

BANCA FARMAFACTORING S.p.A.
Head office in Milan, Via Domenichino No. 5
Share Capital 130,982,698.00 euros, fully paid-in
R.E.A. of Milan No. 1193335
Tax ID code and VAT code No. 07960110158
Registered in the Register of Banks at No. 5751, ABI code No. 3435,
the parent company of the banking group of the same name,
registered in the Banking Group Register

NOTICE OF CALL OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING

The ordinary Shareholders' Meeting of Banca Farmafactoring S.p.A. has been convened in Milan, Via Domenichino, No. 5, on a **single call**, for its ordinary session on **5 April 2018** at **11.00 am** to discuss and resolve on the following

AGENDA

1. Financial Statements as of December 31, 2017. Reports by the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Related resolutions. Presentation of the Consolidated Financial Statements of the Banca Farmafactoring Banking Group as of 31 December 2017.
2. Allocation of the net income of the fiscal year; related resolutions.
3. Authorization to purchase and dispose of treasury shares. Related resolutions.
4. Remuneration and Incentive Policies:
 - 4.1. Annual Report on Remuneration and approval of the first Section, pursuant to article 123-ter, paragraph 6, of Legislative Decree No. 58/1998.
 - 4.2. Confirmation of the ratio between the fixed and the variable components of remuneration, up to a maximum of 2:1, as established by resolutions of the Board of Directors on 5 December 2016. Related resolutions.
 - 4.3. Criteria for determining the remuneration to be granted in case of early termination of the employment relation or early cessation of the office, including the limits set for such remuneration. Related resolutions.
5. The appointment of the Board of Directors. Related resolutions.
 - 5.1. Determination of the number of members of the Board of Directors.
 - 5.2. Determination of the term of office of the Board of Directors.
 - 5.3. Election of the members of the Board of Directors.
 - 5.4. Appointment of the Chairman of the Board of Directors.
 - 5.5. Determination of the remuneration of members of the Board of Directors.
6. Appointment of the Board of Statutory Auditors. Related resolutions.
 - 6.1. Appointment of the members of the Board of Statutory Auditors.
 - 6.2. Appointment of the Chairman of the Board of Statutory Auditors.
 - 6.3. Determination of the remuneration of regular members of the Board of Statutory Auditors.
7. Increased fee of the Independent Auditors to carry out an independent audit of the financial statements. Related resolutions.

INFORMATION ON SHARE CAPITAL:

Notice is hereby given that, pursuant to art. 125-*quater*, paragraph 1, letter c), of Legislative Decree no. 58/1998 (“TUF”), as of today, the fully subscribed and paid in share capital of Banca Farmafactoring S.p.A. (hereinafter, the “**Bank**” or the “**Company**”), is equal to Euro 130,982,698 (one hundred and thirty million nine hundred eighty two thousand six hundred ninety eight), represented by 170,107,400 (one hundred and seventy million one hundred and seven thousand four hundred) ordinary shares with no par value and under dematerialization, each conferring one vote at the Shareholders’ Meeting, as set forth in article 5 of the Bank’s By-Laws (hereinafter, the “**By-Laws**”), available in the “*Governance/Corporate Documents*” section of the Company’s website www.bffgroup.com. There are no categories of share other than ordinary shares.

AUTHORITY TO INTERVENE AND VOTE IN THE SHAREHOLDERS’ MEETING

Pursuant to article 83-*sexies* of the TUF, any person who establishes their entitlement in accordance with the provisions provided under prevailing law may take part in the meeting; entitlement to participate in the meeting and to exercise voting rights is to be certified to the Company in writing by an empowered intermediary on behalf of the individual who is vested with voting rights, on the basis of the shareholder information applicable upon conclusion of the accounting day for the seventh day of market trading prior to the date set for the Meeting (*record date*), namely by the **23 March 2018**.

Any person who becomes an owner of shares only after the record date referred to above will therefore have no right to participate or vote in the Meeting. The communication from the intermediary must reach the Bank before the end of the third day of market trading prior to the date set for the Meeting on first call, namely by the **29 March 2018**. This shall be without prejudice to entitlement to participate and vote at the Meeting in the event that the communications are received by the Bank later than that date, provided that this occurs prior to the start of the Meeting’s business.

No provision is made in the By-Laws for voting by post or by e-mail.

