

# illimity Bank S.p.A.

## BYLAWS

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### TITLE I

#### NAME, REGISTERED OFFICE, DURATION AND PURPOSE OF THE COMPANY

##### - Article 1 -

###### Name

1. A joint-stock company is incorporated with the name “**illimity Bank S.p.A.**” and, in abbreviated form, “**illimity S.p.A.**” (the “**Bank**” or the “**Company**” or “**illimity**”). This name can be used in any graphic form.
2. The Company is a bank pursuant to Legislative Decree no. 385 of 1 September 1993 as subsequently amended (the “**TUB**” - the Consolidated Banking Law).

##### - Article 2 -

###### Registered office

1. The Company’s registered office is in Milan.
2. The Company may, in compliance with the applicable legislation, open, close and transfer secondary offices, administrative offices, branches, agencies, sub-branches, business addresses and representative offices in Italy and abroad.

##### - Article 3 -

###### Duration

The Company shall have duration until 31 December 2100 (the thirty first of December two thousand one hundred).

##### - Article 4 -

###### Purpose

1. The Company’s purpose is the collection of savings and provision of credit in its various forms, in Italy and abroad. It may, in compliance with relevant applicable regulations, carry out all permitted banking and financial transactions and services, including the provision of investment service and related ancillary services, as well as all other activities or operations that are useful or anyway related to the achievement of the corporate purpose.
2. In accordance and within the limits of applicable *pro tempore* laws and regulations, the Company may acquire holdings in, and the financial instruments of, other companies and enterprises, whether Italian or foreign, both directly and through subsidiaries.
3. In its capacity as parent company of the “illimity S.p.A. Banking Group” (the “**illimity Bank S.p.A. Group**” or the “**Banking Group**”), pursuant to applicable *pro tempore* laws and regulations, including article 61, paragraph 4 of the TUB, in exercising its management and coordination activities the Company issues provisions to the entities making up the Banking Group to implement the instructions issued by the Supervisory Authority and in the interest of the stability of the Banking Group itself.

**TITLE II**  
**SHARE CAPITAL, SHARES, SHAREHOLDERS AND WITHDRAWAL**

**- Article 5 -**

**Share capital**

1. Share capital amounts to EUR 52,619,881.24 (fifty-two million six hundred nineteen thousands eight hundred eighty-one/24) fully paid-in and consists of 79,300,100 (seventy nine million three hundred thousands one hundred) ordinary shares with no par value (such ordinary shares and all additional ordinary shares existing from time to time shall be known as the “**Ordinary Shares**”) and 1,440,000 (one million four hundred and forty thousand) special shares (the “**Special Shares**”) with no par value.
2. The Company may resolve the allocation of profits to employees of the Company or companies it directly and/or indirectly controls by issuing shares or other financial instruments, to be assigned to employees in compliance with applicable *pro tempore* laws and regulations.
3. The extraordinary Shareholders' Meeting of 18 January 2019 resolved to grant the Board of Directors the power, for a maximum period of five years as from the effective date of this resolution of the Shareholders' Meeting, to increase share capital free of charge, in one or more tranches, and in separate issues, by a nominal maximum amount of EUR 498,890.45 (four hundred and ninety eight thousand eight hundred and ninety/45), but residual EUR 293,670.11 (two hundreds ninety-three thousands six hundred seventy/11]), through the issue of an overall maximum amount of 700,000 (seven hundred thousand), but residual 389,136 (three hundreds eighty-nine thousands one hundred thirty-six), new illimity ordinary shares with no nominal value, having the same features as the illimity ordinary shares outstanding at the date of issue of these new ordinary shares, with regular dividend rights, at a price equal to the implicit nominal value of illimity S.p.A. shares at the date of execution of this proxy, by assigning a corresponding amount of profits and/or reserves of profits pursuant to article 2349 of the Italian civil code, to be allocated free of charge to the beneficiaries of the Employee Stock Ownership Plan approved by the ordinary Shareholders' Meeting of 18 January 2019, on the basis of the remuneration policies approved by shareholders at the same meeting, reserved for employees of illimity S.p.A. and companies in which it has a direct and/or indirect controlling interest. The amounts stated for the share capital and illimity S.p.A. ordinary shares in paragraph 1 of this article 5 take account of the partial execution of the proxy as per the present sentence.
4. The extraordinary Shareholders' Meeting of 18 January 2019 resolved to grant the Board of Directors the power, for a maximum period of five years from the effective date of such resolution of the Shareholders' Meeting, to increase share capital free of charge, in one or more tranches, and in separate issues, by a nominal maximum amount of EUR 85,524.08 (eighty five thousand five hundred and twenty four/08) through the issue of a maximum amount of 120,000 (one hundred and twenty thousand) new illimity S.p.A. ordinary shares with no nominal value, having the same features as illimity S.p.A. ordinary shares outstanding at the date of issue of these new ordinary shares, with regular dividend rights, at a price equal to the implicit nominal value of illimity S.p.A. shares at the date of execution of this proxy, to be totally credited to capital, by allotting a corresponding amount of profits and/or reserves of profits pursuant to article 2349 of the Italian civil code, to be allocated free to the employees of illimity S.p.A. and companies in which it has a direct and/or indirect controlling interest, who are the beneficiaries (i) of the “MBO 2019 Plan” approved by the ordinary Shareholders' Meeting of 18 January 2019, on the basis of the remuneration policies approved by shareholders at the same meeting, which in part provides for the allocation of ordinary shares to the beneficiaries of the plan on achieving certain performance targets, (ii) of any compensation paid in the event of early termination of the employment contract in line with provisions under the remuneration policies sub (i) and (iii) of the remuneration policies

from time to time approved by illimity S.p.A. in the maximum duration term of this proxy, taking into account the applicable *pro tempore* legal and regulatory provisions.

