

**CORPORATE BY-LAWS**

**TITLE I**

**INCORPORATION, CORPORATE NAME, DURATION AND REGISTERED OFFICE  
OF THE BANK**

**ARTICLE 1**

The bank,

**Unione di Banche Italiane Società cooperativa per azioni,**  
is established, also named in abbreviated form as just

**UBI Banca**

(the "Bank"), which assumed that name as a result of the merger, based on the principal of an equal partnership between the companies participating in it, of " Banche Popolari Unite Società cooperativa per azioni" ("BPU Banca" in abbreviated form) and "Banca Lombarda e Piemontese Società per Azioni" ("Banca Lombarda" in abbreviated).

**ARTICLE 2**

The duration of the Bank is established as until 31<sup>st</sup> December 2100 and may be extended.

**ARTICLE 3**

The registered office of the Bank shall be in Bergamo and its operating headquarters shall be in Bergamo and Brescia.

**TITLE II**

**COMPANY OBJECTS**

**ARTICLE 4**

The objects of the Bank are based on the traditional principles of 'Credito Popolare' (Italian 'popular' banks) and they are to borrow and lend money in the various ways in which it is performed, both directly and through its subsidiary undertakings both in relation to its own Registered Shareholders and to Unregistered Shareholders.

To this end, it may, provided it complies with the legislation in force and subject to the obtainment of the prescribed authorisations, both directly and through subsidiary companies, carry out any transactions and banking or financial services, as well as any other activity banks are allowed to conduct, including the issue of bonds and granting of loans regulated by special laws.

The Bank may also carry out any other transaction necessary to or in any way connected with achieving its company objects.

The Bank, in pursuing the Shareholders' interests, shall pay special attention to enhancing the value of the resources of the community in which it is located through its own distribution network and that of the Group. In compliance with its own institutional aims, the Bank shall grant special terms to Registered Shareholder customers with regard to the provision of specific services.

In order to achieve its objects, the Bank may become a member of associations and consortia of the banking sector, both in Italy and abroad.

The Bank, in its capacity as parent of the Unione di Banche Italiane Group, also named the UBI Banca Group in abbreviated form (hereinafter, the "Group"), pursuant to article 61, paragraph four of Legislative Decree No. 385 of 1<sup>st</sup> September 1993, shall issue - in exercising its respective management and co-ordination activities - directives to Group member companies, which may also be to implement instructions given by the Bank of Italy (*Banca d'Italia*) and in the interest of the Group's stability.

### **TITLE III**

#### **SHARE CAPITAL, REGISTERED SHAREHOLDERS AND SHARES**

##### **ARTICLE 5**

The share capital is variable and unlimited; it consists of registered shares with a nominal value of 2,50 euro (twoeurofiftycents) each.

The issue of new shares may be deliberated:

- a) exceptionally, by an Extraordinary General Meeting of the Shareholders, in compliance with article 2441 of the Italian Civil Code, with the majorities and quorums specified in these Corporate By-Laws for the convening and resolutions of Extraordinary General Meetings of the Shareholders, with the right to delegate the power to the Management Board, but subject to authorisation from the Supervisory Board for the exercise, in compliance with the legislation and regulations in force, of the powers provided by articles 2420 *ter* and 2443 of the Italian Civil Code;
- b) ordinarily, by the Management Board in compliance with the relevant law and regulations currently in force.

The share capital may also be increased by contributions of loans and assets in kind.

As long as the shares of the Bank are listed on regulated markets, the issue of new ordinary shares may only be performed according to the provisions of the preceding paragraph two, letter a).

##### **ARTICLE 6**

Natural persons may be accepted as Registered Shareholders, with the exclusion of those in the conditions specified in the following article 7.

Legal persons and other collective entities may become Registered Shareholders of the Bank, provided that they designate in writing the name of the natural person authorised to represent them; no change of the latter will be binding on the Bank without due notification by registered letter with acknowledgement of receipt.

Minors may be accepted as Registered Shareholders on request of their legal representative, who acts in their place in all relations with the Bank.

The above designated persons, the legal representatives of natural persons, and also the common representatives pursuant to the second paragraph of article 15 of these Corporate By-Laws, may exercise all the rights that Registered Shareholders may exercise, but, as such, are not eligible for election to corporate office.

#### **ARTICLE 7**

Persons who are disqualified or debarred by the courts, non discharged bankrupts and those who have received convictions which involve even temporary disqualification from public office cannot be accepted as Shareholders.

#### **ARTICLE 8**

Persons who intend to become Registered Shareholders must present a certificate of participation in the centralised management system and a written application to the Management Board containing not only details of the shares possessed but also personal particulars, domicile, citizenship and all other information and/or declarations required by law or the Corporate By-laws or requested in general by the Bank.

For the purposes of acceptance as a Registered Shareholder, certificates testifying to the ownership of at least 250 shares must be presented, while should they no longer be held, this shall result in the loss of registered shareholder status in accordance with the law.

The Management Board may determine the cost of processing applications and, when successful, may charge it to the new Registered Shareholder.

Aspiring Registered Shareholders must declare in their application for registration that they will comply with the obligations of these Corporate By-Laws and of the regulations and resolutions of the Bank.

#### **ARTICLE 9**

With account taken of the provisions of the law on 'popular' co-operative banks, all decisions on the acceptance of

applications for Registered Shareholder status are taken by the Management Board, in consideration of the general criteria recommended by the Supervisory Board, with exclusive regard to the objective interests of the Bank, including those of its independence and autonomy, and to observance of the spirit of its co-operative status. The decisions are then communicated to the parties concerned. For the purposes of assessing these requirements, account shall be taken, amongst other things, of any previous relations between the persons applying and Group member companies.

#### **ARTICLE 10**

The rejection of an application for Registered Shareholder status, with the reasons in relation to article 9 fairly and consistently stated, must be communicated in writing to the address of the applicant within 60 (sixty) days of the receipt of the application by the Bank.

#### **ARTICLE 11**

An appeal against the rejection of an application for Registered Shareholder status may be submitted for examination to the Board of Arbitrators constituted in accordance with these Corporate By-Laws and with the addition of a representative of the applicant in accordance with Art. 30, paragraph 5 of Legislative Decree No. 385/ of 1<sup>st</sup> September 1993.

The rejection of an application to become a registered shareholder, for those who lawfully possess shares in the Bank, has the sole effect of not allowing the exercise of rights other than those of a financial nature.

#### **ARTICLE 12**

Registered Shareholder status is acquired following an acceptance deliberation, with an entry in the shareholders' register.

Without prejudice to the provisions of the fourth paragraph of the preceding article five, if a new Registered Shareholder is accepted by the Bank following the issue of shares deliberated by a meeting of the Management Board in an ordinary manner, in accordance with letter b), paragraph 2 of article 5, the Registered Shareholder must first make the payment of the sum for the shares subscribed, of the share premium determined in accordance with the second paragraph of Art. 2528 of the Italian Civil Code, of the registration fee and the interest accruing.

For all intents and purposes of these Corporate By-Laws and the Law, each Registered Shareholder, as such, elects domicile at the registered address of the Bank, without prejudice to the right to inform the Bank in writing of a different domicile.

#### **ARTICLE 13**

In addition to the cases provided for by law, the Management Board may pass a resolution to expel a Registered Shareholder from the Bank in cases of:

- a) disqualification, debarment or conviction with a sentence which includes even temporary disqualification from holding public office;
- b) bankruptcy or being subject to other joint proceedings by creditors;
- c) proven activity damaging to the interests and prestige of the Bank;
- d) failure to perform contractual obligations undertaken towards the Bank.

Resolutions to oust a Registered Shareholder must be notified to the party concerned by registered letter with acknowledgement of receipt to the last domicile resulting from the Bank's records, sent within 30 (thirty) days of the date of the resolution passed by the Management Board.

An expelled Registered Shareholder who does not intend to oppose the expulsion under paragraph three of Art. 2533 of the Italian Civil Code, may appeal to the Board of Arbitrators, within 60 (sixty) days of receipt of the notification. The Board of Arbitrators has 60 (sixty) days within receipt of the appeal in which to review the decision and the Management Board makes the final decision giving the grounds for it.

The expulsion has effect from the date it is recorded in the shareholders' register.

#### **ARTICLE 14**

Withdrawal from the Bank is only permitted in those cases permitted by law, according to the procedures and with the effects provided for by the legislation and regulations in force.

#### **ARTICLE 15**

Shares are indivisible.

If a share is jointly owned, then the rights of the joint owners must be exercised by a common representative appointed according to the procedures provided for by the legislation and regulations in force. If a common representative has not been appointed or if that appointment has not been communicated to the Bank, then the communications and declarations made by the Bank to one of the joint owners are valid for all of them.

Shares are transferable as permitted by Law. If the transferee of shares has not obtained Registered Shareholder status of the Bank, the transferee may only exercise rights of a financial nature.