INTERVENING AND VOTING BY PROXY

Those who are entitled to voting right may be represented by means of proxy released according to the modalities provided for by the laws and regulations in force, pursuant to article 11 of the By-Laws and article 135-*novies* of the TUF. Shareholders may use the “Proxy Form” available at the Registered Office, at via Domenichino, No. 5, 20149 – Milan (the “**Registered Office**”), or on the Company website www.bffgroup.com in the section “*Investor Relations/Shareholders’ Meeting Documentation*”. The proxy forms currently envisaged, in the forms and within the limits established by the Italian law, are analogical proxy, conferred via a paper document with an ink signature, or electronic proxy, conferred via an electronic document with an electronic signature. In place of the original the representative can deliver or forward to the Company a copy - in printed or electronic format - of the proxy, self-certifying that it is a true copy of the original proxy and confirming the identity of the delegating party.

The Company can be notified of the proxy by filing same with the head office by registered mail with return receipt, at the Registered Office, or by certified electronic mail to the following certified e-mail address: assemblea@pec.bancafarmafactoring.it.

Any advance notice shall not relieve the proxy, on accreditation for access to the Shareholders’ Meeting, of the obligation to attest conformity to the original of the copy notified and confirming the identity of the delegating party.

DESIGNATED REPRESENTATIVE PROXY

The proxy may also be granted with voting instructions to Computershare S.p.A., with head office in Milan, via Lorenzo Mascheroni, No. 19 (hereinafter, the “**Designated Representative**”), appointed by the Company for this purpose, whom holders of voting rights may, free of charge, confer proxy and instruct to vote on all or some of the motions on the agenda, pursuant to article 135-*undecies* of the TUF. The proxy shall be effective only for those items of the agenda in relation to which voting instructions have been given.

For this purpose, the specific proxy form shall be used which is prepared by the Designated Representative, in agreement with the Company, and which will be available on www.bffgroup.com in the “*Investor Relations/Shareholders’ Meeting Documentation*” section, or at the Registered Office of the Company or of the Designated Representative.

The proxy to the Designated Representative shall contain voting instructions, shall be received, in original, by the Designated Representative, in Milan, via Lorenzo Mascheroni, No. 19, possibly beforehand a copy by fax to +39 02.46776850, by certified email attachment to ufficiomilano@pecserviziolitoli.it, no later than the end of the second trading day before the Meeting (i.e. by **3 April 2018**). Within the same term, the proxy voting and the vote instructions are revocable.

The notice to the Company sent by the certified intermediary certifying the right to take part in the Meeting is also required in case of granting of the proxy to the Company’s Designated Representative; consequently, if the aforementioned notice is lacking, the proxy shall be deemed void.

SUPPLEMENTS TO THE AGENDA AND SUBMISSIONS OF ADDITIONAL RESOLUTION PROPOSALS

Pursuant to article 126-*bis* of the TUF and article 9, paragraph 8, of the By-Laws, shareholders who, also jointly, represent at least one fortieth of the Bank's share capital may ask, within ten days from the publication of this call notice of the Shareholders' Meeting (i.e. by **5 March 2018**), for the agenda of matters to be addressed to be supplemented, specifying in the request the additional topics proposed thereby, or submit resolution proposals on matters already included in the agenda.

The requests, together with the certifications issued by a qualified intermediary, attesting the total equity interest percentage and the information enabling the identification of the requesting Shareholders shall be received, by the indicated date, in written form at the registered office, to the attention of the Corporate Affairs Department, by registered letter with return receipt, or by certified e-mail to assemblea@pec.bancafarmafactoring.it.

Shareholders asking for the agenda to be supplemented shall draft and transmit to the Board of Directors, within the deadline for the presentation of the supplement request, a report setting out the explanation for the resolution proposals.

Supplements to the agenda, or submissions of additional resolution proposals on matters already included in the agenda are notified, in the same forms prescribed for the publication of meetings’ call notice, at least eight days before the Shareholders’ Meeting (i.e. by **21 March 2018**). At the same time of publication of the supplementation notice, in the same manner established for the documentation relating to the Shareholders’ Meeting, the report prepared by requesting Shareholders, accompanied by any evaluations of the Board of Directors, will be made available to the public.