5. On 22 December 2020 the extraordinary Shareholders' Meeting resolved, *inter alia*, on a share capital increase – executed – for a total amount of EUR 44,670,596.42 (forty four million six hundred and seventy thousand five hundred and ninety six/42) through the issue of 5,358,114 (five million three hundred and fifty eight thousand one hundred and fourteen) new ordinary shares having regular dividend rights and the same features as those outstanding at the date of issue, settled by the contribution in kind of the holdings representing 37.66% of the share capital of Hype S.p.A. (with the contribution deed executed with effect as of 1 January 2021), also entailing the contingent issue(s) of a further (i) 1,034,170 (one million thirty four thousand one hundred and seventy) ordinary shares relating to the same contribution, and/or (ii) 1,063,717 (one million sixty three thousand seven hundred and seventeen) ordinary shares relating to the same contribution, subject to the achievement by Hype S.p.A. of the long-term objectives approved by the Shareholders' Meeting of the Bank of 22 December 2020 by way of an earn-out. The Chief Executive Officer, in his capacity as the Bank's legal representative, is delegated to make the resulting changes to this present article 5 of the bylaws, with the amendment of paragraph 1 and the amendment or cancellation of this transitional clause relating to the contingent issue(s) of further ordinary shares as per the previous period under (i) and (ii), relating to the same contribution, by way of an earn-out.
6. On 29 July 2021 the Extraordinary Shareholders' Meeting resolved, among other things, the issue of no. 2,409,192 warrants to be allocated entirely, free of charge, in combination with the shares issued in execution of the share capital increase approved on the same date for a maximum amount of EUR 57,535,660.00 and entirely executed on 30 September 2021, and a share capital increase, in separable form and divisible execution, for the conversion of such warrants for a maximum total amount of EUR 30,114,900.00 (thirty million one hundred fourteen thousand nine hundred/00), through issue of maximum no. 2,409,192 (two million four hundred nine thousand one hundred ninety-two) new ordinary shares with regular dividend rights and the same features as those outstanding at the date of issue, at a price (including share premium) of EUR 12.50 (twelve/00) for each new share, to be allocated for EUR 0.6517 (zero/6517) to capital and for EUR 11.8483 (eleven/8483) to share premium, to be settled as an effect of the exercise of warrants starting from 1° March 2022 and by 31 July 2022, by way of cash payment reserved, pursuant to article 2441, par. 4, second part of the Italian Civil Code, to ION Investment Corporation S.à r.l. and/or to its subsidiaries, by 30 November 2022, all of the above, without prejudice to the possible amendments resulting from the application of the warrant regulation approved by the same Shareholders' Meeting. After completion of the share capital increases of this paragraph, the Chief Executive Officer, in his capacity as legal representative of the Bank, is delegated to make the changes to the Bylaws required as a result of such capital increases, with the amendment of article 1, par. 5 of the Bylaws and the cancellation or amendment, in whole or in part, of this paragraph.
7. The Extraordinary Shareholders' Meeting of 15 December 2021 resolved to delegate the Board of Directors, pursuant to article 2443 of the Italian civil code, for a period of up to five years from the effective date of the shareholders' resolution, to increase share capital, free of charge and in separate issues, in one or more tranches, by a maximum nominal value of EUR 1,323,663.96 (one million, three hundred and twenty-three thousand, six hundred and sixty-three/96), through the issue of up to 2,031,094 (two million thirty one thousand and ninety four) new ordinary shares of illimity Bank S.p.A. without nominal value having the same features as the ordinary illimity shares outstanding at the date of issue of such new ordinary shares and regular dividend rights, at an issue price equal to the implicit nominal value of the illimity Bank S.p.A. shares at the date of execution of these delegated powers, through the allocation of an equivalent amount of profits and/or retained earnings or available reserves, pursuant to article 2349 of the Italian civil code, to be awarded free of charge to the beneficiaries of the 2021-2025 Long-Term Incentive Plan approved by the Ordinary Shareholders' Meeting of 15 December 2021, on the basis of the

remuneration policy approved by the same Shareholders' Meeting, reserved to selected key members of staff of illimity Bank S.p.A. and its direct and/or indirect subsidiaries, to be implemented through the free of charge issue of newly-issued ordinary shares of illimity Bank S.p.A. and/or the Bank's treasury shares.

- Article 6 –

**Shares**

1. The Ordinary Shares and Special Shares are indivisible and are issued in dematerialised form pursuant to articles 83-bis et seq. of Legislative Decree no. 58 of 24 February 1998 as amended (the “**TUF**”). In the event of joint ownership, the rights of the joint owners must be exercised by a common representative, in compliance with applicable *pro tempore* laws and regulations. If a common representative has not been appointed or if the Bank has not been informed of the appointment, any communications and declarations made by the Bank to any one of the joint owners are valid for all of them.
2. The Ordinary Shares are registered and freely transferable. Each Ordinary Share entitles the holder to one vote. The issuance and circulation of Ordinary Shares are subject to applicable laws and regulations.
3. Except as specified in these Bylaws, the Special Shares give holders the same rights and obligations as those of Ordinary Shares.
4. The Special Shares have the following features:
  - (a) they are non-transferable for the maximum term established by law, except for transfers to direct and/or indirect subsidiaries by the holder of the Special Shares and/or by said holder's shareholders or by their successors; a transfer for these purposes includes any transaction or event which, for whatsoever reason, results in a transfer to third parties of the ownership, bare ownership or enjoyment rights of/over the securities or subjecting the same to charges or encumbrances or restrictions of any nature, whether in rem or otherwise, in favour of third parties;
  - (b) they do not have voting rights at ordinary or extraordinary Shareholders' Meetings, without however prejudice to the cases envisaged by law and/or these Bylaws for special Shareholders' Meetings of the holders of Special Shares;
  - (c) they are excluded from the right to receive profits, while they entitle the holders to receive distributable reserves;
  - (d) if the Bank is dissolved, they provide their holders with the right to settlement of their share of liquidation equity pursuant to article 32 below;
  - (e) they are automatically converted into Ordinary Shares, providing that each Special Share shall be converted into 8 (eight) Ordinary Shares, if within 20 September 2022 (the “**Term**”) the average price of the Ordinary Shares traded on the Electronic Stock Market (MTA) organised and managed by Borsa Italiana S.p.A. is equal to or greater than EUR 13.9663866 (thirteen/9663866) per Ordinary Share for at least 22 (twenty two) consecutive days of stock market trading;

If there are adjustments to the value of the Company's Ordinary Shares following notification from Borsa Italiana S.p.A. (“**Borsa Italiana**”), the amount of EUR 13.9663866 referred to under this point (e) shall be consequently adjusted in accordance with the “K coefficient” notified by Borsa Italiana;
  - (f) if the conditions for the automatic conversion referred to under previous point (e) of this article 6, paragraph 4, of these Bylaws have not been met within the Term, each residual

Special Share will be converted into 1 (one) Ordinary Share, without change to the amount of share capital;

- (g) the automatic conversion of the Special Shares will occur without the need for holders to state their intention and without change to the amount of share capital. As a result of the automatic conversion of the Special Shares into Ordinary Shares, the Board of Directors shall: **(1)** record the conversion in the shareholders' register, noting the cancellation of the Special Shares and the issue of the Ordinary Shares; **(2)** file the text of the Bylaws with the Companies' Register, pursuant to article 2436, paragraph 6, of the Italian civil code **(x)** by changing the total number of shares and, more specifically, the number of shares in the various categories – if applicable – into which share capital is divided and/or **(y)** by deleting the clauses of the Bylaws that have been superseded as a result of the conversion of all the Special Shares into Ordinary Shares pursuant to article 6 herein; as well as **(3)** disclose the conversion by press release published on the Company's website, as well as provide all other communications and statements that may be necessary or appropriate.

