

PRESS RELEASE

## BANCA SISTEMA: SHAREHOLDERS AND BOARD MEETINGS

- **Shareholders have appointed the new Board of Directors and Luitgard Spögler as Chairperson**
- **Shareholders have approved to initiate the authorization procedure to buy and sell own shares**
- **The Board of Directors has assigned board offices and delegated powers: Gianluca Garbi confirmed as CEO**

Milan, 27 November 2015

At the **Shareholders' Meeting** held today, the **Shareholders of Banca Sistema** decided in favor of the following items on the agenda:

- 1- Appointment of the Board of Directors and of its Chairperson, and determination of the Directors compensation, including offices held in board committees with strategic supervisory functions;
- 2- Approval of the initiation of the authorization procedure to buy and sell own shares.

### **Item 1: Appointment of the Board of Directors, its Chairperson, and determination of Director compensation, including offices held in board committees**

The Shareholders have appointed a Board of Directors made up of nine Directors, who shall hold office for three financial years, up until the shareholders' meeting shall be convened to approve the annual report as at 31 December 2017.

The Directors elected from the majority list – representing 45.30% of the share capital with voting rights attached – are: **Luitgard Spögler** (Chairperson), **Michele Calzolari**, **Gianluca Garbi**, **Daniele Pittatore**, **Claudio Pugelli** and **Giovanni Puglisi**.

The remaining Directors, elected outside of the list, but in any case jointly proposed by the majority shareholders parties to the Shareholders Agreement dated 3 June 2015, are: **Giorgio Barba Navaretti**, **Carlotta De Franceschi** and **Andrea Zappia**.

The Shareholders furthermore decided to set the total gross annual compensation of the Board of Directors for the entire mandate at Euro 535 thousand, and, in addition to this base compensation, also set an annual per capita compensation for the attendance at each Board Committee.

The above appointments are in compliance with art. 148, paragraph 1-bis of the Financial Consolidated Act (TUF), as transposed in Law no. 120/2011, on equal access on boards of listed companies (gender equality).

The CVs of each member of the Board of Directors are available on the website of Banca Sistema at [www.bancasistema.it](http://www.bancasistema.it) (Governance/Corporate Boards Section).

### **Item 2: Approval of the initiation of the authorization procedure to buy and sell own shares**

The Shareholders have approved the proposal to authorize the Board of Directors to buy and sell own shares - pursuant to articles 2357 and following of the civil code, of art. 132 of Lgs.D. no. 58/98, and articles 77 and 78 of EU Regulation no. 575/2013 (CRR) and delegated EU Regulation no. 241/2014, provided that the prior authorization of the Bank of Italy is obtained in compliance with the aforesaid EU Regulation.

The authorization to buy and sell own ordinary shares has been granted for all the objectives described in the Report of the Board of Directors prepared pursuant to art. 73 of the Issuers Regulation and disclosed on 6 November 2015, namely to:

- i) Reduce own funds under art. 77 of CRR;
- ii) Facilitate the smooth conduct of trading activities to avoid price fluctuations that are not in line with market trends and to guarantee the adequate support to market liquidity (*market making*);
- iii) Allocate shares to personnel belonging to the “key officers” category, in keeping with the compensation and incentive policies approved by Shareholders;
- iv) Provide directors with a tool that lends them a strategic and operational flexibility, whereby own shares would be available to be used as consideration in corporate actions, including share purchases and/or swaps with other parties as part of deals of interest to the Bank.

A maximum predetermined ceiling has been set to the number of shares that can be repurchased, which, considering the above described objectives, shall be equal to the ceiling provided for under art. 29, paragraph 3 a), of Regulation 241, and may not exceed 3% of the issued amount under examination, calculated based on the share capital and share premium added together, which adds up to Euro 49,254,983; hence, the 3% ceiling comes in at Euro 1,477,649.49.

The funds to cover the repurchase cost shall be set aside in an ad-hoc reserve to be set up after obtaining the authorization from the Bank of Italy.

Moreover, Company treasury shares, fully paid-up, having a nominal value of Euro 0.12 (zero point twelve) each, can be repurchased, up to a maximum amount of total nominal value, including shares held by the Company or by its subsidiaries, that cannot exceed one fifth of the share capital, and whose repurchase cost must be provided for in a special reserve specifically set up for this purpose.

Shares can be repurchased, also in more than one tranche, up to the maximum amount authorized from time to time by the Bank of Italy, within 18 months of the date on which the resolution was passed.

No time limits are set instead for the possible future sale of the shares, again also in more than one tranche, that can take place even before reaching the maximum amount of shares that may be repurchased.

Repurchases can be executed, also in more tranches, at a minimum price no less than 15% below - and a maximum price no more than 15% above – the price fixed on each week’s last working day based on the average of the official closing price of Banca Sistema shares in the last two TARGET calendar weeks before the day the average price is calculated. The minimum and maximum prices shall be effective between the day after the average price has been set and the day the new weekly price is determined (included).

