

Project for the partial spin off of Banca Fideuram in favor of Sanpaolo IMI S.p.A.

in accordance with Art. 2506-bis of the Italian Civil Code

WARNING FOR US SHAREHOLDERS

The information contained herein does not constitute an offer of securities for sale in the United States or offer to acquire securities in the United States.

The securities referred to herein have not been, and are not intended to be, registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered or sold, directly or indirectly, into the United States except pursuant to an applicable exemption. The securities are intended to be made available within the United States in connection with the business combination pursuant to an exemption from the registration requirements of the Securities Act.

The business combination described herein relates to the securities of foreign companies. The business combination is subject to disclosure and procedural requirements of a foreign country that are different from those of the United States. Financial statements included in the document, if any, will be prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since Sanpaolo IMI and Banca Fideuram are located in Italy, and some or all of their officers and directors may be residents of Italy or other foreign countries. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.

The Boards of Directors of the companies involved in the spin off:

- Banca Fideuram S.p.A. (“**BF**” or “**Spun-off Company**”), and
- Sanpaolo IMI S.p.A. (“**SPIMI**” or “**Beneficiary Company**”)

Whereas

- (a) they intend to carry out the partial spin off of the 99.8% of the share capital of Fideuram Vita Compagnia di Assicurazioni e Riassicurazioni S.p.A. (described hereinbelow) held by BF in favor of SPIMI;
 - (b) the spin off is part of the plan to rationalize the presence of the Sanpaolo IMI Group in the insurance sector, with the aim of creating an insurance newco in which to converge the Sanpaolo IMI Group companies currently operating in the life insurance and damages sectors;
 - (c) said plan will be implemented through a process to concentrate the insurance subsidiaries and its main phases will be:
 - (i) the spin off of the BF share in Fideuram Vita Compagnia di Assicurazioni e Riassicurazioni S.p.A. (“**FV**”) in favor of SPIMI, pursuant to letter (a) above;
 - (ii) spin off of the entire share held by Sanpaolo IMI Wealth Management S.p.A., a company controlled entirely by SPIMI, in Sanpaolo Vita S.p.A. (“**SPVita**”) in favor of Noricum Vita S.p.A. (“**Noricum**”), also controlled entirely, directly and indirectly, by SPIMI;
 - (iii) merger by incorporation of SPVita and FV into Noricum;
 - (d) the transactions described under letter (c) are subject to approval by the ISVAP, within its competence, and the transaction under point (i) is subject to Bank of Italy authorization;
 - (e) all the transactions described, while being logically and legally separate, are part of a single project and will be performed more or less simultaneously. None of the spin offs or merger deeds may be stipulated unless the due authorizations for each different transaction have been received and, in particular, the effect of the
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transaction described under point (iii) of letter (c) will be subsequent to those preceding;

- (f) the Spun-off Company and the Beneficiary Company have also agreed upon the term-sheets of the agreements governing, among other things, the commercial relationships between BF and the pole which will result from the transactions described under letter (c), and upon the commitment by BF to reimburse or restore any sum to be paid as a consequence of any sanctions, or any disputes concerning tax credits;

have written and prepared the following project for partial spin off, in accordance with Art. 2506-*bis* of the Italian Civil Code (the “**Spin off Project**”).

1. TYPE, NAME AND REGISTERED OFFICE OF THE COMPANIES INVOLVED IN THE SPIN OFF

1.1 Spun-off Company

Banca Fideuram S.p.A. – a company registered in the Roll of Banks, belonging to the Sanpaolo IMI Banking Group and subject to the management and coordination, pursuant to Art. 2497 of the Italian Civil Code, of Sanpaolo IMI S.p.A. – with registered office at 31 Piazzale Giulio Douhet in Rome, and permanent secondary office at 16 Corso di Porta Romana in Milan, Fiscal Code and registration number in the Company Register of Rome 00714540150, subscribed and fully paid in share capital of 254,875,546.64 euro, represented by 980,290,564 shares each with a nominal value of 0.26 euro.

BF shares are negotiated in Italy on the Italian Telematic Share Market organized and managed by Borsa Italiana S.p.A.

1.2 Beneficiary Company

Sanpaolo IMI S.p.A. – a company registered in the Roll of Banks, Parent Bank of the Sanpaolo IMI Banking Group registered in the Roll of Banking Groups – with registered office at 156 Piazza San Carlo in Turin and permanent secondary offices at 25 Viale dell’Arte in Rome and 22 Via Farini in Bologna, Fiscal Code and registration number in the

Company Register of Turin 06210280019, subscribed and fully paid in share capital of 5,144,064,800 euro, represented by 1,448,831,982 ordinary named shares each with a nominal value of 2.80 euro and 388,334,018 preference named shares each with a nominal value of 2.80 euro.

SPIMI shares are negotiated in Italy on the Italian Telematic Share Market organized and managed by Borsa Italiana S.p.A. and on the New York Stock Exchange (NYSE).

2. ARTICLES OF ASSOCIATION OF THE SPUN-OFF COMPANY AND OF THE BENEFICIARY COMPANY AND CHANGES RESULTING FROM THE SPIN OFF

2.1 Articles of Association of the Spun-off Company

As a result of the spin off, the share capital of the Spun-off Company (Article 5) will be reduced from 254,875,546.64 euro to 186,255,207.16 euro. No other changes are envisaged to the articles of association of the Spun-off Company as a result of the spin off.

The text of the articles of association of the Spun-off Company, as it will be following the spin off, is annexed to this Spin off Project as Attachment A, and is an integrated and substantial part of the same Spin off Project.

The shareholders' meeting of the Spun-off Company called to approve the Spin off Project will first be called to approve, under a separate item on the agenda, the changes to the articles of association of the same Spun-off Company, one of the aims being the adaptation to the corporate law reform. The new provisions which, subject to approval by the shareholders' meeting of the Spun-off Company and the necessary authorization, will be included in the text of the articles of association of the Spun-off Company, are annexed to this Spin off Project as Attachment B.

2.2 Articles of Association of the Beneficiary Company

As a result of the spin off, the share capital of the Beneficiary Company (Article 6) will be increased by a maximum of 73,614,340.80 euro through the issue of a maximum of 26,290,836 ordinary shares each with a nominal value of 2.80 euro.

The text of the articles of association of the Beneficiary Company, as it will be following the spin off, is annexed to this Spin off Project as Attachment C, and is an integrated and substantial part of the same Project.

The shareholders' meeting of the Beneficiary Company called to approve the Spin off Project will first be called to approve, under a separate item on the agenda, the changes to the articles of association of the same Beneficiary Company, mainly concerning the organizational model of the Management and adaptation to the corporate law reform. The new provisions which, subject to approval by the shareholders' meeting of the Beneficiary Company and the necessary Bank of Italy authorization, will be included in the text of the articles of association of the Beneficiary Company, are annexed to this Spin off Project as Attachment D.

3. ASSETS SUBJECT TO SPIN OFF

The Beneficiary Company will be assigned the participation held by BF in FV, comprising 9,369,360 ordinary shares and 4,524,873 preference shares, totaling 99.8% of the share capital (the "**Shareholding**"). The registered office of FV is at 80 Via Ennio Quirino Visconti in Rome and its permanent secondary office is at 7 Place Vendôme in Paris (France) - Fiscal Code and registration number in the Company Register of Rome 00362310104, subscribed and fully paid in share capital of 72,399,600.00 euro, represented by 9,369,360 ordinary shares and 4553,640 preference shares each with a nominal value of 5.20 euro.

The balance sheet positions for spin-off purposes of BF and SPIMI, in accordance with Articles 2506-*ter* and 2501-*quater* of the Italian Civil Code, are replaced by the financial statements as of 31 December 2003 approved by the shareholders' meetings of the companies involved in the spin off on 22 April 2004 for BF and on 29 April 2004 for SPIMI.

Considering that the Shareholding is registered in the Spun-off Company's accounts at the value of 225,148,882.50 euro, the assignment of the Shareholding to the Beneficiary Company will cause a reduction in the Spun-off Company's accounting net shareholders' equity from 795,600,752.12 euro to 570,451,869.62 euro, booking a reduction of 68,620,339.48 euro to the share capital and a reduction of 156,528,543.02 to reserves, taking into account the allocation of the operating income as of 31 December 2003.

4. ASSIGNMENT RATIO

The assignment to BF shareholders other than the Beneficiary Company of the ordinary shares of the Beneficiary Company will take place in proportion to the shareholding held by each shareholder in the Spun-off Company. The assignment ratio is set as follows:

0.07470 SPIMI ordinary shares for each BF share held.

There will be no cash compensation.

5. METHODS AND CRITERIA OF ASSIGNMENT OF THE SHARES OF THE BENEFICIARY COMPANY AND REDUCTION OF THE SHARE CAPITAL OF SPUN-OFF COMPANY

Considering the assignment ratio described under paragraph 4 and also considering the fact that SPIMI already holds 628,338,273 BF shares, the Beneficiary Company will issue a maximum of 26,290,836 ordinary shares each with a nominal value of 2.80 euro in service of the transaction.

The assignment to Spun-off Company shareholders other than SPIMI of the ordinary shares of the Beneficiary Company will take place through the dematerialization system on the date the spin off will be effective, the modalities of which will be published in a special notice.

The Spun-off Company's shareholders will be offered a service to handle any fractions of shares, at market prices and without the addition of costs, stamp duty or commission, carried out by authorized brokers. This will make it possible to round up or down to the next unit the number of newly issued ordinary shares.

The reduction of the share capital of BF, consequential to the spin off and already described under item 3, will take place through the reduction of the nominal value of the shares and, simultaneously with the assignment, 980,290,564 shares of the Spun-off Company each with a nominal value of 0.26 euro, will be withdrawn and replaced by 980,290,564 new shares each with a new nominal value of 0.19 euro.

6. DATE OF PARTICIPATION IN THE PROFITS OF THE SHARES OF THE BENEFICIARY COMPANY

The ordinary shares of the Beneficiary Company assigned to shareholders of the Spun-off Company other than SPIMI will be eligible for all applicable shares rights and will give their holders the same rights as ordinary shares already issued on the date the spin off becomes effective.

7. DATE FROM WHICH THE SPIN OFF BECOMES EFFECTIVE

The spin off will become effective, in accordance with Art. 2506-*quater* of the Italian Civil Code, on the last of the dates of registration of the spin off deed or on the different, later date eventually indicated in the spin off deed. To the effects of Art. 2501-*ter* no. 6 of the

Italian Civil Code, quoted by Art. 2506-*quater* of the Italian Civil Code, the accounting effects of the spin off will be booked to the SPIMI financial statements on the same date.

8. TREATMENT RESERVED FOR PARTICULAR CATEGORIES OF SHAREHOLDERS

There will be no special treatment for specific categories of shareholders or holders of securities other than shares for either the Spun-off Company or the Beneficiary Company.

9. PARTICULAR BENEFITS FOR DIRECTORS OF THE COMPANIES INVOLVED IN THE SPIN OFF

There will be no particular benefits for directors of the companies involved in the spin off.

ATTACHMENTS

Attachment A: Articles of Association of the Spun-off Company;

Attachment B: Provisions of the Articles of Association of the Spun-off Company in the event of approval of the changes provided for in the last section of paragraph 2.1;

Attachment C: Articles of Association of the Beneficiary Company;

Attachment D: Provisions of the Articles of Association of the Beneficiary Company in the event of approval of the changes provided for in the last section of paragraph 2.2.

Turin, 18 May 2004

For the Board of Directors of Sanpaolo IMI S.p.A.

Rome, 18 May 2004

For the Board of Directors of Banca Fideuram S.p.A.

BANCA FIDEURAM BY-LAWS

NAME - REGISTERED OFFICE - DURATION - PURPOSE

ARTICLE 1

The company is named BANCA FIDEURAM S.p.A. and assumes its current corporate name following the merger of Fideuram S.p.A. and Banca Manusardi & C. S.p.A.

It is a member of the SANPAOLO IMI Banking Group, within which it plays the role of a subholding company for its own subsidiaries. As such, the company is required to observe and ensure its subsidiaries observe the provisions that its Parent Company issues in the interests of the Group's stability as part of its management and coordination activities for the execution of instructions issued by the Bank of Italy. The company's Directors shall provide the Parent Company with all the data and information on its and its subsidiaries' activities that may be useful for the purposes of issuing provisions.

ARTICLE 2

The company's registered office is in Rome at 31, Piazzale Giulio Douhet, and its permanent secondary office is in Milan at 16, Corso di Porta Romana.

It may open and close branches, sub-branches, agencies, offices and secondary offices in Italy and abroad.

ARTICLE 3

The duration of the company shall be until 31 December 2100 and may be extended.

ARTICLE 4

The company purpose is to collect savings and offer credit in its various different forms. It may, in accordance with the provisions in force, enter into and provide all the permitted banking and financial transactions and services, including brokerage activities, as well as any other operation that is instrumental or in any way connected with achieving the company purpose.

CAPITAL

ARTICLE 5

The share capital is 186.255.207,16 Euros divided into 980,290,564 shares with a nominal value of 0.19 Euros each. The shares are registered shares.

SHAREHOLDERS' MEETINGS

ARTICLE 6

Shareholders' Meetings shall be called by the Board of Directors at the registered office or in any other place specified in the notice of meeting, provided that it is within the territory of the Italian State. Meetings may also be called by at least two members of the Board of Auditors, following notification of the Chair of the Board of Directors.

ARTICLE 7

The call of a meeting, whether ordinary or extraordinary, shall be made with the publication of the notice setting out the date, time, place and agenda of the meeting to be considered in accordance with the procedures and within the terms provided for by Italian law and the applicable regulatory provisions.

The notice may indicate the place, date and time of a meeting in second call in the event of insufficient shareholders attending the meeting at first call either in person or by proxy for it to be legally quorate. Should the need arise, the provisions of Italian law shall apply regarding meetings in third call.

ARTICLE 8

Shareholders that at least five days prior to that of a meeting deposit their shares with the Bank or other authorised parties specified in the notice of meeting shall be entitled to take part in the shareholders' meeting.

ARTICLE 9

Every share shall be entitled to one vote. Every shareholder who is entitled to take part in a meeting may have themselves represented in accordance with the provisions of Italian law.

