsequent to this date, unless a different period is stipulated under applicable legal and statutory provisions. In this case, shareholders who individually or jointly are owners of shares representing half of the capital threshold previously identified shall be entitled to submit lists.</p> <p>Together with each list, within the periods indicated above, the following information must be submitted: i) the information relating to the shareholders who have submitted the list and the shareholding percentage held; ii) the declarations by which the individual</p>	
---	---	--

BANCA

S I S T E M A

<p>candidates accept the application and solemnly swear that there are no grounds for ineligibility or incompatibility, including the limit of the cumulation of positions, or the requirements legally and statutorily prescribed for the respective tasks;</p> <p>iii) a declaration by the shareholders other than those holding, including jointly, a relative controlling or majority shareholder, attesting to the absence of ties with the latter stipulated under applicable laws, as well as (iv) the CV of each candidate, containing extensive information on the personal and professional characteristics of each candidate and indication any management and control tasks covered in other companies.</p> <p>The lists submitted which do not satisfy the provisions stated above shall be void.</p> <p>Auditors are elected as follows:</p> <p>a) from the list of those obtaining the highest number of votes, based on the sequential order in which they are listed in the sections of the list, two statutory and one alternate auditors are selected;</p> <p>b) the remaining member of the statutory auditor and the other alternate auditor are selected, based on the sequential order in which they are listed in the sections of the lists, from the second list obtaining the</p>	<p>candidates accept the application and solemnly swear that there are no grounds for ineligibility or incompatibility, also with reference to theincluding the limit of the cumulation of positions, or the requirements legally and statutorily prescribed for the respective tasks;</p> <p>iii) a declaration by the shareholders other than those holding, including jointly, a relative controlling or majority shareholder, attesting to the absence of ties with the latter stipulated under applicable laws, as well as (iv) the CV of each candidate, containing extensive information on the personal and professional characteristics of each candidate and indication any management and control tasks covered in other companies.</p> <p>The lists submitted which do not satisfy the provisions stated above shall be void.</p> <p>Auditors are elected as follows:</p> <p>a) from the list of those obtaining the highest number of votes, based on the sequential order in which they are listed in the sections of the list, two statutory and one alternate auditors are selected;</p> <p>b) the remaining member of the statutory auditor and the other alternate auditor are selected, based on the sequential order in which they are listed in the sections of the lists,</p>	<p>This amendment is purely lexical</p>
--	---	---

BANCA

S I S T E M A

<p>highest number of votes at the Meeting and which is not in any way corrected, not even indirectly, with the list mentioned under paragraph a) and/or with the shareholders who have submitted or voted the majority list;</p> <p>c) where the votes between the lists are tied, the one presented by shareholders in possession of the higher share, or else the highest number of shareholders shall prevail;</p> <p>d) where the Board of Auditors thus constituted does not ensure compliance with current laws in respect of gender equality, the last candidate elected from the majority list shall be replaced by the first candidate not elected from the same list belonging to the least represented gender or, failing this, by the first candidate not elected from the successive lists. Where this is not possible, the statutory member of the least represented gender is appointed by the Meeting with legal majority voting, to replace the last candidate from the majority list;</p> <p>e) where a single list or no list is presented, all the candidates for the positions indicated in the list or else those voted by the Meeting shall be elected the statutory and alternate auditors, provided that these achieve</p>	<p>from the second list obtaining the highest number of votes at the Meeting and which is not in any way corrected, not even indirectly, with the list mentioned under paragraph a) and/or with the shareholders who have submitted or voted the majority list;</p> <p>c) where the votes between the lists are tied, the one presented by shareholders in possession of the higher share, or else the highest number of shareholders shall prevail;</p> <p>d) where the Board of Auditors thus constituted does not ensure compliance with current laws and with the provisions of the By-laws in respect of gender equality, the last candidate elected from the majority list shall be replaced by the first candidate not elected from the same list belonging to the least represented gender or, failing this, by the first candidate not elected from the successive lists. Where this is not possible, the statutory member of the least represented gender is appointed by the Meeting with legal majority voting, to replace the last candidate from the majority list;</p> <p>e) where a single list or no list is presented, all the candidates for the positions indicated in the list or else those voted by the Meeting shall be elected the statutory and alternate auditors, provided that these achieve</p>	
---	---	--

BANCA

S I S T E M A

<p>the majority of votes expressed at the Meeting. This is notwithstanding compliance with the regulations in force in respect of gender equality.</p> <p>The chairmanship of the Board of Auditors is assumed by the first candidate on the second list who has obtained the most votes, if presented and allowed.</p> <p>Where the legal and statutory requirements are not met, the auditor shall lose office.</p> <p>Where an auditor is replaced, the alternate auditor belonging to the one outgoing shall take over. If the substitution does not allow compliance with the rules on gender equality, the Meeting must be convened as soon as possible in order to ensure compliance with this law.</p> <p>When the Meeting is to appoint statutory and/or alternate auditors needed to make up the Board of Auditors, it shall proceed as follows: when it is to replace the auditors elected in the majority list, the appointment comes about on the basis of majority voting without any constraints from lists; when, on the other hand, auditors elected from the minority list are to be replaced, the Meeting replaces them by majority voting, choosing from the candidates</p>	<p>the majority of votes expressed at the Meeting. This is notwithstanding compliance with the regulations in force and with the provisions of the By-laws in respect of gender equality.</p> <p>The chairmanship of the Board of Auditors is assumed by the first candidate on the second list who has obtained the most votes, if presented and allowed.</p> <p>Where the legal and statutory requirements are not met, the auditor shall lose office.</p> <p>Where an auditor is replaced, the alternate auditor belonging to the one outgoing shall take over. If the substitution does not allow compliance with the rules and with the provisions of the By-laws on gender equality, the Meeting must be convened as soon as possible in order to ensure compliance with these provisions.</p> <p>When the Meeting is to appoint statutory and/or alternate auditors needed to make up the Board of Auditors, it shall proceed as follows: when it is to replace the auditors elected in the majority list, the appointment comes about on the basis of majority voting without any constraints from lists; when, on the other hand, auditors elected from the minority list are to be replaced, the Meeting replaces them by majority voting, choosing from the candidates</p>	
---	---	--

BANCA

S I S T E M A

<p>indicated in the list to which the auditor to be replaced belongs, or in the minority list which won the second highest number of votes. Where the application for these procedures does not, for any reason, allow the replacement of the auditors designated by the minority shareholders, the Meeting shall proceed on the basis of majority voting; however, in the ascertaining of the results of this latter vote, the votes from shareholders who, according to the communication given pursuant to current rules, hold, including indirectly or even jointly with other shareholders belonging to a relevant shareholders' agreement pursuant to article 122 of legislative decree no 58 dated 24 February 1998, the majority of votes to be exercised at the Meeting, as well as shareholders who control, are controlled or are subject to joint control, shall not be calculated. The new appointments will cease together with those in post. In any event, the obligation to comply with current regulations in terms of gender equality shall remain firm.</p> <p>The ordinary Meeting sets the annual payment due to each auditor pursuant to the regulations currently in force. Auditors shall also be</p>	<p>indicated in the list to which the auditor to be replaced belongs, or in the minority list which won the second highest number of votes. Where the application for these procedures does not, for any reason, allow the replacement of the auditors designated by the minority shareholders, the Meeting shall proceed on the basis of majority voting; however, in the ascertaining of the results of this latter vote, the votes from shareholders who, according to the communication given pursuant to current rules, hold, including indirectly or even jointly with other shareholders belonging to a relevant shareholders' agreement pursuant to article 122 of legislative decree no 58 dated 24 February 1998, the majority of votes to be exercised at the Meeting, as well as shareholders who control, are controlled or are subject to joint control, shall not be calculated. The new appointments will cease together with those in post. In any event, the obligation to comply with current regulations and with the provisions of the By-laws in terms of gender equality shall remain firm.</p> <p>The ordinary Meeting sets the annual payment due to each auditor pursuant to the regulations currently in force. Auditors shall also be</p>	
--	---	--

BANCA

S I S T E M A

<p>reimbursed, on a lump-sum basis for the expenses incurred in their work.</p> <p>18.6 Auditors shall not be paid any fee based on the financial instruments and linked to the financial management results.</p> <p>18.7 The Board of Auditors, in performing all the functions demanded of it in compliance with the related rules provided by law and regulations in force, monitors:</p> <ul style="list-style-type: none"> a) compliance with the laws, regulations and By-laws; b) compliance with the principles of proper administration; c) the suitability of the organisational, administrative and accounting structure adopted by the company and its concrete functioning; d) the suitability and functionality of the internal auditing system with particular regard to risk management; e) the other actions and facts specified by law and regulations; <p>The Board of Auditors checks and investigates causes and remedies for management irregularities, performance anomalies, gaps in the organisational and accounting structure, and places particular attention to compliance with the regulations concerning conflicts of interest.</p>	<p>reimbursed, on a lump-sum basis for the expenses incurred in their work.</p> <p>1718.6 Auditors shall not be paid any fee based on the financial instruments and linked to the financial management results.</p> <p>1718.7 The Board of Auditors, in performing all the functions demanded of it in compliance with the related rules provided by law and regulations in force, monitors:</p> <ul style="list-style-type: none"> a) compliance with the laws, regulations and By-laws; b) compliance with the principles of proper administration; c) the suitability of the organisational, administrative and accounting structure adopted by the company and its concrete functioning; d) the suitability and functionality of the internal auditing system with particular regard to risk management; e) the other actions and facts specified by law and regulations; <p>The Board of Auditors checks and investigates causes and remedies for management irregularities, performance anomalies, gaps in the organisational and accounting structure, and places particular attention to compliance with the regulations concerning conflicts of interest.</p>	
---	---	--

<p>18.8 The Board of Directors particularly ascertains that there is adequate coordination between all the functions and structures involved in the system of internal controls, including the audit company tasked with the legal auditing of the accounts, by promoting, where appropriate, adequate corrective measures.</p> <p>18.9 Pursuant to what is stated under article 18.8 above: a) the managers of the internal audit, risk management and compliance departments sent their respective reports to the Board of Auditors. b) the Board of Auditors, and the auditing company constantly exchange data and relevant information in order to complete the related tasks.</p> <p>18.10 The Board of Auditors periodically checks its own adequacy in terms of powers, functioning and composition, taking account of the size, complexity and activities carried out by the company.</p> <p>18.11 Auditors can call upon, in carrying out the necessary checks and investigations, the structures and functions responsible for internet control, and also at any time carry out, including individually, inspections and audits.</p> <p>18.12 The Board of Directors can ask the directors and all the internal control structures for news, including</p>	<p>1718.8 The Board of Directors particularly ascertains that there is adequate coordination between all the functions and structures involved in the system of internal controls, including the audit company tasked with the legal auditing of the accounts, by promoting, where appropriate, adequate corrective measures.</p> <p>1718.9 Pursuant to what is stated under article 1718.8 above: a) the managers of the internal audit, risk management and compliance departments sent their respective reports to the Board of Auditors. b) the Board of Auditors, and the auditing company constantly exchange data and relevant information in order to complete the related tasks.</p> <p>1718.10 The Board of Auditors periodically checks its own adequacy in terms of powers, functioning and composition, taking account of the size, complexity and activities carried out by the company.</p> <p>1718.11 Auditors can call upon, in carrying out the necessary checks and investigations, the structures and functions responsible for internet control, and also at any time carry out, including individually, inspections and audits.</p> <p>1718.12 The Board of Directors can ask the directors and all the internal</p>	
---	--	--

