



**CASSA CENTRALE BANCA**  
CREDITO COOPERATIVO ITALIANO

**ARTICLES OF ASSOCIATION  
CASSA CENTRALE BANCA  
CREDITO COOPERATIVO ITALIANO S.P.A.**

Approved by the Extraordinary Shareholders' Meeting of 4 October 2018

DEFINITIONS.....	6
TITLE I .....	7
COMPANY NAME, DURATION, REGISTERED OFFICE, COMPANY PURPOSE, COOPERATIVE BANKING GROUP.....	7
Article 1. – Company name .....	7
Article 2. – Duration .....	7
Article 3. – Registered office and local branches .....	7
Article 4. – Company purpose .....	8
Article 5. – Cooperative Banking Group.....	9
TITLE II .....	11
SHARE CAPITAL, SHARES, VOTING RIGHTS, WITHDRAWAL .....	11
Article 6. – Share capital and shares .....	11
Article 7. – Transfer of Company shares .....	13
Article 8. – Voting rights.....	15
Article 9. – Withdrawal of a shareholder .....	15
TITLE III .....	16
ADMISSION TO, WITHDRAWAL AND EXCLUSION FROM THE COOPERATIVE BANKING GROUP .....	16
Article 10. – Requirements and conditions for admission to the Cooperative Banking Group.....	16
Article 11. – Withdrawal from the Cooperative Banking Group.....	17
Article 12. – Exclusion of an Affiliate Bank from the Cooperative Banking Group .....	19
TITLE IV .....	20
SHAREHOLDERS' MEETING.....	20
Article 13. – Shareholders' Meeting.....	20
Article 14. –Meeting venue .....	22
Article 15. –Call .....	22
Article 16. –Participation and representation in Meetings .....	23
Article 17. –Constituting the Shareholders' Meeting .....	23

Article 18. –Validity of Shareholders’ Meeting resolutions .....	24
Article 19. –Chairing and conducting the Meeting. Secretary .....	24
Article 20. – Minutes of the Shareholders’ Meeting.....	25
TITLE V .....	25
ADMINISTRATION AND CONTROL SYSTEM.....	25
Article 21. – Traditional administration and control system .....	25
<i>Section One</i> .....	25
BOARD OF DIRECTORS .....	25
Article 22. – Composition, number and requirements .....	25
Article 23. – Election on the basis of lists.....	29
Article 24. – Voting.....	31
Article 25. Election of the Chairman and of the Senior Deputy Chairman of the Board of Directors ...	33
Article 26. – Termination and replacement .....	33
Article 27. Chairman and Deputy Chairmen .....	34
Article 28. – Fees of the members of the Board of Directors .....	36
Article 29. – Remuneration of members of the Board of Directors assigned specific offices or duties	36
Article 30. – Meetings and resolutions of the Board of Directors .....	36
30.1. – Venue and convening .....	36
30.2. – Notice of call .....	36
30.3. –Meetings .....	37
30.4. – Meeting quorum and voting quorum .....	37
30.5. – Minutes and copies .....	37
Article 31. – Powers and competences of the Board of Directors – Board committees .....	37
31.1. – Strategic supervision and management of the Company .....	37
31.2. – Competences that may and may not be delegated .....	38
31.3. – Delegation of powers .....	43

31.4. – Appointments Committee, Remuneration Committee, Risks Committee and other Committees	43
<i>Section Two</i> .....	44
EXECUTIVE COMMITTEE.....	44
Article 32. – Executive Committee: number and composition .....	44
Article 33. – Functions of the Executive Committee and operating procedures.....	45
<i>Section Three</i> .....	47
CHIEF EXECUTIVE OFFICER .....	47
AND GENERAL MANAGEMENT .....	47
Article 34. – Chief Executive Officer.....	47
Article 35. – General Management.....	50
<i>Section Four</i> .....	51
CORPORATE REPRESENTATION.....	51
Article 36. – Corporate representation .....	51
Article 37. – Performance of delegated duties .....	52
TITLE VI .....	52
BOARD OF STATUTORY AUDITORS.....	52
Article 38. –Composition and number .....	52
Article 39. –Election by means of lists.....	54
Article 40. –Voting.....	55
Article 41. –Functions and powers of the Board of Statutory Auditors.....	56
TITLE VII .....	58
STATUTORY AUDITS .....	58
Article 42. –Statutory Audits.....	58
TITLE VIII .....	58
FINANCIAL YEAR AND FINANCIAL STATEMENTS - PROFIT DISTRIBUTION .....	58
Article 43. –Financial year and financial statements .....	58

Article 44. –Profit distribution.....	58
TITLE IX .....	59
WINDING UP THE COMPANY .....	59
Article 45. –Winding up the Company .....	59
TITLE X .....	59
DISPUTE RESOLUTION .....	59
Article 46. –Arbitration Clause .....	59

## DEFINITIONS

For the purposes of these Articles of Association, the following terms and expressions will have the meaning attributed to them below:

**“Competent Authorities”** shall mean the Authorities which, depending on the case and in compliance with that provided for in the national and European law in the sector, carry out supervision, such as, merely by way of example, the European Central Bank, the Bank of Italy, CONSOB, IVASS, government ministries and bodies;

**“Affiliate Bank”** shall mean, either singularly or as a group, the Cooperative Credit Banks, Rural Cooperative Banks and *Casse Raiffeisen* that are part of the Cooperative Banking Group, as they are subject to management and coordination by the Company by virtue of the Cohesion Contract entered into with the Company;

**“Cooperative Credit Bank”** cooperative credit bank established pursuant to Title II, Chapter V, Section II of the Consolidated Law on Finance (as defined herein);

**“Cohesion Contract”**: shall mean the contract entered into by the Parent Company and the single Affiliate Bank pursuant to Article 37-*bis*, paragraph 3 of the Consolidated Law on Finance, including the Guarantee Agreement;

**“Binding Provisions”** shall mean the set of Policies and/or Regulations of the Group, Instructions and Authorisation Measures having the meaning set out in the Cohesion Contract;

**“Working Day”** shall mean each calendar day other than Saturday, Sunday and the other days on which banks are closed to the public on the Milan market;

**“Cooperative Banking Group”** or **“Group”**: the Cooperative Banking Group which is headed by Cassa Centrale Banca - Credito Cooperativo Italiano S.p.A., as identified in Article 5 of these Articles of Association, established pursuant to Article 37-*bis* of the Consolidated Law on Finance;

**“Company”**: Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A.;

**“Subsidiary”**: each of the Affiliate Banks and any other banks, financial and instrumental companies controlled by the Company, as identified by legislation in force from time to time;

**“Articles of Association”**: these Articles of Association;

“**Consolidated Law on Finance**”: Italian Legislative Decree no. 385 of 1 September 1993, as amended;

“**Transfer**” and “**(to) Transfer**” shall mean any disposition, against payment or free of charge, by virtue of which, in one or more phases, directly or indirectly, the ownership of the shares, option rights inherent in the shares or of bonds that can be converted into shares is changed or limited, or rights or powers of any type are established, assigned or guaranteed to third parties, in relation to the same, including, merely by way of example, purchase and sale, donation, conversion, contribution to companies, *en bloc*, mandatory or compulsory assignment, assignment or contribution to companies, merger or spin-off, acknowledging that, in this Article, the verb “transfer”, in any conjugation, must be understood for all purposes as including the actions and dispositions referred to above.

## **TITLE I**

### **COMPANY NAME, DURATION, REGISTERED OFFICE, COMPANY PURPOSE, COOPERATIVE BANKING GROUP**

#### **Article 1. – Company name**

**1.1.** A joint-stock company is established under the name Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A., or, in brief, Cassa Centrale.

#### **Article 2. – Duration**

**2.1.** The duration of the Company is set at 31 (the thirty-first) December 2060 (two thousand and sixty), with the option of extensions.

#### **Article 3. – Registered office and local branches**

**3.1.** The Company’s registered office and general management are located in the municipality of Trento, at the address recorded in the Register of Companies.

**3.2.** By way of resolution of the Board of Directors, and in compliance with the legislation in force from time to time (with each reference to applicable regulations in these Articles of Association to be understood as both to the primary regulations and secondary regulations and rules), the Company can establish, close and transfer branches, local units, operating offices and agencies, howsoever named, and representative offices, both in Italy and abroad.

#### **Article 4. – Company purpose**

**4.1.** The Company's purpose is to collect savings and conduct lending, in its various forms, both directly and through Subsidiaries. As the Parent Company of the Cooperative Banking Group pursuant to Article 61, paragraph 4 of the Consolidated Law on Finance, in exercising management and coordination activities, the Company issues binding provisions for the purpose of implementing the general and specific instructions imparted by the Competent Authorities in the interest of the stability of the Cooperative Banking Group.

**4.2.** In conducting its business, the Company follows the cooperative principles of mutuality without purposes of private speculation. Its purpose is to favour its shareholders and those of the other companies belonging to the Cooperative Banking Group, pursuing the development of its territories, the improvement of moral, cultural and economic conditions and promoting the development of cooperation and education in savings and pension planning, as well as social cohesion and responsible and sustainable growth of the local areas where the Cooperative Banking Group operates.

**4.3.** The Company commits to recognising, safeguarding and promoting the specific language and cultural characteristics of the local areas of the Affiliate Banks and, in particular, those referring to the German, Slovene and French communities.

**4.4.** Both directly and through its Subsidiaries, the Company may carry out, in compliance with the provisions in force and after obtaining the required authorisations, all banking, financial and insurance operations and services, as well as the other activities permitted to credit institutions, including issuing bonds, granting financing governed by special laws and acquiring and assigning business receivables.

**4.5.** The Company may carry out any other operation that is instrumental or in any event connected with the achievement of the company purpose.

**4.6.** In order to pursue its aims, the Company may participate in associations and consortia in the banking system, both in Italy and abroad.



## **Article 5. – Cooperative Banking Group**

**5.1.** The Company is the Parent Company of the Cooperative Banking Group and is subject to the control of the Competent Authorities pursuant to the provisions set out in the Consolidated Law on Finance.

**5.2.** In addition to the Company, as Parent Company, the following belong to the Cooperative Banking Group:

- a) the Affiliate Banks which, having participated in the Cohesion Contract and adopted the related clauses in the Articles of Association, are subject to management and coordination by the Company and the companies it directly or indirectly controls;
- b) any other banks, financial companies and instrumental companies that are directly or indirectly controlled by the Company.

**5.3.** The Company's Articles of Association are subject to verification by the Competent Authorities.

**5.4.** The determination of the criteria for coordination and management of the Subsidiaries as well as for implementing the instructions imparted by the Competent Authorities is reserved to the exclusive responsibility of the Company's Board of Directors, as illustrated in Article 31.2.2. of these Articles of Association. In exercising that power of management and coordination, the Company is required to base the exercise on the principles of sound company and business management in addition to the principles and values of cooperation.

**5.5.** The Company exercises management and coordination over the Affiliate Banks in compliance with the provisions of the Cohesion Contract. In that context, in compliance with the purposes focused on mutuality and local areas specifically pertaining to the Affiliate Banks, the Company issues Binding Provisions to ensure compliance with the prudential requirements and other provisions on banking and financial matters applicable at individual level and/or to the Cooperative Banking Group, and sets up appropriate instruments to restore compliance with its provisions and to execute the instructions imparted by the Competent Authorities in the interest of the stability of the Cooperative Banking Group. The Binding Provisions are issued by the Company bodies with strategic supervision, management and control functions, as well as by the top management, and are addressed to the corresponding bodies and functions of

the Affiliate Banks. In those areas, the Company implements the criterion of the proportionality of powers in relation to risks of the Affiliate Banks established by Article 37-*bis* of the Consolidated Law on Finance, in the methods set out in the provisions issued by the Competent Authorities.

**5.6.** In the event of violation by the Affiliate Banks of the Binding Provisions issued by the Company pursuant to Article 5.5. above, or in the event of breach of the obligations set out by law, the Cohesion Contract or the Guarantee Agreement, the Company shall apply the following penalties, either singularly or cumulatively, basing their severity on the seriousness of the violation or the breach and considering the risk classification of the Affiliate Bank concerned and the terms and conditions of the measure pursuant to the Cohesion Contract:

- a) formal warning to the strategic supervisory body of the Affiliate Bank;
- b) suspension from assuming new risks;
- c) prohibition from carrying out new operations;
- d) restriction of business or the territorial network;
- e) additional measures aimed at the structure or operations of the Affiliate Bank.

