

**SHAREHOLDERS' MEETING**  
**DIRECTORS' REPORTS**

**ORDINARY PART**  
**ITEMS 1, 2, 3, 4, 5 and 6**  
**OF THE AGENDA**

*This is an English translation of the original Italian document. The original version in Italian takes precedence.*

# Ordinary Shareholders' Meeting

## Items 1 and 2 of the agenda

### Directors' Report

**Approval of the FinecoBank S.p.A. financial statements as at December 31, 2016, accompanied by the Reports of the Board of Directors and the Auditing Company; Report of the Board of Statutory Auditors.**

### **Allocation of the net profit for the year 2016 of FinecoBank S.p.A.**

Dear Shareholders,

We have called this Ordinary Meeting to resolve, *inter alia*, on the approval of the Financial Statements as at December 31, 2016 and the allocation of the net profit for the year 2016 of FinecoBank S.p.A (the "**Company**" or "**FinecoBank**").

In connection with the above, the proposals submitted for your approval are described below.

### **1. Approval of the Financial Statements as at December 31, 2016 and allocation of the net profit for the year 2016 of Finecobank S.p.A.**

The Financial Statements for the year ended December 31, 2016 show a profit of Euro 211,843,793.79. While reference is made to the Board of Directors' report, which will be published in the manner and within the deadline set out by law as later explained, we hereby propose to approve the financial statements as at December 31, 2016, in its entirety and to allocate the aforesaid profit as follows:

- (i) Euro 59,921.99, equal to 0.03% of the net profit for the year, to the legal reserve, one fifth of the share capital having been reached;
- (ii) Euro 41,624,135.20 to the Extraordinary Reserve;
- (iii) to distribute a dividend of Euro 0.28, amounting to a total of Euro 170,159,736.60, to the 607,713,345 ordinary shares having a par value Euro 0.33 each, making up the share capital as at the shareholders' meeting date and, therefore, inclusive of the 907,909 shares resulting from the bonus issue approved by the Board of Directors on February 7, 2017 with effect from March 31, 2017 (see the press release of February 7, 2017 available on the Company's *website*).

The dividend approved by the shareholders' meeting shall be paid, in accordance with applicable laws and regulations, on April 26, 2017 with "ex-dividend" date on April 24, 2017. Pursuant to Art. 83-*terdecies* of Legislative Decree no. 58 of February 24, 1998 ("**Consolidated Law on Finance**"), therefore, those who appear as shareholders on the basis of the accounting records at the end of the accounting day of April 25, 2017, shall be entitled to receive the dividend.

The Board of Directors clarifies that the portion of undistributed dividends with respect to the treasury shares held by the Bank at the date of April 25, 2017, shall be transferred to the extraordinary reserve.

The documentation envisaged by art. 154-*ter* of the Consolidated Law on Finance shall be made available to the public at least twenty days prior to the date of the shareholders' meeting in single call. (*i.e.* by **March 20, 2017**).

## 2. Resolutions proposed to the Ordinary Shareholders' Meeting

Dear Shareholders,

If you agree with the content shown in this report, we ask you to pass the following resolution:

1. to approve the Financial Statements as at December 31, 2016, in their entirety;
2. to approve the allocation of the net profit for the year 2016 of Euro 211,843,793.79, as follows: *(i)* Euro 59,921.99 equal to 0.03% of the profit for the year, to the legal reserve, one fifth of the share capital having been reached; *(ii)* Euro 41,624,135.20 to the Extraordinary Reserve; *(iii)* Euro 170,159,736.60 to the 607,713,345 ordinary shares having a par value Euro 0.33 each, making up the share capital – and, therefore, inclusive of the 907,909 shares resulting from the bonus issue approved by the Board of Directors on February 7, 2017 with effect from March 31, 2017 – corresponding to a dividend per share of Euro 0.28.