The supplementation of the matters on the agenda is not permitted for those matters on

which the Shareholders' Meeting deliberates, as prescribed by law, on proposals of the Board of Directors or on the basis of a project or report prepared by the Board, other than that referred to in art. 125-ter, paragraph 1, of the TUF.

THE RIGHT TO SUBMIT QUESTIONS

Pursuant to article 127-ter of the TUF, those entitled to vote may ask questions on matters on the agenda even before the Shareholders' Meeting, by the end of the third day prior to the Shareholders' Meeting (i.e. by **2 April 2018**).

The requests - accompanied by the references of the certification sent by the intermediary to the Company proving the right to vote - shall be received in writing at the Registered Office, to the attention of the Corporate Affairs Department, by registered letter with return receipt, or by certified e-mail to assemblea@pec.bancafarmafactoring.it.

For the questions sent before the Shareholders' Meeting, response will be given at the latest at the meeting itself, with the faculty of the Company to provide a single response to questions with the same content.

Answers may not be provided if the information requested is already available in FAQ format in the aforementioned section of the Company's *website*.

APPOINTMENT OF THE BOARD OF DIRECTORS.

The appointment of the Board of Directors occurs, pursuant to and in the manner set out in article 15 of the By-Laws, on the basis of lists submitted by shareholders, each of which sets out a number of candidates not greater than the number of members to be appointed, listed through a sequential numbering.

Lists submitted by shareholders, signed by those submitting them, shall be lodged with the Registered Office (to the attention of the Corporate Affairs Department), or by certified e-mail to assemblea@pec.bancafarmafactoring.it, jointly with the relevant documentation requested by law and by the Company's By-laws, on penalty of disqualification, at least twenty five days before that scheduled for the Meeting, namely by the **11 March 2018**.

Only shareholders who, alone or together with other shareholders, hold in aggregate shares representing a percentage equal to at least one percent of the Bank share capital, required by the regulatory provision No. 20273 of 24 January 2018, issued by Consob, are entitled to submit lists. Ownership of the minimum shareholding for the submission of lists is determined according to the shares that are registered to the shareholder on the day on which the lists are deposited with the Company, by lodging an appropriate certification issued by the custodian intermediary. Ownership of the equity investment held on the day on which the lists are filed with the Bank may however also be provided subsequent to the filing, provided this is within the deadline set for their publication (i.e. by **15/03/2018**), by sending the aforementioned certification to the Company issued by the certified intermediaries.

Each Shareholder (including through an intermediary or a trust company as well as shareholders who are a party to a shareholders' agreement relevant under article. 122 of the TUF, Shareholders who belong to the same group - intending thereby the parent company, subsidiaries, and companies subject to joint control -) may submit (or participate in the submission of) and vote for only one list. Adhesions and votes casted in violation of said prohibition will not be allocated to any list.

Each candidate may only be included in one list, upon penalty of ineligibility.

The lists of candidates shall include:

Courtesy translation

- information on the identity of the Shareholders presenting the lists, indicating their percentage shareholding in the Bank;
- a declaration by Shareholders other than those who hold, including jointly, a controlling interest or relative majority, attesting to the absence of any forms of association with such shareholders, as provided by article 147-ter, paragraph 3, and 148, paragraph 2, of the TUF, and by article 144-quinquies of the “Regulations Providing Guidelines for the Implementation of Legislative Decree No. 58 of 24 February 1998 Governing Issuers of Securities” (Consob Resolution No. 11971 of 14 May 1999 and subsequent additions and amendments, the “**Issuers’ Regulations**”) with the latter;
- acceptances of nomination by the single candidates shall be deposited together with each list, as well as the declarations with which they state, under their own responsibility, the absence of ineligibility and incompatibility causes, as well as the existence of the requisites possibly prescribed for the respective offices (as an annex to the “Guidelines on the qualitative and quantitative composition of the Board of Directors: Indications for Shareholders and the New Board of Directors” - “**Guidelines for Shareholders**” - available on our website www.bffgroup.com in the section “Investor Relations/Shareholders' Meeting Documentation”);
- a *curriculum vitae* of each of the candidates, containing exhaustive information on their personal and professional characteristics and their experience in the fields of finance, banking and/or other fields of relevance as further defined in the Guidelines for Shareholders, together with an indication of the directorships and audit appointments held in other companies, and the appropriateness to be qualified as independent.