The Management Board may purchase or redeem shares of the Bank

in accordance with the provisions of article No. 2529 of the Italian Civil Code, within the limits of the distributable profits and reserves available as they result from the last financial statements duly approved and destined for those purposes by a General Meeting of the Shareholders' of the Bank. The shares purchased may be sold again or cancelled.

In all cases of redemption, the Registered Shareholder or his/her successors and assignees are required to surrender to the Bank the certification testifying possession of the relative shares.

The amount of the redemption does not bear interest.

#### **ARTICLE 16**

The shares may be subject to foreclosure on them by the Bank in all cases of the failure of Registered Shareholders to meet obligations towards the Bank in accordance with the Law.

#### **ARTICLE 17**

Interests held in assets and profits are in proportion to the shares owned.

Dividends not collected within five years from the day on which they are payable become the property of the Bank and increase the legal reserve.

#### **ARTICLE 18**

No one may possess a number of shares greater than the maximum admissible by law.

If that limit is exceeded and this is ascertained, the Bank shall proceed in accordance with the provisions of the Law in force.

#### **ARTICLE 19**

In the event of a Registered Shareholder's death, the relationship with the Bank continues with the heirs of the deceased. Nevertheless, the binding nature on the Bank of the transfer of the shares is dependent on compliance with legal formalities and, for heirs who are not already Registered Shareholders, on obtaining the authorisation contained in paragraph three of Article 15 of these Corporate By-Laws. Joint ownership is regulated by paragraph two of the cited article 15.

### **TITLE IV**

#### **GOVERNING BODIES AND COMPANY OFFICERS**

#### **ARTICLE 20**

Performance of the functions of the Bank is delegated, according to their respective responsibilities to:

- a) Shareholders' Meetings;
- b) the Management Board;

- c) the Supervisory Board;
- d) the Chief Executive Officer;
- e) the General Management;
- f) the Board of Arbitrators.

**TITLE V**  
**SHAREHOLDERS' MEETINGS**

**ARTICLE 21**

Shareholders' meetings, properly convened and constituted, represent the registered shareholders as a whole and resolutions of those meetings, passed in compliance with the law and the Corporate By-Laws, are binding on all Registered Shareholders, even if absent or dissenting

**ARTICLE 22**

Shareholders' Meetings are either ordinary or extraordinary.

An ordinary Shareholders' Meeting:

- a) appoints and removes members of the Supervisory Board and sets the fees (also setting amounts for attendance "tokens") of the members of the Supervisory Board, as well as an additional total sum for the remuneration for those assigned particular offices, powers or functions, which is allocated in accordance with article 44. It elects the Chairman and the Senior Deputy Chairman of the Supervisory Board according to the procedures set out in article 45. Proper grounds must be given for the removal of members of the Supervisory Board;
- b) approves:
  - the remuneration policies for the members of the Management Board;
  - remuneration and/or incentive schemes based on financial instruments;
- c) decides on the liability of the members of the Supervisory Board and, pursuant to Art. 2393 and Art. 2409-*decies* of the Italian Civil Code, on the liability of the members of the Management Board, without prejudice to the concurrent liability of the Supervisory Board;
- d) decides on the distribution of profits, subject to the presentation of the financial statements and of the consolidated financial statements approved pursuant to Art. 2409-*terdecies* of the Italian Civil Code;
- e) appoints and dismisses the external statutory auditors responsible for auditing the accounts;
- f) approves the separate financial statements if the Supervisory Board fails to approve them or if this is requested by at least two thirds of the members of the Supervisory Board;
- g) decides on the other matters that fall within its competence either by law or by these Corporate By-laws.

An Extraordinary Shareholders' Meeting makes amendments to the

Corporate By-laws, decides the appointment, removal, replacement and powers of receivers and all other matters for which it is responsible by law.

Shareholders' meetings shall be held in all the cases provided for by law and by these Corporate By-laws and they are convened by the Management Board, or, pursuant to Art. 151-bis of Legislative Decree No. 58 of 24<sup>th</sup> February 1998, by the Supervisory Board or by at least two of its members, without prejudice to the other powers to convene provided for by law.

Ordinary Shareholders' Meetings are convened in any event at least once a year within 120 (onehundredandtwenty) days of the end of each financial year to pass resolutions on matters for which it holds responsibility by law or in accordance with these Corporate By-Laws.

Ordinary and Extraordinary Shareholders' Meetings may be convened by Registered Shareholders and shall be held without delay following the presentation of the request, giving the grounds and the agenda; the request must be signed by at least one twentieth of the Registered Shareholders in possession of voting rights on the date of the request.

In compliance with the procedures, according to the terms and within the time limits set by law, a number of registered shareholders equal to not less than 1/40 (one fortieth) of the Registered Shareholders with the right on the date of the request, may make an application in writing for additions to be made to the agenda to be dealt with in the Shareholders' Meeting, as it results from the notice convening the Shareholders' Meeting. The signatures of the Registered Shareholders must be authenticated in accordance with the law either by employees of the Bank or of its subsidiaries authorised to do so. The legitimacy of the right is given by the validity of the documentation testifying to the possession of the shares on the date on which the application is presented.

#### **ARTICLE 23**

Shareholders' Meetings shall be held, alternately, in the city or province of Bergamo and in the city or province of Brescia.

#### **ARTICLE 24**

Shareholders' Meetings shall be convened by means of notices - containing the items on the agenda, the place, the day and the time of the meeting and all other information required by the relevant legislation - published within the time limits specified by the legislation and regulations in force on the website of the Bank and also according to the other procedures provided for by the law and regulations. Notices must also be affixed in the branches of the Bank.

A second session of Shareholders' Meetings may be called, with the same notice used to convene the first session, for a

subsequent day, but not more than thirty days after the date set for the first session.

#### **ARTICLE 25**

Legitimate entitlement to participate in shareholders' meetings and to exercise voting rights is certified by a communication to the Bank, performed by the relative intermediary, on the basis of its accounting records, in favour of the party holding the right to vote. In this regard, Registered Shareholders for whom the said communication has been made to the Bank by the end of the third market trading day prior to that set for the Shareholders' Meeting in first call, or by the other time limit set by the legislation and regulations in force, may attend the Shareholders' Meeting, in accordance with the law. The legitimate right to attend and vote nevertheless remains, should the communications be received by the Bank later than the aforementioned time limit, provided they are received before the commencement of the proceedings of each single session of the shareholders' meetings.

Only persons who have been Registered Shareholders for at least 90 (ninety) days from the date of entry in the Shareholders' Register may attend meetings, exercise voting rights and be eligible for appointment as company officers.

#### **ARTICLE 26**

A Registered Shareholder is entitled to only one vote no matter how many shares are possessed.

A registered shareholder is entitled to be represented by issuing a written proxy to another Registered Shareholder having the right to attend the Shareholders' Meeting.

Proxies may not be granted to any members of the management or control bodies, or to employees of the Bank, or to any controlled companies or to any member of the management or control bodies, or employees of the aforesaid controlled companies, or to the firm of external statutory auditors appointed or to the person responsible for the statutory audit of the Bank, or to parties to whom one of the other conditions of incompatibility apply according to the law.

Without prejudice to the provisions of Article 2372, paragraph 2 of the Italian Civil Code, a proxy may be granted for a single Shareholders' Meeting only, effective also for subsequent calls, but may not be granted leaving the name of the proxy holder blank.

No registered shareholder may act as a proxy for more than 3 (three) other Registered Shareholders.

Voting by post is not permitted.

Members of the Management Board and similarly members of the Supervisory Board may not vote on resolutions concerning their

areas of responsibility.

The right to vote in the case of a pledge or usufruct on shares may be exercised by Registered Shareholders only.

#### **ARTICLE 27**

General Meetings, both ordinary and extraordinary, are validly constituted in first call, when at least one twentieth of the Registered Shareholders with the right to vote are present either in person or through a representative and proxy.

In second call, an Ordinary Shareholders' Meeting shall be validly constituted regardless of the number of Registered Shareholders present, while in the second call an extraordinary Shareholders' Meeting shall be validly constituted, without prejudice to the provisions of article 28, when at least 1/400 (onefourhundredth) of the members with the right to vote are present either in person or through a representative and proxy.

If it is not possible to complete the agenda in one day, the Chairman of the Shareholders' Meeting may decide to continue it but not longer than the seventh following day, informing those present verbally without the need for further notice. In second call a Shareholders' Meeting is constituted and passes resolutions with the same majorities established for the validity of the Constitution and resolutions of the Shareholders' Meeting that is being continued.

#### **ARTICLE 28**

Except as otherwise provided for by these Corporate By-Laws, both ordinary and extraordinary Shareholders' Meetings pass resolutions by an absolute majority of the votes; in the case of a tied vote, the motion is considered rejected. If a Shareholders' Meeting, whether in ordinary or extraordinary session, is called upon to consider a proposal concerning a transaction with related parties, where the committee formed in compliance with Consob Regulation No. 17221 of 12<sup>th</sup> March 2010 and subsequent amendments has expressed an opinion against the transaction and if the Shareholders' Meeting has approved that proposal with the quorum for resolutions required by these Corporate By-Laws, the conclusion of that transaction shall be forbidden if a number of non-related party shareholders who represent at least 3% of the share capital with voting rights is present in the Shareholders' Meeting and the majority of those non-related party shareholders have voted against the transaction.