In the most serious cases, where the other possible and useful corrective actions and measures have been implemented without any results, the Company may decide to exclude the Affiliate Bank in breach from the Group, in line with the cases and methods set out in the Cohesion Contract.

The disciplinary power of the Company is exercised by the Board of Directors - after obtaining a mandatory, non-binding opinion from the Board of Statutory Auditors and, where comprised within its remit, the Appointments Committee and/or the Risks Committee - which resolves with an absolute majority of its components, with any member that is also a member of the Affiliate Bank subject to the disciplinary proceedings abstaining. The decisions taken by the Company in exercising its disciplinary power must be suitably justified.

## TITLE II

### SHARE CAPITAL, SHARES, VOTING RIGHTS, WITHDRAWAL

#### Article 6. – Share capital and shares

**6.1.** The share capital subscribed and paid-in amounts to Euro 952,031,808 (nine hundred fifty two million, thirty one thousand, eight hundred and eight euros) and is represented by 18,308,304 shares comprising two separate categories, all with nominal value of Euro 52.00 (fifty two and 00/100) each, and, specifically:

- 18,158,304 (eighteen million, one hundred fifty eight thousand, three hundred and four) category A (ordinary) shares;
- 150,000 (one hundred fifty thousand) category B (preference) shares.

Category B shares, with limited votes pursuant to Article 8.1. below, have preference in the allocation of profits and redemption of capital and, specifically:

- a) on profits distributed, a dividend of 20% (twenty percent) higher than that of category A shares will be assigned;
- b) in the event that the Company is wound up, after reimbursing the shares of both categories at nominal value, preference shares will be due, within the limits of the residual amount, a premium of 35% (thirty five percent) of their nominal value. Any additional residual amount will be allocated among all the shares of both categories.

**6.2.** In compliance with Article 37-*bis* of the Consolidated Law on Finance, the Company's share capital is at least 60-percent held by the Affiliate Banks.

**6.3.** Pursuant to Article 22, paragraph 1, of the Consolidated Law on Finance, each Affiliate Bank may directly or indirectly hold a maximum number of category A (ordinary) shares with voting rights amounting to 10% (ten percent) of the total voting rights. Pursuant to Article 22, paragraph 1, of the Consolidated Law on Finance, each shareholder that is not an Affiliate Bank may directly or indirectly hold a maximum number of category A (ordinary) shares with voting rights amounting to 25% (twenty five percent) of the total voting rights.

**6.4.** The limits set out in Article 6.3. above may be temporarily exceeded for a period of no more than 6 (six) months in the case of mergers between Affiliate Banks.

**6.5.** In all cases where the limits set out in the above Articles are exceeded, the voting rights connected with the excess shares shall be suspended. Nonetheless, the shares shall be calculated for the purposes of the majorities and percentages required for quorum and for the resolutions of the Shareholders' Meeting.

**6.6.** For the purposes of determining the number of Company shares attributable to a single party, the following is considered:

- a) the votes expressed in relation to the total shareholding held by:
  - (i) the shareholder;
  - (ii) the parent company, either a natural or legal person, of the shareholder;
  - (iii) all the direct and indirect subsidiaries of the shareholder;
- b) the shares held through trust companies and/or third parties;
- c) the votes expressed in any other case in which voting rights are attributed, for any reason, to a party other than the owner of the shares.

Also for the purposes of this Article, control exists in the cases set out in Article 23 of the Consolidated Law on Finance.

**6.7.** The Extraordinary Shareholders' Meeting of 4 October 2018 resolved to assign the Board of Directors, pursuant to Articles 2443 and 2420-ter of the Italian Civil Code, the right, respectively, to increase share capital, also excluding and/or limiting the option right pursuant to paragraphs 4 and 5 of Article 2441 of the Italian Civil Code, by issuing ordinary shares, or to issue convertible bonds in one or more tranches within the term of 5 (five) years, up to the maximum amount of Euro *1,428,047,712.00 (one billion, four hundred twenty eight million, forty seven thousand, seven hundred and twelve and 00/100)*, to ensure the operation of the Guarantee Agreement and compliance with the Company's required minimum shareholders' equity, granting a mandate to the Board of Directors to execute said delegation and, thus, *inter alia*, to establish the methods, timeframes and additional conditions applicable in each case, within the limits indicated above.

**6.8.** Contributions may also regard receivables and assets in kind.

**6.9.** Shares are registered and indivisible. Ordinary shares cannot be subject to pledge or other types of restrictions.

The Company does not issue share certificates and the classification of shareholder is granted through recording on the shareholders' register.

**6.10.** All shares in the same category grant equal rights. Within the limits established by the legislation in force from time to time, the Company may issue categories of shares vested with different rights, determining their content.

**6.11.** The Company may resolve to assign profits to employees of the Company or of Subsidiaries, by issuing ordinary shares or other financial instruments different from shares, to be assigned to employees in compliance with the legislation in force from time to time.

**6.12.** The Company may purchase its own shares in compliance with legislation in force from time to time.

#### **Article 7. – Transfer of Company shares**

**7.1.** The shares can be transferred according to the methods permitted by law, expressly save for that set out in this Article 7. as well as in Article 10. below for the purpose of inclusion of a Cooperative Credit Bank as a new affiliate of the Cooperative Banking Group.

**7.2.** Where one of the shareholders intends to Transfer all or part of its shares or option rights pertaining thereto or bonds that can be converted into shares, for any reason, it must communicate, by registered letter with return receipt or certified electronic mail to the Company's address, that intention to the Board of Directors, indicating the number of shares/convertible bonds that it intends to Transfer, the unit price and value, the terms and methods of payment, the other relevant conditions and the name of the transferee, offering a pre-emption right to the other shareholders on said securities.

By way of registered letter with return receipt or certified electronic mail sent within 30 (thirty) days from receipt of the communication from the offering shareholding, the Board of Directors must communicate the offer to the other shareholders. The latter may exercise the pre-emption right on the securities subject to Transfer by way of a declaration to be sent by registered letter with return receipt or certified electronic mail, to the offering shareholder and the Board of Directors within 30 (thirty) days from receipt of the offer.

The pre-emption right exercised by each shareholder must fully comprise all of the shares/convertible bonds offered by the shareholder. If several shareholders exercise their pre-

emption rights, each one shall have the right to purchase a percentage of the equity investment indicated in the Notice of Transfer proportionate to the equity investments held in the Company of the shareholders that validly exercised their pre-emption rights. The pre-emption right set out herein also applies to Transfers of shares between shareholders, even if they hold shares of different categories than those subject to the planned Transfer.

**7.3.** In each case of Transfer of Company shares, also in the case of incorporation and merger of the shareholder into another company, the Board of Directors must verify that the buyer (or the transferee for another reason) meets the requirements set out for shareholders in these Articles of Association and the legislation in force from time to time.

**7.4.** The Transfer of shares by shareholders shall not be effective in relation to the Company unless it is authorised by the Board of Directors. The resolutions denying authorisation must be justified by the Board of Directors with regard to the Company's interest, the provisions of the Articles of Association and the spirit of the cooperative form and principles, and may be taken only if one or more of the following conditions are met regarding the buyer (or the transferee for another reason – hereinafter, the "Buyer"):

- (i) the Buyer is a company or entity belonging to other cooperative banking group, including a local group, established pursuant to Article 37-ter of the Consolidated Law on Finance; and/or
- (ii) the Buyer caused harm to the Company in any way or conducts business in competition with the Company; and/or
- (iii) in the case that the Buyer is a bank, at the time of the Transfer, it does not have a CET1 capital ratio equal to at least the obligatory minimum set out by legislation in force from time to time or the *pro tempore* individual requirement set by the Competent Authorities; and/or
- (iv) for the case where, with regard to the nature of the Buyer, the Transfer of the equity investment by the shareholder will result in the Company no longer meeting the requirement set out in Article 37-bis, paragraph 1, letter a) of the Consolidated Law on Finance, i.e. that the share capital of the Company must be at least 60 percent held by the Affiliate Banks; and/or

- (v) the Buyer is incompetent, unauthorised, bankrupt or has been declared insolvent as part of bankruptcy proceedings; and/or
- (vi) the Buyer does not meet the requirements determined pursuant to the legislation in force from time to time for the purposes of taking on the equity investment in the Company; and/or
- (vi) the Buyer is in breach against the Company or against a Subsidiary or forced several of these to take legal action for the fulfilment of obligations assumed in relation to them.

Any rejection of the Transfer by the Board of Directors, justified in accordance with the terms of this Article, shall not entitle the disposing shareholder to the right of withdrawal pursuant to Article 2355-*bis* of the Italian Civil Code.

#### **Article 8. – Voting rights**

**8.1.** Without prejudice to that set out in Article 6.3. above, as well as in cases of suspension or deprivation of the voting rights set out in the Articles of Association or the legislation in force from time to time, each ordinary share shall attribute the right to one vote. Category B shares and the other preference shares in allocation of profits have voting rights only on the matters reserved to the Extraordinary Shareholders' Meeting.

#### **Article 9. – Withdrawal of a shareholder**

**9.1.** Without prejudice to that set out in Article 11. below in relation to the withdrawal of an Affiliate Bank from the Cooperative Banking Group, the withdrawal of a shareholder of the Company is permitted only in the cases established by law and these Articles of Association, which cannot be derogated from.

**9.2.** Withdrawal from the Company is governed by provisions of law. In derogation of the provisions of Article 2437, paragraph 2 of the Italian Civil Code, shareholders that did not contribute to approving the extension of the term or the introduction, modification or removal of restrictions on the securities representing share capital do not have the right to withdraw from the Company.

**9.3.** The related declaration of withdrawal must be communicated by registered letter with return receipt or certified electronic mail to the address of the Company, to the Board of Directors, within the term set out by law, pursuant to Article 2437-*bis* of the Italian Civil Code.

**9.4.** The terms and methods for exercising the right of withdrawal, the criteria for determining the value of shares and the related liquidation procedure are governed by the legislation in force from time to time.

### **TITLE III**

#### **ADMISSION TO, WITHDRAWAL AND EXCLUSION FROM THE COOPERATIVE BANKING GROUP**

##### **Article 10. – Requirements and conditions for admission to the Cooperative Banking Group**

**10.1.** The admission of a Cooperative Credit Bank as an Affiliate Bank must be preceded by a specific application for admission formulated by the competent bodies of that bank.

**10.2.** For the purpose of admission into the Cooperative Banking Group, the applicant Cooperative Credit Bank must comply with the conditions set out in the legislation in force from time to time, as well as the provisions of the Cohesion Contract. In particular, as a condition for admission, the applicant Cooperative Credit Bank must:

- a) adopt Articles of Association substantially compliant with the standard ones defined by the Company, on which the Competent Authorities have issued an assessment provision;
- b) sign the Cohesion Contract, assuming all the obligations deriving therefrom, including those of joint guarantee pursuant to Article 37-*bis*, paragraph 4 of the Consolidated Law on Finance;
- c) record, at the time of the Company's resolution, a CET1 capital ratio equal to at least the obligatory minimum set out by legislation in force from time to time or the *pro tempore* individual requirement set by the Competent Authorities;
- d) be a shareholder of the Company at the time of the application or, at the latest, at the date of signing the Cohesion Contract.

**10.3.** The Company is entitled to reject the application for admission of a Cooperative Credit Bank as a new member of the Cooperative Banking Group if several of the conditions indicated in Article 10.2. above are missing, as well as where the application is from a Cooperative Credit Bank that does not meet the requirements set out by the legislation in force from time to time, by the additional provisions of these Articles of Association and/or the Cohesion Contract or does not intend to sign the Cohesion Contract.



**10.4.** The Company shall accept or reject the application of admission of a Cooperative Credit Bank to be a new Affiliate Bank - in compliance with the provisions in force at all times, the provisions set out in these Articles of Association and in the Cohesion Contract - through a suitably justified resolution of the Board of Directors, after obtaining a mandatory, non-binding opinion of the Board of Statutory Auditors and the Risks Committee, to be adopted with regard to the conditions and cases mandatorily set out in the Cohesion Contract and these Articles of Association and the impacts of the decision on compliance with prudential requirements by the Cooperative Banking Group. For the purposes of the resolution, the Company may ask the Cooperative Credit Bank that is applying to join the Group for all the clarifications and complementary information it deems necessary.