**- Article 7 -**

**Bonds - Capital increases - Contributions**

1. The Company may issue bonds, also convertible, bearer or registered bonds, also including hybrid and/or subordinated instruments, in accordance with applicable *pro tempore* laws and regulations.
2. An extraordinary Shareholders' Meeting may resolve the issuance of new shares, subject to the quorums, to convene and adopt resolutions, provided by applicable *pro tempore* laws and regulations, with the option to grant the Board of Directors the power, pursuant to articles 2443 and 2420-ter of the Italian civil code, to increase the share capital or issue convertible bonds, even with exclusion and/or limitation of the option right pursuant to the fourth and fifth paragraphs of article 2441 of the Italian civil code; the Company may also make use of the option referred to in article 2441, fourth paragraph, second sentence, of the Italian civil code.
3. Contributions may be also made in receivables or in kind.

**- Article 8 -**

**Withdrawal of Shareholders**

1. The right of withdrawal is allowed only in the cases expressly provided for by law.
2. The terms and procedures for exercising this right, the criteria used to determine share values and the share redemption procedure are regulated by law.

**TITLE III**

**CORPORATE BODIES**

**SECTION ONE – SHAREHOLDERS' MEETINGS**

**- Article 9 -**

**Shareholders' Meetings**

1. The Shareholders' Meeting may be ordinary or extraordinary pursuant to the law and may be convened at the Company's registered office or at any other venue stated in the notice of call, in Italy or abroad. If provided for in the notice of call and in such manners therein indicated for attendance and participation, the Shareholders' Meeting may be held even exclusively by telecommunication means with no indication of a specific venue, pursuant to and in compliance with any laws and regulations in force from time to time.

2. The ordinary Shareholders' Meeting:
  - (a) resolves on matters attributed to it by applicable *pro tempore* laws and regulations or by provisions of the Bylaws;
  - (b) resolves on the approval: (i) of the remuneration policies and incentive policies, where these latter are applicable, in favour of the Directors and personnel, including any proposal of the Board of Directors to set a limit to the ratio between the variable and the fixed components of the individual remuneration of key personnel at more than 1:1, but in any case not exceeding the limit set by existing *pro tempore* laws and regulations; (ii) of remuneration and/or incentive plans based on financial instruments; and (iii) of the criteria for determining the compensation to be agreed in case of early termination of the employment contract or of early forfeiture from office, including the limits set to said compensation in terms of annuities of fixed remuneration and the maximum amount resulting from their application. Without prejudice to the provisions of the Bylaws, the resolutions of Shareholders' Meetings concerning any proposal to set a limit to the ratio between the variable and the fixed components of the individual remuneration of key personnel at more than 1:1, in accordance with the provisions of applicable *pro tempore* laws and regulations, shall be approved by an ordinary Shareholders' Meeting when:
    - (a) the Shareholders' Meeting is constituted with at least half the share capital and the resolution is passed with the favourable vote of at least 2/3 (two thirds) of the share capital represented in the Meeting and having voting rights; or
    - (b) the resolution is passed with the favourable vote of at least 3/4 (three quarters) of the share capital represented in the Meeting and having voting rights, irrespective of the capital with which the Shareholders' Meeting is constituted;
  - (c) may approve a Regulation for the proceedings of Shareholders' Meetings and, if approved, it is responsible for resolving on amendments to said Regulation;
  - (d) authorises related party transactions of greater importance falling within the competence of the Board of Directors, if the Board of Directors has approved these transactions despite the negative opinion of the internal committee for transactions with related parties and associated parties. Without prejudice to the provisions of these Bylaws, if the Shareholders' Meeting is called to resolve on this authorisation or related party transactions of greater importance falling within the competence of the Shareholders' Meeting in cases where the internal committee in charge of related and associated party transactions expresses a negative opinion, Shareholders' Meeting resolutions must also be adopted by applying the special provisions on resolution quorums provided for by the applicable *pro tempore* laws and regulations and by the relevant procedure for related party transactions.
3. The extraordinary Shareholders' Meeting resolves on amendments to the Bylaws (save for the powers attributed to the Board of Directors pursuant to article 19, paragraph 2, below and pursuant to article 6, paragraph 4, sub (g)), on the appointment, removal, replacement and powers of liquidators and on any issue attributed to it by law and not derogated by the Bylaws.
4. The special meeting of holders of Special Shares resolves on matters assigned to it by these Bylaws, by law and by regulations, as set out below.
  - (a) If the holders of Special Shares are called to approve resolutions of Shareholders' Meetings amending or impairing their rights as holders of Special Shares, including amendments to this article 9.4 and to articles 6.3, 6.4, 14, point 5, paragraph 3 (with reference to the rights of holders of Special Shares), and 32, of the Bylaws, article 2376 of the Italian civil code shall apply. Resolutions referred to in this point (a): (i) may also be adopted by means of a separate vote by the holders of Special Shares within the Shareholders' Meeting and (ii) shall be validly adopted, in whatever call, with the attendance and favourable vote of a number of holders of Special Shares representing at least 51% (fifty one percent) of the Special Shares that are from time to time outstanding.

- (b) If the holders of Special Shares are called to vote on matters other than those referred to in previous point (a) of this article 9, paragraph 4, said resolutions are adopted by means of a separate vote by the holders of Special Shares within the general Shareholders' Meeting, without prejudice to the right of said holders – should they deem it appropriate – to meet in a special Meeting. In this case: (i) the special Meeting is called by notice sent to those entitled via fax or email at least 8 (eight) days before the date set for the meeting, without prejudice to the fact that the meeting can also be held with the entire shareholding represented by the Special Shares that are from time to time outstanding; (ii) the provisions of law and the Bylaws regulating ordinary Shareholders' Meetings shall apply for the purposes of declaring the special Meeting duly formed and valid.

**- Article 10 -**

**Calling Shareholders' Meetings**

1. The Shareholders' Meeting is called, in ordinary session or extraordinary session, by the Board of Directors whenever it deems it appropriate, or, as established by article 2367 of the Italian civil code, upon request of shareholders representing at least 20% (twenty percent) of the share capital, or other percentage provided for by applicable *pro tempore* laws and regulations.
2. In any case, an ordinary Shareholders' Meeting shall be called at least once a year within 120 (one hundred and twenty) days from the end of the financial year, or within 180 (one hundred and eighty) days from the end of the financial year in the cases envisaged by law.
3. Without prejudice to the powers to call meetings established by other legal provisions, a Shareholders' Meeting may also be called, subject to notification to the Chair of the Board of Directors, by the Audit and Internal Control Committee.
4. The Shareholders' Meeting is called by notice having contents established by law; such notice is published within the time limits established by law on the Bank's website, as well as in any other manner provided by applicable *pro tempore* laws and regulations.
5. Within the terms, conditions and time limits established by applicable *pro tempore* laws and regulations, shareholders who, separately or jointly, represent at least 1/40 (one fortieth) of the share capital, or any other percentage provided for by applicable *pro tempore* laws and regulations, may submit a written request to add items to those on the agenda specified in the notice of call, setting out the additional items they propose and preparing a report on the topics to be discussed, as well as submit resolution proposals on items already on the agenda. Shareholders cannot call meetings or add items to the agenda for issues on which the Shareholders' Meeting is called to resolve, by law, on proposals of the Board of Directors or on the basis of a project or report prepared by the Board, other than those referred to in article 125-ter, paragraph 1, of the TUF. Entitlement to the right is proven by filing the copy of the notification or certification issued by the intermediary pursuant to applicable *pro tempore* laws and regulations.
6. The Shareholders' Meeting, in ordinary and extraordinary session, is as a rule held on a single call, pursuant to and for the purposes of article 2369, paragraph 1, of the Italian civil code. Nevertheless, the Board of Directors may determine that an ordinary or extraordinary Shareholders' Meeting may be held in more than one call, indicating a date for a second call. Notice of this decision is provided in the notice of call.

