

# ARTICLES OF ASSOCIATION

Edition June 2011



Banca  
Popolare di Vicenza



# ARTICLES OF ASSOCIATION

## INDEX

TITLE I	5
INCORPORATION, NAME, CORPORATE PURPOSE,	5
DURATION AND THE REGISTERED OFFICES OF THE COMPANY	5
Art. 1 – Incorporation and name	7
Art. 2 – Duration and registered offices	7
Art. 3 – Corporate purpose	7
TITLE II	9
CORPORATE ASSETS, SHAREHOLDERS AND SHARES	9
Art. 4 – Corporate assets	11
Art. 5 – Capital stock	11
Art. 6 – Share price	12
Art. 7 – Issue of shares	13
Art. 8 – Shareholders	13
Art. 9 – Formalities for the admission of a shareholder	13
Art. 10 – Approval for the admission of a shareholder	14
Art. 11 – Acquisition of the status of shareholder	14
Art. 12 – Reasons for the inadmissibility as a shareholder	14
Art. 13 – Limits to the possession of shares	14
Art. 14 – Death of a shareholder	15
Art. 15 – Withdrawal of a shareholder	15
Art. 16 – Exclusion of a shareholder	15
Art. 17 – Cancellation of the shares	16
Art. 18 – Acquisition of one’s own shares	16
Art. 19 – Dividends	16
Art. 20 – Encumbrances on shares	17
TITLE III	19
CORPORATE BODIES	19
Art. 21 – Corporate bodies	21
Section One	21
THE MEETING	21
Art. 22 – The Shareholders’ Meeting	21
Art. 23 – Convocation of the Meeting	21
Art. 24 – Participation at the Meeting and representation	22
Art. 25 – Chairmanship of the Meeting	22
Art. 26 – Constitution of the Meeting	23
Art. 27 – Validity of the resolutions passed by the Meeting	23
Art. 28 – Adjournment of the Meeting	23
Art. 29 – Minutes of the Meeting	23
Section Two	24
BOARD OF DIRECTORS	24
Art. 30 – Composition, appointment and revocation of the Board of Directors	24
Art. 31 – Appointment of the Board of Directors	25
Art. 32 – Duration in office	26
Art. 33 – Replacement of the Directors	26
Art. 34 – Office on the Board	27
Art. 35 – Remuneration of the Directors	27
Art. 36 – Board Meetings	28
Art. 37 – Board Resolutions	28
Art. 38 – Board Minutes	28
Art. 39 – Powers granted to the Board of Directors	28
Art. 40 – Executive Committee and Managing Director	30
Art. 41 – Proxies	30
Section Three	32
BOARD OF AUDITORS	32
Art. 42 – Board of Auditors	32
Art. 43 – Duration in office and replacement of Auditors	32
Art. 44 – The Board of Auditors’ Duties and Powers	32

Art. 45 – Running of the Board of Auditors	34
Art. 46 – Statutory Audits	34
Section Four	34
BOARD OF ARBITRATION	34
Art. 47 – Board of Arbitration	34
Art. 48 – Duties of the Board of Arbitration	35
Section Five	35
GENERAL MANAGEMENT	35
Art. 49 – General Management	35
Art. 50 – Duties of the General Manager	35
TITLE IV	37
REPRESENTATION AND CORPORATE SIGNATURE	37
Art. 51 – Signatory powers	39
TITLE V	41
BALANCE SHEET	41
Art. 52 – Balance sheet	43
Art. 53 – Distribution of the profits	43
Art. 54 – Reserves	43
TITLE VI	45
WINDING-UP AND LIQUIDATION	45
Art. 55 – Winding-up and liquidation rules	47

**TITLE I**

**INCORPORATION, NAME, CORPORATE PURPOSE,  
DURATION AND THE REGISTERED OFFICES OF THE COMPANY**



### **Art. 1 – Incorporation and name**

[1] There exists a Company, previously incorporated and authorised with the Royal Decree Law No. 1808 dated 12th September 1866, called the “BANCA POPOLARE DI VICENZA – Società cooperativa per azioni” (*joint stock co-operative company*), without obligations of graphic representation. The Company may use, as trademarks and distinctive signs, the names and/or trademarks used from time to time by the company itself and/or by the companies acquired by it.

[2] The Company is run in compliance with the provisions established by law and by the rules drawn up in these Articles of Association.

### **Art. 2 – Duration and registered offices**

[1] The duration of the Company has been established until 12<sup>th</sup> September 2066, and may be extended thereafter.

[2] The Company has its Registered Offices and General Management located in Vicenza; it shall be entitled to, in compliance with the duly granted authorisations and in the form foreseen by law, set up, transfer and close down any subsidiary offices and agencies located in Italy and abroad.

### **Art. 3 – Corporate purpose**

[1] The Company has, as its corporate purpose, the collection of saving and the exercising of credit, in its various forms, both towards its own shareholders and not, inspired by the principles of Popular Credit. To this end, the Company shall pay special attention to the territory where it is located, by means of its own distribution network, and with particular attention being paid to small and medium-sized business concerns and co-operatives. In compliance with its own institutional purposes, the Company shall grant its shareholder clients facilities with reference to the fruition of specific services.

[2] The Company shall be entitled to perform, in compliance with the provisions in force, all the banking and financial operations and services permitted, those foreseen from among the activities that fall under the benefit of mutual recognition, as well as all other instrumental activities or those which are, in any case, connected with achieving the corporate purpose, including the purchase of business credits.

[3] The Company shall be entitled to issue bonds and exercise all the particular credit and financing activities foreseen by the laws in force.

[4] In order to achieve its purpose, the Company shall be entitled to join associations and consortia and to draw up agreements in both Italy and abroad.

[5] The Company, in its capacity of parent company of the "Gruppo Bancario Banca Popolare di Vicenza", shall issue, in exercising its management and co-ordination activities, provisions to the members of the Group, in order to perform the instructions handed down by the Banca d'Italia, in the interests of the Group's stability.



## **TITLE II**

### **CORPORATE ASSETS, SHAREHOLDERS AND SHARES**



#### **Art. 4 – Corporate assets**

[1] The corporate assets are made up of the:

- a) capital stock;
- b) ordinary reserve;
- c) extraordinary reserve;
- d) any other reserves or funds, without any particular purpose, whatever their names might be.

#### **Art. 5 – Capital stock**

[1] The capital stock is variable and is represented by shares whose nominal, unit value is equal to three Euro (€) seventy-five cents (3.75), which can be issued without limit.

[2] The shares are registered and indivisible and co-ownership of the same is not allowed, except for the hypothesis foreseen in Article 14 of these Articles of Association, and neither is fiduciary registration.

[3] Further to resolution passed by the Extraordinary General Meeting, the Company shall be entitled to confer authority upon the Board of Directors in order to exercise the powers foreseen by Articles 2443 and 2420-ter of the (Italian) Civil Code.

[4] Further to a resolution passed during a meeting held on 30<sup>th</sup> April 2011, the Board of Directors was granted, in compliance with article 2420-ter of the (Italian) Civil Code, the authority to issue, on one or more occasions, by and no later than three years from the date of the resolution, bonds that can be fully or partially converted, as well as, where necessary, bonds that can be mandatorily converted, into ordinary shares, bonds cum warrant and/or bonds, also otherwise named, which give access to the Company's capital stock by means of conversion into ordinary shares (including, by way of example, bonds that are converted into shares upon occurrence of a pre-defined event, so-called contingent capital instruments), for a total, maximum, nominal counter-value of Euro 1,000,000,000.00 (one billion), to be offered in option to all entitled parties, with the consequent increase of capital stock associated to the conversion of the bonds, also otherwise named, or the exercising of the warrants, by means of the issue of ordinary shares, with the nominal value indicated in the first paragraph, having the same characteristics of the shares outstanding, in compliance by the Board itself with the conditions established by law and with the Board's right to establish the terms, methods and conditions of the bonds being issued, including those mandatorily converted or which, even if otherwise named, give access to the Company's capital stock, or of the warrants being issued, as well as of the increase of capital stock associated to them, including, *inter alia*, the power to determine, within the limits established by law, the price of conversion and the events and relevant adjustment methods, as well as any other term and condition relating to the issue and offer of the convertible bonds or bonds being converted, and/or cum warrant and to the consequent increase of capital stock.