ARTICLE 10

Meetings shall be chaired by the Chair of the Board of Directors or, in their absence, by the Vice Chair or, in the event of there being more than one Vice Chair, by one of them in order of seniority of appointment or, in their absence, by another Member of the Board nominated by the meeting. The Chair of the meeting shall be responsible for ascertaining that proxies have been validly appointed and generally speaking that the shareholders are entitled to take part in the meeting, for ensuring that it is validly held, for chairing the proceedings and for establishing the voting procedures. The Chair shall be assisted by a Secretary, if the minutes are not be taken by a notary public, and, if necessary, by two scrutineers nominated by the meeting.

ARTICLE 11

The provisions of Italian law shall determine whether a meeting, either ordinary or extraordinary, is validly held.

ARTICLE 12

The resolutions of the meeting shall be recorded in minutes signed by the Chair, Secretary and, if applicable, the scrutineers.

When matters covered by the law are concerned, the minutes shall be drafted by a notary public chosen by the Chair.

BOARD OF DIRECTORS

ARTICLE 13

The company shall be managed by a Board of Directors consisting of between seven and thirteen members elected by the shareholders' meeting.

The members of the Board of Directors shall be decided by the meeting at the time of their appointment. Directors shall be appointed for a period of three years and shall be re-electable.

ARTICLE 14

The Board shall appoint a Chair from among its members and may appoint one or more Vice Chairs. It shall also appoint a Secretary who, when not a member of the Board of Directors, shall be chosen from the Senior Management of the company.

ARTICLE 15

Meetings of the Board of Directors shall be called by the Chair or whoever takes their place, at the registered office or other location specified in the notice of meeting, once every two months as a rule and whenever the Chair of the Board of Directors considers it necessary or receives a request from at least one third of the Members of the Board. Meetings of the Board of Directors may also be called by at least two members of the Board of Auditors, following notification of the Chair of the Board of Directors.

Meetings of the Board shall be called by registered letter, telegram, telex or fax to be sent at least five days before the meeting or, in emergencies, to be sent at least twenty-four hours in advance, setting out the date, time, place and agenda of the meeting as well as the places where members can participate by audiovisual link.

The General Manager shall attend meetings of the Board of Directors and the Chair shall be entitled to have Board meetings attended by any senior management they consider appropriate.

ARTICLE 16

Resolutions of the Board of Directors shall require the attendance of the majority of board members to be valid. Resolutions shall be passed or rejected by an absolute majority of those present. In the case of an equality of votes, the person presiding over the meeting shall have a casting vote.

The resolutions shall be recorded in minutes signed by the Chair, or whoever takes their place, and the Secretary.

It is admissible for those participating in Board Meetings to do so remotely using audiovisual communication systems. In such cases:

- it shall be possible for each of the participants to take part, examine documents and express their opinions, and to do so simultaneously during discussions and resolutions.
- meetings of the Board of Directors shall be deemed to have taken place where the Chair and Secretary are located.

ARTICLE 17

The Board is invested with the widest powers for the ordinary and extraordinary management of the company with the authority to perform any acts that it considers appropriate for achieving or implementing the company purpose, excepting solely those that the law expressly restricts to the shareholders' meeting.

Decisions concerning the following shall be the exclusive competence of the Board of Directors:

- the choice of general management addresses;
- approving and amending internal regulations regarding the company's general organisational structure and operating standards;
- the appointment of the General Manager and Senior Managers at General Management level;
- the purchase and sale of equity investments;
- the purchase and sale of immovable property;
- the establishment, transfer and closure of branches, sub-branches, agencies, offices and secondary offices;
- the bringing of legal and administrative proceedings at any level and in any place, with the exception of proceedings concerning credit recovery, waivers and settlements.

ARTICLE 18

The shareholders' meeting shall decide the annual remuneration of Directors and any compensation for attending meetings of the Board of Directors and Executive Committee.

Directors shall also be entitled to the reimbursement of any expenses incurred in the exercise of their duties.

ARTICLE 19

The Board of Directors may transfer its authority to an Executive Committee and to a Managing Director, deciding the powers delegated. It may not delegate the powers specified in arts. 2423, 2443, 2446 and 2447 of the Italian Civil Code, or those specified in art. 17, subparagraph two, of these by-laws. Duties and powers regarding ordinary management and the disbursement of loans may also be conferred on the General Manager, Senior Managers at General Management level and other Senior Managers, Managers, Middle Management, middle and higher-ranking employees and those in charge of branches, sub-branches, agencies, offices and secondary offices, either individually or in committees, within predetermined amounts.

The Board of Directors shall be informed of the decisions taken by those delegated such powers in accordance with the procedures that the Board itself has decided.

In emergencies, the Managing Director may, having consulted the Chair of the Board of Directors, take decisions that are the province of the Executive Committee when it is impossible for the Executive Committee to meet, and of the Board of Directors when it is impossible for the Board and the Executive Committee to meet. The bodies concerned shall be informed of the decisions taken at their first subsequent meeting. The Directors shall report to the Board of Auditors at least once every quarter, including upon meetings of the Board of Directors or Executive Committee, on the most important economic and financial activities and transactions carried out by the Company and its Subsidiaries; they shall in particular report on any transactions involving a potential conflict of interest.

ARTICLE 20

The Executive Committee shall be appointed for the period from time to time decided by the Board of Directors, which shall also decide its powers.

The Executive Committee shall comprise between three and six members. The Board of Directors shall decide the members of the Executive Committee. Meetings of the Executive Committee shall be called by the Chair or whoever takes their place, at least once per month as a rule and whenever the Chair considers it necessary or receives a request from one of its members. Meetings of the Executive Committee may also be called by at least two members of the Board of Directors, following notification of the Chair of the Board of Directors. Meetings shall be called by registered letter, telegram, telex or fax to be sent at least five days prior to the meeting or, in emergencies, to be sent at least twenty-four hours in advance, setting out the date, time, place and agenda of the meeting as well as the places where members can participate by audiovisual link.

The General Manager shall attend meetings of the Executive Committee.

Meetings of the Executive Committee shall be deemed valid when the majority of its members are present and resolutions shall be passed or rejected by a majority of those present and entitled to vote. In the case of an equality of votes, the chair of the meeting shall have a casting vote.

The functions of Secretary of the Executive Committee shall be performed by the Secretary of the Board of Directors or, in their absence, by a Senior Manager of the company nominated by the chair of the meeting.

It is admissible for those participating in Executive Committee Meetings to do so remotely using audiovisual communication systems. In such cases:

- it shall be possible for each of the participants to take part, examine documents and express their opinions, and to do so simultaneously during discussions and resolutions.
- meetings of the Executive Committee shall be deemed to have taken place where the Chair and Secretary are located.

ARTICLE 21

The General Management shall comprise a General Manager, if appointed, and one or more persons who may be appointed Joint General Manager and Vice General Manager.

They shall be responsible, in accordance with the related functions and competencies assigned by the Board of Directors, for:

- executing the resolutions of the Board of Directors and Executive Committee, and the decisions of the Managing Director;
- managing current business;
- organising the activities and deciding the duties and destinations of human resources.

In cases of absence or impediment, the General Manager shall be substituted by the Joint General Manager or, if the latter is unable to attend, by the Vice General Manager.

ARTICLE 22

The Chair shall be empowered to act as the company's legal representative in dealings with third parties and in legal proceedings, and shall have power of signature. In cases of absence or impediment, the Chair shall be substituted by one of the Vice Chairs or, if the latter is unable to attend, by the Managing Director or longest-serving Member of the Board. The signature of the person substituting the Chair shall constitute proof to third parties of the absence of or impediment to the latter.

The Managing Director, General Manager, Joint General Manager and Vice General Manager shall be empowered to represent the company and have power of signature within the limits of their assigned duties and the powers conferred upon them by the Board of Directors.

The Board of Directors may, moreover, delegate power of signature to Senior Managers, Managers and Employees, deciding the related powers, limits and uses. The Board of Directors may also confer powers including power of attorney on people outside the company for the performance of individual acts and classes of acts.

AUDITORS

ARTICLE 23

The Shareholders' Meeting shall elect the Board of Auditors, consisting of three Statutory Auditors and two Supplementary Auditors.

The Auditors shall be appointed for three years - unless the law provides otherwise - and shall be re-electable. At least one of the Statutory Auditors and at least one of the Supplementary Auditors shall be listed in the register of auditors as having operated as statutory auditors for no less than three years.

The remaining Auditors may be chosen from those listed as having at least three years' experience in:

- a) administrative or auditing activities or management responsibilities in joint-stock companies with a share capital of not less than two million euros, or
- b) professional or full-time university teaching activities in legal, economic, banking, finance, insurance areas or areas that are of practical relevance to the activities of the bank, or
- c) senior-management duties in public bodies or public administration bodies operating in the banking, financial or insurance sectors.

The entire Board of Auditors shall be appointed from lists presented by the Shareholders in which each candidate shall be listed using a progressive number.

The lists shall be filed at the registered office at least 10 days before the date fixed for the Shareholders' Meeting in first call and this shall be noted in the notice of meeting published in the press.

Each Shareholder may present or contribute to the presentation of a single list and each candidate may present themselves in a single list, upon penalty of ineligibility.

Only those Shareholders who either individually or together with other Shareholders account for at least 3% of the shares with voting rights at Ordinary Meetings shall be entitled to present lists. The Shareholders shall, together and at once, be required to present a copy of the tickets of admission issued by the depositories of their shares in order to prove that they own the number of shares required to present lists.

The declarations of the individual candidates accepting their candidature shall be filed together with each list, by the date for filing the lists, in which each candidate shall testify under their own responsibility that there are no causes for ineligibility and incompatibility, and that they meet the requirements of the regulations in force to hold office as Auditor. Each person entitled to vote may vote for one list only.

Elections for the members of the Board of Auditors shall proceed as follows:

- a. two Statutory Auditors and one Supplementary Auditor shall be selected from the list that received the majority of Shareholders' votes in the progressive order in which they appear in the list itself;
- b. the remaining Statutory Auditor and one Supplementary Auditor shall be selected from the other lists; the votes received by the lists themselves shall subsequently be divided by one, two and three to this end; the quotients obtained in this way shall be allocated progressively to the candidates in each of said lists in the order that they appear in them; the quotients allocated to the candidates in the different lists in this way shall then be drawn up in a single listing, ranked in descending order: the candidate obtaining the highest quotient shall be elected Statutory Auditor and the candidate obtaining the second highest quotient shall be elected Supplementary Auditor; should more than one candidate obtain the same quotient, the candidate in the list from which no Auditors have yet been elected shall be elected; should no one have been elected Auditor from any of these lists, the entire Meeting shall vote again and the candidate obtaining the simple majority of votes shall be elected.

Auditors that are for whatever reason not elected following the above procedure shall be appointed by the Shareholders' Meeting with the majorities provided for by law.

The Chair of the Board of Auditors shall be the person whose name appears first in the list obtaining the majority of votes.

In the event of an Auditor from the list obtaining the majority of Shareholders' votes needing to be substituted, they shall be replaced by the Supplementary Auditor in the same list; in the event of an Auditor from the other lists needing to be substituted, they shall be

replaced by the Supplementary Auditor elected following the procedure set out in point b. of this article.

The appointment of Auditors for completing the numbers of the Board of Auditors in accordance with art. 2401 of the Italian Civil Code shall be carried out by the Shareholders' Meeting by relative majority, without prejudice to the right of the minority to appoint a Statutory Auditor.

The Auditors shall be paid the fees determined by the Shareholders' Meeting, which may also decide to pay each Auditor a fixed sum in addition to their fees for each meeting they attend; the Auditors shall also be entitled to have any expenses incurred in performing the duties of their office reimbursed and to the payment of daily allowances in the sum determined by the Shareholders' Meeting.

The members of the Board of Auditors shall not hold the office of Statutory Auditor in more than 5 other listed companies.

FINANCIAL STATEMENTS AND PROFITS

ARTICLE 24

The company's financial year shall end on 31 December each year.

ARTICLE 25

The net profits for the corporate year shall be divided as follows:

- 10% to the legal reserve in accordance with the provisions in force;
- the remainder to capital income or other reserves or other destinations in the amount and manner decided by the Shareholders' Meeting.

ARTICLE 26

Dividends shall be paid at the banks specified by the Board of Directors, at the date decided annually by the Shareholders' Meeting.

ARTICLE 27

Compulsory dividends that are not collected shall be transferred to the company and assigned to the extraordinary reserve.

DISSOLUTION

ARTICLE 28

In the event of the dissolution of the company and for all cases not provided for by these by-laws, the law shall apply.

BANCA FIDEURAM BY-LAWS

NAME - REGISTERED OFFICE - DURATION - PURPOSE

Current text

ARTICLE 2

The company's registered office is in Rome at 31, Piazzale Giulio Douhet, and its permanent secondary office is in Milan at 16, Corso di Porta Romana.

It may open and close branches, sub-branches, agencies, offices and secondary offices in Italy and abroad.

Proposed text

ARTICLE 2

The company's registered office is **in Rome**, and its permanent secondary office is **in Milan**.

In agreement with current regulations the company may create or close secondary and representative offices in Italy and abroad.

Current text

ARTICLE 3

The duration of the company shall be until 31 December 2100 and may be extended.

Proposed text

ARTICLE 3

The duration of the company shall be until 31 December **2050** and may be extended.

CAPITAL

Current text

ARTICLE 5

The share capital is 254,875,546.64 Euros divided into 980,290,564 shares with a nominal value of 0.26 Euros each.

The shares are registered shares.

Proposed text

ARTICLE 5

The share capital is 254,875,546.64 Euros, **fully paid-up**, divided into 980,290,564 **ordinary** shares with a nominal value of 0.26 Euros each. The shares are registered shares.

The shares are registered shares **and are issued in non-paper form**.

SHAREHOLDERS' MEETINGS

Current text

ARTICLE 6

Shareholders' Meetings shall be called by the Board of Directors at the registered office or in any other place specified in the notice of meeting, provided that it is within the territory of the Italian State. Meetings may also be called by at least two members of the Board of Auditors, following notification of the Chair of the Board of Directors.

Proposed text

ARTICLE 6

Shareholders' Meetings shall be called by the Board of Directors at the registered office or in any other place specified in the notice of meeting, provided that it is within the territory of the Italian State. Meetings may also be called by at least two members of the Board of Auditors, following notification of the Chair of the Board of Directors.

The Ordinary Shareholders' Meeting is called at least once a year within one-hundred-twenty days from the closing of the financial year. In those cases provided by Law, the Shareholders' Meeting may be called within one-hundred-eighty days of the same.

