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ILLUSTRATIVE REPORT ON THE MERGER PROJECT FOR THE MERGER OF

**BANCA REGIONALE EUROPEA S.P.A., BANCA POPOLARE COMMERCIO E INDUSTRIA S.P.A., BANCA
CARIME S.P.A., BANCA POPOLARE DI ANCONA S.P.A., BANCA POPOLARE DI BERGAMO S.P.A., BANCO
DI BRESCIA SAN PAOLO CAB S.P.A. AND BANCA DI VALLE CAMONICA S.P.A.**

INTO

UNIONE DI BANCHE ITALIANE S.P.A.

DRAFTED PURSUANT TO ART. 2501-*QUINQUIES* OF THE ITALIAN CIVIL CODE AND ARTICLES 70, PARAGRAPH
2, AND 72, PARAGRAPH 1-*BIS*, OF CONSOB REGULATION No. 11971 OF 14 MAY 1999

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Shareholders,

This illustrative report (the "**Report**") has been drafted in accordance with art. 2501-*quinquies* of the Italian Civil Code and - in compliance with articles 70, paragraph 2, and 72, paragraph 1-*bis*, of the Regulation adopted by Consob Resolution No. 11971 of 14 May 1999 ("**Issuers' Regulation**"), as amended - according to the general criteria laid down in Attachment 3A, schedules 1 and 3, of the Issuers' Regulation.

The Report aims to illustrate and justify, from the legal and economic standpoint, the merger project pursuant to Art. 2501-*ter* of the Italian Civil Code ("**Merger Project**"), and in particular the exchange ratios applicable to the merger ("**Merger**") into Unione di Banche Italiane Società per Azioni ("**UBI Banca**", the "**Parent Company**", or the "**Merging Company**") of the following network banks (collectively the "**Network Banks**" or the "**Merged Companies**" and, together with UBI Banca, the "**Companies Participating in the Merger**"; each separately a "**Network Bank**" or a "**Merged Company**") controlled by UBI Banca:

- Banca Regionale Europea S.p.A. ("**BRE**").
- Banca Popolare Commercio e Industria S.p.A. ("**BPCI**");
- Banca Carime S.p.A. ("**Carime**");
- Banca Popolare di Ancona Società per Azioni ("**BPA**");
- Banca Popolare di Bergamo S.p.A. ("**BPB**");
- Banco di Brescia San Paolo CAB S.p.A. ("**BBS**"); and
- Banca di Valle Camonica – Società per Azioni ("**BVC**").

The Merger Project was approved by the Management Board and Supervisory Board of UBI Banca - within the scope of their respective responsibilities - on 20 June 2016 and 27 June 2016, respectively, and the subject was also raised on 15 June 2016 and 21 June 2016, respectively.

In the case of the merger of BRE (the "**BRE Merger**") and BPCI (the "**BPCI Merger**"), the Merger Project was approved following a favourable opinion from the Related and Connected Parties Committee of UBI Banca rendered on 27 June 2016. For information concerning the related party relationships that led UBI Banca to apply the procedures set out in the Regulation for related-party transactions (the "**Related Parties Regulation**") adopted by UBI Banca in accordance with art. 2391-*bis* of the Italian Civil Code and Consob Regulation No. 17221 of 12 March 2010, as amended ("**Regulation No. 17221/2010**"), refer to the Information Document prepared in accordance with art. 5 of Regulation No. 17221/2010, published by UBI Banca within the time limits and according to the procedures laid down in current laws and regulations.

The boards of directors of the Merged Companies approved the Merger Project - within the scope of their respective responsibilities - on 27 June 2016, and the subject was also raised on 20 June 2016.

By provision of 30 August 2016, the Bank of Italy granted the required authorisation of the Merger pursuant to art. 57 of Legislative Decree No. 385 of 1 September 1993 (the "**Consolidated Banking Act**"). By that same provision, the supervisory authority also authorised the amendments to the Articles of Association of UBI Banca planned in conjunction with the Merger, pursuant to art. 56 of the Consolidated Banking Act.

Following the granting of the authorisation by the Bank of Italy, the competent boards of directors of the Companies Participating in the Merger acknowledged that the Merger Project had been approved by the supervisory authority within the previously authorised time limits, and thus were eligible for registration with the competent company registrars in accordance with art. 2501-*ter* of the Italian Civil Code and art. 57 of the Consolidated Banking Act.

1. Description of the Companies Participating in the Merger

1.1 *Merging Company*

Unione di Banche Italiane S.p.A.

UBI Banca is an Italian joint stock company that has issued shares listed on the Mercato Telematico Azionario (electronic stock exchange), a market organised and managed by Borsa Italiana S.p.A., and included in the FTSE-MIB index.

UBI Banca is registered with the Register of Banks at no. 5678 and is a member of the Interbank Deposit Protection Fund and the National Guarantee Fund.

UBI Banca has its registered office in Bergamo at Piazza Vittorio Veneto 8, and tax code, VAT no. and registration with the Bergamo Company Registrar no. 03053920165.

The subscribed and paid-up share capital of UBI Banca amounts to €2,254,371,430.00 and is divided into 901,748,572 ordinary shares with no nominal value.

Pursuant to art. 4 of the Articles of Association, UBI Banca has as its company object deposit-taking and lending in its various forms, both directly and through subsidiaries.

UBI Banca is the Parent Company of the UBI Banca Banking Group (the "**UBI Banca Group**"), organised according to a federal, multi-functional model, governing, inter alia, the Network Banks, which have as their object deposit-taking and lending in its various forms.

Within the UBI Banca Group, UBI Banca is responsible for:

- the management, co-ordination and control of the UBI Banca Group;
- the coordination of the business functions, with support for the core businesses of the network banks and product companies, through supervision of both markets and customer segments;
- the provision, directly or through subsidiaries, of business support services to facilitate the development of new business and permit effective customer service.

1.2 *Merged Companies*

A. Banca Regionale Europea S.p.A.

BRE is an Italian joint stock company registered in Register of Banks at no. 5240 and a member of the Interbank Deposit Protection Fund and National Guarantee Fund; it has its registered office in Cuneo at Via Roma 13, and tax code, VAT no. and Cuneo Company Registrar no. 01127760047.

The subscribed and paid-up share capital of BRE amounts to € 587,892,824.35 and is divided into 904,450,499 shares with a nominal value of €0.65 each, of which:

- 789,548,506 ordinary shares;
- 68,591,443 privileged shares (the "**BRE Privileged Shares**");
- 46,310,550 savings shares (the "**BRE Savings Shares**", together with the BRE Privileged Shares the "**BRE Special Shares**").

BRE's shareholder structure is shown in the following tables:

	UBI Banca	Fondazione Cassa di Risparmio di Cuneo	Other non- controlling shareholders	Total
No. ordinary shares	630,883,210	156,529,037	2,136,259	789,548,506

No. privileged shares	18,118,254	50,473,189		68,591,443
No. voting shares	649,001,464	207,002,226	2,136,259	858,139,949
No. savings shares	27,388,044	18,240,680	681,826	46,310,550
Total shares	676,389,508	225,242,906	2,818,085	904,450,499

	UBI Banca	Fondazione Cassa di Risparmio di Cuneo	Other non- controlling shareholders	Total
Ordinary shares	79.904%	19.825%	0.271%	100%
Privileged shares	26.415%	73.585%		100%
Voting shares	75.629%	24.122%	0.249%	100%
Savings shares	59.140%	39.388%	1.472%	100%
Total shares	74.785%	24.904%	0.312%	100%

BRE operates primarily in north-western Italy.

B. Banca Popolare Commercio e Industria S.p.A.

BPCI is an Italian joint stock company registered in Register of Banks at no. 5560 and a member of the Interbank Deposit Protection Fund and National Guarantee Fund; it has its registered office in Milan at Via Monte di Pietà 7, and tax code, VAT no. and Milan Company Registrar no. 03910420961.

The subscribed and paid-up share capital of BPCI amounts to € 934,150,467.60 and is divided into 889,667,112 ordinary shares with a nominal value of €1.05 each. UBI Banca holds a 83.763% interest in BPCI, whereas the remaining 16.237% is held by Fondazione Banca del Monte di Lombardia (the "**Monte Foundation**").

BPCI operates mainly in the Lombardy and Emilia-Romagna areas.

C. Banca Carime S.p.A.

Carime is an Italian joint stock company registered in Register of Banks at no. 5562 and a member of the Interbank Deposit Protection Fund and National Guarantee Fund; it has its registered office in Cosenza at Viale Crati snc, and tax code and Cosenza Company Registrar no. 13336590156.

It has fully subscribed and paid-up share capital of €1,468,208,505.92, divided into 1,411,738,948 ordinary shares with a nominal value of €1.04 each, and is 99.989% owned by UBI Banca.

Carime operates in southern Italy.

D. Banca Popolare di Ancona S.p.A.

BPA is an Italian joint stock company registered in Register of Banks at no. 301 and a member of the Interbank Deposit Protection Fund and National Guarantee Fund; it has its registered office in Jesi (AN) at Via Don Angelo Battistoni 4, and tax code, VAT no. and Ancona Company Registrar no. 00078240421.

The subscribed and paid-up share capital of BPA amounts to € 147,301,670.32 and is divided into 24,468,716 ordinary shares with a nominal value of €6.02 each, 99.585% of which is held by UBI Banca.

BPA mainly operates in central Italy, but also has a significant presence in Campania.

E. Banca Popolare di Bergamo S.p.A.

BPB is an Italian joint stock company registered in Register of Banks at no. 5561 and a member of the Interbank Deposit Protection Fund and National Guarantee Fund; it has its registered office in Bergamo at Piazza Vittorio Veneto 8, and tax code, VAT no. and Bergamo Company Registrar no. 03034840169.

The subscribed and paid-up share capital of BPB amounts to € 1,350,514,252.00, is divided into 1,350,514,252 ordinary shares with a nominal value of €1.00 each and is fully held by UBI Banca.

BPB operates mainly in the Lombardy area, and in the province of Bergamo in particular.

F. Banco di Brescia San Paolo CAB S.p.A.

BBS is an Italian joint stock company registered in Register of Banks at no. 5393 and a member of the Interbank Deposit Protection Fund and National Guarantee Fund; it has its registered office in Brescia at Corso Martiri della Libertà 13, and tax code, VAT no. and Brescia Company Registrar no. 03480180177.

The subscribed and paid-up share capital of BBS amounts to €615,632,230.88, is divided into 905,341,516 ordinary shares with a nominal value of €0.68 each and is fully held by UBI Banca.

BBS operates primarily in the province of Brescia, but is also the only member of the UBI Banca Group with a presence in north-eastern Italy.

G. Banca di Valle Camonica S.p.A.

BVC is an Italian joint stock company registered in Register of Banks at no. 83 and a member of the Interbank Deposit Protection Fund and National Guarantee Fund; BVC has its registered office in Breno (BS) at Piazza della Repubblica 2, tax code and Brescia Company Registrar no. 00283770170, and VAT no. 00550080980.

The subscribed and paid-up share capital of BVC amounts to €3,176,883.00 and is divided into 3,176,883 ordinary shares with a nominal value of €1.00 each.

UBI Banca holds a total equity interest in BVC of 98.726% (of which 8.839% through BBS).

BVC operates in the Lombardy area, and in particular in the province of Brescia.

2. Reasons for the Merger

The aim of the Merger, which is an integral, fundamental part of the UBI Banca Group's 2019/2020 Business Plan, approved by the Management Board and Supervisory Board of UBI Banca, within the scope of their respective responsibilities, on 20 June 2016 and 27 June 2016, respectively, is to achieve the following strategic objectives:

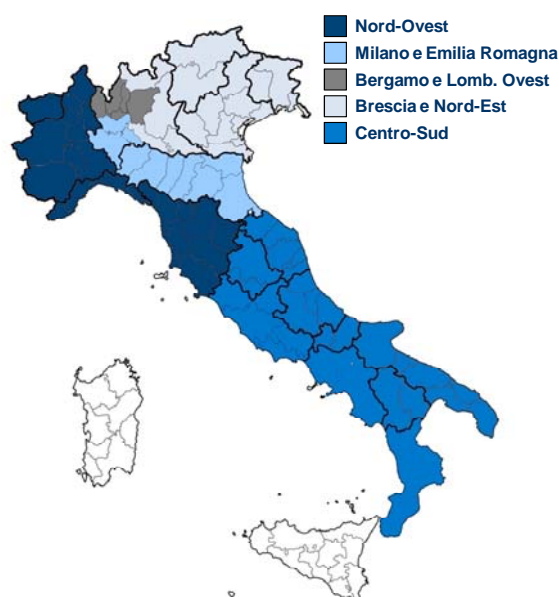
- to simplify decision-making processes at the UBI Banca Group and shorten the chain of command between the governing bodies of UBI Banca and network units, so as to increase the speed and efficiency with which the initiatives identified are implemented;
- to increase the degree of uniformity of the methods of application of sales, lending and human resources policies within the UBI Banca Group so as to strengthen risk oversight, among other objectives;
- to reduce the number and duplication of management and administrative activities in the various operational areas, with a particular focus on IT and organisational functions;

- to achieve significant cost savings, as a consequence of the increased efficiency indicated in the foregoing points.

The execution of the Merger is based on a thorough revision of the UBI Banca Group's current organisational model, according to the following general structure:

- the adoption of geographical market coverage based on (i) the presence of five newly formed General Geographical Areas, an offshoot of the seven current Network Banks, charged with implementing the general strategies set by the governing bodies of UBI Banca for the areas in question and directly responsible for operating results in those same areas and (ii) the presence of 36 Local Departments (instead of the current 45) reporting to the General Geographical Areas, charged with ensuring that commercial guidelines are adequately conveyed to the network, with a particular focus on the process of managing and monitoring credit pricing and quality;
- a rationalisation of the network units' overall structure through the elimination, in particular, of overlapping, at the level of both the branches and mini-branches (closure of 73 branches and nine mini-branches, transformation of 50 branches into mini-branches and three mini-branches located within branches) and the Private & Corporate Unity units ("PCU") (one new unit opened, four closed and seven transformed into corners);
- simplification of the central units of UBI Banca, with a particular emphasis on planning, management control and administration (financial reporting, tax and supervisory compliance, and management of invoices receivable and payable);
- the creation of business units organised by customer segment (in particular, Large Corporate and Top Private) and, as such, more focused in terms of responsibility for results, and the enhancement of coverage of specific business segments (in particular, Remote Channels and International);
- improved credit management through simplification of the approval process and the ensuing greater focus on monitoring problem loans and non-performing loans;
- simplification of the IT and organisational functions, essentially through (i) the elimination of the specific IT environment ("clone") for each Network Bank in the UBI Banca Group's target system and (ii) simplification of procurement and back office activities at the UBI Banca Group level. In this regard, plans call for work on the clone adopted by UBI Banca to contain IT risks tied to the process of migration and subsequent management of flows.

Without prejudice to the above, the following chart shows the intended post-Merger structure, with particular regard to the General Geographical Areas.



The structure of the General Geographical Areas was determined with the aim of ensuring that each would enjoy critical mass in terms of the number of operating outlets, customers and volumes, while also taking account of uniformity and geographical continuity, insofar as possible; in this regard, particular attention will be devoted to the needs and peculiarities of the areas in question, while also maintaining the brand in the territory in the short/medium term.

Turning to the rationalisation of the network units' overall structure, the two following tables present the details of changes to branches and mini-branches and the details of changes to PCU units, respectively.

Branches and mini-branches

Type of action	Banco di Brescia	Banca Popolare di Bergamo	Banca Popolare Commercio e Industria	Banca di Valle Camonica	Banca Carime	Total
BRANCH CLOSURES	35	11	12	15		73
Bergamo	6			7		13
Brescia	11	3		8		22
Mantova	1					1
Milan	14		7			21
Monza and Brianza		1				1
Parma			1			1
Rome	2	1	4			7
Varese		6				6
Verona	1					1
MINI-BRANCH CLOSURES					9	9
Cosenza					3	3
Foggia					3	3
Potenza					1	1
Salerno					1	1
Taranto					1	1
TRANSFORMATIONS INTO BRANCHES					3	3
Bari					2	2
Brindisi					1	1
TRANSFORMATIONS INTO MINI-BRANCHES	24	10	13	3		50
Bergamo		1		1		2
Bologna			3			3
Brescia	13			2		15
Como		2				2
Lecco		2				2
Milan	2		4			6
Modena			1			1
Monza and Brianza		1				1
Parma			1			1
Pavia			1			1
Roma	1	2	3			6
Trento	1					1
Varese		2				2
Viterbo	7					7
Total	59	21	25	18	12	135

Private & Corporate Unity (PCU) units

Type of action	Banco di Brescia	Banca Popolare di Bergamo	Banca Popolare Commercio e Industria	Banca di Valle Camonica	Banca Carime	Banca Popolare di Ancona	Banca Regionale Europea	Total
PCU CLOSURES	2	1	1					4
Brescia		1						1
Milan	1							1
Rome	1		1					2
TRANSFORMATIONS INTO "CORNERS"	1		1	1		2	2	7
Alessandria							1	1
Bergamo				1				1
Caserta						1		1
Cremona	1							1
Milan			1					1
Novara							1	1
Pescara						1		1
PCU OPENINGS						1		1
Foggia						1		1
Total	3	1	2	1		1	2	12

As a result of the above changes, the schedule of which will depend on the timing of the conclusion of the individual transactions involved in the Merger, the UBI Banca Group's geographical network will be transformed from the current situation to a composition of 1,440 operating outlets, divided into 1,056 retail branches, 346 mini-branches and 38 PCUs, also considering the additional measures of an ordinary nature already planned.

In economic terms, the efficiency gains tied to the Merger are to translate into cost savings that, once phase-in is complete (in the third year from the launch of execution of the project to merger the Network Banks into UBI Banca), are forecast to amount to a maximum of approximately €80 million a year, primarily attributable to staff costs, with the remainder consisting of other administrative costs, IT costs (elimination of the Network Banks' clones) and real-estate costs (branch closures). The amount of the synergies indicated above assumes that the maximum projected efficiency gains are achieved at the level of the UBI Banca Group's workforce.

The above cost savings will be accompanied by one-off charges for the execution of the project, indicatively amounting to a maximum of approximately €198 million, also assuming the maximum projected efficiency gains at the level of the workforce, and nonetheless primarily attributable to staff costs (in particular, redundancy incentives); the remainder of the one-off charges refers to other administrative expenses (mainly services, commercial notices for customers and closures of operating outlets), IT investments and the depreciation and write-off of assets. Essentially all such charges will be incurred in 2016.

3. Determination of Exchange Ratios

3.1 *Methods used to determine the Exchange Ratios*

It should firstly be noted that the valuation process for determining the exchange ratios ("**Exchange Ratios**") for the Merger did not involve BPB and BBS, since those two Network Banks are fully owned by UBI Banca, and the share capital of those companies will thus be cancelled without any exchange in accordance with art. 2504-ter of the Italian Civil Code.

Consequently, the aim of the valuation process for determining the Exchange Ratios was to prepare a comparative estimate of the values of the economic capital of the Companies Participating in the Merger, through the application of multiple analytical and market criteria, contemplating both the qualitative

characteristics and size of UBI Banca and the Network Banks, as well as of common valuation practice for similar transactions at the Italian and international level.

According to standard valuation practice, the fundamental requirement for obtaining comparable values for merger purposes is the uniformity and comparability of the methods applied, as compatible with the characteristics of the companies and/or groups subject to valuation.

Accordingly, the valuations were prepared with the aim of expressing a comparative estimate of the banks' values, with a focus on the consistency and comparability of the methods adopted rather than on determining the absolute values of the banks individually considered. Under no circumstances are the valuations to be regarded as possible indications of current or prospective market price or absolute value, nor may they be considered in contexts other than the present.

In detail, the valuation methods used to determine the Exchange Ratios for the merger were as follows:

- “Analytical” valuation methods:
 - the Excess Capital variant of the Dividend Discount Model;
 - the Warranted Equity Method;
- Market valuation methods:
 - Market Multiples;
 - regression analysis of the prospective return on tangible equity and the premium/discount on tangible book value expressed by market prices (price to tangible book value).