<p>with reference to subsidiaries, on the performance of the business operations and on particular business. It may exchange information with the corresponding bodies of the subsidiaries in relation to the systems of administration and control and on the general progress of the business activity.</p> <p>18.13 In order to correctly carry out its duties, and particularly the obligation to promptly report to the Bank of Italy and, where provided, to other Supervisory Authorities in relation to management irregularities or legal breaches, the Board of Auditors is vested with the broadest powers set down by legal and statutory provisions.</p> <p>Moreover, the Board of Auditors reports to the Board of Directors on any gaps and irregularities found, requests the adoption of appropriate corrective measures and checks their effectiveness over time.</p>	<p>control structures for news, including with reference to subsidiaries, on the performance of the business operations and on particular business. It may exchange information with the corresponding bodies of the subsidiaries in relation to the systems of administration and control and on the general progress of the business activity.</p> <p>1718.13 In order to correctly carry out its duties, and particularly the obligation to promptly report to the Bank of Italy any facts or acts it becomes aware of that constitute an irregularity or a breach of the provisions of law governing the banking business, and, more generally, where provided, to report to other Supervisory Authorities in relation to management irregularities or legal breaches, the Board of Auditors is vested with the broadest powers set down by legal and statutory provisions.</p> <p>In order to correctly carry out its duties, and particularly the obligation to promptly report to the Bank of Italy and, where provided, to other Supervisory Authorities in relation to management irregularities or legal breaches, the Board of Auditors is vested with the broadest powers set down by legal and statutory provisions.</p>	<p>The amendment aims to ensure better links with the Supervisory Provisions (see Title V, Chapter 2, Section II of Circular no. 288 of 3 April 2015)</p>
---	---	---

<p>18.14 The Board of Auditors, which must meet at least every ninety days, is convened by the Chair of the Board of Auditors by means of a notice to be sent at least eight days before the meeting to each Auditor and, in the event of an emergency, at least three days in advance. The notice can be drafted on any medium (hard or soft copy) and may be sent using any means of communication (including fax and e-mail).</p> <p>The Board of Auditors is also validly constituted and able to take decisions when, in the absence of the above formalities being carried out, all the members of the Board are in attendance.</p> <p>18.15 The meetings of the Board of Auditors can also meet with participants located in different places, provided that the collegial method and principles of good faith and equal treatment between participants is respected. In this case, it is necessary that:</p> <p>a) the Chair of the Meeting is able to unequivocally ascertain the identity and legitimacy of the participants, manage the meeting and note and</p>	<p>Moreover, the Board of Auditors reports to the Board of Directors on any gaps and irregularities found, requests the adoption of appropriate corrective measures and checks their effectiveness over time.</p> <p>1718.14 18.14 The Board of Auditors, which must meet at least every ninety days, is convened by the Chair of the Board of Auditors by means of a notice to be sent at least eight days before the meeting to each Auditor and, in the event of an emergency, at least three days in advance. The notice can be drafted on any medium (hard or soft copy) and may be sent using any means of communication (including fax and e-mail).</p> <p>The Board of Auditors is also validly constituted and able to take decisions when, in the absence of the above formalities being carried out, all the members of the Board are in attendance.</p> <p>1718.15 18.15 The meetings of the Board of Auditors can also meet with participants located in different places, provided that the collegial method and principles of good faith and equal treatment between participants is respected. In this case, it is necessary that:</p> <p>a) the Chair of the Meeting is able to unequivocally ascertain the identity and legitimacy of the participants, manage the meeting and note and</p>	
---	--	--

BANCA

S I S T E M A

<p>declare the results of the voting procedure;</p> <p>b) at the place where the video/audio conference is held, an attendance sheet should be kept giving the names of those attending the meeting at this place; this attendance sheet shall be attached to the minutes of the meeting;</p> <p>c) the minute-taker is able to adequately follow the events of the Meeting;</p> <p>d) the participants are able to exchange documentation and also take part in the discussions and vote on on the agenda items in real time;</p> <p>18.16 The Board of Auditors is subject to a periodic process of self-assessment, based on the criteria and means set out in the regulations that are applicable at the time.</p>	<p>declare the results of the voting procedure;</p> <p>b) at the place where the video/audio conference is held, an attendance sheet should be kept giving the names of those attending the meeting at this place; this attendance sheet shall be attached to the minutes of the meeting;</p> <p>b)e) the minute-taker is able to adequately follow the events of the Meeting;</p> <p>c)d) the participants are able to exchange documentation and also take part in the discussions and vote on on the agenda items in real time;</p> <p>1718.16 The Board of Auditors is subject to a periodic process of self-assessment, based on the criteria and means set out in the regulations that are applicable at the time.</p>	<p>The purpose of the amendment is to streamline the formalities involved in managing the meetings of the Board of Auditors</p>
<p style="text-align: center;">SECTION IV</p> <p>LEGAL AUDITING OF THE ACCOUNTS</p> <p>Article 19: legal auditing of the accounts</p> <p>19.1 Legal auditing of accounts is exercised by a legal auditing company, to be appointed by the Meeting pursuant to art, 2409-bis et seq., of legislative decree no 39 dated 27 January 2010.</p>	<p style="text-align: center;">SECTION IV</p> <p>LEGAL AUDITING OF THE ACCOUNTS</p> <p>Article 1819: legal auditing of the accounts</p> <p>1819.1 Legal auditing of accounts is exercised by a legal auditing company, to be appointed by the Meeting pursuant to art, 2409-bis et seq., of legislative decree no 39 dated 27 January 2010.</p>	
<p style="text-align: center;">SECTION V</p> <p>LEGAL REPRESENTATION AND COMPANY SIGNATURE</p>	<p style="text-align: center;">SECTION V</p> <p>LEGAL REPRESENTATION AND COMPANY SIGNATURE</p>	

BANCA

S I S T E M A

<p>Article 20: legal representation and company signature</p> <p>20.1 The company is represented to third parties and in law and the company signature, with all related powers, are incumbent upon the Chair of the Board of Directors and on the CEO, within the limited of the powers delegated. These have the power to represent the company in legal proceedings and before any judicial or administrative authority, and also to confer powers of attorney, including in general.</p> <p>20.2 Where the Chair of the Board and the CEO are absent or incapacitated, the company is represented by the most senior board member in terms of age.</p> <p>20.3 The Board of Directors, the Executive Committee and the CEO may, within the limits to the delegated powers, for individual acts or categories or acts, delegate powers of representation, with the related power to sign on behalf of the company, to external persons only, normally jointly or, for those categories of operations thus determined, also individually.</p>	<p>Article 1920: legal representation and company signature</p> <p>1920.1 The company is represented to third parties and in law and the company signature, with all related powers, are incumbent upon the Chair of the Board of Directors and on the CEO, within the limited of the powers delegated. These have the power to represent the company in legal proceedings and before any judicial or administrative authority, and also to confer powers of attorney, including in general.</p> <p>1920.2 Where the Chair of the Board and the CEO are absent or incapacitated, the company is represented by the most senior board member in terms of age.</p> <p>1920.3 The Board of Directors, the Executive Committee and the CEO may, within the limits to the delegated powers, for individual acts or categories or acts, delegate powers of representation, with the related power to sign on behalf of the company, to employees but also to external persons only, normally jointly or, for those categories of operations thus determined, also individually.</p>	<p>The amendment aims to overcome any interpretational doubts regarding the application of the provision</p>
<p style="text-align: center;">SECTION VI</p> <p>ACCOUNTS AND DISTRIBUTION OF PROFITS</p> <p>Article 21: accounts</p>	<p style="text-align: center;">SECTION VI</p> <p>ACCOUNTS AND DISTRIBUTION OF PROFITS</p> <p>Article 2021: accounts</p>	

BANCA

S I S T E M A

<p>21.1 The financial years shall close on 31 December of each year. At the end of each period the Board of Directors draw up the financial statements in accordance with applicable regulations.</p>	<p>2021.1 The financial years shall close on 31 December of each year. At the end of each period the Board of Directors draw up the financial statements in accordance with applicable regulations.</p>	
<p>Article 22: distribution of profits</p> <p>22.1 The net profits shown in the financial statements are shared as follows:</p> <p>a) 5% of the legal reserve fund until this represents a fifth of the share capital.</p> <p>b) the remainder shall be used as resolved by the Meeting to approve the financial statements to which the net profits refer.</p> <p>The Meeting, at the proposal of the Board, may attribute shareholders the power to request that the payment of the dividend is paid, in whole or in part, in cash or shares, having the same characteristics as the shares in circulation on the date assigned.</p> <p>Where this power is granted, the Meeting, at the proposal of the Board, determined the way to calculate and assign the shares, establishing the means of paying the dividend in the event of the failure to exercise this option by the shareholders.</p> <p>The Meeting, at the proposal of the Board of Directors, can allocate a share of the net profit for the period</p>	<p>Article 2122: distribution of profits</p> <p>2122.1 The net profits shown in the financial statements are shared as follows:</p> <p>a) 5% of the legal reserve fund until this represents a fifth of the share capital.</p> <p>b) the remainder shall be used as resolved by the Meeting to approve the financial statements to which the net profits refer.</p> <p>The Meeting, at the proposal of the Board, may attribute shareholders the power to request that the payment of the dividend is paid, in whole or in part, in cash or shares, having the same characteristics as the shares in circulation on the date assigned.</p> <p>Where this power is granted, the Meeting, at the proposal of the Board, determined the way to calculate and assign the shares, establishing the means of paying the dividend in the event of the failure to exercise this option by the shareholders.</p> <p>The Meeting, at the proposal of the Board of Directors, can allocate a share of the net profit for the period</p>	

BANCA

S I S T E M A

<p>to initiatives of a social, charity and cultural nature, to be developed at the judgement of the Board of Directors itself.</p> <p>The Company may decide to distribute dividend advances in the cases, means and limits permitted under current regulations.</p> <p>22.2 Dividends not collected and prescribed are returned to the company and shall be posted to the extraordinary reserve.</p>	<p>to initiatives of a social, charity and cultural nature, to be developed at the judgement of the Board of Directors itself.</p> <p>The Company may decide to distribute dividend advances in the cases, means and limits permitted under current regulations.</p> <p>212.2 Dividends not collected and prescribed are returned to the company and shall be posted to the extraordinary reserve.</p>	
<p>Article 23: Accounting and company documents</p> <p>The Board of Directors, after hearing the mandatory but not binding opinion of the Board of Directors, and with the ordinary majority provided in these Articles, appoints the manager responsible for drafting the corporate accounting documents pursuant to article 154-bis of legislative decree no 58 of 24 February 1998, and possibly establishes a given period for the task to be completed, selecting from among the company's managers with proven experience in accounting and financial matters, conferring on them adequate powers and means for the exercising of the tasks assigned pursuant to law. This same board of Directors shall also have the power to revoke this manager in charge. The payment made to the person responsible for drafting the</p>	<p>Article 2223: Accounting and company documents</p> <p>22.1 The Board of Directors, after hearing the mandatory but not binding opinion of the Board of Directors, and with the ordinary majority provided in these Articles, appoints the manager responsible for drafting the corporate accounting documents pursuant to article 154-bis of legislative decree no 58 of 24 February 1998, and possibly establishes a given period for the task to be completed, selecting from among the company's managers with proven experience in accounting and financial matters, conferring on them adequate powers and means for the exercising of the tasks assigned pursuant to law. This same board of Directors shall also have the power to revoke this manager in charge. The payment made to the person responsible for drafting the</p>	