[5] Further to a resolution passed during a shareholders' meeting held on 30<sup>th</sup> April 2011, the Board of Directors was granted the authority, in compliance with article 2443 of the (Italian) Civil Code, to resolve, on one or more occasions, by and no later than three years from the date of the resolution itself, a free increase of the capital stock, in compliance with Article 2349 of the (Italian) Civil Code, for a total, maximum, nominal counter-value of Euro 450,000.00

(four hundred and fifty thousand) by means of the issue of ordinary shares with the nominal value indicated in the first paragraph, to be given to the personnel employed by Banca Popolare di Vicenza, and the Banks and Subsidiaries, in compliance with the formalities to be established in accordance with the regulations in force. The increase of the capital stock shall be effected by making use of the existing Reserve set aside in compliance with article 2349 of the (Italian) Civil Code, which may be reconstituted or increased from year to year, or in accordance with other procedures established by the regulations in force at the time.

[6] Further to a resolution passed during a shareholders' meeting held on 30th April 2011, the Board of Directors was granted the authority, in compliance with Article 2443 of the (Italian) Civil Code, to resolve, on one or more occasions, by and no later than three years from the date of the resolution itself, an increase on payment, divisible from the capital stock, for a total, maximum, nominal counter-value of Euro 62,250,000.00 (sixty-two million, two hundred and fifty thousand) by means of the issue of ordinary shares with the nominal unit value indicated in the first paragraph, in compliance by the Board itself with the conditions established by the law. The Board has been granted the powers to: (i) determine the issue price in compliance with the applicable regulations; (ii) keep the shares being issued on option for those entitled to them, and also exclude or limit the option right to the part for which the options were not taken up by means of criteria for distributing the same that promote the growth of "minor" shareholders (intending by this the shareholders who hold a number of shares below a threshold to be determined by the Board at the moment of the increase on the basis of the average shareholdings) and/or reserve the shares being issued, in whole or in part, for institutional investors (such as the UCIs) and/or, also by means of offer on exchange, to holders of shareholdings which the Bank, within the limits provided by law, intends acquiring, with the consequent exclusion or limitation of the option right provided however that in the event of the limitation or exclusion of the option right, the issue price will be determined in compliance with the applicable regulations; (iii) determine the term within which the increase or increases of capital stock (both by option and with the limitation or exclusion of the option right) may be subscribed to and paid up by those so entitled: establish the divisibility or otherwise of the increase or increases of capital stock (both by option and with the limitation or exclusion of the option right); in general establish terms and procedures deemed necessary or appropriate.

[7] The shares are entered into the Centralised Administration System care off the Monte Titoli S.p.A. (*Securities Centralised Administration*), by way of dematerialisation, in compliance with the legislation in force.

#### **Art. 6 – Share price**

[1] Further to the proposal put forward by the Board of Directors and having heard the opinion expressed by the Board of Auditors, the Shareholders' Meeting shall annually approve, during examination of the balance sheet, and bearing in mind the corporate reserves resulting from the balance sheet itself, the amount that must be paid in addition to the nominal value of each new share.

[2] The reimbursement of shares, in cases of the winding up of the corporate relationship, foreseen by the Articles of Association, which arise during the business year, shall be made at the same, overall value.

### **Art. 7 – Issue of shares**

[1] The Board of Directors shall be entitled to, further to the passing of the specific resolution, pre-determine, during each business year and bearing in mind the interests of the Company, the number of ordinary shares that can be issued and the formalities relating to their issue, even with reference to the number of shares that can be subscribed by each, new shareholder. Moreover, extraordinary increases in capital can also be put to resolution, in compliance with the formalities foreseen by Article 2524, third and fourth paragraphs of the (Italian) Civil Code.

[2] In the case of quotation of the shares on markets controlled by regulations, the issue of ordinary shares is put to resolution by the Extraordinary General Meeting, in compliance with the provisions contained in Article 2441 of the (Italian) Civil Code.

[3] Shares to be assigned to the Company's employees or those of its subsidiaries, can also be issued, in compliance with Article 2349, paragraph 1, of the (Italian) Civil Code, and for an amount corresponding to the profits set aside for this purpose; the issue can also be performed with particular rules concerning the form, the transfer method and the rights to which the shareholders shall be entitled.

### **Art. 8 - Shareholders**

[1] Natural persons can also be admitted as shareholders, excluding those that find themselves in the conditions foreseen by Article 12 herebelow.

[2] Corporate persons, companies of any kind whatsoever, consortia, associations and other corporations shall also be entitled to join the Company; they must appoint, in writing, the natural person who shall be authorised to represent them; any amendment to the aforementioned appointment may not be acknowledged by the Company, until the appointment has not be regularly notified by registered mail post-paid.

[3] The shareholders' legal representatives shall be entitled to exercise all the corporate rights due to those they represent, but they cannot be elected, in said capacity, to corporate office.

[4] The shareholder's domicile shall be considered, to all effects and purposes, as the one contained in the Register of Shareholders.

[5] In order to be admitted to the Company, the aspiring shareholder must also have a clientele relationship in course with the Company, or rather, that the former should be favourably known in the areas in which the Company is active, be means of its own branch network.

### **Art. 9 – Formalities for the admission of a shareholder**

[1] He who wishes to become a shareholder, must show the Board of Directors a certificate of participation in the Centralised Administration System and present the Board itself with a written request containing, besides an indication of the number of shares purchased through subscription or transfer, his personal information, domicile and any other information and/or declaration due by law or in compliance with the Articles of Association or generally requested by the Company.

[2] Until he has obtained admission as a shareholder, the transferee of shares shall only be entitled to exercise the rights of a corporate nature.

[3] The transfer, by a shareholder, of his entire shareholding, as well as the transfer that reduces the stake below the limit established in following article 13, paragraph five, howsoever they

are taken over by the Company, shall lead to the loss of his status of shareholder.

#### **Art. 10 – Approval for the admission of a shareholder**

[1] The Board of Directors shall pass a resolution as to the acceptance or rejection of an application aimed at becoming a shareholder.

[2] The rejection resolutions must be duly motivated in the interests of the Company, the provisions established in the Articles of Association and the spirit of the co-operative form.

[3] The admission resolution must be entered by the Board of Directors into the Register of Shareholders and sent to the attention of the person concerned. An application to become a shareholder shall, in any case, be considered to have been approved should the person concerned not be informed to the contrary, within ninety days from the date on which the application reached the Company.

[4] Any refusal for admission can be submitted by the interested party, at the risk of forfeiture of his rights, within thirty days from receipt of the communication containing the rejection, to examination by the Board of Arbitrators, who shall pronounce their award within thirty days from having received the request, communicating their resolutions to the attention of the Board of Directors.

[5] The Board of Directors shall be bound to re-examine the application to become a shareholder, further to the request with reasons advanced by the Board of Arbitration, constituted in compliance with Article 48, paragraph 2, of these Articles of Association, and its decision shall be final.

[6] Those whom the Board of Directors have refused admission as shareholders and who are in possession of shares, shall be entitled to exercise the rights of a corporate nature, notwithstanding the limitations and the provisions foreseen by Article 13 herebelow.

#### **Art. 11 – Acquisition of the status of shareholder**

[1] The status of shareholder is acquired on registration into the Register of Shareholders, having performed the formalities established and prior to having paid the shareholder admission tax determined by the Board of Directors and which can be amended by the Board itself at any time whatsoever during the corporate year.

