

## **PROJECT FOR THE MERGER OF BANCA LOMBARDA E PIEMONTESE S.p.A. INTO BANCHE POPOLARI UNITE S.c.p.A.**

The Board of Directors of Banche Popolari Unite S.c.p.A. (hereinafter also referred to as "BPU" or the "Merging Company") and of Banca Lombarda e Piemontese S.p.A. (hereinafter also referred to as "Banca Lombarda" or the "Merged Company") have drawn up the following merger project of Banca Lombarda into BPU (hereinafter referred to as the "Merger") pursuant to art. 2501-ter of the Italian Civil Code (the "Project").

### 1. COMPANIES PARTICIPATING IN THE MERGER

#### Merging company

BANCHE POPOLARI UNITE S.c.p.A.

- Registered office in Bergamo, Piazza Vittorio Veneto no. 8
- The share capital amounts to Euro 861,206,710 divided into 344,482,684 ordinary shares with a nominal value of Euro 2.50 each.
- Company registered at the Trade Register of Bergamo, Fiscal Code and VAT no. 03053920165
- Company registered in the Register of Banking Groups under no. 5559
- Parent company of the Banche Popolari Unite Group, registered in the Register of Banking Groups under no. 5026.0
- Member of the Interbank Deposit Protection Fund and the National Guarantee Fund

The BPU shares, representing all its share capital, are listed on the Telematic Share Market organised and managed by Borsa Italiana S.p.A.

#### Merged Company

BANCA LOMBARDA E PIEMONTESE S.p.A.

- Registered office in Brescia, Via Cefalonia no. 74
- The fully paid-up share capital amounts to Euro 355,015,926 divided into 355,015,926 ordinary shares with a nominal value of Euro 1.00 each.
- Company registered at the Trade Register of Brescia, Fiscal Code and VAT no. 00285280178
- Company registered in the Register of Banking Groups under no. 5392
- Parent company of the Banca Lombarda e Piemontese Group, registered in the Register of Banking Groups under no. 3111

- Member of the Interbank Deposit Protection Fund and the National Guarantee Fund

The Banca Lombarda shares, representing all its share capital, are listed on the Telematic Share Market organised and managed by Borsa Italiana S.p.A.

## 2. CORPORATE BY-LAWS OF THE MERGING COMPANY

As a consequence of the Merger, the Merging Company shall increase its share capital by a maximum of Euro 736,658,047 by issuing a maximum of no. 294,663,219 ordinary shares with a nominal value of Euro 2.50 each, applying the conversion ratio and the share allotment methods set forth in the following points 3 and 4.

The adoption of the new text of the Corporate By-laws shall be proposed at the extraordinary meeting of BPU convened for the approval of the Merger; this text is indicated in Enclosure A and shall provide also for the adoption of "Unione di Banche Italiane Società cooperative per azioni" (briefly "UBI Banca") as the new name of the Merging company as well as a dualistic governance system, pursuant to what is provided by articles 2409-*octies* and subsequent of the Italian Civil Code, which contemplates the setting up of a Supervisory Board and of a Management Board.

With reference to the adoption of the new text of the Corporate By-laws, it is hereby further declared that some of the new clauses imply, pursuant to art. 28 of the Corporate By-laws in force of the Merging company, an amendment to the By-laws to be adopted with the favourable vote of at least one twentieth of all the shareholders entitled to vote.

Therefore, if the resolution for the approval of this Project and of the relevant Corporate By-laws enclosed under A is approved by a majority that is lower than the last mentioned, the purpose of the resolution considered must consist of the approval of this Project and of the Corporate By-laws enclosed under A, after replacing art. 3, 23, 28, 31 and 36 with the corresponding articles indicated in enclosure B of this Project.

Starting from the effective date of the Merger, the shareholders of the Merged Company shall become shareholders of the Merging company, which shall maintain its own legal status of cooperative bank, and shall be subject to the regulations on the banking cooperative companies and, in particular, to what is provided for by art. 30 of Lgs.D. no. 385 of September 1st, 1993.

In particular, this provision contemplates that (i) each shareholder is entitled to a single vote regardless of the number of shares held and that (ii) no shareholder, except for the collective investment companies, may hold more than 0.50% of the share capital. According to this regulation, the shareholder is obliged to transfer the surplus shares within one year from when the Company notifies this surplus; in default, the economic rights pertaining to the surplus shares are acquired by the bank until they are transferred.

The shareholders of the Merged Company shall be automatically registered in the shareholders' register of the Merging company, at the same time and due to the Merger, in virtue of the transitional rule number I provided by the Corporate By-laws *under* Enclosure A.

The ordinary meeting of BPU, right after the approval of the Project, shall appoint, pursuant to and in compliance with what is provided by the transitional rule number V of the newly approved Corporate By-laws, 23 (twenty three) members of the Supervisory Board. Both the resolution approving the new text of the Corporate By-laws and the appointment of the members of the Supervisory Board shall be effective from the legal date of the Merger, except for the immediate effectiveness of the transitional rules number IV and V of the new Corporate By-laws.

### 3. CONVERSION RATIO

The conversion ratio is as follows:

- no. 0.83 (zero point eighty three) newly-issued ordinary shares of the Merging company with a nominal value of Euro 2.50 each for each no. 1 (one) ordinary share of Banca Lombarda.

The financial statements of reference are represented by the consolidated quarterly reports as of September 30th, 2006 of BPU and Banca Lombarda subject to limited auditing.

No cash adjustment will be provided for.

### 4. ALLOTMENT METHODS OF THE MERGING COMPANY SHARES ASSIGNED IN EXCHANGE TO THE SHAREHOLDERS OF BANCA LOMBARDA

As a consequence of the efficacy of the Merger, the Merging company shall:

- issue maximum 294,663,219 ordinary shares with a nominal value of Euro 2.50 each to be assigned to the shareholders of the Merged Company according to the conversion ratio indicated above;
- cancel without conversion any ordinary share of Banca Lombarda held by the Merging company.

In this regard, it is hereby declared that the Merged Company doesn't hold own shares.

The Merger deed will report the waiver of one or more shareholders of the Merged Company of the conversion of the share fraction required for assuring the overall squaring of the operation.

The shareholders of the Merged Company shall be supplied with a service for processing fractions of shares, at market prices, without further rise in costs for expenses, stamps or commissions.

The newly-issued shares of the Merging company for the conversion - which shall be listed in the same way as the currently outstanding BPU shares - shall be put at the disposal of the shareholders of the Merged Company according to the methods of the dematerialised shares concentrated in Monte Titoli S.p.A. starting from the first working day following the legal date of the civil effects of the Merger. This date shall be made known in the appropriate notice concerning the Merger published on at least one national daily newspaper.

The conversion operations shall be carried out, starting from the first effective date of the Merger, at the branches of the Unione di Banche Italiane S.c.p.a. and of the other companies of the relevant Group, as well as at any other authorised intermediary pursuant to the law.

## 5. RIGHT OF WITHDRAWAL

The implementation of the Merger shall entitle the shareholders of the Merged Company who have not contributed to the approval of the Project during the meeting to completely or partially withdraw their shares. In this event, the shareholders exercising this right of withdrawal shall be paid a compensation determined with reference to the arithmetic average of the closing prices during the six months preceding the publication of the notice of call of the extraordinary meeting of Banca Lombarda convened to decide on the Merger.

The effectiveness of the withdrawal shall be subject to the effectiveness of the Merger.

Moreover, the effectiveness of the Merger as well as the stipulation of the Merger deed are in turn subject to the condition that the right of withdrawal by the shareholders of Banca Lombarda is not exercised by them for a percentage of the share capital greater than 10% (ten per cent). The Merging company and the Merged Company may waive this condition by mutual consent no later than 10 (ten) working days from the day on which the final data concerning the right of withdrawal being exercised will be notified by Banca Lombarda to the Merging company.

## 6. EFFECTIVE DATE OF PROFIT SHARING OF THE SHARES OF THE MERGING COMPANY ALLOTTED IN EXCHANGE

The ordinary shares of the Merging company that shall be issued in exchange of the Banca Lombarda shares cancelled due to the Merger shall have cum-coupon value and shall assign to their owners rights identical to those pertaining to the holders of outstanding ordinary shares at the moment of their issue. In this regard, following the effective date of the Merger, the competent bodies of the Merging company must decide, without distinction for the benefit of all the shareholders of the Merging company itself, the

distribution of a dividend relevant to the 2006 financial year to be assigned to each share of the *post*-Merger Merging company, which shall be proposed in Euro 0.80 per share.

#### 7. EFFECTIVE DATE OF THE MERGER EFFECTS

The Merger effects towards third parties, pursuant to art. 2504-*bis*, sub-paragraph 2, of the Italian Civil Code, shall start from the last registration of the Merger deed, or from the following date that shall be indicated in the deed itself and in any case not before April 1st, 2007.

With reference to what is provided by article 2501-*ter*, sub-paragraph 1, no. 6, of the Italian Civil Code, the operations carried out by the Merged Company shall be included in the financial statements of the Merging company starting from the effective date of the legal effects of the Merger pursuant to the previous paragraph. Fiscal effects will start as from the same date.

#### 8. POSSIBLE TREATMENT RESERVED TO SPECIAL CATEGORIES OF SHAREHOLDERS AND TO HOLDERS OF SECURITIES OTHER THAN SHARES

Neither the Merging company nor the Merged Company issued securities other than shares to whom a special treatment might be reserved within this Merger.

As a result, no special treatment is expected for any category of shareholders.

#### 9. POSSIBLE SPECIAL ADVANTAGES PROPOSED FOR THE BENEFIT OF SUBJECTS RESPONSIBLE FOR THE MANAGEMENT OF THE COMPANIES PARTICIPATING IN THE MERGER

No special advantage is proposed for the benefit of the directors of the companies participating in the Merger.

#### 10. INFORMATION

The draft of the regulation of the Appointment committee is attached *under Enclosure C* for information purposes; this regulation shall be effective from the legal date of the merger pursuant to the transitional rule number III of the new Corporate By-laws.

Moreover, the Information Document provided by art. 70, sub-paragraph 4, of the Consob Regulation no. 11971 of May 14th, 1999 and further amendments and additions shall be immediately filed and circulated, as well as the documentation requested by art. 2501-*septies* of the Italian Civil Code.

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This does not include variations, riders, updates – also in numerical form - of this project as well as of the Corporate By-laws of the Merging company enclosed herein, if requested by the Supervisory Authorities or when registering in the Trade Register.

Bergamo, 19 January, 2007

Brescia, 19 January, 2007

Banche Popolari Unite S.c.p.A.

Banca Lombarda e Piemontese S.p.A.

The Chairman

The Chairman

**ENCLOSURE A**

## **SECTION I**

### **INCORPORATION, NAME, DURATION AND REGISTERED OFFICE OF THE COMPANY**

#### **ARTICLE 1**

The joint-stock co-operative society “Unione di Banche Italiane Società cooperativa per azioni”, shortened to “UBI Banca” (the “Company”), which obtained this name due to the merger - inspired by the principle of joint nature among participating companies - of “Banche Popolari Unite Società cooperativa per azioni” (shortened to “BPU Banca”) and “Banca Lombarda e Piemontese Società per Azioni” (shortened to “Banca Lombarda”) is in force.

#### **ARTICLE 2**

The duration of the Company is established as up to and including December 31st, 2100 and can be extended.

#### **ARTICLE 3**

The registered office of the Company is based in Bergamo and its operating offices are located in Brescia and Bergamo.

## **SECTION II**

### **BUSINESS PURPOSE**

#### **ARTICLE 4**

Drawing its inspiration from the traditional principles of Cooperative Societies, the purpose of the Company is the collection of savings and credit management in various forms, both directly and through subsidiary companies, both towards shareholders and towards non-shareholders.