**10.5.** The Company's resolution of admission or rejection of admission of a Cooperative Credit Bank into the Cooperative Banking Group is notified to the Competent Authorities within 5 (five) days from the adoption by the Board of Directors, and shall not take effect or be executable until authorisation is received from the Competent Authorities.

**10.6.** The Company shall notify the provision of the Competent Authorities to the applicant Cooperative Credit Bank within 10 (ten) days from receipt thereof.

**10.7.** All communications pursuant to this Article must be sent by the Company by registered letter with return receipt or certified electronic mail.

#### **Article 11. – Withdrawal from the Cooperative Banking Group**

**11.1.** Withdrawal from the Cooperative Banking Group is permitted only in cases of justified reason set out in the Cohesion Contract, i.e.:

- the cases where it is possible to withdraw from the Company, pursuant to Article 2437, paragraph 1 of the Italian Civil Code or pursuant to Article 2497-*quater* of the Italian Civil Code;
- where the Company, in exercising management and coordination, causes the Affiliate Bank serious and unfair damage, unless this depends on simple negligence. Serious and unfair damage is understood as the decrease in the value of own funds of the Affiliate Bank in an amount of no less than 5% (five percent) as a result of a determined, specific

operation, without this being adequately compensated pursuant to the provisions of the Cohesion Contract.

The situations set out in Article 2437, paragraph 2 of the Italian Civil Code shall not legitimize the exercise of the right of withdrawal from the Cooperative Banking Group.

**11.2.** The right of withdrawal from the Cooperative Banking Group must be exercised within 30 (thirty) days from the resolution that legitimizes it or, if the fact that legitimizes it is different from a resolution, from the time that the Affiliate Bank becomes aware of the fact. Withdrawal shall be communicated to the Company by way of registered letter with return receipt or certified electronic mail to the Company's address, with advance notice of no less than 24 (twenty four) months.

**11.3.** The Board of Directors resolves on applications for withdrawal, after obtaining a mandatory, non-binding opinion of the Board of Statutory Auditors and the Risks Committee, regarding the conditions and cases mandatorily set out in this Article and the impacts of the decision on compliance with prudential requirements by the Cooperative Banking Group.

**11.4.** The resolution accepting the existence of the grounds for exercising the right of withdrawal pursuant to Article 11.3. is notified to the Competent Authorities within 5 (five) days from the adoption by the Board of Directors, and shall not take effect or be executable until authorisation is received from the Competent Authorities.

**11.5.** The withdrawing Affiliate Bank remains obliged to the Parent Company and the other Affiliate Banks to fulfil all the obligations applicable to it up to the effective date of withdrawal from the Cooperative Banking Group. In any event, the reciprocal obligations of external guarantee of the Affiliate Bank withdrawing from the Cooperative Banking Group to the Company and to the other Affiliate Banks shall remain valid for a period of no less than 10 (ten) years, or the longer term set out in the legislation in force from time to time, in relation to the liabilities outstanding at the effective date of the withdrawal from the Cooperative Banking Group. Where, at the time the withdrawal of the Affiliate Bank from the Cooperative Banking Group takes effect, there are pending relationships deriving from the support to the withdrawing Affiliate Bank or its guarantee obligations have not been fulfilled, the withdrawal will not be finalised until those relationships have been dissolved or the obligations fully fulfilled.

**11.6.** Without prejudice to that set out in Article 11.7. below, in any case of withdrawal from the Cooperative Banking Group, from the effective date of the withdrawal, the shares held by the Affiliate Bank shall no longer be calculated for the purposes of Article 6.2. above.

**11.7.** All communications pursuant to this Article must be sent by the Company by registered letter with return receipt or certified electronic mail.

**Article 12. – Exclusion of an Affiliate Bank from the Cooperative Banking Group**

**12.1.** The Company may exclude an Affiliate Bank from the Cooperative Banking Group exclusively in cases where the Affiliate Bank:

- a) no longer meets the requirement set out in Article 10.2.d), above, of these Articles of Association;
- b) has committed serious or repeated violations of the Cohesion Contract and/or the Guarantee Agreement and one or more measures and/or decisions pursuant to the Articles regarding the exercise of the powers of action and discipline of the Company under the Cohesion Contract have been decided and enacted against the Affiliate Bank with no results, specifically with regard to the seriousness of the violation and the ongoing breach by the Affiliate Bank;
- c) fails to apply, without justification, the Binding Provisions imparted by the Company or impedes and/or does not allow the Company to exercise the powers of management and coordination over it, and one or more measures and/or decisions pursuant to the Articles regarding the exercise of the powers of action and discipline of the Company pursuant to Articles 5.5. and 5.6. of these Articles of Association have been decided and enacted against the Affiliate Bank with no results, specifically with regard to the seriousness of the violation and the ongoing breach by the Affiliate Bank;
- d) rejects amendments to the Cohesion Contract adopted in compliance with the procedure set out in the Cohesion Contract.

**12.2.** The Board of Directors of the Company resolves on excluding an Affiliate Bank, after obtaining a mandatory, non-binding opinion of the Board of Statutory Auditors and the Risks Committee, regarding the conditions and cases mandatorily set out in the Cohesion Contract and the impacts of the decision on compliance with prudential requirements by the Cooperative

Banking Group. The resolutions to exclude an Affiliate Bank from the Cooperative Banking Group must be justified and taken with any director who is also a member of the Affiliate Bank whose exclusion is being considered abstaining.

**12.3.** The resolution excluding the Affiliate Bank from the Cooperative Banking Group is notified to the Competent Authorities within 5 (five) days from the adoption by the Board of Directors, and shall not take effect or be executable until authorisation is received from the Competent Authorities.

**12.4.** The provisions regarding capital obligations and the validity of the resulting guarantees governed by Article 11.5. above shall apply, *mutatis mutandis*, to the case of exclusion of an Affiliate Bank from the Cooperative Banking Group.

**12.5.** In any case of exclusion from the Cooperative Banking Group, from the effective date of the exclusion, the shares held by the excluded Affiliate Bank shall no longer be calculated for the purposes of Article 6.2. above.

**12.6.** All communications pursuant to this Article must be sent by the Company by registered letter with return receipt or certified electronic mail.

#### **TITLE IV**

#### **SHAREHOLDERS' MEETING**

##### **Article 13. – Shareholders' Meeting**

**13.1.** The duly convened and constituted Shareholders' Meeting represents the totality of shareholders and their resolutions, taken in compliance with the law and these Articles of Association, are binding all shareholders, even if absent or in disagreement.

**13.2.** The meeting may be ordinary or extraordinary, as prescribed by law.

**13.3.** The Ordinary Shareholders' Meeting:

- a) appoints the members of the Board of Directors, according to the number stipulated in the Articles of Association and the procedures in Article 22. below. It is also responsible for revoking their mandate, establishing their remuneration and electing the Chairman and the Senior Deputy Chairman;
- b) appoints the Auditors and the Chairman of the Board of Statutory Auditors and establishes their remuneration;

- c) allocates responsibilities to the members of the Board of Directors and the Board of Statutory Auditors;
- d) approves the financial statements;
- e) decides the destination and distribution of profits;
- f) following a motivated proposal by the Board of Statutory Auditors, it appoints, revokes or replaces, if necessary, the company charged with the statutory auditing of its accounts, having first obtained a non-binding opinion from the Board of Statutory Auditors, and establishes its fees;
- g) is required to approve:
  - (i) the remuneration and bonus policies in favour of the members of the Board of Directors, the Auditors and the Company's personnel, including any proposal made by the Board of Directors to set a limit on the ratio between the variable and fixed component of individual remuneration for the Company's most important staff. Such a ratio shall exceed 1:1 but not, in any case, the limit set by the legislation in force from time to time;
  - (ii) the remuneration and/or bonus plans based on financial instruments;
  - (iii) the criteria for calculating the fees to be granted to directors and to the most important staff members in the event of early termination of their employment or early end of their mandate, including the limits set for said remuneration in terms of annual fixed remuneration and the maximum amount that can result from their application;
- h) approves and modifies any shareholder meeting regulations;
- i) reaches decisions on the other issues that are entrusted to its responsibility by the legislation in force from time to time or by the Articles of Association.

**13.4.** The Extraordinary Shareholders' Meeting reaches decisions on any changes to the Articles of Association (with the exception of the powers assigned to the Board of Directors pursuant to Article 31.2.2., letter (cc)), on the appointment, revocation, replacement and powers of receivers and on any other issue that the legislation in force from time to time assign to it and that are not subject to any derogation laid down in the Articles of Association.

**Article 14. –Meeting venue**

**14.1.** The Shareholders' Meeting may be convened at the company premises or any other location, provided it is located in Italy or within the territory of a state belonging to the European Union.

**Article 15. –Call**

**15.1.** The Shareholders' Meeting is called by the Board of Directors, at a location to be identified pursuant to the provisions of Article 14., whenever it is deemed advisable, or, in compliance with the provisions of Article 2367 of the Italian Civil Code and with the procedures laid down by the legislation in force from time to time, following a request in writing containing the issues to be addressed by as many shareholders as are required to represent at least 10% (ten percent) of the share capital or any other different percentage established by any binding regulation that may be in force at the time.

In any case, the Ordinary Shareholders' Meeting must be convened at least once a year, within 120 (one hundred and twenty) days of the end of the financial year. The meeting may also be called within the greater term of 180 (one hundred and eighty) days of the end of the financial year, in the instances foreseen by law.

**15.2.** Without prejudice to the summoning powers set by other legal dispositions, the Shareholders' Meeting may also be called, following a communication to the Chairman of the Board of Directors, by the Board of Statutory Auditors, pursuant to the legislation in force from time to time.

**15.3.** The Shareholders' Meeting shall be called at the location indicated in Article 14., by means of a notice containing an indication of the day, time and place of the meeting, the list of issues to be addressed and whatever else is required by the legislation in force from time to time. The notice of call may also include a second call date in the event that the meeting foreseen in the first call is not legally constituted; the notice may also foresee further calls for which the same majorities shall be valid as those foreseen for the meeting convened with the second call. The notice of call must be published in the Official Journal of the Italian Republic or the "Il Sole 24 Ore" daily newspaper at least 15 (fifteen) days prior to the date set for the Shareholders' Meeting. The call, as an alternative to publication in the Official Journal of the Italian Republic, may also take place by means of a notice sent by registered letter with return receipt or by

certified e-mail or other similar means to be received by the shareholders at least 15 (fifteen) days prior to the Shareholders' Meeting at the domicile/address provided in the shareholders' register. If no formal notice of call has been issued, the Shareholders' Meeting will be considered to be regularly constituted in plenary form if the conditions are met that are detailed in Article 2366, paragraph 4 *et seq.* of the Italian Civil Code.

#### **Article 16. -Participation and representation in Meetings**

**16.1.** The Shareholders' Meeting may be attended by all parties registered in the shareholder's register on the date of the meeting. Without prejudice to the provisions of Article 16.2. below, legal entity shareholders may attend the meeting only through their legal representative or a director who has been assigned a specific proxy by the competent corporate body.

**16.2.** Those who hold voting rights have the right to be represented at the Meeting in compliance with the legislation in force from time to time. Such a proxy may only be assigned to shareholders; the proxy may only be granted for single Meetings but shall also be effective for subsequent calls and may not be conferred with the name of the representative left blank. A shareholder may not represent, through proxies, a quota of the share capital exceeding 10% (ten percent) of the shares with voting rights in the Shareholders' Meeting.

**16.3.** No postal voting is allowed.

**16.4.** The Board of Directors may arrange for one or more remote connections to be set up with the location where the Shareholders' Meeting takes place, enabling the shareholder's that do not intend to be present to take part in the discussion, follow the operations of the Shareholders' Meeting and cast their vote whenever called for, provided that the identity of the same shareholders is guaranteed and that the possibility of exercising this right is communicated in the notice of call for the Meeting. In any case, the Chairman and Secretary of the Meeting must be present at the location indicated in the notice of call where the meeting is considered to have taken place.