BANCA

S I S T E M A

<p>corporate accounting documents is stipulated by the Board of Directors.</p> <p>The Board of Directors may always, after receiving the mandatory but not binding opinion of the Board of Auditors, and with the ordinary majority provided in these Articles, revoke the tasks of manager entrusted to draft the corporate accounting documents while at the same time giving a new conferral of the same task.</p>	<p>corporate accounting documents is stipulated by the Board of Directors.</p> <p>The Board of Directors may always, after receiving the mandatory but not binding opinion of the Board of Auditors, and with the ordinary majority provided in these Articles, revoke the tasks of manager entrusted to draft the corporate accounting documents while at the same time giving a new conferral of the same task.</p>	
<p>Article 24: Operations with related parties</p> <p>24.1 The Company's compliance bodies approve the operations with related parties in accordance with current legal and statutory provisions, and also with its own statutory provisions and procedures adopted in this regard.</p> <p>24.2 The internal procedures adopted by the company in relation to related-party transactions might stipulate that the Board of Directors approve the operations of greatest relevance, notwithstanding the contrary advice from the independent directors, provided that the completing of these operations is authorised pursuant to art. 2364, subsection 1, number 5 of the Italian Civil Code, by the Meeting.</p> <p>Where the previous paragraph or a draft resolution to be put to the Meeting in relation to a significant</p>	<p>Article 2324: Operations with related parties</p> <p>2324.1 The Company's compliance bodies approve the operations with related parties in accordance with current legal and statutory provisions, and also with its own statutory provisions and procedures adopted in this regard.</p> <p>2324.2 The internal procedures adopted by the company in relation to related-party transactions might stipulate that the Board of Directors approve the operations of greatest relevance, notwithstanding the contrary advice from the independent directors, provided that the completing of these operations is authorised pursuant to art. 2364, subsection 1, number 5 of the Italian Civil Code, by the Meeting.</p> <p>Where the previous paragraph or a draft resolution to be put to the Meeting in relation to a significant</p>	

BANCA

S I S T E M A

<p>transaction is approved in the presence of contrary advice from the independent directors, the Meeting resolves with the majority stipulated by law, provided that, where the unrelated shareholders present at the Meeting represent at least 10% of the share capital with voting rights, the stated legal majority shall be attained with the vote in favour by the majority of unrelated shareholders voting at the Meeting.</p> <p>24.3 The internal procedures adopted by the Company in relation to related-party transactions might envisage the exclusion from their scope of application of urgent transactions, also incumbent upon the Board, within the limits allowed by applicable legal and regulatory provisions.</p>	<p>transaction is approved in the presence of contrary advice from the independent directors, the Meeting resolves with the majority stipulated by law, provided that, where the unrelated shareholders present at the Meeting represent at least 10% of the share capital with voting rights, the stated legal majority shall be attained with the vote in favour by the majority of unrelated shareholders voting at the Meeting.</p> <p>2324.3 The internal procedures adopted by the Company in relation to related-party transactions might envisage the exclusion from their scope of application of urgent transactions, also incumbent upon the Board, within the limits allowed by applicable legal and regulatory provisions.</p>	
<p style="text-align: center;">SECTION VII</p> <p>GENERAL PROVISIONS</p> <p>Article 25: general provisions</p> <p>25.1 Where no provision is not made in these By-laws, the laws and regulations currently in force shall be observed.</p>	<p style="text-align: center;">SECTION VII</p> <p>GENERAL PROVISIONS</p> <p>Article 2425: general provisions</p> <p>2425.1 Where no provision is not made in these By-laws, the laws and regulations currently in force shall be observed.</p>	
	<p style="text-align: center;">SECTION VII</p> <p>TRANSITIONAL PROVISIONS</p> <p>Article 25: transitional provisions with regard to the amendments approved by the extraordinary Shareholders' Meeting on [•]</p> <p>25.1 The amendments to these By-laws, as approved by the</p>	

	<p>extraordinary Shareholders' Meeting on [•], shall be effective as of the date of approval subsequent to the fulfilment of the authorisation and publication requirements established by law, save as provided by art. 25.2 below.</p> <p>25.2 The amendments to art. 10 of these By-laws, as approved by the extraordinary Shareholders' Meeting on [•], shall be effective as of the date of publication of the notice of call to the Shareholders' Meeting called to resolve on the first renewal of the Board of Directors after the date of that resolution.</p> <p>25.3 The version of art. 10-bis transcribed below shall apply on a transitional basis up to the date of entry into force of art. 25.2 above.</p> <p style="text-align: center;">***</p> <p>Article 10-bis: Board of Directors</p> <p>10.1 The company is managed by a Board of Directors appointed by the Meeting and comprised of 9 members which:</p> <ul style="list-style-type: none">a) bring to the company the specific skills they possess;b) know the tasks and responsibilities of the role and are in possession of the requirements requested by law and regulations in force at the time;c) act and resolve with full knowledge of the facts and autonomously in	
--	---	--

	<p>pursuit of the aim to create value for shareholders;</p> <p>d) only accept the position when they believe they are able to dedicate the time needed to diligently carry out their tasks, also being mindful of the number of positions of director or auditor they have in other companies or bodies;</p> <p>e) keep the information acquired as a result of the office held as confidential.</p> <p>10.2 The current laws and provisions of these By-laws apply to the appointment, dismissal and replacement of members of the Board of Directors</p> <p>In order to appoint or co-opt directors, the Board of Directors initially identifies the qualitative and quantitative composition deemed optimal in relation to the aims to be pursued, by identifying and justifying the theoretical profile of the candidates considered appropriate to these ends. The results of this analysis must be shown in the notice of call of the Meeting convened to appoint directors so that shareholders, in choosing candidates, can take into account the professional skills required. This is notwithstanding the possibility for shareholders to make their own assessments on the optimal composition of the Board of Directors</p>	
--	---	--

	<p>and to bring forward candidates commensurate with these, explaining any differences with regard to the analysis carried out by the Board. Subsequently, the Board of Directors checks the compliance between the qualitative and quantitative composition deemed optimal and the one actually resulting from the appointments process.</p> <p>The Members of the Board of Directors are elected using the list system in which a minimum of three and maximum of nine candidates must be listed in sequential order. The candidate at sequential number "1" of each list shall also be the candidate appointed as chair of the Board of Directors.</p> <p>Any shareholder, as well as shareholders belonging to the same group, members of a shareholders' agreement pursuant to article 122 of legislative decree no 58 dated 24 February, the entity controlling it, the entity by which it is controlled and the entity subject to joint control pursuant to article 93 of legislative decree no 58 dated 24 February 1998, may not be present or be involved in the presentation, either by proxy of trust company, in more than one list and may not vote on lists other than the one presented. Where the competition, either directly or indirectly, indicates applicants</p>	
--	---	--

	<p>present in more than one list, these lists shall be deemed to have not been submitted.</p> <p>For the purposes of the preceding paragraph, entities, even those with a corporate status, which exercise direct or indirect control pursuant to Article 93 of Legislative Decree 24 February 1998 n. 58 over the shareholder in question and all the companies controlled directly or indirectly by this entity are deemed to belong to the same group.</p> <p>Each candidate may appear in one list, under pain of ineligibility.</p> <p>Only those shareholders who, together or separately, are holders of shares representing at least 2.5% (two point five percent) - or any other lower percentage established by the legislation currently in force are entitled to submit lists - of the capital entitled to vote on Meeting resolutions that relate to the appointment of members of the Board.</p> <p>The lists must be sent to the company's head office and to the management company at least 25 (twenty- five) days prior to the one planned for the Meeting called to resolve on the appointment of the administrative body and be made available to the public at the registered office, the market management company, the</p>	
--	---	--

	<p>Company's internet site and with the other means stipulated under applicable legal and regulatory provisions at least 21 (twenty-one) days prior to the one fixed for the Meeting in the first call. The lists indicate which directors are in possession of the requirements of independence stipulated by law and these By-laws. Each list must contain at least three candidates, of which at least two are in possession of the requirements of independence established by Law and the By-laws. Moreover, each list must include candidates of different genders, including for individual independent candidates, according to what is stated in the Meeting call notice, so as to enable the Board of Directors to be comprised pursuant to current regulations regarding gender equality.</p> <p>The ownership of the minimum share required to submit the lists referred to in this paragraph shall be determined with regard to the shares registered to the shareholder on the day when these lists are deposited at the company's headquarters. In order to prove ownership of the number of shares required to submit lists, members putting forward lists have to submit or send to the registered office a copy of the appropriate certificate issued by an</p>	
--	---	--

	<p>authorised intermediary proving ownership of the number of shares required for the submission of the list at least twenty-one days before the Meeting called to approve the appointment of the members of the Board of Directors. Each list submitted must include: a) information regarding the shareholders who have presented the list and the percentage of shares held; b) the declarations in which each candidate accepts the nomination (in the case of candidates positioned at sequential number "1" on each list, they also accept applicants for Chair of the Board) and declare, under their own responsibility that there are no causes of ineligibility or incompatibility, and that the requirements of professionalism and integrity and any other requirement stipulated under current laws and these By-laws for undertaking the position are met; c) declarations of independence issued pursuant to the applicable legislative, regulatory and statutory provisions; as well as d) the CV of each candidate, containing extensive information of the individual's personal and professional characteristics, indicating for which theoretical profile he/she is suitable and the</p>	
--	--	--

	<p>positions of administration and control covered.</p> <p>The lists submitted which do not satisfy the provisions stated above shall be void.</p> <p>Each shareholder has the right to vote for one list. Where a vote is made for several lists, the vote shall be deemed as not having been cast for any of them.</p> <p>The election of the Board of Directors shall be made as follows:</p> <p>a) from the list that obtains the majority of votes (majority list) a number of directors equal to six are elected, of which at least one is in possession of the independence requirements pursuant to art. 10.3; candidates are elected on the basis of the progressive order shown by the list; the candidate positioned at sequential number "1" is appointed Chair of the Company's Board of Directors;</p> <p>b) two directors, of which at least one in possession of the independence requirements pursuant to art. 10.3 will be taken from the list, if any, that gets the most votes after the list referred to in subparagraph a), which is not connected in any way, even indirectly, to that list and / or with the shareholders who submitted or voted for the majority list; are elected</p>	
--	---	--

	<p>in those limits candidates in a progressive order in the list;</p> <p>c) a director in possession of the independence requirements pursuant to art. 10.3 will be taken from the list, if any, which receives the highest number of votes after the list in b), which is not connected in any way, even indirectly, with previous lists and / or the shareholders who presented or voted on the previous lists; is the first candidate in the sequential order of the list in the possession of the independence requirements pursuant to art. 10.3. In the event that only two lists have been submitted and allowed, the remaining independent director will be chosen from the list referred to in point b).</p> <p>To this end, however, lists that do not obtain a percentage of votes equal to half of that required for the submission of lists, referred to in paragraph six of this subsection shall not be taken into account.</p> <p>10.3 The Directors must meet the requirements of professionalism and integrity and any other requirement under the regulations in force and in these By-laws. In addition, at least three directors, and in any event a number of directors not less than that required by the regulations in force, must meet the independence</p>	
--	---	--

	<p>requirements of art. 148, paragraph three, of Legislative Decree no 58 dated 24 February 1998, as well as the Code of Corporate Governance to which the Company adheres.</p> <p>The loss of the requirements for the position will entail revocation, with it being specified that the loss of the independence requirements mentioned above in relation to a director, notwithstanding the obligation to immediately notify the Board of Directors, shall not lead to revocation if the requirements are met by the remaining minimum number of directors pursuant to these By-laws.</p> <p>If the candidates elected in the manner described above do not ensure the appointment of a number of directors who meet the independence requirements provided for above equal to the minimum number established by law and these By-laws in relation to the total number of directors, the non-independent candidate elected last in sequential order in the list that received the highest number of votes referred to in subparagraph a) of paragraph 10.2, paragraph eleven paragraph, will be replaced by the first independent candidate in sequential order not elected from the same list, or, failing that, by the first independent candidate in sequential</p>	
--	---	--