**- Article 11 -**

**Attendance at Shareholders' Meetings**

1. Shareholders' Meetings may be attended by holders of voting rights, for whom the Company has received the authorised intermediary's notification within the time limit prescribed by applicable



*pro tempore* laws and regulations attesting their right to attend the Shareholders' Meeting and exercise their right to vote.

2. Anyone entitled to vote may be represented by a proxy in the Shareholders' Meeting in compliance with applicable *pro tempore* laws and regulations. The proxy form may be sent electronically via the dedicated section of the Company's website or by certified electronic mail, as stated in the notice of call, or by any other means provided for by applicable *pro tempore* laws and regulations. The Chair of the Shareholders' Meeting is responsible for verifying the propriety of single proxies and, in general, the entitlement to attend the Meeting.
3. For each Shareholders' Meeting, the Board of Directors may designate, giving notice thereof in the notice of call, one or more representatives on whom the holders of voting rights may bestow a proxy, with voting instructions for some or all of the proposals on the agenda, as provided for by applicable *pro tempore* laws and regulations. A proxy give to the representative designated by the Board of Directors shall only be effective for proposals for which voting instructions have been given.
4. Without prejudice to the provisions of article 2372, paragraph 2, of the Italian civil code, a proxy may be granted for a single Shareholders' Meeting only, effective also for subsequent calls, but may not be granted leaving the name of the proxy holder blank.
5. Pursuant to article 2370, paragraph 4, of the Italian civil code, if required by the notice of call of the meeting, anyone entitled to vote may exercise said right by post or electronic means, in accordance with the terms and conditions set forth in the notice of call.
6. The Board of Directors may arrange for one or more remote connections to be made to the venue where the meeting is held, to enable shareholders who do not wish to participate in the discussion at this venue to follow the proceedings of the meeting in any case, and upon voting to cast their vote, provided that shareholders can be identified and that the possibility to exercise such right is stated in the notice of call of the Shareholders' Meeting.
7. The members of the Board of Directors cannot vote in resolutions concerning their respective responsibilities.

#### - Article 12 -

#### **Chairship of Shareholders' Meetings**

1. The Shareholders' Meeting is chaired by the Chair of the Board of Directors or, in case of absence or impediment, by the Deputy Chair (where appointed) or, in case of absence or impediment of both parties, by a person appointed by the Shareholders' Meeting pursuant to article 2371 of the Italian civil code.
2. It is the responsibility of the Chair of the Shareholders' Meeting to:
  - (a) verify the valid composition of the meeting and to ensure there is a quorum for adopting resolutions;
  - (b) ascertain - also by parties appointed by the Chair - the identity and the eligibility of those present to participate and vote at the meeting as well as the validity of the proxies;
  - (c) direct and govern the proceedings at the meeting; and
  - (d) establish the voting procedures (which in any case must allow for identification in relation to each vote cast) and ascertain and announce the results of such;all in compliance with the Regulation for the proceedings of Shareholders' Meetings where adopted pursuant to article 9, paragraph 2, point (c) herein.
3. The Chair is assisted by a Secretary, who need not be a shareholder, appointed by the Shareholders' Meeting on proposal of the Chair, where the presence of a Notary is not required

by law and, as the case may be, by scrutineers, who need not be shareholders, chosen by the Chair from amongst those attending.

**- Article 13 -**

**Quorum to convene and adopt resolutions**

1. The Shareholders' Meeting, in ordinary and extraordinary session, resolves on the items assigned to it by these Bylaws, by the law and by regulations. Without prejudice to this article and to other provisions included in these Bylaws, resolutions of ordinary and extraordinary Shareholders' Meetings are adopted with the majorities required by law.
2. Without prejudice to the provisions of these Bylaws, amendments (i) to article 13 and (ii) to articles 5.1 (with regard to the absence of a nominal value), 6.3, 6.4 and 32 of these Bylaws, are approved by an extraordinary Shareholders' Meeting on the favourable vote of shareholders representing, on whatever call, at least 2/3 (two thirds) of share capital having voting rights.

**- Article 14 -**

**Voting procedure at Shareholders' Meetings and appointment of company officers**

**1. Voting procedure**

All resolutions, including those electing company officers, are adopted by open vote.

**2. Lists of candidates**

**2.1** Members of the Board of Directors are elected in compliance with applicable pro tempore laws and regulations on gender balance, based on the lists submitted in accordance with the provisions below, where the number of candidates shall not exceed 15 (fifteen) and shall be listed with a sequential number. Voting procedures ensure that the Shareholders' Meeting appoints, among the members of the Board of Directors, those who hold the position of member of the Audit and Internal Control Committee.

No candidate may be included in more than one list, failing which they will be ineligible.

**2.2** The names on the lists shall be divided into two separate sections. The first section shall consist of the candidates, not exceeding 14 (fourteen) in number, standing for the position of member of the Board of Directors who are not also standing for the position of member of the Audit and Internal Control Committee. The second section shall consist solely of candidates, not to exceed 5 (five) in number, who are standing both for the position of member of the Board of Directors and member of the Audit and Internal Control Committee.

**2.3** For the purpose of complying with the minimum number of Independent Directors referred to in article 16, paragraph 2, below, the first section of each list:

- if it contains 1 (one) candidate shall not be bound by any restriction;
- if it contains either 2 (two) or 3 (three) candidates shall identify a minimum number of candidates from within the list, expressly indicated, meeting the independence requirements indicated in article 16, paragraph 2, herein, equal to at least 1 (one);
- if it contains either 4 (four) or 5 (five) candidates shall identify a minimum number of candidates from within the list, expressly indicated, meeting the independence requirements indicated in article 16, paragraph 2, herein, equal to at least 3 (three);
- if it contains a number candidates equal to or greater than 6 (six) shall identify a minimum number of candidates from within the list, expressly indicated, meeting the independence requirements indicated in article 16, paragraph 2, herein, equal to at least 4 (four);

in any case the minimum number of Independent Directors required for the above purposes for the submission of the lists may not be indicated at the last sequential numbers of the first section of the above lists.

In order to ensure gender balance in compliance with applicable pro tempore laws and regulations, each section of every list containing a number of candidates equal to or greater than 3 (three) must include candidates of both genders, so that at least 2/5 (two fifths) – rounded up in case of a fractional number – of candidates indicated in the same list belong to the less represented gender, or the different composition needed to comply with pro tempore applicable laws and regulations, as indicated in the notice of call for the Shareholders' Meeting.