#### **Article 17. –Constituting the Shareholders' Meeting**

**17.1.** In order for an Ordinary or Extraordinary Shareholders' Meeting to be validly constituted, in a sole, first or second call, the legislation in force from time to time shall apply with reference to each call, without prejudice to the provisions of Article 18.2. below.

**Article 18. –Validity of Shareholders’ Meeting resolutions**

**18.1.** Without prejudice to the provisions of Article 18.2. *et seq.* regarding the election of the members of the Board of Directors and the Board of Statutory Auditors, resolutions are passed by both the Ordinary and Extraordinary Shareholders’ Meeting, with the majorities laid down by the legislation in force from time to time in relation to each call. In the event of a tie, the proposal will be rejected.

**18.2.** Resolutions concerning any proposal to set a limit on the ratio of the variable component and the fixed component of the individual remuneration of the most significant staff as higher than 1:1, in accordance with the prescriptions of the legislation in force from time to time, shall be approved by the Ordinary Shareholders’ Meeting when:

- a) the Meeting is attended by at least half of the share capital and the resolution is carried with the vote in favour of at least 2/3 (two thirds) of the share capital represented in the meeting and entitled to vote; or
- b) the resolution is carried with the vote in favour of at least 3/4 (three quarters) of the share capital represented in the meeting and entitled to vote, whatever the share capital with which the meeting is constituted.

**Article 19. –Chairing and conducting the Meeting. Secretary**

**19.1.** Ordinary and Extraordinary Shareholders’ Meetings are chaired by the Chairman of the Board of Directors, or if absent or prevented, by whoever replaces him/her pursuant to Article 27.2.; if neither are present, the Meeting shall elect a chairman in accordance with Article 2371 of the Italian Civil Code.

**19.2.** The Meeting Chairman is fully empowered - in compliance with any approved shareholders’ meeting Regulations - to verify, including by means of parties assigned to the task, the regularity of the proxies and, in general, that those in attendance are entitled to take part in the Meeting and to cast their vote, to verify if it has been regularly constituted and is quorate to carry resolutions, to manage and regulate the performance of the Meeting, to take all actions required to ensure that the discussion and voting take place in an orderly fashion, as well as establishing the voting procedure (which in any case must allow the identification of each vote cast) and certifying and announcing the results of each vote.



**19.3.** The Shareholders' Meeting shall appoint a Secretary suggested by the Chairman; if considered advisable, the Chairman may be assisted by tellers, who needn't be shareholders, appointed by the Meeting following a proposal of the chairman. In Extraordinary Shareholders' Meetings, or if the Chairman deems it advisable, the secretarial functions are taken on by a notary public appointed by the Meeting Chairman.

**19.4.** If the discussion of the issues on the agenda is not completed in a day, the Meeting, in compliance with the Meeting Regulations, shall be postponed by no more than eight days by a simple verbal communication made by the Meeting Chairman to those in attendance, without the need for any further notification. At the next sitting, the Meeting will be constituted and carry resolutions with the same majorities set for the valid constitution and resolutions of the Meeting of which it forms a continuation.

#### **Article 20. – Minutes of the Shareholders' Meeting**

**20.1.** The Meeting's resolutions are drawn up in the minutes, signed by the Chairman, Secretary or Notary as well as the tellers, if appointed, and then transcribed into the appropriate register.

**20.2.** The Shareholders' Meeting register and the copies and extracts of the minutes that are declared compliant by the Chairman of the Board of Directors or his/her replacement, provide full proof of the Shareholders' Meeting's assembly and resolutions.

### **TITLE V**

#### **ADMINISTRATION AND CONTROL SYSTEM**

##### **Article 21. – Traditional administration and control system**

**21.1.** The Company adopts the traditional administration and control system, pursuant to Articles 2380-*bis et seq.* of the Italian Civil Code.

#### ***Section One***

#### **BOARD OF DIRECTORS**

##### **Article 22. – Composition, number and requirements**

**22.1.** The Board of Directors is made up of 15 (fifteen) members, including the Chairman and one or two Deputy Chairmen, one of whom a Senior Deputy Chairman.

**22.2.** The directors shall be chosen, in a number equal to 10 (ten), among persons employed by the Affiliate Banks, and specifically persons who hold, or who have held in the 2 (two) years

prior to taking office, positions in the administration and control bodies or the senior management of the Affiliate Banks, or their investee companies and entities operating in the cooperative credit sector.

**22.3.** The directors referred to in Article 22.2. above who, as stated therein, hold and/or have held in the 2 (two) years prior to taking office, positions in the administration and control bodies or the senior management of the Affiliate Banks, and without prejudice to the provisions of Articles 22.4. and 22.6. below, must be, or have been, in the 2 (two) preceding years, officers of an Affiliate Bank that meets the following requirements:

- a) comply, and have complied in the previous 3 (three) financial years, with the capital adequacy requirements and the prudential requirements applicable at individual level, as established by the supervisory provisions;
- b) fall within the top two risk classes established by the Risk Based Model in accordance with the system defined in the Cohesion Contract;
- c) in the previous 3 (three) financial years, have fulfilled the Cohesion Contract, the Guarantee Agreement and not have been subject to one or more penalties established by the Cohesion Contract;
- d) in the previous 3 (three) financial years, have applied the Binding Provisions issued by the Company and allowed the Company to exercise powers of management and coordination over it, including informative powers, performance monitoring and influence over the appointment of bodies;
- e) not have exercised the right of withdrawal from the Cohesion Contract;
- f) not have been the subject of an order for exclusion from the Cooperative Banking Group;
- g) not have been the subject, in the previous 3 (three) financial years, of penalties, prohibitions or other significant measures enforced by the Competent Authorities.

The loss of any of the requirements listed in the preceding paragraph of this Article by the director or by the Affiliate Bank after the taking of office shall cause the director to forfeit office.

**22.4.** Upon initial application of these Articles of Association, for the transitional period expiring on the date of the Company's Shareholders' Meeting called to approve the financial statements

for the year ended 31 December 2019, in relation to the directors referred to in Article 22.3. above:

- a) with regard to the requirements referred to in Article 22.3., paragraphs (a) and (b), account shall be taken of the capital adequacy requirements, prudential requirements and rating and risk classification at the individual level of the Affiliate Bank as set forth in the application filed with the Competent Authorities for the purpose of incorporation of the Cooperative Banking Group, as required by Bank of Italy Circular No. 285 of 17 December 2013, Part Three, Chapter 5, Section V, paragraph 1., as subsequently amended and supplemented.;
- b) with regard to the requirements referred to in 22.3., paragraphs (c) to (g), these shall only apply with regard to the elected directors' forfeiture of office, as provided for by the last paragraph of Article 22.3. above.

**22.5.** At least 4 (four) members of the Board of Directors must meet the independence requirements established by the legislation in force from time to time and by this Article.

Without prejudice to the additional requirements established by legislation in force from time to time, for the purposes of these Articles of Association, a director shall be considered independent when he does not hold executive positions in the Company and is not affected by any of the following situations:

- a) be the spouse, unless legally separated, person bound by a civil partnership or *de facto* cohabitation, relative by blood or marriage within the fourth degree: (i) of the Chairman of the Board of Directors and/or of officers holding executive positions in the Company; or (ii) of the heads of the Company's main business functions; or (iii) of persons in the conditions set forth in letters b) to j) below;
- b) have held, in the 5 (five) years prior to taking office, positions in the administration and control bodies or the senior management of the Affiliate Banks, or of companies (other than the Company) and entities, including federative entities, operating in the cooperative credit sector;
- c) be a shareholder of the Company or hold or have held, in the previous 2 (two) years, at a shareholder of the Company or in companies controlled by the shareholder offices of

Chairman of the Board of Directors, Chairman of the Management Board or Chairman of the Supervisory Board or officer holding executive positions, or have held, for more than 9 (nine) years in the last 12 (twelve), prominent positions in a shareholder of the Company or a company controlled by the shareholder;

- d) have held, in the previous 2 (two) years, a prominent position with executive responsibilities in the Company;
- e) hold the position of independent director in another bank of the Cooperative Banking Group, except for wholly owned direct or indirect subsidiary banks;
- f) have held, for more than 9 (nine) years in the last 12 (twelve), prominent positions without executive responsibilities in the Company;
- g) be an officer with executive responsibilities in a company in which an officer with executive responsibilities in the Company holds the office of member of the board of directors or the management board;
- h) directly, indirectly or on behalf of third parties, have or have had in the 2 (two) years prior to taking office, independent or subordinate employment relationships or other relationships of an economic, financial or professional nature, not necessarily on a continuous basis, but such as to compromise their independence, with (i) the Company, officers with executive responsibilities or the Chairman of the Board of Directors of the Company; (ii) a Subsidiary, or officers with executive responsibilities or the Chairman of the Board of Directors, Chairman of the Management Board or Chairman of the Supervisory Board of a Subsidiary; (iii) a shareholder of the Company, officers with executive responsibilities or the Chairman of the Board of Directors, Chairman of the Management Board or Chairman of the Supervisory Board of a shareholder of the Company;
- i) carry out the audit of the Company or be a partner, director or employee of the auditing company or of an associated company, member of its consortium or of its network, as defined by the provisions of Italian Legislative Decree 39/2010 as subsequently amended and supplemented and its implementing provisions;

j) hold or have held in the previous 2 (two) years one or more of the following positions: member of the national or European parliament or of the national government; regional, provincial or municipal councillor; chairman of a regional council, chairman of a provincial government; municipal mayor; chairman or member of a district council; chairman or member of the board of directors of consortia of local entities; chairman or member of boards or councils of unions of municipalities; board member or chairman of special undertakings or institutions referred to in Article 114 of Italian Legislative Decree 267/2000 as subsequently amended and supplemented; chairman or member of bodies of mountain communities.

For positions held in non-corporate undertakings, the provisions set forth in this Article 22.5. shall apply to persons who perform equivalent functions to those stated above in such undertakings.

**22.6.** Directors must be suited to the duties of their office, meet the requirements of professionalism and integrity, satisfy the criteria of expertise, honesty and dedication of time as well as the specific limits laid down by legislation in force from time to time on the number of offices that can be held, and must not have received an order for dismissal from the administration and control bodies of the Subsidiaries issued by the Company in exercise of its disciplinary power under the Cohesion Contract.

**22.7.** Directors remain in office for three years or for the different duration established by the Shareholders' Meeting, they may be re-elected and they expire on the date of the Shareholders' Meeting called to approve the financial statements relating to the last year of their term of office.

**22.8.** The functions of secretary of the Board of Directors are performed by a Company employee or by another person specifically designated by the Board of Directors at the Chairman's proposal.

### **Article 23. – Election on the basis of lists**

**23.1.** Members of the Board of Directors are elected on the basis of lists in which candidates are assigned a consecutive number.

**23.2.** Lists of candidates to the office of directors may be submitted:

- a) by the Board of Directors (the “Board’s List”), after obtaining the mandatory non-binding opinion of the Appointments Committee;
- b) by the shareholders (the “Shareholders’ Lists”) who alone or together with other shareholders represent at least 15% (fifteen percent) of shares with voting right in the Ordinary Shareholders’ Meeting (or the different percentage established by legislation in force from time to time and to be communicated in the meeting’s notice of call on a time-by-time basis).

**23.3.** In order to be accepted:

- a) the lists of candidates must be filed at the Company’s head office by the sixth Working Day before the date of the Shareholders’ Meeting called to appoint the Board of Directors, even using means of distance communication that allow identification of the persons filing the list, in compliance with the instructions provided in the notice of call, and are made available to shareholders at the head office and through the other procedures established by legislation in force from time to time; by the deadline for filing the lists, the following must be filed at the Company’s head office: information on the shareholders who submitted the lists (with specification of the percentage shareholdings held), comprehensive information on the candidates’ personal and professional characteristics, the candidates’ acceptance of their nomination and a certificate in which they declare, under their own responsibility, the absence of grounds for ineligibility or incompatibility and (where applicable) the satisfaction of the independence requirements established by legislation in force from time to time and by these Articles of Association and of the additional requirements established by legal and regulatory rules and/or the articles of association for holding office, as well as a list of the positions of administration and control held in other companies;
- b) each shareholder may submit or contribute to submitting only one Shareholders’ List and each candidate may appear on only one list (including the Board’s List), under penalty of ineligibility;
- c) the Board’s List and each Shareholders’ List must contain no fewer than 15 (fifteen) candidates, of whom at least 4 (four) meeting the requirements of independence established by these Articles of Association and any additional requirements established

by legislation in force from time to time; the candidates to the office of Chairman of the Board of Directors, proposed Chief Executive Officer and Senior Deputy Chairman must be stated in the first 3 (three) places respectively.