	<p>order not elected from other lists, according to the number of votes obtained by each. This substitution procedure will be followed until the number of independent directors to be appointed is met.</p> <p>Without prejudice to compliance with the minimum number of directors in possession of the independent requirements as stipulated above, where the candidates elected in the manner indicated above in the composition of the Board of Directors do not ensure compliance with the regulations in force in relation to gender equality, the candidate of the gender most elected as last in sequential order in the least who has secured the highest number of votes pursuant to letter a) of subsection 10.2, paragraph eleven, shall be replaced by the first candidate of the gender least represented based on the non-elected sequential order of the same list, or, failing this, by the first candidate of the gender least represented on the basis of the non-elected sequential order of the other lists, according to the number of votes obtained by each. This replacement procedure will be carried out unless the Board of Directors is compliant with the current regulations in respect of gender equality.</p>	
--	--	--

	<p>In the event of there being only one list that is presented and allowed, all the candidates on this list shall be elected, but ensuring the nomination of directors in possession of the independence requirements at least in the overall number required under current laws and these By-laws, and also in compliance with current laws on gender equality. Where no list is submitted or allowed, the Meeting shall resolve according to the legal majority without observing the procedure referred to above. This is notwithstanding, however, different and other provisions provided under mandatory and statutory laws. In any event, there shall be compliance with the minimum number of independent directors and the current laws on gender equality. For the appointment of Directors who for whatever reason are not nominated pursuant to the procedures given above, the Meeting shall resolve by legal majority voting so as to ensure that the composition of the Board of Directors is compliant to the law and to these By-laws, and also complies with current laws in respect of gender equality.</p> <p>10.4 The members of the Administrative Body shall remain in post for three years (expiring at the same time as the Meeting convened to approve the accounts relating to</p>	
--	---	--

	<p>the last year of their post) or for a lesser period which may be fixed by the Meeting and the time of appointment. Directors may be re-elected.</p> <p>Where during the course of the period one or more directors are missing, provided that the majority remain comprised of directors appointed by the Meeting, the Board of Directors can arrange for their substitution through a resolution approved by the Board of Auditors in accordance with what is indicated below:</p> <p>a) the Board of Directors shall arrange substitution using the persons belonging to the same list as the one to which the outgoing director belonged and the Meeting, pursuant to the first subsection of article 2386 of the Civil Code, resolves by legal majority voting in compliance with the same criterion;</p> <p>b) where the list does not contain previously non-elected candidates or candidates with the necessary requirements, or else when for any reason it is not possible to comply with what is stipulated above under, the Board of Directors proceeds with substitution as subsequently approved by the Meeting, pursuant to the first subsection of article 2386 of the Italian Civil Code, with legal majority voting with the list vote.</p>	
--	---	--

	<p>In any case, the Board of Directors and the Meeting pursuant to the first subsection of article 2386 of the Civil Code shall appoint so as to ensure the presence of directors in possession of the requirements of independence stipulated in the previous subsection 10.3 at least in the overall minimum number required by current laws and these Articles and also in compliance with current laws in respect of gender equality.</p> <p>Pursuant to article 2386, subsection one of the Civil Code, directors appointed in this way shall remain in post until the next Meeting and those appointed by the Meeting shall remain in post for time that the directors they replaced would have remained in post.</p> <p>10.5 If the majority of the members of the administrative body appointed by Meeting resolution ceases to hold office, the entire administrative body shall lapse from the time when the new body is appointed and the directors remaining in post shall urgently convene the Meeting for it to be fully re-appointed and they may in the meantime perform acts of ordinary administration.</p> <p>10.6 The Chair of the Board of Directors is appointed by the Meeting in the manner pursuant to article 10.2 paragraph 11, letter a) of the By-laws. Where no lists are presented</p>	
--	---	--

	<p>and allowed, the Chair of the Board of Directors is appointed by the Meeting pursuant to the legal majority and manner.</p> <p>10.7 The Board of Directors appoints from among its members a CEO in accordance with what is stipulated under article 12.2 letter h). The Board of Directors has the option to attribute the position of general director to this same CEO. The position of general director can be exclusively attributed to the CEO.</p> <p>The Board of Directors has the option to appoint a Deputy Chair, in accordance with the provisions of art. 12.2 letter g), which shall have the power, in the case of the absence or incapacity of the Chair, to chair the Shareholders' Meeting and the Board of Directors' meetings.</p> <p>10.8 The Board of Directors may also delegate its own powers to an Executive Committee.</p> <p>10.9 The non-executive members of the Board of Directors bring their own specific skills to the board discussions and contribute to the taking of decisions. They are called upon to perform an important dialectical function and to monitor the choices made by the executive members. The non-executive members shall acquire, also through the use of internal committees, information on the management and</p>	
--	---	--

	<p>organisation of the company, internal audit and other control functions.</p> <p>The non-executive members must in any case be actively involved in the tasks entrusted to them, also as far as time availability is concerned and take part in the processes of appointing and dismissing internal audit and risk management managers. They diligently perform any other activity incumbent upon them pursuant to legal and regulatory provisions that may be in force.</p> <p>10.10 The Board of Directors also appoints a Secretary in the person of a director of senior manager or executive of the company or a substitute, or an external consultant.</p> <p>10.11 The Board of Directors is subject to a process of self-assessment, according to the means and criteria stipulated under the regulations in force at the time.</p>	
--	---	--

* * *

Dear Shareholders,

In light of the foregoing, we invite you to approve the following resolutions:

“The Shareholders’ Meeting of Banca Sistema S.p.A.,

resolves:

- *to approve the amendments to articles 8, 9, 10, 11, 12, 14 (13 with new numbering), 18 (17 with new numbering), and 20 (19 with new numbering) of the By-laws, in the following new versions:*

Article 8: Shareholders’ Meeting

8.1 The Meeting, duly constituted, represents all shareholders and its resolutions passed in compliance with the law and these By-laws are binding upon all shareholders, even if they are absent, abstaining or dissenting. The Meeting convenes in ordinary and extraordinary session in accordance with the law and these By-laws.

BANCA

S I S T E M A

The manner in which the Meeting operates is laid down by appropriate regulations approved by resolution of the ordinary Meeting.

8.2 The ordinary Meeting is called at least once every 120 (one hundred and twenty) days from the closure of the business year

Moreover, the Meeting is called by the Administrative Body whenever it deems it necessary and appropriate and in the cases provided by law, or following written notification to the Chair of the Board of Directors, by the Board of Auditors or at least two of its members in accordance to what is provided under applicable legal provisions. The Meeting is also legally convened by the Board of Directors when a request is made to do so by shareholders representing at least twenty per cent of the share capital and where the request indicates the issue to be covered. Convening at the request of shareholders is not allowed for issues on which the Meeting legally resolves at the proposal of the directors or on the basis of a project or report prepared by them.

Finally, the Meeting is convened in other cases provided by law and these By-laws.

8.3 The Meeting is convened in the Town where the Company has its registered office or elsewhere provided this is in Italy, other members States of the European Union, Switzerland or in the United States of America.

8.4 The Meeting is convened according to the terms and conditions fixed by law and by the statutory regulations applicable at the time.

The notice of call must indicate the date, time, place of the meeting and the list of matters to be discussed and other information and particulars as may be required by applicable law and regulations currently in force.

The Meeting is carried out in a single sitting, pursuant to the meeting and decision quorum established by law and these By-laws under these circumstances, unless the meeting notice does not foresee dates for any subsequent meetings, including a third call.

Pursuant to the provisions of article 126-bis of Legislative Decree no. 58 dated 24 February 1998, shareholders who, including jointly, represent at least one fortieth of the share capital, of a different smaller percentage of the share capital provided by regulations in force at the time, may, within a period of 10 (ten) days from the publication of the notice of call by the Meeting, unless a different period is provided under law, request the completion of the list of agenda items to be covered, and themselves indicate further items, or present proposals for deliberation on items already on the agenda, within the manner and means provided under legal and applicable laws and regulations. Whoever holds voting rights can individually submit proposals to be debated at the Meeting.

After the agenda had been completed or subsequent proposals have been submitted to be discussed on the agenda, following the request for the agenda to be completed for proposals to be submitted as stated in the previous paragraph, notice is given, in the prescribed manner for the publication of the notice of call, at least 15 (fifteen) days prior to the one fixed for the Meeting to be held, unless a different period is stipulated by law. Subsequent proposed resolutions for topics already on the agenda are made available to the public within the manner and means stipulated by law.

Inclusion is not allowed for issues on which the Meeting legally resolves at the request of directors or on the basis of projects or reports prepared by them, other than indicated under article 125-ter, paragraph 1 of Legislative Decree no. 58 dated 24 February 1998.

8.5 Where the formalities set out under the previous paragraphs or of any other formality required by law is not followed, the Meeting shall be deemed to be properly convened and may validly resolve on any issue, unless this is opposed by a shareholder who is not sufficiently informed, when the entire share capital is represented and the majority of members of the Board of Directors and Board of Auditors is represented. Under these circumstances, timely notice should be given of the resolutions made to members of the Board of Directors and Board of Auditors who are not in attendance.

8.6 The right to attend the meeting and exercise voting rights is certified by a notice to the company, sent by the intermediary authorised under the provisions of law and regulations, in accordance with its accounting records, in favour of the party who has the right to vote. This notice is made on the basis of evidence from the accounts specified in article 83-quater, paragraph 3 of Legislative Decree no. 58 dated 24 February 1998, relating to the end of the accounting day of the seventh trading day prior to the date set for the meeting. To this end, reference is made to the date of the single or of the first call of the Meeting, provided that the dates of the subsequent calls are included in the only notice of the meeting; otherwise reference is made to the date of each call.

8.7 The persons entitled to attend and vote at the Meeting may be represented by another person or entity, including a non-shareholder, by means of a written proxy in the manner and means stipulated by

the law and applicable regulations. The proxy will be notified electronically via certified mail or using the special section of the company website and with other methods of notification as may be provided for in the notice of call, in accordance with the law and regulations.

The Company has the option to nominate a person for each Meeting to which shareholders can confer a proxy with voting instructions for all or any of the proposals on the agenda in the manner provided by the law and applicable statutory regulations. The proxy is not effective with regard to proposals for which voting instructions have not been conferred.

8.8 Postal voting can also take place.

Postal voting is exercised in the manner specified in the notice of call, in accordance with the applicable statutory provisions, using any means of communication (including fax and e-mail) which is appropriate to provide proof of receipt.

8.9 The Meeting can also be held with participants located in several places, whether contiguous or remote, with audio-visual connections (only audio connection is permitted when the participants may be easily recognised by the Chair of the Meeting), providing that the collegial method and principles of good faith and equal treatment of shareholders have been followed. In this case, it is required that:

- a) the Chair of the Meeting is able to unequivocally ascertain the identity and legitimacy of the participants, conduct the meeting and note and declare the results of the voting procedure.
- b) at the place where the video/audio conference is held, an attendance sheet should be kept giving the names of those attending the meeting at this place; this attendance sheet shall be attached to the minutes of the meeting;
- c) the person taking the minutes is able to adequately follow the events of the Meeting;
- d) the participants are able to take simultaneously part in the discussions and vote on the items on the agenda in real time;
- e) where the Meeting is not held in plenary session, the notice of call indicates the audio/video locations at which the participants can attend and the meeting shall be deemed to have been held at the location where the Chair and minute-taker are in attendance.

The means of telecommunications shall be recorded in the minutes.

8.10 The Meeting is chaired by the Chair of the Board or, in the event of him being absent or incapacitated, by the Deputy Chair, if appointed, or any other person designated by the Board of Directors; otherwise the Meeting appoints as Chair one of the persons taking part by simple majority of the capital represented.

The Chair of the Meeting is assisted by a secretary designated by the Meeting, by simple majority of the capital represented and possibly by one or more scrutineers, including non-shareholders; where prescribed by law or where deemed appropriate by the administrative body, the functions of secretary are attributed to a notary designated by the same administrative body.