Valuations were conducted on a stand-alone basis, without taking account of any synergies and extraordinary costs deriving from the Merger transaction.

The banks' balance sheets and income statements at and for the period ended 31 December 2015 were used both to prepare the Merger Project, which were approved, as indicated above, by the respective governing bodies of the Companies Participating in the Merger in June 2016, and to determine the Exchange Ratios set out below. As also clarified in paragraph 3.2 below, the valuations underlying the Merger Project, carried out according to the above methods, were also prepared on the basis of the balance sheets at 30 June 2016 of each of the Companies Participating in the Merger, as included in their respective half-yearly financial reports at that date approved by their respective governing bodies and used as the balance sheet situation of reference pursuant to art. 2501-*quater* of the Italian Civil Code.

The following is a detailed description of the methods used to determine the Exchange Ratio ranges.

Dividend Discount Model

The Excess Capital variant of the Dividend Discount Model (“DDM”) determines the value of a company “W” according to the following formula:

$$W = \sum_{t=1}^n \frac{DIV_t}{(1+i)^t} + VT$$

where:

DIV_t = cash flows that may be distributed to the shareholders within the chosen time horizon on the basis of the income statement and balance sheet forecasts, while maintaining a satisfactory level of capitalisation;

i = the discount rate represented by the cost of risk capital (“ke”);

VT = terminal value, calculated as the value of a perpetual growth rate estimated on the basis of an economically sustainable normalised level of cash flows and consistent with the sustainable growth rate (“g”).

The following were considered when estimating distributable cash flows:

1. the balance sheets and income statements at and for the period ended 30 June 2016 of the various Network Banks and the UBI Group;
2. the projected 2016-2020 balance sheet and income statement figures of the various Network Banks and the UBI Banca Group, estimated by the management of UBI Banca on the basis of final 2015 figures, the budget for the current year and the expected performance of the main components of the income statement and balance sheet during the period concerned, drawn from the impairment test for the 2015 financial statements;
3. a minimum capitalisation level to ensure the operation of the banks on a stand-alone basis, equal to 11.5% at the level of the CET1 ratio. A series of factors were considered when determining that threshold: (i) the current level of the UBI Banca Group's CET1 ratio at 30 June 2016 and (ii) the current level of Supervisory Review and Evaluation Process (SREP) for the UBI Banca Group, set at 9.25%, with the application of an additional margin deemed appropriate to react to potential future developments;
4. a discount rate for the above cash flows ("**Cost of Equity**") corresponding to the return on equity demanded by investors/shareholders for investments with similar risk characteristics, calculated on the basis of the Capital Asset Pricing Model ("**CAPM**") according to the following formula:

$$K_e = R_f + \text{Beta} \times (R_m - R_f)$$

where:

- R_f = the risk-free rate, i.e., the rate of return on risk-free investments, assumed to be equal to the yield on the ten-year BTP (1.5% at 17 June 2016);
- $R_m - R_f$ = the market risk premium, that is the premium for the risk of investing in shares rather than in risk-free investments, set at 6.0% according to historical market series;
- $Beta$ = the correlation factor between the actual yield of an asset and the overall yield of the reference market (i.e., a measure of the volatility of the security compared to the market portfolio). For all Companies Participating in the Merger, a beta of 1.42 has been used, determined on the basis of the average beta for UBI Banca (sources: Global Barra Beta, Local Barra Beta and Bloomberg).

Consequently, for all companies, a Cost of Equity of 10.1% has been assumed for valuation purposes;

5. a nominal sustainable long-term growth rate ("**Sustainable Growth Rate**") of 1.0%, calculated on the basis of the estimated real growth rate and inflation and the sustainable growth rate of UBI Banca estimated by research analysts (specifically, the average values used by Deutsche Bank, Exane BNP Paribas, ICBPI and Barclays have been applied).

To ensure full appreciation of the sensitivity of the values obtained using the DDM to the valuation parameters adopted, a sensitivity analysis was conducted for the discount rate (+/- 1.0%) and the performance of net profit in 2016-2020, assuming a linear decrease over the plan period of 0% to 10%.

Warranted Equity Method

According to the Warranted Equity Method ("**WEM**", sometimes also referred to as the "Gordon Growth Model"), the value (W) of a company may be determined on the basis of the relationship between:

- the bank's sustainable future profitability (in the form of the RoATE, i.e., the return on average tangible equity) in the long term, estimated on the basis of the 2019 expected RoATE, based on the banks' forecasts;
- the sustainable growth rate (g) of the bank's profits in the long run, which in the case at hand coincides with the one used for the Dividend Discount Model, i.e., 1.0%;
- the market return representative of the Cost of Equity, which in the case at hand was considered to be equal to the one used for the DDM, i.e., 10.1%;

according to the following formula:

$$\frac{W}{\text{Tangible Equity}} = \frac{(RoATE - g)}{(K_e - g)}$$

To ensure full appreciation of the sensitivity of the values obtained through the WEM to the valuation parameters used, a sensitivity analysis was conducted for the discount rate (+/- 1.0%) and the sustainable growth rate "g" (+/- 1.0%).

Market Multiples Method

The Market Multiples Method is based on the analysis of the share prices of a sample of banks that are comparable to those being valued.

In the case at hand, a sample of listed Italian banks was selected (Intesa Sanpaolo, UniCredit, Banco Popolare, Monte dei Paschi, Banca Popolare di Milano, Banca Popolare dell'Emilia Romagna, Banca Popolare di Sondrio and Credem), as further illustrated in the following table.

Reference was made to the ratio of market value to estimated net profit (i.e., to price to earnings or "P/E"), deemed appropriate to represent the actual perception of the listed company's value by investors on the stock exchange and determined on the basis of:

- a measurement period for official market prices of six months from 17 June 2016, with the aim of eliminating any distortions of valuation deriving from the extreme market volatility in recent months;
- the estimated net profits of the comparable companies in 2018, determined on the basis of the data provided by Capital IQ.

As an additional corrective factor in the adoption of this method, due in part to the high level of capitalisation of several of the Merged Companies, the values resulting from the P/E analysis were adjusted for all companies involved in the Merger to reflect the surplus capital, estimated by applying a CET1 ratio cut-off of 11.5%. The surplus capital at 30 June 2016 was added to the result of the Market Multiples Method.

The following table provides an overview of the calculation of the market P/E multiples considered for valuation purposes:

	P/E 2018E
Intesa	9.2x
UniCredit	5.5x
Banco Popolare	12.1x
MPS	4.7x
BPM	9.4x
BPER	6.9x
BPSO	9.9x
Credem	10.2x
Average	8.5x

Source of data: Capital IQ at 17 June 2016

In order to define a range of values per share of the Companies Participating in the Merger, a change of +/- 20% of the value resulting from the application of the method was considered.

Regression Analysis Method

The Regression Analysis (or Linear Regression) Method determines the value of a company on the basis of the correlation, for a sample of comparable companies, between the prospective return on tangible equity (in the form of RoATE) and the premium/discount expressed by market values with respect to tangible book value (P/TBV). The P/TBV multiple that may be associated with the prospective profitability of the company subject to valuation may be drawn from an analysis of these values.

The higher the correlation coefficient (which has a maximum value of 1), the more reliable the results produced by this analysis. In the case at hand, in a manner consistent with the Market Multiples Method, the market price of the banks in the sample was determined on the basis of the average official market price surveyed over the past six months, from 17 June 2016, with the aim of eliminating possible distortions in value deriving from extreme market volatility in recent months. The same sample was used for the Linear Regression Method as in the Market Multiples Method, considering the estimated RoATE in 2018 and 2016 P/TBV determined on the basis of the data provided by Capital IQ. The correlation coefficient in the case at hand is 68%.

	P / TBV 2016E	RoATE 2018
Intesa	0.97x	10.1%
UniCredit	0.47x	7.8%
Banco Popolare	0.41x	3.3%
MPS	0.21x	4.2%
BPM	0.63x	6.4%
BPER	0.51x	6.9%
BPSO	0.57x	5.5%
Credem	0.96x	8.7%

Source of data: Capital IQ at 17 June 2016

Similarly to the Market Multiples Method, the result of the regression analysis was adjusted to reflect the surplus capital in terms of CET1 at 30 June 2016, estimated according to the same target level (11.5%).

In order to define a range of values per share of the Companies Participating in the Merger, a change of +/- 20% of the value resulting from the application of the method was considered.

The application of the methods described above resulted in the identification of ranges of values for each share of the Companies Participating in the Merger, and thus the related Exchange Ratios, as shown in the following tables. In particular, the bottom end of each of the Exchange Ratio ranges has been determined by comparing the minimum value of the shares of each Network Bank with the maximum value of the shares of UBI Banca, whereas the upper end of each Exchange Ratio range has been determined by comparing the maximum value of the shares of each Network Bank with the minimum value of the shares of UBI Banca.

Merger of BPCI:

Method	BPCI value per share (€)		UBI Banca value per share (€)		Exchange ratio	
	Min.	Max.	Min.	Max.	Min.	Max.
DDM	1.19	1.55	4.29	6.56	0.1819x	0.3617x
WEM	1.25	1.48	4.35	6.11	0.2043x	0.3415x
Linear regression - six-month average	0.89	1.34	2.97	4.45	0.2006x	0.4513x
Italian bank multiples - six-month average - P/E 2018E	0.87	1.31	2.99	4.49	0.1941x	0.4367x

Merger of BRE:

Method	BRE value per share (€)		UBI Banca value per share (€)		Exchange ratio	
	Min.	Max.	Min.	Max.	Min.	Max.
DDM	0.90	1.18	4.29	6.56	0.1369x	0.2758x
WEM	0.92	1.08	4.35	6.11	0.1504x	0.2489x
Linear regression - six-month average	0.63	0.94	2.97	4.45	0.1410x	0.3173x
Italian bank multiples - six-month average - P/E 2018E	0.63	0.94	2.99	4.49	0.1396x	0.3140x

The figures for BRE in the foregoing table refer to the ordinary shares only.

Merger of BPA:

Method	BPA value per share (€)		UBI Banca value per share (€)		Exchange ratio	
	Min.	Max.	Min.	Max.	Min.	Max.
DDM	31.91	44.20	4.29	6.56	4.8675x	10.2972x
WEM	33.35	41.93	4.35	6.11	5.4605x	9.6479x
Linear Regression - six-month average	23.96	35.94	2.97	4.45	5.3843x	12.1148x
Italian bank multiples - six-month average - P/E 2018E	24.27	36.41	2.99	4.49	5.4037x	12.1583x

Merger of Carime:

Method	Carime value per share (€)		UBI Banca value per share (€)		Exchange ratio	
	Min.	Max.	Min.	Max.	Min.	Max.
DDM	0.68	0.79	4.29	6.56	0.1030x	0.1832x
WEM	0.69	0.75	4.35	6.11	0.1129x	0.1725x
Linear regression - six-month average	0.48	0.73	2.97	4.45	0.1090x	0.2452x
Italian bank multiples - six-month average - P/E 2018E	0.48	0.73	2.99	4.49	0.1077x	0.2423x

Merger of BVC:

Method	BVC value per share (€)		UBI Banca value per share (€)		Exchange ratio	
	Min.	Max.	Min.	Max.	Min.	Max.
DDM	41.22	60.72	4.29	6.56	6.2881x	14.1459x
WEM	41.77	53.41	4.35	6.11	6.8392x	12.2898x
Linear regression - six-month average	29.60	44.39	2.97	4.45	6.6514x	14.9657x
Italian bank multiples - six-month average - P/E 2018E	29.99	44.98	2.99	4.49	6.6751x	15.0189x

3.2. Definition of the Exchange Ratios

As indicated above, the Management Board and Supervisory Board of UBI Banca and the board of directors of the Merged Companies approved the Merger Project, within the scope of their respective responsibilities, on 20 June and 27 June 2016, respectively, setting the following Exchange Ratios:

Merged Company	Exchange ratio (no. of UBI Banca shares per one share of the merged company)
BPCI	0.2522
BRE - ordinary shares	0.2402
BRE - saving shares	0.4377
BPA	6.0815
Carime	0.1651
BVC	7.2848

The Exchange Ratios were determined using a uniform criterion applied to all companies involved in the transaction, so as to ensure maximum valuation consistency, considering:

- UBI Banca valued at €3.99 per share, identified by taking account of the performance of the market price of the shares during the period December 2015 - June 2016;
- the merged companies valued according to a multiple of tangible book value at 31 December 2015 of 0.65x, in addition to the regulatory capital at that same date in excess of the above-indicated CET1 target level.

The valuations conducted considering the balance sheet situations at 30 June 2016, through the application of the methods indicated above, identify Exchange Ratio ranges that confirm the values determined when the Merger Project was approved.

A value of €1.7464 per share was assumed for the BRE Special Shares for the purpose of determining the pertinent Exchange Ratio - since the conditions had been met - without prejudice to the value of reference of €3.99 per each UBI Banca share.

The above value of the BRE Special Shares coincides with the agreed price of purchase by UBI Banca of the BRE Special Shares from the CRC Foundation, as stated in the preliminary purchase and sale agreement entered into between UBI Banca and the CRC Foundation on 27 June 2016 (the "**Purchase and Sale Agreement**"). The Purchase and Sale Agreement, which should be viewed in the context of the existing partnership between UBI Banca and the CRC Foundation relating to BRE, provides, in particular, that the purchase by UBI Banca of the BRE Special Shares held by the CRC Foundation for total consideration of €120 million is to be formalised on the date of execution of the deed of merger for the BRE Merger, contingent on the execution thereof, but with prior effect for legal purposes, and that the CRC Foundation is to vote in favour of the BRE Merger in the competent shareholders' meetings for all of the BRE Special Shares and BRE ordinary shares held by the CRC Foundation.

That price, which is therefore the result of negotiations between UBI Banca and the CRC Foundation, was determined by considering the following circumstances, among others: (i) according to art. 22 of BRE's Articles of Association, the BRE Special Shares benefit from a preferential treatment compared to the BRE ordinary shares when distributing net profit, in terms of both a significant increase in the dividend and distribution priority; (ii) the BRE Privileged Shares held by the CRC Foundation are crucial to the exercise by the CRC Foundation of the voting rights discussed above in the general meeting of BRE's shareholders (article 10 of BRE's Articles of Association) and grant the CRC Foundation the power to determine the decisions of the special meeting of holders of BRE Privileged Shares.

To safeguard the interests of holders of BRE Savings Shares other than the CRC Foundation (who hold a total of 681,826 BRE Savings Shares, or 0.075% of share capital), it was decided to use the price set in the Purchase and Sale Agreement for each of the BRE Special Shares (€1.7464) as the value of reference for determining the exchange ratio for the BRE Savings Shares and UBI Banca shares.

Conversely, the BRE Privileged Shares were not considered when determining the Exchange Ratios - and thus for valuation purposes - since, as emphasised above, on the date of execution of the deed of merger for the BRE Merger, UBI Banca will become the owner of all of the BRE Privileged Shares, and those shares will therefore be cancelled without any exchange.

Finally, the amount of €1.7464 also represents the unit price of settlement of any purchases by UBI Banca of the BRE Savings Shares held by shareholders of BRE other than the CRC Foundation, to be concluded by the date of execution of the deed of merger for the BRE Merger. If the holders of BRE Savings Shares other than the CRC Foundation express the intention to sell their shares to UBI Banca for cash before the date of execution of the deed of merger for the BRE Merger, UBI Banca will satisfy their requests.

3.3. Reference date and documentation used

The Companies Participating in the Merger for which Exchange Ratios were determined have been valued by considering a series of documents and information, including:

- the balance sheet at 30 June 2016 of each of the Companies Participating in the Merger, according to the half-yearly financial report at that same date approved by the governing body and used as the balance sheet of reference pursuant to art. 2501-*quater* of the Italian Civil Code;
- the historical and estimated 2016-2020 balance sheet and income statement data of the Companies Participating in the Merger and the UBI Banca Group, prepared according to uniform criteria by the competent internal bodies of the UBI Banca Group;
- the historical and prospective capital structure useful for supervisory purposes of the Companies Participating in the Merger and the UBI Banca Group;
- the composition of the share capital of the Companies Participating in the Merger;
- the current and prospective market data and available income statement and balance sheet information.

3.4 Limits of the analysis and valuation difficulties in determining the Exchange Ratios

The following valuation limits and difficulties came to light during the valuation process:

- in applying market valuation methods, reference was made to market prices, which are subject to fluctuations, sometimes to a significant degree, due to the high volatility of the financial markets, and in particular of the banking sector, and consensus estimates characterised by subjective elements. Furthermore, the organisational and operational models of the banks included in the selected sample present elements of divergence from those adopted by the Companies Participating in the Merger;
- the forecast data for the Companies Participating in the Merger were drawn up in February 2016 - and thus before the preparation of the UBI Banca Group's Business Plan presented on 27 June 2016, already based on the "single bank" model - and do not take account of subsequent systemic and macroeconomic events. Those forecast data were nonetheless deemed adequate and suitable for use in the valuation process for the purposes of the Merger;

- by their nature, the forecast data present elements of uncertainty and subjectivity dependant on the actual occurrence of the hypotheses and assumptions used in formulating the forecasts.

4. Procedures for the allotment of shares in the Merging Company and the date of dividend entitlement for those shares

The Merger will entail the cancellation of all shares of the Merged Companies and the allotment in exchange of new shares of UBI Banca with regular dividend entitlement to the shareholders of the Merged Companies other than UBI Banca. The shares of the Merged Companies that are held by UBI Banca at the Effective Date for non-controlling interests (as defined in paragraph 5 below) of the Merger or each of the merger transactions will be cancelled without exchange.

The number of new UBI Banca shares to be allotted in exchange to the individual shareholders of each of the Merged Companies will be determined by multiplying the number of shares of the Merged Companies respectively held by the specific Exchange Ratio and then rounding the result up to the next unit. There will be no settlements of balances in cash.

The new UBI Banca shares will be managed in centralised, dematerialised form by Monte Titoli S.p.A., like the UBI Banca shares already outstanding. The new shares will also be listed on the Mercato Telematico Azionario (screen based stock market) organised and managed by Borsa Italiana S.p.A.

5. Date of recognition of the transactions of the Merged Companies, including for tax purposes, in the financial statements of the Merging Company

Although the Merger is governed by a single Merger Project, each of the merger transactions will be wholly independent of the others, with the resulting possibility of implementing those Merger Project in whole or in part, and thus of merging all or only some of the Merged Companies. In addition, the Merger may be undertaken all at once or in steps, each of which may entail the merger of one or more of the Merged Companies, and, in either case, by entering into separate deeds of merger (as governed by art. 2504 of the Italian Civil Code).

In any event, regardless of the conditions of implementation of the overall terms, each merger transaction will enter into effect for non-controlling interests, pursuant to art. 2504-*bis* of the Italian Civil Code, from the date of the most recent registration of the pertinent deed of merger with the competent company registrar, or, where applicable, the subsequent date indicated in that same deed of merger (the "**Effective Date**").

From the Effective Date of the pertinent merger transaction, UBI Banca will succeed to the Network Bank in all dealings to which the latter was a party and assume the related rights and obligations.

The transactions of each Merged Company will be recognised in the financial statements of UBI Banca, including for tax purposes, with effect from 1 January of the year in which the pertinent merger transaction enters into effect for non-controlling interests.

In reference to the above, it bears clarifying that, given the complexity of the activities, and particularly the IT-related activities, functional to the implementation of the entire project to merger the Network Banks, and thus with the aim of containing the related operational risks, the project is to be implemented - contingent on obtaining the prescribed authorisation - in three steps, each of which will have a specific Effective Date, according to the following general structure, which may be modified as necessary:

- the first step will include the merger of BRE and BPCI;
- the second step will include the merger of BPB, BBS and BVC; and
- the third step will include the merger of BPA and Carime.

In any event, the Merger is expected to be completed by the end of the first half of 2017.