**23.4.** Lists that are not submitted in compliance with the above provisions shall be considered as not submitted. However, the absence of documentation relating to individual candidates in a list shall not automatically exclude the entire list, but only the candidates affected by the irregularities.

The documentation relating to individual candidates on each list shall be examined and consequent assessments made in compliance with the provisions set forth in the internal regulations approved by the Shareholders' Meeting.

#### **Article 24. – Voting**

**24.1.** Each shareholder may only vote for one list of candidates.

**24.2.** If only one list is submitted, all the directors shall be taken from that list.

**24.3.** If a number of lists of candidates are submitted, the following procedure shall apply:

- a) 14 (fourteen) directors shall be elected from the list that obtained the highest number of votes, in the order in which they are listed;
- b) the remaining director shall be taken from the list that obtained the second highest number of votes, provided that it was voted by at least 20% (twenty percent) of the shares with voting rights in the Ordinary Shareholders' Meeting, with the candidate placed first in the list, who does not meet the requirements set forth in Article 22.2. above, being elected;
- c) if the list that obtained the second highest number of votes was not voted by at least 20% (twenty percent) of the shares with voting rights in the Ordinary Shareholders' Meeting, the remaining director shall be the fifteenth candidate in the list mentioned in letter a) of this Article 24.3.

**24.4.** In the event of a tied vote between the lists, other than the one achieving the highest number of votes, that obtained at least 20% (twenty percent) of the shares with voting rights in the Ordinary Shareholders' Meeting, a ballot shall be held between the candidates placed first in each list, who do not meet the requirements set forth in Article 22.2. above.

**24.5.** If at the end of the voting on the list/s submitted the required number of directors meeting the independent requirements established by legislation in force from time to time and by Article 22.5. above have not be elected, or if a higher number of persons who hold or have held in the 2 (two) years prior to taking office positions in the administration and control bodies or the senior management of the Affiliate Banks, or a number of their investee companies and entities operating in the cooperative credit sector higher than established in Article 22.2. above have been elected, the necessary number of elected candidates taken from the list that obtained the highest number of votes shall be excluded and replaced with other candidates taken from the same list, in the progressive order in which they are listed, so as to guarantee compliance with the requirements set forth in these Articles of Association; for this purpose the candidate who does not meet the requirements set forth in these Articles of Association elected last in the progressive order of the list shall be excluded.

**24.6.** If, in the case referred to in Article 24.5. above or in the event of irregular documentation relating to individual candidates in a list pursuant to Article 23.4. above, it proves impossible to complete the number of directors to be elected, the missing directors shall be elected – guaranteeing compliance with the requirements set forth in these Articles of Association – during the Shareholders’ Meeting, by resolution passed by the majority of the share capital with voting rights represented in the Shareholders’ Meeting, on proposal by the shareholders present, in compliance with the provisions of these Articles of Association.

**24.7.** If no lists are submitted within the deadline or if the lists are considered as not submitted pursuant to Article 23.4. above and in all other cases in which it proves impossible to complete the composition of the Board in accordance with the procedure set forth in Articles 24.1. to 24.6. above, directors shall be elected, on proposal of the shareholders present, by resolution passed by the majority of the share capital with voting rights represented in the Shareholders’ Meeting, in compliance with the provisions of these Articles of Association.

In the event of a tied vote between a number of candidates, a further ballot vote shall be held, without prejudice to the necessary compliance with the requirements established by legislation in force from time to time and by these Articles of Association on the composition and requirements of the members of the Board of Directors.



**Article 25. Election of the Chairman and of the Senior Deputy Chairman of the Board of Directors**

**25.1.** The Chairman and the Senior Deputy Chairman shall be taken, respectively, from the first and third name on the list that obtained the highest number of votes. If no lists are submitted or if the persons indicated in the first and third place on the list that obtained the highest number of votes accept the office of director but not the office of Chairman or Senior Deputy Chairman, these shall be appointed by the Board of Directors with the ordinary quorums established by these Articles of Association.

**25.2.** The other Deputy Chairman shall be chosen by the directors from the members of the Board of Directors during the first board meeting.

**Article 26. – Termination and replacement**

**26.1.** If due to resignation, forfeiture or other causes one or more directors step(s) down from office, the majority of directors still in office shall co-opt the missing director, without list restrictions, in compliance with the requirements established by legislation in force from time to time and by these Articles of Association on the composition and requirements of the members of the Board of Directors, provided the majority is formed by directors appointed by the Shareholders' Meeting. The appointment resolutions must be approved by the Board of Statutory Auditors. Directors appointed in this way shall remain in office until the next Shareholders' Meeting.

**26.2.** For the subsequent appointment during the Shareholders' Meeting to replace the director, even if taken from a list, the Shareholders' Meeting shall vote by the majority of the share capital with voting rights represented in the Shareholders' Meeting, without list restrictions.

**26.3.** In the event of early termination from office of the Chairman and/or Senior Deputy Chairman, the Board of Directors shall replace the outgoing director with the ordinary quorums established by these Articles of Association and co-opt a director. The subsequent Shareholders' Meeting then appoints the new Chairman or Senior Deputy Chairman and, if it confirms the person appointed *ad interim* by the Board of Directors, shall simply appoint a director. In the event of termination of the Chairman, if the Shareholders' Meeting appoints the Senior Deputy Chairman as the new Chairman, the Shareholders' Meeting shall appoint a new Senior Deputy

Chairman and, if he is chosen from among incumbent directors, shall appoint a director. These appointments during the Shareholders' Meeting shall also be made by the majority of the share capital with voting rights represented in the Shareholders' Meeting, until the administrative body has been fully appointed, without list restrictions.

**26.4.** Members of the Board of Directors called to replace missing directors shall remain in office until the original expiry of the replaced director.

**26.5.** If due to resignation or other causes more than half of the directors appointed by the Shareholders' Meeting step down from office before expiry of their mandate, the entire Board of Directors shall be terminated and a Shareholders' Meeting shall be called for the new appointments. The Board of Directors shall remain in office until the Shareholders' Meeting has resolved on its reinstatement and at least half of the new directors have accepted the office.

#### **Article 27. Chairman and Deputy Chairmen**

**27.1.** The Chairman of the Board of Directors:

- a) plays a driving role in the functioning of the Board of Directors and is responsible for organising and coordinating its business and for this purpose proposes that the Board appoints a secretary. More specifically, he calls and chairs the meetings of the Board of Directors, establishes their agenda, also taking into account the resolutions proposed by the Chief Executive Officer or the Executive Committee, as well as the opinion of the Board committees (when required), introduces their discussion and coordinates business, also ensuring that:
  - (i) priority is given to matters of strategic importance; and
  - (ii) appropriate information on the items on the agenda is promptly provided to all directors;
- b) ensures that the self-assessment process is carried out efficiently. To carry out his duties efficiently, after informing the Chief Executive Officer, the Chairman accesses the corporate information – through the competent corporate functions – and the information of the Cooperative Banking Group required for the purpose;
- c) maintains the necessary and appropriate relations with the Chief Executive Officer;

- d) promotes the effective functioning of the corporate governance system, guaranteeing a balance of powers with the Chief Executive Officer, acting as liaison with the internal control bodies and internal committees. He also proposes the setting up of Board Committees to the Board of Directors;
- e) promotes the implementation of the prerogatives reserved to the Board of Directors, fostering effective debate within the Board, paying specific attention to long-term sustainable development and corporate social responsibility;
- f) acts as guarantor and oversees relations with shareholders and for this purpose maintains relations with shareholders as a whole, together with the Chief Executive Officer. To carry out these duties, the Chairman uses the services of the competent corporate functions;
- g) working in agreement and coordination with the Chief Executive Officer, manages institutional relations with competent bodies and authorities and external disclosure of information on the Company, using the services of the competent corporate functions;
- h) if it helps to ensure an efficient information interchange between the strategic supervisory body and the management function, he may participate in the meetings of the Executive Committee, if appointed, without voting right;
- i) chairs the Shareholders' Meeting and oversees its conduct and business;
- j) in urgent circumstances and at the Chief Executive Officer's proposal, has the power to pursue or defend against actions before any judicial or administrative authority, file complaints, and grant powers of attorney *ad litem* with general or special mandate, with the obligation to report to the Board of Directors on decisions taken at the next meeting;
- k) exercises the other powers required to perform his office.

**27.2.** In the event of absence or incapacity of the Chairman of the Board of Directors, his functions shall be performed by the Senior Deputy Chairman or, in the event of his absence or incapacity, by the other Deputy Chairman. Before third parties the signature of the person replacing the Chairman of the Board of Directors shall stand as evidence of his absence or incapacity.

**Article 28. – Fees of the members of the Board of Directors**

**28.1.** In addition to the refund of expenses incurred in the performance of their office, members of the Board of Directors are entitled to an annual fee determined as a fixed amount for the entire term of office by the Shareholders' Meeting upon their appointment.

**Article 29. – Remuneration of members of the Board of Directors assigned specific offices or duties**

**29.1.** Without prejudice to the provisions of Article 13.3. of the Articles of Association, acting upon a proposal from the Remuneration Committee referred to in Article 31.4. and subject to the mandatory non-binding opinion of the Board of Statutory Auditors, the Board of Directors establishes the remuneration of the members of the Board of Directors assigned specific offices or duties or mandates or appointed to committees in accordance with the Articles of Association.

**Article 30. – Meetings and resolutions of the Board of Directors**

**30.1. – Venue and convening**

**30.1.1.** The Board of Directors may be convened at the head office or elsewhere provided the venue is in Italy or in the territory of another European Union member state.

**30.1.2.** The Chairman of the Board of Directors or, in the event of his absence or incapacity, the person replacing him pursuant to Article 27.2. above, convenes the Board of Directors.

**30.1.3.** As a rule, the Board of Directors must meet no less than once a month and whenever the Chairman of the Board of Directors considers it necessary.

**30.1.4.** The Board of Directors may be convened in the other cases established by law. The Board of Directors may also be convened by the Board of Statutory Auditors in the cases and according to the procedures established by legislation in force from time to time, subject to communication to the Chairman of the Board of Directors.

**30.2. – Notice of call**

The Board of Directors is convened by a notice, containing the agenda of the items to be discussed, sent – at least 3 (three) days prior to the meeting and, in urgent circumstances, at least 24 (twenty-four) hours prior, using any suitable means that provides proof of receipt – to each member of the Board of Directors and of the Board of Statutory Auditors. The notice may

also specify venues from which members may participate using remote communication systems, pursuant to Article 30.3. below.

### **30.3. –Meetings**

Meetings of the Board of Directors may also be validly held using remote communication systems, provided that the chairman of the meeting is able to ascertain and guarantee the precise identification of those entitled to attend and the possibility for all participants to join in the discussion of all the items in real time and to view, receive and send documents. At least the chairman and the secretary must attend the venue where the Board meeting is convened and where it shall be deemed to take place.

### **30.4. – Meeting quorum and voting quorum**

In order for resolutions of the Board of Directors to be valid, the presence at the meeting of the majority of its incumbent members is required. Except for resolutions concerning the approval of the Board's List, to be adopted by the favourable vote of at least 8 (eight) incumbent members, resolutions of the Board of Directors are passed by the majority vote of those present.

### **30.5. – Minutes and copies**

Minutes of the resolutions of the Board of Directors are drawn up and copied into the special company register by the Secretary and are signed by the chairman of the meeting and by the Secretary. When they have not been drawn up by a Notary Public, copies and extracts of the minutes are certified as true copies with a statement signed by the Director chairing the meeting and by the Secretary. The register of minutes and extracts provide full evidence of the meetings and of the resolutions passed.

**30.6.** Meetings of the Board of Directors are attended, without voting right, by the General Manager, if appointed.

## **Article 31. – Powers and competences of the Board of Directors – Board committees**

### **31.1. – Strategic supervision and management of the Company**

The Board of Directors is responsible for the strategic supervision and management of the Company. For this purpose, the Board of Directors may carry out all the transactions that are

necessary, useful or appropriate for implementation of the corporate purpose, whether they are ordinary or extraordinary in nature.