The Chair of the Meeting is responsible for ensuring that the meeting is properly convened, ascertaining the right of shareholders to take part and vote, noting the legitimacy of the proxies, guiding and managing the discussion and proceedings of the Meeting, establishing the method of voting and also ascertaining and declaring the related results. In this he may be assisted by appropriate appointees.

The Meeting sessions are run and governed by law, these By-laws and by the Meeting regulations.

Article 9: constitution, powers and resolutions of the Meeting

9.1 The ordinary and extraordinary Meeting is validly convened in a single call, unless the notice of call states, apart from the initial one, the date of other subsequent calls, including a possible third call pursuant to the provisions of the previous paragraph 8.4, third paragraph, of these By-laws, with the quorum required for the meeting and resolutions stipulated by law and these By-laws. The provisions of articles 10 and 17 of these By-laws shall apply with regard to the appointment of the Board of Directors and Board of Auditors.

9.2 The ordinary and extraordinary Meeting shall resolve on the issues attributed to it by law and these By-laws.

In particular, the ordinary Meeting apart from setting the fees payable to the appointed bodies approves: (i) the remuneration and incentives policies in favour of the members of the Board of Directors and of the Board of Auditors and of the remaining members; (ii) any remuneration plans based on financial instruments (for example stock option); (iii) the criteria for determining the fee to be paid in the case of early termination of the employment contract or of any early cessation of the task, including the limits set for this payment in terms of annuities of the fixed remuneration and the maximum amount deriving from their application.

BANCA

S I S T E M A

The Ordinary General Meeting, at the time of approving remuneration and incentive policies, also resolves on any proposal to set a limit on the ratio between the variable and fixed remuneration of individual staff at more than 100% (ratio of 1 : 1), but not exceeding the maximum limit of 200% (ratio of 2: 1). In this case, the shareholders' resolution is based on a proposal of the Board of Directors, indicating at least: (i) the functions to which those persons affected by the decision belong, for each function, their number and those who are identified as "key personnel"; (ii) the reasons underlying the proposed increase; (iii) the implications, even in a forward-looking perspective, on the company's ability to continue to comply with all applicable prudential rules. The proposal of the Board of Directors is approved by the Ordinary Meeting when: (i) the Meeting is constituted with at least half of the share capital and the decision is taken by the favourable vote of at least 2/3 of the share capital represented at the meeting; or (ii) the decision is taken by the favourable vote of at least 3/4 of the share capital represented at the meeting, regardless of the share capital with which the Meeting is constituted.

9.3 The Meeting shall be provided with adequate information on remuneration and incentive policies adopted by the company, and its implementation, as required by the laws and regulations from time to time applicable.

9.4 The Directors may not vote in the resolutions regarding their responsibilities.

9.5 The resolutions of the Meeting are minuted and signed by the chair, secretary or notary.

Article 10: Board of Directors

10.1 The company is managed by a Board of Directors appointed by the Meeting and comprised of a minimum of 7 and a maximum of 11 members who:

- a) bring to the company the specific skills they possess;
- b) know the tasks and responsibilities of the role and are in possession of the requirements requested by law and regulations in force at the time;
- c) act and resolve with full knowledge of the facts and autonomously in pursuit of the aim to create value for shareholders;
- d) only accept the position when they believe they are able to dedicate the time needed to diligently carry out their tasks, also being mindful of the number of positions of director or auditor they have in other companies or bodies;
- e) keep the information acquired as a result of the office held as confidential.

10.1-bis In accordance with the need to ensure an adequate degree of diversification in the composition of the Board, in terms of skills, experience, age, international profile and gender, at least one third at least two fifths of the members of the Board of Directors must be of the least represented gender, with rounding up to the nearest whole number in the case of a fractional number

10.2 The current laws and provisions of these By-laws apply to the appointment, dismissal and replacement of members of the Board of Directors

The Members of the Board of Directors are elected using the list system in which a minimum of three and maximum of eleven ~~nine~~ candidates must be listed in sequential order. The candidate at sequential number "1" of each list shall also be the candidate appointed as chair of the Board of Directors.

Any shareholder, as well as shareholders belonging to the same group, members of a shareholders' agreement pursuant to article 122 of legislative decree no 58 dated 24 February, the entity controlling it, the entity by which it is controlled and the entity subject to joint control pursuant to article 93 of legislative decree no 58 dated 24 February 1998, may not be present or be involved in the presentation, either by proxy of trust company, in more than one list and may not vote on lists other than the one presented. Where the competition, either directly or indirectly, indicates applicants present in more than one list, these lists shall be deemed to have not been submitted.

For the purposes of the preceding subsection ~~paragraph~~, entities, even those with a corporate status, which exercise direct or indirect control pursuant to Article 93 of Legislative Decree 24 February 1998 n. 58 over the shareholder in question and all the companies controlled directly or indirectly by this entity are deemed to belong to the same group.

Each candidate may appear in one list, under pain of ineligibility.

Only those shareholders with voting rights who, separately or together with other shareholders, are holders of shares representing at least the percentage of share capital established by the applicable legislation in force at the time, are entitled to submit lists. The percentage shareholding required to submit lists of candidates for the appointment of the Board of Directors is specified in the notice of call of the Shareholders' Meeting called to resolve on the appointment of the said body.

BANCA

S I S T E M A

The lists must be sent to the company's head office and to the management company at least 25 (twenty-five) days prior to the one planned for the Meeting called to resolve on the appointment of the administrative body and be made available to the public at the registered office, the market management company, the Company's internet site and with the other means stipulated under applicable legal and regulatory provisions at least 21 (twenty-one) days prior to the one fixed for the Meeting on single or first call. The lists indicate which directors are in possession of the requirements of independence stipulated by law and these By-laws. Each list must contain at least three candidates, of which at least two are in possession of the requirements of independence established by Law and the By-laws. Moreover, each list must include candidates of different genders, including for individual independent candidates, according to what is stated in the Meeting call notice, so as to enable the Board of Directors to be comprised pursuant to the provisions of the By-laws regarding gender equality.

The ownership of the minimum share required to submit the lists referred to in this paragraph shall be determined with regard to the shares registered to the shareholder on the day when these lists are deposited at the company's headquarters. In order to prove ownership of the number of shares required to submit lists, members putting forward lists have to submit or send to the registered office a copy of the appropriate certificate issued by an authorised intermediary proving ownership of the number of shares required for the submission of the list at least twenty-one days before the Meeting called to approve the appointment of the members of the Board of Directors. Each list submitted must include: a) information regarding the shareholders who have presented the list and the percentage of shares held; b) the declarations in which each candidate accepts the nomination (in the case of candidates positioned at sequential number "1" on each list, they also accept applicants for Chair of the Board) and declare, under their own responsibility that there are no causes of ineligibility or incompatibility, and that the requirements of professionalism and integrity and any other requirement stipulated under current laws and these By-laws for undertaking the position are met; c) declarations of independence issued pursuant to the applicable legislative, regulatory and statutory provisions; as well as d) the CV of each candidate, containing extensive information of the individual's personal and professional characteristics, indicating the positions of administration and control covered.

The lists submitted which do not satisfy the provisions stated above shall be void.

Each shareholder has the right to vote for one list. Where a vote is made for several lists, the vote shall be deemed as not having been cast for any of them.

The election of the Board of Directors shall be made as follows:

a) all directors to be appointed, less one, are drawn from the list that obtains the majority of votes (majority list), in the progressive order in which they are listed on that same list, and in compliance with the minimum number of directors pursuant to art. 10.3 -in possession of the independence requirements pursuant to art. 10.3 below; the candidate positioned at sequential number "1" is appointed Chair of the company's Board of Directors;

b) the last member of the Board of Directors is drawn from the minority list that gets the most votes after the list referred to in subparagraph a), which is not connected in any way, even indirectly, to that list and/or with the shareholders who submitted or voted for the majority list, on the basis of the progressive order of that list. That member must be in possession of the independence requirements pursuant to art. 10.3 below;

To this end, however, lists that do not obtain a percentage of votes equal to half of that required for the submission of lists, referred to in paragraph six of this subsection shall not be taken into account.

10.3 The Directors must meet the requirements of professionalism and integrity and any other requirement under the regulations in force and in these By-laws. In addition, a number of directors not less than that required by the regulations in force, with rounding up to the nearest whole in the case of a fractional number, must meet the independence requirements established in regulations in force from time to time, as well as the Code of Corporate Governance to which the Company adheres.

The loss of the requirements for the position will entail revocation, with it being specified that the loss of the independence requirements mentioned above in relation to a director, notwithstanding the obligation to immediately notify the Board of Directors, shall not lead to revocation if the requirements are met by the remaining minimum number of directors pursuant to these By-laws.

If the candidates elected in the manner described above do not ensure the appointment of a number of directors who meet the independence requirements provided for above equal to the minimum number established by law and these By-laws in relation to the total number of directors, the non-independent candidate elected last in sequential order in the majority list, will be replaced by the first independent candidate in sequential order not elected from the same list, or, failing that, by the first independent

candidate in sequential order not elected from the minority list. This substitution procedure will be followed until the number of independent directors to be appointed is met.

Without prejudice to compliance with the minimum number of directors in possession of the independent requirements as stipulated above, where the candidates elected in the manner indicated above in the composition of the Board of Directors do not ensure compliance with the provisions of the By-laws in relation to gender equality, the candidate of the gender most elected as last in sequential order in the majority list, shall be replaced by the first candidate of the gender least represented based on the non-elected sequential order of the same list, or, failing this, by the first candidate of the gender least represented on the basis of the non-elected sequential order of the minority list. This replacement procedure will be carried out unless the Board of Directors is compliant with the provisions of the By-laws in respect of gender equality.

In the event of there being only one list that is presented and allowed, all the candidates on this list shall be elected, but ensuring the nomination of directors in possession of the independence requirements at least in the overall number required under current laws and these By-laws, and also in compliance with the provisions of the By-laws on gender equality. Where no list is submitted or allowed, the Meeting shall resolve according to the legal majority without observing the procedure referred to above. This is notwithstanding, however, different and other provisions provided under mandatory and statutory laws. In any event, there shall be compliance with the minimum number of independent directors and with the provisions of the By-laws on gender equality. For the appointment of Directors who for whatever reason are not nominated pursuant to the procedures given above, the Meeting shall resolve by legal majority voting so as to ensure that the composition of the Board of Directors is compliant to the law and to these By-laws, and also complies with the provisions of the By-laws in respect of gender equality.

10.4 The members of the Administrative Body shall remain in post for three years (expiring at the same time as the Meeting convened to approve the accounts relating to the last year of their post) or for a lesser period which may be fixed by the Meeting and the time of appointment. Directors may be re-elected.

Where during the course of the period one or more directors are missing, provided that the majority remain comprised of directors appointed by the Meeting, the Board of Directors can arrange for their substitution through a resolution approved by the Board of Auditors in accordance with what is indicated below:

- a) the Board of Directors shall arrange substitution using the persons belonging to the same list as the one to which the outgoing director belonged and the Meeting, pursuant to the first subsection of article 2386 of the Civil Code, resolves by legal majority voting in compliance with the same criterion;
- b) where the list does not contain previously non-elected candidates or candidates with the necessary requirements, or else when for any reason it is not possible to comply with what is stipulated above under, the Board of Directors proceeds with substitution as subsequently approved by the Meeting, pursuant to the first subsection of article 2386 of the Italian Civil Code, with legal majority voting with the list vote.

In any case, the Board of Directors and the Meeting pursuant to the first subsection of article 2386 of the Civil Code shall appoint so as to ensure the presence of directors in possession of the requirements of independence stipulated in the previous subsection 10.3 at least in the overall minimum number required by current laws and these Articles and also in compliance with the provisions of the By-laws in respect of gender equality.