Insofar as Shareholders' Meetings are concerned, appointments of company officers must be performed by secret vote in accordance with the procedures set forth in article 45.

In any event, without prejudice to mandatory legal provisions the vote in favour even in second call of at least one

twentieth of all the Registered Shareholders with voting rights is required for resolutions concerning a change in the company objects, the elimination or closedown of the operational headquarters at Brescia and Bergamo, as provided for and identified in article 3, the early dissolution of the Bank determined by events provided for by law, excluding the case pursuant to number six of Art 2484 of the Italian Civil Code, the repeal or the amendment of articles 23 and 36 of these Corporate By-laws and/or the introduction of any other provision incompatible with those articles, such as the approval of the amendment or repeal of this clause and/or of the quorum for resolutions provided in it.

Again without prejudice to any other mandatory legal provisions, the vote in favour of at least one twentieth of all the registered shareholders with voting rights, who also represent at least 20% of the share capital subscribed and paid up on the ninetieth day prior to that of the Shareholder's Meeting is required, even in a second call of a shareholders' meeting, for the approval of resolutions concerning the repeal or amendment of article 45, paragraph six, article 48, paragraph six and article 49, paragraphs six, seven and eight of these Corporate By-laws and also of this clause itself and the quorum for passing resolutions contained in it.

For resolutions to be passed upon request of the Banking Supervisory Authority in relation to amendments to legal regulations, both ordinary and extraordinary shareholders' meetings shall pass resolutions by an absolute majority vote. In these cases, the provisions of article 48, paragraph five apply for resolutions for which the Supervisory Board is responsible.

#### **ARTICLE 29**

Both ordinary and extraordinary Shareholders' Meetings are chaired by the Chairman of the Supervisory Board or, if absent, by the Senior Deputy Chairman of the Supervisory Board or, in the event of absence or impediment, by the Chairman of the Management Board or, in the event of absence or impediment, by the Deputy Chairman of the Management Board and if the latter is absent or impeded, by another person appointed by the meeting itself.

The Chairman of the Supervisory Board may in any event always delegate and appoint the Chairman of the Management Board to chair the Shareholders Meeting and the Chairman of the Management Board shall report that appointment when the proceedings of the meeting commence.

The Chairman of General Meetings is responsible for verifying the validity of proxies and in general the right of those present to participate in Shareholders' Meetings, for

verifying that the meeting has been properly convened with a proper quorum for resolutions, and also for leading and moderating discussion as well as for deciding the procedures for voting, and for ascertaining the relative results.

On the basis of proposals from the Chairman, Shareholders' Meetings shall appoint a Secretary and four scrutineers.

In Extraordinary Shareholders' Meetings, or when the Chairman deems it appropriate, the functions of the secretary shall be performed by a notary appointed by the Chairman of the meeting.

**TITLE VI  
MANAGEMENT BOARD**

**ARTICLE 30**

The Management Board shall be composed of between 7 (seven) and a maximum of 11 (eleven) members, inclusive of a Chairman, a Deputy Chairman and a Chief Executive Officer; the members of the Management Board are appointed from among the Registered Shareholders with voting rights by the Supervisory Board, on the basis of a proposal from the Appointments Committee, after determining their number, according to a criterion which, in compliance with Law No. 120 of 12<sup>th</sup> July 2011, ensures a balance between genders for the period provided for by that law.

The members of the Management Board shall remain in office for three financial years. Their term of office shall expire on the date of the Supervisory Board meeting convened to approve the financial statements relating to their last year in office. They nevertheless shall remain in office until a new Management Board is appointed in accordance with article 46, letter a) and they may be re-appointed.

Members of the Management Board are exempted from depositing surety bonds.

Persons who are ineligible or debarred within the meaning of Art. 2382 of the Italian Civil Code, or who do not satisfy the requirements of integrity, professionalism or any other requirement contained in the relevant legislation and regulations, also with regard to the limits on the accumulation of positions imposed by internal regulations, may not be appointed as members of the Management Board. However: i) at least one member of the Management Board must possess the requirements of independence set forth in Art. 148, paragraph three of Legislative Decree No. 58 of 24<sup>th</sup> February 1998; ii) at least the majority must have a total of at least three years experience in professional and/or management activities in financial and/or investment and/or banking and/or insurance companies in Italy or abroad.

The members of the Supervisory Board cannot be appointed as

members of the Management Board as long as they continue to hold that office.

#### **ARTICLE 31**

The Chairman of the Management Board and the Deputy Chairman of the Management Board - called upon to perform the functions of chairman if the Chairman is absent or subject to impediment - shall be appointed by the Supervisory Board in accordance with the provisions of article 46.

Secretarial functions are delegated by the Management Board to a member of the Management Board, to the General Manager, to another senior manager or to another person outside the Bank or the Group.

#### **ARTICLE 32**

If the positions of one or more members of the Management Board become vacant, the Supervisory Board replaces them without delay, again on the basis of a proposal submitted by the Appointments Committee in compliance with the proportions established by Law No. 120 of 12<sup>th</sup> July 2011 for the purposes of ensuring balance between genders. The term of office of members appointed in this manner shall expire at the same time as that of those in office when they were appointed.

If for any reason the positions of the majority of the members originally appointed by the Supervisory Board become vacant, then the entire Management Board shall be considered as removed from office from the date of the appointment of new members. The latter shall remain in office for the remaining term of office that the original Board would have served.

#### **ARTICLE 33**

Meetings of the Management Board shall be chaired by the Chairman or, in his absence, by the Deputy Chairman. In their absence they shall be chaired by the most senior member by age.

The minutes of meetings of the Management Board, taken by the Secretary, are read and submitted for approval to the Board itself in the meeting that immediately follows or, at the very latest, the one after; they are signed by the person who chaired the meeting and by the Secretary.

#### **ARTICLE 34**

The Management Board shall meet at least once a month, as well as each time the Chairman thinks it fit to call a meeting or when a request is submitted by 5 (five) members.

Meetings are held alternating between the city of Bergamo and the city of Brescia and once a year in the city of Milan.

Without prejudice to the powers to call meetings reserved to the Supervisory Board, meetings are convened by the Chairman

with details given, which may be brief, of the agenda and notice of at least 3 (three) days prior to the date set for the meeting, sent by any appropriate means to the domicile of each member, except in urgent cases when notice is reduced to one day. Members of the Supervisory Board must also be notified of meetings in the same way.

In order for meetings of the Management Board to be valid - without prejudice to the provisions of article 36 - the presence of more than half the members in office is required.

Remote participation in meetings of the Management Board is admissible by means of appropriate audio-video conference and/or teleconference systems on condition that all those with the right may participate and be identified and that they are able to follow the meeting and intervene in the matters dealt with in real time as well as receive, transmit or view documents, examining them and deciding on resolutions simultaneously with other members. In these cases, the meeting of the Management Board shall be considered as being held in the place where the person chairing the meeting and the Secretary are located.

#### **ARTICLE 35**

In addition to the reimbursement of expenses incurred in performing their duties in office, the Members of the Supervisory Board also have the right to remuneration determined by the Supervisory Board in accordance with paragraph one, letter a) of article 46 of these Corporate By-Laws. They are also assigned "tokens" as payment for participation in meetings of the Management Board and in meetings of commissions and committees formed by the Management Board itself in the amount established by the Supervisory Board and remuneration - again set by the Supervisory Board - for members of the Management Board appointed to particular positions in compliance with these Corporate By-Laws.

#### **ARTICLE 36**

Resolutions of the Management Board are passed by open vote, with the vote in favour of the majority of the members present.

Nevertheless, the vote in favour of at least 8 (eight) members of the Management Board (or of all the members less one, should the Management Board be composed of seven or eight members) are required for the resolutions concerning:

- a) proposals for amendments to the Corporate By-Laws, to be submitted for authorisation to the Supervisory Board for subsequent approval by an Extraordinary Shareholders' Meeting;
- b) proposals to be submitted for approval to the Supervisory Board, concerning:
  - the total or partial transfer of the shareholdings held in

the following companies: Banca Popolare Commercio e Industria S.p.A., Banca Popolare di Bergamo S.p.A., Banca Popolare di Ancona S.p.A., Banca Carime S.p.A., Centrobanca S.p.A., Banco di Brescia S.p.A. and Banca Regionale Europea S.p.A., and the constitution of any kind of lien or encumbrance on their shares;

- determination of the vote to be cast in Shareholders' Meetings of the above companies convened for the approval of increases in share capital with option rights excluded (upon payment in cash or contribution in kind), the issuance of convertible bonds or cum warrant bonds, without option rights;

- determination of the vote to be cast in the meetings of the above companies convened for deciding on the merger into the Bank or into other companies, on their transformation, demerger, early dissolution, changes in the company objects, name changes or relocation of the registered offices out of the municipality in which they are currently located and on the transfer of the banking company or of a substantial part of it to third parties not forming part of the Group;

c) appointments to the office of member of the Board of Directors and of the Board of Auditors of the companies listed in the preceding paragraph b), after taking into account the non-binding opinion of the Supervisory Board communicated by the Chairman of that body;

d) the assignment, if considered appropriate, of one member of the board to the office pursuant to article 43 *bis*.