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

Furthermore, the Company may carry out any other transaction serving as a means or in any case connected to achieving the corporate object.

The Company, in pursuing the Shareholders' benefit, pays special attention to the exploitation of the resources of the territory where it is located through its own distribution network and that of the Group. In compliance with its own institutional aims, the Company grants special terms to the Shareholder customers with regard to the enjoyment of specific services.

In order to attain its purposes, the Company may become a member of associations and consortia within the banking system, both in Italy and abroad.

The Company, in its position as parent company of the Unione di Banche Italiane Group, also shortened in UBI Banca Group (the "Group"), pursuant to article 61, fourth sub-paragraph, of the Legislative Decree no. 385 of September 1st, 1993, issues, in exercising its activities of management and co-ordination, provisions regulating the companies forming the Group, also for carrying out instructions issued by Bank of Italy and in the interest of the Group's stability.

### **SECTION III**

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

##### **ARTICLE 5**

The share capital is variable and unlimited; it is represented by registered shares of the par value of Euro 2.50 (two point fifty) each.

The issue of new shares may be decided:

- a) exceptionally, by the Shareholders' extraordinary meeting, in compliance with what is provided by article 2441 of the Italian Civil Code, with the majorities and the quorum provided by these By-laws for the setting up and the resolutions of the Shareholders' extraordinary meeting, with the right to give proxies to the Management Board, but subject to prior authorisation of the Supervisory Board, in compliance with the regulations in force, for exercising the rights provided by articles 2420 ter and 2443 of the Italian Civil Code.
- b) normally, by the Management Board according to the law provisions and the prescribed regulations in force in this field.

The share capital may also be increased both in monetary terms and by contribution in kind.



As long as the shares of the Company are listed on regulated markets, the issue of new shares may occur only through the resolution of the shareholders' extraordinary meeting, according to what is provided by the previous sub-paragraph 2 point a).

#### **ARTICLE 6**

Natural persons, excluding those under the conditions provided in the following article 7, are allowed as Shareholders.

Corporate bodies and other joint bodies can become Shareholders of the Company provided that they appoint in writing the natural person authorised to represent them; no change of the latter can be opposed to the Company till this has been notified with registered letter with acknowledgement of receipt.

Minors may be admitted as Shareholders on request of their legal representative who substitutes for them in all the relations with the Company.

The persons appointed as above, the legal representatives of natural persons, as well as the common representatives as per the second sub-paragraph of article 15 of these By-laws, may exercise all the rights pertaining to the Shareholders, but, in this capacity, they cannot be appointed in corporate positions.

#### **ARTICLE 7**

Disqualified, disabled and non-discharged bankrupt persons as well as all those who were sentenced with disqualification also temporarily from holding public offices cannot be admitted as Shareholders.

#### **ARTICLE 8**

Those who intend to become Shareholders must show the Management Board the participation certificate to the centralised management system and submit to the Board the request in writing indicating the shares held as well as personal details, domicile, nationality and any other information and/or declaration due by law or by the By-laws or requested by the Company in general.

The presentation of the certification attesting the ownership of at least 250 shares is requested to be admitted as Shareholder.

The Management Board has the right to determine the extent of the preliminary

investigation expenses, if accepted, to be placed to the charge of the new admitted Shareholder.

The candidate Shareholder must declare in the application his/her commitment to the obligations provided by the By-laws, the regulations and corporate resolutions.

#### **ARTICLE 9**

Knowing the law provisions on cooperative banks, any decision on the acceptance of the Shareholder applications is taken by the Management Board, also in the light of the general principles indicated by the Supervisory Board, considering exclusively the objective interests of the Company, including those concerning its independence, as well as the observance of the spirit of the co-operative form; the party concerned is informed of this decision. For the purposes of evaluating these requirements, any previous relation of those submitting the application with companies of the Group will be taken into consideration.

#### **ARTICLE 10**

The non-acceptance as shareholder, suitably and consistently justified in relation to the principles as per Article 9, must be notified in writing to the domicile of the applicant no later than 60 (sixty) days from when the application is received by the Company.

#### **ARTICLE 11**

The non-acceptance may be submitted by the party concerned to the analysis of the Board of Arbitrators, set up in compliance with the By-laws and integrated with a representative of the candidate Shareholder, pursuant to art. 30 sub-paragraph 5 of Lgs. D. 385 of 1<sup>st</sup> September 1993.

The only effect produced by the non-acceptance as Shareholder, for those holding regularly Company shares, is to prevent exercising rights other than those having an economic value.

#### **ARTICLE 12**

The capacity to act as a Shareholder is acquired, following the acceptance resolution, with the admission in the Shareholders' register.

Without prejudice to what is provided by the previous art. 5, fourth sub-paragraph, if the new shareholder is admitted following the issue of shares decided normally by the

Management Board pursuant to art. 5, sub-paragraph 2, letter b), the shareholder must pay the amount of the subscribed shares, the surplus determined according to art. 2528 second sub-paragraph of the Italian Civil Code, the registration fee, as well as readjustment interests.

For all intents and purposes of the By-laws and of the law, each Shareholder, acting in this capacity, elects domicile at the registered office of the Company, except for the right of notifying in writing a different domicile.

### **ARTICLE 13**

Apart from the cases provided for by the law, the Management Board may decide on the ouster of a Shareholder in the event of:

- a) disqualification, disablement or sentenced with disqualification also temporarily from holding public offices;
- b) bankruptcy or subjection to other proceedings;
- c) proven detrimental activity for the interest and the prestige of the Company;
- d) non-fulfilment of the contract obligations towards the Company.

The ouster approval must be notified to the party concerned with registered letter with acknowledgement of receipt.

If the ouster Shareholder does not intend to interpose a demurrer pursuant to the third sub-paragraph of article 2533 of the Italian Civil Code, may appeal to the Board of Arbitrators, no later than 60 (sixty) days from the notification. The Board of Arbitrators decides on the review of the resolution no later than 60 (sixty) days from receiving the claim and the Management Board finally decides with justified decision.

The oustering takes effect when it is recorded in the Shareholders' register.

### **ARTICLE 14**

The withdrawal from the Company is allowed only in the cases provided for by the law, according to the methods and effects provided by the regulations in force.

### **ARTICLE 15**

Shares are indivisible.

In the event of co-ownership of a share, the co-owners' rights are exercised by a

mutual representative appointed according to the methods provided by the regulations in force. If the mutual representative has not been appointed or if the Company has not been informed of this appointment, the communications and declarations made by the Company to any one of the co-owners are effective towards everyone.

Shares can be transferred according to the law. As long as the transferee of the shares has not been admitted as a Shareholder, it is allowed to exercise only the rights having an economic value.

The transfer by the Shareholder of the overall shareholding, taken over by the Company, implies the loss of the capacity as Shareholder.

The Management Board may purchase or pay up the shares of the Company according to the provision of article 2529 of the Italian Civil Code, within the limits of the distributable profits and of the available reserves deriving from the last duly adopted financial statements, intended for these purposes by the Shareholders' Meeting. Purchased shares may be reinvested or discharged.

In all cases of redemption, the Shareholder or its assignees are obliged to deliver the certification attesting the ownership of the relevant shares.

The amount of the redemption is non-interest bearing.

#### **ARTICLE 16**

In any case, shares are considered, by corporate agreement, subjected to a lien for the benefit of the Company, in guarantee of all the direct and indirect obligations of the Shareholder towards the Company.

With reference to what was mentioned above, the Management Board, without prejudice to any other and different procedure, may order, totally or partially, the sale of the shares of the defaulting Shareholder without its putting in default and without proceeding formalities, by means of a notary or qualified intermediary, transferring the obtained amount to the curtailment or to the repayment of the debt. Any excess is deposited in a non-interest bearing current account of the Shareholder.

#### **ARTICLE 17**

Sharing in the net worth and in the profits is proportioned to the shares held.

Dividends that have not been collected within five years from the date on which they became collectable shall be transferred to the Company in order to increase the legal reserve.

#### **ARTICLE 18**

No Shareholder is allowed to hold a number of shares greater than the maximum number allowed by the law.

If the above-mentioned limit is exceeded, the Company does not enter the surplus into the Shareholder's register.

#### **ARTICLE 19**

In the event of the Shareholders' death, the corporate relation continues with the successors of the deceased. The transfer of shares can be opposed to the Company provided that the formalities prescribed by the law are fulfilled and the successors who are not already Shareholders obtain the authorisation provided by the third sub-paragraph of art. 15 of these By-laws. Co-ownership is governed by the second sub-paragraph of the said article 15.

### **SECTION IV CORPORATE BODIES**

#### **ARTICLE 20**

The carrying on of the corporate functions, according to their competence, is delegated:

- a) to the Shareholders' Meeting;
- b) to the Management Board;
- c) to the Supervisory Board;
- d) to the Management Director;
- e) to the General Management;
- f) to the Board of Arbitrators.

### **SECTION V SHAREHOLDERS' MEETING**

## **ARTICLE 21**

The regularly convened Shareholders' Meeting represents all of the shareholders; its resolutions, taken in compliance with the law and these By-laws, are binding for all Shareholders, even if absent or dissenting.

## **ARTICLE 22**

The Shareholders' Meeting is ordinary or extraordinary.

The ordinary Meeting:

- a) appoints and removes the members of the Supervisory Board, determines the fees pursuant to Article 44 and elects the Chairman and Deputy Vice-Chairman, according to the methods as per Article 45;
- b) decides with reference to the responsibility of the members of the Supervisory Board and, pursuant to art. 2393 and art. 2409-*decies* of the Italian Civil Code, with reference to the responsibility of the members of the Management Board, without prejudice to the concurrent competence of the Supervisory Board;
- c) decides on the distribution of profits, subject to the filing of the financial statements and of the consolidated financial statements approved pursuant to art. 2409-*terdecies* of the Italian Civil Code;
- d) appoints and removes the auditing company in charge of the auditing;
- e) approves the financial statements if the Supervisory Board fails to approve it or if this is required by at least two thirds of the members of the Supervisory Board;
- f) decides on the other issues that fall within its competence pursuant to the law or these By-laws.

The extraordinary Shareholders' Meeting shall resolve on any amendments to the corporate by-laws, on the appointment, removal, substitution and powers of liquidators and on any other subject that falls within its competence pursuant to the law.

The Meeting is convened in all the cases provided for by the law and by these By-laws, and it is called by the Management Board, or, pursuant to art. 151-*bis* of Lgs. D. no. 58 of February 24th, 1998, by the Supervisory Board or by at least two of its members, without prejudice to the other convening powers provided by the law.

In any case, the ordinary Meeting is called at least once a year no later than 120 (one hundred and twenty) days from the end of the financial year in order to resolve on subject matters falling under its competence as provided for by law or by the By-laws. If the law requirements occur, the Shareholders' Meeting can be called within 180 (one hundred eighty) days from the closing of the corporate year. In such cases, the Management Board shall indicate the reasons for the postponement in the report provided for by art. 2428 of the Italian Civil Code.

The call of the ordinary and extraordinary Meeting on the Shareholders' request occurs within one month from the submission of the justified application containing the agenda which must be undersigned by at least one tenth of the Shareholders entitled to vote on the date of the request.

According to the methods, within the terms and limits established by the law, a number of Shareholders not less than 1/40 (one-fortieth) of the entitled shareholders on the date of request may request in writing the integration of the agenda, as it results from the notice convening the shareholders' meeting. The signatures of the Shareholders must be authenticated pursuant to the law or by the employees of the Company or of its authorised subsidiaries. Further evidence of the authorisation of asserting the right is given by the appropriate documentation attesting the ownership of the shares on the filing date of the request.