Current text

ARTICLE 7

The call of a meeting, whether ordinary or extraordinary, shall be made with the publication of the notice setting out the date, time, place and agenda of the meeting to be considered in accordance with the procedures and within the terms provided for by Italian law and the applicable regulatory provisions.

The notice may indicate the place, date and time of a meeting in second call in the event of insufficient shareholders attending the meeting at first call either in person or by proxy for it to be legally quorate.

Should the need arise, the provisions of Italian law shall apply regarding meetings in third call.

Current text

ARTICLE 8

Shareholders that at least five days prior to that of a meeting deposit their shares with the Bank or other authorised parties specified in the notice of meeting shall be entitled to take part in the shareholders' meeting.

Current text

ARTICLE 10

Meetings shall be chaired by the Chair of the Board of Directors or, in their absence, by the Vice Chair or, in the event of there being more than one Vice Chair, by one of them in order of seniority of appointment or, in their absence, by another Member of the Board nominated by the meeting.

Proposed text

ARTICLE 7

The call of a meeting, whether ordinary or extraordinary, shall be made with the publication of the notice **on the Official Gazette of the Italian Republic**, setting out the date, time, place and agenda of the meeting to be considered in accordance with the procedures and within the terms provided for by Italian law and the applicable regulatory provisions.

The notice may indicate the place, date and time of a meeting in second call in the event of insufficient shareholders attending the meeting at first call either in person or by proxy for it to be legally quorate.

Should the need arise, the provisions of Italian law shall apply regarding meetings in third call.

Proposed text

ARTICLE 8

Shareholders entitled to vote that demonstrate their legitimacy in accordance with applicable regulations provided by Law may attend the Shareholders' Meeting. Participation in the Meeting is not subject to the prior deposit of the shares pursuant to Article 2370 of the Italian Civil Code.

Proposed text

ARTICLE 10

Meetings shall be chaired by the Chair of the Board of Directors or, in their absence, by the Vice Chair or, in the event of there being more than one Vice Chair, by one of them in order of seniority of appointment or, in their absence, by another Member of the Board nominated by the meeting.

The Chair of the meeting shall be responsible for ascertaining that proxies have been validly appointed and generally speaking that the shareholders are entitled to take part in the meeting, for ensuring that it is validly held, for chairing the proceedings and for establishing the voting procedures.

The Chair shall be assisted by a Secretary, if the minutes are not be taken by a notary public, and, if necessary, by two scrutineers nominated by the meeting.

Current text

ARTICLE 11

The provisions of Italian law shall determine whether a meeting, either ordinary or extraordinary, is validly held.

Current text

ARTICLE 12

The resolutions of the meeting shall be recorded in minutes signed by the Chair, Secretary and, if applicable, the scrutineers.

When matters covered by the law are concerned, the minutes shall be drafted by a notary public chosen by the Chair.

The Chair of the Meeting **shall be responsible for ensuring that the Meeting has been regularly convened, for ascertaining the identity and legitimacy of persons present, for Chairing the proceedings and ascertaining the results of the voting.**

The Chair shall be assisted by a Secretary, if the minutes are not be taken by a notary public, and, if necessary, by two scrutineers nominated by the meeting.

Proposed text

ARTICLE 11

The provisions of Italian law shall determine whether a meeting, either ordinary or extraordinary, **both in first and second call, and with regards to the extraordinary meeting, also in third call,** is validly held.

Proposed text

ARTICLE 12

The resolutions of the meeting shall be recorded in minutes signed by the Chair, Secretary and, if applicable, the scrutineers.

When matters covered by the law are concerned, the minutes shall be drafted by a notary public chosen by the Chair.

Copies and excerpts from the minutes not drafted by a notary public are ascertained through a declaration underwritten by the Chair and the Secretary.

BOARD OF DIRECTORS

Current text

ARTICLE 13

The company shall be managed by a Board of Directors consisting of between seven and thirteen members elected by the Shareholders' Meeting.

The members of the Board of Directors shall be decided by the meeting at the time of their

Proposed text

ARTICLE 13

The company shall be managed by a Board of Directors consisting of between seven and thirteen members elected by the Shareholders' Meeting.

The members of the Board of Directors shall be decided by the meeting at the time of their

appointment. Directors shall be appointed for a period of three years and may be re-elected.

appointment. Directors shall be appointed for a period of three **fiscal years** and may be re-elected.

The suspension, replacement and termination of Directors is regulated as provided by the law.

In case, due to resignation or other causes the majority of Directors appointed by the Meeting is no longer in office, the entire Board of Directors is terminated and the remaining Directors are required to call promptly a Shareholders' Meeting to appoint a new Board of Directors.

Current text

ARTICLE 15

Meetings of the Board of Directors shall be called by the Chair or whoever takes their place, at the registered office or other location specified in the notice of meeting, once every two months as a rule and whenever the Chair of the Board of Directors considers it necessary or receives a request from at least one third of the Members of the Board. Meetings of the Board of Directors may also be called by at least two members of the Board of Auditors, following notification of the Chair of the Board of Directors.

Meetings of the Board shall be called by registered letter, telegram, telex or fax to be sent at least five days before the meeting or, in emergencies, to be sent at least twenty-four hours in advance, setting out the date, time, place and agenda of the meeting as well as the places where members can participate by audiovisual link.

The General Manager shall attend meetings of the Board of Directors and the Chair shall be entitled to have Board meetings attended by any senior management they consider appropriate.

Proposed text

ARTICLE 15

Meetings of the Board of Directors shall be called by the Chair or whoever takes their place, at the registered office or other location specified in the notice of meeting, once every two months as a rule and whenever the Chair of the Board of Directors considers it necessary or receives a request from at least one third of the Members of the Board. Meetings of the Board of Directors may also be called by at least two members of the Board of Auditors, following notification of the Chair of the Board of Directors.

Meetings of the Board shall be called by registered letter, telegram, telex or fax **or any telecommunications medium that allows proof of delivery**, to be sent at least five days before the meeting or, in emergencies, to be sent at least twenty-four hours in advance, setting out the date, time, place and agenda of the meeting as well as the places where members can participate by **telecommunication links**.

The General Manager shall attend meetings of the Board of Directors and the Chair shall be entitled to have Board meetings attended by any senior management they consider appropriate.

Current text

ARTICLE 16

Resolutions of the Board of Directors shall require the attendance of the majority of board members to be valid.

Resolutions shall be passed or rejected by an absolute majority of those present. In the case of an equality of votes, the person presiding over the meeting shall have a casting vote.

The resolutions shall be recorded in minutes signed by the Chair, or whoever takes their place, and the Secretary.

It is admissible for those participating in Board Meetings to do so remotely using audiovisual communication systems. In such cases:

• it shall be possible for each of the participants to take part, examine documents and express their opinions, and to do so simultaneously during discussions and resolutions;

• meetings of the Board of Directors shall be deemed to have taken place where the Chair and Secretary are located.

Current text

ARTICLE 17

The Board is invested with the widest powers for the ordinary and extraordinary management of the company with the authority to perform any acts that it considers appropriate for achieving or implementing the company purpose, excepting solely those that the law expressly restricts to the shareholders' meeting.

Decisions concerning the following shall be the exclusive competence of the Board of Directors:

- the choice of general management addresses;
- approving and amending internal regulations regarding the company's general organisational structure and operating standards;
- the appointment of the General Manager and Senior Managers at General Management level;
- the purchase and sale of equity investments;
- the purchase and sale of immovable

Proposed text

ARTICLE 16

Resolutions of the Board of Directors shall require the attendance of the majority of board members to be valid.

Resolutions shall be passed or rejected by an absolute majority of those present. In the case of an equality of votes, the person presiding over the meeting shall have a casting vote.

The resolutions shall be recorded in minutes signed by the Chair, or whoever takes their place, and the Secretary.

It is admissible for those participating in Board Meetings to do so remotely also **using telecommunication links**. In such cases:

• **the identification of persons entitled to participate and the possibility for all participants to take part in the discussion in real time and to examine, receive and transmit documents must be ensured;**

• meetings of the Board of Directors shall be deemed to have taken place where the Chair and Secretary are located.

Proposed text

ARTICLE 17

The Board is invested **with all powers concerning the management of the Company.**

In addition to powers that may not be attributed to others pursuant to the law, decisions concerning the following shall be the exclusive competence of the Board of Directors:

- the choice of general management addresses;
- approving and amending internal regulations regarding the company's general organisational structure and operating standards;
- the appointment of the General Manager and Senior Managers at General Management level;

property;

- the establishment, transfer and closure of branches, sub-branches, agencies, offices and secondary offices;
- the bringing of legal and administrative proceedings at any level and in any place, with the exception of proceedings concerning credit recovery, waivers and settlements.

Current text

ARTICLE 18

The shareholders' meeting shall decide the annual remuneration of Directors and any compensation for attending meetings of the Board of Directors and Executive Committee.

Directors shall also be entitled to the reimbursement of any expenses incurred in the exercise of their duties.

Current text

ARTICLE 19

The Board of Directors may transfer its authority to an Executive Committee and to a Managing Director, deciding the powers delegated. It may not delegate the powers specified in arts., 2423, 2443, 2446 and 2447 of the Italian Civil Code, or those specified in art. 17, subparagraph two, of these by-laws.

Duties and powers regarding ordinary management and the disbursement of loans may also be conferred on the General Manager, Senior Managers at General Management level and other Senior Managers, Managers, Middle Management, middle and higher-ranking employees and those in charge of branches, sub-branches, agencies, offices and secondary offices, either individually or in committees, within predetermined amounts.

The Board of Directors shall be informed of the decisions taken by those delegated such powers in accordance with the procedures that the Board itself has decided.

In emergencies, the Managing Director may, having consulted the Chair of the Board of

Proposed text

ARTICLE 18

The shareholders' meeting shall decide the annual remuneration of Directors and any compensation for attending meetings of the Board of Directors and Executive Committee.

Directors shall also be entitled to the reimbursement of any expenses incurred in the exercise of their duties.

Remuneration of Directors holding positions in accordance with the By-laws is determined by the Board of Directors in agreement with the Board of Auditors.

Proposed text

ARTICLE 19

The Board of Directors may transfer its authority to an Executive Committee and to a Managing Director, deciding the powers delegated. It may not delegate the powers specified in arts. **2420-ter**, 2423, 2443, 2446 and 2447, **2501-ter and 2506-bis** of the Italian Civil Code, or those specified in art. 17, **subparagraph two and three**, of these by-laws.

Duties and powers regarding ordinary management and the disbursement of loans may also be conferred on the General Manager, Senior Managers at General Management level and other Managers and those in charge of branches, sub-branches, agencies, offices and secondary offices, **in addition to other employees of the Company**, either individually or in committees, within predetermined amounts.

Appointed corporate entities ensure that the organizational, administrative and accounting structure is adequate and report quarterly to the Board of Directors and Board of Auditors on such issues, on the operating performance in general and on the outlook of the same, in addition to major operations carried out by the Company and its subsidiaries.

In emergencies, the Managing Director may, having consulted the Chair of the Board of

Directors, take decisions that are the province of the Executive Committee when it is impossible for the Executive Committee to meet, and of the Board of Directors when it is impossible for the Board and the Executive Committee to meet. The bodies concerned shall be informed of the decisions taken at their first subsequent meeting.

The Directors shall report to the Board of Auditors at least once every quarter, including upon meetings of the Board of Directors or Executive Committee, on the most important economic and financial activities and transactions carried out by the Company and its Subsidiaries; they shall in particular report on any transactions involving a potential conflict of interest.

Current text

ARTICLE 20

The Executive Committee shall be appointed for the period from time to time decided by the Board of Directors, which shall also decide its powers.

The Executive Committee shall comprise between three and six members. The Board of Directors shall decide the members of the Executive Committee.

Meetings of the Executive Committee shall be called by the Chair or whoever takes their place, at least once per month as a rule and whenever the Chair considers it necessary or receives a request from one of its members. Meetings of the Executive Committee may also be called by at least two members of the Board of Auditors, following notification of the Chair of the Board of Directors.

Meetings shall be called by registered letter, telegram, telex or fax to be sent at least five days prior to the meeting or, in emergencies, to be sent at least twenty-four hours in advance, setting out the date, time, place and agenda of the meeting as well as the places where

Directors, take decisions that are the province of the Executive Committee when it is impossible for the Executive Committee to meet, and of the Board of Directors when it is impossible for the Board and the Executive Committee to meet. The bodies concerned shall be informed of the decisions taken at their first subsequent meeting.

The Directors, **in compliance with special legislation**, shall report to the Board of Auditors at least once every quarter, including upon meetings of the Board of Directors or Executive Committee, on the most important economic and financial activities and transactions carried out by the Company and its Subsidiaries; they shall in particular report on any transactions **in which they have a vested interest, either in first person or through other parties, or that are influenced by the subject that exercises management or coordination activities over it**.

Proposed text

ARTICLE 20

The Executive Committee shall be appointed for the period from time to time decided by the Board of Directors, which shall also decide its powers.

The Executive Committee shall comprise between three and six members. The Board of Directors shall decide the members of the Executive Committee.

Meetings of the Executive Committee shall be called by the Chair or whoever takes their place, at least once per month as a rule and whenever the Chair considers it necessary or receives a request from one of its members. Meetings of the Executive Committee may also be called by at least two members of the Board of Auditors, following notification of the Chair of the Board of Directors.

Meetings shall be called by registered letter, telegram, telex or fax, **or any telecommunications media that allows proof of delivery**, to be sent at least five days prior to the meeting or, in emergencies, to be sent at least twenty-four hours in advance, setting out the

members can participate by audiovisual link.

The General Manager shall attend meetings of the Executive Committee.

Meetings of the Executive Committee shall be deemed valid when the majority of its members are present and resolutions shall be passed or rejected by a majority of those present and entitled to vote. In the case of an equality of votes, the Chair of the meeting shall have a casting vote.

The functions of Secretary of the Executive Committee shall be performed by the Secretary of the Board of Directors or, in their absence, by a Senior Manager of the company nominated by the Chair of the meeting.

It is admissible for those participating in Executive Committee Meetings to do so remotely using audiovisual communication systems. In such cases:

- it shall be possible for each of the participants to take part, examine documents and express their opinions, and to do so simultaneously during discussions and resolutions;

- meetings of the Executive Committee shall be deemed to have taken place where the Chair and Secretary are located.

Current text

ARTICLE 22

The Chair shall be empowered to act as the company's legal representative in dealings with third parties and in legal proceedings, and shall have power of signature.

In cases of absence or impediment, the Chair shall be substituted by one of the Vice Chairs or, if the latter is unable to attend, by the Managing Director or longest serving Member of the Board.