#### **ARTICLE 37**

The Management Board is responsible for the management of the Bank in compliance with the strategic policies and plans approved by the Supervisory Board, with account taken of the proposals of the Management Board itself. To achieve this, it performs all the operations necessary, useful or in any case advisable to implement the company objects, whether of an ordinary or extraordinary nature.

In addition to those matters that cannot be delegated by law and to those pursuant to the last paragraph of article 36, the Management Board has exclusive responsibility for the following:

a) setting the strategic policies and plans of the Bank and the Group, on the basis of proposals from the Chief Executive Officer, to be submitted to Supervisory Board for approval;

b) granting and revoking the powers of the Chief Executive Officer. The selection of the member of the Management Board to whom powers are granted must be performed on the basis of a non binding proposal from the Supervisory Board, decided in turn, subject to a proposal by the Appointments Committee. If this proposal has not been made by the Appointments Committee with the quorum required by the relative regulations, the

proposal submitted by the Supervisory Board to the Management Board shall be decided with the vote in favour of at least 17 (seventeen) members of the Supervisory Board. The revocation of the powers is decided by the Management Board with the vote in favour of at least 8 (eight) members of the Management Board (or of all the members less one, should the Management Board be composed of seven or eight members), after consultation with the Supervisory Board;

c) the formulation, on the basis of proposals from the Chief Executive Officer, of the business and/or financial plans and the budgets of the Bank and the Group to be submitted to the Supervisory Board for approval pursuant to Art. 2409-terdecies of the Italian Civil Code;

d) the management of risk and internal controls, with exception made for the responsibilities and powers of the Supervisory Board pursuant to article 46;

e) conferring, modifying or revoking authorisations and powers and assigning specific functions or authorisations to one or more board members;

f) the appointment and removal of the General Manager and other members of General Management, defining their functions and responsibilities and also the appointment of the senior management of the Group;

g) the designation of members of the Board of Directors and of the Board of Statutory Auditors of the companies belonging to the Group, without prejudice to the provisions of the preceding article 36, paragraph two, letter e);

h) proposals concerning the acquisition or disposal of controlling investments in companies and the acquisition or disposal of non controlling investments where the amount is greater than 0,01% of the supervisory capital eligible for calculating the consolidated core tier one capital as stated in the latest report to the Bank of Italy in accordance with the regulations in force;

i) opening and closing down of branches and representative offices;

l) determination of the organisational, administrative and accounting structure of the Bank, to be submitted to the Supervisory Board for approval, and, without prejudice to the exclusive powers of the Supervisory Board pursuant to article 49 of these Corporate By-laws, the creation of committees or commissions with advisory, investigative, controlling or coordinating functions, without prejudice to article 42, paragraph two;

m) the approval and amendment of the regulations of the Bank and the Group, with exception made for the responsibilities and powers of the Supervisory Board pursuant to article 46. paragraph one, letter s) of these Corporate By-laws;

n) determination of the criteria for the co-ordination and

management of Group member companies and also the criteria for implementing instructions issued by the Bank of Italy;

o) subject to the mandatory opinion of the Supervisory Board, the appointment and removal of the senior officer responsible for preparing financial reporting documents, pursuant to Article 154-bis of Legislative Decree No. 58 of 24<sup>th</sup> February 1998, and the determination of the relative remuneration. In addition to the requirements of integrity prescribed by the current regulations in force for persons performing administrative and management functions, the senior officer responsible for preparing financial reporting documents officer must also possess requirements of professionalism with specific administrative and accounting expertise in the banking, finance, investment or insurance fields. This expertise, to be verified by the Management Board, must have been acquired through experience in positions of appropriate levels of responsibility for a reasonable period of time and in comparable companies;

p) the appointment and removal, subject to the opinion of the Supervisory Board, of the Senior Officer Responsible for the internal control function, the Senior Officer Responsible for the compliance function and those officers responsible for functions whose appointment is the sole responsibility by law and regulations in force of the Management Board;

q) the preparation of separate financial statements and consolidated financial statements for approval;

r) the exercise of powers to increase the share capital granted pursuant to Art. 2443 of the Italian Civil Code and also to issue convertible bonds pursuant to Art. 2420-ter of the Italian Civil Code, subject to authorisation by the Supervisory Board;

s) obligations of the Management Board pursuant to articles 2446 and 2447 of the Italian Civil Code;

t) formulation of merger or demerger plans;

u) proposals for strategic transactions pursuant to Art. 46, paragraph one, letter m) to submit to the Supervisory Board for approval;

v) definition of criteria to identify related party transactions for which responsibility will lie with the board itself.

#### **ARTICLE 38**

The Management Board shall report in writing to the Supervisory Board on the general performance of operations, on the business outlook and on the most important transactions in terms of size and nature performed by the Bank and its subsidiaries as well as on the principal accounting figures for the Bank, its main subsidiaries and the Group and it shall also report in any event on transactions in which the members

of the Management Board themselves hold an interest either on their own account or on behalf of third parties. The Chairman of the Supervisory Board may invite the Chairman of the Management Board and/or the Chief Executive Officer to illustrate the relative report to the Supervisory Board. The report shall normally be made on a quarterly basis.

#### **ARTICLE 39**

The Chairman of the Management Board:

- a) is the legal representative of the Bank and may sign on its behalf, as explained in greater detail in the subsequent article 40;
- b) shall convene the Management Board and set the agenda taking into account, amongst other things, proposals formulated by the Deputy Chairman and by the Chief Executive Office and he shall co-ordinate the proceedings, ensuring that all members are furnished with adequate information concerning the items on the agenda;
- c) shall maintain relations with the Supervisory Authority, in agreement with the Deputy Chairman and the Chief Executive Officer, as part of the activities of the Management Board;
- d) shall maintain relations with the Supervisory Board and its Chairman;
- e) shall ensure that the Supervisory Board is informed at least quarterly pursuant to the previous article 38;
- f) shall be responsible, in agreement with the Chairman of the Supervisory Board and the Chief Executive Officer, for the external communication of information concerning the Bank;
- g) shall exercise all the other powers involved in performance of his duties.

In cases of extreme and justified urgency, and if the Management Board cannot be immediately convened, the Chairman of the Management Board or, in the event of his absence or impediment, the Deputy Chairman or, in the event of the absence or impediment of the foregoing, the Chief Executive Officer may take decisions concerning any transaction within the remit of the Management Board, and in particular in the field of loan disbursement, except for matters for which the Management Board has exclusive responsibility. The decisions taken in this manner must be reported to the Management Board in the first subsequent meeting.

#### **ARTICLE 40**

The Chairman of the Management Board, the Deputy Chairman of the Management Board and the Chief Executive Officer shall represent the Bank severally before third parties and in legal proceedings, before any courts at any levels and at any level and they may sign singly on behalf of the Bank.

The Chairman of the Management Board, , the Deputy Chairman

and the Chief Executive Officer, each individually, have the power to initiate legal proceedings for all matters concerning the management and administration of the Bank, to make appeals before all judicial and jurisdictional authorities and before administrative and tax authorities and commissions, to grant authorisations for joint and special proceedings with the election of domicile and to initiate civil proceedings within criminal actions.

The Chairman, the Deputy Chairman and the Chief Executive Officer, individually and in the exercise of their powers, may appoint persons with special powers of attorney for determined actions or categories of actions.

#### **ARTICLE 41**

The Management Board may grant the power to sign on behalf of Bank, either jointly or individually, within the limits and under the conditions that it considers appropriate, to the General Manager, to senior managers, to officials and other personnel in offices and branches and it may also grant specific powers to individuals.

Similarly, the Management Board may delegate its powers concerning the cancellation and reduction of mortgages to those indicated in the previous paragraph even in cases where there is no corresponding settlement of or decrease in loans granted and secured.

#### **TITLE VII**

#### **CHIEF EXECUTIVE OFFICER**

#### **ARTICLE 42**

The Management Board, in compliance with the law and the Corporate By-Laws and in particular with regard to article 37, may delegate its own powers, that do not fall within its exclusive competence pursuant to the law or these Corporate By-Laws, to one of its members, who acts as the Chief Executive Officer, without prejudice to what is provided for in the event of urgency by the last paragraph of article 39.

Decision-making powers concerning the disbursement of loans and connected with the assumption of risk in typical banking activities may be delegated, with the exception of those powers that may not be delegated, to special committees composed of board members and senior managers and also, within the limits of set amounts, to the General Manager, to senior managers, to officials and branch managers.