2.4 The following persons are entitled to submit lists: (i) shareholders who, alone or together with other shareholders, in total hold shares representing at least the minimum interest in the share capital entitled to vote at the Company's Shareholders' Meeting set by CONSOB, which shall in any case be indicated in the notice of call; and (ii) the Board of Directors of the Company, subject to the favourable non-binding opinion of the board's appointments committee.

The ownership of the minimum shareholding entitled to vote in the ordinary Shareholders' Meeting of the company sub (i) is determined with respect to the shares that are recorded in the name of the individual shareholder, or in the names of several shareholders jointly, on the day on which the lists are filed at the Company's registered office. The ownership of the number of shares required for filing lists must be certified pursuant to applicable pro tempore laws and regulations; such certification may also be received by the Company after the filing of lists, provided that this is within the deadline set by applicable pro tempore laws and regulations.

2.5 No entitled person may submit or participate in submitting more than one list, including by way of third parties or trust companies, or vote for more than one list. Shareholders belonging to the same group of companies – this being construed as the parent company, subsidiaries and companies under joint control – and parties to a shareholders' agreement as per article 122 of the TUF regarding the Company's shares, may not submit, nor may those with voting rights vote for, more than one list, not even by way of third parties or trust companies; in case of non-compliance their signatures shall not count for any of the lists.

2.6 Lists must be filed by persons entitled thereto at the Company's registered office – also by way of the remote means of communication established by the Board of Directors in accordance with the methods stated in the notice of call, so as to enable the persons making the filing of lists to be identified – at least 25 (twenty five) days before the date set for the Shareholders' Meeting and shall be made available to the public in accordance with the terms and conditions provided by applicable pro tempore laws and regulations. Any list submitted by the Board of Directors, pursuant to point 2.4 above, shall be filed at the Company's registered office and published in accordance with the above methods at least 30 (thirty) days before the date set for the Shareholders' Meeting.

2.7 The following documentation, where applicable, shall be filed together with each list at the Company's registered office within the relevant term of filing:

- information on the identity of the shareholders submitting the list, stating the total percentage shareholding having voting rights at ordinary Shareholders' Meetings;
- declarations of shareholders who submit, or jointly submit, a list, other than those that hold, also jointly, a controlling or relative majority holding, attesting the absence with the latter of connections qualified as relevant by pro tempore laws and regulations applicable to the Company;
- a comprehensive description of the personal and professional characteristics of each candidate, including information on offices held as director or statutory auditor in other companies, and a statement in which individual candidates accept their nomination and represent, under their own responsibility, that there are no causes for ineligibility or

incompatibility, and that they meet the directorship requirements established by laws, regulations and the Bylaws (and if necessary those required to be a member of the Audit and Internal Control Committee), and the independence requirements provided for in article 16, paragraph 2, hereunder; as well as

- any further documentation and declaration required by applicable pro tempore laws and regulations or that is useful for an overall assessment of suitability for the office, also in accordance with any information that may be publicly disclosed in advance by the Bank in the notice of call.

2.8 Submitted lists that do not meet the above requirements will be treated as not having been submitted. Nevertheless, the absence of documentation regarding individual candidates on a list does not automatically lead to the exclusion of the whole list but only to that of the candidates to whom the irregularity refers.

### 3. Voting

If more than one list is filed, Board members shall be elected as follows:

- (i)** all the members of the Board of Directors who are not members of the Audit and Internal Control Board except 2 (two) shall be drawn from the first section of the list that obtains the majority of votes cast, in the sequential order in which they are listed (the “Majority List for the Board of Directors”);
- (ii)** 2 (two) directors also members of the Audit and Internal Control Committee shall be drawn from the second section of the Majority List for the Board of Directors;
- (iii)** the remaining 2 (two) Directors, who are not members of the Audit and Internal Control Committee, shall be drawn, being the first 2 in the sequential order in which they are listed, from the first section of the minority list (the “Minority List for the Board of Directors”) which obtained the second highest number of votes and is not in any way linked, even indirectly, through connections qualified as relevant by applicable pro tempore laws and regulations, with persons who submitted or voted in favour of the list under point (i);
- (iv)** the remaining director who is a member of the Audit and Internal Control Committee is elected from the second section of the Minority List for the Board of Directors and shall assume the position as Chair of the Audit and Internal Control Committee.

If the Minority List for the Board of Directors fails to obtain a percentage of votes equal to at least half of the minimum portion of share capital having voting rights in the Shareholders’ Meeting required to submit lists, established by the National Commission for Companies and the Stock Exchange (Consob) that shall be stated in the notice of call anyway, then all the Directors to be elected will be taken from the Majority List for the Board of Directors. If the Minority List for the Board of Directors fails to contain a sufficient number of candidates to complete the Board of Directors and/or the Audit and Internal Control Committee, to the extent necessary, candidates shall be taken from the list that arrived third in terms of the number of votes received or, in the absence of other lists for which votes were cast, shall be taken from the Majority List for the Board of Directors; all of which always in the sequential order indicated in each of the two sections.

If several lists obtain the same number of votes, the Majority List for the Board of Directors is, for all purposes, the list submitted by shareholders holding the largest interest or, in second instance, the list voted by the highest number of shareholders (one vote per person). This applies also to the case whereby more minority lists obtain the same number of votes.

Should the resulting composition of the Board of Directors fail to ensure the minimum number of Independent Directors as per article 16 , paragraph 2, of these Bylaws, the non-independent candidate elected as last in the sequential order on the Majority List for the Board of Directors shall

be replaced by the independent candidate not elected on such list on the basis of the sequential order or, in the absence of such, by the first independent candidate in sequential order not elected on the other lists, depending on the number of votes obtained by each list, but in any case always separately for each of the two sections into which the lists are divided. This replacement procedure shall be used until the Board of Directors contains the minimum number of Independent Directors required under article 16, paragraph 2, below. Finally, if this procedure fails to produce the required result, replacement will be carried out by means of a resolution adopted by a relative majority at a Shareholders' Meeting, following the presentation of candidates meeting the above-mentioned requirements.

Furthermore, should the resulting composition of the Board of Directors fail to comply with the applicable pro tempore laws and regulations on gender balance, the candidate belonging to the more represented gender who is elected with the lowest number of votes in terms of the sequential order on the Majority List for the Board of Directors shall be replaced by the first candidate of the less represented gender not elected on such list on the basis of the sequential order or, in the absence of such, by the first candidate of the less represented gender not elected on the basis of the sequential order on the other lists, depending on the number of votes obtained by each list, all of which always separately for each of the two sections into which the lists are divided. This replacement procedure shall be used until the composition of the Board of Directors complies with applicable pro tempore laws and regulations on gender balance. If this procedure fails to produce the required result, replacement will be carried out by means of a resolution adopted by a relative majority at a Shareholders' Meeting, following the presentation of candidates belonging to the less represented gender.