#### **Art. 12 – Reasons for the inadmissibility as a shareholder**

[1] Those who have been debarred, disqualified and been declared bankrupt and who have not received a rehabilitation judgement and those who have received convictions leading to debarment, even temporarily, from public office or those incapable of exercising management office cannot be admitted to the Company.

[2] Those shareholders who find themselves in one of the cases foreseen by the aforementioned paragraph shall be excluded from the Company, further to ascertainment proceedings conducted by the Board of Directors.

#### **Art. 13 – Limits to the possession of shares**

[1] Nobody can hold, either directly or indirectly, by means of subsidiary companies or nominees, shares for a nominal value exceeding the limit of 0.50% of the capital stock.

[2] The Company, just as soon as it becomes aware of this limit having been exceeded, shall contest the holder of the account and the intermediary with the breach of this ban.

[3] The ban foreseen by paragraph 1 of this Article may only be waived in the cases foreseen by the law.

[4] The shares in excess, which are not entered in the Register of Shareholders, must be transferred within one year from the contestation being raised; once this period has elapsed in vain, the relative, corporate rights that have been accrued up until the transfer of the shares in excess, shall be acquired by the Company.

[5] A certificate confirming the ownership of at least one hundred shares must be presented for the purposes of being admitted as a shareholder.

#### **Art. 14 – Death of a shareholder**

[1] In the case of death of a shareholder, the corporate relationship may continue with the heirs of the deceased in possession of the requirements for admission to the Company, as long as they proceed with the distribution of the shares received through succession, obtaining their assignation and that they apply for admission and the application is approved.

[2] In the case in which there are multiple heirs and the quota cannot be distributed or, in any case, where there is no agreement among the latter as to the distribution, they shall undertake to appoint one of their number as the common representative, who shall apply for and who shall obtain admission as a shareholder, in order to exercise the corporate rights.

[3] In the case in which the relationship does not continue with any of the deceased's heirs, the shares shall be reimbursed in compliance with these Articles of Association.

#### **Art. 15 – Withdrawal of a shareholder**

[1] Withdrawal is permitted in the cases consented by law and in compliance with the formalities and effects foreseen by it.

[2] Withdrawal is, in any case, excluded in the case of extension of the duration of the Company and in the case of the amendment and removal of the encumbrances with reference to the circulation of the shares.

[3] The provisions foreseen by Article 6, paragraph 2, of these Articles of Association shall be applied for the reimbursement of the shares of the withdrawing shareholder.

#### **Art. 16 – Exclusion of a shareholder**

[1] The Board of Directors, with a resolution passed with the absolute majority of its members, shall be entitled to exclude the following persons from the Company, those:

- a) who have obliged the Company to undertake judicial action for the performance of their contracted obligations;
- b) who are held liable for activities harmful to the interests and prestige of the Company;
- c) who, further to written notice received from the Board of Directors, with terms of at least thirty days, have not provided for payment of the shares subscribed or payment of any monies due to the Company for whatsoever reason;
- d) who find themselves in the situations foreseen by Article 2533 of the (Italian) Civil Code.

[2] The exclusion measures, adopted in compliance with Article 12 of these Articles of Association or the paragraph foregoing hereto, shall be immediately effective.

[3] In acting against the exclusion measures, adopted in compliance with the paragraphs foregoing hereto, to be served by registered mail post-paid, the shareholder who has been

excluded shall be entitled to appeal against the same, in compliance with the formalities and terms foreseen by law.

[4] The shareholder who has been excluded shall be entitled to reimbursement of his shares, in compliance with Article 6, paragraph 2, of these Articles of Association.

[5] In the case of a shareholder's serious breach of his obligations towards the Company, the Board of Directors, without prejudice to any other line of action to which the Company shall be entitled, and without having to provide the former with any prior notice or placing in arrears and legal formalities, may exclude him and compensate its own credits, even in compliance with Article 1252 of the (Italian) Civil Code and with effect against third parties, the debt towards the shareholder, in case of point, for the counter-value of the shares – in waiver of Article 2535 of the (Italian) Civil Code – determined in compliance with Article 6, paragraph 1, of these Articles of Association

[6] In the cases where it is believed to be expedient, the Company shall be entitled to, in line with the same hypothesis and in place of reimbursement and cancellation of the shares, go ahead with the purchase of the debtor shareholder's shares at the price established in compliance with the formalities foreseen in the paragraph foregoing hereto.

#### **Art. 17 – Cancellation of the shares**

[1] In each and every hypothesis concerning the reimbursement of shares, the cancellation of the same shall take place.

[2] The amount due, by way of reimbursement, shall be placed at the disposal of those entitled to it in an account where it shall not accrue any interest and shall be prescribed in compliance with the terms foreseen by law.

#### **Art. 18 – Acquisition of one's own shares**

[1] The Board of Directors shall be entitled to purchase the Company's shares, within the limits of the reserve drawn up in Article 53 herebelow, as well as within the limits of the profits that might be distributed and the available reserves.

[2] The shares purchased may be reinvested or even cancelled by the Board of Directors.

#### **Art. 19 – Dividends**

[1] The new shareholder shall be entitled to fully participate in the dividends, put to resolution by the Meeting, for the business year in course, whenever the shares were purchased; those subscribing new shares must, however, pay the Company the equalising interest, in the amount established by the Board of Directors.

[2] In the case of operations aimed at increasing the capital, submitted to the approval of the Shareholders' Meeting, the latter shall also establish the date on which the dividends are to be enjoyed, with reference to the business year in which the operation takes place.

[3] In order to exercise his corporate rights, the shareholder shall use the services of an intermediary, care off whom the Company's share position exists. On accepting the appointment, the intermediary shall undertake – in compliance with the instructions given to him in merit by the shareholder – to perform the relationship in compliance with the rules foreseen by law and the Articles of Association that govern Credit Societies.

[4] The dividends that are not collected, within five years from the day on which they could

have been claimed, shall be devolved in favour of the Company.

**Art. 20 – Encumbrances on shares**

[1] A pledge and any other encumbrance shall have effect upon the Company from the moment in which they are entered in the Register of Shareholders.

[2] In the case of pledge or beneficial interest on shares, the shareholder shall, in any case, be entitled to his voting rights at the Meeting.

[3] The shares are, in any case, in compliance with social contract, subject, until they are issued, to encumbrances and privileges in favour of the Company, by way of guarantee of any credits, direct or indirect, even if illiquid, which the Company shall be entitled to claim, for any reason whatsoever, against the shareholder.



**TITLE III**  
**CORPORATE BODIES**



### **Art. 21 – Corporate bodies**

[1] The exercising of the corporate functions, in compliance with their respective duties, shall be assigned to the:

- a) Shareholders' Meeting;
- b) Board of Directors;
- c) Executive Committee, if one has been appointed;
- d) Managing Director, if one has been appointed;
- e) Board of Auditors;
- f) Board of Arbitration;
- g) General Management.

### *Section One* **THE MEETING**

### **Art. 22 – The Shareholders' Meeting**

[1] The Meeting, when regularly constituted, represents the total number of the shareholders and their resolutions, taken in compliance with the law and these Articles of Association, shall be binding upon all the shareholders, even those who were absent or dissenting.

[2] The Shareholders' Ordinary General Meeting, besides the duties attributed to it by law or by the Articles of Association, shall:

- approve the remuneration policies in favour of the Directors, employees or collaborators who are not connected to the company by means of employee labour relations;
- approve any payment plans based on financial instruments.

### **Art. 23 – Convocation of the Meeting**

[3] The Shareholders' Meeting is convened, in compliance with the formalities and terms foreseen by law, by the Board of Directors – or, when necessary, by the Board of Auditors, prior to communication addressed to the Chairman of the Board of Directors – in the town where the Company's registered offices are located or in any other place indicated in the convocation notice, as long as it is held within the national territory.