# Ordinary Shareholders' Meeting (CONTINUED)

## Items 3 and 4 of the agenda

### Directors' Report

**Appointment of the Board of Directors, determination of the number of Directors and determination of the duration of their term in office.**

**Pursuant to Article 20 of the By-laws, determination of the remuneration due to the Directors for their work on the Board of Directors, the Board Committees and other company bodies.**

Dear Shareholders,

One of the reasons for calling this Ordinary Shareholders' Meeting of FinecoBank S.p.A. (the "**Company**" or "**FinecoBank**") was so that you can decide on which Directors to appoint, once the number of Board members has been set, and the duration of their term in office. Moreover, you are also being asked to define the remuneration due to the Directors, including for the work they do on the Board Committees and other Company bodies.

In this regard, please find below the proposals that you are being asked to approve.

### **1. Appointment of the board of directors, determination of the number of directors and determination of the duration of their term in office.**

#### **1.1 Reasons for proposing of the appointment of the Board of Directors and determination of the duration of their term in office**

Since the current term of office for the Board of Directors, appointed by the Shareholders' Meeting of April 15, 2014, ends with the approval of the 2016 financial statements, you are being asked to approve the appointment of the new Board of Directors, once the number of Directors has been set, and the determination of their term in office.

In this regard, please note that, pursuant to Article 13 of the By-laws and accordingly with the current and applicable statutory and regulatory provisions, the members of the Board of Directors shall be appointed on the basis of lists of candidates submitted by Shareholders.

Furthermore, please also note that, pursuant to Article 13 of the By-laws, the Company is managed by a Board of Directors composed of a minimum of 5 (five) and a maximum of 13 (thirteen) members. Directors shall hold office for three financial years, except where a shorter term is established at the time of their appointment; the term ends on the date of the Shareholders' Meeting called to approve the financial statements relating to the last year of their appointment.

The number of members of the Board of Directors shall be determined on the basis of the proposals submitted by Shareholders at the time of submission of the lists or at the Meeting up to the time of the related resolution.

Both genders must be represented on each list that has 3 (three) or more candidates, so as to ensure compliance with at least the minimum requirements of current laws and regulations on gender equality (*i.e.* pursuant to Article 147-ter, paragraph 1-ter, of the Legislative Decree February 24, 1998, no. 58, the less-represented gender must represent at least one third of the directors elected). We also remind you that the members of the Board of Directors must satisfy the requirements of professionalism, integrity and independence imposed by laws, regulations and the By-laws.

Shareholders which, alone or jointly with others, hold at least 1% of the ordinary share capital have the right to submit lists. Ownership of the minimum number of shares required for submitting lists is calculated taking into consideration the shares registered for each individual shareholder, or for more shareholders jointly, on the day on which the lists are submitted to the Company and must be proven pursuant to the then current laws; such proof may also be submitted to the Company after the submitting of the lists, provided it is prior to the deadline within which the Company must make the lists public (*i.e.* within 21 days prior to the date of the Shareholders' Meeting).

Each shareholder entitled to vote (as well as Shareholders belonging to the same group or Shareholders who are party to a shareholders' agreement or entitled Shareholders who are otherwise associated with each other in a material relationship pursuant to current and applicable statutory or regulatory provisions) can submit individually or with others only one list, just like each candidate must only feature in one list, failing which he will become ineligible.

In order for a list to be valid, it must be submitted to the Company's registered office or to its headquarters or also via certified email, by **April 17, 2017**. The entitled shareholders who submitted a list must also file any additional documentation and declarations required by the laws and regulations in force at the time, as well as by the By-laws, within the deadline established for the submitting of the lists, as indicated in the Notice of Call of the Shareholders' Meeting.

Any list that does not meet the above requirements shall be deemed to not have been submitted.

With respect to the above, **Shareholders are invited to consult:**

- the recommendations set forth in the Consob Communication no. DEM/9017893 of February 26, 2009 related to the connecting relationship between the lists;
- the document entitled "*Assessment of the qualitative and quantitative composition of the FinecoBank Board of Directors*" – drawn up in accordance with the provisions of the Bank of Italy regarding corporate governance, as set out in Circular Letter no. 285/2013 – which contains the results of the prior analysis carried out by the Board of Directors of the Company (assisted by the Remuneration and Appointments Committee) on its qualitative and quantitative composition deemed optimal in order to ensure the proper performance of the functions assigned to it. The document, approved by the Board of Directors on February 7, 2017, is available on the website of the Company ("*Governance/Shareholders' Meeting*" Section). Shareholders shall remain entitled to express different views on the optimal composition of the Board, giving reasons for any differences from the analysis conducted by the Board;
- the document entitled "*Information concerning the procedure for the appointment of the Board of Directors and the Board of Statutory Auditors*" (in particular, Part A of such document), setting out detailed information about the procedure for the appointment of the Board of Directors and the documentation that must accompany the lists, published and available on the Company website ("*Governance / Shareholders Meeting*" Section).