If, lastly, the number of directors elected on the base of the lists submitted is lower than the number of members to be elected, the missing directors shall be appointed by the Shareholders' Meeting on a relative majority, subject to the submission of the names of candidates holding the requirements for complying with applicable pro tempore laws and regulations on gender balance and to compliance with the minimum number of Independent Directors prescribed by article 16, paragraph 2 below.

#### 4. Single list – Lack of or failure to vote for more than one list

In the case where:

- (a)** only one list is submitted, or if the minority lists submitted do not get a percentage of votes equal to at least half the minimum required for the submission of lists as per point 2 of this article, the Shareholders' Meeting shall express its opinion on such list by legal majority, without following the above procedure;
- (b)** no list is submitted, the Shareholders' Meeting shall resolve by legal majority, without following the above procedure;

in any event, it is understood that applicable pro tempore laws and regulations on the minimum number of Directors, on the minimum number of Independent Directors pursuant to article 16, paragraph 2 below and on gender balance shall be complied with.

#### 5. Causes for cessation of office

The Shareholders' Meeting resolves on the dismissal of members of the Board of Directors by the means established by law.

The proposal to dismiss one or more members of the Audit and Internal Control Committee shall describe the reasons for this and, where submitted by the Board of Directors, must be adopted with the favourable vote of the absolute majority of all the directors in office and after getting the opinion of the board committee responsible for appointments (with the unanimous vote of those

present); if the proposal is submitted by the Audit and Internal Control Committee, it must be adopted with the unanimous vote of the other members of that committee. The dismissal of members of the Audit and Internal Control Committee shall be duly motivated and the dismissal of a member of the Audit and Internal Control Committee implies also the dismissal as a member of the Board of Directors. The loss by a member of the Audit and Internal Control Committee of the requirements as per article 16, paragraph 2, also leads to cessation from the position of member of the Board of Directors.

If during the year for whatever reason one or more Directors ceases to hold office, the other Directors shall replace them with the first candidate not elected on the list (and section) to which the outgoing Director or Directors belonged, or with the subsequent candidates on the basis of the sequential order of the list (and section) if the first or subsequent persons do not accept the appointment or do not meet the independence requirements which may have been met by the Director to be replaced or if the composition of the Board of Directors is not such as to comply with applicable pro tempore laws and regulations on gender balance.

If for any reason it is not possible to effect the replacement of a member of the Board of Directors on the basis of the procedure described in the above paragraph, the Directors remaining in office shall co-opt a Director, selecting the replacement or replacements from persons not included in the first section of any list, ensuring, if such is the case, that the independence requirements for the Director to be replaced and the pro tempore laws and regulations on gender balance are complied with; this latter provision – without prejudice to the requirements of the previous paragraph – shall not, on the other hand, apply to the replacement of a member of the Audit and Internal Control Committee, hence, in the absence of an unelected candidate in the second section of any list, the Shareholders' Meeting shall provide. The Directors co-opted on this basis remain in office until the first Shareholders' Meeting, which either ratifies their appointment or nominates other persons holding the requirements of pro tempore applicable laws and regulations.

Account shall not be taken of the list-based voting system at Shareholders' Meetings which must confirm or replace co-opted Directors, who only remain in office until the Shareholders' Meeting appoints Board members with the list-based voting system.

In any event, the Board of Directors and the Shareholders' Meeting shall appoint Board members so as to ensure (i) the presence of Independent Directors in the minimum number required by article 16, paragraph 2, and (ii) compliance with applicable pro tempore laws and regulations on gender balance.

If the majority of Directors appointed by the Shareholders' Meeting ceases to hold office due to resignation or other reasons, the whole Board falls and the remaining Directors shall urgently call a Shareholders' Meeting to appoint a new Board of Directors.

#### **- Article 15 -**

#### **Minutes of Shareholders' Meetings**

1. The minutes of Shareholders' Meetings are drafted, approved and signed by the Chair of the Meeting, by the Secretary and by the Scrutineers, if appointed.
2. In the cases provided by law and when deemed necessary by the Chair of the Shareholders' Meeting and/or by the Secretary, the minutes shall be drawn up by a notary. The minutes of Shareholders' Meetings are recorded in a special minute book.
3. The minute book and copies and extracts of the minutes, when they are not drawn up by a notary, certified as true by the Chair of the Board of Directors or by his/her representative, shall constitute conclusive evidence of Shareholders' Meetings and resolutions.

#### **SECTION TWO – BOARD OF DIRECTORS**

**- Article 16 -  
Board of Directors**

1. The Company adopts the one-tier system of management and control pursuant to articles 2409-sexiesdecies et seq. of the Italian civil code and is accordingly managed by a Board of Directors consisting of an odd number of members that is not less than 9 (nine) and not greater than 15 (fifteen), of whom 3 (three) are members of the Audit and Internal Control Committee. The Shareholders' Meeting shall determine the number within such limits. As the body with the function of strategic supervision pursuant to applicable *pro tempore* laws and regulations, the Board of Directors leads the Company seeking sustainable success for the purpose of creating long-term value for the benefit of shareholders, taking into account the interests of the Company's key stakeholders.
2. Directors must meet fit and proper requirements and, in particular, the integrity and professionalism requirements provided for by applicable *pro tempore* laws and regulations and the Bylaws and at least 4 (four) of the Directors other than members of the Audit and Internal Control Committee must meet the independence requirements established by *pro tempore* applicable laws and regulations and the Bylaws ("Independent Directors"). Directors must also fulfil the criteria of competence, propriety and time commitment, and the specific limits on the total number of directorships allowed by applicable *pro tempore* supervisory and regulatory requirements, as well as any limits previously indicated by the Company.
3. With the exception of the requirements of *pro tempore* applicable laws and regulations, a Director cannot be considered "independent" in the following cases:
  - (a) if he or she is a significant shareholder of the Company, meaning the person who directly or indirectly (through controlled companies, trust companies or intermediaries) controls the Company or is able to exercise a considerable influence over it or who is directly or indirectly party to a shareholders' agreement by which one or more persons exercise control or considerable influence over the Company;
  - (b) if he or she is, or in the previous three years was, an executive director or employee:
    - of the Company, of one of its subsidiaries having strategic importance or of a company under common control;
    - of a significant shareholder of the Company;
  - (c) if, directly or indirectly (for example through a controlled company or a company of which he or she is an executive director, or by way of being a partner in a professional firm or a consulting firm), has, or in the three previous years has had, a significant commercial, financial or professional relationship:
    - with the Company or its subsidiaries, or with the respective executive directors or senior management;
    - with a person who, also together with others through a shareholders' agreement, controls the Company; or, if the holding company is a company or entity, with the respective executive directors or senior management;
  - (d) if he or she receives, or in the previous three years has received, from the Company, one of its subsidiaries or the holding company, significant remuneration in addition to the fixed remuneration due for the position and that envisaged for participation in the committees recommended by the Corporate Governance Code or set forth by *pro tempore* applicable laws and regulations;
  - (e) if he or she has been a director of the Company for more than nine fiscal years, consecutive or non-consecutive, during the previous twelve fiscal years;

- (f) if he or she holds the position of executive director in another company in which an executive director of the Company holds the position of director;
- (g) if he or she is a director or shareholder of a company or entity belonging to the network of the company engaged to perform the legal audit of the Company;
- (h) if he or she is a close relative of a person in one of the situations in the above points.