[4] The Board of Directors must convene the Meeting, besides in those cases foreseen by law, within thirty days from when written request has been made, with signatures certified in compliance with the law and containing the matters to be dealt with, by at least a tenth of those shareholders who are entitled to participate at the Meeting, on the date on which the request was formulated; convocation, further to the shareholders' request shall not be granted for matters which the Meeting puts to resolution on the proposal or on the basis of projects put forward by the Board of Directors.

[5] The Meeting is convened by means of publication, at least fifteen days prior to the date established for the Meeting, of the notice in the Gazzetta Ufficiale of the Republic of Italy, or rather, by way of an alternative, in at least two of the following, daily newspapers:

- MF,
- Il Sole 24 Ore,
- Il Giornale di Vicenza,

- Il Gazzettino.

If the aforementioned daily newspapers have stopped publishing, the notice must be published in the Gazzetta Ufficiale. Notwithstanding the performance of each and every other provision foreseen by the law in force.

#### **Art. 24 – Participation at the Meeting and representation**

[1] Only those who have been entered in the Register of Shareholders, at least ninety days prior to the date established for the Meeting, in first convocation, and who are in possession of the communication issued by an intermediary, duly authorised in compliance with the legislation in force, confirming the depositing of the shares, two working days prior to the Meeting, shall be entitled to participate at the Meeting and to exercise their voting rights. During the aforementioned period and until the Meeting has taken place, the shares shall not be available.

[2] The Company, once it has checked the existence of the prescribed requirements, shall issue an entry ticket bearing the shareholder's name, which shall be valid for exercising the right to vote.

[3] Each shareholder shall be entitled to one vote, independently of the shares he holds.

[4] Representation of a shareholder, by another shareholder, shall be allowed as long as he is not a Director, Auditor of an Employee of the Company or one of its subsidiaries. The proxies, drawn up in compliance with the law and any regulations governing the carrying out of the Company's Meetings, shall be valid for both the first and second convocation.

[5] Each shareholder shall be entitled to represent up to a maximum of three shareholders.

[6] Representation by a person who is not a shareholder is not allowed, even if they are endowed with a general power of attorney.

[7] The aforementioned limitations shall not be applied in the cases of legal representation.

[8] The Meeting may take place even with its participants dislocated in various places, situated in the town where the Meeting is taking place and connected by audio and/or video, on condition that the collegial method is respected, as well as the principles of good faith and equality of treatment and, in particular, that all the participants can be identified and they are able to follow the discussion and participate in real time in dealing with the matters on the agenda, as well as being able to see, receive and handle the documentation.

[9] In this case, the convocation notice must indicate the places which are audio/video connected and where the participants can go; the Meeting, for all purposes, shall be considered to have taken place where the Chairman and the Secretary drawing up the minutes are present.

#### **Art. 25 – Chairmanship of the Meeting**

[1] The Meeting, both ordinary as well as extraordinary, shall be chaired by the Chairman of the Board of Directors or, in the case of his absence or due impediment, by the person who has been appointed to replace him or, if even the latter is not present, by the person appointed pursuant to the vote cast by the majority present.

[2] The person presiding over the Meeting is endowed with full powers for the running of the same and, in particular, in order to ascertain the regularity of the proxies and, in general, the rights of those present to participate at the Meeting, to confirm that the latter has been regularly

constituted and that there is the quorum for passing resolutions, as well as to conduct and direct the discussion and put forward the voting formalities, ascertaining them and proclaiming the results.

[3] The Meeting, further to the proposal of the person presiding over it, shall appoint a Secretary who shall draw up the minutes; in the case of an Extraordinary General Meeting and on each occasion in which the person presiding over it believes it to be expedient, the duties of Secretary shall be performed by a Notary Public, appointed by the former.

[4] The Meeting, further to the proposal of the person presiding over it, shall appoint one or two scrutinizers from among the shareholders present.

#### **Art. 26 – Constitution of the Meeting**

[1] The Ordinary Meeting shall be validly constituted, in first convocation, with the participation, either personally, through legal representation or proxy, by at least a fifth of the shareholders who are entitled to vote and, in second convocation, by those shareholders who are present or represented.

[2] The Extraordinary General Meeting, in first convocation, even in those cases in which the law requires a special majority, shall be validly constituted when at least a fifth of those shareholders who are entitled to vote are either present or duly represented and, in second convocation, with the participation of at least a fiftieth of the shareholders themselves.

[3] With reference to the resolutions concerning a change in the corporate purpose, the Company's transformation, for reasons different from those referred to in the following paragraph, the transfer of the registered offices abroad and the early winding-up of the Company, the presence, either personally or by proxy, of a thirtieth of the shareholders entitled to vote is required, even in second convocation.

[4] In the cases regulated by Article 31 of the (Italian) Legislative Decree Law No. 385 dated 1<sup>st</sup> September 1993, the Meeting shall be considered as being validly constituted with the majority indicated in paragraph 2.

#### **Art. 27 – Validity of the resolutions passed by the Meeting**

[1] The Meeting passes resolutions with the absolute majority of the votes; the appointment to corporate office is carried out with a relative majority.

[2] Voting during the Meeting takes place openly.

[3] In the appointment to corporate office, in the case of parity of votes, the most senior in age shall be understood to have been elected.

#### **Art. 28 – Adjournment of the Meeting**

[1] Should the handling of the matters contained in the agenda not be finished in one sitting, the Meeting may be adjourned, by the person presiding over it, by no more than eight days, by means of a declaration to be issued during the meeting and which requires no other notice.

[2] During the next sitting, the Meeting shall be constituted and pass resolutions with the same majority established for the validity of the constitution and the resolutions of the meeting that preceded it.

#### **Art. 29 – Minutes of the Meeting**

[1] The resolutions concerning each Meeting are contained in its minutes, which are drawn up

in the Minutes Book of the Meeting, and is signed by the Chairman of the Meeting and by the Secretary or by the Notary Public, if one has been appointed to cover this role.

[2] This book and any extracts from the same, certified as true copies, by the Chairman and the Secretary, constitute proof of the meeting and the Meeting's resolutions.

*Section Two*  
**BOARD OF DIRECTORS**

**Art. 30 – Composition, appointment and revocation of the Board of Directors**

[1] The Board of Directors is made up of 18 (eighteen) members, appointed by the Meeting, from among the shareholders who are entitled to participate and vote during the Meetings, who possess the qualities of a good name and reputation, professional standing and independence, which have been established by law, by the supervisory regulations foreseen for banks and by the Articles of Association. A specific regulation, approved by the Board of Directors, restricts the accumulation of offices held by the Directors and takes into account the nature of the appointment and the characteristics and size of the company where the Directors hold the office. The above is without prejudice to tighter restrictions to the accumulation of offices, which may be established by law, including regulatory law, in force from time to time.

[2] Besides that which has been foreseen by law, the following are reasons for the ineligibility or the forfeiture of office from the appointment of Director

- Being connected to the Company – except for the Managing Director, if one has been appointed - by a continuous supply of personal services or subordinate employment;
- Being a member of administrative or control bodies of other banks or companies that perform activities in competition with that of the Company – except when the same are companies in which a participation is held – or being connected to the same by a continuous supply of personal services or subordinate employment.

[3] At least four Directors must be non-executive. The non-executive Directors cannot be attributed proxies nor any particular appointments and they cannot be involved, even by fact, in the Company's executive management.

[4] At least two Directors (who can coincide with those referred to in the paragraph foregoing hereto) must possess the independence requirements referred to in the paragraph below.

[5] For the purposes of this provision, the following Directors shall not be considered as being independent:

- those who have, either directly or indirectly, commercial, credit or professional relations with the Company or its subsidiaries or companies which are subject to common control, which might compromise their independence;
- those who are in office as executive Director in another company controlled by the Company;
- those who are shareholders or Directors or who have important business relations with the individual appointed to conduct the Company's auditing procedures;
- those who are spouses, relations or similar, up until the fourth degree, of a person who finds himself in one of the previous situations.