## **1.2 Procedure for the appointment**

More specifically, the Board of Directors will be appointed as follows, in accordance with the provisions set forth in the By-laws:

- (a) a number of Directors equal to the number of board members, decreased by 1, shall be drawn - in the order in which they appear on the list - from the list receiving the majority of votes cast. The remaining Director shall be drawn - in numerical order - from the minority list that received the most votes among the minority lists;
- (b) if the majority list does not reach a sufficient number of candidates for the election of the number of Directors to be appointed, according to the mechanism indicated in letter (a) above, all the candidates from the majority list shall be appointed and the remaining Directors shall be drawn from the minority list, in the order in which they appear on the list, receiving the highest number of votes; if necessary, directors shall also be drawn from the second most voted minority list, always in the order in which they appear on the list, until the number of Directors to elect has been reached;
- (c) if the number of candidates in the majority as well as minorities lists submitted is less than the number of the Directors to be elected, the remaining Directors shall be elected through a resolution made by the Shareholders' Meeting by relative majority, ensuring compliance with the principles of independence and gender equality prescribed by current law and regulations. If there is a tie vote between two or more candidates, a run-off will be held between these candidates by means of another vote at the Shareholders' Meeting;
- (d) if only one list or no list is filed, the Shareholders' Meeting shall act in accordance with the procedures set forth in letter (c) above;
- (e) if the required minimum number of Independent Directors and/or Directors belonging to the least represented gender is not elected, the Directors of the most voted list who have the highest consecutive number and do not meet the requirements in question shall be replaced

## Ordinary Shareholders' Meeting (CONTINUED)

### Items 3 and 4 of the agenda (CONTINUED)

by the next candidates on the same list, who meet the necessary requirements. Should it prove impossible, even after applying this criterion, to identify the Directors who meet the above requirements, the above substitution criterion shall apply to the minorities lists receiving the highest votes from which the candidates elected have been drawn;

- (f) if even after applying the substitution criteria referred to in letter (e) above, suitable substitutions have not been found, the Shareholders' Meeting shall resolve by a relative majority. In this case, the substitutions shall be effected starting from the most voted lists and from the candidates bearing the highest number in consecutive order.

### **2. Pursuant to Article 20 of the by-laws, determination of the remuneration due to the Directors for their work on the Board of Directors, the Board committees and other Company Bodies.**

Following the appointment of the Board of Directors, it is necessary to determine the remuneration due to the Directors for their work on the Board of Directors, the Board Committees and other Company bodies.

With reference to the Directors whose term of office has just expired, please note that the Shareholders' Meeting of April 15, 2014 resolved, *inter alia*, to grant: (i) to the Board of Directors a total amount equal to Euro 370,000.00, for each year in office; (ii) to the Chairman and Vice Chairman, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, a total gross annual amount equal to Euro 200,000.00; (iii) to the members of the Board Committees a total gross annual amount equal to: Euro 20,000.00 in favor of the Chairman of each Committee and Euro 15,000.00 in favor of each member of each Committee; (iv) for the participation in the Board of Directors' meeting and other Committees if any, an attendance fee equal to Euro 300.00, even if held in the same day.

Furthermore, please note that the Directors benefit from an insurance policy covering civil liability, while said they remained responsible for all tax arising from such benefit, already agreed upon by the Company in compliance with the resolution adopted by the Shareholders' Meeting on April 17, 2012.