6. Amendments to the Merging Company's Articles of Association

In the light of the possible step-based structure of the merger transactions for the Network Banks, despite the unitary nature of the Merger Project (as emphasised in paragraph 5 above), as a consequence of the Merger the share capital of UBI Banca will be increased by a maximum of €189,444,377.50 through the issuance of a maximum of 75,777,751 shares without nominal value in service of the exchange of the shares of the Network Banks held by shareholders other than UBI Banca.

On the basis of the Exchange Ratios set out in paragraph 3.2, the capital increase will be attributable as follows:

- €96,024,597.50 to the merger of BRE, with the issuance of 38,409,839 shares;
- €91,078,612.50 to the merger of BPCI, with the issuance of 36,431,445 shares;
- €1,543,650.00 to the merger of BPA, with the issuance of 617,460 shares;
- €60,042.50 to the merger of Carmine, with the issuance of 24,017 shares; and
- €737,475.00 to the merger of BVC, with the issuance of 294,990 shares;

The merger of BPB and BBS will not have any effect on the share capital and number of shares of UBI Banca, since the share capital of each of the two Network Banks will be cancelled without exchange, given that it is held solely by UBI Banca.

In any event, the above is without prejudice to the differing individual amounts of the capital increases and differing amounts of new shares due to (i) the application of the rounding mechanism described in paragraph 4; (ii) the possible purchase by UBI Banca of the BRE Savings Shares held by BRE shareholders other than the CRC Foundation (as illustrated in paragraph 3.2) and (iii) the possible exercise of the right of withdrawal by the holders of BRE Savings Shares other than the CRC Foundation, according to the terms set out in paragraph 10.

As a consequence of the Merger, art. 5.1 of the Articles of Association of UBI Banca will be amended accordingly, in order to reflect the new amount of share capital and the new number of shares.

In this regard, considering that, as stated in paragraph 5, it is planned to execute the Merger in three steps, art. 5.1 of the Articles of Association of UBI Banca will be amended gradually, to reflect the resulting values of share capital and the number of shares when each step has been completed.

Furthermore, according to the Merger Project, other clauses of the Articles of Association of UBI Banca are to be amended as a further consequence of the Merger, as indicated below:

- the addition of a provision to art. 1 allowing UBI Banca to use the names, trademarks and distinctive signs of the Network Banks and all of the companies merged on each occasion, including in combination with its own name, primarily as distinctive elements at the geographical level;
- the elimination of all direct or indirect references to the Network Banks (repeal of art. 27.2, letters b) and c); amendment of art. 28.2, letter g); repeal of art. 38.1, letter m), subsection (iii), and letter n), and amendment of art. 40.6; consequent renumbering);
- on the subject of the General Management, replacement (i) of the provision requiring appointment of the General Manager with the mere option of appointing a person to this position and (ii) of the provision allowing appointment of one or more Deputy General Managers with a provision requiring a General Management composed of the General Manager, where appointed, and members appointed by the Management Board, with a member of the General Management designated to act in the stead of the Chief Executive Officer and, where appointed, General Manager, due to their absence or impediment (amendment of article 42.1 and ensuing amendments/deletions: letter f) of article 28.2, article 32.1, article 33.2, letter h of article 34.1, article 35, article 42.2 and the resulting renumbering, with

renumbering of article 42.3 and article 43.7). In this regard, the amendment of provisions of the Articles of Association concerning the General Management is related to and consistent with the planned configuration of the organisational structure following the Merger;

- in charitable endeavours, the introduction of a provision requiring the allocation to beneficial, humanitarian, cultural and artistic aims of 2% of net profit, with a maximum of €12 million, after deducting the minimum allocations to the legal reserve required by law and any allocations to the extraordinary reserve and/or other reserves approved by the shareholders' meeting, without prejudice, in any event, to compliance with the capital requirements set from time to time by the competent supervisory authorities, in contrast with the current provision allowing the shareholders' meeting to allocate an amount of no more than 1.5% of distributable net profit to such purposes (amendment of article 44.3, addition of articles 44.4 and 44.5 and resulting renumbering).

All transitional measures will also be repealed in conjunction with the Merger as no longer effective.

All of the foregoing amendments to the Articles of Association of UBI Banca other than those concerning art. 5.1 will enter into effect from the effective date for non-controlling interests of the transactions included in step one of the Merger.

Attached to this Report is a table presenting a comparison of the current and proposed versions of the Articles of Association of UBI Banca. In this regard, it should be noted that the new amount of share capital and new number of shares have not been included in art. 5.1 since, for the reasons illustrated above, such amounts cannot be determined precisely before the Merger is completed.

If the individual merger transactions are not concluded with a single Effective Date (as defined in paragraph 5) and a single deed of merger is not drawn up, each deed of merger will contain an indication of the share capital and number of shares following the conclusion of only those transactions included in the deed of merger concerned.

The proposed amendments to the Articles of Association do not grant the right of withdrawal to shareholders of UBI Banca who do not vote in favour, since none of the grounds for withdrawal set out in art. 2437 of the Italian Civil Code will apply.

7. Tax impact of the Merger on the Companies Participating in the Merger

Income taxes - general aspects

Pursuant to article 172, paragraph 1, of the Consolidated Income Tax Act (Decree of the President of the Republic No. 917 of 22 December 1986), the merger transaction does not entail the realisation and/or distribution of capital gains or losses on the assets of the merged companies, including those relating to inventories and goodwill. In other words, the transaction is "tax-neutral". For IAS-adopters (such as UBI Banca and the Network Banks), the provisions of article 172 of the Consolidated Income Tax Act must be coordinated with the provisions of Ministerial Decree No. 48 of 1 April 2009 ("**IAS Decree**"), which confirms the principle of the general tax-neutrality of merger transactions.

Pursuant to article 172, paragraph 2, of the Consolidated Income Tax Act, when determining its income UBI Banca does not take account of the gains ("deficit") and losses ("surplus") recognised as a result of the exchange ratio for the shares (exchange differences) or the cancellation of the shares (cancellation differences). In addition, since the merger transaction is tax-neutral, any greater values recognised by UBI Banca (due to the possible allocation of the gain resulting from the cancellation and/or exchange of the equity interests in the Network Banks to the assets of the latter) are immaterial for tax purposes. Consequently, the assets received by UBI Banca as a result of the Merger will be valued for tax purposes on the basis of the most recent tax value applied by the Network Banks prior to the Merger: any differences between the book and tax values will be presented in a specific statement of reconciliation included in the income tax return.

The recognition for tax purposes of the greater values of the property, plant and equipment and intangible assets recognised in the financial statements as a result of a merger transaction is contingent on payment of substitute tax in lieu of corporate income tax ("**IRES**") and regional production tax ("**IRAP**") according to the terms, conditions and methods set out in articles 172, paragraph 10-*bis*, of the Consolidated Income Tax Act and 176, paragraph 2-*ter*, of the Consolidated Income Tax Act. UBI Banca will only be eligible for the substitute tax regime if it exercises the specific option in its income tax return in accordance with the law. Article 15, paragraphs 10 to 12, of Law Decree No. 185 of 29 November 2008 introduced an additional tax alignment regime for greater values recognised in the financial statements as a result of extraordinary transactions (expressly including merger transactions). That provision applies to the recognised greater amounts of intangible assets, long-term costs and assets other than those mentioned in article 176, paragraph 2-*ter*, of the Consolidated Income Tax Act.

Lastly, the exchange of the shares in the Network Banks held by shareholders other than UBI Banca does not constitute realisation of the original shares, but merely replacement of those shares (to be cancelled as a result of the merger) with the shares of UBI Banca. Basically, the value recognised for tax purposes of the shares in the Network Banks will be transferred to the shares in UBI Banca received in exchange. In the absence of an adjustment, the provisions of article 47, paragraph 7, of the Consolidated Income Tax Act and articles 58 and 87 of the Consolidated Income Tax Act do not apply to the shares in the Network Banks held by shareholders other than UBI Banca.

Income taxes - tax-suspended reserves

Any tax-suspended reserves recognised in the most recent financial statements of the individual Network Banks prior to the date of their merger into UBI Banca will contribute to forming the income of UBI Banca if and to the extent they are not reconstituted in the financial statements of UBI Banca in accordance with article 172, paragraph 5, of the Consolidated Income Tax Act.

Article 172, paragraph 5, of the Consolidated Income Tax Act does not apply to reserves taxable only in event of distribution; such reserves must be reconstituted in the financial statements of UBI Banca only and within the limit of the merger surplus or capital increase in excess of the total capital of the Network Banks, net of the shares of the capital of those same Network Banks already held by UBI Banca. In such circumstances, the reserves will only contribute to forming the income of UBI Banca in the event of the subsequent distribution of the surplus or the distribution of the capital to the shareholders. The reserves already allocated to the capital of the Network Banks are understood to be transferred to the capital of UBI Banca and contribute to forming the latter's income in the event of a reduction of capital pursuant to article 2445 of the Italian Civil Code.

Pursuant to article 4, paragraph 2, letter b) of the IAS Decree, for IAS-adopters "[...] *the provisions of article 172, paragraphs 5 [...], of the Consolidated Act apply with regard to the increase in the acquirer's equity [...]*".

Income taxes - carry-forward of tax losses

Any tax losses of the Network Banks and UBI Banca may be deducted from the income of UBI Banca after the effective date of the merger, within the limits and according to the conditions set out in article 172, paragraph 7, of the Consolidated Income Tax Act.

However, as clarified by administrative practice (Italian tax authorities - circular no. 9/E of 9 March 2010), in the event of a merger between companies participating in the same tax consolidation scheme, the provisions limiting the carry-forward of tax losses apply solely to the losses recorded prior to the entry into the consolidation scheme of each company participating in the tax consolidation scheme. Losses recorded during the course of the tax consolidation scheme are excluded from the carry-forward limits.

Income taxes - tax consolidation

Pursuant to article 11 of the Ministerial Decree of 9 June 2004, the merger transaction between participants in the same tax consolidation scheme does not interrupt the group taxation scheme.

Value-added tax and indirect taxes

The merger is a transaction beyond the scope of application of value-added tax ("VAT") pursuant to article 2, paragraph 3, letter f), of the Decree of the President of the Republic No. 633 of 26 October 1972, as amended. As expressly provided for in that legislation, transfers of assets as a result of mergers between companies are not considered transfers of assets for VAT purposes.

Deeds of merger are subject to registry tax of a fixed amount of €200.00, pursuant to article 4, letter b), of part one of the schedule annexed to the Decree of the President of the Republic No. 131 of 26 April 1986, as amended. In addition, since the Network Banks own real estate, the deed of merger will also be subject to mortgage and land registry taxes of a fixed amount of €200.00, pursuant to article 4 of the schedule annexed to Legislative Decree No. 347 of 31 October 1990 and article 10, paragraph 2, of Legislative Decree No. 347 of 31 October 1990. Administrative practice (Italian revenue authorities, circular no. 18/E of 29 May 2013) expressly confirms that deeds of merger are subject to fixed registry, mortgage and land registry taxes.

8. Forecasts of the composition of the new shareholders of the Merging Company following the Merger

On the basis of the most recent information available to UBI Banca, the shareholders who currently hold an interest in excess of 3% of the share capital of UBI Banca are as follows:

- Silchester International Investors Llp: 62,119,117 shares, or 6.889% of share capital*;
- Blackrock Inc.: 44,972,764 shares, or 4.987% of share capital**.

* Information based on the data concerning participation in the shareholders' meeting of UBI Banca of 2 April 2016.

** Information based on the notices received by UBI Banca pursuant to art. 120 of the Consolidated Law on Finance.

In addition to the above shareholders, the following parties, while not reaching the threshold of 3%, nonetheless hold a significant interest in the share capital of UBI Banca according to the most recent information available to UBI Banca:

- the CRC Foundation: 20,110,215 shares, or 2.230% of share capital;
- the Monte Foundation: 14,411,631 shares, or 1.598% of share capital.

Considering that the CRC Foundation and the Monte Foundation will be allotted significant quantities of UBI Banca shares in exchange for their holdings in BRE and BPCI, respectively, whereas the shares held by Silchester International Investors Llp and Blackrock Inc. will be diluted as a result of a capital increase by UBI Banca reserved for the non-controlling shareholders of Network Banks, the shareholders of UBI Banca are expected to be as follows as a result of the Merger, assuming that the capital increase by UBI Banca is completed for the maximum amount indicated in paragraph 6:

Silchester International Investors Llp:	6.355%;
the CRC Foundation:	5.904%;
the Monte Foundation:	5.201%;
Blackrock Inc.	4.601%.

9. Effects of the Merger on shareholder agreements deemed significant pursuant to article 122 of the Consolidated Law on Finance governing shares of the Companies Participating in the Merger

The following shareholder agreements governing shares of UBI Banca have been reported pursuant to art. 122 of Legislative Decree No. 58 of 24 February 1998 ("**Consolidated Law on Finance**"):

- the UBI Banca Shareholders' Syndicate (the "**Syndicate**"), in which 175 shareholders participate (divided into 40 groups, each of which is headed by a president): a total of 112,714,507 UBI Banca Shares, accounting for 12.50% of share capital, are bound by the agreement;
- the "Patto dei Mille" ("**Pact of the Thousand**"), to which 88 shareholders are parties and by which 27,102,426 UBI Banca shares, accounting for 3.01% of share capital, are bound.

On the basis of the maximum number of UBI Banca shares to be issued in service of the exchange of the Network Banks' shares (as set out in paragraph 6), and in the absence of changes in the amounts of the shares respectively bound, the weight of the two shareholder agreements within the share capital of UBI Banca would decline from 12.50% to 11.53% in the case of the Syndicate and from 3.01% to 2.77% in the case of the Pact of the Thousand.

10. Right of withdrawal

As stated in paragraph 6, approval of the Merger will not give rise to any grounds for withdrawal for UBI Banca shareholders who do not vote in favour of the pertinent resolution, since none of the conditions set out in art. 2437 of the Italian Civil Code will apply.

However, the approval of the BRE Merger by the competent shareholders' meetings of BRE will entitle holders of the BRE Special Shares who have not participated in the adoption of the pertinent resolutions to the right of withdrawal pursuant to art. 2437, paragraph 1, letter g), of the Italian Civil Code (the "**Right of Withdrawal**"), since the preferential treatment from which the Special Shares benefit when net profit is allocated, according to the terms set out in paragraph 3.2, will cease following the Merger, given that the UBI Banca shares that will be issued in exchange will not be entitled to preferential treatment when net profit is allocated, as is instead the case for the shares outstanding.

In this connection, it bears remarking that, given the understanding reached with the CRC Foundation in the context of the Purchase and Sale Agreement, and further considering that the CRC Foundation is the only non-controlling shareholder of BRE that holds BRE Privileged Shares, the Right of Withdrawal may only be exercised by holders of BRE Savings Shares other than the CRC Foundation, up to a maximum total of 681,826 BRE Savings Shares, equal to 0.075% of BRE's entire share capital.

The exercise price of the Right of Withdrawal (the "**Price**") will be determined by BRE's Board of Directors, in consultation with BRE's Board of Statutory Auditors and BRE's independent auditors (KPMG S.p.A.), according to the terms established by current legislation and the criteria laid down in art. 2437-*ter* of the Italian Civil Code.

The Price will be published in a specific notice in the daily newspapers *Il Sole 24 Ore* and *MF*, also within the time limit set out in art. 2437 of the Italian Civil Code of at least 15 days prior to the date of BRE's shareholders' meeting called to decide on the merger pursuant to art. 2502 of the Italian Civil Code and the date of the special meetings of holders of the BRE Special Shares called to approve the merger resolution of BRE's general shareholders' meeting.

The additional information functional to the exercise of the Right of Withdrawal that is not currently available, particularly the date of registration with the Cuneo Company Registrar of the resolution approving the merger of BRE into UBI Banca (the start date of the period of at least 15 days established by art. 2437-*bis* of the Italian Civil Code for exercise of the Right of Withdrawal) will be provided according to the same methods, in addition to on the website www.ubibanca.it.

Pursuant to art. 2437-*bis* of the Italian Civil Code, the Right of Withdrawal may be exercised by registered letter to be sent, under penalty of invalidity, within 15 days of the registration with the Cuneo Company Registrar of the resolution approving the Merger Project, per art. 2502 of the Italian Civil Code, by BRE's shareholders' meeting.

Notice of exercise of the Right of Withdrawal (the "**Notice**") will also be sent to the following address:
Banca Regionale Europea S.p.A.
General Management Support
Via Santa Teresa 11
10121 - TURIN

and must contain, under penalty of invalidity, the following information:

- the particulars, residence/registered office, tax code and domicile for any notices concerning the withdrawal procedure for the withdrawing shareholder, with an indication, where possible, of a telephone number and e-mail address;
- the number of shares for which the Right of Withdrawal is exercised;
- the details of the intermediary with which the shares subject to exercise of the Right of Withdrawal are deposited;
- the details of the account to which to pay the liquidation value of the shares subject to exercise of the Right of Withdrawal;
- the declaration that the shares subject to the exercise of the Right of Withdrawal, at the date of conclusion of the liquidation procedure pursuant to art. 2437-*quater* of the Italian Civil Code, will be free from pledges and other restrictions of any kind in favour of third parties, unless a specific declaration by the pledgee or beneficiary of the restriction is submitted, according to the same conditions and with the same time limit as applicable to the submission of the Notice, in which irrevocable consent is granted to the release of the pledge or restriction and the related entries.

The shares subject to the exercise of the Right of Withdrawal will be liquidated according to the procedure set out in art. 2437-*quater* of the Italian Civil Code, which, in short, states that:

- the offering of the shares subject to the exercise of the Right of Withdrawal under option and pre-emption rights to the entitled BRE shareholders for a period of no less than 30 days from the filing of the offer with the company registrar;
- the option for BRE's Board of Directors to place shares for which option and pre-emption rights are not exercised with third parties;
- redemption through purchase by BRE of the shares not placed following the completion of the two previous phases, within 180 days of notice of withdrawal.

During the course of the liquidation procedure, the shares subject to exercise of the Right of Withdrawal will be subject to a restriction of unavailability. In any event, if they are transferred in the course of the liquidation procedure illustrated above, the shares will be transferred with the same entitlement as associated with all BRE shares at the date of the transfer.

As a shareholder of BRE, UBI Banca will exercise its option and pre-emption rights within the above liquidation procedure.

In this regard, assuming that UBI Banca has a sufficient number of treasury shares, UBI Banca will have the option of purchasing immediately - without awaiting the conclusion and outcome of the offer in option and pre-emption procedure - the shares subject to exercise of the Right of Withdrawal and of executing the BRE Merger, together with BRE.

If that option is exercised by UBI Banca, the other shareholders of BRE who exercise the option and pre-emption right, before or after the Effective Date (as defined in paragraph 5) of the BRE Merger, will be satisfied through treasury shares held by UBI Banca on the basis of the Exchange Ratio for the BRE Savings Shares and against payment to UBI Banca of the total exercise price of the Right of Withdrawal for the BRE Savings Shares in question due to the exercise of the option and pre-emption right.

Where adopted, this solution will ensure that the BRE Merger takes place, in any event, in the presence of an amount of the capital increase of UBI Banca in service of the BRE Merger already defined at the Effective Date of the BRE Merger.

Even if validly exercised, withdrawal will not be effective if the BRE Merger is not concluded. Accordingly, the exercise price of the Right of Withdrawal will be paid to the entitled parties, in any event, after the Effective Date of the BRE Merger, without prejudice to observance of the time limit of 180 days set out in the aforementioned art. 2437-*quater* of the Italian Civil Code.