[6] A Director who no longer enjoys the aforementioned independence requirement shall not

necessarily forfeit his office, as long as the requirements are held by the minimum number of Directors who, in compliance with these Articles of Association and the law in force, must possess said requirement.

[7] The Directors may be revoked in compliance with the formalities foreseen by law.

### **Art. 31 – Appointment of the Board of Directors**

[1] The Board of Directors is appointed according to lists, where the candidates are assigned a progressive number.

[2] The Board of Directors and a minimum number of 600 shareholders entered in the shareholders' register at least ninety days before the date of the Shareholders' meeting in first call and who have the right to intervene and vote in the Shareholders' meeting, in compliance with previous article 24, are entitled to submit a list.

[3] Each list must contain a number of candidates, listed by progressive number, equal to the number (usually six) of the Board Directors to be appointed, indicated in the notice of call of the Shareholders' Meeting, and must include those holding the independence requirements set forth in article 30 of the Articles of Association, according to the minimum number indicated in the notice of call of the Shareholders' Meeting.

[4] The lists must be filed at the company's registered office at least fifteen days before the date of the Shareholders' meeting in first call.

[5] Each shareholder may submit only one list and must subscribe to the list. In the event of non-compliance, his/her subscription shall not be considered for any of the lists; a candidate must appear on one list only, otherwise he/she shall be ineligible.

[6] Subscription by each shareholder presenting a list must be duly certified as established by law either by one or more senior managers of the Company or of Group companies specifically appointed by the Board of Directors.

[7] Along with the list, each candidate must submit a professional curriculum vitae containing the list of offices held in other companies, and a certified declaration in compliance with the law in which the candidate accepts the candidature and states under his/her own responsibility that causes for his/her ineligibility or incompatibility are non existing and that he/she satisfies the requirements, established by legislation and by the Articles of Association, needed for the office of Board Director, including, if necessary, the independence requirements envisaged by the law and by the Articles of Association.

[8] Lists that do not comply with the above-mentioned provisions, even for one single candidate, shall be considered as not submitted.

[9] In the event that more than one list is submitted, 1 (one) Director out of 18 (eighteen) is taken from the list that has obtained the second highest number of votes (so-called "Minority Director"). In particular, considering the annual renewal of 6 (six) Directors established in article 32, the procedure for voting and appointing the Directors is as follows:

a) each shareholder may vote for one list only;

- b) only the lists that have reached the threshold of at least 500 votes validly expressed in the Shareholders' meeting shall be taken into consideration for appointment purposes;
- c) if only one list has been submitted, all the Directors are appointed from that list according to the progressive order indicated in the list, whether a Minority Director does or does not need to be appointed;
- d) in the event that more one list has been submitted and the Minority Director does not need to be appointed, all the Directors are taken from the list that has obtained the highest number of votes.
- e) in the event that more than one list has been submitted and the Minority Director needs to be appointed, all the Directors to be appointed, except one, are taken from the list that has obtained the highest number of votes in the progressive order in which they are listed. The remaining Director is taken from the list that has obtained the second highest number of votes and he/she shall be the first candidate on this list.

In the event that no list is submitted, the Shareholders' Meeting resolves according to the majority established in the Articles of Association without complying with the above procedure.

#### **Art. 32 – Duration in office**

- [1] The Directors on the Board of Directors shall remain in office for the period established in their deed of appointment and, in any case, for no longer than three business years; they can be re-elected to office.
- [2] The Directors shall fall from office on the date of the Meeting convened to approve the balance sheet relative to the last business year in which they are in office.
- [3] The Board is renewed by a third every business year, therefore, every year 6 (six) Directors are appointed, except in cases of replacement, as established in following article 33.
- [4] Termination of the period in office as Directors, due to expiry of the terms foreseen, shall, in any case, have effect from the moment in which the Board of Directors is re-formed.

#### **Art. 33 – Replacement of the Directors**

- [1] If, during the business year, one or more Directors are missing, for whatsoever reason, the others shall provide for their replacement through co-option in compliance with article 2386 of the (Italian) Civil Code. The Directors appointed in this way shall remain in office until the next Meeting.
- [2] Should the majority of the Directors be missing, those who are still in office, must convene a Shareholders' Meeting in order to provide for the replacement of the missing ones.
- [3] Replacement of Directors, including co-opted Directors in compliance with article 2386 of the (Italian) Civil Code, is resolved by simple majority of the Shareholders' meeting on the basis of candidatures proposed by the Board of Directors or by the shareholders under the terms of article 31 of these Articles of Association.
- [4] The Directors, elected by the Meeting, shall take the place and the seniority of those in replacement of whom they have been appointed; in the case of contemporary appointments

for posts of different duration, the longer ones shall be granted to those who have been elected with the highest number of votes; in the case of parity in votes, the ones most senior in age shall prevail.

#### **Art. 34 – Office on the Board**

[1] The Board of Directors, with its resolution passed with the absolute majority of its members, shall elect the Chairman and up to three Deputy Chairmen from among their number. They shall remain in office until the end of their mandate as Directors.

[2] The Chairman, in case of his absence or due impediment, shall be replaced by the Deputy Chairmen, in the order of their seniority in office. In the case in which even the latter are absent, the duties shall be absolved by the Managing Director, if one has been appointed, and, in the case in which even he is absent, by the Director most senior in age, unless the Board of Directors attributes them to another of its members.

[3] Should, in the course of the business year, the Chairman or one or all of the Deputy Chairmen be missing, the Board of Directors, re-formed in compliance with the terms of the law by means of co-option, as provided for in Article 33, paragraph 1 foregoing hereto, shall provide for their appointment.

[4] Every year, after the Meeting, the Board of Directors shall appoint a Secretary from among its own members or shall call the General Manager or an Executive in the Company to cover this office; in the case of the Secretary's absence, the latter shall be replaced by a Director, appointed by the Board itself.

[5] The Chairman of the Board of Directors promotes the effective functioning of the corporate governance system, acts as interlocutor for the internal control bodies and internal committees, supervises external and institutional relations, promotes all actions taken, and adopts most suitable initiatives for protecting and safeguarding the Company's image and reputation. The Chairman of the Board of Directors, or he who is replacing him, shall convene the Board of Directors, shall establish the agenda and shall provide for all the information on the matters, recorded in the agenda, being suitably supplied to all the Directors; he shall coordinate the work of the Board, checking the regularity of the constitution of the same and ascertain the identity and the legitimacy of those present and the results of the voting procedures.

#### **Art. 35 – Remuneration of the Directors**

[1] Annual remuneration of the Directors is established by the Shareholders' meeting, in accordance with and under the terms of subsequent article 53. The Directors shall also be compensated for their participation at the sittings of the Board and Executive Committee, in the amount established by the Meeting. For particular appointments envisaged by the Articles of Association, payments are established by the Board of Directors, having heard the Board of Auditors, in compliance with the provisions established by the Shareholders' meeting pursuant to article 22, paragraph 2.

[2] They shall also be entitled to reimbursement of the expenses they sustain in performing their mandate.

### **Art. 36 – Board Meetings**

[1] The Board of Directors is ordinarily convened once a month and, for extraordinary reasons, whenever the Chairman believes it to be necessary or further to the request of at least one third of the members of the Board itself. It can also be convened by the Board of Auditors, prior to communication addressed to the Chairman of the Board of Directors.

[2] Convocation is performed by the Chairman or the person who is replacing him, through notice containing an indication of the matters to be dealt with and which should be sent, at least five days prior to the date established for the Meeting, to the domicile or the address which has been provided by each of the Directors and Statutory Auditors, even by fax, e-mail or by any other means of telematic transfer, as long as it guarantees proof of its receipt, except in cases of urgency, where the aforementioned terms shall be reduced to twenty-four hours before the Meeting.