Directors are required to inform the Board of Directors and the Board of Statutory Auditors of any interest they may hold, on their own behalf or on behalf of third parties, in a certain Company transaction to be approved by the body of which they are a member, specifying the nature, terms and conditions, origin and scope of the interest. If the interest is held by the Chief Executive Officer, he shall also refrain from executing the transaction, entrusting this to the Board.

### **31.2. – Competences that may and may not be delegated**

**31.2.1.** In accordance with the above, the Board of Directors delegates the day-to-day management of the Company to the Chief Executive Officer, who acts in compliance with the general policy and strategic guidelines set by the Board of Directors. The Board of Directors may also delegate specific functions to the Executive Committee, pursuant to Article 33. below.

**31.2.2.** In addition to matters that may not be delegated by law, those established by legislation in force from time to time and without prejudice to the competences of the Shareholders' Meeting, the following matters are reserved to the non-delegable competence of the Board of Directors:

- a) approval of the general policy and strategic lines and guidelines and the governance and risk management policies of the Company and of the Cooperative Banking Group, as well as their regular review to ensure effectiveness over time;
- b) industrial and financial planning, approval of the Company's budgets;
- c) definition and approval of the risk appetite framework and of the internal control system guidelines;
- d) definition, review and approval of lending policies for the Cooperative Banking Group;
- e) organisation of the finance area, with specific regard to the definition, review and approval of funding policies, financial risk management and derivative trading;
- f) approval: (i) of the setting up of the corporate control functions, determining their duties, responsibilities and coordination and cooperation procedures, information flows between these functions and between the functions and the corporate bodies; (ii) of the

process for approving new products and services, launching new activities and entering new markets; (iii) of the corporate policy on the outsourcing of corporate functions; (iv) of the adoption of internal risk measurement systems. The Board of Directors also carries out any other duty assigned to it by the prudential supervisory provisions on internal control systems in force from time to time;

- g) assessment, at least once a year, of the adequacy, efficiency and effective functioning of the internal control system;
- h) appointment and revocation of members of the Executive Committee, if appointed, with the powers provided by the relevant provision of the Articles of Association and determination of any additional powers;
- i) assignment of special offices or mandates to one or more Directors and determination, amendment and revocation of their powers, including assignment, amendment and revocation of the powers of the Chief Executive Officer;
- j) upon proposal from the Chief Executive Officer and after consulting the Chairman of the Board of Directors, the appointment, revocation and replacement of the General Manager, the Co-General Managers and/or the Deputy General Managers, if appointed, determination and amendment of their duties, functions and competences and, again upon proposal from the Chief Executive Officer and after consulting the Chairman of the Board of Directors, appointment of the Company's senior managers and executives and determination of their powers and salary;
- k) assessment of the adequacy and approval of the Company's organisational, administrative and accounting structure and approval of the corporate governance system of the Company, and as far as its authority extends, of the Cooperative Banking Group, as well as of the reporting systems;
- l) as part of the Company's prerogatives as parent company of the Cooperative Banking Group:
  - (i) determination of the criteria for coordinating and managing the Subsidiaries, also in compliance with the Cohesion Contract, where the Affiliate Banks are concerned;

- (ii) definition and consequent issue of provisions to be adopted with regard to the Subsidiaries, designed to implement the general and specific instructions issued by the Competent Authorities in the interest of the Cooperative Banking Group's stability;
- (iii) verification of compliance with the prudential requirements, reporting requirements and other banking and financial provisions applicable to the Cooperative Banking Group and to the Subsidiaries;
- (iv) definition of the parent company's prerogatives on the matter of corporate governance of the Cooperative Banking Group, including definition of the criteria and procedures for appointment, in accordance with the provisions of Article 37-*bis*, paragraph 3-*ter*, letter c) of the Consolidated Law on Finance, opposition to appointment and revocation of members of the administration and control bodies and directors of the Affiliate Banks, when this is the responsibility of the Company, and the adoption of any decision or measure on these matters, also in compliance with the Cohesion Contract, where the Affiliate Banks are concerned;
- (v) definition of the parent company's prerogatives on the matter of internal controls and information systems of the Cooperative Banking Group, functional to fulfilment of the parent company's duty to identify and implement the strategic guidelines and operating objectives of the Subsidiaries;
- (vi) monitoring and classification of the Affiliate Banks, identification and implementation of corrective measures and disciplinary actions against the Affiliate Banks;
- (vii) transmission of proposals to amend the Cohesion Contract to the Competent Authorities to obtain the declaratory measure;
- (viii) definition of the Company's role in strategic transactions of individual Affiliate Banks and determination of the criteria for setoff and balanced distribution of the advantages arising from common activity performed within the Cooperative Banking Group;



- (ix) definition of the criteria for identifying more significant transactions to be submitted to prior examination by the risk control function;
  - (x) definition of the policy guidelines for the remuneration of directors, statutory auditors, employees and collaborators of the Affiliate Banks;
  - (xi) definition and enforcement of applicable penalties by the parent company in the event of breach by the Affiliate Banks of the obligations established in the Cohesion Contract, including exclusion from the Cooperative Banking Group;
  - (xii) activation of appropriate intragroup support measures envisaged by the guarantee obligations established in the Cohesion Contract;
- m) subject to the mandatory non-binding opinion of the Board of Statutory Auditors and/or upon proposal from the Risks Committee, appointment and revocation of the heads of the internal control functions;
  - n) appointment and revocation of the heads of functions, implemented pursuant to legislative or regulatory provisions;
  - o) drawing up of the draft financial statements and the draft consolidated financial statements, and drawing up and approval of the interim reports required by legislation in force from time to time;
  - p) acquisition and sale of shareholdings held by the Company that entail changes to the composition of the Cooperative Banking Group and/or of those with strategic importance;
  - q) capital increases delegated pursuant to Article 2443 of the Italian Civil Code and issue of convertible bonds delegated pursuant to Article 2443-ter of the Italian Civil Code, including the power to adopt resolutions with exclusion or limitation of the option right referred to in paragraphs 4 and 5 of Article 2441 of the Italian Civil Code;
  - r) approval: (i) of issue programmes and single issues of bonds and other financial instruments, including their settlements, defining their characteristics, conditions and amounts involved; (ii) in compliance with supervisory provisions, of security purchase and sale transactions for investment, for liquidity portfolios and to satisfy customer requirements; (iii) of individual transactions involving the Company's participation in

- guarantee, security and bond placing consortia; (iv) of transactions in derivatives; all in compliance with the appropriate internal regulations;
- s) approval of national and company collective employment contracts and other agreements with trade union organisations;
  - t) obligations to be fulfilled by the Board of Directors under Articles 2446 and 2447 of the Italian Civil Code;
  - u) approval and amendment of special regulations governing information flows between corporate bodies;
  - v) adoption, abrogation or amendment of internal procedures which, in immediate implementation of legislative or regulatory provisions, concern the prevention or governing of cases of conflict of interest, with possibility of derogation in urgent and other circumstances;
  - w) subject to the mandatory non-binding opinion of the Board of Statutory Auditors and of the Risks Committee, the admission, rejection of the application for admission, acceptance of the application for withdrawal or the exclusion of an Affiliate Bank;
  - x) designation of candidates for executive offices in Subsidiaries other than the Affiliate Banks;
  - y) participation and determination of the procedures and contents of votes to be cast in the shareholders' meetings of Subsidiaries other than – excepting cases where the Company has subscribed financing shares issued by an Affiliate Bank pursuant to Article 150-ter of the Consolidated Law on Finance and until their full redemption – the Affiliate Banks and, as far as may be necessary, consent to amendments to their Articles of Association, when the resolution is to be passed by a body other than the Shareholders' Meeting, and approval of exercise of the option right relating to capital increases of such Subsidiaries;
  - z) approval of amendments of regulations of investment funds or similar legal entities subscribed by the Company;
  - aa) approval of proposals to convene the Shareholders' Meeting to discuss amendments to the Company's Articles of Association;

- bb) approval and amendment of the main internal regulations that fall within the competence of the Shareholders' Meeting;
- cc) resolutions concerning adjustment of the Articles of Association to legislative provisions;
- dd) resolutions to approve the Board's List;
- ee) purchase of treasury shares by the Company;
- ff) approval of the template Articles of Association of the Affiliate Banks and issue of the Company's binding opinion on the adoption by an Affiliate Bank of different clauses from the template, to be submitted to the ordinary approval procedure pursuant to Article 56 of the Consolidated Law on Finance.

**31.2.3.** In accordance with Article 2436 of the Italian Civil Code, the Board of Directors is also responsible for resolutions concerning merger in the cases envisaged by Articles 2505 and 2505-*bis* of the Italian Civil Code, reverse merger in the cases envisaged by Article 2506-*ter*, last paragraph, of the Italian Civil Code, reduction of capital in the event of shareholder withdrawal, pursuant to Article 2365, paragraph 2, of the Italian Civil Code, and the setting up or closing down of secondary establishments.

### **31.3. – Delegation of powers**

**31.3.1.** For certain categories of acts and business matters, the Board of Directors may delegate specific powers, in the statutory forms, to the Company's executives and other personnel, determining the limits and procedures for exercising the delegated powers, establishing that the delegated persons may act individually or in committees. If not otherwise provided for in the power of attorney, the delegated bodies shall inform the delegating body of decisions taken. Decisions taken by other holders of delegated powers shall be notified to their superiors in accordance with the procedures established by the Board of Directors.

### **31.4. – Appointments Committee, Remuneration Committee, Risks Committee and other Committees**

The Board of Directors sets up an Appointments Committee, a Remuneration Committee and a Risks Committee made up of its members.

Each Committee consists of a minimum of 3 (three) and a maximum of 5 (five) non-executive Directors, the majority of whom are independent.

The Director appointed as chairman of a Committee cannot hold the office of chairman of another Committee appointed by the Board.

The Board of Directors also sets up the other committees required by regulations in force.

- a) Appointments Committee. The Appointments Committee conducts investigations and provides advice to the Board of Directors on appointment of the members and on the composition of the Board of Directors of the Company and, where required, of the Affiliate Banks, when the responsibility rests with the Board, and carries out the other duties assigned to it by regulations in force or by the Board of Directors.
- b) Remuneration Committee. The Remuneration Committee submits proposals and provides advice on the fees and on the remuneration and incentive systems to be adopted by the Company and, where required, by the Affiliate Banks, and carries out the other duties assigned to it by regulations in force and by the Board of Directors.
- c) Risks Committee. The Risks Committee carries out the duties assigned to it by regulations in force and by the Board of Directors, also with regard to the Affiliate Banks.
- d) Other Committees. The Board of Directors may set up other Committees entrusted with carrying out investigations, providing advice and possibly submitting proposals, whether permanent or with limited duration, determining their functions on a time-by-time basis, choosing their members from among the Directors and determining their remuneration, in compliance with the remuneration policies approved by the Shareholders' Meeting.

## ***Section Two***

### **EXECUTIVE COMMITTEE**

#### **Article 32. – Executive Committee: number and composition**

**32.1.** The Board of Directors may appoint an Executive Committee made up of the Chief Executive Officer and another 4 (four) Directors, establishing their powers in accordance with Article 33. below.

**32.2.** Whenever it proves necessary to supplement the Executive Committee the Board of Directors shall act in accordance with the provisions on the composition of the Executive Committee.

**32.3.** In order to ensure an efficient information interchange between the strategic supervisory body and the management function, the Chairman of the Board of Directors may participate in the meetings of the Executive Committee, without voting right.

**32.4.** The Executive Committee remains in office for the entire term of office of the Board of Directors that appointed it.

**32.5.** The Board of Statutory Auditors and the General Manager, if appointed, participate in the meetings of the Executive Committee, without voting right.

**32.6.** The functions of Secretary of the Executive Committee are performed by the Secretary of the Board of Directors or by another Company employee designated for the purpose by the Committee.