The Management Board may also delegate powers to individual members to perform individual actions and negotiations.

#### **ARTICLE 43**

The Chief Executive Officer may also be granted, amongst others, the following powers:

a) to supervise the management of the Bank and the Group;

- b) to perform strategic co-ordination and operational control for the Bank and the Group;
- c) to supervise the implementation of the organisational, administrative and accounting structure decided by the Management Board and approved by the Supervisory Board;
- d) to issue operational directives for General Management;
- e) to supervise the integration of the Group;
- f) to submit proposals to the Management Board for the formulation of the general plans and strategic policies of the Bank and the Group and to draw up the business and/or financial plans and budgets of the Bank and the Group to be submitted for the approval of the Supervisory Board and to supervise implementation through the General Management;
- g) to propose budget policies and policies to optimise the use of resources and to submit draft annual financial statements and interim financial statements to the Management Board;
- h) to propose appointments to the senior operational and executive management of the Group to the Management Board, in agreement with the Chairman and Deputy Chairman of the Management Board and after consultation with the General Manager;
- i) to promote integrated risk management;
- l) to make extraordinary requests for inspections and/or investigations to the internal control function through the Internal Control Committee.

The Chief Executive Officer shall report quarterly to the Management Board on the performance of operations, the business outlook and the most important transactions performed by the Bank and its subsidiaries. The Chief Executive Officer reports monthly to the Management Board on the results of the Bank and the main subsidiaries of the Group as a whole.

#### **ARTICLE 43 BIS**

The Management Board may assign duties to one of its members, exclusively in support of the Management Board itself, with organisational, proposal-making and reporting functions on internal control matters, to be performed in close co-operation and agreement with the Chief Executive Officer and the General Manager, in observance of the responsibilities of the Supervisory Board on those matters and decisions made by it.

#### **TITLE VIII SUPERVISORY BOARD**

#### **ARTICLE 44**

The Supervisory Board is composed of 23 (twentythree) members elected from among the Registered Shareholders with voting rights, including a Chairman and a Senior Deputy Chairman appointed by a Shareholders' Meeting in compliance with

article 45 and two Deputy Chairmen chosen by the Supervisory Board itself from among its members. The members of the Supervisory Board shall remain in office for three financial years and they shall retire from office on the date of the Shareholders' Meeting convened in compliance with paragraph two of Art. 2364-*bis* of the Italian Civil Code.

Their retirement, due to the expiry of their term of office, shall be effective from the time at which a new Supervisory Board is appointed, the outgoing board maintaining its full powers in the meantime.

If, during the course of a financial year, one or more members of the Supervisory Board retires, provision is made to replace them in accordance with article 45.

The Members of the Supervisory Board must be in possession of the requirements of integrity, professionalism and independence prescribed by regulations currently in force. At least 15 (fifteen) of the members of the Supervisory Board must be in possession of the requirements of professionalism required by the legislation currently in force for persons who perform functions as directors of banks.

In particular, at least 3 (three) members of the Supervisory Board must be chosen from amongst persons enrolled in the register of external statutory auditors who have exercised statutory auditing activities for a period of not less than three years.

Furthermore, the composition of the Supervisory Board must ensure, in compliance with the provisions of Law No. 120 of 12<sup>th</sup> July 2011, that a balance is maintained between genders for the period provided for by that law.

While mandatory regulations of the law, the Supervisory Authority or other regulations must be complied with, persons already holding the office of full statutory auditor, or who are members of other supervisory bodies in more than five listed companies and/or their parent companies or subsidiaries, cannot hold office as a member of the Supervisory Board.

If the cause of incompatibility just mentioned is not eliminated within 60 days of election or, if it occurs subsequently, of communication of the fact to those concerned the member of the board is automatically deemed to have retired from office.

In addition to the reimbursement of expenses incurred in performing their duties in office, the Members of the Supervisory Board also have the right to remuneration determined for the entire period of office in accordance with these Corporate By-Laws. They are also assigned "tokens" for participation in meetings of the Supervisory Board and also in meetings of commissions and committees formed by the Supervisory Board itself in the amount established by a

Shareholders' Meeting.

The Supervisory Board, after consulting with the Remuneration Committee, shall allocate the remuneration set by a Shareholders' Meeting pursuant to Article 22 and it shall set the remuneration for the Chairman, the Senior Deputy Chairman, the Deputy Chairmen and those members of the Supervisory Board to whom specific offices, powers or duties have been assigned by these Corporate By-Laws or by the Supervisory Board itself. This allocation shall, amongst other things, take account of participation in committees pursuant to Article 49 and shall ensure that the remuneration of the members of the Internal Control Committee is set taking account of the professional rates for participation in corporate control bodies.

#### **ARTICLE 45**

Members of the Supervisory Board shall be elected by a Shareholders' Meeting on the basis of lists, which may be submitted by the Registered Shareholders or by the Supervisory Board, in accordance with the procedures set forth below.

The lists of candidates, signed by those submitting them, must be deposited at the registered offices of the Bank by the twentyfifth day prior to the Shareholders' Meeting in first call and they must contain the names of at least two candidates and also, where they are composed of at least three candidates, comply with the gender proportions established by Law No. 120 of 12<sup>th</sup> July 2011 in order to ensure that a balance is maintained between them within the Supervisory Board. Submission of the lists may be performed by remote means of communication defined by the Management Board in a manner, stated in the notice to convene, which allows those depositing the lists to be identified. The signature of each Registered Shareholder submitting a list must be duly authenticated in accordance with the law by employees of either the Bank or its subsidiaries specifically authorised by the Management Board. The lists must also be accompanied by information concerning the identity of the registered shareholders who have submitted them, with details of the number of shares and therefore the total percentage of the shares held by the registered shareholders submitting them and, within the time limits set by the legislation and regulations in force, by a communication which demonstrates ownership of the investment, as well as all other information required by the regulations in force.

Exhaustive information must be deposited together with each list on the personal and professional characteristics of the candidates as well as a declaration by the candidates themselves stating that they are in possession of the requirements specified by the law and by regulatory and corporate by-law provisions and also that they accept their

candidature.

In cases where only one list has been presented within the time limit mentioned in paragraph two, or in any event in the cases provided for by the regulations in force, the Bank reports this immediately with a press release sent to at least two press agencies. In this case lists may be presented up until the fifth day following the date of the time limit cited. Again in this case the limits laid down in the subsequent paragraph are reduced by half.

The election of the Members of the Supervisory Board shall take place on the basis of lists presented:

a) directly by at least 500 (fivehundred) Registered Shareholders who have the right to participate in and vote in the Shareholders' Meeting called to elect the Supervisory Board, who provide documentary evidence of the right according to the legislation in force, and that is by one or more registered shareholders who represent at least 0,50% of the share capital, calculated on the basis of the share capital existing 90 (ninety) days prior to the date set for calling the Shareholders' Meeting and to be indicated in the notice given to call the meeting;

b) by the outgoing Supervisory Board on the basis of a proposal made by the Appointments Committee and with the approval of the Supervisory Board passed with the votes of at least 17 (seventeen) of its members, and in any case supported as reported in the preceding letter a) by at least 500 (fivehundred) Registered Shareholders who have the right to participate in and vote in the Shareholders' Meeting called to elect the Supervisory Board, who provide documentary evidence of the right according to the legislation in force, and that is by one or more registered shareholders who represent at least 0.50% of the share capital, calculated on the basis of the share capital existing 90 (ninety) days before the date set for calling the Shareholders' Meeting and to be indicated in the notice given to call the meeting.

Each Registered Shareholder may participate in the presentation of one list only: if this rule is not observed, the Registered Shareholder's signature is not counted as valid for any list.

Each candidate may be included in one list only on pain of ineligibility.

Lists presented that fail to observe the procedures reported above are considered as not presented.

Each Registered Shareholder may vote for one list only.

The election of the Supervisory Board shall be performed as follows:

a) if one or more lists are submitted and without prejudice to the provisions of the following letter b), 22 (twentytwo) members of the Supervisory Board shall be taken from the list

that obtains a majority of Registered Shareholders' votes in the order of preference stated on it;

b) 1 (one) member of the Supervisory Board shall be taken from the list with the second highest number of votes which is not connected within the meaning of the regulations in force with the list mentioned in letter b), and it shall be the name of the first person on that list. If that list has obtained at least 15% of the votes counted in the Shareholders' Meeting, in addition to the first name indicated on that list, a further 2 (two) members of the Supervisory Board shall be taken from that list, and they shall be the second and third persons on that list. However, if that list has obtained at least 30% of the votes counted in the Shareholders' Meeting, in addition to the first name indicated on that list a further 4 (four) members shall be taken from that list, and they shall be the second, third, fourth and fifth persons on that list. Consequently 20 (twenty) or 18 (eighteen) members respectively of the Supervisory Board shall be taken from the list that obtains a majority of Registered Shareholders' votes in the order of preference stated on it.

c) if the minority list mentioned in letter b) should contain the names of only 2 (two) candidates, the third and if necessary the fourth and fifth members of the Board, where at least 30% of the votes are obtained, shall be taken from the majority list consisting of the persons not already elected on that list in order of preference stated on it.