Furthermore, a Director cannot be considered “independent” in the cases specified in article 148, paragraph 3 of the TUF.

The members of the Audit and Internal Control Committee must meet the integrity and professional competence requirements and comply with the maximum number of directorships and control offices set forth in *pro tempore* applicable laws and regulations for members of the control bodies of a bank issuing shares listed on regulated markets. Furthermore, the members of the Audit and Internal Control Committee must also meet the independence requirements prescribed for Independent Directors.

4. Regarding the requirement for professional competence, at least one of the members of the Audit and Internal Control Committee: (i) must be enrolled in the register of legal auditors and (ii) for a period of at least 3 (three) years must have practiced as a legal auditor. The other members of the Audit and Internal Control Committee must have practiced, also alternatively and for a period of at least 3 (three) years, as a legal auditor or have gained proven experience in the matter of internal controls, administration and finance; in particular, the following are taken into consideration: (i) having performed administration and control activities or managerial duties in the banking, financial, securities or insurance sector; (ii) having performed administration and control activities or managerial duties in listed companies or those of a greater size or of a complexity similar to that of the Company; (iii) having performed professional activities (characterised by suitable levels of complexity and carried out on a continuous basis) concerning matters regarding the banking, financial, securities or insurance sector or in any case relating to the Company’s activities; (iv) having taught subjects of a legal or economic nature, or those in any case regarding the banking, financial, securities or insurance sector, as a first or second level lecturer at a university; or (v) having performed managerial or senior managerial duties, whatever they may be called, in public entities or in the public administration regarding the banking, financial, securities or insurance sector, provided that the body in which the person involved carried out such functions has a size and complexity comparable to that of the Company.

Regarding the independence requirement, inter alia the members of the Audit and Internal Control Committee may not hold positions in bodies other than those with a control function in other entities of the Banking Group, or in companies in which the Bank holds, directly or indirectly, a strategic shareholding (for this purpose, a strategic shareholding is one of at least 10% (ten per cent) of the share capital and voting rights at an ordinary Shareholders’ Meeting of the investee company and 5% (five per cent) of the consolidated regulatory capital of the Banking Group). The members of the Audit and Internal Control Committee may not be members of other board committees other than those with competence in risk management, related party transactions or remuneration

5. Directors shall remain in office for the period established at the time of their appointment and in any case for no more than 3 (three) years, and their term of office expires at the date of the Shareholders’ Meeting called to approve the financial statements for the last year of that term; they may be re-elected and removed by the Shareholders’ Meeting at any time, in accordance with the provisions of law.
6. The Board of Directors may approve its own Regulation governing procedures at meetings.

**- Article 17 -  
Chair and Deputy Chair**



1. If not appointed or designated by the Shareholders' Meeting, the Board of Directors elects a Chair from among its members and may elect a Deputy Chair.
2. In case of absence or impediment of the Chair, his/her functions shall be performed by the Deputy Chair (if appointed) or the most senior non-executive Director in office.
3. The Board of Directors elects a Secretary, who need not to be a Board member, who deals with the drafting, transcription in the specific book and preservation of the minutes of each meeting. In case of absence or impediment of the Secretary, the Board resolves who should act as a replacement.

**- Article 18 -**

**Convening meetings of the Board of Directors**

1. The Board of Directors is convened at the Registered Office or elsewhere, in Italy or abroad, by the Chair or by his/her representative, as a rule once a month and, in any case, whenever the Chair deems it necessary or whenever at least 2 (two) Directors request a meeting in writing. The Chair shall draw up the agenda.
2. Meetings are called by notice sent to each Director by any means of communication that ensures certainty of receipt, specifying the date, time and place of the meeting and the items to be discussed, at least 3 (three) days before the date scheduled for the meeting, or at least 24 (twenty-four) hours in case of urgency.
3. Meetings shall be valid even if they are not called as above, provided that all take part in the meeting.
4. The Board of Directors is chaired by the Chair or his/her representative pursuant to the second paragraph of article 17 of these Bylaws.
5. The General Manager, if appointed, acts as a consultant at Board meetings; the Chair may invite employees and/or consultants to Board meetings, without voting rights, and attend the discussion on all or part of the items on the agenda.
6. Participants at meetings of the Board of Directors may attend remotely via audio or video conference systems on condition it can be ensured that:
  - (a) the Chair is able to confirm the identity of all the participants;
  - (b) each participant is able to take part in the discussion in real time, verbally express their opinion and examine, receive and transmit all the documentation;
  - (c) the Board's proposals and resolutions can be examined at the same time.

**- Article 19 -**

**Powers of the Board of Directors**

1. The Board of Directors is vested with the all the powers for the ordinary and extraordinary management of the Company, with the exception of the matters expressly reserved by law and the Bylaws to the Shareholders' Meeting.
2. Pursuant to article 2365, paragraph 2, of the Italian civil code, the Board of Directors may by resolution approve mergers in the cases envisaged by articles 2505 and 2505-bis of the Italian civil code, the opening and closing of secondary offices, amendments to the Bylaws to align them to laws and regulations and transfers of the Company's registered office within Italy.
3. In addition to the duties and powers that cannot be delegated under applicable *pro tempore* laws and regulations, including those of a supervisory nature, the Board of Directors shall have exclusive authority for adopting resolutions concerning:

- (a) the determination of strategic guidelines and operations, general guidelines and risk governance and management policies, and their periodic review, as well as the adoption and amendment of the business and financial plans of the Company and the Banking Group;
- (b) the assessment of overall business performance, pursuant to article 2381 of the Italian civil code;
- (c) an assessment, at least on an annual basis, of the adequacy of the organisational, administrative and accounting structure of the Company and of the Banking Group and, in particular, of the functionality, efficiency and effectiveness of the internal control system;
- (d) the establishment of criteria to ensure that the Company carries out the instructions of the Supervisory Authority;
- (e) the drafting and approval of the draft annual financial statements (and consolidated statements where envisaged) and interim reports;
- (f) the purchase and sale of treasury shares and the purchase and sale of equity investments that are strategic and/or lead to variations in the Banking Group, as well as the purchase and disposal of businesses;
- (g) delegated increases in share capital pursuant to article 2443 of the Italian civil code and delegated issues of convertible bonds pursuant to article 2420-ter of the Italian civil code, including the faculty to adopt resolutions with the exclusion or limitation of the option right as per the fourth and fifth paragraphs of article 2441 of the Italian civil code;
- (h) the appointment and dismissal of the General Manager, as applicable, the possible suspension, removal and termination of the appointment and the establishment or modification of the powers, functions and duties of the General Manager as well as the determination of his/her remuneration. The appointment of one or more Deputy General Managers pursuant to paragraph 5 of article 21 below;
- (i) on the proposal of the risk management committee, which for this purpose avails itself of the appointments committee, the appointment and dismissal of the Internal Audit Manager, the Chief Risk Officer (CRO), the Compliance Manager and the Anti-Money Laundering Manager (AML Manager) after consulting with the Audit and Internal Control Committee, ensuring an open and effective discussion with the heads of the control functions;
- (j) subject to the mandatory but non-binding opinion of the Audit and Internal Control Committee, the appointment and dismissal of the Financial Reporting Officer pursuant to article 154-bis of the TUF and the provisions laid down below in article 27 of these Bylaws;
- (k) the approval and amendment of internal regulations, which are not deemed by these Bylaws or by law to be the competence of another corporate body;
- (l) the approval and amendment of the regulation governing the limits on the maximum number of directorships that members of corporate bodies may hold;
- (m) the establishment of the internal committees envisaged by applicable *pro tempore* laws and regulations, including those of a supervisory nature, and the Corporate Governance Code of Borsa Italiana S.p.A. (the Corporate Governance Code) (including committees in charge of related and associated party transactions, remuneration, risk management, and appointments) and any other committees, determining, also by adopting specific regulations, the composition, powers and the functioning of these committees and any remuneration due to their members;
- (n) the opening, transfer and closing of branches, agencies, sub-branches, business addresses and representative offices in Italy and abroad;