* * * * *

PROPOSED RESOLUTION

In consideration of the foregoing, the following proposed resolution is submitted to the Extraordinary Shareholders' Meeting:

“The Extraordinary Shareholders' Meeting,

- *having examined and discussed the report drafted pursuant to art. 2501-quinquies of the Italian Civil Code and article 70, paragraph 2, and article 72, paragraph 1-bis, of the Issuers' Regulation, illustrating the Merger Project pursuant to art. 2501-ter of the Italian Civil Code (the “Merger Project”) concerning the merger into Unione di Banche Italiane S.p.A. of Banca Regionale Europea S.p.A., Banca Popolare Commercio e Industria S.p.A., Banca Carime S.p.A., Banca Popolare di Ancona S.p.A., Banca Popolare di Bergamo S.p.A., Banco di Brescia San Paolo CAB S.p.A., and Banca di Valle Camonica S.p.A. (the "Merger");*
- *having acknowledged the report drafted by Deloitte & Touche S.p.A. as the common expert appointed by the Court of Bergamo pursuant to art. 2501-sexies of the Italian Civil Code;*
- *having acknowledged the additional illustrative documentation filed pursuant to art. 2501-septies of the Italian Civil Code, including the balance sheets of reference pursuant to art. 2501-quater of the Italian Civil Code for the companies participating in the Merger - and the information presented to the Shareholders' Meeting pursuant to art. 2501-quinquies, paragraph 3, of the Italian Civil Code;*
- *having acknowledged the authorisation of the Merger and the amendments to the Articles of Association illustrated in the Merger Project granted by the Bank of Italy on 30 August 2016 pursuant to articles 57 and 56 of Legislative Decree No. 38 of 1 September 1993;*
- *having acknowledged that the Merger Project was registered with the competent office of the Company Registrar within the legal time limit;*
- *having acknowledged, lastly, that the current share capital of Unione di Banche Italiane S.p.A. of € 2,254,371,430.00 (two billion two hundred fifty-four million three hundred seventy-one thousand four hundred thirty euro) has been fully paid up,*

resolved

1. *to approve the Merger Project for the Merger into Unione di Banche Italiane S.p.A. of Banca Regionale Europea S.p.A., Banca Popolare Commercio e Industria S.p.A., Banca Carime S.p.A., Banca Popolare di Ancona S.p.A., Banca Popolare di Bergamo S.p.A., Banco di Brescia San Paolo CAB S.p.A., and Banca di Valle Camonica S.p.A., registered with the competent offices of the company registrar and attached to the minutes of this session of the Shareholders' Meeting;*
2. *thus to approve the share capital increase of Unione di Banche Italiane S.p.A. in service of the exchange ratios provided for in the Merger Project of a maximum of € 189,444,377.50 (one hundred eighty-nine million four hundred forty-four thousand three hundred seventy-seven euro and fifty cents), through the issue of a maximum of 75,777,751 (seventy-five million seven hundred seventy-seven thousand seven hundred fifty-one) ordinary shares without nominal value, and specifically:*
 - *€ 96,024,597.50 (ninety-six million twenty-four thousand five hundred ninety-seven euro and fifty cents) in service of the merger by acquisition of BRE, with the issue of 38,409,839 (thirty-eight million four hundred nine thousand eight hundred thirty-nine) shares;*
 - *€ 91,078,612.50 (ninety-one million seventy-eight thousand six hundred twelve euro and fifty cents) in service of the merger by acquisition of BPCI, with the issue of 36,431,445 (thirty-six million four hundred thirty-one thousand four hundred forty-five) shares;*
 - *€ 1,543,650.00 (one million five hundred forty-three thousand six hundred fifty euro) in service of the merger by acquisition of BPA, with the issue of 617,460 (six hundred seventeen thousand four hundred sixty) shares;*

- € 60,042.50 (sixty thousand forty-two euro and fifty cents) in service of the merger by acquisition of Carime, with the issue of 24,017 (twenty-four thousand seventeen) shares;
 - € 737,475.00 (seven hundred thirty-seven thousand four hundred seventy five euro) in service of the merger by acquisition of BVC, with the issue of 294,990 (two hundred ninety-four thousand nine hundred ninety) shares;
3. *and thus to approve the amendments to:*
- *art. 5 of the Articles of Association to include the new amount of share capital and new number of shares of Unione di Banche Italiane S.p.A. resulting from the Merger, with effect from the Effective Date of the Merger for non-controlling interests, if a single Effective Date applies, or from the Effective Date of the respective merger transactions for non-controlling interests, if several Effective Dates apply; and*
 - *articles 1, 27, 28, 32, 33, 34, 35, 38, 40, 42, 43 and 44 of the Articles of Association according to the terms illustrated in the Merger Project, with effect from the Effective Date of the Merger for non-controlling interests, if a single Effective Date applies, or, in any event, from the first of the Effective Dates of the various merger transactions for non-controlling interests, if various Effective Dates apply;*
4. *to grant the Chairman of the Management Board, the Deputy Chairman of the Management Board and the Chief Executive Officer, separately between them and with the power to sub-delegate, the fullest powers to implement the resolutions indicated above, and in particular the following powers:*
- a) *to enter into and sign, directly or through persons with special power of attorney, the deed or deeds of merger, and to determine all clauses and components thereof, including the Effective Date of the Merger or of each of the merger transactions (pursuant to art. 2504-bis, paragraph 2, of the Italian Civil Code), according to the Merger Project, in addition to all acts of acknowledgement, supplementation and/or correction that prove necessary or merely appropriate to the successful completion of the transaction, and to determine all conditions, clauses, terms and methods thereof, all in accordance with the Merger Project;*
 - b) *to complete all requested formalities so that the resolutions adopted are granted the necessary approval, with the power to apply to those resolutions, the Merger Project and the Articles of Association of the Merging Company attached thereto, any amendments, additions and deletions required by the supervisory authorities or during the process of registration with the company registrar."*

Bergamo, 6 september 2016

The Chairman of the Management Board

The Chairman of the Supervisory Board

ATTACHMENT

Table giving a comparison between the existing text of the articles of association of UBI Banca S.p.A. and the text proposed

<p>EXISTING ARTICLES OF ASSOCIATION</p> <p>(Amended with a Shareholders' Resolution of 10/10/2015)</p>	<p>PROPOSED AMENDMENTS</p>
<p>TITLE I</p>	<p>TITLE I</p>
<p>INCORPORATION, CORPORATE NAME, DURATION AND REGISTERED OFFICE OF THE BANK</p>	<p>INCORPORATION, CORPORATE NAME, DURATION AND REGISTERED OFFICE OF THE BANK</p>
<p>ARTICLE 1</p>	<p>ARTICLE 1</p>
<p>The bank, <i>Unione di Banche Italiane Società per azioni</i>, is established, also named in abbreviated form as just UBI Banca (the “Bank”), resulting from the transformation of <i>Unione di Banche Italiane Società cooperativa per azioni</i> following a resolution passed by an Extraordinary General Meeting of the Shareholders on 10th october 2015 pursuant to Law No. 33 of 24th March 2015, which had assumed that name as a result of the merger, based on the principal of equal dignity between the companies participating in it, of "Banche Popolari Unite Società cooperativa per azioni" and "Banca Lombarda e Piemontese Società per Azioni", in observance of the common values that characterised those banks.</p>	<p>The bank, <i>Unione di Banche Italiane Società per azioni</i>, is established, also named in abbreviated form as just UBI Banca (the “Bank”), resulting from the transformation of <i>Unione di Banche Italiane Società cooperativa per azioni</i> following a resolution passed by an Extraordinary General Meeting of the Shareholders on 10th october 2015 pursuant to Law No. 33 of 24th March 2015, which had assumed that name as a result of the merger, based on the principal of equal dignity between the companies participating in it, of "Banche Popolari Unite Società cooperativa per azioni" and "Banca Lombarda e Piemontese Società per Azioni", in observance of the common values that characterised those banks.</p> <p><u><i>The Bank may use the name and brands and distinctive markings of the company merged into it from time to time, even in combination with its own name, principally as distinctive signs at local geographical level.</i></u></p>

ARTICLE 2	ARTICLE 2
The duration of the Bank is established as until 31 st December 2100 and may be extended.	The duration of the Bank is established as until 31 st December 2100 and may be extended.
ARTICLE 3	ARTICLE 3
The registered office of the Bank shall be in Bergamo and its operating headquarters shall be in Bergamo and Brescia.	The registered office of the Bank shall be in Bergamo and its operating headquarters shall be in Bergamo and Brescia.
TITLE II	TITLE II
COMPANY OBJECTS	COMPANY OBJECTS
ARTICLE 4	ARTICLE 4
4.1.- The objects of the Bank are to borrow and lend money in the various ways in which it is performed, both directly and through its subsidiary undertakings.	4.1.- The objects of the Bank are to borrow and lend money in the various ways in which it is performed, both directly and through its subsidiary undertakings.
4.2.- 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 issue of bonds and granting of loans regulated by special laws.	4.2.- 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 issue of bonds and granting of loans regulated by special laws.
4.3.- The Bank may also carry out any other transaction necessary to or in any way connected with achieving its company objects.	4.3.- The Bank may also carry out any other transaction necessary to or in any way connected with achieving its company objects.
4.4.- The Bank 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.	4.4.- The Bank 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.
4.5.- 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.	4.5.- 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.
4.6.- The Bank, in its capacity as parent of the Unione di Banche Italiane Group, also named the UBI Banca Group in abbreviated form (hereinafter,	4.6.- 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 st 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.	the “Group”), pursuant to Article 61, paragraph four of Legislative Decree No. 385 of 1 st 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	TITLE III
SHARE CAPITAL, SHAREHOLDERS AND SHARES	SHARE CAPITAL, SHAREHOLDERS AND SHARES
ARTICLE 5	ARTICLE 5
5.1.- The subscribed and paid-up share capital amounts to €2,254,371,430.00 and is divided into 901,748,572 nominal shares with no nominal value.	5.1.- The subscribed and paid-up share capital amounts to [] €2,254,371,430.00 and is divided into [] 901,748,572 nominal shares with no nominal value.
5.2.- The issue of new shares may be resolved 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 Articles of Association 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 <i>ter</i> and 2443 of the Italian Civil Code;	5.2.- The issue of new shares may be resolved 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 Articles of Association 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 <i>ter</i> and 2443 of the Italian Civil Code;
5.3.- The share capital may also be increased by contributions of loans and assets in kind.	5.3.- The share capital may also be increased by contributions of loans and assets in kind.
ARTICLE 6	ARTICLE 6
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.	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 7	ARTICLE 7
7.1.- Shares are indivisible.	7.1.- Shares are indivisible.
7.2.- 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.	7.2.- 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.
7.3.- Shares are transferable as permitted by Law.	7.3.- Shares are transferable as permitted by Law.
ARTICLE 8	ARTICLE 8
The shares may be subject to foreclosure on them by the Bank in all cases of the failure of Shareholders to meet obligations towards the Bank in accordance with the Law.	The shares may be subject to foreclosure on them by the Bank in all cases of the failure of Shareholders to meet obligations towards the Bank in accordance with the Law.
ARTICLE 9	ARTICLE 9
9.1.- Interests held in assets and profits are in proportion to the shares owned.	9.1.- Interests held in assets and profits are in proportion to the shares owned.
9.2.- Dividends not collected within five years from the day on which they are payable become the property of the Bank and increase the statutory reserve.	9.2.- Dividends not collected within five years from the day on which they are payable become the property of the Bank and increase the statutory reserve.
ARTICLE 10	ARTICLE 10
Until 26 th March 2017 no party with the right to vote may exercise it, for any reason, with a quantity of shares greater than 5% of the share capital with voting rights. For this purpose, votes are considered that are cast in relation to shares possessed directly and indirectly, through subsidiary companies, trust companies or nominees and those cast in any other case in which the right to vote is attributed, for any reason, to a party other than the owner of the shares; shares held by Italian or foreign collective investment undertakings, are never counted for the purposes of this limit. Control exists in those cases specified by	Until 26 th March 2017 no party with the right to vote may exercise it, for any reason, with a quantity of shares greater than 5% of the share capital with voting rights. For this purpose, votes are considered that are cast in relation to shares possessed directly and indirectly, through subsidiary companies, trust companies or nominees and those cast in any other case in which the right to vote is attributed, for any reason, to a party other than the owner of the shares; shares held by Italian or foreign collective investment undertakings, are never counted for the purposes of this limit. Control exists in those cases

Article 23 of the consolidated text of legislative decree No. 385 of 1 st September 1993 and subsequent amendments. In cases of violation of the provisions of this paragraph, any shareholders' resolution that is passed may be annulled in accordance with Article 2377 of the Italian civil code, if the required majority would not have been reached without that violation. Shares for which the right to vote cannot be exercised are not counted for the purposes of the proper convening of meetings.	specified by Article 23 of the consolidated text of legislative decree No. 385 of 1 st September 1993 and subsequent amendments. In cases of violation of the provisions of this paragraph, any shareholders' resolution that is passed may be annulled in accordance with Article 2377 of the Italian civil code, if the required majority would not have been reached without that violation. Shares for which the right to vote cannot be exercised are not counted for the purposes of the proper convening of meetings.
TITLE IV	TITLE IV
GOVERNING BODIES AND COMPANY OFFICERS	GOVERNING BODIES AND COMPANY OFFICERS
ARTICLE 11	ARTICLE 11
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.	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	TITLE V
SHAREHOLDERS' MEETINGS	SHAREHOLDERS' MEETINGS
ARTICLE 12	ARTICLE 12
Shareholders' meetings, properly convened and constituted, represent the Shareholders as a whole and resolutions of those meetings, passed in	Shareholders' meetings, properly convened and constituted, represent the Shareholders as a whole and resolutions of those meetings, passed in

<p>compliance with the law and the Articles of Association, are binding on all Shareholders, even if absent or dissenting.</p>	<p>compliance with the law and the Articles of Association, are binding on all Shareholders, even if absent or dissenting.</p>
<p style="text-align: center;">ARTICLE 13</p>	<p style="text-align: center;">ARTICLE 13</p>
<p>13.1.- Shareholders' Meetings are either ordinary or extraordinary.</p>	<p>13.1.- Shareholders' Meetings are either ordinary or extraordinary.</p>
<p>13.2.- An ordinary Shareholders' Meeting:</p> <p>a) appoints and removes members of the Supervisory Board and sets the fees 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;</p> <p>b) approves:</p> <ul style="list-style-type: none"> - remuneration and incentive policies for members of the Supervisory Board and members of the Management Board; - remuneration and/or incentive schemes based on financial instruments; - criteria and limits for the determination of remuneration to be agreed in the event of the early termination of an employment relationship or early retirement from corporate office, inclusive therein of the limits set to said remuneration in terms of years of fixed remuneration and the maximum amount resulting from their application; - on the basis of a proposal from the Supervisory Board, a higher ratio than that of 1:1 between the individual variable and the fixed remuneration of key personnel, but nevertheless not higher than the maximum limit set by the regulations in force from time to time”; <p>c) decides on the liability of the members of the Supervisory Board and, pursuant to Article 2393 and Article 2409-decies of the Italian Civil Code, on the liability of the members of the Management Board,</p>	<p>13.2.- An ordinary Shareholders' Meeting:</p> <p>a) appoints and removes members of the Supervisory Board and sets the fees 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;</p> <p>b) approves:</p> <ul style="list-style-type: none"> - remuneration and incentive policies for members of the Supervisory Board and members of the Management Board; - remuneration and/or incentive schemes based on financial instruments; - criteria and limits for the determination of remuneration to be agreed in the event of the early termination of an employment relationship or early retirement from corporate office, inclusive therein of the limits set to said remuneration in terms of years of fixed remuneration and the maximum amount resulting from their application; - on the basis of a proposal from the Supervisory Board, a higher ratio than that of 1:1 between the individual variable and the fixed remuneration of key personnel, but nevertheless not higher than the maximum limit set by the regulations in force from time to time”; <p>c) decides on the liability of the members of the Supervisory Board and, pursuant to Article 2393 and Article 2409-decies of the Italian Civil Code, on the liability of the members of the Management Board,</p>

<p>without prejudice to the concurrent liability of the Supervisory Board;</p> <p>d) decides on the distribution of profits, subject to the presentation of the financial statements and of the consolidated financial statements approved pursuant to Article 2409-<i>terdecies</i> of the Italian Civil Code;</p> <p>e) appoints and dismisses the external statutory auditors responsible for auditing the accounts;</p> <p>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;</p> <p>g) approves and amends the regulations for Shareholders' Meetings;</p> <p>h) appoints the Board of Arbitrators;</p> <p>i) decides on the other matters that fall within its competence either by law or by these Articles of Association.</p>	<p>without prejudice to the concurrent liability of the Supervisory Board;</p> <p>d) decides on the distribution of profits, subject to the presentation of the financial statements and of the consolidated financial statements approved pursuant to Article 2409-<i>terdecies</i> of the Italian Civil Code;</p> <p>e) appoints and dismisses the external statutory auditors responsible for auditing the accounts;</p> <p>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;</p> <p>g) approves and amends the regulations for Shareholders' Meetings;</p> <p>h) appoints the Board of Arbitrators;</p> <p>i) decides on the other matters that fall within its competence either by law or by these Articles of Association.</p>
<p>13.3.- An Extraordinary Shareholders' Meeting makes amendments to the Articles of Association, decides the appointment, removal, replacement and powers of receivers and all other matters for which it is responsible by law.</p>	<p>13.3.- An Extraordinary Shareholders' Meeting makes amendments to the Articles of Association, decides the appointment, removal, replacement and powers of receivers and all other matters for which it is responsible by law.</p>
<p>13.4.- Shareholders' Meetings shall be held in all the cases provided for by law and by these Articles of Association and they are convened by the Management Board, or, pursuant to Article 151-<i>bis</i> of Legislative Decree No. 58 of 24th 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.</p>	<p>13.4.- Shareholders' Meetings shall be held in all the cases provided for by law and by these Articles of Association and they are convened by the Management Board, or, pursuant to Article 151-<i>bis</i> of Legislative Decree No. 58 of 24th 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.</p>
<p>13.5.- 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 Articles of Association.</p>	<p>13.5.- 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 Articles of Association.</p>
<p>13.6.- Ordinary and Extraordinary Shareholders' Meetings may be convened by Shareholders who represent at least one twentieth of the share capital and shall be held without delay following the</p>	<p>13.6.- Ordinary and Extraordinary Shareholders' Meetings may be convened by Shareholders who represent at least one twentieth of the share capital and shall be held without delay following the</p>

presentation of the request, giving the grounds and the agenda.	presentation of the request, giving the grounds and the agenda.
13.7.- In compliance with the procedures, according to the terms and within the time limits set by law, Shareholders who, even jointly, represent at least one fortieth of the share capital, 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, with the indication in the request of the additional items proposed by them and they may also submit proposals for resolutions on matters already on the agenda. Legitimation to exercise the right is given by filing a copy of the communication issued by the intermediary in accordance with the law and regulations in force.	13.7.- In compliance with the procedures, according to the terms and within the time limits set by law, Shareholders who, even jointly, represent at least one fortieth of the share capital, 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, with the indication in the request of the additional items proposed by them and they may also submit proposals for resolutions on matters already on the agenda. Legitimation to exercise the right is given by filing a copy of the communication issued by the intermediary in accordance with the law and regulations in force.
ARTICLE14	ARTICLE14
Shareholders' Meetings shall be held, alternately, in the city or province of Bergamo and in the city or province of Brescia.	Shareholders' Meetings shall be held, alternately, in the city or province of Bergamo and in the city or province of Brescia.
ARTICLE 15	ARTICLE 15
15.1.- 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.	15.1.- 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.
15.2.- A notice to convene may contain a second call for a Shareholders' Meeting and, limited to Extraordinary Shareholders' Meetings, also a third call. The Management Board may decide that a Shareholders' Meeting, whether ordinary or extraordinary, is held in a single session, excluding sessions subsequent to the first, with the majorities required by the applicable regulations. Details of that decision are contained in the notice to convene.	15.2.- A notice to convene may contain a second call for a Shareholders' Meeting and, limited to Extraordinary Shareholders' Meetings, also a third call. The Management Board may decide that a Shareholders' Meeting, whether ordinary or extraordinary, is held in a single session, excluding sessions subsequent to the first, with the majorities required by the applicable regulations. Details of that decision are contained in the notice to convene.
15.3.- A Shareholders' Meeting is also validly held	15.3.- A Shareholders' Meeting is also validly held