[3] The Board of Directors shall, in any case, be validly constituted, even in the case in which the aforementioned formalities have not been respected, as long as all the Directors in office participate as well as all the Statutory Auditors in office, or rather, the majority of the Directors and Statutory Auditors in office participate and all those who are entitled to participate have been informed beforehand about the meeting and have not opposed the handling of the matters foreseen.

[4] The Board of Directors' meetings may also be held as teleconferences, videoconferences or, more generally speaking, by any means whatsoever of telecommunications, as long as all the participants can be identified and they are able to follow the discussion and participate in the same in real time, as well as see, receive and handle documents; once these requirements have been ascertained by the meeting's Chairman, the Board of Directors shall consider the meeting to have been held in the place in which the Chairman is present, and which must coincide with the address contained in the convocation. The Secretary appointed for the meeting must also be present in the same place.

[5] The meetings are chaired by the Chairman or the person who is replacing him and they are valid when there is the absolute majority of the members present in participation.

### **Art. 37 – Board Resolutions**

[1] The Board's resolutions are passed with open voting proceedings.

[2] The resolutions are adopted with the absolute majority of the votes cast; in the case of parity in voting, the Chairman shall have the casting vote.

### **Art. 38 – Board Minutes**

[1] The Board meetings and resolutions must be drawn up in minutes in the relative book and be signed by the person presiding over the meeting and the Secretary and, if necessary, by the members of the Board of Auditors.

[2] This book and any extracts from the same, certified as true copies by the Chairman and the Secretary, shall be proof of the meetings and the resolutions passed.

### **Art. 39 – Powers granted to the Board of Directors**

[1] The Board is endowed with all the powers for the ordinary and extraordinary administration of the Company, except for those that have been exclusively reserved for the

Meeting.

[2] The Directors are bound to refer to the Board and the Board of Auditors any interests they might have, personally or on behalf of any third parties, in relation to any specific operation conducted by the Company, stating its nature, terms, origins and its range; if he is the Managing Director, the latter must abstain from performing the operation, appointing the same to the collegial board.

[3] Besides the powers that cannot be delegated, in compliance with the law, the decisions concerning the following items shall be exclusively reserved for the Board of Directors, the:

- Company's general course as well as its strategic operations and lines and industrial and financial plans and their amendments;
- evaluation of the general management course;
- definition of the criteria for the co-ordination and management of the Company, "Gruppo Bancario Banca Popolare di Vicenza";
- definition of the criteria for the performance of the instructions handed down by the Banca d'Italia;
- risk management policies, as well as the evaluation of the functionality, efficiency and effectiveness of the internal controlling system and the suitability of the organisational, administrative and accounting position;
- appointment, removal from office and the determination of the salary reserved for the General Manager and the other members of the General Management and, in the case in which it is foreseen by law, the executive who has been appointed to draw up the corporate bookkeeping documentation, further to the Board of Auditors' obligatory opinion;
- appointment of the individual in charge of internal auditing and conformity duties, further to the Board of Auditors' opinion;
- approval and amendment of the main internal regulations' standards, except for what has been established by Article 2521, last paragraph of the (Italian) Civil Code;
- transfer of the registered offices within the municipal territory;
- setting up and regulations, even for the purposes of the signatory authority, for branch and representative offices, as well as their transfer and closing down, in Italy and abroad;
- constitution of Committees and Commissions, with consulting functions, defining their composition, powers, functioning capacity and the amount of any remuneration granted for participation in the same;
- undertaking and sale of substantial shareholdings (the operations not leading to significant variations in the Group's perimeter are excluded), further to what has been established by Article 2361, paragraph 2, of the (Italian) Civil Code being understood.

[4] The decisions concerning the following items shall, moreover, be exclusively reserved for the Board of Directors:

- a) Merger, in the cases foreseen by Articles 2505 and 2505-*bis* of the (Italian) Civil Code, including any increase of capital stock associated to the merger itself;
- b) Demerger in the cases envisaged by article 2506-*ter*, final paragraph, of the (Italian) Civil Code;
- c) Setting up and closing down of sub-offices;
- d) An indication of the Directors, besides those indicated in these Articles of Association,

- who are entitled to represent the Company;
- e) Adaptation of the Articles of Association to legislative provisions.
- [5] The executive appointed to draw up the corporate bookkeeping documentation shall be appointed from among the Bank's executives, who have accrued sufficient experience on the subject of bookkeeping and administration. The appointment shall be unlimited in duration, except for revocation of the same by the Board of Directors.

#### **Art. 40 – Executive Committee and Managing Director**

- [1] The Board of Directors, in compliance with the provisions established by law and by the Articles of Association, shall be entitled to delegate its powers to an Executive Committee, establishing its composition, duration, limits and any exercising formalities with reference to the proxy.
- [2] The Chairman, the Deputy Chairman or the Deputy Chairmen and the Managing Director, if one has been appointed, shall be entitled to belong to the Executive Committee.
- [3] The Statutory Auditors shall participate at the Executive Committee's meetings.
- [4] The meeting shall be valid with the presence of the absolute majority of its members; votes are passed with the absolute majority of those present
- [5] The Executive Committee's meetings may be held in teleconference, videoconference and, more generally, by any means of telecommunications whatsoever, as foreseen by Article 36 of these Articles of Association for the Board of Directors.
- [6] The duties of the Secretary shall be performed by the Secretary to the Board and in the case of his absence; he shall be replaced by another Director, appointed by the Committee.
- [7] In cases of urgency, the Executive Committee shall be entitled to pass resolutions with reference to any business or operation that has not been reserved by law and by these Articles of Association to the exclusive competence of the Board of Directors, informing the Board itself during the first meeting held thereafter.
- [8] The minutes of the Executive Committee's meetings and resolutions must be drawn up in compliance with what has been foreseen by Article 38 of these Articles of Association.
- [9] The Board of Directors shall also be entitled to delegate its own powers, which have not been attributed by law to its own exclusive competence, to a Managing Director, chosen from among its members, establishing his powers, even in relation to supervision, executive co-ordination and control. The Managing Director shall draw up proposals addressed to the collegial bodies on the matters allocated to him, further to informing the Chairman.
- [10] The resolutions adopted by the Executive Committee and/or the Managing Director, if appointed, shall be submitted to the attention of the Board of Directors in the terms and in compliance with the formalities foreseen by the same.
- [11] The delegate bodies shall undertake to inform the Board of Directors and the Board of Auditors, every quarter, about the general management course, including the risks' course, its foreseeable evolution and the most important operations performed by the Company and by its subsidiaries.

#### **Art. 41 – Proxies**

- [1] With reference to the disbursement of credit and current management, decision-making powers may be delegated by the Board of Directors to the Executive Committee and the

Managing Director, if one has been appointed, to the General Manager, the members of the General Management, to employees, who have been endowed with the performance of particular duties, either individually or together, as a group in committees and those who are in charge of branch offices, within predetermined limits of amount, graduated on the basis of the duties and their professional level in the Company.

[2] The decisions adopted by the proxy holders must be brought to the attention of the Executive Committee, if one has been appointed and/or even in the case of total amounts, to the attention of the Board of Directors, in compliance with the formalities established by the latter and, in any case, with a periodicity of no more than one hundred and eighty days.

[3] The Board of Directors shall be entitled to appoint, care off the General Management, a Central Credit Lines Committee, which shall be endowed with powers with reference to the disbursement of credit, establishing the limits, with the obligation of referring to the Executive Committee, if one has been appointed and/or even in the case of total amounts, to the attention of the Board of Directors, in compliance with the formalities established by the latter and, in any case, with a periodicity of no more than one hundred and eighty days

[4] The Central Credit Lines Committee shall be made up mainly by Directors on the Board and, moreover, by the General Manager and other members of the General Management and, eventually, by Executives and Management Cadres, appointed by the Board of Directors. The aforementioned Committee shall operate in compliance with a set of regulations approved by the Board of Directors, which shall establish, amongst other things, the periodicity and the formalities for convening the Committee.