The signature of the person substituting the Chair shall constitute proof to third parties of the absence of or impediment to the latter.

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It is admissible for those participating in Executive Committee Meetings to do so remotely **also using telecommunication systems**. In such cases:

- **the identification of persons entitled to participate and the possibility for all participants to take part in the discussion in real time and to examine, receive and transmit documents must be ensured;**

- meetings of the Executive Committee shall be deemed to have taken place where the Chair and Secretary are located.

Proposed text

ARTICLE 22

The Chair shall be empowered to act as the company's legal representative in dealings with third parties and in legal proceedings, and shall have power of signature.

In cases of absence or impediment, the Chair shall be substituted by one of the Vice Chairs or, if the latter is unable to attend, by the Managing Director or longest serving Member of the Board.

The signature of the person substituting the Chair shall constitute proof to third parties of the absence of or impediment to the latter.

The Managing Director, General Manager, Joint General Manager and Vice General Manager shall be empowered to represent the company and have power of signature within the limits of their assigned duties and the powers conferred upon them by the Board of Directors.

The Managing Director, General Manager, Joint General Manager and Vice General Manager shall be empowered to represent the company and have power of signature within the limits of their assigned duties and the powers conferred upon them by the Board of Directors.

The Board of Directors may also confer powers including power of attorney on people outside the company for the performance of individual acts and classes of acts.

The Managing Director, General Manager, Joint General Manager and Vice General Manager shall be empowered to represent the company and have power of signature within the limits of their assigned duties and the powers conferred upon them by the Board of Directors.

The Managers and Employees of the Company shall be empowered to represent the company and have power of signature within the limits of their assigned duties and the powers conferred upon them by the Board of Directors.

The Board of Directors may also confer powers including power of attorney on people outside the company for the performance of individual acts and classes of acts.

SINDACI

Current text

ARTICLE 23

The Shareholders' Meeting shall elect the Board of Auditors, consisting of three Statutory Auditors and two Supplementary Auditors

The Auditors shall be appointed for three years – unless the law provides otherwise - and shall be re-electable. At least one of the Statutory Auditors and at least one of the Supplementary Auditors shall be listed in the register of auditors as having operated as statutory auditors for no less than three years.

The remaining Auditors may be chosen from those listed as having at least three years' experience in:

- a) administrative or auditing activities or management responsibilities in joint-stock companies with a share capital of not less than two million euros, or
- b) professional or full-time university teaching activities in legal, economic, banking, finance, insurance areas or areas that are of practical relevance to the activities of the bank, or
- c) senior-management duties in public bodies or public administration bodies operating in the

Proposed text

ARTICLE 23

The Shareholders' Meeting shall elect the Board of Auditors, consisting of three Statutory Auditors and two Supplementary Auditors

The Auditors shall be appointed for three **fiscal years** – unless the law provides otherwise - and may be re-appointed. At least one of the Statutory Auditors and at least one of the Supplementary Auditors shall be listed in the register of auditors as having operated as statutory auditors for no less than three years.

The remaining Auditors may be chosen from those listed as having at least three years' experience in:

- a) administrative or auditing activities or management responsibilities in joint-stock companies with a share capital of not less than two million euros, or
- b) professional or full-time university teaching activities in legal, economic, banking, finance, insurance areas or areas that are of practical relevance to the activities of the bank, or
- c) senior-management duties in public bodies or public administration bodies operating in the

banking, financial or insurance sectors.

The entire Board of Auditors shall be appointed from lists presented by the Shareholders in which each candidate shall be listed using a progressive number.

The lists shall be filed at the registered office at least 10 days before the date fixed for the Shareholders' Meeting in first call and this shall be noted in the notice of meeting published in the press.

Each Shareholder may present or contribute to the presentation of a single list and each candidate may present themselves in a single list, upon penalty of ineligibility.

Only those Shareholders who either individually or together with other Shareholders account for at least 3% of the shares with voting rights at Ordinary Meetings shall be entitled to present lists. The Shareholders shall, together and at once, be required to present a copy of the tickets of admission issued by the depositories of their shares in order to prove that they own the number of shares required to present lists.

The declarations of the individual candidates accepting their candidature shall be filed together with each list, by the date for filing the lists, in which each candidate shall testify under their own responsibility that there are no causes for ineligibility and incompatibility, and that they meet the requirements of the regulations in force to hold office as Auditor.

Each person entitled to vote may vote for one list only. Elections for the members of the Board of Auditors shall proceed as follows:

- a) two Statutory Auditors and one Supplementary Auditor shall be selected from the list that received the majority of Shareholders' votes in the progressive order in which they appear in the list itself;
- b) the remaining Statutory Auditor and one Supplementary Auditor shall be selected from the other lists; the votes received by the lists themselves shall subsequently be divided by one, two and three to this end; the quotients obtained in this way shall be allocated progressively to the candidates in each of said lists in the order that they appear in them; the

banking, financial or insurance sectors.

The entire Board of Auditors shall be appointed from lists presented by the Shareholders in which each candidate shall be listed using a progressive number.

The lists shall be filed at the registered office at least 10 days before the date fixed for the Shareholders' Meeting in first call and this shall be noted in the notice of meeting published in the press.

Each Shareholder may present or contribute to the presentation of a single list and each candidate may present themselves in a single list, upon penalty of ineligibility.

Only those Shareholders who either individually or together with other Shareholders account for at least **1%** of the shares with voting rights at Ordinary Meetings shall be entitled to present lists. The Shareholders shall, together and at once, be required to produce **certifications that attest their participation in the centralized management of the shares of the Company.**

The declarations of the individual candidates accepting their candidature shall be filed together with each list, by the date for filing the lists, in which each candidate shall testify under their own responsibility that there are no causes for ineligibility and incompatibility, and that they meet the requirements of the regulations in force to hold office as Auditor.

Each person entitled to vote may vote for one list only. Elections for the members of the Board of Auditors shall proceed as follows:

- a) two Statutory Auditors and one Supplementary Auditor shall be selected from the list that received the majority of Shareholders' votes in the progressive order in which they appear in the list itself;
- b) the remaining Statutory Auditor and one Supplementary Auditor shall be selected from the other lists; the votes received by the lists themselves shall subsequently be divided by one, two and three to this end; the quotients obtained in this way shall be allocated progressively to the candidates in each of said lists in the order that they appear in them; the

quotients allocated to the candidates in the different lists in this way shall then be drawn up in a single listing, ranked in descending order: the candidate obtaining the highest quotient shall be elected Statutory Auditor and the candidate obtaining the second highest quotient shall be elected Supplementary Auditor; should more than one candidate obtain the same quotient, the candidate in the list from which no Auditors have yet been elected shall be elected; should no one have been elected Auditor from any of these lists, the entire Meeting shall vote again and the candidate obtaining the simple majority of votes shall be elected.

Auditors that are for whatever reason not elected following the above procedure shall be appointed by the Shareholders' Meeting with the majorities provided for by law.

The Chair of the Board of Auditors shall be the person whose name appears first in the list obtaining the majority of votes.

In the event of an Auditor from the list obtaining the majority of Shareholders' votes needing to be substituted, they shall be replaced by the Supplementary Auditor in the same list; in the event of an Auditor from the other lists needing to be substituted, they shall be replaced by the Supplementary Auditor elected following the procedure set out in point b. of this article.

The appointment of Auditors for completing the numbers of the Board of Auditors in accordance with art. 2401 of the Italian Civil Code shall be carried out by the Shareholders' Meeting by relative majority, without prejudice to the right of the minority to appoint a Statutory Auditor.

The Auditors shall be paid the fees determined by the Shareholders' Meeting, which may also decide to pay each Auditor a fixed sum in addition to their fees for each meeting they attend; the Auditors shall also be entitled to have any expenses incurred in performing the duties of their office reimbursed and to the payment of daily allowances in the sum determined by the Shareholders' Meeting.

The members of the Board of Auditors shall not

quotients allocated to the candidates in the different lists in this way shall then be drawn up in a single listing, ranked in descending order: the candidate obtaining the highest quotient shall be elected Statutory Auditor and the candidate obtaining the second highest quotient shall be elected Supplementary Auditor; should more than one candidate obtain the same quotient, the candidate in the list from which no Auditors have yet been elected shall be elected; should no one have been elected Auditor from any of these lists, the entire Meeting shall vote again and the candidate obtaining the simple majority of votes shall be elected.

Auditors that are for whatever reason not elected following the above procedure shall be appointed by the Shareholders' Meeting with the majorities provided for by law.

The Chair of the Board of Auditors shall be the person whose name appears first in the list obtaining the majority of votes.

In the event of an Auditor from the list obtaining the majority of Shareholders' votes needing to be substituted, they shall be replaced by the Supplementary Auditor in the same list; in the event of an Auditor from the other lists needing to be substituted, they shall be replaced by the Supplementary Auditor elected following the procedure set out in point b. of this article.

The appointment of Auditors for completing the numbers of the Board of Auditors in accordance with art. 2401 of the Italian Civil Code shall be carried out by the Shareholders' Meeting by relative majority, without prejudice to the right of the minority to appoint a Statutory Auditor.

The Auditors shall be paid the fees determined by the Shareholders' Meeting, which may also decide to pay each Auditor a fixed sum in addition to their fees for each meeting they attend; the Auditors shall also be entitled to have any expenses incurred in performing the duties of their office reimbursed and to the payment of daily allowances in the sum determined by the Shareholders' Meeting.

The members of the Board of Auditors shall not

hold the office of Statutory Auditor in more than 5 other listed companies.

hold the office of Statutory Auditor in more than 5 other listed companies.

Board of Auditors' meetings may be validly held also through telecommunications links, provided it is possible to identify all persons participating in the meeting and the possibility for all participants to take part in the discussion in real time and to examine, receive and transmit documents is ensured. Meetings shall be deemed to have taken place where the Board of Auditors have been summoned or where at least one Auditor is present.

AUDITING

Current text

Proposed text

ARTICLE 24

The auditing of the accounts is carried out by an independent auditing firm that fulfils legal requirements for such task. The appointment, and termination of the appointment, the tasks, powers and responsibilities regarding auditing are regulated by applicable law provisions.

FINANCIAL STATEMENTS AND PROFITS

Current text

Proposed text

ARTICLE 24

The company's financial year shall end on 31 December each year.

ARTICLE 25

[Idem]

Current text

Proposed text

ARTICLE 25

The net profits for the corporate year shall be divided as follows:

- 10% to the legal reserve in accordance with applicable regulations in force;
- the remainder to capital income or other reserves or other destinations in the amount and manner decided by the Shareholders' Meeting.

ARTICLE 26

[Idem]

Current text

Proposed text

ARTICLE 26

Dividends shall be paid at the banks specified

ARTICLE 27

[Idem]

by the Board of Directors, at the date decided annually by the Shareholders' Meeting.

Current text

ARTICLE 27

Dividends that are not collected shall be transferred to the company and assigned to the extraordinary reserve.

Proposed text

ARTICLE 28

Dividends that are not collected shall be transferred to the company and assigned to the extraordinary reserve.

RETURN OF SHARES TO THE COMPANY

Current text

Proposed text

ARTICLE 29

The right of shareholders to put back their shares to the company is admitted only in those cases that are provided by law. Shareholders that did not participate in the approval of resolutions regarding a) the extension of the duration of the company and b) the introduction or elimination of restrictions to the circulation of the shares, do not have the right to put back their shares to the company. Terms and conditions for the exercise by shareholders of the right to put their shares back to the company, criteria for determining the value of the shares and payment procedures are regulated by law.

WINDING-UP

Current text

ARTICLE 28

In the event of the winding-up of the company and for all cases not provided for by these by-laws, the law shall apply.

Proposed text

ARTICLE 30

[Idem]

APPENDIX C
SANPAOLO IMI
ARTICLES AND BY-LAWS

SECTION I
CONSTITUTION - REGISTERED OFFICE - LIFE AND PURPOSE OF THE COMPANY

ARTICLE 1

1.1 The Company is called “SANPAOLO IMI S.p.A.” and is established as a company limited by shares.

1.2 The Company is a Bank according to the terms of Legislative Decree 385 of September 1, 1993.

ARTICLE 2

2.1 The Company has its registered office in Turin and secondary offices, with permanent establishment, in Rome and Bologna.

2.2 Within the observance of the regulations in force, it may open and closes branches and representative offices in Italy and abroad.

ARTICLE 3

3.1 The life of the Company is fixed until December 31, 2100.

3.2 The extension of the life of the Company must be approved by the Extraordinary Meeting of Shareholders with a legal majority.

ARTICLE 4

4.1 The Company has as its purpose the collection of deposits from the public and the business of lending in its various forms, in Italy and abroad.

4.2 The Company may undertake, within the limits of the regulations in force, all banking and financial transactions and services as well as any other transaction in the way of business and in whatever way related to the achievement of its corporate objective.

4.3 The Company - in its capacity as Reporting Bank for Bank of Italy purposes of the SANPAOLO IMI Banking Group according to the terms of Article 61 of Legislative Decree 385 of September 1, 1993 - issues, in the exercise of its function of management and coordination, instructions to the members of the Group for the execution of the

instructions issued by the Regulatory Authorities in the interests of stability of the Group itself as a whole.

ARTICLE 5

- 5.1 The Company can issue bonds and other securities according to the regulations in force.

SECTION II EQUITY CAPITAL AND SHARES

ARTICLE 6

- 6.1 The share capital is Euro [] fully paid, divided into [] registered ordinary shares(1) and 388,334,018 registered preference shares with a nominal unit value of Euro 2.80. The share capital may be increased through the issue of shares with rights different from those included in the shares already issued.
- 6.2 The shares are issued in dematerialised form.
- 6.3 The preference shares are placed centrally in one or more deposits administered by the Company and the Company is the only authorised depositary. The sale of preference shares is to be communicated without delay to the Company by the selling shareholder and triggers the automatic one for one conversion of the preference shares into ordinary shares, except in the case where it is disposed to a company whose capital is wholly controlled. On July 1, 2012, the preference shares will be converted one for one into ordinary shares with the same characteristics as the ordinary shares in circulation at that moment.
- 6.4 In the case of paid issues of capital, when there is no exclusion or limit on option rights, the holders of preference shares have option rights on preference shares with the same characteristics or, if not or differently, in order, preference shares with different characteristics, savings shares or ordinary shares.
- 6.5 The Board of Directors has the power to increase the share capital by means of a paid up rights issue, in one or more issues, up to a maximum amount of Euro 51,440,648 (fifty one million, four hundred and forty thousand and six hundred and forty eight Euro) nominal value, through the issue of ordinary shares reserved, according to Article 2441, par. 8, of the Civil Code and Article 134 of Legislative Decree 58 of February 24, 1998, to employees of the Company or also to employees of subsidiary companies according to Article 2359 of the Civil Code who participate in the share incentive schemes approved by the Board itself. This power may be exercised before April 27, 2007.
- 6.6 Following the deliberations of the Board of Directors on February 9, 1999, December 21, 1999, June 27, 2000 and December 18, 2001, based on the mandate of the Shareholders' Meeting on 31 July 1998, and 17 December 2002, on the basis of the mandates given by the Shareholders' Meetings of April 30, 2002, the share capital may be increased up to a maximum nominal amount of Euro 56,487,491.20 (fifty six million, four hundred and

(1) The exact amount of the share capital and the exact number of ordinary shares shall be known only when the demerger will be effective.

eighty seven thousand, four hundred and ninety one point two).