If, after identifying the candidates to be taken from the lists which received the majority of the votes on the basis of the order in which they are indicated on the lists to which they belong, the gender proportions required under Law No. 120 of 12<sup>th</sup> July 2011 are not complied with, then those members of the Supervisory Board taken last from the aforementioned lists whose appointment would violate the said law are considered not elected. In this event the number of those board members indicated on the same list to which they belong shall be appointed which allows compliance with the composition requirements for the Supervisory Board in accordance with Law No. 120 of 12<sup>th</sup> July 2011 and with the Corporate By-Laws, again proceeding in the order in which those persons are indicated on the list to which they belong. In particular, in this circumstance, the candidates to be appointed belonging to the gender that is less represented on the basis of the results of the vote shall be taken from each list in proportion to the total number of candidates elected on each list according to the results of the voting. In this event, if the minority list pursuant to letter c) has not complied with the gender proportions established by Law No. 120 of 12<sup>th</sup> July 2011, the candidates to be appointed belonging to the less represented gender shall be taken from the list that obtained the greatest

number of votes only.

If only one list is validly proposed and this obtained the majority required for an ordinary Shareholders' Meeting, then all 23 members of the Supervisory Board shall be taken from that list.

The Shareholders' Meeting shall proceed by a relative majority vote to appoint those members of the Supervisory Board, who for any reason whatsoever could not be elected by means of the procedures mentioned in the preceding paragraphs or if no list at all is presented, again in compliance with the requirements for the composition of the Supervisory Board pursuant to Law No. 120 of 12<sup>th</sup> July 2011 and to the Corporate By-Laws; in the event of a tied vote the candidate more senior by age is elected.

If two or more lists obtain an equal number of votes, those lists must be voted on again until they no longer receive an equal number of votes.

The positions of Chairman and Senior Deputy Chairman of the Board are reserved to the first and second members respectively on the list that obtains a majority of votes, or on the only list presented or to the members appointed as such by the Shareholders' Meeting if no list is presented at all.

If, during the course of the financial year, the Board lacks one or more members, where it is a case of replacing members elected in the majority list, the first candidate not elected on that list shall be appointed who guarantees compliance with the requirements for the composition of the Supervisory Board provided for by Law No. 120 of 12<sup>th</sup> July 2011 and the Corporate By-Laws. In the absence of such a candidate, the appointment shall be by a relative majority vote with no list obligation, since the Supervisory Board itself may present candidates, if necessary, on the basis of proposals from the Appointments Committee.

If the positions of Chairman of the Supervisory Board and/or the Senior Deputy Chairman of the Supervisory Board should become vacant, an Ordinary Shareholders' Meeting should proceed without delay to restore the membership of the board and to appoint a Chairman and/or a Senior Deputy Chairman not by using in this case the replacement procedure just mentioned, since the Supervisory Board may present candidates itself for this purpose on the basis of proposals made by the Appointments Committee.

If, however, board members belonging to the minority list must be replaced the following procedure is employed:

- if only one board member has been appointed from the minority list, then the first candidate not elected on the list from which the member to be replaced was drawn shall be appointed, or, in the absence of such a candidate, the first candidate on any other minority lists there may be shall be

taken on the basis of the number of votes received in descending order. Should this not be possible or, if application of the above criterion means that the requirements for the composition of the Supervisory board pursuant to Law No. 120 of 12<sup>th</sup> July 2011 and the Corporate By-Laws are not met, then the Shareholders' Meeting shall make the replacement in compliance with the principle of the necessary representation of minorities;

- if a further 2 (two) or 4 (four) board members have been elected from the minority list, on the basis of the votes cast by the Registered Shareholders, the relative replacements shall be taken from the list from which the member to be replaced was drawn or in the absence of such a candidate from any other minority lists there may be, identified on the basis of the number of votes received in descending order and which have received, according to the case, 15% or 30% of the votes cast by the Shareholders' Meeting. In the absence of such candidates, the board members shall be drawn from the majority list or in the absence again of such candidates, or, if application of the above criterion means that the requirements for the composition of the Supervisory board pursuant to Law No. 120 of 12<sup>th</sup> July 2011 and the Corporate By-Laws are not met, the Shareholders' Meeting shall proceed to decide by relative majority vote;

- if two or four board members belonging to the minority list have already been replaced, in accordance with the preceding clause, by drawing them from the majority list or by a relative majority vote of the Shareholders' meeting to appoint them, as just described, the replacement of a further minority board member is by the first candidate named on any other minority lists there may be, on the basis of the descending number of votes received by these. Should this not be possible or, if application of the above criterion means that the requirements for the composition of the Supervisory board pursuant to Law No. 120 of 12<sup>th</sup> July 2011 and the Corporate By-Laws are not met, then the Shareholders' Meeting shall make the replacement in compliance with the principle of the necessary representation of minorities.

The replacement candidates, identified in accordance with the provisions of this article, must confirm that they accept their appointment and also make declarations that no cause for ineligibility and incompatibility exists and that they possess the requirements prescribed by law and by these Corporate By-Laws for the office.

A member of the Supervisory Board called upon to replace a previous member remains in office until the original mandate of the replaced member expires.

The Supervisory Board, without prejudice to the responsibilities assigned by law and regulations to its internal committees:

a) on the basis of proposals from the Appointments Committee, shall appoint and remove the members of the Management Board and its Chairman and Deputy Chairman, determining their remuneration, in compliance with Art. 22, paragraph two, letter b), after consulting with the Remuneration Committee. It also determines, after consulting with the Remuneration Committee and in compliance with Art. 22, paragraph two, letter b), the remuneration of the members of the Management Board vested with special functions, duties or powers or assigned to committees. Without prejudice to the provisions of article 32, paragraph two of these Corporate By-laws, and without effect for members of the Management Board who vacate their positions, the Supervisory Board appoints the members of the Management Board in the first meeting following its own appointment by a shareholders' meeting;

b) on the basis of proposals from Management Board, shall set the general plans and strategic policies of the Bank and of the Group;

c) approves the separate financial statements and the consolidated financial statements prepared by the Management Board;

d) authorises the Management Board to exercise the authority to increase share capital or to issue convertible bonds that may have been granted by a Shareholders' Meeting pursuant to article 2443 and/or to article 2420-ter of the Italian Civil Code;

e) performs supervisory functions in compliance with Art. 149, paragraphs one and three of Legislative Decree No. 58 of 24th February 1998;

f) initiates liability actions against members of the Management Board;

g) submits the statement to Bank of Italy pursuant to Article 70, paragraph 7 of Legislative Decree No. 385 of 1<sup>st</sup> September 1993;

h) reports in writing to the Shareholders' Meeting called pursuant to Article 2364- bis of the Italian Civil Code on the supervisory activity performed, on omissions and irregularities observed as well as, in any other ordinary or extraordinary Shareholders' Meeting called, on matters considered to fall within its authority;

i) informs the Bank of Italy without delay of all events or facts it may learn of in the performance of its duties, which might constitute a management irregularity or an infringement of banking regulations;

j) expresses a binding opinion concerning the person in charge of preparing the financial reporting documents pursuant to

article 154-bis of Legislative Decree No. 58 dated 24<sup>th</sup> February 1998;

k) on the basis of proposals submitted by the Management Board, decides on business and/or financial plans and budgets for the Bank and the Group prepared by the Management Board and on the strategic operations listed here below, but nevertheless without prejudice to the responsibility of the Management Board for its actions and while the aforementioned decision of the Supervisory Board shall not be necessary for the operations considered in points (iii), (iv), (v), (vi) and (vii), where these are operations for which the main elements have already been defined in business plans already approved by the Supervisory Board itself:

(i) transactions on the share capital, the issuance of convertible bonds and bonds cum warrants in shares of the Bank, mergers and demergers;

(ii) amendments to Corporate By-laws;

(iii) operations pursuant to Art. 36, paragraph two, letter b);

(iv) purchases by the Bank and by its subsidiaries of controlling interests in companies and transactions involving a reduction in directly or indirectly held investments in subsidiaries;

(v) purchases or disposals by the Bank and its subsidiaries of companies, business en bloc, business units, spin-offs, and investments or disinvestments which involve commitments where the amount for each transaction is greater than 4% of the supervisory capital eligible for the purposes of calculating the consolidated core tier one capital or affects the core tier one ratio by more than 50 basis points as stated in the latest report to the Bank of Italy in accordance with the regulations in force;

(vi) purchases or disposals by the Bank and its subsidiaries of investments in companies that are not controlled, the amount of which for each transaction is greater than 1% of the supervisory capital eligible for calculating the consolidated core tier one capital as stated in the latest report to the Bank of Italy in accordance with the regulations in force, or which are significant from an institutional viewpoint or that of the sector nationally;