[5] In cases of urgency and in the case in which the Executive Committee, if one has been appointed, in compliance with Article 40 foregoing hereto, is unable to do so, the Chairman of the Board of Directors or, in the case of his absence or due impediment, each of the Deputy Chairmen, in compliance with their seniority in office, shall be entitled to adopt, further to the proposal brought by the Managing Director, if one has been appointed, or the General Manager, or he who is replacing him, resolutions with reference to any business or operation granted to the Board of Directors and the Executive Committee, except for the matters reserved by law and by these Articles of Association, to the exclusive competence of the Board of Directors. Resolutions adopted in this way must be brought to the attention of the competent body during the first meeting held thereafter.

[6] The Board of Directors shall also be entitled to grant the Chairman specific powers with reference to the disbursement of charity, assistance, culture and social interests.

*Section Three*  
**BOARD OF AUDITORS**

**Art. 42 – Board of Auditors**

[1] The Ordinary Meeting shall appoint three Statutory Auditors and two Acting ones, who are honourable, professional and independent, it shall appoint the Chairman of the Board of Auditors, and establish the Auditors annual remuneration, which shall be valid for the entire period in which their mandate is in force, as well as, eventually, the amount of compensation due to them for participating at the sittings held by the Board of Directors and the Executive Committee. The entire Board of Auditors is appointed on the basis of a voting form prepared by the Board of Directors, containing a non-binding list of candidates. Each shareholder may modify in whole or in part the voting form, either by cancelling the candidates he/she does not intend voting for or by adding one or more new candidates in place of those that have been cancelled.

[2] Besides what has been foreseen by law, reasons for ineligibility or forfeiture of office from the appointment of member of the Board of Auditors, are being a member in administrative bodies or control boards of other banks or companies, which perform activities in competition with those of the Company, except for the latter being category bodies.

[3] The members of the Board of Auditors cannot, in any case, undertake appointments other than control ones care off the other companies belonging to the Group, as well as in the most strategic affiliate companies, even if they do not belong to the Group.

[4] The Auditors cannot, furthermore, accept administrative or control appointments care off companies and institutions in a number exceeding what has been established by legislation.

[5] Besides the remuneration foreseen in paragraph 1, the statutory members of the Board of Auditors shall be entitled to reimbursement of the expenses they incur in performing their duties.

**Art. 43 – Duration in office and replacement of Auditors**

[1] The Auditors shall remain in office for three business years, which expire on the date of the Meeting that has been convened to approve the balance sheet relative to the third business year in which they have been in office and they may be re-elected. Termination of the role of Auditor, due to expiry of the terms foreseen, shall enter into force from the time in which the Board is re-formed.

[2] In the case of the Auditors' death, resignation or forfeiture of office, the acting ones shall take their place in line with their seniority of age.

[3] If the Chairman of the Board of Auditors is missing, the most senior in age of the Statutory Auditors, appointed by the Meeting, shall carry out his duties until the next Meeting.

**Art. 44 – The Board of Auditors' Duties and Powers**

[1] The Board of Auditors oversees:

- a) compliance with the law, regulations and the Articles of Association;
- b) respect with reference to the principles of correct administration;
- c) the suitability of the organisational, administrative and accounting arrangement set up that has been adopted by the Company and its effective running;

- d) the suitability and operating capacity of the internal audit system, with particular reference to risk control;
- e) the suitability of the provisions issued by the Company to its subsidiaries in asserting the management and coordination activities;
- f) other activities and facts foreseen by law.

[2] The Board of Auditors shall ascertain, in particular, the suitable coordination of all the departments and structures involved in the internal auditing system, including the Firm of Auditors that has been appointed to conduct statutory audits, promoting, if necessary, the most expedient, corrective intervention. To this end, the Board of Auditors and the Firm of Auditors shall promptly exchange data and information that is important for the performance of their respective duties.

[3] The Board of Auditors shall also supervise compliance with the rules adopted by the Company in order to ensure transparency and the substantial and procedural fairness of the operations with the related parties and shall make reference thereto in its annual report to the Meeting.

[4] The Auditors may use, in performing the inspections and assessments necessary, the structures and departments appointed to perform internal auditing procedures, as well as carry out, at any time whatsoever, even individually, inspection and control activities.

[5] The Board of Auditors shall be entitled to request information from the Directors, even with reference to subsidiaries, concerning the performance of corporate operations or specific business. It shall also be entitled to exchange information with corresponding bodies in the subsidiary companies with reference to the administration and control systems and the general performance of corporate activities.

[6] In compliance with Article 52 of the (Italian) Legislative Decree Law No. 385 dated 1<sup>st</sup> September 1993, the Board of Auditors shall promptly inform the Banca d'Italia about all the activities or facts, which come to its attention whilst performing its duties and which might constitute irregularities in the management of the Company or breach of the regulations governing banking activities.

[7] The obligation referred to in the previous paragraph being understood, the Board of Auditors shall report any shortcomings or irregularities discovered to the attention of the Board of Directors and request the adoption of suitable, corrective measures and shall subsequently check their effectiveness.

[8] The Board of Auditors shall express an opinion as to decisions concerning the appointment of those in charge of the internal auditing departments, as well as with reference to all decisions inherent in establishing the essential elements for the internal auditing system.

[9] The Auditors shall report, on approval of the financial statements, on the supervisory activities performed, any omissions and facts subject to censure, eventually discovered; they shall also report on the criteria adopted by the corporate management as to achieving the mutual purpose.

[10] The Auditors must participate at the sittings held by the Meeting, the Board of Directors and the Executive Committee, if one has been appointed.

[11] The minutes and the deeds drawn up by the Board of Auditors must be signed by all those participating.

#### **Art. 45 – Running of the Board of Auditors**

[1] The Board of Auditors, which must meet at least every ninety days, shall be convened by the Chairman, with notice to be sent, at least eight days prior to the meeting, to each Auditor and, in cases of urgency, at least three days beforehand. The notice may be drawn up using any paper form or magnetic stand and may be sent by any communications system, including fax and e-mail.

[2] The Board of Auditors shall be regularly constituted with the majority of the Auditors; the resolutions are adopted with the majority of those present.

[3] The meetings may even be held by teleconference, videoconference and, in general, using any means of telecommunications whatsoever, on condition that the collegial method is respected, as well as the principles of good faith and equality of treatment and, in particular, on condition that all the participants can be identified and that they are able to follow the discussion and participate in real time in the handling of the matters under discussion, as well as being able to see, receive and handle the documentation and that the foregoing is drawn up in the relative minutes. The minutes, moreover, must contain a declaration as to the contents of the latter, with the matters dealt with and must be signed by the same as soon as possible thereafter.

[4] The meeting shall be considered to have been held where the Chairman and the Secretary taking the minutes are present.

#### **Art. 46 – Statutory Audits**

[1] The Company's statutory audits shall be conducted by a Firm of Auditors, in compliance with the provisions foreseen by law.

[2] The statutory audit activities are recorded in a specific register held care off the Company's registered offices or care off the premises of the Firm of Auditors retained.

[3] Pursuant to Article 52 of the (Italian) Legislative Decree Law No. 385, dated 1<sup>st</sup> September 1993, the individual appointed to conduct the statutory audits shall promptly inform the Banca d'Italia about any acts or facts, discovered whilst performing the appointment, which might constitute a serious breach of the provisions regulating banking activities or that might prejudice the business's continuity or lead to a negative opinion, an opinion with observations or a declaration as to the impossibility of expressing an opinion on the financial statements. Said individual shall send the Banca d'Italia any other data or document requested.