ARTICLE 7

- 7.1 In the case of an increase in the share capital, approved by the Shareholders' Meeting, the methods and the conditions related to the issue of new capital, the dates and the methods of payment, will be determined by the Board of Directors.
- 7.2 In the case of late payment, annual interest, set by the Board of Directors but in any case not exceeding 3% more than the official reference rate, will be applied. The legal consequences for any shareholder who does not execute the payments due and the responsibility of the assignors or endorsers of shares not released remain the same.
- 7.3 Delivery may be made against goods different from cash.
- 7.4 The Company can acquire its own shares within the limits and according to the procedures established by the laws in force.

SECTION III SHAREHOLDERS' MEETING

ARTICLE 8

- 8.1 The Shareholders' Meeting is ordinary or extraordinary according to the terms of the law and can be called in Italy not necessarily at the registered office.
- 8.2 The ordinary Shareholders' Meeting is called at least once a year within 120 days of the end of the financial year. In cases allowed by Law, the Shareholders' Meeting can be called within 180 days.
- 8.3 The extraordinary Shareholders' Meeting is called to approve matters reserved to it by law.
- 8.4 Allowing for the faculty of summons established by specific legal requirements, the Shareholders' Meeting must be called by the Chairman of the Board of Directors or by his Deputy, within the terms and according to the procedures laid down by the current regulatory provisions.

ARTICLE 9

- 9.1 Participation and representation in the Shareholders' Meeting are governed by the regulations currently in force.

ARTICLE 10

- 10.1 Every ordinary share confers the right to one vote. Preference shares do not have voting rights in ordinary shareholders' meetings.

ARTICLE 11

- 11.1* The validity of the Shareholders' Meeting, both ordinary and extraordinary, and both at the first call and at the second call or, for the extraordinary, third call, as established by law, as also for the validity of related motions, is determined by the law.
- 11.2* For the nomination of the corporate officers a relative majority is sufficient. In the case of a tie, the older candidate will be elected. For the nominations to the Board of Statutory Auditors, the procedure follows that established by Article 19.

ARTICLE 12

- 12.1* The Shareholders' Meeting, whose workings are governed by the relevant Regulation approved in the ordinary session, is chaired by the Chairman of the Board of Directors or by his Deputy.
- 12.2* The Shareholders' Meeting nominates, on the motion of the Chairman, when held appropriate, two or more scrutineers and a Secretary not necessarily shareholders.
- 12.3* The assistance of the Secretary is not necessary when the minutes of the Shareholders' Meeting are taken by a Notary Public. The Notary is designated by the Chairman of the Shareholders' Meeting.
- 12.4* It is the responsibility of the Chairman to verify regular constitution, ascertain the identity and legitimacy of those present, to check proceedings and certify the voting results.
- 12.5* If debate concerning the agenda of the day is not finished within the day, the Shareholders' Meeting can proceed to a further meeting on the following non-holiday day.

ARTICLE 13

- 13.1* The discussions of the Shareholders' Meeting must be recorded in the minutes signed by the Chairman, by the scrutineers, if nominated, and by the Secretary or Notary Public.
- 13.2* Copies and extracts of the minutes, when not taken by a Notary, will be certified with the declaration of conformity, signed by the Chairman and by the Secretary.

SECTION IV DIRECTORS

ARTICLE 14

- 14.1* The Company is directed by a Board of Directors composed of a number of members between 7 and 20 according to motions approved by the Shareholders' Meeting. The Shareholders' Meeting itself appoints one of them as Chairman.
- 14.2* The Directors' term of office is three periods and they may be re-elected.
- 14.3* Termination, substitution, resignation and annulment on the part of the Directors are governed according to the law.

14.4 If, because of resignation or other reasons, there is no longer a majority of the Directors elected by the Shareholders' Meeting, the whole Board of Directors ceases and the Directors still in office must urgently call a Shareholders' Meeting to nominate the new Board of Directors.

ARTICLE 15

15.1 The Board of Directors may appoint, from among its members, one or more Deputy Chairmen.

15.2 The Board of Directors nominates one or more Managing Directors, determining his or their roles, as well as the Executive Committee, laying down the number of its members, its authority, its duration, rules and powers. In the Executive Committee the Chairman and the Deputy Chairman or Deputy Chairmen sit *ex officio* as well as the Managing Director or Managing Directors.

15.3 The Board of Directors may also elect from among its members special Committees, with a consultative and deliberative and supervisory role.

15.4 The General Manager or General Managers take part in the meetings of the Board of Directors and of the Executive Committee in a consultative role.

15.5 For determined types of acts and business, powers may also be delegated, according to Law, to the General Manager or General Managers, to the Deputy General Manager or General Managers, to Central Management, to Top Management, to employees as well as to other Personnel, with determination of the limits and methods to exercise the delegated powers also with reference to the possibility that the delegated parties may undertake individually or in committees.

15.6 For special and/or subsidized lending governed by specific regulations, powers of approval and draw down can be delegated to the Group's banking subsidiaries within the limits and according to the criteria agreed between the parties.

15.7 The Board will determine the methods through which decisions taken by those delegated are brought to the attention of the Board itself.

15.8 The annual remuneration of the members of the Board of Directors as well as that of the Executive Committee is determined by the Shareholders' Meeting. The annual remuneration will be in part fixed and in part variable.

15.9 The remuneration of the directors with particular responsibilities according to the Articles of Association will be fixed by the Board of Directors, having heard the opinion of the Board of Statutory Auditors.

15.10 The Shareholders' Meeting may decide, in addition to the remuneration above, the payment to Director of a fixed sum for every attendance at the meetings; the Directors have the further right to reimbursement of expenses incurred in the course of their duties and to the payment of daily allowances as decided by the Shareholders' Meeting.

ARTICLE 16

- 16.1* The Board of Directors has all powers for the management of the Company.
- 16.2* The Board of Directors is also empowered to take the deliberations concerning:
- merger, as envisaged by Articles 2505 and 2505-*bis* of the Italian civil code, according to the methods and the terms therein described;
 - establishment and closing of secondary offices;
 - reduction of capital in case of withdrawal of the shareholder;
 - update of the Articles and By-Laws according to regulation.
- 16.3* The following matters are the exclusive responsibility of the Board of Directors:
- approvals regarding general management direction, the approval and modification of general regulations regarding business relationships, investment and divestment of shareholdings which may modify the composition of the Banking Group, the nomination of responsibilities in accordance with paragraph 1 of Article 20;
 - the establishment of the criteria for coordination and management of the Group's Companies and for the execution of instructions received from the Bank of Italy.

ARTICLE 17

- 17.1* The Board of Directors is convened whenever the Chairman considers it necessary or opportune and generally every two months, also to refer to the Board of Statutory Auditors on business carried out and transactions of greatest importance in economic, financial and equity capital terms undertaken by the Company and/or by subsidiary companies as well as, In particular, transactions with potential conflicts of interest.
- 17.2* Leaving those powers reserved by law to the Statutory Auditors, a meeting must also take place when at least three Directors or a Managing Director make a written request to the Chairman with an indication of their reasons.
- 17.3* Meetings of the Board of Directors are usually held at the registered office of the Company. The Board of Directors may also meet in any other place in Italy or abroad.
- 17.4* Notice of the meeting, with a summary agenda of the matters to be discussed, must be sent to the Directors and to the Statutory Auditors in office at least five days before that fixed for the meeting by registered post or telegram or telex or telefax or through any other means of electronic communication which can provide guaranteed receipt of the same. In cases of particular urgency, the meeting may be held with simple advance notice of 24 hours by any suitable means.
- 17.5* Meetings of the Board of Directors can be validly held by telecommunication, provided that the precise identification of the persons qualified to participate can be validly ensured, as well as the possibility for all participants to take part, in real time, in the discussion about all the business on the agenda and to view, receive and transmit documents. However, at least the Chairman and the Secretary must be present in the location where the Board meeting has been called, wherever the same shall be considered held.

- 17.6 To approve the decisions of the Board a majority of the Directors in office must be present at the meeting. Decisions are taken according to absolute majority of the votes of the members present excluding abstentions. Decisions concerning the nomination of the Deputy Chairman or Deputy Chairmen, of the Executive Committee, of the Managing Director or Managing Directors are properly taken with a yes vote from half plus one of the Directors in office. In case of a tie, the Chairman's vote prevails.
- 17.7 The minutes of the meeting of the Board of Directors are edited and transcribed in the register of minutes by a Secretary designated by the Board.
- 17.8 Copies and abstracts of the minutes are certified with the declaration of conformity, signed by the Chairman and by the Secretary.
- 17.9 In meetings that the Board wishes to keep confidential, the duties of the Secretary will be carried out by the youngest Director present.
- 17.10 The agenda for the Board of Directors and for the Executive Committee are prepared by the Managing Director or Managing Directors according to the powers delegated to them.
- 17.11 In particular, the Managing Director or Managing Directors are responsible for the general management of the Company, for business and lending as well as personnel management.

ARTICLE 18

- 18.1 The Chairman:
- a) chairs the meetings of the Board of Directors and the Executive Committee, coordinating their work;
 - b) prepares the agenda of the meetings of the Board of Directors and the Executive Committee, taking account also of the proposed agenda prepared by the Managing Director or Managing Directors and arranges for adequate information on the material under discussion to be provided to all Directors;
 - c) authorizes any legal, administrative and executive action in every competent court and in whatever level of jurisdiction with the ability to abandon it, to withdraw from proceedings and to accept similar withdrawals or relinquishments from other parties involved, with all subsequent powers and with the obligation to refer to the Executive Committee on the decisions taken;
 - d) takes, in agreement with the Managing Director, or with the respective Managing Director in the case of more than one Managing Director whatever provision may be urgent in the interests of the Company, referring them to the Board of Directors or the Executive Committee at their next meeting;
 - e) exercises the role of coordination of the businesses of the Company.
- 18.2 In the case of absence or other impediment of the Chairman, his powers in all respects will be taken on by the Vice Chairman, or, in case of nomination of more than one, him designated according to the order of succession set by the Board of Directors.
- 18.3 When all the Deputy Chairmen are absent or disabled, the powers of the Chairman pass to the Managing Director or Managing Directors and, in order to the other Directors, according to the order of succession fixed by the Board of Directors.

SECTION V

BOARD OF STATUTORY AUDITORS

ARTICLE 19

- 19.1 The Shareholders' Meeting elects the Board of Statutory Auditors, composed of five Statutory Auditors in office and two Alternate Statutory Auditors.
- 19.2 The Statutory Auditors are in office for three periods and are re-electable. Their term is regulated by law.
- 19.3 At least two of the Statutory Auditors in office and at least one of the Alternate Statutory Auditors are chosen from among those registered in the register of accounting auditors who have carried out legal accounting audit work for a period of no less than three years.
- 19.4 Those Statutory Auditors who do not possess the requirement set out in the preceding paragraph are chosen from among those who have obtained a total experience of at least three years in:
- 1) administration or control or management duties in companies with equity capital of no less than two million Euro, or**
 - 2) professional activities or regular university teaching in law, economics, finance, banking, insurance or other subjects related to banking activities, or*
 - 3) management duties in public bodies or public administration operating in the banking, finance and insurance sectors.*
- 19.5 The whole Board of Statutory Auditors is nominated on the basis of lists presented by the shareholders in which the candidates must be listed in number order.
- 19.6 To apply paragraphs 3 and 12 of the present article, when the list is composed of four or more candidates, the fourth candidate and at least one of the first three must have the requirements as in paragraph 3; when the list is composed of fewer than four candidates at least the first of them must have the same requirements.
- 19.7 The lists must be deposited at the registered office and published in at least two Italian daily newspapers with national distribution, of which one devoted to economic news, at least 10 days before the day fixed for the Shareholders' Meeting at First call.
- 19.8 Every Shareholder can present or contribute to the presentation of only one list and each candidate can present himself in only one list or otherwise be declared ineligible.
- 19.9 Only those Shareholders who themselves or together with other shareholders represent at least 1% of the shares with voting rights in the ordinary Shareholders' Meeting have the right to vote. In order to prove their ownership of the number of shares necessary for the presentation of the lists, the shareholders must at the same time present, at the registered office, the certificates confirming their participation in the central securities management system.
- 19.10 Together with each list, and before the time of depositing the list at the registered office,

one must deposit the C.V. of each candidate, undersigned by the same, and the declarations by which the individual candidates accept their candidature and affirm, at their own responsibility, that there are no reasons for ineligibility or conflict of interest as well as the existence of the necessary qualification required by the regulations in force to carry out the duties of Statutory Auditor.