### **ARTICLE 23**

The Meeting is convened, alternatively, in the city or province of Bergamo and in the city or province of Brescia.

### **ARTICLE 24**

The Meetings are convened by the Board of Directors by means of notice - specifying the agenda, the place, the day and the time of the meeting and whatever is prescribed by the applicable law provisions - published as prescribed by the regulations in force on the Official Gazette of the Italian Republic. The notice must also be posted up in the Company branches.

The Meeting in second call may be announced with the same notice convening the first call, for the following day, but not longer than the thirtieth day from the one

fixed for the first call.

## **ARTICLE 25**

In compliance with the law regulations, those having the right to vote for which the intermediary in charge has notified the company at least 2 (two) working days before the day fixed for the first call, pursuant to art. 2370 of the Italian Civil Code and any special law and prescribed provisions, have the right to attend the meeting.

The shareholder cannot withdraw the shares or the relevant certification before the Meeting.

The capacity to act as a Shareholder must be held for at least 90 (ninety) days starting from the registration in the shareholders' register in order to attend the Meeting, exercise one's vote and be eligible to be appointed in corporate positions.

## **ARTICLE 26**

The Shareholders is entitled to one vote whatever the number of shares held.

The Shareholder has the right to be represented by means of written proxy issued to another Shareholder entitled to attend the Meeting.

Representatives may not be chosen among members of the administrative or controlling bodies or among employees of the Company, or among companies controlled by the company itself; the same applies to members of the administrative or controlling bodies and to the employees of such companies.

Except for what is provided by art. 2372, sub-paragraph 2, of the Italian Civil code, the proxy can be conferred only for each Meeting, effective also for the following meetings, and cannot be conferred without the name of the representative.

Each Shareholder may not represent by proxy more than 3 (three) Shareholders.

Voting by mail is not allowed.

The members of the Management Board as well as the members of the Supervisory Board, cannot vote in the resolutions concerning their responsibility.

Only the Shareholder is entitled to the right to vote in case of pledge or usufruct on the shares.

## **ARTICLE 27**



The ordinary and extraordinary meetings are effectively convened, in first call, when at least one twentieth of the Shareholders with the right to vote is present on its own or by representation and proxy.

In second call, the ordinary Meeting is regularly convened whatever the number of Shareholders present, whereas the extraordinary Meeting, without prejudice to what is provided for in the following article 28, is regularly convened when at least 1/400 (one four hundredth) of the Shareholders with the right to vote is present on its own or by representation and proxy.

If the agenda is not completed during the day, the Chairman of the Meeting will order its continuation not longer than the seventh following day, informing those present orally without the need of another notice. During the second session, the Meeting is convened and decides with the same majorities established for the validity of the call and resolutions of the Meeting that is being continued.

## **ARTICLE 28**

The ordinary and extraordinary meetings, save as otherwise provided by these By-laws, decide with the majority vote of those present; with an equal number of votes, the proposal is rejected.

The corporate positions must be appointed, for what pertains the Meeting, by secret vote and according to the methods as per Article 45.

In any case, without prejudice to any other mandatory law regulation, the favourable vote of at least one twentieth of all the Shareholders with the right to vote is required, also during the Meeting in second call, for the passing of the resolutions concerning the change of the business purpose, the closing of the operating offices of Brescia and Bergamo as provided and identified by Article 3, early winding-up of the Company determined by facts provided by the law, excluding the assumption set forth in no. 6 of article 2484 of the Italian Civil Code, the cancellation or modification of articles 23 and 36 of the By-laws and/or the insertion of any other provision inconsistent with the text of these articles, as well as the approval of the modification or cancellation of this paragraph and/or of the resolution quorum provided in it.

Always without prejudice to any other mandatory law regulation, the favourable vote of at least one twentieth of all the shareholders with the right to vote, which in

turn represent at least 20% of the fully subscribed and paid-up share capital on the ninetieth day before the meeting, is required, also during the Meeting in second call, for the passing of the resolutions concerning the cancellation or modification of Article 45, sub-paragraph 6, Article 48, sub-paragraph 6 and Article 49, sub-paragraphs 4,5 and 6 of the By-laws, as well as of this paragraph and/or of the resolution quorum provided in it.

For the resolutions to be taken upon request of the Authority of Credit Surveillance or in relation to modifications of the By laws or legislative modifications, the Meeting, both ordinary and extraordinary, takes resolutions with the majority of votes; in such cases, for the resolutions attributable to the Supervisory Board, dispositions provided for by article 48, sub-paragraph 5 apply.

#### **ARTICLE 29**

The ordinary and extraordinary meetings are chaired by the Chairman of the Supervisory Board or, if absent, by the Deputy Vice-Chairman of the Supervisory Board or, in case of absence or impediment, by the Chairman of the Management Board or, in case of absence or impediment, by the Vice Chairman of the Management Board; in case of absence or impediment also of the latter, by another person appointed by the Meeting itself.

The Chairman of the Supervisory Board may always appoint the Chairman of the Management Board to chair the Shareholders' Meeting, and the Chairman of the Management Board will report the appointment occurred at the opening of the meeting works.

The Chairman of the Meeting is responsible for ascertaining the regularity of the proxies and, generally, the right of attendance at the Meeting, checking that the Meeting has been regularly convened and set up, directing and controlling the discussion, as well as establishing the ways in which the voting must be carried out and the related results.

The Meeting, upon the proposal of the Chairman, appoints a Secretary and four vote-counters.

In the event of an extraordinary Meeting, or when the Chairman deems it advisable, the Secretary functions are held by a notary appointed by the Chairman of

the Meeting.

## **SECTION VI**

### **MANAGEMENT BOARD**

#### **ARTICLE 30**

The Management Board consists of a minimum of 7 (seven) members to a maximum of 11 (eleven) members, including a Chairman, a Vice-Chairman and a Management Director, elected among the Shareholders with the right to vote by the Supervisory Board, upon the proposal of the Appointment Committee, once determined their number.

The members of the Management Board shall hold office for three financial years and their term of office shall elapse on the date upon which the meeting of the Supervisory Board is called to approve the financial statements relating to the last financial year of their office. In any case, they shall hold office until the renewal of the Management Board pursuant to Article 46, letter a) and they are eligible for re-election.

The members of the Management Board are exempted from putting down security.

Those individuals who are under situations of ineligibility or loss of office according to art. 2382 of the Italian Civil Code or lack the requirements of respectability and professionalism, or any other requirement, established by law and/or by implementing regulations shall not be entitled to be appointed as members of the Management Board. In any case, *i)* at least one of the members of the Management Board must hold the requirements of independence set forth in art. 148, third subparagraph, of Lgs. D. no. 58 of February 24th, 1998, *ii)* at least the majority must have at least a three years experience in management and/or professional activities in financial and/or banking and/or insurance institutions in Italy or abroad.

The members of the Management Board may be Directors, members of the Management Board or General Managers of competing companies; moreover, the authorisation of the Supervisory Board is required in case of external companies of the Group or companies not participated by the Bank.

The members of the Supervisory Board cannot be appointed members of the Management Board as long as they hold this office.

### **ARTICLE 31**

The Chairman of the Management Board and the Vice-Chairman of the Management Board – appointed to carry out the functions as Chairman in case of absence or impediment of the former – are appointed by the Supervisory Board according to what is provided by Article 46.

The Secretary functions are delegated by the Management Board to a member of the Management Board itself or to the General Manager or also to another manager or to another external subject of the Company or of the Group.

### **ARTICLE 32**

In case of expiry of one or more members of the Management Board, the Supervisory Board shall replace them without delay, always upon the proposal of the Appointment Committee. The so-appointed members shall expire at the same time as the members holding office at the time of their appointment.

Should the majority of the members originally appointed by the Supervisory Board no longer hold office for any reason, all the Management Board is considered expired starting from the date of assumption of the office by the new appointed members. The latter shall hold office for the residual duration that the expired Management Board would have had.

### **ARTICLE 33**

The meetings of the Management Board are chaired by the Chairman or, if absent, by the Vice Chairman. Should they be absent, they are chaired by the eldest member.

The minutes of the meetings of the Management Board, drawn up by the Secretary, are read and submitted to the approval of the Board itself in the immediately following session or, at the latest, in the next one; they are signed by the person who chaired the Meeting and by the Secretary.

#### **ARTICLE 34**

The Management Board is convened at least once a month, as well as each time the Chairman deems it advisable to convene it or when 5 (five) members request it.

The Meetings shall take place, alternatively, in the city of Bergamo and in the city of Brescia, and once a year in the city of Milan.

Without prejudice to the calling powers expressly vested in the Supervisory Board and in each of its members, the call, with the brief indication of the items on the agenda, is made by the Chairman, with notice to be sent in any means, at least 3 (three) days before the day of the meeting, to the domicile of each member, except for the urgent cases for which the term is reduced to one day. The members of the Supervisory Board must be informed of the calls in the same way.

The meetings of the Management Board shall be deemed valid in the presence of the majority of the members holding office, without prejudice to the provision of Article 36.

The remote participation to the meeting of the Management Board is allowed by using proper audio-videoconference and/or teleconference systems, provided that all the persons entitled may participate and be identified and that they shall be allowed to follow the meeting and intervene in real time on the agenda, as well as receive, send or view documents, by implementing a simultaneous deliberative analysis and decision. In this case, the Management Board's meeting is considered carried out in the place where the person chairing the meeting and the Secretary are found.

#### **ARTICLE 35**

The members of the Management Board, apart from the refund of expenses, are entitled to a remuneration to be determined by the Supervisory Board according to Article 46, subparagraph 1, letter a) of these By-laws. Furthermore they shall be entitled to presence medals for taking part in the meetings of the Management Board as well as to the meetings of the commissions and committees set up by the Management Board itself as established by the Supervisory Board, and to fees – determined by the Supervisory Board itself – for the members of the Management Board appointed with special offices provided by the By-laws.

### ARTICLE 36

The resolutions of the Management Board are taken by open voting, with the favourable vote of the majority of the members present.

The favourable vote of at least 8 members of the Management Board (or of all the members minus one, for the case in which the Management Board consists of 7 or 8 members) are required for the resolutions concerning:

- a) the proposal, to be submitted to the attention of the Supervisory Board for the following approval of the extraordinary Meeting, of statutory alterations;
- b) total or partial transfer of the shareholdings held in the following companies: Banca Popolare Commercio e Industria S.p.A., Banca Popolare di Bergamo S.p.A., Banca Popolare di Ancona S.p.A., Banca Carime S.p.A., Centrobanca S.p.A., Banco di Brescia S.p.A. and Banca Regionale Europea S.p.A., as well as the setting up of any kind of encumbrances on their shares;
- c) determining the vote to be given in the meetings of the companies listed under b) convened for the approval of increases in share capital excluding the right of option (upon payment or for contribution in kind), issuing convertible bonds or bonds with warrant, excluding the right of option, that imply, if subscribed, the loss of control by the Company;
- d) determining the vote to be given in the meetings of the companies mentioned above under b) convened for deciding on the merger through incorporation in the Company or in other companies, their transformation, splitting, early winding-up, changes in the business purpose, name alteration or relocation of the registered office out of the municipality in which they are currently located, the transfer to third parties not forming part of the group of the banking company or of a substantial part of it of some of the subsidiaries mentioned above under b);
- e) the appointment to the post of member of the Board of Directors and of

the Statutory Board in the companies listed in point b), taking into consideration the proposals of the Appointment Committee, if applicable;

- f) assignment, if considered suitable, of the task to supervise the proper operation of the internal auditing system to one's own member.

### **ARTICLE 37**

The Management Board is responsible for the business management in compliance with the general programmatic and strategic policies approved by the Supervisory Board, upon the proposal of the Management Board itself. For this purpose, it carries out all the operations required, useful or advisable for achieving the business purpose, whether they are of ordinary and extraordinary management.