(vii) stipulation of strategically important trade, co-operation and corporate agreements, with account taken of the activities and/or volumes involved and/or of the nature of the partners and in relation to programmes and objectives contained in the Business Plan approved;

l) expresses a non binding opinion with a vote in favour of at least 17 (seventeen) of its members on the candidates proposed by the Management Board to the position of Board Member and Statutory Auditor of the subsidiary undertakings listed in

article 36, paragraph two, letter b) of these Corporate By-laws;

m) sets, on the basis of proposals from the Management Board, strategic guidelines and policies for the management and control of risks, constantly verifying that they are adequate and implemented by the Management Board;

n) on the basis of proposals from the Management Board, sets policies for the management of compliance risk and makes decisions for the creation of a regulatory compliance function;

o) formulates its considerations concerning the basic elements of the general architecture of the internal control system; assesses, with regard to those aspects that concern it, the efficiency and adequacy of the internal control system; expresses its opinion on the appointment and removal by the Management Board of the officer responsible for the internal control function and the officer responsible for the compliance function;

p) approves and periodically verifies the organisational administrative and accounting structure of the Bank, determined by the Management Board;

q) approves corporate regulations concerning its functioning and, in co-operation with the Management Board, approves reporting systems between corporate bodies as well as those with the internal control system;

r) approves remuneration policies for employees or associate workers not linked to the Bank by regular employee contracts;

s) on the basis of a proposal by the Chairman of the Supervisory Board, drafted in compliance with article 47, paragraph two letter h), sets policies and takes decisions on projects for cultural and charitable initiatives and for the image of the Bank and the Group, with special reference to the enhancement of historical and artistic heritage, while it verifies that initiatives planned coincide with the objectives set;

t) decides on mergers and demergers pursuant to articles 2505 and 2505-*bis* of the Italian Civil Code;

u) exercises any other powers conferred by the legislation and regulations currently in force or by these Corporate By-laws. The Supervisory Board also has exclusive powers, in compliance with Art. 2436 of the Italian Civil Code, for decisions concerning:

a) the opening and closing of secondary offices;

b) the decrease in the share capital in case of a Registered Shareholder's withdrawal;

c) amendments to the Corporate By-Laws to comply with the law and regulations, subject to consultation with the Management Board.

The Supervisory Board and its members shall exercise the

powers set forth in Art. 151-*bis* of Legislative Decree no. 58 of 24<sup>th</sup> February 1998, pursuant to the terms and conditions provided therein.

#### **ARTICLE 47**

The Chairman of the Supervisory Board convenes - on his own initiative and, in any event, in the cases prescribed by Law or the Corporate By-Laws - and chairs the meetings of the Board itself, setting the agendas, taking account of the proposals formulated by the Senior Deputy Chairman and the other Deputy Chairmen and ensuring that adequate information on the items contained on the agenda are provided to all the members of the Supervisory Board.

Furthermore, the Chairman of the Supervisory Board, consistent with the functions attributed to the Board itself:

- a) in compliance with the legislation and regulations in force, maintains the necessary relations with the Management Board and, in particular, with its Chairman, Deputy Chairman and the Chief Executive Officer, in compliance with the relative regulations. He receives proposals from the Management Board concerning matters to be submitted to the Supervisory Board for approval. He requests and receives information on specific aspects of the operations of the Bank and the Group and on the performance of operations in general, and also on the business outlook;
- b) formulates proposals to submit to the Supervisory Board concerning activities to control the Bank's operations, with particular regard to the consistency of that activity with the strategies and general policies approved by the Supervisory Board;
- c) supervises and introduces procedures and systems to control the activities of the Bank and the Group. He performs this by requesting and receiving information from the Senior Officer Responsible for the preparation of financial reporting documents and the managers of the various functions concerned;
- d) puts reporting procedures in place required to monitor the appropriateness and adequacy of the organisational structures and the administrative and accounting systems adopted by the Bank and the Group;
- e) convenes and chairs the Appointments Committee;
- f) maintains relations with the Supervisory Authorities as part of the activities of the Supervisory Board;
- g) supervises, for matters within the remit of Supervisory Board, the management of external communications concerning the Bank, in agreement with the Chairman and the Deputy Chairman of the Management Board and the Chief Executive Officer;
- h) formulates proposals, subject to prior consultation with the Senior Deputy Chairman, on policies and projects for cultural

and charitable initiatives of the Bank and the Group, to be submitted to the Supervisory Board, with special reference to the enhancement of historical and artistic heritage.

The proposals and projects shall be drawn up in consultation with the Chairman and the Deputy Chairman of the Management Board and taking account of their recommendations.

The Supervisory Board shall allocate an amount not greater than 5% of the sum annually allocated by the Shareholders in compliance with article 52, paragraph four, to a specific fund to be used by the Chairman of the Supervisory Board for donations to minor charitable initiatives which do not form part of the projects approved above.

The Supervisory Board shall also allocate an amount not greater than 5% of the sum annually allocated by the Shareholders in compliance with article 52, paragraph four, to a specific fund available to the Chairman of the Management Board, which he shall use for donations to minor charitable initiatives which do not form part of the projects approved above.

i) exercises all other powers relevant to the performance of his duties.

In the event of the absence or impediment of the Chairman of the Supervisory Board, the Senior Deputy Chairman of the Supervisory Board performs his duties. In the further event of the absence or impediment of the latter, the duties are performed by the most senior Deputy Chairman by age or in the event of the absence or impediment of the latter by the other Deputy Chairman and in the event of their absence or impediment by the most senior member of the Supervisory Board in terms of length of office present at headquarters and, if of equal seniority, by the youngest.

#### **ARTICLE 48**

The Supervisory Board must meet at least every 60 (sixty) days. The location of the meetings alternates between the cities of Bergamo and Brescia and a meeting is held once a year in the city of Milan.

It is convened by registered letter, telegram, fax, email or other means which leaves a record of the receipt of the notification.

Notices to convene meetings shall contain a list of the items on the agenda and this is sent at least four days prior to the date set for the meeting, except in urgent circumstances, when the time-limit may be reduced to one day.

The meetings shall be deemed as validly convened when they are attended by the majority of the Board Members in office.

The Board passes resolutions with a vote in favour of the absolute majority of the Board Members present for the vote.

Nevertheless, the Supervisory Board shall pass resolutions for

the approval of amendments to the regulations of the Appointments Committee with the vote in favour of at least seventeen of its members.

That same majority required in the preceding paragraph is also required for proposals to amend the Corporate By-Laws, for resolutions concerning proposals pursuant to article 36, paragraph two, letter b) and for other matters in relation to which these Corporate By-Laws require larger majorities.

The members of the Supervisory Board shall report all interests which, either directly or through third parties, they may have in a determined transaction of the Bank or the Group, stating the nature, the terms, origin and extent. The relative resolution of the Supervisory Board must give adequate reasons, explaining the interest of the Bank in the transaction, without prejudice to other provisions of the law or regulations which may apply.

Remote participation in meetings of the Supervisory Board is permitted subject to the limitations and conditions contained in the last paragraph of article 34 of these Corporate By-laws.

The Board may appoint a Secretary who need not be a member of the Board and may be permanent.

#### **ARTICLE 49**

The Supervisory Board shall appoint an Internal Control Committee composed of between 3 (three) and 5 (five) of the Board Members, determining its powers and regulations for its proceedings.

At least the majority of the members of the Internal Control Committee must be in possession of the requirements specified in paragraph five of article 44 of these Corporate By-Laws. The Internal Control Committee shall perform supervisory functions pursuant to Art. 19 of Legislative Decree No. 39 of 27<sup>th</sup> January 2010 and, making use of the relevant organisational units of the Bank, may proceed at any time, to carry out inspections and controls and it may also exchange information with the supervisory bodies of Group member companies concerning management and control systems and the performance of corporate activities.

Justifiable grounds must be given for the replacement of members of the Internal Control Committee by the Supervisory Board.

At least one member of the Internal Control Committee shall attend meetings of the Management Board in compliance with regulations in force.

The Supervisory Board shall also form a committee for the remuneration of senior management composed of some of its members, determining the powers and regulations for the Committee's proceedings.

The Supervisory Board also forms an Appointments Committee composed of six members, of which the Chairman of the Supervisory Board, who presides it, and the Senior Deputy Chairman form part. The remaining members of the Appointments Committee are appointed by a resolution of the Supervisory Board passed with the vote in favour of at least 17 (seventeen) of its members.

The Appointments Committee shall function and shall be regulated, including with regard to the conditions for the validity of its resolutions, by regulations which shall determine its responsibilities and its proceedings, without references to or mention of agreements, organisations or parties external to the Bank. It shall be approved by the Supervisory Board with the vote in favour of at least 17 (seventeen) of its members.