Pursuant to article 2386, subsection one of the Civil Code, directors appointed in this way shall remain in post until the next Meeting and those appointed by the Meeting shall remain in post for time that the directors they replaced would have remained in post.

10.5 If the majority of the members of the administrative body appointed by Meeting resolution ceases to hold office, the entire administrative body shall lapse from the time when the new body is appointed and the directors remaining in post shall urgently convene the Meeting for it to be fully re-appointed and they may in the meantime perform acts of ordinary administration.

10.6 The Chair of the Board of Directors is appointed by the Meeting in the manner pursuant to article 10.2 paragraph 11, letter a) of the By-laws. Where no lists are presented and allowed, the Chair of the Board of Directors is appointed by the Meeting pursuant to the legal majority and manner.

10.7 The Board of Directors appoints from among its members a CEO in accordance with what is stipulated under article 12.2 letter h). The Board of Directors has the option to attribute the position of general director to this same CEO. The position of general director can be exclusively attributed to the CEO.

BANCA

S I S T E M A

The Board of Directors has the option to appoint a Deputy Chair, in accordance with the provisions of art. 12.2 letter g), which shall have the power, in the case of the absence or incapacity of the Chair, to chair the Shareholders' Meeting and the Board of Directors' meetings.

10.8 The Board of Directors may also delegate its own powers to an Executive Committee.

10.9 The Board of Directors also appoints a Secretary in the person of a director of senior manager or executive of the company or a substitute, or an external consultant.

10.10 The Board of Directors is subject to a process of self-assessment, according to the means and criteria stipulated under the regulations in force at the time.

Article 11: Board of Directors' meetings

11.1 The Board of Directors meets, either at the company's registered office, provided this is in Italy, a member State of the European Union or in Switzerland, whenever the Chair deems it necessary or when a request to do so is made by at least a third of its members or by the Board of Auditors or else individually by an Auditor.

11.2 The Board of Directors is convened by the Chair by means of a notice to be sent at least five days before the meeting to each of its members and to the statutory auditors, except in urgent cases. The notice may be drafted on any medium (hard or soft) and may be sent using any means of communication (including fax and e-mail) appropriate to guarantee proof of receipt thereof.

11.3 The Board of Directors is validly constituted and able to resolve where, in the absence of these formalities having been carried out (notwithstanding the right of each of the participants to object to the discussion of the issues about which they do not feel sufficiently informed), all the members of the Board itself and all the members of the Board of Auditors are in attendance.

11.4 The meetings of the Board of Directors, at the initiative of the Chair or CEO can be attended by managers of the company, or any other person that the Board of Directors wishes to invite to support its work on specific topics. The Secretary, or his substitute, takes the minutes of each meeting, which must be signed by the person chairing the meeting and by the secretary himself.

11.5 The meetings of the Board of Directors may also be held with participants being located in several places, contiguous or remote, with audio-visual connections (only audio connection is permitted when the participants are easy to recognise by the Chair of the Meeting), providing that the collegial method and principles of good faith and equal treatment of shareholders have been followed. In this case, it is necessary that:

- a) the Chair of the Meeting is able to unequivocally ascertain the identity and legitimacy of the participants, manage the meeting and note and declare the results of the voting procedure;
- b) the person taking the minutes is able to adequately follow the events of the Meeting;
- c) the participants are able to simultaneously take part in the discussions and vote on the items on the agenda in real time;
- d) where the Meeting is not in plenary session, the notice of call stipulates the audio-video conferencing procedures. In any event, at the discretion of the Chair, the notice of call may stipulate the audio/video location at which the participants must attend the meeting.

11.6 The Board of Directors meeting shall be deemed to be held in the place in which the Chair and the Secretary or the minute-taker are in attendance.

The meetings of the Board of Directors are presided over by the Chair or, in the case of his absence or incapacity, by the Deputy Chair or, in the case of his absence or incapacity, by the director longest in post or else by age.

11.7 The resolutions of the Board of Directors are taken by absolute majority voting of those present, except for the resolutions indicated in the last paragraph of article 12.2 below.

Article 12: Board of Directors' powers

12.1 The administrative body performs all the operations necessary for the attainment of the corporate purpose and has full powers of company administration and the power to carry out all the actions deemed necessary or appropriate for attaining the company purposes and business management with the diligence required by the nature of the task.

12.2 In addition to those The resolutions listed below are reserved for the Board of Directors and cannot be delegated, within the exception of those, not included in this list, established by law and regulatory provisions which may be in force at the time, or by other statutory provisions are reserved for the Board of Directors and may not be delegated regarding:

BANCA

S I S T E M A

- a) the determination of the general guidelines relating to the company's development, the strategic operations, business and financial plans of the company, as well as the assessment of the general management performance;
- b) the approval of the company structure and corporate governance, thereby guaranteeing a clear separation of tasks and functions as well as the prevention of conflicts of interest;
- c) the approval of the accounting reporting systems;
- d) the supervision of the public information and communication process;
- e) the adoption of measures aimed at ensuring an efficient dialogue with the management function and with the managers of the main corporate functions, as well as gradual control of the choices and decisions these make;
- f) the risk management policies, as well as, after the Board of Auditors has expressed its opinion, the assessment of the functionality, effectiveness, efficiency of the internal control system and adequacy of the organisational, administrative and accounting structure;
- g) any appointment of Deputy Chair and its revocation, if appointed;
- h) the appointment and dismissal of the CEO. Any appointment or dismissal, if appointed of the general director, which shall necessarily coincide with the CEO;
- i) the assumption and transfer of strategic shareholdings;
- j) the approval and modification of the main internal regulations;
- k) the establishment, modification and removal of board committees;
- l) the appointment, replacement and dismissal, after listening to the view of the Board of Auditors, of the managers of the internal review, risk management and compliance functions, of the manager tasked with drafting the accounting and corporate documents;
- m) the determination of the criteria for the coordination and direction of the group's companies;
- n) the sales and acquisition of treasury shares, in accordance with the resolution of authorisation by the Shareholders' Meeting and following authorisation from the Supervisory Authority;
- o) the issue of convertible bonds for a maximum overall amount of 20,000,000 Euros within the maximum period permitted by law;
- p) the establishment, closure and transfer of general offices or representative offices or subsidiaries;
- q) the elaboration of the remuneration and incentives policies of the company and group, as well as the definition of the systems of remuneration and incentives for at least the following persons: (i) executive board members; (ii) general director where nominated; (iii) managers of the main lines of business, company functions or geographic areas; (iv) those who report directly to the bodies with corporate functions of strategic supervision, management and control;
- r) the remuneration of the CEO (and of the general director, if nominated) and of any other director responsible for specific tasks, in compliance with the applicable regulations in terms of remuneration and the company's policies of remuneration and incentives;
- s) the approval of the annual budget;
- t) the attribution, modification and removal of the powers delegated to the Executive Committee and to the CEO;
- u) the adoption of the company's development policies which are necessary in order to determine the long- term business plan and the budget for the period;
- w) the resolutions of the items delegated to the Executive Committee and to the CEO beyond the limits laid down for them;
- x) the delegation of the powers to other directors and power to modify, add and exclude these delegated powers;
- y) the execution of instructions issued by the Bank of Italy.

12.3 The following powers are also allocated to the Board of directors:

- a) merger pursuant to the cases provided under articles 2502 and 2505-bis of the Italian Civil Code and de- merger in the cases in which these rules apply;
- b) the reduction of the capital in the event of the withdrawal of one or more shareholders;
- c) the adjustments of the Articles to legal provisions;

12.4 For the performance of certain categories of acts or on individual business, the Board of Directors may confer a proxy on individual directors, determining the content, limits and possible means of exercising the proxy.

In any event, the appointment of the person delegated to vote for the company at the meetings of subsidiaries, such as the conferring of related instructions, must always be resolved by the Board of Directors.

Article 13: Executive Committee

13.1 The Board of Directors can appoint, from within its number, an Executive Committee and determine its duration, powers, attributions and means of functioning.

13.2 The Executive Committee is comprised of three board members. In any event, at least one third of the members of the Executive Committee must be of the least represented gender. The CEO is part of the Executive Committee. The Chair may not be a member of the Executive Committee, but can take part in its meetings but with any voting rights.

13.3 The Executive Committee shall remain in post for the period determined by the Board of Directors which determines its powers and attributions and may, fully or in part, dismiss the related members. The period in which the Executive Committee remains in service may not exceed that of the directors which comprise it.

13.4 The Executive Committee is chaired by the CEO; where he is absent or missing the related functions, including the power to propose the resolutions to be adopted, is incumbent upon the most senior members in terms of age.

13.5 At the invitation of the CEO, the meetings of the Executive Committee can be attended by managers of the company, or any other person that the Executive Committee wishes to invite to support its work on specific issues.

13.6 The role of the Secretary of the Executive Committee shall be fulfilled by the person nominated for this purpose at the suggestion of the person chairing the meeting.

13.7 The Executive Committee, which meets monthly, is convened by the CEO by means of a notice of call to be sent at least two days prior to the meeting to each member and to the statutory auditors. The notice may be drafted on any medium (hard or soft) and may be sent using any means of communication (including fax and e-mail) appropriate to guarantee proof of receipt thereof.

13.8 In order for the resolutions of the Executive Committee to be valid it is necessary that at least two directors vote in favour.

13.9 The resolutions made by the Executive Committee are minuted and signed by the Chair and Secretary of the meeting.

13.10 The meetings of the Executive Committee can be held using appropriate audio-visual conferencing systems, with the same rules and in the same way as stipulated for the meetings of the Board of Directors.

Article 17: Board of Auditors

17.1 The Meeting appoints three statutory auditors and two alternates who remain in post for three financial years, can be re-elected and whose function ceases on the date of the Meeting convened to approve the financial accounts for the third financial year of their office.

In accordance with the need to ensure an adequate degree of diversification in the composition of the Board, in terms of skills, experience, age, international profile and gender, at least one of the standing auditors and one of the alternates (or the higher number prescribed by regulations in force from time to time) of the Board of Auditors must be of the least represented gender.

Auditors cease to hold office upon the expiry of the term stipulated at the time the Board was established. Legal rules and these By-laws apply in respect of the appointment, dismissal and replacement of board members.

17.2 Board members must be in possession of the requirements of professionalism, integrity and independence prescribed under regulations in force at the time, including those indicated in the Decree of the Ministry of Justice no 162 dated 30 March 2000, as well as those envisaged by the Code of Conduct for Listed Companies to which the Company has adhered. Pursuant to the provisions of article 1, subsection 2, letter b) and c) of this Decree, issues inherent to the financial, credit and insurance sectors shall be considered to be strictly relating to the Company's scope of activities. Auditors can undertake tasks for members of bodies of administration and control in other companies within the constraints laid down by applicable provisions.

17.3 Other than those stipulated by law, it shall be deemed to be a cause of ineligibility or invalidity to be linked to the company through a full-time employment contract or by any other contract to supply goods and/or services, to be a member of administrative bodies of other banks or other companies performing activities in competition with those of the company, or to be linked to these by a full-time contract of employment.

BANCA

S I S T E M A

17.4 Auditors may not assume tasks other than those of control at other companies belonging to the group or to the financial conglomerate, nor to companies in which the company, including indirectly, holds a strategic stake.

17.5 In order to ensure the election of a statutory and alternate auditor for minority shareholders, the appointment of the Board of Auditors comes about on the basis of lists presented by shareholders in which the candidates are listed in sequential order. The list is comprised of two sections: one for candidates for the position of statutory auditor, the other for candidates to the post of alternate auditor. Lists which have a number of candidates equal to or greater than three must also include candidates of a different gender, in accordance with what is stated in the Meeting call of notice, so as to allow the Meeting to be set up in accordance with the provisions of the By-laws regarding gender equality.