Decisions concerning the following aspects shall be reserved to the exclusive jurisdiction of the Management Board, in addition to the subjects which cannot be delegated according to law:

- a) defining, upon the proposal of the Management Director, the general programmatic and strategic policies of the Company and of the Group to be submitted to the approval of the Supervisory Board;
- b) assigning and revoking the proxies to the Management Director; the identification of the member of the Management Board to whom the proxies must be assigned must be carried out upon the proposal of the Supervisory Board, decided in turn, subject to the designation of the Appointment Committee; if this designation has not been formulated by the Appointment Committee with the legal numbers prescribed by the relevant Regulation, the proposal of the Supervisory Board to be submitted to the Management Board shall be decided with the favourable vote of at least 17 (seventeen) members of the Supervisory Board. The revocation of the proxies is decided by the Management Board with the favourable vote of at least 8 (eight) members of the Management Board (or of all the members minus one, for the case in which the Management Board consists of 7 or 8 members), after hearing the Supervisory Board;
- c) preparing, upon the proposal of the Management Director, industrial and/or financial plans, as well as the budgets of the Company and of the Group to be

submitted to the approval of the Supervisory Board pursuant to art. 2409-terdecies of the Italian Civil Code;

- d) the management policy of risks and internal auditing;
- e) assigning, modifying or revoking proxies and powers as well as assigning special functions or proxies to one or more Directors;
- f) appointing and removing the General Manager, the Joint General Manager and the members of the General Manager, defining their functions and competences, as well as appointing corporate top management of the Group;
- g) appointing the office of member of the board of directors and of the board of auditors of the companies belonging to the group, in the respect of what set forth in Article 36, sub-paragraph 2, letter e);
- h) acquiring and selling shareholdings;
- i) opening and closing branches and representative offices;
- l) determining the organisational, administrative and accounting structure of the company, as well as, without prejudice to the exclusive competence of the Supervisory Board set forth in Article 49 of these By-laws, setting up Committees or Commissions with advisory, preliminary, controlling or co-ordinating functions;
- m) determining the criteria for the co-ordination and management of Group's companies, as well as the criteria for carrying out instructions issued by Banca d'Italia;
- n) subject to the compulsory opinion of the Supervisory Board, appointing and removing the Manager in charge of drawing up the accounting documents, pursuant to art. 154-bis of Lgs.D. no. 58 of February 24th, 1998, and determining its fee. The Manager in charge of drawing up the corporate accounting documents must have, apart from the requirements of respectability prescribed by the regulations in force for those carrying on administrative and management functions, requirements of professionalism characterised by a specific competence, from the administrative and accounting point of view, in the field of credit, finance, securities or insurance. This competence, which must be ascertained by the Management Board itself, must be acquired through work experiences in an appropriate position of responsibility for a congruous period of time and in undertakings comparable with the Company;
- o) appointing or removing the Person in charge of the internal auditing function, as well as the persons in charge of the functions whose appointment belongs



exclusively to the Management Board as provided by the legislative and regulatory provisions;

- p) drawing up the draft financial statements and the draft consolidated financial statements;
- q) exercising the proxy for the increases in share capital granted pursuant to art. 2443 of the Italian Civil Code, as well as issuing convertible bonds pursuant to art. 2420-ter of the Italian Civil Code, subject to the authorisation of the Supervisory Board;
- r) the duties referring to the Management Board set forth in art. 2446 and 2447 of the Italian Civil Code;
- s) drawing up merger or splitting projects;
- t) transactions with a significant strategic, economic and financial importance or preparing the transactions to be submitted to the authorisation of the Supervisory Board;
- u) defining the identification criteria of the transactions with correlated parties to be reserved to one's own competence.

### **ARTICLE 38**

The Management Board shall timely report to the Supervisory Board on the general management trend and on the most important operations, for what concerns size and characteristics, carried on by the Company and its subsidiaries and it shall report on the operations in which the members of the Management Board have a self-interest on their own account or on behalf of third parties.

The communication is made during the meetings of the Supervisory Board and in any case, at least quarterly; it may be provided also in writing.

### **ARTICLE 39**

The Chairman of the Management Board:

- a) shall have the legal representation of the company and the corporate signature, as stated more in detail in the following Article 40;
- b) shall convene the Management Board, establish the agenda taking into account also

the resolution proposals formulated by the Vice-Chairman and by the Management Director, by ensuring that adequate information regarding the items on the Agenda is provided to all members;

c) shall maintain the relations with the Supervisory Authorities, in agreement with the Vice-Chairman and the Management Director;

d) shall maintain the relations with the Supervisory Board and with its Chairman;

e) shall see that the Supervisory Board is informed at least quarterly pursuant to the previous Article 38;

f) shall maintain, in agreement with the Chairman of the Supervisory Board and with the Management Director, the external communication of the information concerning the company;

g) shall exercise all the other powers relevant to the carrying on of his office.

The Vice-Chairman of the Management Board shall be consulted and involved by the Management Director on the integration process resulting from the merger of BPU Banca and Banca Lombarda.

In the event of absolute justified urgency, and if the Management Board cannot be immediately convened, the Chairman of the Management Board or, in case of absence or impediment, the Vice-Chairman or, in case of absence or impediment of the aforementioned, the Management Director, may take decisions with regard to any transaction pertaining to the Management Board, and in particular in the field of loan disbursement, except for the subjects of exclusive competence of the Management Board. The Management Board must be informed of these decisions at its next meeting.

#### **ARTICLE 40**

The Chairman of the Management Board, the Vice Chairman of the Management Board and the Management Director shall represent the Company severally before third parties and in legal proceedings, before any Court of all levels and stages, and they are also entitled to free corporate signature.

The Chairman of the Management Board, the Vice-Chairman of the Management Board and the Management Director have individually the right to start

legal proceedings for all the deeds concerning the corporate management and administration, appeal to all the Legal and Jurisdictional Authorities, the Administrative and tax Authorities and Commissions, grant proxies to general and special warrant of attorneys with choice of domicile, also for bringing an action against third parties.

The Chairman, the Deputy Vice-Chairman and the Management Director, individually and with their powers, appoint attorneys ad hoc for specific deeds or categories.

#### **ARTICLE 41**

The Management Board has the right to grant the corporate signature jointly or individually, with the limitations and specifications it shall deem proper, to the General Manager, to the managers, to the officers and to other personnel of the premises and branches, and to appoint attorneys also with certain powers.

Likewise, the Management Board has the right to grant to the subjects indicated in the previous sub-paragraph its own powers relevant to the write-off and reduction of mortgages, also if they are not respectively related to the paying off or decrease of loans against collateral.

### **SECTION VII**

#### **MANAGING DIRECTOR**

#### **ARTICLE 42**

The Management Board, in compliance with the law provisions and By-laws, and particularly with what is provided in Article 37, delegate its own tasks, that do not fall within its exclusive competence pursuant to the law or these By-laws, to one of its members, who acts as Managing Director, without prejudice to what is provided for the urgent case of Article 39, last sub-paragraph.

Decision-making powers, concerning loan disbursement and whatever is related to risk bearing of typical banking, except those that cannot be delegated, may be delegated to special committees, consisting of Directors and managers and also, within preset amount limits, to the General Manager, to managers, to officers, as well as to persons in charge of branches.

The Management Board shall delegate powers also to each of its members in order to carry out single deeds and acts.

#### **ARTICLE 43**

The following powers shall be granted to the Managing Director:

- a) supervise the business and Group management;
- b) take care of the strategic co-ordination and of the business management and Group control;
- c) take care of the implementation of the organisational and business structure determined by the Management Board and approved by the Supervisory Board;
- d) determine the working directives for the General Management;
- e) supervise the Group integration, consulting and involving the Vice-Chairman and the Management Board;
- f) submit to the Management Board the management policies, the industrial and strategic plan, the budget and take care of their implementation by means of the General Management;
- g) propose the budgetary policy and the policies on optimisation when using and exploiting the resources and submit the draft financial statements and the periodical statements to the Management Board;
- h) propose the appointments of the corporate top management of the Group to the Management Board, in agreement with the Chairman and Vice-Chairman of the Management Board and after hearing the General Manager;
- i) promote the integrated risk control.

He reports quarterly to the Management Board and to the Supervisory Board (and to the latter also within the context of the communication provided by Article 38) with regard to the management trend, the predictable developments and on the main operations carried out by the bank and its subsidiaries. He also reports every month to the Management Board and at least every sixty days to the Supervisory Board with regard to the main accounting results of the Company, of the main subsidiaries and of the Group.

#### **ARTICLE 43 BIS**

The Management Board may instruct one of its members to supervise the proper operation of the internal auditing system with the task – to be carried out with a close co-operation and agreement with the Management Director and the General Manager – of supervising the promotion and realisation of the internal auditing system suitable for the Company and Group from which it depends for what concerns efficacy and efficiency.

## **SECTION VIII**

### **SUPERVISORY BOARD**

#### **ARTICLE 44**

The Supervisory Board consists of 23 (twenty three) members elected among the Shareholders with the right to vote, including a Chairman, a Deputy Vice Chairman, appointed by the Meeting according to what is provided by Article 45, and two Vice-Chairmen chosen by the same Supervisory Board among its own members. The members of the Supervisory Board shall hold office for three financial years and shall expire on the Shareholders' meeting date provided by the second sub-paragraph of art. 2364-*bis* of the Italian Civil Code.

The termination due to the end of their term in office shall become effective from the moment the Supervisory Board - that in the meantime maintains full powers - is established.

If, during the course of the year, the Supervisory Board lacks one or more members, the meeting replaces them without delay according to what is provided by Article 45.

The members of the Supervisory Board must have the requirements of respectability and professionalism as well as the requirements of independence provided by the regulations in force.

At least 15 (fifteen) members of the Supervisory Board must have the requirements of professionalism provided by the regulations in force for the persons who act as Directors of banks.

In particular, at least 3 (three) members of the Supervisory Board must be chosen among the persons entered in the Register of the Auditors who have exercised the legal auditing for a period not shorter than three years.

Except for other mandatory provisions of the law, regulatory or of the Supervisory Authorities, persons already holding offices of regular auditor or members of other controlling

bodies in more than five listed companies and/or their parent companies or subsidiaries cannot hold office as member of the Supervisory Board.

If the reason of incompatibility of the previous sub-paragraph is not eliminated within 60 (sixty) days from the election or, if occurred, from the notification to the person concerned, the Director shall automatically fall from office.

Apart from the refund of expenses, the members of the Supervisory Board are entitled to a consideration determined for their whole term by the Shareholders' Meeting. They are also entitled to presence medals for taking part in the meetings of the Supervisory Board, as well as to the meetings of the commissions and committees set up by the Supervisory Board itself as established by the Meeting, and to fees – always determined by the Meeting – for any special offices provided by the By-laws.

The Supervisory Board, advised with the Remuneration Committee, determines the remunerations for the Chairman, the Senior Deputy Chairman, the Deputy Chairmen and the members of the Supervisory Board to whom these By-laws or the Board itself attributes special duties, powers or functions.

#### **ARTICLE 45**

The Meeting shall elect the members of the Supervisory Board according to lists that may be presented by the Shareholders or by the Supervisory Board, as follows.

The lists of the candidates, signed by those who present them, shall have to be deposited at the registered office of the Company at least 15 (fifteen) days before the Meeting is held on first call. In the event of presentation by the Shareholders, the signature of each presenting Shareholder must be duly authenticated pursuant to the law or by the employees of the Company or of its subsidiaries intentionally delegated by the Management Board.