- 19.11* Every shareholder having the right to vote may vote for only one list.
- 19.12* At the election of the Board of Statutory Auditors, the procedures are as follows:
- a) from the list which obtains the majority of the votes by the shareholders, in the numerical order in which they are listed in the list, three Statutory Auditors in office and one Alternate Statutory Auditor;
 - b) the remaining two Statutory Auditors and one Alternate Statutory Auditor are taken from the other lists; in order to do this, the votes obtained by the lists themselves are divided successively by one two and three. The quotients thus obtained are assigned in order to the candidates of each of the said lists according to the order set respectively in each. The quotients thus attributed to the candidates on the various lists are then placed in a single descending order: the Statutory Auditors in office are those who have obtained the highest two quotients and the supplementary Statutory Auditor is the one who has obtained the highest third quotient. In the case in which more than one candidate obtains the same quotient, the candidate from the list which has still not elected a Statutory Auditor will be elected; in the case in own responsibility, that there are no reasons for ineligibility or conflict of interest as well as the existence of the necessary qualification required by the regulations in force to carry out the duties of Statutory Auditor.
- 19.13* For the nomination of Statutory Auditors not elected for whatsoever reason according to the aforesaid procedures, the Shareholders' Meeting will approve according to relative majority.
- 19.14* The chairmanship of the Board of Statutory Auditors is taken by person indicated in the first place in the list which has obtained the majority of the votes. In case of his substitution the chairmanship falls, until the end of term of the Board of Statutory Auditors, on the next following person indicated in the same list.
- 19.15* In case of the substitution of a Statutory Auditor taken from the list which has obtained the majority of the votes cast by shareholders, the alternate will come from the same list; in the case of the substitution of a Statutory Auditor taken from the other lists, the alternate will be nominated according to the method set out in point (b) in this article. Whenever it may be necessary to keep up minimum number of Statutory Auditors in office with the requirements as per paragraph 3 of the present article, the alternate with the same requirements will in case enter
- 19.16* The nomination of Statutory Auditors to make up the Board of Statutory Auditors according to Article 2401 of the Civil Code is made by a relative majority of the Shareholders' Meeting.
- 19.17* The Shareholders' Meeting fixes the remuneration of the Statutory Auditors. The Shareholders' Meeting may also decide, in addition to the remuneration, the payment to each Statutory Auditor of a fixed sum for every attendance at the meetings; the Statutory

Auditors have the further right to reimbursement of expenses incurred in the course of their duties and to the payment of daily allowances as decided by the Shareholders' Meeting.

19.18 The members of the Board of Statutory Auditors cannot be in office in more than five offices as Statutory Auditor in office in other quoted companies with the exception of companies controlled by SANPAOLO IMI S.p.A.

19.19 The meetings of the Board of Statutory Auditors may be validly held also by means of telecommunication, as long as there is a guarantee of the exact identification of the persons entitled to be present, the possibility for all participants to participate, in real time, in all the discussions and see, receive and transmit documents. The meetings are considered held in the place where the Board is called, where at least one Statutory Auditor must be present.

SECTION VI MANAGEMENT

ARTICLE 20

20.1 The Board of Directors nominates one or more General Managers and one or more Deputy General Managers and determines their roles and the length of their term of office. Alternatively, the Board of Directors nominates a Central Management and determines the number of its members, establishing the assignment of responsibilities as well as the division of functions among the members.

20.2 The General Manager or General Managers, or the Central Management, report in the exercise of their responsibilities to the Managing Director or Managing Directors; they execute the decisions taken by the Board of Directors, by the Executive Committee, by the Chairman and by the Managing Director or Managing Directors; they manage all current business, supervise the structure and functioning of services, allocate responsibilities and positions to staff with the exclusion of Top Management. They may delegate, also internally and in continuity, their own powers to the Deputy General Managers, to Top Management, and other Personnel from Head Office, the regional organization and the branches.

SECTION VII LEGAL REPRESENTATION AND CORPORATE SEAL

ARTICLE 21

21.1 The legal representation of the Company, concerning third parties and in proceedings, and the corporate seal lie with the Chairman and, in the case of his absence or inability, with the Deputy Chairman or Deputy Chairmen, according to the order of succession fixed by the Board of Directors and, in their absence, with the Managing Director or Managing Directors separately. In respect of the above, the Board may, pursuant to Law, for specific types of actions and business, delegate representative powers, with the ability to sign on behalf of the Company, to the Managing Director or Managing Directors, to individual Directors, to the General Manager or General Managers, to the Deputy General Manager or Deputy General Managers, to the staff of the Central Management, to Top Management and to other employees of the Company, determining the limits and the methods of use of

such seal.

- 21.2 In cases in which the current Articles of Association allow substitutions for absence or impediment, the action of the substitute has legal force in dealings with third parties.

SECTION VIII FINANCIAL RESULTS AND PROFITS

ARTICLE 22

- 22.1 The financial year closes at December 31 each year.
- 22.2 Of the net profits deriving from the financial results, an amount equal to 10% shall be transferred to the legal reserve until it amounts to one fifth of the equity capital.
- 22.3 A further share, equal up to 5% of the their nominal value, shall be reserved for preference shares.
- 22.4 The Shareholders' Meeting, on the proposal of the Board of Directors, will decide on the allocation of the remaining profit after provisions to the legal reserve and the allocation to preference shares.
- 22.5 The dividends will be allocated, equal up to the amount paid to preference shares, to ordinary shares and, then and equally, to all shares.
- 22.6 When dividends of less than 5% are allocated to preference shares in any one year, the dividends will be cumulated in the following two years.
- 22.7 Dividends not claimed within five years following the day on which they are available, will be retained by the Company and placed to reserves.
- 22.8 The Board of Directors may approve the distribution of partial payments in advance of the dividends in the manner and within the limits set by the regulations in force at the time.

SECTION IX STATUTORY OFFICES

ARTICLE 23

- 23.1 Current legislative, regulatory and supervisory rules concerning requirements of professional and honourable standards apply to the Offices established in the current Articles.

SECTION X WINDING UP

ARTICLE 24

- 24.1 Given any different law provisions, if there is a reason for winding up, the Shareholders' Meeting will establish the manner of liquidation, nominating one or more liquidators.

24.2 Preference shares, in the case of winding up or liquidation, will have the right to reimbursement of capital up to their nominal value.

APPENDIX D

PROVISIONS OF SPIMI ARTICLES AND BY LAWS AS THEY WOULD BE AMENDED BY THE RESOLUTION APPROVING THE CHANGES REFERRED TO IN SECTION 2.2

ARTICLE 2

- 2.1 The Company has its registered office in Turin and secondary offices, with permanent establishment, in Rome and Bologna.
- 2.2 Within the observance of the regulations in force, it may open and closes branches and representative offices in Italy and abroad.

ARTICLE 3

- 3.1 The life of the Company is fixed until December 31, 2100.
- 3.2 The extension of the life of the Company must be approved by the Extraordinary Meeting of Shareholders with a legal majority.

ARTICLE 6

- 6.1 The share capital is Euro 5,144,064,800 fully paid, divided into 1,448,831,982 registered ordinary shares and 388,334,018 registered preference shares with a nominal unit value of Euro 2.80. The share capital may be increased through the issue of shares with rights different from those included in the shares already issued.
- 6.2 The shares are issued in dematerialised form.
- 6.3 The preference shares are placed centrally in one or more deposits administered by the Company and the Company is the only authorised depositary. The sale of preference shares is to be communicated without delay to the Company by the selling shareholder and triggers the

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- 2.1 The Company has its registered office in Turin and secondary offices in Rome and Bologna.
- 2.2 Within the observance of the regulations in force, branches and representative offices in Italy and abroad **may be opened or closed**.

ARTICLE 3

- 3.1 The life of the Company is fixed until December 31, **2050**.
- 3.2 The extension of the life of the Company must be approved by the Extraordinary Meeting of Shareholders with a legal majority.

ARTICLE 6

- 6.1 The share capital is Euro 5,144,064,800 fully paid(1), divided into 1,448,831,982 registered ordinary shares and 388,334,018 registered preference shares with a nominal unit value of Euro 2.80. The share capital may be increased through the issue of shares with rights different from those included in the shares already issued.
- 6.2 The shares are issued in dematerialised form.
- 6.3 The preference shares are placed centrally in one or more deposits administered by the Company and the Company is the only authorised depositary. The sale of preference shares is to be communicated without delay to the Company by the selling shareholder and triggers the

(1) Due to the demerger, the share capital will increase up to a maximum amount of Euro 73,614,340.80

automatic one for one conversion of the preference shares into ordinary shares, except in the case where it is disposed to a company whose capital is wholly controlled. On July 1, 2012, the preference shares will be converted one for one into ordinary shares with the same characteristics as the ordinary shares in circulation at that moment.

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6.4 In the case of paid issues of capital, when there is no exclusion or limit on option rights, the holders of preference shares have option rights on preference shares with the same characteristics or, if not or differently, in order, preference shares with different characteristics, savings shares or ordinary shares.

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6.5 The Board of Directors has the power to increase the share capital by means of a paid up rights issue, in one or more issues, up to a maximum amount of Euro 51,440,648 (fifty one million, four hundred and forty thousand and six hundred and forty eight Euro) nominal value, through the issue of ordinary shares reserved, according to Article 2441, par. 8, of the Civil Code and Article 134 of Legislative Decree 58 of February 24, 1998, to employees of the Company or also to employees of subsidiary companies according to Article 2359 of the Civil Code who participate in the share incentive schemes approved by the Board itself. This power may be exercised before April 27, 2007.

6.5 **Pursuant to the mandate conferred by the Shareholders' Meeting on 30 April 2002, the** Board of Directors has the power to increase the share capital by means of a paid up rights issue, in one or more issues, up to a maximum amount of Euro 51,440,648.00 (fifty one million, four hundred and forty thousand and six hundred and forty eight Euro) nominal value, through the issue of ordinary shares reserved, according to Article 2441, par. 8, of the Civil Code and Article 134 of Legislative Decree 58 of February 24, 1998, to employees of the Company or also to employees of subsidiary companies according to Article 2359 of the Civil Code who participate in the share incentive schemes approved by the Board itself. This power may be exercised before April 27, 2007.

6.6 Following the deliberations of the Board of Directors on February 9, 1999, December 21, 1999, June 27, 2000 and December 18, 2001, based on the mandate of the Shareholders' Meeting on 31 July 1998, and 17 December 2002, on the basis of the mandates given by the Shareholders' Meetings of April 30, 2002, the share capital may be increased up to a maximum nominal amount of Euro 56,487,491.20 (fifty six million, four

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hundred and eighty seven thousand, four hundred and ninety one point two).

ARTICLE 9

- 9.1 Participation and representation in the Shareholders' Meeting are governed by the regulations currently in force.

ARTICLE 11

- 11.1 The validity of the Shareholders' Meeting, both ordinary and extraordinary, and both at the first call and at the second call or, for the extraordinary, third call, as established by law, as also for the validity of related motions, is determined by the law.
- 11.2 For the nomination of the corporate officers a relative majority is sufficient. In the case of a tie, the older candidate will be elected. For the nominations to the Board of Statutory Auditors, the procedure follows that established by Article 19.

ARTICLE 12

- 12.1 The Shareholders' Meeting, whose workings are governed by the relevant Regulation approved in the ordinary session, is chaired by the Chairman of the Board of Directors or by his Deputy.
- 12.2 The Shareholders' Meeting nominates, on the motion of the Chairman, when held appropriate, two or more scrutineers and a Secretary not necessarily shareholders.
- 12.3 The assistance of the Secretary is not

hundred and eighty seven thousand, four hundred and ninety one point two).

ARTICLE 9

- 9.1 **Shareholders having the right to vote who demonstrate their legitimacy according to the methods provided for by regulations in force may participate in Shareholders' Meetings. Advance deposit pursuant to Article 2370 of the Italian Civil Code is not required for such participation.**
- 9.2 **Shareholders may be represented in the Meeting in observance of legal dispositions.**

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- 11.1 The validity of the Shareholders' Meeting, both ordinary and extraordinary, and both at the first call and at the second call or, for the extraordinary, third call, as established by law, as also for the validity of related motions, is determined by the law.
- 11.2 For the nomination of the corporate officers a relative majority is sufficient. In the case of a tie, the older candidate will be elected. For the nominations to the Board of Statutory Auditors, the procedure follows that established by Article 20.

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- 12.1 The Shareholders' Meeting, whose workings are governed by **law and** the relevant Regulation approved in the ordinary session, is chaired by the Chairman of the Board of Directors or by his Deputy.
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12.5 If debate concerning the agenda of the day is not finished within the day, the Shareholders' Meeting can proceed to a further meeting on the following non-holiday day.

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- 15.1 The Board of Directors may appoint, from among its members, one or more Deputy Chairmen.
- 15.2 The Board of Directors nominates one or more Managing Directors, determining his or their roles, as well as the Executive Committee, laying down the number of its members, its authority, its duration, rules and powers. In the Executive Committee the Chairman and the Deputy Chairman or Deputy Chairmen sit *ex officio* as well as the Managing Director or Managing Directors.
- 15.3 The Board of Directors may also elect from among its members special Committees, with a consultative and deliberative and supervisory role.
- 15.4 The General Manager or General Managers take part in the meetings of the Board of Directors and of the Executive Committee in a consultative role.
- 15.5 For determined types of acts and business, powers may also be delegated, according to Law, to the General Manager or General Managers, to the Deputy General Manager or General Managers, to Central Management, to Top Management, to employees as well as to other Personnel, with determination of the limits and methods to exercise the delegated powers also with reference to the possibility that the delegated parties may undertake individually or in committees.
- 15.6 For special and/or subsidized lending governed by specific regulations, powers of approval and draw down can be delegated to the Group's banking subsidiaries within the limits and according to the criteria agreed between the parties.
- 15.7 The Board will determine the methods

ARTICLE 15

- 15.1 The Board of Directors may appoint, from among its members, one or more Deputy Chairmen.
- 15.2 The Board of Directors nominates one or more Managing Directors, determining his or their roles, as well as the Executive Committee, laying down the number of its members, its authority, its duration, rules and powers. In the Executive Committee the Chairman and the Deputy Chairman or Deputy Chairmen sit *ex officio* as well as the Managing Director or Managing Directors.
- 15.3 The Board of Directors may also elect from among its members special **Technical** Committees, with a consultative and deliberative and supervisory role.
- 15.4 **The Board of Directors may nominate a General Manager fixing the period of office, duties, powers and compensation. If necessary, it may also revoke the same.**
- 15.5 **The General Manager takes part in meetings of the Board of Directors and Executive Committee in a consultative role and, as provided for in the Articles and By-Laws, as a proponent.**
- 15.6 **The Board of Directors can nominate, on proposal of the General Manager, one or more Deputy General Managers as well as Central Managers, fixing their duties and powers.**
- 15.7 **For determined categories of acts or**
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through which decisions taken by those delegated are brought to the attention of the Board itself.

business, powers may also be delegated, in law, to Top Management, individual employees and other personnel, with set limits and method of exercise of their mandate, proving that those so mandated may act individually or together in committee.