Please note that:

- candidates who do not meet the requirements of probity and professionalism and, where appropriate, independence shall not be included in the list of candidates, as provided for by article 26 of Legislative Decree No. 385/1993, as subsequently amended (the “**TUB**”);
- at least one fourth of the Directors so elected shall be in possession of the independence requirements as set forth for statutory auditors by article 148, paragraph 3 of the TUF, as well as article. 3 of the Corporate Governance Code for listed companies;
- the first candidate of each list shall be an individual meeting the aforementioned independence requirements;
- for the purpose of ensuring balance between genders, lists including a number of candidates equal to or higher than three shall include candidates of different gender (with rounding off to the higher unit in the case of a fraction), according to the current legislation concerning the balance between genders, referred to in Law no. 120/2011.

Shareholders are hereby invited, in determining the number of Board members and in presenting lists, to take into account the Guidelines for Shareholders, available on the Bank website www.bffgroup.com in the section “Investor Relations/Shareholders' Meeting Documentation”, which contain the analysis performed by the Board of Directors on the qualitative and quantitative composition suitable for the purpose of the proper performance of their functions, in compliance with the applicable provisions on corporate governance.

Shareholders are also invited to consult the recommendations contained in the Consob Communications DEM/9017893 of 26 February 2009, with particular reference to the undersigned testifying to the absence of connecting relationships, also indirect, referred to by article 147-ter, paragraph 3, of the TUF and article 144-quinquies of the Issuers' Regulations, with Shareholders who hold, even jointly, a controlling or relative majority, identified on the basis of the notifications of significant holdings pursuant to article 120 of the TUF, or of the publication of shareholders' agreements pursuant to article 122 of the TUF itself.

Lists for which the above provisions are not observed shall be treated as if they had not been presented.

Further information on the submission, depositing and publication of the lists is contained in article 15 of the By-Laws and in the "Report of the Board of Directors on the fifth point on the agenda", available on the Bank's website, respectively, under the section "Governance/Corporate Documents" and under the section "Investor Relations/Shareholders' Meeting Documentation".

Lists properly submitted shall be made available to the public at the Registered Office and on the website www.bffgroup.com in the section entitled "Investor Relations/Shareholders' Meeting Documentation" as well as at the 1info authorized storage system, managed by Computershare S.p.A., at www.1info.it, at least 21 days prior to the date of the annual general meeting, namely **15 March 2018**.

APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS

The appointment of the Board of Statutory Auditors occurs, pursuant to and in the manner set out in article 22 of the By-Laws, on the basis of lists submitted by shareholders, each of which sets out a number of candidates not greater than the number of Auditors to be appointed, listed through a sequential numbering.

Lists, submitted by shareholders, signed by those submitting them, shall be lodged with the Registered Office (to the attention of the Corporate Affairs Department), or by certified e-mail to assemblea@pec.bancafarmafactoring.it, jointly with the relevant documentation requested by law and by the Company's By-laws, on penalty of disqualification, at least twenty five days before that scheduled for the Meeting, namely by the **11 March 2018**, unless such term is prorogued by applicable laws (as stated *below*).

Only shareholders who, alone or together with other shareholders, hold in aggregate shares representing a percentage equal to at least one percent of the Bank share capital, required by the regulatory provision No. 20273 of 24 January 2018, issued by Consob, are entitled to submit lists.

Ownership of the above-mentioned required minimum shareholding is determined according to the shares that are registered to the shareholder on the day on which the lists are deposited with the Company, by lodging an appropriate certification issued by the custodian intermediary. Ownership of the shares held as at such date may also be attested subsequently to the date of filing, provided that it is done at least within the deadline set for the publication of the lists (i.e. within **15 March 2018**).

In the event that by **11 March 2018** only one list is submitted, or only lists submitted by shareholders that are affiliated with each other in the meaning of article 144-quinquies of the Issuer's Regulations, lists may be submitted up to the third day following such date (i.e. until **14 March 2018**). In such hypothesis, the 1% threshold for the submission of lists shall

Courtesy translation

be reduced by one half, and therefore to 0.50% of the Bank's share capital.