**Article 33. – Functions of the Executive Committee and operating procedures**

**33.1.** Within the framework of the powers that the law and the Articles of Association do not reserve to the competence of the Board of Directors as a whole or that are not otherwise delegated to the Chief Executive Officer, the following matters are delegated to the Executive Committee, on which it usually decides on the basis of proposals drawn up by the Chief Executive Officer:

A. Loans

- (i) approval of lending policies within the context of the lines and guidelines established by the Board of Directors;
- (ii) decisions, in accordance with the general lines and guidelines adopted by the Board of Directors, on the granting of credit within the scope of the autonomy assigned and the powers for granting and managing credit established by the appropriate internal regulations adopted by the Company on lending;
- (iii) resolutions within the competence of the Board of Directors on the granting of credit in urgent circumstances, in accordance with the procedures established by the appropriate internal regulations adopted by the Company on lending and with obligation to report to the Board of Directors in its next meeting.

B. Real estate investments

- (i) approval of Group real estate investment transactions, up to a maximum amount of Euro 5 million;

C. Write-offs

- (i) approval of write-offs of duly reported cash/accounting differences and of any damage to the Company or to customers arising from operating errors for the amounts determined by the Board of Directors;
- (ii) approval of write-offs of sums concerning loans to customers considered irrecoverable for the amounts determined by the Board of Directors.

The Executive Committee, if appointed, also has the power to take in urgent circumstances decisions within the competence of the Board of Directors that are not reserved by law, by the Articles of Association or by provisions of the Cohesion Contract to the non-delegable competence of the Board of Directors, informing it in the next meeting.

The functions set forth in this Article are performed by the Chief Executive Officer when the Board of Directors does not appoint an Executive Committee.

**33.2.** The Executive Committee is convened at the initiative of its Chairman. Subject to communication to the Chairman of the Board of Directors, it may also be convened by any of its members or by the Board of Statutory Auditors. The Executive Committee is convened by a notice, to be drawn up and sent in accordance with the procedures set forth in Article 30.2. above, at least 2 (two) days prior to the meeting and, in urgent circumstances, at least 24 (twenty-four) hours prior. The Executive Committee may however validly pass resolutions even without being formally convened if the meeting is attended by all its members and by all the incumbent Standing Auditors and everyone declares to be sufficiently informed on the matters to discuss.

**33.3.** As a rule, the Executive Committee must meet once a month and in any case whenever its Chairman considers it necessary. Executive Committee meetings may also be held using distance communication systems, in accordance with the procedures set forth in Article 30.3. The Executive Committee passes resolutions with the participation and favourable vote of the majority of its incumbent members.

**33.4.** Minutes must be drawn up of the meetings and resolutions of the Executive Committee, in compliance with the provisions of Article 30.5.

**33.5.** The Board of Directors is informed of the decisions taken by the Executive Committee in its next meeting.

### ***Section Three***

#### **CHIEF EXECUTIVE OFFICER**

#### **AND GENERAL MANAGEMENT**

#### **Article 34. – Chief Executive Officer**

**34.1.** The Board of Directors appoints a Chief Executive Officer from among its members, assigning him certain duties and powers of the Board of Directors, pursuant to Article 2381, paragraph 2 of the Italian Civil Code.

**34.2.** Without prejudice to the provisions of Article 31.2. above and to the powers and mandates assigned by the Board of Directors, the Chief Executive Officer:

- a) oversees the business management of the Company and the Cooperative Banking Group, dealing with everyday business, in accordance with the general policy and strategic guidelines established by the Board of Directors and monitors its performance;
- b) submits proposals to the Board of Directors on strategic guidelines, projects and objectives, including on the matter of the medium-long term and/or extraordinary territorial development of the Company and of the Cooperative Banking Group, also gathering proposals from the Affiliate Banks and from the other Subsidiaries;
- c) at his own initiative and responsibility, draws up the Group Multiannual Strategic Plan and the Group Annual Operating Plan, as defined in the Cohesion Contract, which he submits to the approval of the Board of Directors, seeing to their implementation, along with the Individual Operating Plan and the Individual Strategic Plan of the Parent Company;
- d) studies and prepares documents and sends letters of confidentiality relating to extraordinary transactions or agreements, to be submitted to the Board of Directors;
- e) submits proposals to the Board of Directors on plans for expansion and reorganisation of the network of Subsidiaries;

- f) submits proposals to the Board of Directors on the draft financial statements and on the guidelines for optimising the use and exploitation of resources and submits the draft financial statements and interim statements to the Board of Directors;
- g) draws up and submits to the Board of Directors for approval the annual budgets of the Company and the Subsidiaries, in accordance with higher level planning, and regularly controls the results, approving the corrective measures deemed necessary, after informing the Board of Directors in order to obtain the approval required with regard to the Affiliate Banks;
- h) coordinates the executive activity of the Company and the Subsidiaries, within the guidelines established by the Board of Directors, issuing Binding Provisions in order to ensure that the operating units function in compliance with the resolutions passed by the competent bodies and that the activities of the Subsidiaries and the Cooperative Banking Group are consistent with the Binding Provisions and with the strategies outlined by the Company, after informing the Board of Directors in order to obtain the approval required with regard to the Affiliate Banks;
- i) within the guidelines established by the Board of Directors, guides and supervises the organisational, administrative and accounting structure of the Company and of the Cooperative Banking Group, in compliance with the system of values recognised by the Company and the Cooperative Banking Group;
- j) oversees the organisation and integration of the Cooperative Banking Group and the functioning of the sales channel network, as well as the transactions and services managed by the Company, the Subsidiaries and the Cooperative Banking Group;
- k) exercises proposal-making and lending powers, within the limits established by regulations on lending in force from time to time;
- l) within the guidelines established by the Board of Directors, oversees and manages personnel, enhancing the human resource policies of the Company and the Subsidiaries;
- m) within the guidelines established by the Board of Directors, determines the directives and guidelines for managing the Company and the Subsidiaries;



- n) proposes to the Chairman of the Board of Directors and to the Chairman of the Executive Committee, as the case may be, items to be included in the agenda of the meetings of the Board of Directors and of the Executive Committee;
- o) performs the functions delegated to him on an *ad hoc* basis by the Board of Directors – within the upper limits assigned – in accordance with the relevant regulations;
- p) regularly reports to the Board of Directors on the activity performed when fulfilling the assigned mandates and – with the assistance of the General Manager, if appointed, and of the competent heads of department – on the development of activities and on the overall management performance of the Company and of the Cooperative Banking Group, as well as on the consistency of the results with the forecast and planning documents;
- q) submits proposals to the Board of Directors on the guidelines for the internal control system in compliance with supervisory provisions; submits requests for extraordinary inspections and/or investigations to the internal control functions;
- r) submits proposals on risk assumption and management and capital adequacy policies in compliance with the limits, restrictions and specifications laid down by the supervisory regulations;
- s) submits proposals to the Board of Directors on liquidity risk assumption and management policies, establishing limits in compliance with the supervisory regulations;
- t) submits proposals to the Board of Directors on the designation of senior managers and executives of the Company and of the Subsidiaries (excluding the heads of the corporate control functions) and, after consulting the Chairman of the Board of Directors, on the appointment, revocation and replacement of the General Manager, Co-General Managers and Deputy General Managers;
- u) working in agreement and coordination with the Chairman of the Board of Directors, is responsible for the external disclosure of information on the Company and the Subsidiaries as well as for relations with the Competent Authorities.

**34.3.** In exceptionally urgent circumstances, after consulting the Chairman of the Board of Directors when possible, the Chief Executive Officer may take decisions on any transaction within the competence of the Board of Directors or of the Executive Committee, if appointed,

provided they are not assigned by mandatory provisions of the law or by provisions of the Articles of Association to the authority of the Board of Directors and of the Executive Committee as a whole. Decisions taken in this way must be reported to the Board of Directors and to the Executive Committee, if appointed, at the next meeting.

**34.4.** The Chief Executive Officer reports with the General Manager, if appointed, to the Board of Directors and to the Executive Committee, at least once a quarter, on the general management performance and its foreseeable outlook, as well as on the most significant transactions carried out by the Company and the Subsidiaries.

### **Article 35. – General Management**

**35.1.** Upon proposal from the Chief Executive Officer, the Board of Directors may appoint a General Manager and Co-General Managers, determining their duties, competences and functions to be performed in compliance with the guidelines issued, according to their respective competences, by the Board of Directors, the Executive Committee and the Chief Executive Officer. Again upon proposal from the Chief Executive Officer, the Board of Directors may also appoint one or more Deputy General Managers, one of whom a Senior Deputy General Manager, determining their duties and powers.

**35.2.** If a General Manager has not been appointed, the role and duties assigned to this position by these Articles of Association and by internal regulations adopted by the Company, including the duty of overseeing General Management, shall be the responsibility of the Chief Executive Officer.

**35.3.** Without prejudice to the provisions of Article 35.2. above, the appointment, revocation or replacement of the General Manager, Co-General Managers and Deputy General Managers (and determination or amendment of their duties, competences and functions) is decided by the Board of Directors, upon a proposal submitted by the Chief Executive Officer, after consulting the Chairman of the Board of Directors. Without prejudice to the above, in the event of termination of the General Manager, Co-General Managers and Deputy General Managers, the Chief Executive Officer is required to draw up a proposal for their replacement, after consulting the Chairman of the Board of Directors, unless the Board of Directors has decided not to replace them.

**35.4.** The General Manager is directly accountable to the Board of Directors for the performance of his functions, while the Board is responsible for assessing the general management performance.

**35.5.** Subject to authorisation by the Board of Directors, the General Manager, Co-General Managers and Deputy General Managers may assign one or more of the functions, powers and duties entrusted to them to Company employees, within the limits and according to the procedures established from time to time by the Board of Directors.

**35.6.** In the event of absence or incapacity of the General Manager and/or the Co-General Managers, their respective functions shall be taken over by the Deputy General Manager, if appointed, and if more than one Deputy General Manager has been appointed, by the Senior Deputy General Manager or, in his absence or incapacity, by the employee designated for the purpose by the Board of Directors.

**35.7.** Before third parties the signature of the person replacing the General Manager shall stand as evidence of his absence or incapacity and of the lawfulness of his replacement.

#### ***Section Four***

### **CORPORATE REPRESENTATION**

#### **Article 36. – Corporate representation**

**36.1.** The power to represent the Company before third parties and to pursue and defend against legal actions, whether in judicial or administrative proceedings, including supreme court judgments and motions for retrial, and to sign alone on behalf of the Company is assigned to the Chairman of the Board of Directors and, in the event of his absence or incapacity, temporary or otherwise, to the Senior Deputy Chairman or, in the event of his absence or incapacity, to the other Deputy Chairman.

**36.2.** Before third parties the signature of the person replacing the Chairman shall stand as evidence of his absence or incapacity.

**36.3.** The power to represent the Company before third parties and to pursue and defend against legal actions under the terms referred to in Article 36.1. above, and the power to sign alone on behalf of the Company is also assigned to the Chief Executive Officer within the limits of his mandate.

**36.4.** The power to represent the Company and to sign alone on behalf of the Company may also be assigned by the Board of Directors to individual Directors and to the General Manager, if appointed, in relation to the powers and duties assigned to them by the Board.

**36.5.** The Board of Directors may also assign – for certain actions or categories of actions – the power to sign on behalf of the Company to employees, determining the limits of the mandate.

**36.6.** Where necessary, the Board of Directors may also appoint agents from outside the Company to carry out certain actions.

**36.7.** The Chairman of the Board of Directors, or the person replacing him pursuant to Article 36.1., the Chief Executive Officer and the General Manager, if appointed, may issue powers of attorney for the performance of single actions or categories of actions.

#### **Article 37. – Performance of delegated duties**

**37.1.** Managerial and clerical staff with delegated powers or who have been assigned certain duties to be performed as part of their working activity within their specific operating unit are responsible for strict compliance with general and special laws, the Articles of Association and the resolutions of corporate bodies.

### **TITLE VI**

#### **BOARD OF STATUTORY AUDITORS**

##### **Article 38. –Composition and number**

**38.1.** The Board of Statutory Auditors is composed of 3 (three) Standing Auditors. Two (2) Alternate Auditors are also appointed. The Standing and Alternate Auditors are appointed for three years, and their term of office ends on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their appointment. They may be re-elected, within the limitations indicated below.

**38.2.** The Auditors must meet the requirements of eligibility, independence, professionalism and integrity foreseen by the legislation in force from time to time as identified by the supervisory provisions in force from time to time to the Company and to these Articles of Association. They must not have been the subject of any revocation proceedings by the management and supervisory bodies of Company's Subsidiaries when exercising their sanctioning power resulting from the Cohesion Contract.