Only those shareholders with voting rights who, separately or together with other shareholders, are holders of shares representing at least the percentage of share capital established by Consob (National Regulatory Body for Italian Companies and the Stock Exchange) are entitled to submit lists.

The percentage shareholding required to submit lists of candidates for the appointment of the Board of Auditors is specified in the notice of call of the Shareholders' Meeting called to resolve on the appointment of the said body.

The holding of this minimum share necessary to submit lists is determined having regard to the shares which are registered to the shareholder on the day in which these lists are submitted to the company's head office. In order to prove the holding of the number of shares required to present lists, shareholders who present or are involved in submitting lists, must submit to deliver to the registered office a copy of the appropriate certificate issued by an authorised intermediary pursuant to law, issued within the period laid down for the publication of the lists. Each shareholder, including shareholders belonging to the same group, member of a shareholders' agreement pursuant to article 122 of legislative decree no 58 dated 24 February 1998, parent companies, subsidiaries and those subject to joint control pursuant to article 93 of legislative decree no 58 dated 24 February 1998, may not submit or be involved in the submission, either by proxy or trust company, in more than one list and may not vote on lists other than the one presented and any candidate can only appear in a single list under pain of being declared ineligible. For the purposes of the preceding paragraph, entities, even those with a corporate status, which exercise direct or indirect control pursuant to Article 93 of Legislative Decree 24 February 1998 n. 58 over the shareholder in question and all the companies controlled directly or indirectly by this entity are deemed to belong to the same group.

In the event of any breach of these provisions, regard shall not be had, pursuant to the application of what is set out in this article, of the position of the shareholder in question in relation of none of the lists. Notwithstanding the incompatibilities provided by law, candidates acting as auditors in another 5 (five) issuers or else in violation of the limits on the cumulation of positions possible set out under applicable legal or statutory provisions may not be included in the lists. Outgoing auditors may be re-elected. The lists must be sent to the company's head office at least 25 (twenty-five) days prior to the one planned for the Meeting called upon to resolve on the appointment of the control body and be made available to the public at the registered office, on the Company's internet site and with the other means stipulated under applicable legal and regulatory provisions at least 21 (twenty-one) days prior to the one fixed for the Meeting. This shall be mentioned in the notice of call. Where only one list has been submitted within this period of 25 (twenty-five) days, i.e. only lists have been presented by inter-related shareholders pursuant to current legislative and statutory provisions, lists may be submitted up to the third day subsequent to this date, unless a different period is stipulated under applicable legal and statutory provisions. In this case, shareholders who individually or jointly are owners of shares representing half of the capital threshold previously identified shall be entitled to submit lists.

Together with each list, within the periods indicated above, the following information must be submitted:

- i) the information relating to the shareholders who have submitted the list and the shareholding percentage held;
- ii) the declarations by which the individual candidates accept the application and solemnly swear that there are no grounds for ineligibility or incompatibility, also with reference to the limit of the cumulation of positions, or the requirements legally and statutorily prescribed for the respective tasks;
- iii) a declaration by the shareholders other than those holding, including jointly, a relative controlling or majority shareholder, attesting to the absence of ties with the latter stipulated under applicable laws, as well as
- (iv) the CV of each candidate, containing extensive information on the personal and professional characteristics of each candidate and indication any management and control tasks covered in other companies.

The lists submitted which do not satisfy the provisions stated above shall be void.

BANCA

S I S T E M A

Auditors are elected as follows:

- a) from the list of those obtaining the highest number of votes, based on the sequential order in which they are listed in the sections of the list, two statutory and one alternate auditors are selected;
- b) the remaining member of the statutory auditor and the other alternate auditor are selected, based on the sequential order in which they are listed in the sections of the lists, from the second list obtaining the highest number of votes at the Meeting and which is not in any way corrected, not even indirectly, with the list mentioned under paragraph a) and/or with the shareholders who have submitted or voted the majority list;
- c) where the votes between the lists are tied, the one presented by shareholders in possession of the higher share, or else the highest number of shareholders shall prevail;
- d) where the Board of Auditors thus constituted does not ensure compliance with the provisions of the By-laws in respect of gender equality, the last candidate elected from the majority list shall be replaced by the first candidate not elected from the same list belonging to the least represented gender or, failing this, by the first candidate not elected from the successive lists. Where this is not possible, the statutory member of the least represented gender is appointed by the Meeting with legal majority voting, to replace the last candidate from the majority list;
- e) where a single list or no list is presented, all the candidates for the positions indicated in the list or else those voted by the Meeting shall be elected the statutory and alternate auditors, provided that these achieve the majority of votes expressed at the Meeting. This is notwithstanding compliance with the provisions of the By-laws in respect of gender equality.

The chairmanship of the Board of Auditors is assumed by the first candidate on the second list who has obtained the most votes, if presented and allowed.

Where the legal and statutory requirements are not met, the auditor shall lose office.

Where an auditor is replaced, the alternate auditor belonging to the one outgoing shall take over. If the substitution does not allow compliance with the provisions of the By-laws on gender equality, the Meeting must be convened as soon as possible in order to ensure compliance with these provisions.

When the Meeting is to appoint statutory and/or alternate auditors needed to make up the Board of Auditors, it shall proceed as follows: when it is to replace the auditors elected in the majority list, the appointment comes about on the basis of majority voting without any constraints from lists; when, on the other hand, auditors elected from the minority list are to be replaced, the Meeting replaces them by majority voting, choosing from the candidates indicated in the list to which the auditor to be replaced belongs, or in the minority list which won the second highest number of votes. Where the application for these procedures does not, for any reason, allow the replacement of the auditors designated by the minority shareholders, the Meeting shall proceed on the basis of majority voting; however, in the ascertaining of the results of this latter vote, the votes from shareholders who, according to the communication given pursuant to current rules, hold, including indirectly or even jointly with other shareholders belonging to a relevant shareholders' agreement pursuant to article 122 of legislative decree no 58 dated 24 February 1998, the majority of votes to be exercised at the Meeting, as well as shareholders who control, are controlled or are subject to joint control, shall not be calculated. The new appointments will cease together with those in post. In any event, the obligation to comply with the provisions of the By-laws in terms of gender equality shall remain firm.

The ordinary Meeting sets the annual payment due to each auditor pursuant to the regulations currently in force. Auditors shall also be reimbursed, on a lump-sum basis for the expenses incurred in their work.

17.6 Auditors shall not be paid any fee based on the financial instruments and linked to the financial management results.

17.7 The Board of Auditors, in performing all the functions demanded of it in compliance with the related rules provided by law and regulations in force, monitors:

- a) compliance with the laws, regulations and By-laws;
- b) compliance with the principles of proper administration;
- c) the suitability of the organisational, administrative and accounting structure adopted by the company and its concrete functioning;
- d) the suitability and functionality of the internal auditing system with particular regard to risk management;
- e) the other actions and facts specified by law and regulations;

The Board of Auditors checks and investigates causes and remedies for management irregularities, performance anomalies, gaps in the organisational and accounting structure, and places particular attention to compliance with the regulations concerning conflicts of interest.

17.8 The Board of Directors particularly ascertains that there is adequate coordination between all the functions and structures involved in the system of internal controls, including the audit company tasked with the legal auditing of the accounts, by promoting, where appropriate, adequate corrective measures.

17.9 Pursuant to what is stated under article 17.8 above: a) the managers of the internal audit, risk management and compliance departments sent their respective reports to the Board of Auditors. b) the Board of Auditors, and the auditing company constantly exchange data and relevant information in order to complete the related tasks.

17.10 The Board of Auditors periodically checks its own adequacy in terms of powers, functioning and composition, taking account of the size, complexity and activities carried out by the company.

17.11 Auditors can call upon, in carrying out the necessary checks and investigations, the structures and functions responsible for internal control, and also at any time carry out, including individually, inspections and audits.

17.12 The Board of Directors can ask the directors and all the internal control structures for news, including with reference to subsidiaries, on the performance of the business operations and on particular business. It may exchange information with the corresponding bodies of the subsidiaries in relation to the systems of administration and control and on the general progress of the business activity.

17.13 In order to correctly carry out its duties, and particularly the obligation to promptly report to the Bank of Italy any facts or acts it becomes aware of that constitute an irregularity or a breach of the provisions of law governing the banking business, and, more generally, where provided, to report to other Supervisory Authorities in relation to management irregularities or legal breaches, the Board of Auditors is vested with the broadest powers set down by legal and statutory provisions.

17.14 The Board of Auditors, which must meet at least every ninety days, is convened by the Chair of the Board of Auditors by means of a notice to be sent at least eight days before the meeting to each Auditor and, in the event of an emergency, at least three days in advance. The notice can be drafted on any medium (hard or soft copy) and may be sent using any means of communication (including fax and e-mail).

The Board of Auditors is also validly constituted and able to take decisions when, in the absence of the above formalities being carried out, all the members of the Board are in attendance.

17.15 The meetings of the Board of Auditors can also meet with participants located in different places, provided that the collegial method and principles of good faith and equal treatment between participants is respected. In this case, it is necessary that:

- a) the Chair of the Meeting is able to unequivocally ascertain the identity and legitimacy of the participants, manage the meeting and note and declare the results of the voting procedure;
- b) the minute-taker is able to adequately follow the events of the Meeting;
- c) the participants are able to exchange documentation and also take part in the discussions and vote on the agenda items in real time;

17.16 The Board of Auditors is subject to a periodic process of self-assessment, based on the criteria and means set out in the regulations that are applicable at the time.

Article 19: legal representation and company signature

19.1 The company is represented to third parties and in law and the company signature, with all related powers, are incumbent upon the Chair of the Board of Directors and on the CEO, within the limited of the powers delegated. These have the power to represent the company in legal proceedings and before any judicial or administrative authority, and also to confer powers of attorney, including in general.

19.2 Where the Chair of the Board and the CEO are absent or incapacitated, the company is represented by the most senior board member in terms of age.

19.3 The Board of Directors, the Executive Committee and the CEO may, within the limits to the delegated powers, for individual acts or categories or acts, delegate powers of representation, with the related power to sign on behalf of the company, to employees but also to external persons, normally jointly or, for those categories of operations thus determined, also individually.

- *to approve the repeal of article 13 of the By-laws and consequent new numbering of articles 14 to 24 of the By-laws*
- *to approve the addition of art. 25 of the By-laws, in the version hereunder:*

Article 25: transitional provisions with regard to the amendments approved by the extraordinary Shareholders' Meeting on [•]

BANCA

S I S T E M A

25.1 The amendments to these By-laws, as approved by the extraordinary Shareholders' Meeting on [•], shall be effective as of the date of approval subsequent to the fulfilment of the authorisation and publication requirements established by law, save as provided by art. 25.2 below.

25.2 The amendments to art. 10 of these By-laws, as approved by the extraordinary Shareholders' Meeting on [•], shall be effective as of the date of publication of the notice of call to the Shareholders' Meeting called to resolve on the first renewal of the Board of Directors after the date of that resolution.

25.3 The version of art. 10-bis transcribed below shall apply on a transitional basis up to the date of entry into force of art. 25.2 above.

Article 10-bis: Board of Directors

10.1 The company is managed by a Board of Directors appointed by the Meeting and comprised of 9 members which:

- a) bring to the company the specific skills they possess;
- b) know the tasks and responsibilities of the role and are in possession of the requirements requested by law and regulations in force at the time;
- c) act and resolve with full knowledge of the facts and autonomously in pursuit of the aim to create value for shareholders;
- d) only accept the position when they believe they are able to dedicate the time needed to diligently carry out their tasks, also being mindful of the number of positions of director or auditor they have in other companies or bodies;
- e) keep the information acquired as a result of the office held as confidential.