<p>when remote connection systems are used that ensure the identification of Shareholders with a legitimate right to participate, the possibility for them to take part in the proceedings of the meetings and to vote on deliberations and, if expressly provided for by the notice of call, the possibility to take part in the discussion of the items dealt with. However, the Chairman and the Secretary must be present in the place indicated in the notice of call where it is considered that the meeting is taking place.</p>	<p>when remote connection systems are used that ensure the identification of Shareholders with a legitimate right to participate, the possibility for them to take part in the proceedings of the meetings and to vote on deliberations and, if expressly provided for by the notice of call, the possibility to take part in the discussion of the items dealt with. However, the Chairman and the Secretary must be present in the place indicated in the notice of call where it is considered that the meeting is taking place.</p>
<p>The Management Board, in agreement with the Chairman of the Supervisory Board, identifies, from time to time, the locations connected by means of remote systems for each call, taking account in particular of the composition of the Shareholders.</p>	<p>The Management Board, in agreement with the Chairman of the Supervisory Board, identifies, from time to time, the locations connected by means of remote systems for each call, taking account in particular of the composition of the Shareholders.</p>
<p>The Regulations for Shareholders' Meetings establish the criteria and procedures for holding Shareholders' Meetings by means of the use of remote connection systems.</p>	<p>The Regulations for Shareholders' Meetings establish the criteria and procedures for holding Shareholders' Meetings by means of the use of remote connection systems.</p>
<p>ARTICLE 16</p>	<p>ARTICLE 16</p>
<p>Those with the right to vote for whom the Bank has received a communication from the authorised intermediary certifying their legitimate right may take part in Shareholders' Meetings.</p>	<p>Those with the right to vote for whom the Bank has received a communication from the authorised intermediary certifying their legitimate right may take part in Shareholders' Meetings.</p>
<p>ARTICLE 17</p>	<p>ARTICLE 17</p>
<p>17.1.- Each ordinary share gives the right to one vote, exception being made for the provisions of Article 10.</p>	<p>17.1.- Each ordinary share gives the right to one vote, exception being made for the provisions of Article 10.</p>
<p>17.2.- Those with the right to vote may have themselves represented in Shareholders' Meetings in compliance with the provisions of the law. Notification of the proxy may be performed electronically by means of electronic mail according to the procedures contained in the notice to convene or using other procedures chosen from among those provided for by the laws and also the regulations in force.</p>	<p>17.2.- Those with the right to vote may have themselves represented in Shareholders' Meetings in compliance with the provisions of the law. Notification of the proxy may be performed electronically by means of electronic mail according to the procedures contained in the notice to convene or using other procedures chosen from among those provided for by the laws and also the regulations in force.</p>
<p>17.3.- The Management Board has the right, reporting this information in the notice to convene, to designate one or more parties to whom those with the</p>	<p>17.3.- The Management Board has the right, reporting this information in the notice to convene, to designate one or more parties to whom those with the</p>

<p>right to vote may grant, following the procedures provided for by the applicable legislation and regulations, a proxy with voting instructions on all or some of the items on the agenda. The proxy is valid solely with regard to those proposals for which voting instructions have been given.</p>	<p>right to vote may grant, following the procedures provided for by the applicable legislation and regulations, a proxy with voting instructions on all or some of the items on the agenda. The proxy is valid solely with regard to those proposals for which voting instructions have been given.</p>
<p>17.4.- Without prejudice to the provisions of Article 2372, paragraph 2, of the Italian Civil Code, the proxy may be granted for a single Meeting only, effective also for subsequent calls, but may not be granted without specifying the name of the representative.</p>	<p>17.4.- Without prejudice to the provisions of Article 2372, paragraph 2, of the Italian Civil Code, the proxy may be granted for a single Meeting only, effective also for subsequent calls, but may not be granted without specifying the name of the representative.</p>
<p>17.5.- Voting by post is not permitted.</p>	<p>17.5.- Voting by post is not permitted.</p>
<p>17.6.- Members of the Management Board and similarly members of the Supervisory Board may not vote on resolutions concerning their areas of responsibility</p>	<p>17.6.- Members of the Management Board and similarly members of the Supervisory Board may not vote on resolutions concerning their areas of responsibility</p>
<p>ARTICLE 18</p>	<p>ARTICLE 18</p>
<p>18.1.- The relative laws and regulations apply for the validity of a Shareholders' Meeting that has been convened and also for the validity of the relative resolutions, except for the provisions of Article 19, paragraph one and Article 37 for the election of the Supervisory Board.</p>	<p>18.1.- The relative laws and regulations apply for the validity of a Shareholders' Meeting that has been convened and also for the validity of the relative resolutions, except for the provisions of Article 19, paragraph one and Article 37 for the election of the Supervisory Board.</p>
<p>18.2.- 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 that constitution and resolutions of the Shareholders' Meeting that is being continued.</p>	<p>18.2.- 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 that constitution and resolutions of the Shareholders' Meeting that is being continued.</p>
<p>ARTICLE 19</p>	<p>ARTICLE 19</p>
<p>19.1.- The proposal contained in Article 13, paragraph 2, letter b), item 4 is approved by an ordinary shareholders meeting when (i) the Meeting is convened with at least half of the share capital and the resolution is passed with a vote in favour of at</p>	<p>19.1.- The proposal contained in Article 13, paragraph 2, letter b), item 4 is approved by an ordinary shareholders meeting when (i) the Meeting is convened with at least half of the share capital and the resolution is passed with a vote in favour of at</p>

<p>least two thirds of the share capital represented in the Meeting, (ii) the resolution is passed with a vote in favour of at least three quarters of the share capital represented in the Meeting, whatever the amount of the share capital present. 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 12th 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 Articles of Association, the conclusion of that transaction shall be forbidden if a number of non-related party shareholders who represent at least 5% of the share capital is present in the Shareholders' Meeting and the majority of those non-related party shareholders have voted against the transaction.</p>	<p>least two thirds of the share capital represented in the Meeting, (ii) the resolution is passed with a vote in favour of at least three quarters of the share capital represented in the Meeting, whatever the amount of the share capital present. 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 12th 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 Articles of Association, the conclusion of that transaction shall be forbidden if a number of non-related party shareholders who represent at least 5% of the share capital is present in the Shareholders' Meeting and the majority of those non-related party shareholders have voted against the transaction.</p>
<p>19.2.- 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 40, paragraph five apply for resolutions for which the Supervisory Board is responsible.</p>	<p>19.2.- 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 40, paragraph five apply for resolutions for which the Supervisory Board is responsible.</p>
<p>ARTICLE 20</p>	<p>ARTICLE 20</p>
<p>20.1.- 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.</p>	<p>20.1.- 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.</p>
<p>20.2.- 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</p>	<p>20.2.- 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</p>

when the proceedings of the meeting commence.	when the proceedings of the meeting commence.
20.3.- 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.	20.3.- 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.
20.4.- On the basis of proposals from the Chairman, Shareholders' Meetings shall appoint a Secretary and the scrutineers.	20.4.- On the basis of proposals from the Chairman, Shareholders' Meetings shall appoint a Secretary and the scrutineers.
20.5.- 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.	20.5.- 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	TITLE VI
MANAGEMENT BOARD	MANAGEMENT BOARD
ARTICLE 21	ARTICLE 21
21.1.- The Management Board shall be composed of 7 (seven) members, inclusive of a Chairman, a Deputy Chairman and a Chief Executive Officer; the members of the Management Board are appointed by the Supervisory Board, on the basis of a proposal from the Appointments Committee, according to a criterion which, in compliance with Law No. 120 of 12 th July 2011, ensures a balance between genders for the period provided for by that law.	21.1.- The Management Board shall be composed of 7 (seven) members, inclusive of a Chairman, a Deputy Chairman and a Chief Executive Officer; the members of the Management Board are appointed by the Supervisory Board, on the basis of a proposal from the Appointments Committee, according to a criterion which, in compliance with Law No. 120 of 12 th July 2011, ensures a balance between genders for the period provided for by that law.
21.2.- Without prejudice to legal obligations, 2 (two) members of the Management Board shall be selected from among the senior management of the Bank. The Board Member nominated as the Chief Executive Officer in accordance with Article 33 of the Articles of Association is not counted in that number even if he is a senior manager of the Bank at the time of his appointment or is appointed to that position subsequently.	21.2.- Without prejudice to legal obligations, 2 (two) members of the Management Board shall be selected from among the senior management of the Bank. The Board Member nominated as the Chief Executive Officer in accordance with Article 33 of the Articles of Association is not counted in that number even if he is a senior manager of the Bank at the time of his appointment or is appointed to that position subsequently.

<p>21.3.- 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 38, letter a) and they may be re-appointed. Members of the Management Board who also hold positions as senior managers of the Bank shall vacate their office as Board Members immediately, the moment they leave their positions as senior managers, no matter what the reason.</p>	<p>21.3.- 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 38, letter a) and they may be re-appointed. Members of the Management Board who also hold positions as senior managers of the Bank shall vacate their office as Board Members immediately, the moment they leave their positions as senior managers, no matter what the reason.</p>
<p>21.4.- The Chief Risk Officer attends meetings of the Management Board in a consultative capacity only, unless supervisory regulations provide otherwise.</p>	<p>21.4.- The Chief Risk Officer attends meetings of the Management Board in a consultative capacity only, unless supervisory regulations provide otherwise.</p>
<p>21.5.- Persons who are ineligible or debarred within the meaning of Article 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, at least one member of the Management Board must possess the requirements of independence set forth in Article 148, paragraph three of Legislative Decree No. 58 of 24th February 1998.</p>	<p>21.5.- Persons who are ineligible or debarred within the meaning of Article 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, at least one member of the Management Board must possess the requirements of independence set forth in Article 148, paragraph three of Legislative Decree No. 58 of 24th February 1998.</p>
<p>21.6.- Nevertheless, members of the Management Board must not yet have reached 70 years of age at the time of appointment and they must have acquired overall experience – through holding the office in Italy or abroad – of at least three years as chairman or at least five years of working in:</p> <ul style="list-style-type: none"> - senior management and/or strategic supervision <p>or</p> <ul style="list-style-type: none"> - management <p>in</p> <ul style="list-style-type: none"> - banks, finance companies, asset management companies or insurance companies; - independent public authorities; - companies which carry out manufacturing and/or 	<p>21.6.- Nevertheless, members of the Management Board must not yet have reached 70 years of age at the time of appointment and they must have acquired overall experience – through holding the office in Italy or abroad – of at least three years as chairman or at least five years of working in:</p> <ul style="list-style-type: none"> - senior management and/or strategic supervision <p>or</p> <ul style="list-style-type: none"> - management <p>in</p> <ul style="list-style-type: none"> - banks, finance companies, asset management companies or insurance companies; - independent public authorities; - companies which carry out manufacturing and/or

<p>trade in goods or services; - companies with shares traded on an Italian or foreign regulated market.</p>	<p>trade in goods or services; - companies with shares traded on an Italian or foreign regulated market.</p>
<p>21.7.- Candidates can also be elected who have not acquired that career experience provided they are or have been members of the professional associations of accountants, notaries or lawyers for at least ten years.</p>	<p>21.7.- Candidates can also be elected who have not acquired that career experience provided they are or have been members of the professional associations of accountants, notaries or lawyers for at least ten years.</p>
<p>21.8.- The members of the Supervisory Board cannot be appointed as members of the Management Board as long as they continue to hold that office.</p>	<p>21.8.- The members of the Supervisory Board cannot be appointed as members of the Management Board as long as they continue to hold that office.</p>
<p>ARTICLE 22</p>	<p>ARTICLE 22</p>
<p>22.1.- 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 38.</p>	<p>22.1.- 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 38.</p>
<p>22.2.- Secretarial functions are delegated by the Management Board to one of its members or even to a senior manager or to another person outside the Bank or the Group.</p>	<p>22.2.- Secretarial functions are delegated by the Management Board to one of its members or even to a senior manager or to another person outside the Bank or the Group.</p>
<p>ARTICLE 23</p>	<p>ARTICLE 23</p>
<p>23.1.- 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 12th 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.</p>	<p>23.1.- 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 12th 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.</p>

<p>23.2.- If for any reason positions of the majority of the members originally appointed by the Supervisory Board become vacant, then the entire Management Board is 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.</p>	<p>23.2.- If for any reason positions of the majority of the members originally appointed by the Supervisory Board become vacant, then the entire Management Board is 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.</p>
<p style="text-align: center;">ARTICLE 24</p>	<p style="text-align: center;">ARTICLE 24</p>
<p>24.1.- 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.</p>	<p>24.1.- 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.</p>
<p>24.2.- 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.</p>	<p>24.2.- 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.</p>
<p style="text-align: center;">ARTICLE 25</p>	<p style="text-align: center;">ARTICLE 25</p>
<p>25.1.- 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 at least half of the members in office.</p>	<p>25.1.- 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 at least half of the members in office.</p>
<p>25.2.- Meetings are held alternating between the city of Bergamo and the city of Brescia and around once a year in the city of Milan.</p>	<p>25.2.- Meetings are held alternating between the city of Bergamo and the city of Brescia and around once a year in the city of Milan.</p>
<p>25.3.- 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.</p>	<p>25.3.- 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.</p>
<p>25.4.- In order for meetings of the Management Board to be valid - without prejudice to the provisions of Article 27 - the presence of more than</p>	<p>25.4.- In order for meetings of the Management Board to be valid - without prejudice to the provisions of Article 27 - the presence of more than</p>

half the members in office is required.	half the members in office is required.
<p>25.5.- 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.</p>	<p>25.5.- 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.</p>
ARTICLE 26	ARTICLE 26
<p>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 Articles of Association, inclusive of remuneration – again set by the Supervisory Board – for members of the Management Board appointed to particular positions in compliance with these Articles of Association.</p>	<p>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 Articles of Association, inclusive of remuneration – again set by the Supervisory Board – for members of the Management Board appointed to particular positions in compliance with these Articles of Association.</p>
ARTICLE 27	ARTICLE 27
<p>27.1.- Resolutions of the Management Board are passed by open vote, with the vote in favour of the majority of the members present.</p>	<p>27.1.- Resolutions of the Management Board are passed by open vote, with the vote in favour of the majority of the members present.</p>
<p>27.2.- Nevertheless, the vote in favour of at least two thirds of the members of the Management Board is required for the resolutions concerning:</p> <p>a) proposals for amendments to the Articles of Association, to be submitted for authorisation to the Supervisory Board for subsequent approval by an Extraordinary Shareholders' Meeting;</p> <p>b) proposals to be submitted for approval to the Supervisory Board, concerning:</p> <p>- the total or partial transfer of the</p>	<p>27.2.- Nevertheless, the vote in favour of at least two thirds of the members of the Management Board is required for the resolutions concerning:</p> <p>a) proposals for amendments to the Articles of Association, to be submitted for authorisation to the Supervisory Board for subsequent approval by an Extraordinary Shareholders' Meeting;</p> <p>b) proposals to be submitted for approval to the Supervisory Board, concerning:</p> <p>the total or partial transfer of the</p>

<p>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., 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;</p> <p>- 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;</p> <p>- 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;</p> <p>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;</p> <p>d) the assignment, if considered appropriate, of one member of the board to the office pursuant to Article 35.</p>	<p>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., 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;</p> <p>—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;</p> <p>—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;</p> <p>e) —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;</p> <p>d)b the assignment, if considered appropriate, of one member of the board to the office pursuant to Article 35.</p>
<p>ARTICLE 28</p>	<p>ARTICLE 28</p>
<p>28.1.- 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 also taken of the proposals formulated concerning them by the Management Board itself. For this purpose, it carries out all the transactions that are necessary, useful or advisable for achieving the corporate purpose, whether they refer to ordinary or extraordinary</p>	<p>28.1.- 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 also taken of the proposals formulated concerning them by the Management Board itself. For this purpose, it carries out all the transactions that are necessary, useful or advisable for achieving the corporate purpose, whether they refer to ordinary or extraordinary</p>

management.	management.
<p>28.2.- In addition to those matters that cannot be delegated by law and to those pursuant to the last paragraph of Article 27, the Management Board has exclusive responsibility for the following:</p> <p>a) the formulation of 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 with account also taken of recommendations concerning them made by the Supervisory Board;</p> <p>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 two thirds of the members of the Supervisory Board. The revocation of the powers is decided by the Management Board with the vote in favour of all the members of the Management Board, except for the person concerned, after consultation with the Supervisory Board;</p> <p>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 Article 2409-terdecies of the Italian Civil Code;</p> <p>d) setting of risk management guidelines and policies including those relating to non-compliance with internal regulations and controls, to be submitted to the approval of the Supervisory Board</p> <p>e) conferring, modifying or revoking authorisations and powers and assigning specific functions or authorisations to one or more Board Members;</p> <p>f) the appointment and removal of the General Manager and other members of General</p>	<p>28.2.- In addition to those matters that cannot be delegated by law and to those pursuant to the last paragraph of Article 27, the Management Board has exclusive responsibility for the following:</p> <p>a) the formulation of 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 with account also taken of recommendations concerning them made by the Supervisory Board;</p> <p>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 two thirds of the members of the Supervisory Board. The revocation of the powers is decided by the Management Board with the vote in favour of all the members of the Management Board, except for the person concerned, after consultation with the Supervisory Board;</p> <p>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 Article 2409-terdecies of the Italian Civil Code;</p> <p>d) setting of risk management guidelines and policies including those relating to non-compliance with internal regulations and controls, to be submitted to the approval of the Supervisory Board</p> <p>e) conferring, modifying or revoking authorisations and powers and assigning specific functions or authorisations to one or more Board Members;</p> <p>f) the possible appointment and removal of the General Manager and other members of General</p>

<p>Management, defining their functions and responsibilities and also the appointment of the senior management of the Bank and companies in the Group;</p> <p>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 27, paragraph two, letter e);</p> <p>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 regulatory 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;</p> <p>i) opening and closing down of branches and agencies;</p> <p>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 41 of these Articles of Association, the creation of committees or commissions with advisory, investigative, controlling or co-ordinating functions, without prejudice to Article 33, paragraph two;</p> <p>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 38, paragraph one, letter s) of these Articles of Association;</p> <p>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;</p> <p>o) subject to the mandatory opinion of the Supervisory Board, the appointment and removal of the Senior Officer Responsible for the corporate accounting documents, pursuant to Article 154-<i>bis</i> of Legislative Decree No. 58 of 24th February 1998, and determination of the relative remuneration. In</p>	<p>Management, defining their functions and responsibilities and also the appointment of the senior management of the Bank and companies in the Group;</p> <p>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 27, paragraph two, letter e);</p> <p>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 regulatory 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;</p> <p>i) opening and closing down of branches and agencies;</p> <p>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 41 of these Articles of Association, the creation of committees or commissions with advisory, investigative, controlling or co-ordinating functions, without prejudice to Article 33, paragraph two;</p> <p>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 38, paragraph one, letter s) of these Articles of Association;</p> <p>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;</p> <p>o) subject to the mandatory opinion of the Supervisory Board, the appointment and removal of the Senior Officer Responsible for the corporate accounting documents, pursuant to Article 154-<i>bis</i> of Legislative Decree No. 58 of 24th February 1998, and determination of the relative remuneration. In</p>
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<p>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> <p>p) the appointment and removal, in agreement with the Supervisory Board, of the Anti Money-Laundering Officer;</p> <p>q) the preparation of separate financial statements and consolidated financial statements for approval;</p> <p>r) the exercise of powers to increase the share capital granted pursuant to Article 2443 of the Italian Civil Code and also to issue convertible bonds pursuant to Article 2420-ter of the Italian Civil Code, subject to authorisation by the Supervisory Board;</p> <p>s) obligations of the Management Board pursuant to Articles 2446 and 2447 of the Italian Civil Code;</p> <p>t) formulation of merger or demerger plans;</p> <p>u) proposals for strategic transactions pursuant to Article 38, paragraph one, letter m) to submit to the Supervisory Board for approval;</p> <p>v) definition of criteria to identify related-party transactions for which responsibility will lie with the board itself.</p>	<p>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> <p>p) the appointment and removal, in agreement with the Supervisory Board, of the Anti Money-Laundering Officer;</p> <p>q) the preparation of separate financial statements and consolidated financial statements for approval;</p> <p>r) the exercise of powers to increase the share capital granted pursuant to Article 2443 of the Italian Civil Code and also to issue convertible bonds pursuant to Article 2420-ter of the Italian Civil Code, subject to authorisation by the Supervisory Board;</p> <p>s) obligations of the Management Board pursuant to Articles 2446 and 2447 of the Italian Civil Code;</p> <p>t) formulation of merger or demerger plans;</p> <p>u) proposals for strategic transactions pursuant to Article 38, paragraph one, letter m) to submit to the Supervisory Board for approval;</p> <p>v) definition of criteria to identify related-party transactions for which responsibility will lie with the board itself.</p>
<p>ARTICLE 29</p>	<p>ARTICLE 29</p>
<p>29.1.- 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</p>	<p>29.1.- 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</p>