At least 2 (two) of the Standing Auditors and 1 (one) of the Alternate Auditors must be included in the Register of Auditors and must have a minimum of three years' experience as a certified accounts auditor.

**38.3.** The limits on the accumulation of administrative or supervisory positions established by current legislation apply to the Auditors. In any case, the Auditors may not hold posts in bodies other than supervisory bodies in Company Subsidiaries, or in other companies of the Cooperative Banking Group or those in which the Company, even indirectly, holds a strategic interest, as defined by the Competent Authorities.

**38.4.** No more than 1 (one) Standing Auditor and 1 (one) Alternate Auditor may be chosen from among parties who have held positions in the supervisory bodies of Affiliate Banks during the last two financial years prior to their appointment. Said Auditors - besides possessing the requirements foreseen by Articles 38.2. and 38.6. of these Articles of Association - must have held a position in an Affiliate Bank in possession of the requirements indicated in Articles 22.3. and 22.4. above.

**38.5.** A standing member of the Board of Statutory Auditors may not be re-elected if s/he has held the post of Standing Auditor in the same body for 3 (three) consecutive terms.

**38.6.** Without prejudice to the additional requirements foreseen by the legislation in force from time to time, for the purpose of assessing the independence requirements of the members of the Board of Statutory Auditors, one should not consider as independent anyone who:

- a) finds themselves involved in one of the situations indicated under Article 22.5., letters g), h) and i) above;
- b) is a not a legally separated spouse, or a person engaged in a civil partnership or a live-in partner, a relation or in-law to the fourth degree of kinship: (i) of the Chairman of the Board of Directors or of a company representative with any executive position; (ii) of the persons responsible for the Company's main corporate functions; (iii) of persons who find themselves in the situations indicated in Article 22.5., letters g), h) and i) above or of letter c) of this Article;

- c) currently holds or has held during the last 5 (five) years, a position as a member of the Board of Directors or of the Management Board or Steering Committee of a Company shareholder, within the Company or any of its Subsidiaries.

For posts held in non-corporate entities, the provisions of this Article apply to subjects who perform equivalent functions to those indicated within the said entity.

**38.7.** The Chairman and the standing members of the Board of Statutory Auditors, for the entire duration of their time in office, shall receive the remuneration approved by the Shareholders' Meeting as well as reimbursement of all expenses incurred as a result of their position.

**Article 39. –Election by means of lists**

**39.1.** The appointment of the Board of Statutory Auditors - without prejudice to any additional provisions laid down by binding laws or regulations - takes place based on lists submitted by the shareholders.

**39.2.** The lists are divided into two sections, one for candidates for the position of Standing Auditor and one for candidates for the position of Alternate Auditor, and must indicate a number of candidates no greater than that of the Auditors to be elected, listed with a progressive number.

**39.3.** Each list must be put forward by one or more shareholders with voting rights who, individually or all together, hold a shareholding equal to at least 10% (ten percent) of the shares with voting rights in the Ordinary Shareholders' Meeting (or any other percentage that may be established by the legislation in force from time to time, which shall be communicated in the notice of call of the meeting called to appoint the board of Statutory Auditors).

**39.4.** A shareholder may not submit, or take part in the submission, of more than one list, even by means of a third party or a trust company, and no candidate may be present on more than one list.

**39.5.** The list of candidates, on penalty of invalidity, must be submitted at the company premises, even by means of remote communication as defined by the Board of Directors according to procedures indicated in the notice of call for the Meeting that must enable the identification of the subjects who make the presentation, by the sixth business day preceding the date of the meeting called to decide the appointment, in accordance with the indications

provided in the notice of call, and they are then made available to the shareholders at the company premises and with the other procedures prescribed by the legislation in force from time to time; within the term for submission at the Company premises, information must also be provided on the shareholders who have submitted the lists (with an indication of the share percentage owned). Complete information must be provided regarding the personal and professional profile of the candidates and the candidates' acceptance of their candidacy, along with a certification in which they state, under their own responsibility, that none of the reasons for incompatibility in relation to the post exist and that they possess all the requirements, including independence, foreseen by current legislation, as well as a list of appointments in administration and supervisory bodies of other companies.

**39.6.** Lists that are not submitted in compliance with the above provisions shall be considered as not submitted. However, the absence of documentation relating to individual candidates in a list shall not automatically exclude the entire list, but only the candidates affected by the irregularities.

The documentation relating to individual candidates on each list shall be examined and consequent assessments made in compliance with the provisions set forth in the internal regulations approved by the Shareholders' Meeting.

#### **Article 40. –Voting**

**40.1.** If one or more lists of candidates are submitted, the candidates appointed shall be those that belong to the list that has obtained the greatest number of votes, in the progressive order in which they are indicated on the list in question.

**40.2.** The first candidate indicated on the list that receives the most votes shall be appointed Chairman of the Board of Statutory Auditors.

**40.3.** If no list is submitted within the aforementioned deadline and in all other instances where it is impossible to complete the composition of the Board of Statutory Auditors according to the procedure defined in the previous Articles, the missing Auditors shall be elected, even if not included on any list, if proposed by the shareholders present, with a resolution taken by the majority of the share capital attending the Meeting and possessing voting rights, based on a proposal made by the attending shareholders, in compliance with these Articles of Association

and providing they satisfy the requirements of eligibility, independence, professionalism and integrity required for the position.

If a number of candidates receive the same votes, then a run-off vote will be held, without prejudice to compliance with the requirements laid down by the legislation in force from time to time and by these Articles of Association regarding the composition and requirements of the members of the Board of Statutory Auditors.

**40.4.** If one or more of the Standing Auditors is no longer operational, they shall be replaced by the Alternate Auditors taken from the same list that obtained the most votes and from which the lapsed Auditor was chosen, based on seniority. The replacement Auditors shall remain in office until the next Shareholders' Meeting, which will then pass a resolution without being bound by the lists, based on the candidacies that are put to the vote, individually. The candidate receiving the most votes shall be elected.

#### **Article 41. –Functions and powers of the Board of Statutory Auditors**

**41.1.** The Board of Statutory Auditors performs the tasks and carries out the supervisory assignment foreseen by the legislation in force from time to time, by the Cohesion Contract and the Guarantee Agreement, and in particular is required to oversee:

- a) compliance with the legal and regulatory prescriptions and those laid down in the Articles of Association and observance of the principles of correct management;
- b) the appropriateness of the organisational, administrative and accounting structure adopted by the Company;
- c) the effectiveness and adequacy of the risk management and control system, as well as the internal auditing system, and the functioning and adequacy of the entire system of internal controls;
- d) the independent auditing process put in place concerning the yearly accounts and the company's consolidated accounts;
- e) the methods for the specific implementation of corporate governance which the Company pledges to adhere to;
- f) the adequacy of the provisions issued by the Company to Subsidiaries in exercising its management and coordination activities;



g) the independence of the independent auditing firm, specifically with regard to the provision of non-auditing services.

**41.2.** The information on the activities performed and on the transactions that have the greatest impact on the company's economic, financial or asset profile carried out by the Company, its subsidiaries and the Cooperative Banking Group, and in particular on the operations in which the directors have a personal or third party interest is provided to the Board of Statutory Auditors, including by the representative bodies, pursuant to Article 2381 of the Italian Civil Code, at least on a quarterly basis and, in any case, ordinarily during the meetings of the Board of Directors and the Executive Committee. Information provided to the Board of Statutory Auditors outside the meetings of the Board of Directors and the Executive Committee is addressed to the Chairman of the Board of Statutory Auditors.

**41.3.** The Board of Statutory Auditors is vested with the powers stipulated by legislative and regulatory dispositions, and refers to the Competent Authorities, in accordance with the legislation in force from time to time. Without prejudice to the above, the Board of Statutory Auditors reports any failings or irregularities found to the Board of Directors, requests that appropriate corrective measures be adopted and verifies their effectiveness over time.

**41.4.** The Auditors have the right, at any time, even individually, to carry out inspections and controls, and may ask company directors to provide information, even regarding Subsidiaries and the Cooperative Banking Group, on the performance of the corporate transactions or on specific business dealings, or may ask for the same information directly from the supervisory bodies of the Subsidiaries.

**41.5.** The Board of Statutory Auditor, which must meet at least every 90 (ninety) days, is called by the Chairman of the Board of Statutory Auditors with a notice to be sent at least 3 (three) days prior to the meeting to each Standing Auditor and, if urgent, at least 1 (one) day before. The notice may be drafted on any paper or magnetic medium and may be sent with any communication system including fax and e-mail.

**41.6.** The Board of Statutory Auditors is validly constituted and carries resolutions according to the quorums established by law.

The minutes and deeds of the Board of Statutory Auditors must be signed by all those in attendance.

**41.7.** The meetings of the Board of Statutory Auditors may take place via remote video or electronic conference, provided that all participants may be identified and that they are allowed to follow the discussion and take the floor in real time during the discussion of the issues on the agenda; if these conditions are met, the Board of Statutory Auditors' meeting is considered to have taken place wherever the Chairman was located.

## **TITLE VII**

### **STATUTORY AUDITS**

#### **Article 42. –Statutory Audits**

**42.1.** The Company's statutory audits are entrusted, in accordance with the law, to an auditing firm by virtue of an appointment made by the Shareholders' Meeting following a motivated proposal submitted by the Board of Statutory Auditors.

**42.2.** The assignment granted to the auditing firm has the duration foreseen by law and may be revoked in the instances and according to the procedures foreseen by the same.

## **TITLE VIII**

### **FINANCIAL YEAR AND FINANCIAL STATEMENTS - PROFIT DISTRIBUTION**

#### **Article 43. –Financial year and financial statements**

**43.1.** The company's financial year ends on 31 December of each year.

**43.2.** The Board of Directors prepares the draft financial statements and the consolidated financial statements, in compliance with the law.

#### **Article 44. –Profit distribution**

**44.1.** The net profits resulting from the approved financial statements - less the amount assigned to legal reserves and the unavailable share in compliance with legal dispositions - shall be distributed, in accordance with the resolution passed by the Shareholders' Meeting, to the shareholders as a dividend, or possibly to set up and/or increase other reserves or provisions however named or for other purposes decided by the same Shareholders' Meeting.

**44.2.** Dividends not collected and prescribed are distributed to the Company and transferred into an extraordinary reserve.

## TITLE IX

### WINDING UP THE COMPANY

#### Article 45. –Winding up the Company

**45.1.** If the Company is wound up, the Extraordinary Shareholders' Meeting shall appoint the receivers, establish their powers, the procedure to be used for the winding up of the company and the destination of the final company balance.

## TITLE X

### DISPUTE RESOLUTION

#### Article 46. –Arbitration Clause

**46.1.** The following shall be brought before a panel of arbitrators in accordance with the dispositions of Italian Legislative Decree 5/2003 as subsequently amended and supplemented adopting the procedures laid down in Article 45.2. below, unless the mandatory intervention of the Public Prosecutor is foreseen and unless the dispute concerns Binding Provisions implementing requests and/or instructions issued by the Competent Authorities:

- a) all disputes that may arise between shareholders or between shareholders and the company concerning available rights, even when the shareholders' status is the object of the dispute;
- b) disputes related to the validity of shareholders' meeting resolutions;
- c) disputes brought up by directors, receivers or auditors, or brought against them. The acceptance of the appointment of the position of director, auditor or receiver must be accompanied by express acceptance of the clause outlined in the previous paragraph.

**46.2.** There will be a total of three arbitrators (arbitration panel). The members of the arbitration panel shall be appointed, within 30 (thirty) days of a request made by the most diligent party, by the chairman of the court in the district in which the Company has its headquarters. The appointer shall name the arbitrator who shall take on the functions of arbitration chairman; if such an appointment is not made, this function shall be taken on by the most senior member of the panel.

**46.3.** The arbitration panel rules according to the law. The arbitration panel shall reach a decision within three months of the date of its establishment, unless an extension of said term

is required no more than once in the instances foreseen by Article 35, paragraph 2 of Italian Legislative Decree 5/2003 as subsequently amended and supplemented, if there is the need to appoint a court expert or in any other case in which the expiry of the deadline could negatively affect the completeness of the verification or compliance with the *inter pares* procedure.

**46.4.** The arbitration board shall establish who shall pay for the arbitration costs or how they shall be divided.