Declarations, including appropriate documentation, in which each single candidate accepts to stand as a candidate and attests, under its responsibility, the absence of causes of ineligibility and incompatibility, as well as the fulfilment of the requirements prescribed by the law and by the By-laws for their appointment and the list of the administration and control offices held in other companies shall have to be deposited along with each list, otherwise the same shall be deemed ineligible.

In the event of list presentation by the Shareholders, and without prejudice to any other mandatory law or regulation, each list must be presented by at least 500 Shareholders who have the right to attend and vote during the Meeting convened to elect the Supervisory Board, who support this right by documentary evidence according to the regulations in force, who represent at least 0.50% of the share capital, this limit being determined with reference to the capital existing 90 days before the date established for calling the Meeting and to be indicated in the notice convening it.

Each Shareholder may contribute to the presentation of only one list: in case of non-observance, his signature is not calculated in any list.

The presentation of a list by an outgoing Supervisory Board must occur upon proposal of the Appointment Committee and with the favour of at least 17 (seventeen) of its members.

Each candidate may be placed in only one list, otherwise the same shall be deemed ineligible.

The lists not pursuant to such provisions shall be considered as never submitted.

Each Shareholder may vote only one list.

Only the lists that have reached at least 10% of the votes validly expressed during the Meeting shall be taken into consideration for the appointments. If only one of the presented lists has exceeded this limit, all the members of the Supervisory Board shall be taken from it.

The appointment of the members of the Supervisory Board shall proceed as follows:

- a) 22 members of the Supervisory Board are taken from the list that has obtained the majority of votes expressed by the Shareholders, following the progressive order with which they appear in the same list;
- b) a member of the Supervisory Board is taken from the list that has obtained the second majority of votes, as the first person appearing in the list.

If only one list is proposed or if no list is presented, the Meeting shall appoint the Supervisory Board by a majority vote; with an equal number of votes, the eldest candidate is appointed.

If two or more lists obtain an equal number of votes, these lists will be voted again, until the number of votes obtained differs.

The offices of Chairman and Deputy Vice Chairman of the Board belong to the member indicated in the first and second position, respectively, of the list that has obtained the majority of votes, or in the only list presented or to the members appointed as such by the Meeting, if no list was presented.

The independent member (minority list) is appointed according to regulations and laws; it is applicable what is set forth in Article 45, sub-paragraphs 4,10 and 11.

If, during the course of the year, the Board lacks one or more members for the case of substitution of the Directors elected in the majority list, the appointment occurs by a relative majority vote with no list obligation, since the Supervisory Board itself may present candidacies, if necessary, upon proposal of the Appointment Committee.

If the Directors belonging to the minority list must be replaced, the Meeting shall choose them by a relative majority vote, if possible, among the candidates on the list to which the Director to be replaced belonged and who confirmed in writing their candidacy at least ten days prior to the Meeting, together with the declarations concerning the non-existence of any causes for ineligibility and incompatibility, as well as their fulfilment of the requirements provided for by law and by the By-laws for the office.

#### **ARTICLE 46**

The Supervisory Board:

a) appoints, upon proposal of the Appointment Committee, and removes the members of the Management Board and its Chairman and Vice-Chairman, determining their fees after hearing the Remuneration Committee; determines, after hearing the Remuneration Committee, the fees of the members of the Management Board vested with special offices, tasks or proxies or assigned to committees; without prejudice to what is provided by Article 32, sub-paragraph 2, of the By-laws, and without prejudice to the case of substitution of members of the Management Board suspended before time, the Supervisory Board renews the Management Board in the first meeting following its appointment by the Meeting;



- b) upon proposal of the Management Board, decides on the definition of the general programmatic and strategic policies of the Company and of the Group;
- c) adopts the financial statements and the consolidated financial statements prepared by the Management Board;
- d) authorises the Management Board to exercise the proxy for increases in share capital or for issuing convertible bonds if granted by the meeting pursuant to art. 2443 of the Italian Civil Code and/or of art. 2420-ter of the Italian Civil Code;
- e) attends the meetings of the Management Board delegating to it the Chairman and the Deputy Vice Chairman;
- f) carries out the supervision functions provided by art. 149, first and third sub-paragraphs, of the Lgs.D. no. 58 of February 24th, 1998;
- g) promotes the exercise of the liability action towards the members of the Management Board;
- h) presents the statement to Banca d'Italia pursuant to art. 70, sub-paragraph 7, Lgs.D. no. 385 of September 1st, 1993;
- i) reports in writing to the Shareholders' Meeting convened pursuant to art. 2364-bis of the Italian Civil Code on the supervisory activity carried out, on the neglects and blameworthy events observed as well as, on occasion of any other ordinary or extraordinary Meeting convened, for what concerns the subject-matters considered part of its competences;
- l) informs BanK of Italy without delay of all the deeds or facts, that comes to its notice when carrying out its duties, which may consist of a mismanagement or of a violation of the rules governing banking activity;
- m) expresses a binding opinion concerning the person in charge of drawing up the corporate accounting documents set forth in art. 154-bis of Lgs.D. no. 58 of February 24th, 1998;
- n) upon proposal of the Management Board, decides on the authorisations relevant to the strategic operations, as well as to the industrial and/or financial plans and to the budgets of the Company and of the group prepared by the Management Board, in any case without prejudice to its liability for the fulfilled deeds. In particular, the Supervisory Board decides on the authorisations relevant to:
  - (i) proposals of transactions on the share capital, issuing convertible bonds and cum

warrant in Company securities, merger and splitting;

(ii) proposals of statutory alterations;

(iii) purchases or transfers by the Company and by the Subsidiaries of controlling interests in companies with important strategic value or with a total value higher than the 5% value of the consolidated equity, as well as the purchase or sale of undertakings, relations in bulk, business units with an important economic and/or strategic value;

(iv) strategically important investment and/or divestments and/or implying commitments for the Company whose overall amount exceeds, for each transaction, the 5% value of the consolidated equity;

(v) stipulation of strategically important trade, collaboration and corporate agreements,

without prejudice to the fact that the authorisation of the Supervisory Board on the operations indicated in the above-mentioned list shall not be necessary in case of operations specifically contemplated in the industrial plans already approved by the Supervisory Board;

o) decides on the lines relevant to cultural and charitable initiatives as well as to the image of the Company and of the Group, with a special reference to the valorisation of the historical and artistic legacy, checking the meeting of the programmed initiatives with the undertaken aims;

p) decides on the merger and splitting set forth in art. 2505 and 2505-bis of the Italian Civil Code;

q) exercises any other power provided by the *temporary* regulations in force or by the By-laws.

The Supervisory Board is also exclusively assigned, in compliance with art. 2436 of the Italian Civil Code, the resolutions concerning:

a) the opening and closing of secondary offices;

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

c) adjustment of the By-laws to regulatory provisions, subject to consultation with the Management Board.

The Supervisory Board and its members exercise the powers set forth in art. 151-bis of the Lgs.D. no. 58 of February 24th, 1998, pursuant to the terms and

conditions therein provided.

#### **ARTICLE 47**

The Chairman of the Supervisory Board convenes on its own initiative and in any case in all the cases provided for by the law and by these By-laws, and chairs the meetings of the Board itself, establishes the agenda, taking into account also the proposals formulated by the Deputy Vice-Chairman and by the other Vice-Chairmen, by ensuring that adequate information regarding the items on the Agenda is provided to all members of the Supervisory Board.

Moreover, the Chairman of the Supervisory Board:

- a) attends, together with the Deputy Vice Chairman, the meetings of the Management Board with the right to instruct another member of the Supervisory Board to replace him;
- b) receives the proposals of the Management Board concerning subject-matters to be submitted to the approval of the Supervisory Board, including those concerning the strategies and general policies of the Company and of the Group, formulating proposals on this point;
- c) formulates to the Supervisory Board the proposals relevant to the auditing of the company management, with a special attention to its consistency with the strategies and general policies approved by the Supervisory Board;
- d) supervises and enables the procedures and auditing systems on the activity of the Company and of the Group, and this also by asking and receiving information from the subject in charge of drawing up the corporate accounting documents and from the subjects in charge of the different functions concerned;
- e) enables the IT tools required for monitoring the correctness and adequacy of the organisational structure, of the administrative and accounting system used by the Company and by the Group;
- f) convenes and chairs the Appointment Committee;
- g) maintains the relations with the Supervisory Authorities within and for the purposes of the auditing and supervising activity of the Supervisory Board;
- h) keeps up the required and advisable relations with the Management Board and, in particular, with its Chairman and/or Vice- Chairman and/or Managing Director;

- i) requests and receives information on specific aspects of the Company and Group management and on the general management, also in perspective;
- l) supervises, for what is within the competence of the Supervisory Board, the management of the external communication of information concerning the Company, in agreement with the Chairman and the Vice-Chairman of the Management Board and with the Managing Director; plans, after hearing the Chairman and the Vice-Chairman of the Management Board and the Managing Director, and takes care of the realisation of the cultural and charitable initiatives of the Company and of the Group, to be submitted to the Supervisory Board, with a special reference to the valorisation of the historical and artistic legacy;
- m) exercises all the other powers relevant to the carrying on of his office.

In case of absence or impediment of the Chairman of the Supervisory Board, the Deputy Vice-Chairman of the Supervisory Board fulfils his functions; in case of absence or impediment of the latter, the functions are carried out jointly with the two Vice-Chairmen, or, in case of their absence or impediment, by the most senior member of the Supervisory Board in terms of office present and, seniority being equal, by the youngest.

#### **ARTICLE 48**

The Supervisory Board shall convene at least every 60 (sixty) days; the Meetings take place, alternatively, in the city of Bergamo and in the city of Brescia, and once a year in the city of Milan.

It is convened by registered letter, telegram, fax, e-mail or other means that can be proved by documents.

The notice convening the meeting contains the agenda and is sent at least four days prior to the meeting except for urgent cases in which only one days' notice is given.

In order for meetings to be deemed valid, the majority of Board members in office at that time must be present.

The Board decides with the favourable vote by the absolute majority of the Directors present.

However, the Board shall decide with the favourable vote of at least

seventeen of its members to approve the amendments to the Regulation of the Appointment Committee.

The same majority provided by the second point of the previous sub-paragraph is required for the amendment proposals to the corporate by-laws, and for the other subject-matters with reference to which these By-laws provide reinforced majorities.

The remote participation to the meeting of the Supervisory Board is allowed within the limits and under the conditions set forth in Article 34 last sub-paragraph of these By-laws.

The Board may appoint a Secretary, also permanently, who need not to be a member.

#### **ARTICLE 49**

The Supervisory Board sets up an Internal Control Committee whose members range from 3 (three) to 5 (five), by determining their powers and operating rules. At least the majority of the members of the Internal Control Committee must have the requirements set in Article 44, sub-paragraph 5 of these By-laws. The Internal Control Committee, with the collaboration of the charged internal structures, can proceed to inspections at any time as well as exchange information with the corporate bodies of the companies of the Group with regard to the management and control systems and to the corporate activity.

Moreover, it also sets up a Top Management Remuneration Committee consisting of some of its members, by determining their powers and operating rules.

It also sets up an Appointment Committee consisting of six members, including the Chairman of the Supervisory Board, acting as Chairman, and the Deputy Vice Chairman.

The Appointment Committee shall operate and be governed, also with reference to the valid passing of the relevant resolutions, by a regulation approved by the Supervisory Board with the favourable vote of at least 17 of its members.

The Appointment Committee, in compliance with what is provided elsewhere in these By-laws, among other things:

- a) appoints the candidates for the offices as members of the Supervisory Board to be sent to the Supervisory Board itself to present the list to the Meeting;
- b) appoints the candidates for the offices as members of the Management Board to be submitted to the Supervisory Board;

The Chairman of the Management Board, the Vice-Chairman of the Management Board and the Managing Director attend without the right to vote the meetings of the Appointment Committee whose agenda consists of appointments pertaining to the Management Board with reference to the offices in the subsidiaries.