Each shareholder (including through an intermediary or a trust company, as well as shareholders who are signatories to a shareholders' agreement relevant under article 122 of the TUF, Shareholders who belong to the same group - intending thereby the parent company, subsidiaries, and companies subject to joint control -) may submit (or participate in the submission of) and vote for only one list. Adhesions and votes casted in violation of said prohibition will not be allocated to any list.

Each candidate may only be included in one list, upon penalty of ineligibility.

The lists of candidates shall include:

- information on the identity of the shareholders presenting the lists, indicating their percentage shareholding in the Bank;
- a declaration by shareholders other than those who hold, including jointly, a controlling interest or relative majority, attesting to the absence of any forms of association with such shareholders, as provided by article 148, paragraph 2, of the TUF and article 144-*quinquies* of the Issuers' Regulations with the latter;
- acceptances of nomination by the single candidates shall be deposited, as well as the declarations with which they state, under their own responsibility, the absence of ineligibility and incompatibility causes, as well as the existence of the requisites possibly prescribed by law and the By-Laws (as an annex to the "Report of the Board of Directors on the sixth point on the agenda", available on our website www.bffgroup.com in the section "Investor Relations/Shareholders' Meeting Documentation");
- a dated and signed, *curriculum vitae* of each of the candidates, containing exhaustive information on their personal and professional characteristics and their experience in the fields of finance, banking and/or other fields of relevance as further defined in the "Report of the Board of Directors on the sixth point on the agenda", available on our website www.bffgroup.com, under the section "Investor Relations/Shareholders' Meeting Documentation", together with an indication of the directorships and audit appointments held in other companies.

Please note that:

- candidates who do not meet the requirements of probity and professionalism, and independence shall not be included in the list of candidates, as provided for by article 26 of the TUB;
- the lists containing the names of one or more candidates are divided into two sections: one for candidates for the office of Regular Auditor and one for the Alternate Auditors. The first candidate in each section shall be entered in the Register of Accounting Legal Auditors and must have practiced as a legal auditor of account for at least three years.
- lists with a number of candidates equal or higher than three shall include candidates of both genders, both in the section relating to the Regular Auditors and that of the Alternate Auditors, so that at least one third (rounded up) of candidates belongs to the gender less represented.

Shareholders are also invited to consult the recommendations contained in the above-mentioned Consob Communications DEM/9017893 of 26 February 2009.

Lists for which the above provisions are not observed shall be treated as if they had not been presented.

Further information on the submission, depositing and publication of the lists is contained in article 22 of the By-Laws and in the "Report of the Board of Directors on the sixth point on the agenda", available on our website www.bffgroup.com, respectively, under the section "Governance/Corporate Documents" and under the section "Investor Relations/Shareholders' Meeting Documentation".

Lists properly submitted shall be made available to the public at the Registered Office and on the website www.bffgroup.com, in the section entitled "Investor Relations/Shareholders' Meeting Documentation" as well as at the 1info authorized storage system, managed by Computershare S.p.A., at www.1info.it, at least 21 days prior to the date of the annual general meeting, namely the **15 March 2018**.

DOCUMENTATION

The documentation referring to the points on the agenda, including the Reports of the Board of Directors on the items on the agenda and the proposed resolutions contained therein, will be available to the public, within the deadlines and according to the procedures laid down in the current regulations, at the Registered Office and on the website www.bffgroup.com (section "Investor Relations/Shareholders' Meeting Documentation"), as well as at the 1info authorized storage system, managed by Computershare S.p.A., at www.1info.it and, namely:

- together with the publication of this notice: Documentation regarding the items 5 and 6 on the agenda of the Shareholders' Meeting;
- within **6 March 2018** Report of the Board of Directors on the seventh point on the agenda;
- on **15 March 2018**, or twenty-one days before the date fixed for the Shareholders' Meeting, the Financial Report and the other documents as per article 154-ter, of Legislative Decree no. 58/1998, as well as the Report on Remuneration and the Directors' Report on item 3 on the agenda.

Shareholders may view these documents and request copies of them.

The Company By-Laws are available on our website www.bffgroup.com (under the section "Governance/Corporate Documents").

This extracted notice will be published in accordance with article 125-bis of the TUF in the newspaper: IL SOLE 24 ORE, on 24 February 2018.

On behalf of the Board of Directors

The Chairman
(Salvatore Messina)

Milan, 23 February 2018