<p>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.</p>	<p>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.</p>
<p>29.2.- The report shall be made at least on a quarterly basis.</p>	<p>29.2.- The report shall be made at least on a quarterly basis.</p>
<p>ARTICLE 30</p>	<p>ARTICLE 30</p>
<p>30.1.- The Chairman of the Management Board:</p> <p>a) is the legal representative of the Bank and may sign on its behalf, as explained in greater detail in the subsequent Article 31;</p> <p>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;</p> <p>c) shall maintain relations with the Supervisory Authority, in agreement with the Chief Executive Officer, as part of the activities of the Management Board;</p> <p>d) shall maintain relations with the Supervisory Board and its Chairman;</p> <p>e) shall ensure that the Supervisory Board is informed at least quarterly pursuant to the previous Article 29;</p> <p>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;</p> <p>g) shall exercise all the other powers involved in performance of his duties.</p>	<p>30.1.- The Chairman of the Management Board:</p> <p>a) is the legal representative of the Bank and may sign on its behalf, as explained in greater detail in the subsequent Article 31;</p> <p>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;</p> <p>c) shall maintain relations with the Supervisory Authority, in agreement with the Chief Executive Officer, as part of the activities of the Management Board;</p> <p>d) shall maintain relations with the Supervisory Board and its Chairman;</p> <p>e) shall ensure that the Supervisory Board is informed at least quarterly pursuant to the previous Article 29;</p> <p>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;</p> <p>g) shall exercise all the other powers involved in performance of his duties.</p>
<p>30.2.- In cases of extreme and justified urgency, and if the Management Board cannot be immediately convened, the Chairman of the Management Board</p>	<p>30.2.- In cases of extreme and justified urgency, and if the Management Board cannot be immediately convened, the Chairman of the Management Board</p>

<p>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.</p>	<p>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.</p>
<p>ARTICLE 31</p>	<p>ARTICLE 31</p>
<p>31.1.- 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.</p>	<p>31.1.- 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.</p>
<p>31.2.- The Chairman of the Management Board, the Senior Deputy Chairman, 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.</p>	<p>31.2.- The Chairman of the Management Board, the Senior Deputy Chairman, 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.</p>
<p>31.3.- 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.</p>	<p>31.3.- 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.</p>
<p>ARTICLE 32</p>	<p>ARTICLE 32</p>
<p>32.1.- The Management Board may grant the power to sign on behalf of the Bank, either jointly or individually, within the limits and under the conditions that it considers appropriate, to the</p>	<p>32.1.- The Management Board may grant the power to sign on behalf of the Bank, either jointly or individually, within the limits and under the conditions that it considers appropriate, to the</p>

General Manager, to senior managers, to middle managers and other personnel in offices and branches and it may also grant specific powers to individuals.	General Manager, <i>where appointed</i> , to senior managers, to middle managers and other personnel in offices and branches and it may also grant specific powers to individuals.
32.2.- 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.	32.2.- 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	TITLE VII
CHIEF EXECUTIVE OFFICER	CHIEF EXECUTIVE OFFICER
ARTICLE 33	ARTICLE 33
33.1.- The Management Board, in compliance with the law and the Articles of Association 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 Articles of Association, 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 30.	33.1.- The Management Board, in compliance with the law and the Articles of Association 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 Articles of Association, 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 30.
33.2.- 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, middle managers and branch managers.	33.2.- 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, <i>where appointed</i> , to senior managers, middle managers and branch managers.
33.3.- The Management Board may also delegate powers to individual members to perform individual actions and negotiations.	33.3.- The Management Board may also delegate powers to individual members to perform individual actions and negotiations.
ARTICLE 34	ARTICLE 34

<p>34.1.- The Chief Executive Officer may also be granted, amongst others, the following powers:</p> <p>a) to supervise the management of the Bank and the Group;</p> <p>b) to perform strategic co-ordination and operational control for the Bank and the Group;</p> <p>c) to supervise the implementation of the organisational, administrative and accounting structure decided by the Management Board and approved by the Supervisory Board;</p> <p>d) to issue operational directives for General Management;</p> <p>e) to supervise the integration of the Group;</p> <p>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;</p> <p>g) to propose budget policies and guidelines to optimise the use of resources and to submit draft annual financial statements and interim financial statements to the Management Board;</p> <p>h) to propose appointments to the senior operational and executive management of the Bank and Group member companies to the Management Board, in agreement with the Chairman and Deputy Chairman of the Management Board and after consultation with the General Manager;</p> <p>i) to promote integrated risk management;</p> <p>l) to make extraordinary requests for inspections and/or investigations to the internal control function through the Internal Control Committee.</p>	<p>34.1.- The Chief Executive Officer may also be granted, amongst others, the following powers:</p> <p>a) to supervise the management of the Bank and the Group;</p> <p>b) to perform strategic co-ordination and operational control for the Bank and the Group;</p> <p>c) to supervise the implementation of the organisational, administrative and accounting structure decided by the Management Board and approved by the Supervisory Board;</p> <p>d) to issue operational directives for General Management;</p> <p>e) to supervise the integration of the Group;</p> <p>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;</p> <p>g) to propose budget policies and guidelines to optimise the use of resources and to submit draft annual financial statements and interim financial statements to the Management Board;</p> <p>h) to propose appointments to the senior operational and executive management of the Bank and Group member companies to the Management Board, in agreement with the Chairman and Deputy Chairman of the Management Board and after consultation with the General Manager, <u>where appointed;</u></p> <p>i) to promote integrated risk management;</p> <p>l) to make extraordinary requests for inspections and/or investigations to the internal control function through the Internal Control Committee.</p>
<p>34.2.- The Chief Executive Officer shall report quarterly to the Management Board on the performance of operations, the business outlook and</p>	<p>34.2.- The Chief Executive Officer shall report quarterly to the Management Board on the performance of operations, the business outlook and</p>

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.	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 35	ARTICLE 35
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.	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, <i>where appointed</i> , in observance of the responsibilities of the Supervisory Board on those matters and decisions made by it.
TITLE VIII	TITLE VIII
SUPERVISORY BOARD	 SUPERVISORY BOARD
ARTICLE 36	ARTICLE 36
36.1.- The Supervisory Board is composed of 15 (fifteen) members, including a Chairman and a Senior Deputy Chairman appointed by a Shareholders' Meeting in compliance with Article 37. The Supervisory Board may appoint one or two Deputy Chairmen 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 Article 2364- <i>bis</i> of the Italian Civil Code.	36.1.- The Supervisory Board is composed of 15 (fifteen) members, including a Chairman and a Senior Deputy Chairman appointed by a Shareholders' Meeting in compliance with Article 37. The Supervisory Board may appoint one or two Deputy Chairmen 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 Article 2364- <i>bis</i> of the Italian Civil Code.
36.2.- 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.	36.2.- 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.
36.3.- If, during the course of a financial year, one or	36.3.- 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 37.	more members of the Supervisory Board retires, provision is made to replace them in accordance with Article 37.
<p>36.4.- The members of the Supervisory Board must be in possession of the requirements of integrity, professionalism and independence prescribed by regulations currently in force. All members of the Supervisory Board must not yet have reached 75 years of age at the time of appointment and they must have acquired overall experience – through holding the office in Italy or abroad – of at least three years as chairman or at least five years of working in:</p> <ul style="list-style-type: none"> - senior management and/or strategic supervision - management <p>or</p> <ul style="list-style-type: none"> - control <p>in</p> <ul style="list-style-type: none"> - banks, finance companies, asset management companies or insurance companies; - independent public authorities; - companies which carry out manufacturing and/or trade in goods or services; - companies with shares traded on an Italian or foreign regulated market. 	<p>36.4.- The members of the Supervisory Board must be in possession of the requirements of integrity, professionalism and independence prescribed by regulations currently in force. All members of the Supervisory Board must not yet have reached 75 years of age at the time of appointment and they must have acquired overall experience – through holding the office in Italy or abroad – of at least three years as chairman or at least five years of working in:</p> <ul style="list-style-type: none"> - senior management and/or strategic supervision - management <p>or</p> <ul style="list-style-type: none"> - control <p>in</p> <ul style="list-style-type: none"> - banks, finance companies, asset management companies or insurance companies; - independent public authorities; - companies which carry out manufacturing and/or trade in goods or services; - companies with shares traded on an Italian or foreign regulated market.
<p>36.5.- Candidates can also be elected who have not acquired that career experience provided they:</p> <ul style="list-style-type: none"> - are or have been tenured university professors for at least five years in the subjects of law, economics, mathematics, statistics, or management engineering; - are or have been members of the professional associations of accountants, notaries or lawyers for at least ten years. 	<p>36.5.- Candidates can also be elected who have not acquired that career experience provided they:</p> <ul style="list-style-type: none"> - are or have been tenured university professors for at least five years in the subjects of law, economics, mathematics, statistics, or management engineering; - are or have been members of the professional associations of accountants, notaries or lawyers for at least ten years.
<p>36.6. - Persons who have occupied the position of Chairman or Senior Deputy Chairman for the three preceding terms of office may not be appointed to the relative position.</p>	<p>36.6. - Persons who have occupied the position of Chairman or Senior Deputy Chairman for the three preceding terms of office may not be appointed to the relative position.</p>
<p>36.7.- 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.</p>	<p>36.7.- 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.</p>
<p>36.8.- Furthermore, the composition of the</p>	<p>36.8.- Furthermore, the composition of the</p>

<p>Supervisory Board must ensure, in compliance with the provisions of Law No. 120 of 12th July 2011, that a balance is maintained between genders for the period provided for by that law and at least the majority of the members of the Supervisory Board must not have occupied the position of member of the Supervisory Board and/or member of the Management Board of the Bank continuously for the three previous terms of office.</p>	<p>Supervisory Board must ensure, in compliance with the provisions of Law No. 120 of 12th July 2011, that a balance is maintained between genders for the period provided for by that law and at least the majority of the members of the Supervisory Board must not have occupied the position of member of the Supervisory Board and/or member of the Management Board of the Bank continuously for the three previous terms of office.</p>
<p>36.9.- 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.</p>	<p>36.9.- 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.</p>
<p>36.10.- 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.</p>	<p>36.10.- 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.</p>
<p>36.11.- 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 Articles of Association.</p>	<p>36.11.- 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 Articles of Association.</p>
<p>36.12.- 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 if appointed and those members of the Supervisory Board to whom specific offices, powers or duties have been assigned by these Articles of Association or by the Supervisory Board itself. This allocation shall, amongst other things, take account of participation in committees created by the Supervisory Board itself and any possible allocation of Supervisory Body functions pursuant to Legislative Decree No 231/2001.</p>	<p>36.12.- 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 if appointed and those members of the Supervisory Board to whom specific offices, powers or duties have been assigned by these Articles of Association or by the Supervisory Board itself. This allocation shall, amongst other things, take account of participation in committees created by the Supervisory Board itself and any possible allocation of Supervisory Body functions pursuant to Legislative Decree No 231/2001.</p>
	<p>ARTICLE 37</p>

ARTICLE 37	
37.1.- Members of the Supervisory Board shall be elected by a Shareholders' Meeting on the basis of lists submitted by Shareholders, in accordance with the procedures set forth below.	37.1.- Members of the Supervisory Board shall be elected by a Shareholders' Meeting on the basis of lists submitted by Shareholders, in accordance with the procedures set forth below.
37.2.- The lists of candidates 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 th July 2011 in order to ensure that a balance is maintained between them within the Supervisory Board as well as with the additional proportion specified in paragraph 8 of Article 36 . 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.	37.2.- The lists of candidates 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 th July 2011 in order to ensure that a balance is maintained between them within the Supervisory Board as well as with the additional proportion specified in paragraph 8 of Article 36 . 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.
37.3.- The lists must also be accompanied by information concerning the identity of the Shareholders who have submitted them, with details of the number of shares and therefore the total percentage of the shares held by the 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. In order to prove ownership of the number of shares necessary for the submission of lists, the relative communication must also be produced at least twenty one days before the date of the Shareholders Meeting according to the procedures provided for by the legislation and regulations in force.	37.3.- The lists must also be accompanied by information concerning the identity of the Shareholders who have submitted them, with details of the number of shares and therefore the total percentage of the shares held by the 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. In order to prove ownership of the number of shares necessary for the submission of lists, the relative communication must also be produced at least twenty one days before the date of the Shareholders Meeting according to the procedures provided for by the legislation and regulations in force.
37.4.- 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 Articles of Association provisions and also that they accept their candidature.	37.4.- 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 Articles of Association provisions and also that they accept their candidature.
37.5.- In cases where only one list has been presented within the time limit mentioned in paragraph two of	37.5.- In cases where only one list has been presented within the time limit mentioned in

<p>this article, 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 submitted up until the third day following the date of the time limit cited. In this case the limits laid down in the subsequent paragraph are reduced by half.</p>	<p>paragraph two of this article, 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 submitted up until the third day following the date of the time limit cited. In this case the limits laid down in the subsequent paragraph are reduced by half.</p>
<p>37.6.- For the purpose of the election of members of the Supervisory Board, one or more Shareholders who represent at least 1% of the share capital, or a different percentage established by the regulations in force, may present one list of candidates ordered consecutively by number, containing between a minimum of 2 (two) and a maximum of 15 (fifteen) names.</p>	<p>37.6.- For the purpose of the election of members of the Supervisory Board, one or more Shareholders who represent at least 1% of the share capital, or a different percentage established by the regulations in force, may present one list of candidates ordered consecutively by number, containing between a minimum of 2 (two) and a maximum of 15 (fifteen) names.</p>
<p>37.7.- Each Shareholder may participate in the presentation of one list only: if this rule is not observed, the Shareholder’s signature is not counted as valid for any list.</p>	<p>37.7.- Each Shareholder may participate in the presentation of one list only: if this rule is not observed, the Shareholder’s signature is not counted as valid for any list.</p>
<p>37.8.- Each candidate may be included in one list only on pain of ineligibility.</p>	<p>37.8.- Each candidate may be included in one list only on pain of ineligibility.</p>
<p>37.9.- Lists presented that fail to observe the procedures reported above are considered as not presented.</p>	<p>37.9.- Lists presented that fail to observe the procedures reported above are considered as not presented.</p>
<p>37.10.- Each Shareholder may vote for one list only.</p>	<p>37.10.- Each Shareholder may vote for one list only.</p>
<p>37.11.- The election of the Supervisory Board is performed as follows:</p> <p>a) if one or more lists are submitted, the first two which received the greatest number of votes cast by the Shareholders and which are not connected within the meaning of the regulations in force are considered;</p> <p>b.1) if the list which received the second greatest number of votes received less than 15% of votes cast in the Shareholders’ Meeting, then 14 members of the Supervisory Board are taken from the list that obtained the majority of the votes and one member of the Supervisory Board is taken from the list which received the second greatest number of votes;</p> <p>b.2) if the list which received the second greatest number of votes, received at least 15% and less than 30% of the votes cast in the Shareholders’ Meeting,</p>	<p>37.11.- The election of the Supervisory Board is performed as follows:</p> <p>a) if one or more lists are submitted, the first two which received the greatest number of votes cast by the Shareholders and which are not connected within the meaning of the regulations in force are considered;</p> <p>b.1) if the list which received the second greatest number of votes received less than 15% of votes cast in the Shareholders’ Meeting, then 14 members of the Supervisory Board are taken from the list that obtained the majority of the votes and one member of the Supervisory Board is taken from the list which received the second greatest number of votes;</p> <p>b.2) if the list which received the second greatest number of votes, received at least 15% and less than 30% of the votes cast in the Shareholders’ Meeting,</p>

<p>then 13 members of the Supervisory Board shall be taken from the list which received the majority of the votes and two members of the Supervisory Board shall be taken from the list which received the second greatest number of votes;</p> <p>b.3) if the list which received the second greatest number of votes received at least 30% of the votes cast in the Shareholders' Meeting, then the 12 members of the Supervisory Board shall be taken from the list which received the majority of the votes and three members of the Supervisory Board shall be taken from the list which received the second greatest number votes;</p>	<p>then 13 members of the Supervisory Board shall be taken from the list which received the majority of the votes and two members of the Supervisory Board shall be taken from the list which received the second greatest number of votes;</p> <p>b.3) if the list which received the second greatest number of votes received at least 30% of the votes cast in the Shareholders' Meeting, then the 12 members of the Supervisory Board shall be taken from the list which received the majority of the votes and three members of the Supervisory Board shall be taken from the list which received the second greatest number votes;</p>
<p>37.12.- If, after identifying the candidates to be taken from the two 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 12th July 2011 or the additional proportion specified in paragraph 8 of Article 36 are not complied with, then those members of the Supervisory Board taken last from the aforementioned lists whose appointment would violate the said legislation and regulations 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 12th July 2011 and with the Articles of Association, 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 or which allow compliance with the additional proportion specified in paragraph 8 of Article 36 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 has not complied with the gender proportions established by Law No. 120 of 12th July 2011, or do not allow compliance with the additional proportion specified in paragraph 8 of Article 36 the candidates to be appointed shall be taken from the list that obtained the greatest number of votes only.</p>	<p>37.12.- If, after identifying the candidates to be taken from the two 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 12th July 2011 or the additional proportion specified in paragraph 8 of Article 36 are not complied with, then those members of the Supervisory Board taken last from the aforementioned lists whose appointment would violate the said legislation and regulations 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 12th July 2011 and with the Articles of Association, 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 or which allow compliance with the additional proportion specified in paragraph 8 of Article 36 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 has not complied with the gender proportions established by Law No. 120 of 12th July 2011, or do not allow compliance with the additional proportion specified in paragraph 8 of Article 36 the candidates to be appointed shall be taken from the list that obtained the greatest number of votes only.</p>
<p>37.13.- If only one list is validly proposed and this</p>	<p>37.13.- If only one list is validly proposed and this</p>

obtained the majority required for an ordinary Shareholders' Meeting, then all 15 members of the Supervisory Board shall be taken from that list.	obtained the majority required for an ordinary Shareholders' Meeting, then all 15 members of the Supervisory Board shall be taken from that list.
37.14.- 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 submitted, again in compliance with the requirements for the composition of the Supervisory Board pursuant to Law No. 120 of 12 th July 2011 and to the Articles of Association; in the event of a tied vote the candidate more senior by age is elected.	37.14.- 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 submitted, again in compliance with the requirements for the composition of the Supervisory Board pursuant to Law No. 120 of 12 th July 2011 and to the Articles of Association; in the event of a tied vote the candidate more senior by age is elected.
37.15.- 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.	37.15.- 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.
37.16.- 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.	37.16.- 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.
37.17.- 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 th July 2011 and the Articles of Association. In the absence of such a candidate, the appointment shall be by a relative majority vote with no list obligation.	37.17.- 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 th July 2011 and the Articles of Association. In the absence of such a candidate, the appointment shall be by a relative majority vote with no list obligation.
37.18.- 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 shall 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.	37.18.- 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 shall 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.