### 3. Resolutions submitted to the Ordinary Shareholders' Meeting

Dear Shareholders,

If you agree with the contents and topics described in this Report and having taken into account what is established by the By-laws regarding the composition and methods for appointing the Board of Directors as well as the indications contained in the document entitled "*Assessment of the qualitative and quantitative composition of the FinecoBank Board of Directors*", we ask you to approve the following resolutions:

1. to set the number of members of the Board of Directors and their term in office;
2. pursuant to Article 13 of the By-laws, to appoint the directors on the basis of lists of candidates submitted by Shareholders;
3. to set the remuneration due, for each year in office, to the Directors for the activities they undertake in relation to the Board of Directors, the Board Committees and other Company bodies.

# Ordinary Shareholders' Meeting (CONTINUED)

## Items 5 and 6 of the agenda

### Directors' Report

#### Appointment of the Board of Statutory Auditors.

**Pursuant to Article 23, paragraph 17, of the By-laws, determination of the remuneration due to the Statutory Auditors and determination of the remuneration due to the Chairman of the Board of Statutory Auditors as external member of the Supervisory Body.**

Dear Shareholders,

You are asked to appoint the new Board of Statutory Auditors of FinecoBank S.p.A. (the "**Company**" or "**FinecoBank**") and also to define the remuneration due to the Chairman of the Board of Statutory Auditors as external member of the Supervisory Body.

In this regard, please find below the proposals that you are being asked to approve.

#### 1. Appointment of the Board of Statutory Auditors.

##### 1.1 Reasons for proposing of the appointment of the Board of Statutory Auditors

Since the current term of office for the Board of Statutory Auditors, appointed by the Shareholders' Meeting of April 15, 2014, ends with the approval of the 2016 financial statements, you are being asked to approve the appointment of the new Board of Statutory Auditors. The members of the Board of Statutory Auditors shall hold office for three financial years. Their term ends on the date of the Shareholders' Meeting called to approve the financial statements relating to the last year of their appointment.

In this regard, please note that, pursuant to Article 23 of the By-laws and accordingly with the current and applicable statutory and regulatory provisions, the members of the Board of Statutory Auditors shall be appointed on the basis of lists of candidates submitted by Shareholders. Each list shall contain the names of the candidates numbered progressively.

Each list shall be divided into two sections containing respectively up to three candidates for the position of permanent Statutory Auditor and up to two candidates for the position of alternate Statutory Auditor. At least the first two candidates for the seat as permanent Statutory Auditor and at least the first candidate for the seat as alternate Statutory Auditor given in the respective directories must be listed in the Roll of Auditors for at least three years and must have acquired at least three years' experience as regards statutory auditing of accounts.

Each list for the appointment of Statutory Auditor must have a number of candidates belonging to the least represented gender, so as to ensure compliance with at least the minimum requirements for gender equality prescribed by current law and regulations (i.e. pursuant to Article 148, paragraph 1-bis of the Legislative Decree February 24, 1998, no. 58, the less-represented gender must obtain at least one third of the regular members of the board of auditors).

Shareholders which, alone or jointly with others, hold at least 1% of the ordinary share capital have the right to submit lists. Ownership of the minimum number of shares required for submitting lists is calculated taking into consideration the shares registered for each individual shareholder, or for more persons jointly, on the day on which the lists are submitted to the Company and must be proven pursuant to the then current laws; such proof may also be submitted to the Company after the submitting of the lists, provided it is prior to the deadline within which the Company must make the lists public (i.e. within 21 days prior to the date of the Shareholders' Meeting).

Each shareholder entitled to vote (as well as shareholders belonging to the same group or Shareholders who are party to a shareholders' agreement or entitled Shareholders who are otherwise associated with each other in a material relationship pursuant to current and applicable statutory or regulatory provisions) can submit individually or with others only one list, just like each candidate may only feature in one list, failing which he will become ineligible.

In order for a list to be valid, it must be submitted to the Company's registered office or to its headquarters or also via certified email, by **April 17, 2017**. The entitled persons who submitted a list must also file any additional documentation and declarations required by the laws and regulations in force at the time, as well as by the By-laws, within the deadline established for the submitting of the lists, as it indicated in the Notice of Call of the Shareholders' Meeting.

Any list that does not meet the above requirements shall be deemed to not have been submitted.