In compliance with provisions found elsewhere in these Corporate By-Laws, the Appointments Committee shall, amongst other things:

- a) select candidates for membership of the Supervisory Board to be proposed to the Supervisory Board itself for the submission of a list to a Shareholders' Meeting;
- b) select candidates for membership of the Management Board to be proposed to the Supervisory Board.

## **TITLE IX GENERAL MANAGEMENT**

### **ARTICLE 50**

The General Management is composed of a General Manager and, if appointed, a Joint General Manager and one or more Deputy General Managers according to the organisation chart decided by the Management Board which determines their powers.

If the Management Board is composed of 11 (eleven) members, the General Manager and the Joint General Manager are appointed with the vote in favour of at least eight members of the Management Board. If the Management Board is composed of a smaller number of members, appointments to the above positions shall be approved by the vote in favour of all members less one.

The Management Board may also appoint one or more Deputy General Managers with an ordinary majority.

The General Manager:

- a) is the chief operating officer;
- b) is the head of personnel;
- c) is generally responsible for (unless otherwise indicated by the management bodies responsible) the implementation of decisions taken by the Management Board and the Chief Executive Officer;
- d) manages everyday business in compliance with the policies

set by the management bodies;

e) attends Management Board meetings with a consultative vote;

f) is responsible for co-ordinating the operations of the Bank and the Group.

The Joint General Manager assists and supports the General Manager in the performance of all the duties assigned to him.

## **TITLE X BOARD OF ARBITRATORS**

### **ARTICLE 51**

The Board of Arbitrators is composed of a Chairman, 2 (two) full members and 2 (two) alternate members, elected by a Shareholders' Meeting from amongst The Registered Shareholders of the Bank or others. The arbitrators shall remain in office for 3 (three) years and may be re-elected. They provide their services free of charge, except for the reimbursement of expenses. Justifiable grounds must be given for their removal. If a full arbitrator vacates his position during his three year period of office, he is replaced by the most senior alternate member by age. If the chairman of the arbitrators vacates his position, the chairmanship is taken by the most senior full arbitrator by age for the remainder of the three year period.

Appeal may be made to the Board of Arbitrators to settle any disputes that may arise between the Bank and/or Registered Shareholders over the interpretation or application of the Corporate By-laws and over any other resolutions or decisions taken by the governing bodies of the Bank concerning its business. It decides as a friendly arbiter by absolute majority vote.

Without prejudice to the legislation and regulations currently in force, application to the Board of Arbitrators is not compulsory. Its decisions are not binding on the parties and do not constitute a hindrance to taking disputes before the courts or any other any authority with jurisdiction for settlement.

The Board of Arbitrators regulates its own proceedings as it deems appropriate without being bound by procedural formalities.

The Management Board and the General Manager or an employee designated by him shall be required to provide the arbitrators with all the information that they may request concerning disputes to be settled.

The address for service of the Board of Arbitrators for all purposes shall be the registered address of the Bank.

## **TITLE XI FINANCIAL STATEMENTS, PROFITS AND RESERVES**

## **ARTICLE 52**

The financial year shall end on 31<sup>st</sup> December of each year.

The Management Board shall prepare the financial statements in compliance with the law.

In relation to the reports pursuant to Art. 2428 of the Italian Civil Code, the members of the Supervisory Board shall furnish information required by Art. 2528 and Art. 2545 of the Italian Civil Code.

The profit recognised in the financial statements, after deducting the allocation to the legal reserve in the minimum amount required by law and any amounts decided by Shareholders for the formation or increase of reserves, including extraordinary or other reserves, as prudence shall dictate, may be allocated by Shareholders, in an amount not greater than 1,5% of the part distributable, to initiatives and institutions with charitable, humanitarian, social, cultural and artistic purposes. This is implemented by the Management Board, subject to a prior report and illustration furnished by the Chairman of that Board, in compliance with the policies and projects approved by the Supervisory Board, with particular regard to the local areas in which the Group operates.

The remaining amount shall be distributed as a dividend on shares, in accordance with a Shareholders' resolution, which shall also decide on the allocation of any remaining excess amounts.

Reserves of profits and fair value and valuation reserves formed by the application of international accounting standards may not be distributed to registered shareholders in those cases provided for by law.

The Management Board may pass resolutions concerning payments on account of dividends during a financial year, in compliance with legislation and regulations in force at the time.

## **TITLE XII**

### **DISSOLUTION AND LIQUIDATION OF THE BANK**

#### **ARTICLE 53**

A resolution for the early dissolution of the Bank pursuant to point No. 6 of Art. 2484 of the Italian Civil Code must be taken by an Extraordinary Shareholders' Meeting attended, even in second call, by at least one thirtieth of the Registered Shareholder with the right to vote, without prejudice to the third paragraph of article 28 of these Corporate By-Laws.

That Extraordinary Shareholders' Meeting shall appoint receivers and shall determine their powers and the method of liquidation without prejudice to mandatory provisions of the law and the authorisations and prescriptions of the relevant

laws.

A resolution of an Extraordinary Shareholders' Meeting may remove the receivers.

#### **TRANSITION PROVISION**

##### **Repeal of Art.15, paragraph 4**

The Bank shall proceed to ascertain whether registered shareholder status has been lost by registered shareholders as a consequence of a shareholder no longer owning the minimum number of shares required by Art. 8 of the Articles of Association, in compliance with the provisions of paragraph 5-bis of Art. 30 of Legislative Decree No. 385 of 1st September 1993 (as introduced by Art. 23-quater, paragraph, 1, letter a, No. 3, of Decree Law No. 179 of 18th October 2012, converted with Law No. 221 of 17th December 2012) on 19th April 2014 subject to filing with the Company Registrar of the relative resolution passed by the Supervisory Board meeting held on 13th February 2014 in order to comply with legislation. As a consequence, loss of Registered Shareholder status shall be declared for those Registered Shareholders found to own a number of shares less than the minimum required by Art. 8 of the Articles of Association.

\* \* \*

Text approved by a resolution of an Extraordinary Shareholders' Meeting of Banche Popolare Unite S.c.p.a. on 3<sup>rd</sup> March 2007, when the merger of Banca Lombarda e Piemontese S.p.A. was approved with notary act with index No. 22699/9831 before the public notary *Dott. Armando Santus*, filed with the Company Registrar of Bergamo on 29.03.2007, amended on:

10<sup>th</sup> October 2007 by a resolution of the Supervisory Board and filed with the Company Registrar of Bergamo on 11th October 2007 for compliance with new regulatory measures issued by the Consob (Italian securities market authority)

10<sup>th</sup> May 2008 by a resolution of a Shareholders' Meeting filed with the Company Registrar of Bergamo on 14th May 2008

9<sup>th</sup> May 2009 by a resolution of a Shareholders' Meeting filed with the Company Registrar of Bergamo on 15th May 2009

27<sup>th</sup> May 2009 by a resolution of the Management Board filed with the Company Registrar of Bergamo on 28th

May 2009 in implementation of an authorisation pursuant to Art. 2420 ter of the Italian Civil Code granted by an Extraordinary Shareholders' Meeting of 9th May 2009

18<sup>th</sup> June 2009 by a resolution of the Management Board filed with the Company Registrar of Bergamo on 19th June 2009 in full implementation of the authorisation pursuant to Art. 2420 ter of the Italian Civil Code granted by an Extraordinary Shareholders' Meeting of 9th May 2009.

30<sup>th</sup> April 2011 by a resolution of a Shareholders' Meeting filed with the Company Registrar of Bergamo on 9th May 2011

13<sup>th</sup> May 2011 by a resolution of the Management Board filed with the Company Registrar of Bergamo on 16<sup>th</sup> May 2011 in implementation of an authorisation granted by a Shareholders' Meeting of 30th April 2011

1<sup>st</sup> June 2011 by a resolution of the Management Board filed with the Company Registrar of Bergamo on 3<sup>rd</sup> June 2011 in implementation of an authorisation granted by a Shareholders' Meeting of 30th April 2011

25<sup>th</sup> July 2011 by a declaration of the Chairman of the Management Board concerning the repeal of temporary clauses in the Corporate By-Laws, filed with the Company Registrar of Bergamo on 27<sup>th</sup> July 2011

14<sup>th</sup> November 2012 by a resolution of the Supervisory Board filed with the Company Registrar of Bergamo on 16<sup>th</sup> November 2012 in order to comply with new provisions contained in legislation.

27<sup>th</sup> March 2013 by a resolution of the Supervisory Board filed with the Company Registrar of Bergamo on 28<sup>th</sup> March 2013 in order to comply with new provisions contained in legislation.

8<sup>th</sup> October 2013 by a declaration of the Chairman of the Management Board concerning the repeal of

temporary clauses in the Corporate By-Laws,  
filed with the Company Registrar of Bergamo  
on 11<sup>th</sup> October 2013

13th February 2014 by a resolution of the Supervisory Board  
filed with the Company Registrar of Bergamo  
on 21st February 2014 in order to comply  
with provisions contained in legislation.