10.2 The current laws and provisions of these By-laws apply to the appointment, dismissal and replacement of members of the Board of Directors

In order to appoint or co-opt directors, the Board of Directors initially identifies the qualitative and quantitative composition deemed optimal in relation to the aims to be pursued, by identifying and justifying the theoretical profile of the candidates considered appropriate to these ends. The results of this analysis must be shown in the notice of call of the Meeting convened to appoint directors so that shareholders, in choosing candidates, can take into account the professional skills required. This is notwithstanding the possibility for shareholders to make their own assessments on the optimal composition of the Board of Directors and to bring forward candidates commensurate with these, explaining any differences with regard to the analysis carried out by the Board. Subsequently, the Board of Directors checks the compliance between the qualitative and quantitative composition deemed optimal and the one actually resulting from the appointments process.

The Members of the Board of Directors are elected using the list system in which a minimum of three and maximum of nine candidates must be listed in sequential order. The candidate at sequential number "1" of each list shall also be the candidate appointed as chair of the Board of Directors.

Any shareholder, as well as shareholders belonging to the same group, members of a shareholders' agreement pursuant to article 122 of legislative decree no 58 dated 24 February, the entity controlling it, the entity by which it is controlled and the entity subject to joint control pursuant to article 93 of legislative decree no 58 dated 24 February 1998, may not be present or be involved in the presentation, either by proxy of trust company, in more than one list and may not vote on lists other than the one presented. Where the competition, either directly or indirectly, indicates applicants present in more than one list, these lists shall be deemed to have not been submitted.

For the purposes of the preceding paragraph, entities, even those with a corporate status, which exercise direct or indirect control pursuant to Article 93 of Legislative Decree 24 February 1998 n. 58 over the shareholder in question and all the companies controlled directly or indirectly by this entity are deemed to belong to the same group.

Each candidate may appear in one list, under pain of ineligibility.

Only those shareholders who, together or separately, are holders of shares representing at least 2.5% (two point five percent) - or any other lower percentage established by the legislation currently in force are entitled to submit lists - of the capital entitled to vote on Meeting resolutions that relate to the appointment of members of the Board.

The lists must be sent to the company's head office and to the management company at least 25 (twenty-five) days prior to the one planned for the Meeting called to resolve on the appointment of the

administrative body and be made available to the public at the registered office, the market management company, the Company's internet site and with the other means stipulated under applicable legal and regulatory provisions at least 21 (twenty-one) days prior to the one fixed for the Meeting in the first call. The lists indicate which directors are in possession of the requirements of independence stipulated by law and these By-laws. Each list must contain at least three candidates, of which at least two are in possession of the requirements of independence established by Law and the By-laws. Moreover, each list must include candidates of different genders, including for individual independent candidates, according to what is stated in the Meeting call notice, so as to enable the Board of Directors to be comprised pursuant to current regulations regarding gender equality.

The ownership of the minimum share required to submit the lists referred to in this paragraph shall be determined with regard to the shares registered to the shareholder on the day when these lists are deposited at the company's headquarters. In order to prove ownership of the number of shares required to submit lists, members putting forward lists have to submit or send to the registered office a copy of the appropriate certificate issued by an authorised intermediary proving ownership of the number of shares required for the submission of the list at least twenty-one days before the Meeting called to approve the appointment of the members of the Board of Directors. Each list submitted must include: a) information regarding the shareholders who have presented the list and the percentage of shares held; b) the declarations in which each candidate accepts the nomination (in the case of candidates positioned at sequential number "1" on each list, they also accept applicants for Chair of the Board) and declare, under their own responsibility that there are no causes of ineligibility or incompatibility, and that the requirements of professionalism and integrity and any other requirement stipulated under current laws and these By-laws for undertaking the position are met; c) declarations of independence issued pursuant to the applicable legislative, regulatory and statutory provisions; as well as d) the CV of each candidate, containing extensive information of the individual's personal and professional characteristics, indicating for which theoretical profile he/she is suitable and the positions of administration and control covered.

The lists submitted which do not satisfy the provisions stated above shall be void.

Each shareholder has the right to vote for one list. Where a vote is made for several lists, the vote shall be deemed as not having been cast for any of them.

The election of the Board of Directors shall be made as follows:

a) from the list that obtains the majority of votes (majority list) a number of directors equal to six are elected, of which at least one is in possession of the independence requirements pursuant to art. 10.3; candidates are elected on the basis of the progressive order shown by the list; the candidate positioned at sequential number "1" is appointed Chair of the Company's Board of Directors;

b) two directors, of which at least one in possession of the independence requirements pursuant to art. 10.3 will be taken from the list, if any, that gets the most votes after the list referred to in subparagraph a), which is not connected in any way, even indirectly, to that list and / or with the shareholders who submitted or voted for the majority list; are elected in those limits candidates in a progressive order in the list;

c) a director in possession of the independence requirements pursuant to art. 10.3 will be taken from the list, if any, which receives the highest number of votes after the list in b), which is not connected in any way, even indirectly, with previous lists and / or the shareholders who presented or voted on the previous lists; is the first candidate in the sequential order of the list in the possession of the independence requirements pursuant to art. 10.3. In the event that only two lists have been submitted and allowed, the remaining independent director will be chosen from the list referred to in point b).

To this end, however, lists that do not obtain a percentage of votes equal to half of that required for the submission of lists, referred to in paragraph six of this subsection shall not be taken into account.

10.3 The Directors must meet the requirements of professionalism and integrity and any other requirement under the regulations in force and in these By-laws. In addition, at least three directors, and in any event a number of directors not less than that required by the regulations in force, must meet the independence requirements of art. 148, paragraph three, of Legislative Decree no 58 dated 24 February 1998, as well as the Code of Corporate Governance to which the Company adheres.

The loss of the requirements for the position will entail revocation, with it being specified that the loss of the independence requirements mentioned above in relation to a director, notwithstanding the obligation to immediately notify the Board of Directors, shall not lead to revocation if the requirements are met by the remaining minimum number of directors pursuant to these By-laws.

If the candidates elected in the manner described above do not ensure the appointment of a number of directors who meet the independence requirements provided for above equal to the minimum number

established by law and these By-laws in relation to the total number of directors, the non-independent candidate elected last in sequential order in the list that received the highest number of votes referred to in subparagraph a) of paragraph 10.2, paragraph eleven paragraph, will be replaced by the first independent candidate in sequential order not elected from the same list, or, failing that, by the first independent candidate in sequential order not elected from other lists, according to the number of votes obtained by each. This substitution procedure will be followed until the number of independent directors to be appointed is met.

Without prejudice to compliance with the minimum number of directors in possession of the independent requirements as stipulated above, where the candidates elected in the manner indicated above in the composition of the Board of Directors do not ensure compliance with the regulations in force in relation to gender equality, the candidate of the gender most elected as last in sequential order in the least who has secured the highest number of votes pursuant to letter a) of subsection 10.2, paragraph eleven, shall be replaced by the first candidate of the gender least represented based on the non-elected sequential order of the same list, or, failing this, by the first candidate of the gender least represented on the basis of the non- elected sequential order of the other lists, according to the number of votes obtained by each. This replacement procedure will be carried out unless the Board of Directors is compliant with the current regulations in respect of gender equality.

In the event of there being only one list that is presented and allowed, all the candidates on this list shall be elected, but ensuring the nomination of directors in possession of the independence requirements at least in the overall number required under current laws and these By-laws, and also in compliance with current laws on gender equality. Where no list is submitted or allowed, the Meeting shall resolve according to the legal majority without observing the procedure referred to above. This is notwithstanding, however, different and other provisions provided under mandatory and statutory laws. In any event, there shall be compliance with the minimum number of independent directors and the current laws on gender equality. For the appointment of Directors who for whatever reason are not nominated pursuant to the procedures given above, the Meeting shall resolve by legal majority voting so as to ensure that the composition of the Board of Directors is compliant to the law and to these By-laws, and also complies with current laws in respect of gender equality.

10.4 The members of the Administrative Body shall remain in post for three years (expiring at the same time as the Meeting convened to approve the accounts relating to the last year of their post) or for a lesser period which may be fixed by the Meeting and the time of appointment. Directors may be re-elected.

Where during the course of the period one or more directors are missing, provided that the majority remain comprised of directors appointed by the Meeting, the Board of Directors can arrange for their substitution through a resolution approved by the Board of Auditors in accordance with what is indicated below:

- a) the Board of Directors shall arrange substitution using the persons belonging to the same list as the one to which the outgoing director belonged and the Meeting, pursuant to the first subsection of article 2386 of the Civil Code, resolves by legal majority voting in compliance with the same criterion;
- b) where the list does not contain previously non-elected candidates or candidates with the necessary requirements, or else when for any reason it is not possible to comply with what is stipulated above under, the Board of Directors proceeds with substitution as subsequently approved by the Meeting, pursuant to the first subsection of article 2386 of the Italian Civil Code, with legal majority voting with the list vote.

In any case, the Board of Directors and the Meeting pursuant to the first subsection of article 2386 of the Civil Code shall appoint so as to ensure the presence of directors in possession of the requirements of independence stipulated in the previous subsection 10.3 at least in the overall minimum number required by current laws and these Articles and also in compliance with current laws in respect of gender equality.

Pursuant to article 2386, subsection one of the Civil Code, directors appointed in this way shall remain in post until the next Meeting and those appointed by the Meeting shall remain in post for time that the directors they replaced would have remained in post.

10.5 If the majority of the members of the administrative body appointed by Meeting resolution ceases to hold office, the entire administrative body shall lapse from the time when the new body is appointed and the directors remaining in post shall urgently convene the Meeting for it to be fully re-appointed and they may in the meantime perform acts of ordinary administration.

BANCA

S I S T E M A

10.6 The Chair of the Board of Directors is appointed by the Meeting in the manner pursuant to article 10.2 paragraph 11, letter a) of the By-laws. Where no lists are presented and allowed, the Chair of the Board of Directors is appointed by the Meeting pursuant to the legal majority and manner.

10.7 The Board of Directors appoints from among its members a CEO in accordance with what is stipulated under article 12.2 letter h). The Board of Directors has the option to attribute the position of general director to this same CEO. The position of general director can be exclusively attributed to the CEO.

The Board of Directors has the option to appoint a Deputy Chair, in accordance with the provisions of art. 12.2 letter g), which shall have the power, in the case of the absence or incapacity of the Chair, to chair the Shareholders' Meeting and the Board of Directors' meetings.

10.8 The Board of Directors may also delegate its own powers to an Executive Committee.

10.9 The non-executive members of the Board of Directors bring their own specific skills to the board discussions and contribute to the taking of decisions. They are called upon to perform an important dialectical function and to monitor the choices made by the executive members. The non-executive members shall acquire, also through the use of internal committees, information on the management and organisation of the company, internal audit and other control functions. The non-executive members must in any case be actively involved in the tasks entrusted to them, also as far as time availability is concerned and take part in the processes of appointing and dismissing internal audit and risk management managers. They diligently perform any other activity incumbent upon them pursuant to legal and regulatory provisions that may be in force.

10.10 The Board of Directors also appoints a Secretary in the person of a director of senior manager or executive of the company or a substitute, or an external consultant.

10.11 The Board of Directors is subject to a process of self-assessment, according to the means and criteria stipulated under the regulations in force at the time.

- *to grant the Chair and the CEO, also separately, the powers necessary to: (i) accept or make any changes or additions (provided that such changes do not modify the essential substance of the resolutions) that may be required for the resolutions to be filed at the Companies' Register; (ii) file and register these, pursuant to laws in force, with explicit advance approval and ratification of the resolutions adopted and the text of the By-laws, as amended above.*

Milan, 1 April 2020

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