With respect to the foregoing, **Shareholders are invited to consult:**

- the recommendations set forth in the Consob Communication no. DEM/9017893 of February 26, 2009 related to the connecting relationship between the lists;
- the document entitled "*Information concerning the procedure for the appointment of the Board of Directors and the Board of Statutory Auditors*" (in particular, Part B of such document), setting out detailed information about the procedure for the appointment of the Board of Statutory Auditors and the documentation that must accompany the lists, published and available on the Company website ("*Governance / Shareholders Meeting*" Section).

### **1.2 Procedure for the appointment**

The members of the Board of Statutory Auditors shall be appointed as follows:

- (a) 2 (two) Standing Auditors and 1 (one) Stand-in Statutory Auditor are drawn from the list obtaining the largest number of votes cast by the Shareholders, in the order in which they appear on the list;
- (b) the remaining Statutory Auditor and the remaining Stand-in Statutory Auditor are drawn from the list that obtained the most votes after the list referred to in letter (a). The first candidates of the related section are thus elected Statutory Auditor and Stand-in Statutory Auditor.

If, in accordance with the deadlines and procedures set forth in the previous paragraphs, only one list or no list has been presented, or the lists do not contain the required number of candidates to be elected, the Shareholders' Meeting shall pass a resolution for the appointment or completion of the Board of Statutory Auditors by relative majority. If there is a tie vote between several candidates, a run-off election shall be held between them with a further vote of the Shareholders' Meeting.

The Shareholders' Meeting shall be required to ensure compliance with the provisions of applicable laws and regulations concerning gender balance.

### **1.3 Appointment of the Board of Statutory Auditors' Chairman**

The Chairmanship of the Board of Statutory Auditors will go to the first candidate of Standing Auditors from the minority list receiving the most votes.

## Ordinary Shareholders' Meeting (CONTINUED)

### Items 5 and 6 of the agenda (CONTINUED)

#### **2. Pursuant to Article 23, paragraph 17, of the by-laws, determination of the remuneration due to the Statutory Auditors and determination of the remuneration due to the Chairman of the Board of Statutory Auditors as external member of the Supervisory Body.**

Following the appointment of the Board of Statutory Auditors, it is necessary to determine the annual remuneration due to the Statutory Auditors and the remuneration due to the Chairman of the Board of Statutory Auditors as external member of the supervisory body.

On the basis of the information provided by the outgoing Board of Statutory Auditors, we inform you that the total number of days to be accounted for as regards the activities carried out by the Auditors during 2016 amounts to 160 days (equal to 1.292 hours).

Please note that the Shareholder's Meeting on April 15, 2014 resolved to grant to the Chairman of the Board of Statutory Auditors a total gross annual amount equal to Euro 50,000.00 and to each permanent Auditor a total gross annual amount equal to 40,000.00, as well as an attendance fee of Euro 300.00 for each Board meeting. Please also note that the Shareholders' Meeting on April 12, 2016 resolved to grant to Mr. Gian-Carlo Noris Gaccioli a total gross annual amount equal to Euro 15,000.00 as external member of the Supervisory Body, in addition to that already due to him as Chairman of the Board of Statutory Auditors.

Furthermore, please note that the Statutory Auditors benefit from an insurance policy covering civil liability, while said they remained responsible for all tax arising from such benefit, already agreed upon by the Company in compliance with the resolution adopted by the Shareholders' Meeting on April 17, 2012.

### 3. Resolutions to the Ordinary Shareholders' Meeting

Dear Shareholders,

If you agree with the contents and topics described in this Report and having taken into account what is established by the By-laws regarding the composition and methods for appointing the Board of Statutory Auditors, we ask you to approve the following resolutions:

1. to appoint the members of the Board of Statutory Auditors, who shall hold office for three financial years (i.e. for the financial year 2017, 2018 and 2019, up to the Shareholders' Meeting called to approve the 2019 financial statements);
2. to determine the annual remuneration due to the members of the Board of Statutory Auditors for the entire term of office and the remuneration due to the Chairman of the Board of Statutory Auditors as external member of the Supervisory Body.