- 15.8 The annual remuneration of the members of the Board of Directors as well as that of the Executive Committee is determined by the Shareholders' Meeting. The annual remuneration will be in part fixed and in part variable.
- 15.9 The remuneration of the directors with particular responsibilities according to the Articles of Association will be fixed by the Board of Directors, having heard the opinion of the Board of Statutory Auditors.
- 15.10 The Shareholders' Meeting may decide, in addition to the remuneration above, the payment to Director of a fixed sum for every attendance at the meetings; the Directors have the further right to reimbursement of expenses incurred in the course of their duties and to the payment of daily allowances as decided by the Shareholders' Meeting.
- 15.8 For special and/or subsidized loans set by specific regulations, delegated mandate and lending powers may be set to Group lending bodies, within the limits and with the criteria agreed among the parties.
- 15.9 The Board will determine the means by which decisions taken by mandated persons will be brought to the attention of the Board itself.
- 15.10 **The Delegated Bodies and the General Manager will ensure that the organizational, administrative and accounting structure is adequate and refer to the Board of Directors and the Board of Statutory Auditors, on a quarterly basis, on general management performance and expected development, as well as on the most significant transactions made by the company and its subsidiaries.**
- 15.11 Members of the Board of Directors and of the Executive Committee will receive annual compensation set by the Shareholders' Meeting, in part fixed and part variable.
- 15.12 The Shareholders' Meeting may determine, in addition to the compensation above, a fixed amount for each Director according to attendance at meetings; Directors also have the right to reimbursement of expenses occasioned by their office and daily payments as set by the Shareholders' Meeting.
- 15.13 The remuneration of the directors with particular offices in accordance with the
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Articles and By-Laws is set by the Board of Directors,
following the Board of Statutory Auditors.

ARTICLE 16

- 16.1 The Board of Directors has all powers for the management of the Company.
- 16.2 The Board of Directors is also empowered to take the deliberations concerning:
- merger, as envisaged by Articles 2505 and 2505-bis of the Italian civil code, according to the methods and the terms therein described;
 - establishment and closing of secondary offices;
 - reduction of capital in case of withdrawal of the shareholder;
 - update of the Articles and By-Laws according to regulation.
- 16.3 The following matters are the exclusive responsibility of the Board of Directors:
- approvals regarding general management direction, the approval and modification of general regulations regarding business relationships, investment and divestment of shareholdings which may modify the composition of the Banking Group, the nomination of responsibilities in accordance with paragraph 1 of Article 20;
 - the establishment of the criteria for coordination and management of the Group's Companies and for the execution of instructions received from the Bank of Italy.

ARTICLE 16

- 16.1 The Board of Directors has all powers for the management of the Company.
- 16.2 **The following matters are the exclusive competence of the Board of Directors:**
- **definition of the objectives, strategies and development lines of the business areas of the Group;**
 - Resolution upon general management directions, approval and modification of the general regulation governing work, the acquisition and sale of shareholdings which may modify the composition of the Banking Group, nomination to offices as per Article 15; establishment and closing of secondary offices;
 - **approval of internal regulations as well as evaluation of the organisational, administrative and accounting profile of the Company with particular reference to risk control and internal controls;**
 - setting criteria for the coordination and direction of the Group Companies and execution of instructions from the Bank of Italy.
- 16.3 **The Board of Directors, in addition to the exclusive competence as per paragraph 2 above, is also empowered to take the resolutions concerning:**
- **merger and demerger according to this current regulations;**
 - opening and closing of secondary offices;
 - reduction of the share capital in the case of withdrawal of a shareholder;
 - updating of the Articles and By-Laws in line with regulations.
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ARTICLE 17

17.1 The Board of Directors is convened whenever the Chairman considers it necessary or opportune and generally every two months, also to refer to the Board of Statutory Auditors on business carried out and transactions of greatest importance in economic, financial and equity capital terms undertaken by the Company and/or by subsidiary companies as well as, In particular, transactions with potential conflicts of interest.

17.2 Leaving those powers reserved by law to the Statutory Auditors, a meeting must also take place when at least three Directors or a Managing Director make a written request to the Chairman with an indication of their reasons.

17.3 Meetings of the Board of Directors are usually held at the registered office of the Company. The Board of Directors may also meet in any other place in Italy or abroad.

17.4 Notice of the meeting, with a summary agenda of the matters to be discussed, must be sent to the Directors and to the Statutory Auditors in office at least five days before that fixed for the meeting by registered post or telegram or telex or telefax or through any other means of electronic communication which can provide guaranteed receipt of the same. In cases of particular urgency, the meeting may be held with simple advance notice of 24 hours by any suitable means.

17.5 Meetings of the Board of Directors can be validly held by telecommunication, provided that the precise identification of the persons qualified to participate can be validly ensured, as well as the possibility for all participants to take part, in real time, in the discussion about all the business on the agenda and to view,

ARTICLE 17

17.1 The Board of Directors is convened whenever the Chairman considers it necessary or opportune and generally every two months. **At least every three months the directors, on occasion of the Meetings of the Board of Directors or with appropriate report** refer to the Board of Statutory Auditors on business carried out and transactions of greatest importance in economic, financial and equity capital terms undertaken by the Company and/or by subsidiary companies. **In particular, the Directors refer on transaction in which they have a proprietary or third party interest, being understood that provisions of special laws remain in force.**

17.2 Leaving those powers reserved by law to the Statutory Auditors, a meeting must also take place when at least three Directors or a Managing Director make a written request to the Chairman with an indication of their reasons.

17.3 Meetings of the Board of Directors are usually held at the registered office of the Company. The Board of Directors may also meet in any other place in Italy or abroad.

17.4 Notice of the meeting, with a summary agenda of the matters to be discussed, must be sent to the Directors and to the Statutory Auditors in office at least five days before that fixed for the meeting by registered post or telegram or telex or telefax or through any other means of electronic communication which can provide guaranteed receipt of the same. In cases of particular urgency, the meeting may be held with simple advance notice of 24 hours by any suitable means.

17.5 Meetings of the Board of Directors can be validly held by telecommunication, provided that the precise identification of the persons qualified to participate can be validly ensured, as well as the possibility for all participants to take part, in real time, in the discussion about all the business on the agenda and to view,

receive and transmit documents. However, at least the Chairman and the Secretary must be present in the location where the Board meeting has been called, wherever the same shall be considered held.

receive and transmit documents. However, at least the Chairman and the Secretary must be present in the location where the Board meeting has been called, wherever the same shall be considered held.

17.6 To approve the decisions of the Board a majority of the Directors in office must be present at the meeting. Decisions are taken according to absolute majority of the votes of the members present excluding abstentions. Decisions concerning the nomination of the Deputy Chairman or Deputy Chairmen, of the Executive Committee, of the Managing Director or Managing Directors are properly taken with a yes vote from half plus one of the Directors in office. In case of a tie, the Chairman's vote prevails.

17.6 To approve the decisions of the Board a majority of the Directors in office must be present at the meeting. Decisions are taken according to absolute majority of the votes of the members present excluding abstentions. Decisions concerning the nomination of the Deputy Chairman or Deputy Chairmen, of the Executive Committee, of the Managing Directors or **General Manager** are properly taken with a **majority** vote of the Directors in office. In case of a tie, the Chairman's vote prevails.

17.7 The minutes of the meeting of the Board of Directors are edited and transcribed in the register of minutes by a Secretary designated by the Board.

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17.8 Copies and abstracts of the minutes are certified with the declaration of conformity, signed by the Chairman and by the Secretary.

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17.9 In meetings that the Board wishes to keep confidential, the duties of the Secretary will be carried out by the youngest Director present.

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17.10 The agenda for the Board of Directors and for the Executive Committee are prepared by the Managing Director or Managing Directors according to the powers delegated to them.

17.10 The agenda for the Board of Directors and for the Executive Committee are prepared by the Managing Director or Managing Directors according to the powers delegated to them, **as well as the General Manager in matters reserved to him.**

17.11 In particular, the Managing Director or Managing Directors are responsible for the general management of the Company, for business and lending as well as personnel management.

(PARAGRAPH DELETED)

ARTICLE 18

- 18.1 The Chairman:
- (a) chairs the meetings of the Board of Directors and the Executive Committee, coordinating their work;
 - (b) prepares the agenda of the meetings of the Board of Directors and the Executive Committee, taking account also of the proposed agenda prepared by the Managing Director or Managing Directors and arranges for adequate information on the material under discussion to be provided to all Directors;
 - (c) authorizes any legal, administrative and executive action in every competent court and in whatever level of jurisdiction with the ability to abandon it, to withdraw from proceedings and to accept similar withdrawals or relinquishments from other parties involved, with all subsequent powers and with the obligation to refer to the Executive Committee on the decisions taken;
 - (d) takes, in agreement with the Managing Director, or with the respective Managing Director in the case of more than one Managing Director whatever provision may be urgent in the interests of the Company, referring them to the Board of Directors or the Executive Committee at their next meeting;
 - (e) exercises the role of coordination of the businesses of the Company.

18.2 In the case of absence or other impediment of the Chairman, his powers in all respects will be taken on by the Vice Chairman, or, in case of nomination of more than one, him designated according to the order of succession set by the Board of Directors.

18.3 When all the Deputy Chairmen are absent or disabled, the powers of the Chairman pass to the Managing Director or Managing Directors and, in order to the other Directors, according to the order of succession fixed by the Board of

ARTICLE 18

- 18.1 The Chairman:
- (a) chairs the meetings of the Board of Directors and the Executive Committee, coordinating their work;
 - (b) prepares the agenda of the meetings of the Board of Directors and the Executive Committee, taking account also of the proposed agenda prepared by the Managing Directors **and General Managers** and arranges for adequate information on the material under discussion to be provided to all Directors;
 - (c) authorises any legal, administrative and executive action in every competent court and in whatever level of jurisdiction with the ability to abandon it, to withdraw from proceedings and to accept similar withdrawals or relinquishments from other parties involved, with all subsequent powers and with the obligation to refer to the Executive Committee on the decisions taken;
 - (d) takes, in agreement with the Managing Director, or with the respective Managing Director in the case of more than one Managing Director **or in their absence, the General Manager**, whatever provisions may be urgent in the interests of the Company, referring them to the Board of Directors or the Executive Committee at their next meeting;
 - (e) exercises the role of coordination of the businesses of the Company.

18.2 In the case of absence or other impediment of the Chairman, his powers in all respects will be taken on by the Vice Chairman, or, in case of nomination of more than one, him designated according to the order of succession set by the Board of Directors.

18.3 When all the Deputy Chairmen are absent or disabled, the powers of the Chairman pass to the Managing Director or Managing Directors **or, if they are absent or otherwise unable**, to the other Directors, according to the order of

Directors.

succession fixed by the Board of Directors.

**SECTION V
THE GENERAL MANAGER
ARTICLE 19**

- 19.1** The General Manager is the head of the operational and executive structure of the Company. On the basis of and in the context of the powers delegated to him by the Board of Directors the General Manager:
- a) presents proposals to the administrative Bodies in matters delegated to him as well as credit and personnel management;
 - b) undertakes transactions and all ordinary administrative acts;
 - c) provides for the execution of all deliberations of the Board of Directors, Executive Committee or the Managing Director(s) and operational coordination of the activities of subsidiaries within the Group, respecting the general criteria and directions set by the Board of Directors;
 - d) coordinates, superintends and provides for employment relations with the employees;
 - e) delegates, for the implementation of his known functions and for the exercise of own powers or those delegated to him, powers to employees.
- 19.2** In case of absence or impediment, the General Manager is substituted for by the Deputy General Manager, or in the case where more than one Deputy General Manager has been nominated, that one of them competent in the matter delegated. If a Deputy General Manager has not been nominated, the General Manager is substituted by the Central Managers according to their attributions.
- 19.3** When for any reason the post of General Manager is vacant the functions are exercised by the
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Managing Director. In the case of more than one Managing Director, they exercise such function on the basis set by the Board of Directors.

SECTION V
BOARD OF STATUTORY AUDITORS
ARTICLE 19

- 19.1* The Shareholders' Meeting elects the Board of Statutory Auditors, composed of five Statutory Auditors in office and two Alternate Statutory Auditors.
- 19.2* The Statutory Auditors are in office for three periods and are re-electable. Their term is regulated by law.
- 19.3* At least two of the Statutory Auditors in office and at least one of the Alternate Statutory Auditors are chosen from among those registered in the register of accounting auditors who have carried out legal accounting audit work for a period of no less than three years.
- 19.4* Those Statutory Auditors who do not possess the requirement set out in the preceding paragraph are chosen from among those who have obtained a total experience of at least three years in:
- 1) administration or control or management duties in companies with equity capital of no less than two million Euro, or
 - 2) professional activities or regular university teaching in law, economics, finance, banking, insurance or other subjects related to banking activities, or
 - 3) management duties in public bodies or public administration operating in the banking, finance and insurance sectors.
- 19.5* The whole Board of Statutory Auditors is nominated on the basis of lists presented by the shareholders in which the candidates must be listed in number order.
- 19.6* To apply paragraphs 3 and 12 of the present article, when the list is composed of four or more candidates, the fourth candidate and at least one of the first three must have the requirements as in paragraph 3; when the list is composed of fewer than four candidates at least the first of them must have the same requirements.