The repurchased shares can be sold back at a price that cannot be lower than 85% of the average carrying price of the entire treasury share portfolio of Banca Sistema calculated the day before the single sale transaction has been carried out.

Repurchases and sales of ordinary shares can be executed exclusively through trades on the Exchange on which Banca Sistema shares are listed, in keeping with procedures that guarantee an equal treatment of shareholders pursuant to art. 132 of TUF and in compliance with applicable regulations and accepted market practices.

The restricted “Treasury share reserve” under art. 2357-ter of the Civil Code shall be set up subsequently, based on the amounts of the executed repurchases, using the “Reserve for future repurchase of own shares”. The “Treasury share reserve” will remain in place, as required under art. 2357-ter of the Civil Code, up until the treasury shares are transferred or cancelled.

Pursuant to article 125-quater, paragraph 2, of Legislative Decree no. 58 of 24 February 1998, the summary report on the voting outcome will be made available on the Company website within 5 days of the date of the Shareholders’ Meeting. The minutes of the Shareholders’ Meeting will be made available to the public at the head office, on the website of Banca Sistema at [www.bancasistema.it](http://www.bancasistema.it) (Governance/Shareholders’ Meeting Section), as well as on the website of the authorized central storage mechanism [www.1info.it](http://www.1info.it).

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The **Board of Directors of Banca Sistema**, which has convened at the end of the General Shareholders’ Meeting, chaired by the newly-appointed Chairperson Luitgard Spögler (to date the only woman to hold this office in a listed company within the Italian banking sector), assigned the corporate offices to the elected directors for the three-year term 2015-2017, appointing **Claudio Pugelli as Vice-Chairman** and **Gianluca Garbi as CEO of the Company**, and conferring the delegated operating powers.

Pursuant to the Articles of Association and to the applicable regulations, in particular art. 147-ter, paragraph 4 and art. 148, paragraph 3 of Lgs. D. no. 58/1998 and of the Corporate Governance Code promoted by Borsa Italiana, the Board of Directors has verified that the Directors Giorgio Barba Navaretti, Michele Calzolari, Carlotta De Franceschi, Daniele Pittatore and Andrea Zappia fulfill the independence requirements. As to Ms. Luitgard Spögler, considering her capacity as Chairperson of the Board of Directors, the Board has verified that she fulfills the independence requirements pursuant to art. 148, paragraph 3 of Lgs. D, no. 58/98, while she does not fulfill the requirements set out in art. 3, criteria 3.c.1.b and 3.c.2. of the Corporate Governance Code promoted by Borsa Italiana.

The Board of Directors has then appointed an **Executive Committee**, whose members are **Gianluca Garbi** and the Directors **Carlotta De Franceschi** and **Giovanni Puglisi**.

The Board of Directors also appointed the members of the following board committees with strategic supervisory functions:

- Internal Control and Risk Management Committee, which covers also the function of Related Part Committee: Michele Calzolari (independent and non-executive), Giorgio Barba Navaretti (independent and non-executive), Daniele Pittatore (independent and non-executive) and Luitgard Spögler (non-executive);
- Nomination Committee: Luitgard Spögler (non-executive), Michele Calzolari (independent and non-executive) and Andrea Zappia (independent and non-executive);
- Remuneration Committee: Michele Calzolari (independent and non-executive), Giorgio Barba Navaretti (independent and non-executive) and Claudio Pugelli (Vice-Chairman and non-executive);
- Ethical Committee: Claudio Pugelli (Vice-Chairman and non-executive), Andrea Zappia (independent and non-executive) and Marco Pompeo (Head of Legal and Corporate Affairs). Claudio Pugelli has been appointed Chairman of the Ethical Committee;
- Supervisory Body: Diego De Francesco (Chairman of the Board of Statutory Auditors), Michele Calzolari (independent and non-executive) and Franco Pozzi (Head of Internal Auditing). Diego De Francesco has been appointed Chairman of the Supervisory Committee.

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##### **Banca Sistema**

Banca Sistema was founded in 2011, as a bank specialized in financing and managing trade receivables owed by the Italian Public Administrations, thereby entering a sector of the Italian financial system aimed at granting liquidity to corporate entities in their business dealings with the PA's, mainly through factoring and credit management services.

With main offices in Milan, Rome and London, during this time Banca Sistema has extended its activities and services available both to business and retail Clients.

As an independent financial operator characterized by a diversified business model, Banca Sistema can offer, today, recourse and non-recourse factoring services. This includes receivables between private companies, yearly and quarterly VAT receivables refunds, current accounts, time deposits with durations up to 10 years, guarantees, securities deposit, reverse factoring, certification of Public Administration credits, salary and pension backed loans, and small and medium enterprises financing.

The Bank is also active in the purchasing and management of non-performing financial and trade receivables as well as management and debt recovery from individuals, thanks to its shareholding in CS Union S.p.A..