## **SECTION IX**

### **GENERAL MANAGEMENT**

#### **ARTICLE 50**

General Management consists of the General Manager and Joint General Manager, if appointed, of one or more Deputy General Managers, according to the personnel defined by the Management Board, who determines its functions.

If the Management Board consists of 11 members, the General Manager and the Joint General Manager are appointed by the Management Board itself with the favourable vote of at least eight members. If the Management Board consists of a smaller number of members, the above-mentioned offices shall be appointed with the favourable vote of all the members minus one.

The Management Board may also appoint one or two Vice General Managers, with simple majority.

The General Manager:

- a) is responsible for the operating structure;
- b) is the head of the personnel;
- c) sees, as a rule (unless otherwise indicated by the competent administrative bodies), to the carrying out of the resolutions of the Management Board and of the Management Director;
- d) manages day-to-day business in compliance with the policies of the administrative bodies;

- e) attends, with advisory vote, the meetings of the Management Board;
- f) sees to the business and Group working co-ordination.

The Joint General Manager helps and supports the General Manager to supervise all the functions assigned to it.

## **SECTION X**

### **BOARD OF ARBITRATORS**

#### **ARTICLE 51**

The Board of Arbitrators consists of a Chairman, 2 (two) regular members and 2 (two) alternate members, elected by the Meeting among the Shareholders and non-Shareholders of the Company. The Auditors shall remain in office for 3 (three) financial years and can be re-appointed. They perform their office for free, except for refund of expenses.

If, during the three-year period, a regular Auditor is not present, he is replaced by the alternate member in order of age. If the Chairman of the Board is not present, the eldest regular Auditor takes the chair for the remaining part of the three-year period.

The Board of Arbitrators to whom reference can be made to settle any dispute between the Company and/or Shareholders relating to the interpretation or application of the By-laws and relating to any other resolution or decision of the bodies of the Company on social relations, decides as out of court by the absolute majority of votes.

Without prejudice to the assumptions provided by the regulations in force, resorting to the Board of Arbitrators is optional and its decisions are not binding for the parties and do not hinder the proposal of judicial controversies or before any competent authority.

The Board of Arbitrators controls the carrying out of the judgement as it deems it advisable with no procedural formalities.

The Management Board and the General Manager or the employee appointed by him are obliged to supply the Auditors all the information and news required by them concerning the controversy to be resolved.

For all purposes, the domicile of the Board of Arbitrators is elected at the registered office of the Company.

**SECTION XI**  
**FINANCIAL STATEMENTS, PROFITS AND RESERVES**

**ARTICLE 52**

The financial year closes at December 31st of each year.

The Management Board draws up the financial statements, observing the law regulations.

Within the relations set forth in art. 2428 of the Italian Civil Code, the members of the Management Board supply the information required by art. 2528 and art. 2545 of the Italian Civil Code.

The net profit recorded in the financial statements, after deducting the legal reserve to the minimum extent provided for by the law and the amounts decided by the Meeting for setting up or increasing the extraordinary or other reserves, according to precautionary rules, is distributed as follows, for the distributable part:

- a) 2.75% for social securities and allowances for the benefit of personnel to be used first of all for the needs of the corporate social security and assistance institutions; any rest must be disbursed at the discretion of the Management Board;
- b) 1.5% for initiatives and institutions with charitable, humanitarian, social, cultural and artistic purposes, to be disbursed at the discretion of the Management Board, in compliance with the lines decided by the Supervisory Board, with a special attention to the territories of reference of the Group;
- c) the rest, as a dividend to be assigned to the shares, according to the resolution of the Meeting, which decides also on the allocation of any surplus.

Accumulated earnings and surplus reserves formed by applying the international accounting principles cannot be allocated among the Shareholders in the cases provided for by law.

During the financial year, the Management Board may resolve on the distribution of down payments on dividends in accordance with the law in force.

**SECTION XII**  
**Winding-up and liquidation of the Company**



### **ARTICLE 53**

For the assumption provided in no. 6 of art. 2484 of the Italian Civil Code, the early winding-up resolution of the Company must be passed during the extraordinary Meeting attended, also in second call, by at least one thirtieth of the Shareholders with the right to vote, without prejudice to the provision of the third paragraph of article 28 of these By-laws.

The said extraordinary Meeting appoints the liquidators determining their powers, as well as the methods of liquidation, except for mandatory provisions of the law and the authorisations and prescriptions provided by the law provisions in this field.

The extraordinary Meeting, with its own resolution, may remove the liquidators.

### **TRANSITIONAL REGULATIONS**

I

Making an exception to the regulation concerning the admittance of new shareholders, contained in the articles 6 and subsequent of the By-laws, the shareholders owning shares of former Banca Lombarda e Piemontese S.p.A. who due to the conversion ratio of the merger set forth in Article 1 of these By-laws hold at least one share of the merging Company, automatically become, without the need of any procedure, formality, application, or acceptance, shareholders of the company with full rights from when the merger is effective.

Those holding the shares of former Banca Lombarda e Piemontese S.p.A. have however the right, making an exception to what is provided for in Article 25 of the By-laws, to attend the meetings of the company effective from the date of the merger itself.

II

Making an exception to what is provided by the first sub-paragraph of Article 29, all the Shareholders' Meetings until the one convened to approve the distribution of profits relevant to the 2007 financial year shall be chaired by the Chairman of the Management Board. In case of his absence or impediment, the Meeting shall be chaired by the first subject of those available listed in the first sub-paragraph of Article 29.

III

The Company resulting from the merger between BPU Banca and Banca Lombarda adopts, effective from the merger day, the Appointment Committee Regulation enclosed with the merger project.

#### IV

Making an exception to what is established by Article 25, last sub-paragraph, by Article 30, first sub-paragraph and by Article 44, first sub-paragraph, the first members of the Supervisory Board and of the Management Board may also be appointed among subjects as Shareholders even if registered in the Shareholders' register for less than 90 (ninety) days.

#### V

Also making an exception to these By-laws, which shall be in force when the merger between BPU Banca and Banca Lombarda is effective, 23 members of the Supervisory Board shall be appointed for the first time, for a period of three financial years, by the ordinary Meeting of the merging company BPU Banca applying the list voting provisions described below.

The Shareholders shall be invited to present lists where the candidates for the office of member of the Supervisory Board must be indicated.

The lists signed by those who present them shall have to be deposited at the registered office of the Company at least 15 days before the Meeting is held on first call. The signature of each presenting Shareholder must be duly authenticated pursuant to the law or by the employees of the Company or of its subsidiaries intentionally delegated by the Board of Directors.

Declarations, including appropriate documentation, in which each single candidate accepts to stand as a candidate and attests, under its responsibility, the absence of causes of ineligibility and incompatibility, as well as the fulfilment of the requirements prescribed by the law and by the rules of these By-laws for the members of the Supervisory Board, and the list of the administration and control offices held in other companies shall have to be deposited along with each list, otherwise the same shall be deemed ineligible.

Each Shareholder may contribute to the presentation of only one list: In case of non-observance, his signature is not calculated in any list.

Each candidate may acknowledge joining only one list, otherwise the same shall be deemed ineligible.

Each list must be presented by at least 500 (five hundred) Shareholders who have the right to attend and vote during the Meeting convened to elect the Supervisory Board, who support this right by documentary evidence according to the regulations in force, who represent at least 0.50% of the share capital, this limit being determined

with reference to the capital existing 90 (ninety) days before the date established for calling the Meeting and to be indicated in the notice convening it.

The lists not pursuant to such provisions shall be considered as never submitted.

Each Shareholder may vote only one list.

The appointment of the members of the Supervisory Board shall proceed as follows:

- a) 22 members of the Supervisory Board are taken from the list that has obtained the majority of votes expressed by the Shareholders, following the progressive order with which they appear in the same list;
- b) a member of the Supervisory Board is taken from the list that has obtained the second majority of votes, as the first person appearing in the list.

The lists that have not reached at least 10% of the all the votes expressed during the Meeting shall not be taken into consideration for voting purposes. If only one of the presented lists has exceeded this limit, all the members of the Supervisory Board shall be taken from it.

If only one list is proposed or if no list is presented, the Meeting shall appoint the Supervisory Board by a majority vote; with an equal number of votes, the eldest candidate is appointed.

If two or more lists obtain an equal number of votes, these lists will be voted again, until the number of votes obtained differs.

The offices of Chairman and Deputy Vice Chairman of the Board belong to the member indicated in the first and second position, respectively, of the list that has obtained the majority of votes, or in the only list presented or to the members appointed as such by the Meeting, if no list was presented.

## VI

The Meeting called to approve the distribution of the profit related to the 2006 financial year could assign, after deducting the part destined to reserve, 1% of the 2006 profit of the merging company to the remuneration of the Board of Directors in force until 31<sup>st</sup> December 2006.

## **ENCLOSURE B**

### **Article 3**

The registered office and general management of the Company is based in Bergamo.  
The Company has also operating offices in Brescia.  
The provision of the previous sub-paragraphs may be modified only by the majorities provided for by the third sub-paragraph of art. 28.

### **Article 23**

The Meeting is convened at the registered office of the Company or in another place in the province of Bergamo.

### **Article 28**

The ordinary and extraordinary meetings, save as otherwise provided by these By-laws, decide with the majority vote of those present; with an equal number of votes, the proposal is rejected.

The corporate positions must be appointed, for what pertains the Meeting, by secret vote and according to the methods as per Article 45.

In any case, without prejudice to any other mandatory law regulation, the favourable vote of at least one twentieth of all the Shareholders entitled to vote is required, also during the Meeting in second call, for the passing of the resolutions concerning the change of the business purpose, company transformation, relocation of the registered office, early winding-up of the Company determined by fact provided by the law, excluding the assumption set forth in no. 6 of article 2484 of the Italian Civil Code, the cancellation or modification of articles 23, 31, 36, 42, 43 and 49 of the By-laws and/or the introduction of any other provision inconsistent with the text of these articles, as

well as the approval of the modification or cancellation of this paragraph and/or of the resolution quorum provided by the same.

Always without prejudice to any other mandatory law regulation, the majority set forth in the previous sub-paragraph is required for the passing of the resolutions concerning the cancellation or modification of Article 45, sub-paragraph 6, and Article 48, sub-paragraph 6 of the By-laws, as well as of this paragraph and of the resolution quorum provided by the same. For the resolutions to be adopted upon request of the Authority of Credit Surveillance or in relation to modifications of the By laws or legislative modifications, the Meeting, both ordinary and extraordinary, takes resolutions with the majority of votes; in such cases, for the resolutions attributable to the Supervisory Board, dispositions provided for by article 48, sub-paragraph 5 apply.

### **Article 31**

The Chairman of the Management Board and the Vice-Chairman of the Management Board – appointed to carry out the functions as Chairman in case of absence or impediment of the former – are appointed by the Management Board by absolute majority of its members, when not appointed by the Supervisory Board according to what is provided by Article 46. They are appointed for the whole term of their office. The Secretary functions are delegated by the Management Board to a member of the Management Board itself or to the General Manager or also to another manager or to another external subject of the Company or of the Group.

### **Article 36**

The resolutions of the Management Board are taken by open voting, with the favourable vote of the majority of the members present.