SECTION VI
BOARD OF STATUTORY AUDITORS AND
ACCOUNTING CONTROL
ARTICLE 20

- 20.1* The Shareholders' Meeting elects the Board of Statutory Auditors, composed of five Statutory Auditors in office and two Alternate Statutory Auditors.
- 20.2* The Statutory Auditors are in office for three periods and they may be re-elected. Their term is regulated by law.
- 20.3* At least two of the Statutory Auditors in office and at least one of the Alternate Statutory Auditors are chosen from among those registered in the register of accounting auditors who have carried out legal accounting audit work for a period of no less than three years.
- 20.4* Those Statutory Auditors who do not possess the requirement set out in the preceding paragraph are chosen from among those who have obtained a total experience of at least three years in:
- 1) administration or control or management duties in companies with equity capital of no less than two million Euro, or
 - 2) professional activities or regular university teaching in law, economics, finance, banking, insurance or other subjects related to banking activities, or
 - 3) management duties in public bodies or public administration operating in the banking, finance and insurance sectors.
- 20.5* The whole Board of Statutory Auditors is nominated on the basis of lists presented by the shareholders in which the candidates must be listed in numeric order.
- 20.6* To apply paragraphs 3 and 12 of the present article, when the list is composed of four or more candidates, the fourth candidate and at least one of the first three must have the requirements as in paragraph 3; when the list is composed of fewer than four candidates at least the first of them must have the same requirements.
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- 19.7** The lists must be deposited at the registered office and published in at least two Italian daily newspapers with national distribution, of which one devoted to economic news, at least 10 days before the day fixed for the Shareholders' Meeting at First call.
- 19.8** Every Shareholder can present or contribute to the presentation of only one list and each candidate can present himself in only one list or otherwise be declared ineligible.
- 19.9** Only those Shareholders who themselves or together with other shareholders represent at least 1% of the shares with voting rights in the ordinary Shareholders' Meeting have the right to vote. In order to prove their ownership of the number of shares necessary for the presentation of the lists, the shareholders must at the same time present, at the registered office, the certificates confirming their participation in the central securities management system.
- 19.10** Together with each list, and before the time of depositing the list at the registered office, one must deposit the C.V. of each candidate, undersigned by the same, and the declarations by which the individual candidates accept their candidature and affirm, at their own responsibility, that there are no reasons for ineligibility or conflict of interest as well as the existence of the necessary qualification required by the regulations in force to carry out the duties of Statutory Auditor.
- 19.11** Every shareholder having the right to vote may vote for only one list.
- 19.12** At the election of the Board of Statutory Auditors, the procedures are as follows:
a) from the list which obtains the majority of the votes by the shareholders, in the numerical order
- 20.7** The lists must be deposited at the registered office and published in at least two Italian daily newspapers with national distribution, of which one devoted to economic news, at least 10 days before the day fixed for the Shareholders' Meeting at first call.
- 20.8** Every Shareholder can present or contribute to the presentation of only one list and each candidate can present himself in only one list or otherwise be declared ineligible.
- 20.9** Only those Shareholders who themselves or together with other shareholders represent at least 1% of the shares with voting rights in the ordinary Shareholders' Meeting have the right to present lists. In order to prove their ownership of the number of shares necessary for the presentation of the lists, the shareholders must at the same time present, at the registered office, the certificates confirming their participation in the central securities management system.
- 20.10** Together with each list, and before the time of depositing the list at the registered office, the Curriculum Vitae. of each candidate must be deposited, undersigned by the same, and the declarations by which the individual candidates accept their candidature and affirm, at their own responsibility, that there are no reasons for ineligibility or conflict of interest as well as the existence of the necessary qualification required by the regulations in force to carry out the duties of Statutory Auditor.
- 20.11** Everyone having the right to vote may vote for only one list.
- 20.12** At the election of the Board of Statutory Auditors, the procedures are as follows:
a) from the list which obtains the majority of the votes by the shareholders, in the numerical order
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in which they are listed in the list, three Statutory Auditors in office and one Alternate Statutory Auditor;

- b) the remaining two Statutory Auditors and one Alternate Statutory Auditor are taken from the other lists; in order to do this, the votes obtained by the lists themselves are divided successively by one two and three. The quotients thus obtained are assigned in order to the candidates of each of the said lists according to the order set respectively in each. The quotients thus attributed to the candidates on the various lists are then placed in a single descending order: the Statutory Auditors in office are those who have obtained the highest two quotients and the supplementary Statutory Auditor is the one who has obtained the highest third quotient. In the case in which more than one candidate obtains the same quotient, the candidate from the list which has still not elected a Statutory Auditor will be elected; in the case in own responsibility, that there are no reasons for ineligibility or conflict of interest as well as the existence of the necessary qualification required by the regulations in force to carry out the duties of Statutory Auditor.

19.13 For the nomination of Statutory Auditors not elected for whatsoever reason according to the aforesaid procedures, the Shareholders' Meeting will approve according to relative majority.

19.14 The chairmanship of the Board of Statutory Auditors is taken by person indicated in the first place in the list which has obtained the majority of the votes. In case of his substitution the chairmanship falls, until the end of term of the Board of Statutory Auditors, on the next following person indicated in the same list.

in which they are listed in the list, three Statutory Auditors in office and one Alternate Statutory Auditor;

- b) the remaining two Statutory Auditors and one Alternate Statutory Auditor are taken from the other lists; in order to do this, the votes obtained by the lists themselves are divided successively by one two and three. The quotients thus obtained are assigned in order to the candidates of each of the said lists according to the order set respectively in each. The quotients thus attributed to the candidates on the various lists are then placed in a single descending order: the Statutory Auditors in office are those who have obtained the highest two quotients and the supplementary Statutory Auditor is the one who has obtained the highest third quotient. In the case in which more than one candidate obtains the same quotient, the candidate from the list which has still not elected a Statutory Auditor will be elected; in the case in own responsibility, that there are no reasons for ineligibility or conflict of interest as well as the existence of the necessary qualification required by the regulations in force to carry out the duties of Statutory Auditor.

20.13 For the nomination of Statutory Auditors not elected for whatsoever reason according to the aforesaid procedures, the Shareholders' Meeting will approve according to relative majority.

20.14 The chairmanship of the Board of Statutory Auditors is taken by person indicated in the first place in the list which has obtained the majority of the votes. In case of his substitution the chairmanship falls, until the end of term of the Board of Statutory Auditors, on the next following person indicated in the same list.

19.15 In case of the substitution of a Statutory Auditor taken from the list which has obtained the majority of the votes cast by shareholders, the alternate will come from the same list; in the case of the substitution of a Statutory Auditor taken from the other lists, the alternate will be nominated according to the method set out in point (b) in this article. Whenever it may be necessary to keep up minimum number of Statutory Auditors in office with the requirements as per paragraph 3 of the present article, the alternate with the same requirements will in case enter

19.16 The nomination of Statutory Auditors to make up the Board of Statutory Auditors according to Article 2401 of the Civil Code is made by a relative majority of the Shareholders' Meeting.

19.17 The Shareholders' Meeting fixes the remuneration of the Statutory Auditors. The Shareholders' Meeting may also decide, in addition to the remuneration, the payment to each Statutory Auditor of a fixed sum for every attendance at the meetings; the Statutory Auditors have the further right to reimbursement of expenses incurred in the course of their duties and to the payment of daily allowances as decided by the Shareholders' Meeting.

19.18 The members of the Board of Statutory Auditors cannot be in office in more than five offices as Statutory Auditor in office in other quoted companies with the exception of companies controlled by SANPAOLO IMI S.p.A.

19.19 The meetings of the Board of Statutory Auditors may be validly held also by means of telecommunication, as long as there is a guarantee of the exact identification of the persons entitled to be present, the possibility for all participants to participate, in real time, in all the discussions and see, receive and transmit documents. The meetings are considered held in the place where the Board is

20.15 In case of the substitution of a Statutory Auditor taken from the list which has obtained the majority of the votes cast by shareholders, the alternate will come from the same list; in the case of the substitution of a Statutory Auditor taken from the other lists, the alternate will be nominated according to the method set out in point (b) in this article. Whenever it may be necessary to keep up minimum number of Statutory Auditors in office with the requirements as per paragraph 3 of the present article, the alternate with the same requirements will in case enter

20.16 The nomination of Statutory Auditors to make up the Board of Statutory Auditors according to Article 2401 of the Civil Code is made by a relative majority of the Shareholders' Meeting.

20.17 The Shareholders' Meeting fixes the remuneration of the Statutory Auditors. The Shareholders' Meeting may also decide, in addition to the remuneration, the payment to each Statutory Auditor of a fixed sum for every attendance at the meetings; the Statutory Auditors have the further right to reimbursement of expenses incurred in the course of their duties and to the payment of daily allowances as decided by the Shareholders' Meeting.

20.18 The members of the Board of Statutory Auditors cannot be in office in more than five offices as Statutory Auditor in office in other quoted companies with the exception of companies controlled by SANPAOLO IMI S.p.A.

20.19 The meetings of the Board of Statutory Auditors may be validly held also by means of telecommunication, as long as there is a guarantee of the exact identification of the persons entitled to be present, the possibility for all participants to participate, in real time, in all the discussions and see, receive and transmit documents. The meetings are considered held in the place where the Board is

called, where at least one Statutory Auditor must be present.

called, where at least one Statutory Auditor must be present.

SECTION VI MANAGEMENT

ARTICLE 20

- 20.1* The Board of Directors nominates one or more General Managers and one or more Deputy General Managers and determines their roles and the length of their term of office. Alternatively, the Board of Directors nominates a Central Management and determines the number of its members, establishing the assignment of responsibilities as well as the division of functions among the members.
- 20.2* The General Manager or General Managers, or the Central Management, report in the exercise of their responsibilities to the Managing Director or Managing Directors; they execute the decisions taken by the Board of Directors, by the Executive Committee, by the Chairman and by the Managing Director or Managing Directors; they manage all current business, supervise the structure and functioning of services, allocate responsibilities and positions to staff with the exclusion of Top Management. They may delegate, also internally and in continuity, their own powers to the Deputy General Managers, to Top Management, and other Personnel from Head Office, the regional organization and the branches.

(ARTICLE DELETED)

ARTICLE 21

- 21.1* **Accounting control is exercised by accounting firm having the competence set by law. Nomination, responsibilities, powers and responsibilities are set by legal provisions in the subject.**
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**SECTION VII
LEGAL REPRESENTATION
AND CORPORATE SEAL**

ARTICLE 21

21.1 The legal representation of the Company, concerning third parties and in proceedings, and the corporate seal lie with the Chairman and, in the case of his absence or inability, with the Deputy Chairman or Deputy Chairmen, according to the order of succession fixed by the Board of Directors and, in their absence, with the Managing Director or Managing Directors separately. In respect of the above, the Board may, pursuant to Law, for specific types of actions and business, delegate representative powers, with the ability to sign on behalf of the Company, to the Managing Director or Managing Directors, to individual Directors, to the General Manager or General Managers, to the Deputy General Manager or Deputy General Managers, to the staff of the Central Management, to Top Management and to other employees of the Company, determining the limits and the methods of use of such seal.

**SECTION VII
LEGAL REPRESENTATION
AND CORPORATE SEAL**

ARTICLE 22

22.1 The legal representation of the Company, concerning third parties and in proceedings, and the corporate seal lie with the Chairman and, in the case of his absence or inability, with the Deputy Chairman or Deputy Chairmen, according to the order of succession fixed by the Board of Directors and, in their absence, with the Managing Director or Managing Directors separately.

22.2 **In respect of the above, the legal representation of the Company, concerning third parties and in proceedings and the corporate seal also lie with the Managing Director or Managing Directors in matters delegated to them by the Board of Directors.**

22.3 **In respect of the above, the Board of Directors may, pursuant to Law, for specific types of actions and business, delegate representative powers, with the ability to sign on behalf of the Company, to individual Directors, to the General Manager or General Managers, to the Deputy General Manager or Deputy General Managers, to Top Management and to other employees of the Company, determining the limits and the methods of use of such seal. Similarly, the General Manager, within the powers attributed to him or her, may delegate**

representative powers to the Deputy General Manager or Deputy General, Managers, to Top Management and to other employees of the Company, determining the limits and the methods of use of such seal.

21.2 In cases in which the current Articles of Association allow substitutions for absence or impediment, the action of the substitute has legal force in dealings with third parties.

22.4 In cases in which the current Articles of Association allow substitutions for absence or impediment, the action of the substitute has legal force in dealings with third parties.

**SECTION VIII
FINANCIAL RESULTS AND PROFITS**

ARTICLE 22

- 22.1 The financial year closes at December 31 each year.
- 22.2 Of the net profits deriving from the financial results, an amount equal to 10% shall be transferred to the legal reserve until it amounts to one fifth of the equity capital.
- 22.3 A further share, equal up to 5% of the their nominal value, shall be reserved for preference shares.
- 22.4 The Shareholders' Meeting, on the proposal of the Board of Directors, will decide on the allocation of the remaining profit after provisions to the legal reserve and the allocation to preference shares.
- 22.5 The dividends will be allocated, equal up to the amount paid to preference shares, to ordinary shares and, then and equally, to all shares.
- 22.6 When dividends of less than 5% are allocated to preference shares in any one year, the dividends will be cumulated in the following two years.
- 22.7 Dividends not claimed within five years following the day on which they are available, will be retained by the Company and placed to reserves.

**SECTION VIII
FINANCIAL RESULTS AND PROFITS**

ARTICLE 23

- 23.1** The financial year closes at December 31 each year.
- 23.2** Of the net profits deriving from the financial results, an amount equal to 10% shall be transferred to the legal reserve until it amounts to one fifth of the equity capital.
- 23.3** A further share, equal up to 5% of the their nominal value, shall be reserved for preference shares.
- 23.4** The Shareholders' Meeting, on the proposal of the Board of Directors, will decide on the allocation of the remaining profit after provisions to the legal reserve and the allocation to preference shares.
- 23.5** The dividends will be allocated, equal up to the amount paid to preference shares, to ordinary shares and, then and equally, to all shares.
- 23.6** When dividends of less than 5% are allocated to preference shares in any one year, the dividends will be cumulated in the following two years.
- 23.7** Dividends not claimed within five years following the day on which they are available, will be retained by the Company and placed to reserves.
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22.8 The Board of Directors may approve the distribution of partial payments in advance of the dividends in the manner and within the limits set by the regulations in force at the time.

**SECTION IX
STATUTORY OFFICES**

ARTICLE 23

23.1 Current legislative, regulatory and supervisory rules concerning requirements of professional and honourable standards apply to the Offices established in the current Articles.

**SECTION X
WINDING UP**

ARTICLE 24

24.1 Given any different law provisions, if there is a reason for winding up, the Shareholders' Meeting will establish the manner of liquidation, nominating one or more liquidators.

23.8 The Board of Directors may approve the distribution of partial payments in advance of the dividends in the manner and within the limits set by the regulations in force at the time.

**SECTION IX
STATUTORY OFFICES**

ARTICLE 24

24.1 Current legislative, regulatory and supervisory rules concerning requirements of professional, honourable **and independent** standards apply to the Offices established in the current Articles.

**SECTION X
RECESS**

ARTICLE 25

25.1 **The right of recess is allowed only in those cases exclusively envisaged by law. Right of recess for shareholders without recourse to approval of motions concerning:**

- a) **the length of life of the Company;**
- b) **the introduction or removal of restrictions on the circulation of shares is not allowed.**

25.2 **The terms and methods of the exercise of the right of recess, the criteria to value the value of the shares and the related liquidation procedure are regulated by law.**

**SECTION XI
WINDING UP**

ARTICLE 26

26.1 Given any different law provisions, if there is a reason for winding up, the Shareholders' Meeting will establish the manner of liquidation, nominating one or more liquidators.

24.2 Preference shares, in the case of winding up or liquidation, will have the right to reimbursement of capital up to their nominal value.

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