<p>37.19.- If, however, Board Members belonging to the minority list must be replaced the following procedure is employed:</p> <ul style="list-style-type: none"> - 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 12th July 2011 and the Articles of Association are not met, then the Shareholders’ Meeting shall make the replacement in compliance with the principle of the necessary representation of minorities; - if further Board Members have been elected from the minority list, the relative replacements shall be taken from the list from which the members to be replaced were 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 the majorities in the Shareholders’ Meeting specified in paragraph 11 of this Article. 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 12th July 2011 and the Articles of Association are not met, the Shareholders’ Meeting shall proceed to decide by relative majority vote. 	<p>37.19.- If, however, Board Members belonging to the minority list must be replaced the following procedure is employed:</p> <ul style="list-style-type: none"> - 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 12th July 2011 and the Articles of Association are not met, then the Shareholders’ Meeting shall make the replacement in compliance with the principle of the necessary representation of minorities; - if further Board Members have been elected from the minority list, the relative replacements shall be taken from the list from which the members to be replaced were 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 the majorities in the Shareholders’ Meeting specified in paragraph 11 of this Article. 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 12th July 2011 and the Articles of Association are not met, the Shareholders’ Meeting shall proceed to decide by relative majority vote.
<p>37.20.- 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 Articles of Association for the office.</p>	<p>37.20.- 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 Articles of Association for the office.</p>
<p>37.21.- A member of the Supervisory Board called upon to replace a previous member remains in office until the original mandate of the replaced member</p>	<p>37.21.- A member of the Supervisory Board called upon to replace a previous member remains in office until the original mandate of the replaced member</p>

expires.	expires.
37.22.- If for any reason the positions of the majority of the members originally appointed become vacant, then the entire Supervisory Board is considered as removed from office from the date of the appointment of new members. A Shareholders' Meeting is convened without delay to appoint a new Supervisory Board.	37.22.- If for any reason the positions of the majority of the members originally appointed become vacant, then the entire Supervisory Board is considered as removed from office from the date of the appointment of new members. A Shareholders' Meeting is convened without delay to appoint a new Supervisory Board.
ARTICLE 38	ARTICLE 38
<p>38.1.- The Supervisory Board, in the context of the matters for which it is responsible, carries out the functions of strategic policy making, supervision and control in the terms governed by this article. Without prejudice to the responsibilities assigned by law and regulations to its internal committees, the Supervisory Board:</p> <p>a) on the basis of proposals from the Appointments Committee, shall appoint and remove all or part of the members of the Management Board and its Chairman and Deputy Chairman, in compliance with the provisions of paragraph 2 of Article 21, determining their remuneration, in compliance with Article 13, paragraph two, letter b), after consulting with the Remuneration Committee. It also determines, after consulting with the Remuneration Committee and in compliance with Article 13, 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 23, paragraph two of these Articles of Association, 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;</p> <p>b) on the basis of proposals from Management Board, shall set the general plans and strategic policies of the Bank and of the Group and shall also be able to make recommendations to the management;</p> <p>c) approves the separate financial statements and the consolidated financial statements prepared by</p>	<p>38.1.- The Supervisory Board, in the context of the matters for which it is responsible, carries out the functions of strategic policy making, supervision and control in the terms governed by this article. Without prejudice to the responsibilities assigned by law and regulations to its internal committees, the Supervisory Board:</p> <p>a) on the basis of proposals from the Appointments Committee, shall appoint and remove all or part of the members of the Management Board and its Chairman and Deputy Chairman, in compliance with the provisions of paragraph 2 of Article 21, determining their remuneration, in compliance with Article 13, paragraph two, letter b), after consulting with the Remuneration Committee. It also determines, after consulting with the Remuneration Committee and in compliance with Article 13, 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 23, paragraph two of these Articles of Association, 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;</p> <p>b) on the basis of proposals from Management Board, shall set the general plans and strategic policies of the Bank and of the Group and shall also be able to make recommendations to the management;</p> <p>c) approves the separate financial statements and the consolidated financial statements prepared</p>

<p>the Management Board;</p> <p>d) authorises the Management Board to exercise the authority to increase the 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-<i>ter</i> of the Italian Civil Code;</p> <p>e) with regard to its control function, performs supervisory functions in compliance with Article 149, paragraphs one and three of Legislative Decree No. 58 of 24th February 1998;</p> <p>f) initiates liability actions against members of the Management Board;</p> <p>g) submits the statement to Bank of Italy pursuant to Article 70, paragraph 7 of Legislative Decree No. 385 of 1st September 1993;</p> <p>h) reports in writing to the Shareholders' Meeting called pursuant to Article 2364- <i>bis</i> 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;</p> <p>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;</p> <p>l) expresses a binding opinion concerning the person in charge of preparing the corporate accounts pursuant to Article 154-<i>bis</i> of Legislative Decree No. 58 dated 24th February 1998;</p> <p>m) on the basis of proposals submitted by the Management Board, to which it may formulate possible policies, 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</p>	<p>by the Management Board;</p> <p>d) authorises the Management Board to exercise the authority to increase the 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-<i>ter</i> of the Italian Civil Code;</p> <p>e) with regard to its control function, performs supervisory functions in compliance with Article 149, paragraphs one and three of Legislative Decree No. 58 of 24th February 1998;</p> <p>f) initiates liability actions against members of the Management Board;</p> <p>g) submits the statement to Bank of Italy pursuant to Article 70, paragraph 7 of Legislative Decree No. 385 of 1st September 1993;</p> <p>h) reports in writing to the Shareholders' Meeting called pursuant to Article 2364- <i>bis</i> 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;</p> <p>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;</p> <p>l) expresses a binding opinion concerning the person in charge of preparing the corporate accounts pursuant to Article 154-<i>bis</i> of Legislative Decree No. 58 dated 24th February 1998;</p> <p>m) on the basis of proposals submitted by the Management Board, to which it may formulate possible policies, 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</p>
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<p>been defined in business plans already approved by the Supervisory Board itself:</p> <p>(i) transactions on the share capital, the issuance of convertible bonds and bonds cum warrants in shares of the Bank, mergers and demergers;</p> <p>(ii) amendments to the Articles of Association, for which purpose it may make specific recommendations to the Management Board;</p> <p>(iii) operations pursuant to Article 27, paragraph two, letter b);</p> <p>(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;</p> <p>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 regulatory 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;</p> <p>(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 regulatory 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 system;</p> <p>(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;</p> <p>n) expresses a non-binding opinion with a vote in favour of at least two thirds 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 27,</p>	<p>elements have already been defined in business plans already approved by the Supervisory Board itself:</p> <p>(i) transactions on the share capital, the issuance of convertible bonds and bonds cum warrants in shares of the Bank, mergers and demergers;</p> <p>(ii) amendments to the Articles of Association, for which purpose it may make specific recommendations to the Management Board;</p> <p>(iii) operations pursuant to Article 27, paragraph two, letter b);</p> <p>(iv)<u>(iii)</u> 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;</p> <p>v)<u>(iv)</u> 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 regulatory 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;</p> <p>(vi)<u>(v)</u> 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 regulatory 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 system;</p> <p>(vii)<u>(vi)</u> 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;</p> <p>n) expresses a non-binding opinion with a vote in favour of at least two thirds 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</p>
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<p>paragraph two, letter b) of these Articles of Association;</p> <p>o) 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;</p> <p>p) 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;</p> <p>q) 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, with particular regard to risk management, to the functioning of the internal audit and the accounting reporting system; it also verifies that the strategic management control activities carried out by the Bank on Group member companies are properly performed; on the basis of a proposal from the Risk Committee and in consultation with the Internal Control Committee, it appoints and removes the heads of compliance, risk management and internal audit functions;</p> <p>r) approves and periodically verifies the corporate governance, organisational and administrative structure and the accounting and reporting systems of the Bank, determined by the Management Board;</p> <p>s) 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;</p> <p>t) approves remuneration policies for employees or associate workers not linked to the Bank by regular employee contracts;</p> <p>u) decides, on the basis of a proposal by the Chairman of the Supervisory Board, drafted in compliance with Article 39, paragraph two letter h), on policies and projects for cultural and charitable initiatives and for the image of the Bank and the Group, with special reference to the enhancement of</p>	<p>Article 27, paragraph two, letter b) of these Articles of Association;</p> <p>o) n) 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;</p> <p>p) o) 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;</p> <p>q) p) 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, with particular regard to risk management, to the functioning of the internal audit and the accounting reporting system; it also verifies that the strategic management control activities carried out by the Bank on Group member companies are properly performed; on the basis of a proposal from the Risk Committee and in consultation with the Internal Control Committee, it appoints and removes the heads of compliance, risk management and internal audit functions;</p> <p>r) q) approves and periodically verifies the corporate governance, organisational and administrative structure and the accounting and reporting systems of the Bank, determined by the Management Board;</p> <p>s) r) 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;</p> <p>t) s) approves remuneration policies for employees or associate workers not linked to the Bank by regular employee contracts;</p> <p>u) t) decides, on the basis of a proposal by the Chairman of the Supervisory Board, drafted in compliance with Article 39, paragraph two letter h), on policies and projects for cultural and charitable initiatives and for the image of the Bank and the</p>
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<p>historical and artistic heritage, while it verifies that initiatives planned coincide with the objectives set; supervises the public disclosure process and the Bank's communication process; ensures, through the Chairman of the Supervisory Board, that there is effective discussion with the management function and with the managers of the principal corporate functions and verifies on an ongoing basis the decisions that they take.</p> <p>v) decides on mergers and demergers pursuant to Articles 2505 and 2505-<i>bis</i> of the Italian Civil Code;</p> <p>z) exercises any other powers conferred by the legislation and regulations currently in force or by these Articles of Association.</p>	<p>Group, with special reference to the enhancement of historical and artistic heritage, while it verifies that initiatives planned coincide with the objectives set; supervises the public disclosure process and the Bank's communication process; ensures, through the Chairman of the Supervisory Board, that there is effective discussion with the management function and with the managers of the principal corporate functions and verifies on an ongoing basis the decisions that they take.</p> <p>⌘) decides on mergers and demergers pursuant to Articles 2505 and 2505-<i>bis</i> of the Italian Civil Code;</p> <p>⌘) exercises any other powers conferred by the legislation and regulations currently in force or by these Articles of Association.</p>
<p>38.2.- The Supervisory Board also has exclusive powers, in compliance with Article 2436 of the Italian Civil Code, for decisions concerning:</p> <p>a) the opening and closing of secondary offices;</p> <p>b) the decrease in the share capital in case of a Shareholder's withdrawal;</p> <p>c) amendments to the Articles of Association to comply with legislation and regulations, subject to consultation with the Management Board.</p>	<p>38.2.- The Supervisory Board also has exclusive powers, in compliance with Article 2436 of the Italian Civil Code, for decisions concerning:</p> <p>a) the opening and closing of secondary offices;</p> <p>b) the decrease in the share capital in case of a Shareholder's withdrawal;</p> <p>c) amendments to the Articles of Association to comply with legislation and regulations, subject to consultation with the Management Board.</p>
<p>38.3.- The Supervisory Board and its members exercise the powers set forth in Article 151- <i>bis</i> of Legislative Decree No. 58 dated 24th February 1998, pursuant to the terms and conditions provided therein.</p> <p>For the purpose of a more effective and functional exercise of powers to acquire information pursuant to Article 151-<i>bis</i>, paragraph one of Legislative Decree No. 58 of 24th February 1998, normally the relative requests are addressed to the Chairman of the Management Board and to the Chief Executive Officer via the Chairman of the Supervisory Board. The information is distributed to all Members of the Supervisory Board.</p>	<p>38.3.- The Supervisory Board and its members exercise the powers set forth in Article 151- <i>bis</i> of Legislative Decree No. 58 dated 24th February 1998, pursuant to the terms and conditions provided therein.</p> <p>For the purpose of a more effective and functional exercise of powers to acquire information pursuant to Article 151-<i>bis</i>, paragraph one of Legislative Decree No. 58 of 24th February 1998, normally the relative requests are addressed to the Chairman of the Management Board and to the Chief Executive Officer via the Chairman of the Supervisory Board. The information is distributed to all Members of the Supervisory Board.</p>
<p>ARTICLE 39</p>	<p>ARTICLE 39</p>

<p>39.1.- The Chairman of the Supervisory Board convenes on his own initiative and, in any event, in the cases prescribed by Law or the Articles of Association and chairs and co-ordinates 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, if appointed, and ensuring that adequate information on the items contained on the agenda are provided to all the members of the Supervisory Board.</p>	<p>39.1.- The Chairman of the Supervisory Board convenes on his own initiative and, in any event, in the cases prescribed by Law or the Articles of Association and chairs and co-ordinates 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, if appointed, and ensuring that adequate information on the items contained on the agenda are provided to all the members of the Supervisory Board.</p>
<p>39.2.- Furthermore, the Chairman of the Supervisory Board, consistent with the functions attributed to the Board itself:</p> <p>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;</p> <p>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;</p> <p>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;</p> <p>d) puts reporting procedures in place required to monitor the appropriateness and adequacy of the organisational units and the administrative and accounting systems adopted by the Bank and the Group;</p> <p>e) convenes and chairs the Appointments Committee;</p> <p>f) maintains relations with the Supervisory</p>	<p>39.2.- Furthermore, the Chairman of the Supervisory Board, consistent with the functions attributed to the Board itself:</p> <p>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;</p> <p>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;</p> <p>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;</p> <p>d) puts reporting procedures in place required to monitor the appropriateness and adequacy of the organisational units and the administrative and accounting systems adopted by the Bank and the Group;</p> <p>e) convenes and chairs the Appointments Committee;</p> <p>f) maintains relations with the Supervisory</p>

<p>Authorities as part of the activities of the Supervisory Board;</p> <p>g) supervises, for matters within the remit of Supervisory Board, the management of external communications concerning the Bank, in agreement with the Chairman of the Management Board and the Chief Executive Officer;</p> <p>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.</p> <p>The proposals and projects shall be drawn up in consultation with the Chairman of the Management Board and taking account of his recommendations.</p> <p>The Supervisory Board shall allocate an amount not greater than 5% of the sum annually allocated by the Shareholders in compliance with Article 44, paragraph three, 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.</p> <p>The Supervisory Board shall also allocate an amount not greater than 5% of the sum annually allocated by the Shareholders in compliance with Article 44, paragraph three, 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;</p> <p>i) exercises all other powers relevant to the performance of his duties.</p>	<p>Authorities as part of the activities of the Supervisory Board;</p> <p>g) supervises, for matters within the remit of Supervisory Board, the management of external communications concerning the Bank, in agreement with the Chairman of the Management Board and the Chief Executive Officer;</p> <p>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.</p> <p>The proposals and projects shall be drawn up in consultation with the Chairman of the Management Board and taking account of his recommendations.</p> <p>The Supervisory Board shall allocate an amount not greater than 5% of the sum annually allocated by the Shareholders in compliance with Article 44, paragraph three, 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.</p> <p>The Supervisory Board shall also allocate an amount not greater than 5% of the sum annually allocated by the Shareholders in compliance with Article 44, paragraph three, 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;</p> <p>i) exercises all other powers relevant to the performance of his duties.</p>
<p>39.3.- 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 Deputy Chairman if appointed or, if two Deputy Chairman have been appointed, 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</p>	<p>39.3.- 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 Deputy Chairman if appointed or, if two Deputy Chairman have been appointed, 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</p>

impediment by the most senior member of the Supervisory Board in terms of length of office present at headquarters of equal seniority, by the youngest.	impediment by the most senior member of the Supervisory Board in terms of length of office present at headquarters of equal seniority, by the youngest.
ARTICLE 40	ARTICLE 40
40.1.- 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 around once a year in the city of Milan.	40.1.- 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 around once a year in the city of Milan.
40.2.- It is convened by registered letter, telegram, fax, email or other means which leaves a record of the receipt of the notification.	40.2.- It is convened by registered letter, telegram, fax, email or other means which leaves a record of the receipt of the notification.
40.3.- 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.	40.3.- 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.
40.4.- The meetings shall be deemed as validly convened when they are attended by the majority of the Board Members in office.	40.4.- The meetings shall be deemed as validly convened when they are attended by the majority of the Board Members in office.
40.5.- The Board passes resolutions with a vote in favour of the absolute majority of the Board Members present for the vote.	40.5.- The Board passes resolutions with a vote in favour of the absolute majority of the Board Members present for the vote.
40.6.- The Supervisory Board shall pass resolutions with the vote in favour of at least two thirds of its members for proposals to amend the Articles of Association and for resolutions concerning proposals pursuant to article 27, paragraph two, letter b).	40.6.- The Supervisory Board shall pass resolutions with the vote in favour of at least two thirds of its members for proposals to amend the Articles of Association and for resolutions concerning proposals pursuant to article 27, paragraph two, letter b).
40.7.- 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 reasons and the interest of the Bank in the transaction, without prejudice to other provisions of the law or regulations which may apply.	40.7.- 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 reasons and the interest of the Bank in the transaction, without prejudice to other provisions of the law or regulations which may apply.
40.8.- Remote participation in meetings of the	40.8.- Remote participation in meetings of the

Supervisory Board is permitted subject to the limitations and conditions contained in the last paragraph of Article 25 of these Articles of Association.	Supervisory Board is permitted subject to the limitations and conditions contained in the last paragraph of Article 25 of these Articles of Association.
40.9.- The Board may appoint a secretary who need not be a member of the Board and may be permanent.	40.9.- The Board may appoint a secretary who need not be a member of the Board and may be permanent.
ARTICLE 41	ARTICLE 41
41.1.- 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.	41.1.- 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.
41.2.- At least the majority of the members of the Internal Control Committee must be in possession of the requirements specified in paragraph seven of Article 36 of these Articles of Association. The Internal Control Committee shall perform supervisory functions pursuant to Article 19 of Legislative Decree No. 39 of 27 th 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.	41.2.- At least the majority of the members of the Internal Control Committee must be in possession of the requirements specified in paragraph seven of Article 36 of these Articles of Association. The Internal Control Committee shall perform supervisory functions pursuant to Article 19 of Legislative Decree No. 39 of 27 th 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.
41.3.- Justifiable grounds must be given for the replacement of members of the Internal Control Committee by the Supervisory Board.	41.3.- Justifiable grounds must be given for the replacement of members of the Internal Control Committee by the Supervisory Board.
41.4.- At least one member of the Internal Control Committee shall attend meetings of the Management Board in compliance with regulations in force.	41.4.- At least one member of the Internal Control Committee shall attend meetings of the Management Board in compliance with regulations in force.
41.5.- The Supervisory Board shall also form a committee for the remuneration of executives and the key personnel composed of between 3 (three) and 5 (five) Board Members, determining its powers and regulations for its proceedings.	41.5.- The Supervisory Board shall also form a committee for the remuneration of executives and the key personnel composed of between 3 (three) and 5 (five) Board Members, determining its powers and regulations for its proceedings.
41.6.- The Supervisory Board shall also form an Appointments Committee composed of between 3 (three) and 5 (five) Board Members, of which the	41.6.- The Supervisory Board shall also form an Appointments Committee composed of between 3 (three) and 5 (five) Board Members, of which the

Chairman of the Supervisory Board, who chairs it, and the Senior Deputy Chairman form part, determining its powers and regulations for its proceedings.	Chairman of the Supervisory Board, who chairs it, and the Senior Deputy Chairman form part, determining its powers and regulations for its proceedings.
41.7.- The Appointments Committee, in compliance with provisions contained elsewhere in these Articles of Association, identifies, amongst other things, candidates for the positions of Member of the Management Board to submit to the Supervisory Board.	41.7.- The Appointments Committee, in compliance with provisions contained elsewhere in these Articles of Association, identifies, amongst other things, candidates for the positions of Member of the Management Board to submit to the Supervisory Board.
41.8.- The Supervisory Board shall appoint a Risk Committee composed of between 3 (three) and 5 (five) of the Board Members, determining its powers and regulations for its proceedings.	41.8.- The Supervisory Board shall appoint a Risk Committee composed of between 3 (three) and 5 (five) of the Board Members, determining its powers and regulations for its proceedings.
TITLE IX	TITLE IX
GENERAL MANAGEMENT	GENERAL MANAGEMENT
ARTICLE 42	ARTICLE 42
42.1.- The General Management is composed of a General Manager and, if appointed, one or more Deputy General Managers according to the organisation chart decided by the Management Board which determines their powers.	42.1.- <u><i>The General Management is composed of a General Manager, if appointed, and by other members appointed for that purpose by the Management Board. One of the members of the General Management is also designated with full rights and powers to deputise in the absence or impediment of the Chief Executive Officer and, where appointed, the General Manager.</i></u> <i>The General Management is composed of a General Manager and, if appointed, one or more Deputy General Managers according to the organisation chart decided by the Management Board which determines their powers.</i>
42.2.- 50.2 The Management Board may assign senior functions to one of the Deputy General Managers .	42.2.- 50.2 The Management Board may assign senior functions to one of the Deputy General Managers .
42.3.- The members of General Management are appointed with the vote in favour of two thirds of the members of the Management Board.	42.3.- The members of General Management are appointed with the vote in favour of two thirds of the members of the Management Board.