The favourable vote of at least 8 members of the Management Board (or of all the members minus one, for the case in which the Management Board consists of 7 or 8 members) are required for the resolutions concerning:

- g) the proposal, to be submitted to the attention of the Supervisory Board for the following approval of the extraordinary Meeting, of statutory alterations;
- h) total or partial transfer of the shareholdings held in the following companies: Banca Popolare Commercio e Industria S.p.A., Banca Popolare di Bergamo S.p.A., Banca Popolare di Ancona S.p.A., Banca Carime S.p.A., Centrobanca S.p.A., Banco di Brescia S.p.A. and Banca Regionale Europea S.p.A., as well as the setting up of any kind of encumbrances on their shares;
- i) determining the vote to be given in the meetings of the companies listed under b) convened for the approval of increases in share capital excluding the right of option (upon payment or for contribution in kind), issuing convertible bonds or bonds with warrant, excluding the right of option, that imply, if subscribed, the loss of control by the Company;
- j) determining the vote to be given in the meetings of the companies mentioned above under b) convened for deciding on the merger through incorporation in the Company or in other companies, their transformation, splitting, early winding-up, changes in the business purpose, name alteration or relocation of the registered office out of the municipality in which they are currently located, the transfer to third parties not forming part of the group of the banking company or of a substantial part of it of some of the subsidiaries mentioned above under b);
- k) the appointment to the post of member of the Board of Directors and of

the Statutory Board in the companies listed in point b), taking into consideration the proposals of the Appointment Committee, if applicable;  
l) assignment, if considered suitable, of the task to supervise the proper operation of the internal auditing system to one's own member.

With an equal number of votes, the Chairman of the Management Board has the casting vote.

## **ENCLOSURE C**

### **APPOINTMENT COMMITTEE REGULATION**

#### **Article 1**

#### **Composition of the Appointment Committee and amendments to this Regulation**

**1.1.** The Appointment Committee consists of 6 (six) members, including the Chairman and the Deputy Vice-Chairman of the Supervisory Board of the Parent Bank, appointed by the Supervisory Board.

The Appointment Committee is chaired by the Chairman of the Supervisory Board.

**1.2.** The Appointment Committee shall remain in office for 3 (three) financial years until the meeting of the Supervisory Board of the Parent Bank following the ordinary Meeting convened to approve the profit distribution proposal relevant to the third financial year.

**1.3.** When identifying the members of the Appointment Committee, the Supervisory Board shall appoint 3 (three) members of the Supervisory Board based on the indications of the members of the Supervisory Board from the *former* Banche Popolari Unite S.c.p.A. (hereinafter referred to as "**BPU**") and 3 (three) members of the Supervisory Board based on the indications of the members from Banca Lombarda e Piemontese S.p.A. (hereinafter referred to as "**Banca Lombarda**") no longer in business.

The members of the Appointment Committee from the *former* BPU are defined below as the "**BPU Members**" and those from the former Banca Lombarda are defined as the "**Banca Lombarda Members**".

In this regard, Banca Lombarda Members must be members of the Supervisory Board of the Parent Bank who are members of the shareholders' association of Banca Lombarda being set up by and between those taking part in the Syndicate of Banca Lombarda that shall be called [●] and shall consist of at least 100 former shareholders of Banca Lombarda owning, as a whole, at least 10% of the share capital of the Parent Bank.

The three members of the Appointment Committee pertaining to Banca Lombarda shall be appointed based on the indications of the members of the Supervisory Board deriving from Banca Lombarda whenever the provision of the previous paragraph cannot be applied.

The Chairman and the Deputy Vice-Chairman of the Supervisory Board shall be considered among the Banca Lombarda Members or the BPU Members, according to whether these offices are held by members of the Supervisory Board deriving from Banca Lombarda or from BPU.

The indication of the members of the Supervisory Board and Managing Board of the Parent Bank and of the directors and auditors of the banks controlled by it, as better defined *below*, pertaining to Banca Lombarda, is reserved to Banca Lombarda Members, pursuant to what is provided in the following Article 4; the indication of the members of the Supervisory Board and Managing Board of the Parent Bank and of the directors and auditors of the banks controlled by it, as better defined *below*, pertaining to BPU, is reserved to BPU Members, likewise pursuant to what is provided by the following Article 4.

**1.4.** If one or more members of the Appointment Committee fall from office, the Supervisory Board of the Parent Bank shall restore the Committee without delay, at its

next meeting, always in full compliance with the principles set forth in the previous Article 1.3.

1.5. These Regulations governing the composition and the activities of the Appointment Committee may be modified only subject to the resolution of the Supervisory Board of the Parent Bank, with the favourable vote of 17 (seventeen) members of the Supervisory Board out of 23 (twenty three).

## **Article 2**

### **Responsibilities**

2.1. The Appointment Committee, in the exercise of its duties as proposing body, identifies, according to the circumstances, the candidacies for the position as member of the Supervisory Board within the Parent Bank to be appointed by the Meeting, including the candidacies for top positions - i.e. as Chairman and Deputy Vice-Chairman of the Supervisory Board of the Parent Bank - and the candidacies for the position as Vice-Chairman of the Supervisory Board and member of the Managing Board within the Parent Bank to be appointed by the Supervisory Board, including the candidacies for top positions – i.e. as Chairman and Vice-Chairman of the Managing Board and as Managing Director of the Parent Bank. The Appointment Committee also identifies the candidacies for the positions as member of the board of directors and of the board of auditors of the banks controlled by the Parent Bank itself. More precisely, the controlled banks are set below: Banco di Brescia S.p.A., Banca Regionale Europea S.p.A., Banca Popolare di Bergamo S.p.A., Banca Popolare Commercio e Industria S.p.A., Banca Popolare di Ancona S.p.A., Banca Carime S.p.A. and Centrobanca S.p.A. (hereinafter referred to collectively as “**Controlled Banks**” and individually as “**Controlled Bank**”).

2.2 The preliminary definition of the Appointment Committee is a requirement legitimating the ensuing resolutions on the appointment of the bodies of the Parent



Bank and of the Controlled Banks, also pursuant to Article 49 of the Corporate By-laws of the Parent Bank.

### **Article 3**

#### **Functions**

**3.1.** Save as otherwise provided in the following Article 4.3, letter A, the Appointment Committee is convened with at least 10 (ten) days' advance notice (in case of emergency, with 2 (two) days' advance notice), by registered letter, fax or e-mail, by its Chairman in order to appoint the candidates for the position as member of the Supervisory Board and of the Management Board, as Chairman, Deputy Vice-Chairman and Vice-Chairman of the Supervisory Board, as Chairman and Vice-Chairman of the Management Board, as well as Managing Director (CEO) of the Parent Bank and member of the board of directors and of the board of auditors of the Controlled Banks, according to what is provided by the following Article 4. In any case, the meeting of the Appointment Committee must be held at least 30 (thirty) days before the ordinary Meeting of the Parent Bank, or of the Controlled Banks, and/or of the meeting of the Supervisory Board of the Parent Bank, or of the management bodies of the Controlled Banks, whose agenda includes the appointment of corporate positions that, pursuant to these Regulations, require the prior designation by the Appointment Committee.

**3.2.** The Committee may be convened on initiative of its Chairman as well as on request of at least 2 (two) of its members.

### **Article 4**

#### **Appointment principles**

**4.1.** When appointing the candidacies for the positions as member of the Supervisory Board and of the Management Board within the Parent Bank, as well as when appointing the candidacies for the positions as director and auditor within the Controlled Banks, the Appointment Committee observes the principles and methods indicated below, in compliance with the principle of joint nature between the party deriving from BPU and the party deriving from Banca Lombarda, without prejudice to

law provisions on the appointment of any minority members applicable to the specific case. These principles are in compliance with the alternation principle for the derivation of the top representatives of the Supervisory Board and of the Managing Board of the New Parent Bank and of the propensity to alternate among the aforementioned two members when renewing the above-mentioned offices.

**4.2.** In particular, the candidate for the positions must be identified among persons with the appropriate requirements of respectability, professionalism, experience, independence and representativeness. More precisely, the candidates must: *(i)* have the requirements of respectability, professionalism and independence according to the provisions of the *temporary* regulations in force for the company representatives in general and of each bank; *(ii)* preferably be qualified representatives of the entrepreneurial classes, professional categories or the academic world.

Candidates must preferably represent the territory in which the Parent Bank and/or the Controlled Bank work (or intend to develop their own activity); the subject must be appointed in their administration and control body.

In any case, within the same office, the Chairman of the Supervisory Board and the Chairman of the Management Board shall not represent the same party within the Parent Bank, but they must represent two different parties of the Parent Bank, i.e. Banca Lombarda and BPU or vice versa, respectively, according to a tendential alternation principle, in compliance with what is governed by the following provisions, taking in consideration the superior corporate interest. The same principle must apply within the Supervisory Board and the Management Board for the positions of Deputy Vice-Chairman of the Supervisory Board and of Vice-Chairman of the Management Board, taking into account the party - deriving from Banca Lombarda or BPU - who appointed the Chairmen of these bodies.

**4.3.** Moreover, and with a specific reference to the following bodies, the Appointment Committee observes the principles and methods detailed *below* :

***A) Corporate bodies of the Parent Bank***

In relation to the corporate bodies of the Parent Bank, such as the Management Board and the Supervisory Board, it is acknowledged that, for the first three-year assignment, the following persons were appointed as members of the Supervisory Board of the Parent Bank - on the occasion of the BPU shareholder's Meeting that

approved the merger through incorporation project of Banca Lombarda in BPU (hereinafter referred to as “**Merger**”):

[•]

The following persons were appointed by the Supervisory Board as formed above, as members of the Management Board of the Parent Bank, for the first three-year assignment:

[•]

All that has been said above is evidence of the personal identity and the origin of the representatives for the first three-year assignment of the two different members - on the one hand, Banca Lombarda, on the other hand, BPU - within the corporate bodies of the Parent Bank, and guarantee in this way the application of the following rules referring to the assignments of the aforementioned bodies following the first one.

The composition of the Supervisory Board and of the Management Board of the Parent Bank, except for the first assignment, must be in compliance with the principles specified *below* and in particular with the alternation principle of the derivation of the top representatives of the Supervisory Board and of the Management Board between the above-mentioned members, as well as with the tendential alternation principle between these members when renewing the aforementioned positions, taking however into consideration the superior corporate interest.

### **Supervisory Board**

The Supervisory Board shall consist of 23 (twenty three) Directors, including a Chairman, a Deputy Vice-Chairman and two Vice-Chairmen.

For the purposes of appointing these directors, the Appointment Committee shall propose to the Supervisory Board the formation of a list (hereinafter referred to as the “**List of the Supervisory Board**”) that shall indicate twenty three names with a progressive numbering from 1 to 23, identified as follows:

- (i) 11 (eleven) candidates, including the one proposed as Vice-Chairman, shall be directly appointed by the Banca Lombarda Members;
- (ii) 11 (eleven) more candidates, including the one proposed as Vice-Chairman, shall be directly appointed by the BPU Members;
- (iii) the last one, the twenty-third candidate, shall be designated by the Appointment Committee with the favourable vote of 5 (five) members out of 6 (six) . If the List of the Supervisory Board has obtained the approval of the shareholders' Meeting of the Parent Bank, the twenty-third candidate shall hold the office of member of the Supervisory Board only provided that no minority

list has been validly submitted during this Meeting. Should the members of the Appointment Committee fail to agree on the appointment of the twenty-third name to be entered in the List of the Supervisory Board, this name shall be appointed by the Supervisory Board at the qualified majority of 17 (seventeen) of its members out of 23 (twenty three).

It is understood that if the regulation in force each time or the corporate by-laws of the Parent Bank reserve to the minority a number of members of the Supervisory Board greater than one, a number of members equal to the number reserved to the minority, in addition to the members appointed pursuant to the previous letters (i) and (ii), shall be chosen according to the voting methods set forth in the previous letter (iii).