#### *Section Four*

#### *BOARD OF ARBITRATION*

#### **Art. 47 – Board of Arbitration**

[1] The Ordinary Meeting shall appoint from among the shareholders being entitled to participate and vote at the Meetings, three Statutory Arbitrators and two Acting ones.

[2] They shall remain in office for three business years, and shall fall from office on the date of the Meeting convened for the approval of the balance sheet relative to the third business year in which they have been in office, they may be re-elected and shall provide their services free of charge, except for being entitled to reimbursement of their expenses.

[3] The Board of Arbitration is appointed on the basis of a voting form prepared by the Board

of Directors, containing a non-binding list of candidates. Each shareholder may modify in whole or in part the voting form, either by cancelling the candidates it does not intend voting for or by adding one or more new candidates in place of those that have been cancelled. The Board shall appoint the Chairman from among its number, who shall provide for the convening of the same when necessary and shall conduct the work foreseen.

[4] The acting Arbitrators shall replace, in consideration of their ages and until the next Meeting, any Statutory member who is missing, for whatsoever reason, as well as, from time to time, the Statutory member who cannot take part in the decisions due to family ties, affinity or lawful impediment.

#### **Art. 48 – Duties of the Board of Arbitration**

[1] The Board of Arbitration shall regulate the performance of its activities in the way that it believes to be most expedient, without any of the constraints of procedural formalities.

[2] The Board of Arbitration, integrated from time to time with the representative of an aspiring shareholder, shall grant its award within thirty days from the request with reference to the application review, referred to in Article 10, paragraph 4 foregoing hereto.

### *Section Five* *GENERAL MANAGEMENT*

#### **Art. 49 – General Management**

[1] The General Management is made up of the General Manager and by the other members appointed by the Board of Directors, which grants their powers.

[2] The resolutions concerning the appointment of members of the General Management are adopted by the Board of Directors with the absolute majority of its members.

#### **Art. 50 – Duties of the General Manager**

[1] The General Manager, within the limits of the powers that have been conferred upon him and in compliance with the directions of the Board of Directors, as well as those that have been adopted by the Managing Director, if one has been appointed, in exercising supervision duties, executive co-ordination and control, shall provide for the management of all the current business, exercise powers with reference to the disbursement of credit, expenses and financial operations, within the limits to which he is entitled, oversee the organisation and the functioning of the networks and services, order performance of the resolutions adopted by the Board of Directors, as well as those adopted by the Executive Committee and the Managing Director, if appointed, as well as those that have been adopted, urgently, in compliance with Articles 40 and 41 of these Articles of Association.

[2] In performing his duties, the General Manager shall avail himself of the services of the other members of the General Management. He shall refer, together with the Managing Director, if one has been appointed, to the Board of Directors.

[3] The General Manager is the head of the personnel and the structure. He proposes the employment of personnel, their promotion and removal from their appointments; he shall be entitled to provisionally suspend any employee, referring the matter then to the attention of the

Board of Directors, for their consequent resolution in merit thereto.

[4] The General Manager shall be entitled to autonomously initiate all legal proceedings that would appear to be expedient in ensuring credit recovery.

[5] The General Manager shall draw up proposals to be submitted to the collegial bodies on the matters for which he is competent, prior to informing the Chairman and the Managing Director, if one has been appointed, and shall take part, with an advisory vote, at the meetings held by the Board of Directors, as well as those held by the Executive Committee, if appointed, which have not been declared as secret and, with an effective vote, at the meetings held by the Central Credit Lines Committee.

[6] In the case of his absence or due impediment, the General Manager shall be replaced, in all the powers and duties that have been attributed to him, by the member of the General Management, who immediately follows him in professional level and according to the seniority of the level itself and in parity of seniority in level by the person appointed by the Board of Directors.

[7] In the case of the due impediment or absence of both, the Board of Directors shall be entitled to delegate the powers and duties to another member of the General Management.

[8] The signature of the person replacing the General Manager shall constitute proof of the latter's absence of due impediment before any third parties.

## **TITLE IV**

### **REPRESENTATION AND CORPORATE SIGNATURE**



### **Art. 51 – Signatory powers**

[1] The Chairman shall be granted the Company's representation before any third parties and before the court, be it before a jurisdictional or administrative court, including any judgements handed down by the Supreme Court and new-trial judgements, as well as the free, corporate signature and, in the case of his absence or due impediment, even temporary, by the person representing him.

[2] The signature of the person replacing the General Manager shall constitute proof of the latter's absence or due impediment before any third parties.

[3] The Company's representation and the free, corporate signature may also be conferred, by the Board of Directors, upon individual Directors, in order to perform specific activities or categories of activities.

[4] The corporate signature shall also be granted by the Board of Directors in favour of the Managing Director, if one has been appointed, and in favour of personnel employed by the Company establishing the limits and formalities with reference to its use.

[5] The Board may also, where necessary, confer mandates and powers of attorney upon persons outside the Company, in order to perform specific activities.



**TITLE V**  
**BALANCE SHEET**



### **Art. 52 – Balance sheet**

- [1] The corporate year closes on 31<sup>st</sup> December every year.
- [2] At the end of every year, the Board of Directors goes ahead with drawing up the balance sheet, as well as the report on the progress of the corporate management, in compliance with the provisions foreseen by law.
- [3] In the reports referred to in Articles 2428 and 2429 of the (Italian) Civil Code, the Directors and Auditors shall specifically indicate the criteria adopted by the corporate management, in order to achieve the co-operative purpose, and shall illustrate the reasons for the resolutions adopted with reference to the admission of new shareholders.

### **Art. 53 – Distribution of the profits**

- [1] The Shareholders' meeting, upon proposal of the Board of Directors, resolves the allocation of profits, upon approval of the financial statements, in compliance with the following paragraph, and determines, for the business year in course, the remuneration of the members of the Board of Directors and of the Executive Committee, and compensation for their participation as per article 35 under the terms and according to the requirements of current legislation regarding the policies and practices of remuneration and incentives in banks. A quota of no less than what has been foreseen by law shall, first of all, be deducted from the net profits resulting from the annual balance sheet, which has been submitted to the Meeting, for the increase of the ordinary legal reserve and a quota of no less than 10% shall also be deducted for the extraordinary reserve.
- [2] The remaining profits shall be distributed as follows:
  - a) a quota, no higher than 10%, shall be destined to charity, assistance, culture and works of social interest;
  - b) in favour of the shareholders, in a measure which, further to a proposal brought by the Board of Directors, has been approved by the Meeting;
  - c) the balance shall be distributed, further to the proposal brought by the Board of Directors, in compliance with the resolutions adopted by the Meeting, which shall be entitled, with the excess, to set up or increase reserves, under whatsoever name, as well as the reserve for the purchase or reimbursement of the Company's shares and it shall be entitled to assign a further quota for the purposes foreseen in letter a) foregoing hereto, without its exceeding, in any case, the limits foreseen therein.

### **Art. 54 – Reserves**

- [1] The ordinary reserve is divided up into the:
  - Legal reserve,
  - Share-premium reserve.
- [2] The ordinary legal reserve is made up with the annual allocations on the year's profits, as foreseen by law and Article 53, paragraph 1, foregoing hereto.
- [3] The ordinary share premium reserve is made up of the:
  - a) share-premium;
  - b) dividends that are devolved to the Company in compliance with Article 19, last paragraph, and with any other monies due to the shareholders in relation to capital operations and

which have not been collected by the same and have been duly forfeited.

## **TITLE VI**

### **WINDING-UP AND LIQUIDATION**



**Art. 55 – Winding-up and liquidation rules**

[1] Notwithstanding that which has been established in Article 26 foregoing hereto, with reference to the early winding-up of the Company, in any case of liquidation, the Meeting shall appoint the liquidators, establish their powers, the liquidation formalities and the distribution of the assets resulting from the final balance sheet.

The distribution, among the shareholders, of the monies available shall take place in compliance with the aforementioned shareholders' respective shareholdings.