<p>42.4.- The General Manager:</p> <p>a) is the chief operating officer;</p> <p>b) is the head of personnel;</p> <p>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;</p> <p>d) manages everyday business in compliance with the policies set by the management bodies;</p> <p>e) unless not already a Member of the Management Board, attends Management Board meetings with a consultative vote;</p> <p>f) is responsible for co-ordinating the operations of the Bank and the Group.</p>	<p>42.34.- The General Manager, <i>where appointed</i>:</p> <p>a) is the chief operating officer;</p> <p>b) is the head of personnel;</p> <p>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;</p> <p>d) manages everyday business in compliance with the policies set by the management bodies;</p> <p>e) unless not already a Member of the Management Board, attends Management Board meetings with a consultative vote;</p> <p>f) is responsible for co-ordinating the operations of the Bank and the Group.</p>
<p>TITLE X</p>	<p>TITLE X</p>
<p>BOARD OF ARBITRATORS</p>	<p>BOARD OF ARBITRATORS</p>
<p>ARTICLE 43</p>	<p>ARTICLE 43</p>
<p>43.1.- The Board of Arbitrators is composed of a Chairman, 2 (two) full members and 2 (two) alternate members, elected by a Shareholders' Meeting. 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.</p>	<p>43.1.- The Board of Arbitrators is composed of a Chairman, 2 (two) full members and 2 (two) alternate members, elected by a Shareholders' Meeting. 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.</p>
<p>43.2.- 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.</p> <p>If as a result of replacements, the number of the remaining alternate members falls to one, then a Shareholders' Meeting shall elect the Arbitrator</p>	<p>43.2.- 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.</p> <p>If as a result of replacements, the number of the remaining alternate members falls to one, then a Shareholders' Meeting shall elect the Arbitrator</p>

<p>required to make up the total number.</p>	<p>required to make up the total number.</p>
<p>43.3.- The election of the arbitrators takes place on the basis of individual candidates submitted by Shareholders and/or by the Supervisory Board, where the maximum number is that of the number of Arbitrators to be elected.</p> <p>The candidature, signed by the person or persons submitting it, must indicate the name of the candidate to the office of Arbitrator, with no distinction made between full and alternate, and it must be deposited at the registered offices within the time limit set by the regulations in force for the submission of lists of candidates for election to the Supervisory Board. It must be accompanied: (i) by information on the identity of the Shareholder or Shareholders submitting it, with an indication of the number of shares and therefore the percentage totally held, to be certified when the candidature is deposited according to the procedures set by the regulations in force; (ii) by exhaustive information on the personal and professional characteristics of the candidate and (iii) by the declaration with which the candidate accepts their candidature.</p> <p>The signature of each 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.</p> <p>Candidatures submitted that fail to observe the procedures reported above are considered as not submitted.</p> <p>If no candidatures are submitted within the time limit set, the Shareholders' Meeting votes on candidatures submitted during the meeting by the Shareholders present.</p> <p>Each person with the right to vote may vote for a maximum number of candidates equal to that of the Arbitrators to be elected.</p> <p>The candidates are ranked in decreasing order on the basis of the number of votes obtained.</p> <p>The first three candidates voted are elected as Full Arbitrators and the next two candidates voted are elected as Alternate Arbitrators.</p>	<p>43.3.- The election of the arbitrators takes place on the basis of individual candidates submitted by Shareholders and/or by the Supervisory Board, where the maximum number is that of the number of Arbitrators to be elected.</p> <p>The candidature, signed by the person or persons submitting it, must indicate the name of the candidate to the office of Arbitrator, with no distinction made between full and alternate, and it must be deposited at the registered offices within the time limit set by the regulations in force for the submission of lists of candidates for election to the Supervisory Board. It must be accompanied: (i) by information on the identity of the Shareholder or Shareholders submitting it, with an indication of the number of shares and therefore the percentage totally held, to be certified when the candidature is deposited according to the procedures set by the regulations in force; (ii) by exhaustive information on the personal and professional characteristics of the candidate and (iii) by the declaration with which the candidate accepts their candidature.</p> <p>The signature of each 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.</p> <p>Candidatures submitted that fail to observe the procedures reported above are considered as not submitted.</p> <p>If no candidatures are submitted within the time limit set, the Shareholders' Meeting votes on candidatures submitted during the meeting by the Shareholders present.</p> <p>Each person with the right to vote may vote for a maximum number of candidates equal to that of the Arbitrators to be elected.</p> <p>The candidates are ranked in decreasing order on the basis of the number of votes obtained.</p> <p>The first three candidates voted are elected as Full Arbitrators and the next two candidates voted are elected as Alternate Arbitrators.</p>

<p>In the event of a tied vote between candidates, the Shareholders' Meeting votes by ballot in order to establish the rank order.</p> <p>The candidate who receives the majority of the votes is elected Chairman.</p>	<p>In the event of a tied vote between candidates, the Shareholders' Meeting votes by ballot in order to establish the rank order.</p> <p>The candidate who receives the majority of the votes is elected Chairman.</p>
<p>43.4.- Appeal may be made to the Board of Arbitrators to settle any disputes that may arise between the Bank and/or Shareholders over the interpretation or application of the Articles of Association 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.</p>	<p>43.4.- Appeal may be made to the Board of Arbitrators to settle any disputes that may arise between the Bank and/or Shareholders over the interpretation or application of the Articles of Association 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.</p>
<p>43.5.- 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.</p>	<p>43.5.- 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.</p>
<p>43.6.- The Board of Arbitrators regulates its own proceedings as it deems appropriate without being bound by procedural formalities.</p>	<p>43.6.- The Board of Arbitrators regulates its own proceedings as it deems appropriate without being bound by procedural formalities.</p>
<p>43.7.- 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.</p>	<p>43.7.- The Management Board and the General Manager, <u>where appointed</u>, 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.</p>
<p>43.8.- The address for service of the Board of Arbitrators for all purposes shall be the registered address of the Bank.</p>	<p>43.8.- The address for service of the Board of Arbitrators for all purposes shall be the registered address of the Bank.</p>
<p>TITLE XI</p>	<p>TITLE XI</p>
<p>FINANCIAL STATEMENTS, PROFITS AND RESERVES</p>	<p>FINANCIAL STATEMENTS, PROFITS AND RESERVES</p>
<p>ARTICLE 44</p>	<p>ARTICLE 44</p>
<p>44.1.- The financial year shall end on 31st December of each year.</p>	<p>44.1.- The financial year shall end on 31st December of each year.</p>

<p>44.2.- The Management Board shall prepare the financial statements in compliance with the law.</p>	<p>44.2.- The Management Board shall prepare the financial statements in compliance with the law.</p>
<p>44.3.- 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.</p>	<p><u>44.3.- Without prejudice to the provisions of the following article 44.5 and within the limits of distributable profit, the Shareholders' Meeting called to pass a resolution on the distribution of profit shall allocate an amount to initiatives and institutions with charitable, humanitarian, social, cultural and artistic purposes equal to two percent of the distributable part of the net profit resulting from the financial statements, after deducting the statutory reserve in the minimum amount required by law and any amounts resolved by the Shareholders' Meeting for the creation or increase of reserves, including extraordinary reserves, or other reserves, according to the rules of prudence. In any event that amount may not be greater than twelve million euro.</u></p> <p>44.3.- 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.</p> <p><u>44.4.- The Management Board, subject to a prior report and illustration by the Chair of that board, shall implement the shareholder's resolution mentioned in the previous Article 44.3, in compliance with the guidelines and projects resolved by the Supervisory Board, with particular regard to the local geographical areas in which the Group operates and also by working through the foundations created by the Bank or to which the latter adheres.</u></p>
	<p>44.5.- <u>The allocation of that amount determined in accordance with Article 4.43 shall not take place if</u></p>

	<i><u>that allocation might in any way prejudice the full and unconditional compliance with the capital requirements requested of the Bank from time to time by the competent Supervisory Authorities.</u></i>
44.4.- 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.	44.46.- 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.
44.5.- Reserves of profits and fair value and valuation reserves formed by the application of international accounting standards may not be distributed to Shareholders in those cases provided for by law.	44.57.- Reserves of profits and fair value and valuation reserves formed by the application of international accounting standards may not be distributed to Shareholders in those cases provided for by law.
44.6.- The Management Board may, in agreement with the Supervisory Board, pass resolutions concerning payments on account of dividends during a financial year, in compliance with legislation and regulations in force at the time.	44.68.- The Management Board may, in agreement with the Supervisory Board, 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	TITLE XII
DISSOLUTION AND LIQUIDATION OF THE BANK	DISSOLUTION AND LIQUIDATION OF THE BANK
ARTICLE 45	ARTICLE 45
45.1.- In the event of a Shareholders’ resolution to dissolve the Bank, an 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.	45.1.- In the event of a Shareholders’ resolution to dissolve the Bank, an 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.
45.2.- A resolution of an Extraordinary Shareholders’ Meeting may remove the receivers.	45.2.- A resolution of an Extraordinary Shareholders’ Meeting may remove the receivers.
* * *	* * *
TRANSITION MEASURES	TRANSITION MEASURES

I	I
<p>The provision contained in paragraph one of article 21 of these Articles of Association on the composition of the Management Board shall become effective from the date of the meeting of the Supervisory Board called to appoint the Management Board which replaces that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective.</p> <p>Until that date, the text of paragraph 1 of article 21 of the current Articles of Association reads as follows:</p>	<p>The provision contained in paragraph one of article 21 of these Articles of Association on the composition of the Management Board shall become effective from the date of the meeting of the Supervisory Board called to appoint the Management Board which replaces that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective.</p> <p>Until that date, the text of paragraph 1 of article 21 of the current Articles of Association reads as follows:</p>
Article 21, paragraph 1	Article 21, paragraph 1
<p><i>The Management Board shall be composed of between 7 (seven) and a maximum of 9 (nine) members, inclusive of a Chairman, a Deputy Chairman and a Chief Executive Officer; the members of the Management Board are appointed 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 12th July 2011, ensures a balance between genders for the period provided for by that law.</i></p>	<p>The Management Board shall be composed of between 7 (seven) and a maximum of 9 (nine) members, inclusive of a Chairman, a Deputy Chairman and a Chief Executive Officer; the members of the Management Board are appointed 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 12th July 2011, ensures a balance between genders for the period provided for by that law.</p>
II	II
<p>The provision contained in paragraph five of article 21 of these Articles of Association on the requirements of Members of the Management Board shall become effective from the date of the meeting of the Supervisory Board called to appoint the Management Board which replaces that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective.</p> <p>Until that date, the text of paragraph five of article 21 of the current Articles of Association reads as follows:</p>	<p>The provision contained in paragraph five of article 21 of these Articles of Association on the requirements of Members of the Management Board shall become effective from the date of the meeting of the Supervisory Board called to appoint the Management Board which replaces that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective.</p> <p>Until that date, the text of paragraph five of article 21 of the current Articles of Association reads as follows:</p>

Article 21, paragraph 5	Article 21, paragraph 5
<p>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 24th 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.</p>	<p>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 24th 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.</p>
III	III
<p>The provisions contained in paragraphs 6 and 7 of article 21 of these Articles of Association on the further requirements for members of the Management Board become effective from the date of the meeting of the Supervisory Board called to appoint the Management Board which replaces that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th October 2015 becomes effective.</p>	<p>The provisions contained in paragraphs 6 and 7 of article 21 of these Articles of Association on the further requirements for members of the Management Board become effective from the date of the meeting of the Supervisory Board called to appoint the Management Board which replaces that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th October 2015 becomes effective.</p>
IV	IV
<p>The provision contained in paragraph 1 of article 36 on the number of members of the Supervisory Board becomes effective from the date of the meeting of the Ordinary Shareholders' Meeting called to appoint the Supervisory Board which replaces that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th October 2015 becomes effective.</p> <p>Until that date, the text of paragraph 1 of article 36 of the current Articles of Association reads as follows:</p>	<p>The provision contained in paragraph 1 of article 36 on the number of members of the Supervisory Board becomes effective from the date of the meeting of the Ordinary Shareholders' Meeting called to appoint the Supervisory Board which replaces that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th October 2015 becomes effective.</p> <p>Until that date, the text of paragraph 1 of article 36 of the current Articles of Association reads as follows:</p>

Article 36, paragraph 1	Article 36, paragraph 1
<i>The Supervisory Board is composed of 23 (twentythree) members, 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.</i>	<i>The Supervisory Board is composed of 23 (twentythree) members, 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.</i>
For the sole purposes of submitting lists for the election of a new Supervisory Board, the measure contained in paragraph 1 of article 36 of these Articles of Association shall take early effect from the date on which the Ordinary Shareholders' Meeting is convened for the appointment of the Supervisory Board which will replace that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10 th october 2015 becomes effective.	<i>For the sole purposes of submitting lists for the election of a new Supervisory Board, the measure contained in paragraph 1 of article 36 of these Articles of Association shall take early effect from the date on which the Ordinary Shareholders' Meeting is convened for the appointment of the Supervisory Board which will replace that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective.</i>
V	V
The provision contained in paragraph 4 of article 36 of these Articles of Association on the requirements of members of the Supervisory Board becomes effective from the date of the meeting of the Ordinary Shareholders' Meeting called to appoint the Supervisory Board which replaces that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10 th october 2015 becomes effective. Until that date, the text of paragraph 4 of article 36 of the current Articles of Association reads as follows:	<i>The provision contained in paragraph 4 of article 36 of these Articles of Association on the requirements of members of the Supervisory Board becomes effective from the date of the meeting of the Ordinary Shareholders' Meeting called to appoint the Supervisory Board which replaces that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective.</i> <i>Until that date, the text of paragraph 4 of article 36 of the current Articles of Association reads as follows:</i>
Article 36, paragraph 4	Article 36, paragraph 4

<p><i>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.</i></p>	<p><i>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.</i></p>
<p>For the sole purposes of submitting lists for the election of a new Supervisory Board, the measure contained in paragraph 4 of article 36 of these Articles of Association shall take early effect from the date on which the Ordinary Shareholders' Meeting is convened for the appointment of the Supervisory Board which will replace that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective.</p>	<p><i>For the sole purposes of submitting lists for the election of a new Supervisory Board, the measure contained in paragraph 4 of article 36 of these Articles of Association shall take early effect from the date on which the Ordinary Shareholders' Meeting is convened for the appointment of the Supervisory Board which will replace that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective.</i></p>
<p>VI</p>	<p>VI</p>
<p>The provisions contained in paragraphs 5 and 6 of article 36 of these Articles of Association on the further requirements for members of the Supervisory Board become effective from the date of the meeting of the Ordinary Shareholders' Meeting called to appoint the Supervisory Board which replaces that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective.</p>	<p><i>The provisions contained in paragraphs 5 and 6 of article 36 of these Articles of Association on the further requirements for members of the Supervisory Board become effective from the date of the meeting of the Ordinary Shareholders' Meeting called to appoint the Supervisory Board which replaces that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective.</i></p>
<p>For the sole purposes of submitting lists for the election of a new Supervisory Board, the measure contained in paragraphs 5 and 6 of article 36 of these Articles of Association shall take early effect from the date on which the Ordinary Shareholders' Meeting is convened for the appointment of the Supervisory Board which will replace that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective.</p>	<p><i>For the sole purposes of submitting lists for the election of a new Supervisory Board, the measure contained in paragraphs 5 and 6 of article 36 of these Articles of Association shall take early effect from the date on which the Ordinary Shareholders' Meeting is convened for the appointment of the Supervisory Board which will replace that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective.</i></p>
<p>VII</p>	<p>VII</p>
<p>The provisions contained in paragraphs 6, 11 and 13</p>	<p><i>The provisions contained in paragraphs 6, 11 and</i></p>

<p>of article 37 on procedures for submitting lists for the appointment of the Supervisory Board and criteria for appointing that body take effect from the date on which the Ordinary Shareholders' Meeting is convened for the appointment of the Supervisory Board which will replace that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective.</p>	<p>13 of article 37 on procedures for submitting lists for the appointment of the Supervisory Board and criteria for appointing that body take effect from the date on which the Ordinary Shareholders' Meeting is convened for the appointment of the Supervisory Board which will replace that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective.</p>
<p>VIII</p>	<p>VIII</p>
<p>The provision contained in paragraph 19 of article 37 of these Articles of Association on the replacement of Members of the Supervisory Board taken from the list which received the second greatest number of votes becomes effective from the date of the appointment of the Supervisory Board which will replace that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective. Until that date, the text of paragraph 19 of article 37 of the current Articles of Association reads as follows:</p>	<p>The provision contained in paragraph 19 of article 37 of these Articles of Association on the replacement of Members of the Supervisory Board taken from the list which received the second greatest number of votes becomes effective from the date of the appointment of the Supervisory Board which will replace that in office on the date on which the resolution for the transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective. Until that date, the text of paragraph 19 of article 37 of the current Articles of Association reads as follows:</p>
<p>Article 37, paragraph 19</p>	<p>Article 37, paragraph 19</p>
<p><i>If, however, Board Members belonging to the minority list must be replaced the following procedure is employed:</i></p> <ul style="list-style-type: none"> - <i>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 12th July 2011 and the Articles of Association are not met, then the</i> 	<p><i>If, however, Board Members belonging to the minority list must be replaced the following procedure is employed:</i></p> <ul style="list-style-type: none"> — <i>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 12th July 2011 and the Articles of Association are not met,</i>

<p>Shareholders' Meeting shall make the replacement in compliance with the principle of the necessary representation of minorities;</p> <ul style="list-style-type: none"> - 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 12th July 2011 and the Articles of Association 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 12th July 2011 and the Articles of Association are not met, the Shareholders' Meeting shall make the replacement in compliance with the principle of the necessary representation of minorities. 	<p>then the Shareholders' Meeting shall make the replacement in compliance with the principle of the necessary representation of minorities;</p> <p>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 12th July 2011 and the Articles of Association are not met, the Shareholders' Meeting shall proceed to decide by relative majority vote;</p> <p>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 12th July 2011 and the Articles of Association are not met, the Shareholders' Meeting shall make the replacement in compliance with the principle of the necessary representation of minorities.</p>
<p>The provision contained in paragraph six of article 41 of these Articles of Association on the composition of the Appointments Committee becomes effective from the date of the appointment of the Supervisory Board which will replace that in office on the date on which the resolution for the transformation into a</p>	<p>The provision contained in paragraph six of article 41 of these Articles of Association on the composition of the Appointments Committee becomes effective from the date of the appointment of the Supervisory Board which will replace that in office on the date on which the resolution for the</p>

<p>joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective. Until that date, the text of paragraph 6 of article 41 of the current Articles of Association reads as follows:</p>	<p>transformation into a joint stock company approved by the Extraordinary Shareholders' Meeting of 10th october 2015 becomes effective. Until that date, the text of paragraph 6 of article 41 of the current Articles of Association reads as follows:</p>
<p>Article 41, paragraph 6</p>	<p>Article 41, paragraph 6</p>
<p><i>41.6.- The Supervisory Board shall also form 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 shall be appointed by a resolution of the Supervisory Board passed with the vote in favour of at least two thirds of its members.</i></p>	<p>41.6.- The Supervisory Board shall also form 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 shall be appointed by a resolution of the Supervisory Board passed with the vote in favour of at least two thirds of its members.</p>