Therefore, the members of the Supervisory Board shall be able to increase, subject to alteration in the by-laws, as much as the members of the Supervisory Board, in addition to those set forth in the previous letter (iii), which the law or the by-laws of the Parent Bank may reserve to the minority. As a result, also the resolution *quorum* of the Supervisory Board set forth, likewise, in the previous letter (iii), and the other resolution *quorum* referring to this body and provided elsewhere within this regulation, must be considered increased as much as the aforementioned additional members of the Supervisory Board to be reserved to the minority: for example, if 2 (two) members of the Supervisory Board are appointed by the minority, and 24 (twenty four) is the overall number of members of the Supervisory Board, the Supervisory Board itself shall decide, according to and for the purposes of letter (iii), at the qualified majority of 18 (eighteen) members out of 24 (twenty four); if the members of the Supervisory Board reserved to the minority are 3 (three), it shall decide at the qualified majority of 19 (nineteen) members out of 25 (twenty five), and so on.

The above, unless otherwise decided by the Managing Board with the favourable vote of 8 (eight) members (or of all the members minus one, for the case in which the Management Board consists of 7 to 8 members) on the proposal of amendment to the by-laws.

For what concerns the offices of Chairman and Deputy Vice-Chairman of the Supervisory Board, a special meeting of the Appointment Committee shall be convened at least and no later than 2 (two) months before the termination of each assignment (including the first assignment) in order to identify, with the favourable vote of at least 5 (five) out of 6 (six) members, the names of those who will be proposed as candidates by the Supervisory Board for these positions during the

assignment following the expiring one. The name of the candidate for the position of Chairman of the Supervisory Board appointed by the Supervisory Board itself must be indicated in the first position of the List of the Supervisory Board, marked by number 1, and the name of the candidate for the position of Deputy Vice-Chairman of the Supervisory Board appointed by the Supervisory Board itself must be indicated in the second position of this List, marked by number 2.

If the Appointment Committee, within 2 (two) months before the termination of each assignment, as specified above, is not able to appoint the candidates for the position of Chairman and/or Deputy Vice-Chairman of the Supervisory Board, with the aforementioned majority, the candidate for the position of Chairman of the Supervisory Board for the following assignment shall be appointed, in compliance with the alternation principle, as the first name in the List of the Supervisory Board, by the members of the Appointment Committee representing the party who did not apply for candidacy for this position during the previous assignment. Likewise, the candidate for the position of Deputy Vice-Chairman of the Supervisory Board shall be appointed by the members of the Appointment Committee representing the party who did not apply for the candidacy for the same position during the previous assignment as the second name in the List of the Supervisory Board.

In any case, the candidate for the position of Chairman of the Supervisory Board and the candidate for the position of Chairman of the Management Board, as well as the candidate for the position of Deputy Vice-Chairman of the Supervisory Board and the candidate for the position of Vice-Chairman of the Management Board, shall not be appointed by the members of the Appointment Committee representing the same party.

If, for any reason, one or more members of the Supervisory Board, as appointed above, fall from their office in advance as to the termination of the appointment, the candidate or candidates replacing them shall be appointed by the Banca Lombarda Members or by the BPU Members, according to whether this/these member/s of the Supervisory Board fallen from office represent one party or the other.

In the event of the termination of the office of the Chairman and/or Deputy Vice-Chairman of the Supervisory Board, the Appointment Committee shall select the candidates for these positions with the favourable vote of 5 (five) members out of 6 (six). In case of failure to reach this resolution *quorum*, the Supervisory Board shall propose the subjects appointed by the members of the Appointment Committee representing the party - deriving from BPU or Banca Lombarda - to whom belonged

the member fallen from office to the shareholders' meeting of the Parent Bank as candidates for the position of Chairman and/or Deputy Vice-Chairman.

### **Management Board**

Starting from the second three-year assignment, the Management Board of the Parent Bank shall consist of 11 (eleven) Members, including a Chairman, a Vice-Chairman and a Managing Director (CEO). For the purposes of appointing these members, the Appointment Committee shall formulate an appointment proposal for the Supervisory Board of the Parent Bank (hereinafter referred to as the "**Proposal**"), which shall indicate eleven names with a progressive numbering from 1 to 11, identified as follows:

- (i)* 5 (five) candidates shall be directly appointed by the Banca Lombarda Members;
- (ii)* 5 (five) more candidates shall be directly appointed by the BPU Members;
- (iii)* the last one - eleventh name - who will also be a candidate for the position of Managing Director (CEO) of the Parent Bank, shall be designated by the Appointment Committee, during a special meeting to be held at least and no more than 2 (two) months before the termination of each assignment of the Managing Board (including the first assignment) with the favourable vote of at least 5 (five) out of 6 (six) members. Within the Proposal, this candidate must be ranked third marked by number 3. If the Appointment Committee is not convened in time or does not reach the majority specified above for what concerns the appointment of the candidate for the position of Managing Director (CEO), the latter shall be appointed by the Supervisory Board at the qualified majority of 17 (seventeen) of its members out of 23 (twenty three).

For what concerns the offices of Chairman and Deputy Vice-Chairman of the Management Board, a special meeting of the Appointment Committee shall be convened at least and no later than 2 (two) months before the termination of each assignment (including the first assignment) in order to identify, with the favourable vote of at least 5 (five) out of 6 (six) members, the names of those who will be proposed as candidates by the Supervisory Board for these positions during the assignment following the expiring one. The name of the candidate for the position of Chairman of the Managing Board appointed by the Supervisory Board must be ranked first within the Proposal marked by number 1, and the name of the candidate for the

position of Deputy Vice Chairman of the Managing Board appointed by the Supervisory Board must be ranked second within this Proposal, marked by number 2. If the Appointment Committee, within 2 (two) months before the termination of each assignment, as specified above, is not able to appoint the candidates for the position of Chairman and/or Deputy Vice-Chairman of the Managing Board, with the aforementioned majority, the candidate for the position of Chairman of the Managing Board for the following assignment shall be appointed, in compliance with the alternation principle, as the first name within the Proposal, by the members of the Appointment Committee representing the party who did not apply for candidacy for this position during the previous assignment. Likewise, the candidate for the position of Deputy Vice-Chairman of the Managing Board shall be appointed by the members of the Appointment Committee representing the party who did not apply for the candidacy for the same position during the previous assignment as the second name within the Proposal.

Also with reference to the Management Board, reference is made to the principle according to which the candidate for the position of Chairman of the Management Board and the candidate for the position of Chairman of the Supervisory Board, as well as the candidate for the position of Deputy Vice-Chairman of the Management Board and the candidate for the position of Vice-Chairman of the Supervisory Board, shall not be appointed by the members of the Appointment Committee representing the same party.

If, for any reason, one or more members of the Management Board, as appointed above, fall from their office in advance as to the termination of the appointment, the candidate or candidates replacing them shall be appointed by the Banca Lombarda Members or by the BPU Members, according to whether this/these member/s of the Management Board fallen from office derive from one party or the other.

In the event of the termination of the office of the Chairman and/or Deputy Vice-Chairman of the Managing Board, after restoring the Management Board pursuant to the previous paragraph, the candidates identified by the Appointment Committee shall be proposed to the Supervisory Board with the favourable vote of 5 (five) members out of 6 (six). In case of failure to reach this resolution *quorum*, the candidates for the position of Chairman and/or Deputy Vice Chairman of the Management Board shall be appointed by the members of the Appointment Committee representing the party - deriving from BPU or Banca Lombarda - to whom belonged the member fallen from office.

In the event of the termination of the office of the Managing Director (CEO), after restoring the Managing Board according to competence, the Appointment Committee shall propose a new candidate for this position with the favourable vote of 5 (five) members out of 6 (six). In case of failure to reach this resolution *quorum*, the candidate for the office of Managing Director shall be appointed by the Supervisory Board with the favourable vote of 17 (seventeen) members out of 23 (twenty three). The procedure regulated above for substituting the Managing Director (CEO) is also applied with reference to the first three-year assignment of the Management Board, i.e. in case the Managing Director already appointed falls from office in advance as to the termination of this assignment.

***B) Corporate bodies of the following Controlled Banks: Banco di Brescia S.p.A., Banca Regionale Europea S.p.A.***

#### **Board of Directors**

One third of the candidates for the position of member of the Board of Directors of the Controlled Banks listed above - or of any other management body, if these Controlled Banks adopted management systems other than the ordinary one - shall be appointed directly by the Banca Lombarda Members, whereas the remaining 2/3 (two thirds) by the Management Board of the Parent Bank.

#### **Board of Auditors**

The candidates for the position of members of the Board of Auditors of the Controlled Banks listed above, if present, shall be appointed as follows. The candidate for the position of Chairman of the Board of Auditors shall be directly appointed by the Banca Lombarda Members, whereas the other 2 (two) candidates for the position of Regular Auditor shall be appointed by the Management Board of the Parent Bank. Finally, one of the 2 (two) candidates for the position of Alternate auditor shall be appointed by the Banca Lombarda Members, and the other by the Management Board of the Parent Bank.

***C) Corporate bodies of the following Controlled Banks: Banca Popolare di Bergamo S.p.A., Banca Popolare Commercio e Industria S.p.A., Banca Popolare di Ancona S.p.A., Banca Carime S.p.A., Centrobanca S.p.A.***



### **Board of Directors**

One third of the candidates for the position of member of the Board of Directors of the Controlled Banks ( including the posts of Chairman and of Deputy Chairman) listed above - or of any other management body, if these Controlled Banks adopted management systems other than the ordinary one - shall be appointed directly by the BPU Members, whereas the remaining 1/3 (one third) by the Management Board of the Parent Bank.

### **Board of Auditors**

The candidates for the position of members of the Board of Auditors of the Controlled Banks listed above, if present, shall be appointed as follows. The candidate for the position of Chairman of the Board of Auditors shall be directly appointed by the BPU Members, whereas the other 2 (two) candidates for the position of Regular Auditor shall be appointed by the Management Board of the Parent Bank. Finally, one of the 2 (two) candidates for the position of Alternate auditor shall be appointed by the BPU Members, and the other by the Management Board of the Parent Bank.

## **Article 5**

### **Incompatibilities**

**5.1.** Those individuals who are under situations of ineligibility or loss of office according to art. 2382 of the Italian Civil Code and to the other applicable legislative and regulatory provisions may not be designated, and thus appointed, as members of the Managing Board and Supervisory Board of the Parent Bank as well as members of the management and auditing bodies of the Controlled Banks.

**5.2.** Moreover, those holding the office of member of the Supervisory Board or to be appointed as such cannot be appointed to the position of member of the Management Board of the Parent Bank in compliance with the prohibition set forth in art. 2409 *novies* of the Italian Civil Code.

**5.3.** Unless specifically approved by the Supervisory Board, those who are or become members of management bodies or employees of competing groups or of other banks or parent companies or subsidiaries cannot be designated and thus appointed as members of the Managing Board of the Parent Bank, and if appointed

they fall from office, unless in case of central trade bodies or of group companies or companies belonging to the banking Group of the Parent Bank.

## **Article 6**

### **Declaration of the members falling from office and of the candidates for the position of member of a board**

No one shall be appointed as candidate for any position within the bodies of the Parent Bank and of the Controlled Banks, if he has not previously signed a special written declaration in which he undertakes to refrain from participating directly or indirectly, also through the *management* of the Parent Bank and of the controlled companies, in promoting lists other than the List of the Supervisory Board, or in collecting the relevant signatures for submitting these lists to the shareholders' meeting convened to appoint the Supervisory Board. Therefore, the outgoing members of the Supervisory Board and of the Management Board as well as the candidates for the same positions must in any case expressly declare that they have nothing to do with the promotion and formation of other lists other than the List of the Supervisory Board and undertake an engagement in this sense at the time of the termination and not only on the occasion of the renewal or candidacy. The untruthfulness of the declaration or the non-observance of this commitment shall result in the member falling from its office.