- (o) transactions with related parties of greater importance or transactions of lesser importance falling within the competence of the board, including transactions of greater importance with related parties, where the committee in charge of transactions with related and associated parties expresses a negative opinion, and submits to the Shareholders 'Meeting the transactions of greater importance with related parties when the committee in charge of transactions with related and associated parties has expressed a negative opinion, for the purpose of adopting the shareholders' resolutions referred to in article 9, paragraph 2, point (d) above;
  - (p) the appointment and dismissal of the person responsible for the health and safety function, who assumes the position of Employer pursuant to Legislative Decree no. 81 of 9 April 2008 and is vested with the broadest decision-making, organisational and disposition powers to fully and comprehensively manage all the obligations concerning the protection of health and safety in the workplace, establishing the relative budget for the purpose of carrying out the duties assigned to him/her;
  - (q) an assessment, periodically and at least once a year, of the performance of the Board itself and its internal committees as well as their size and composition;
  - (r) general guidelines for the structure and working of the Banking Group and establishing the criteria for coordinating and managing the companies of the Banking Group, as well as for implementing the instructions issued by the Supervisory Authority.
4. In compliance with the provisions in these Bylaws and the law the Board may delegate part of its responsibilities to one or more of its members who are not members of the Audit and Internal Control Committee, determining the powers and related remuneration, within the limits and in execution of the resolutions adopted by the Shareholders' Meeting.
  5. The delegated bodies are required to report to the Board of Directors within the terms and under the procedures established by the Board of Directors, in compliance with these Bylaws and the law.
  6. More specifically, the delegated bodies report to the Board of Directors and therefore also to the Audit and Internal Control Committee on the activities it has performed and on the major transactions of an economic, financial and capital nature carried out by the Company, also through its delegated bodies, and by its subsidiaries; in particular, they report on the transactions in which its members have an interest, either personally or on the behalf of third parties. This report is made, at least on a quarterly basis, either verbally at Board meetings or in writing. Besides compliance with provisions under article 136 of the TUB, each Director is also required to report any personal interest or interest on behalf of third parties in a particular transaction of the Company by specifying the nature, terms, origin and size, and to refrain from decisions on issues where he/she may a conflict of interest, either directly or on behalf of third parties, within the meaning of applicable laws and regulations. In the case of a Managing Director, he/she shall refrain from carrying out the transaction and assign this to the Board of Directors.
  7. The Board may also, within the limits provided by these Bylaws and the law, delegate powers to the General Manager, where appointed, to executives and to other Company's employees, establishing the means by which these should be exercised, including the possibility of sub-delegation. In particular, the Board may delegate decision-making powers regarding the disbursement of loans to the General Manager, where appointed, and to employees vested with specific powers, up to a pre-set limit proportionate to the duties and position held.

**- Article 20 -  
Executive Committee**

1. The Board of Directors may appoint an Executive Committee, establishing the related operating procedures, the frequency of meetings and the duration which, in any case, shall not be greater than the remaining term of office of the Board.
2. If appointed, the Executive Committee comprises 3 (three) or 5 (five) Directors (who are not members of the Audit and Internal Control Committee), without prejudice to the fact that the Managing Director, if appointed, is an ex officio member of the body. The Chair of the Board of Directors participates, without voting rights, at the meetings of the Executive Committee in order to facilitate an effective flow of information. The Executive Committee elects from among its members, with a simple majority of those present, the person appointed to chair, coordinate and convene meetings, establishing the relative agenda, as well as representing the body. In case of absence or impediment of the person appointed, the aforementioned functions shall be carried out by the eldest member in terms of age.

The Committee may always replace the person appointed to chair it.

The Secretary appointed by the Board of Directors acts as Secretary to the Executive Committee or, failing this, another person designated by the Executive Committee; these persons need not be members of the body.

3. A majority of the members of the Executive Committee must be present for resolutions to be valid. Resolutions are adopted by a majority of those voting, with the exclusion of those who abstained; in case of a tied vote, the Chair shall have the casting vote.
4. The Executive Committee meets at the Company's registered office or at another venue, including abroad.

Executive Committee meetings may be held via teleconferencing or videoconferencing and, more generally, by any means of telecommunication, provided all participants can be identified and are able to follow discussions and take part in real time in the discussion of the items on the agenda, and can examine, receive and discuss the related documentation.

5. The Executive Committee is vested with the powers delegated to it by the Board of Directors.

In cases of urgency, the Executive Committee may adopt resolutions on any business or transaction, except for those matters which cannot be delegated by law or the Bylaws, and shall inform the Board of Directors of this at the next meeting.

6. The Executive Committee shall inform the Board of Directors and specifically also the Audit and Internal Control Committee as to the decisions taken at each meeting within 20 (twenty) days after the meeting was held.

#### **- Article 21 - Managing Director**

1. The Board of Directors may delegate its powers to a Managing Director within the limits laid down in these Bylaws and the law.
2. The Managing Director is in charge of ensuring that the organisational, administrative and accounting structure, as well as the internal control and risk management system, is commensurate with the size and nature of the Company. The Managing Director reports to the Board of Directors and specifically also to the Audit and Internal Control Committee in accordance with the requirements of article 19, paragraph 6 above. Any Director may request the Managing Director to provide the Board with information about the management of the Company.
3. The Managing Director ensures the implementation of the resolutions of the Board of Directors and has the power to make proposals to the Board of Directors concerning the matters referred to in article 19, paragraph 3, points (a), (d), (e), (f), (g), (k), (l), (n), (p) and (r) above. With a view to

preserving a proper and constructive dialogue within the Board of Directors, each Director is entitled to make proposals to the Board of Directors on the same matters.

4. The Board of Directors, as an alternative to the Managing Director, may appoint a General Manager, establishing his/her powers and term of office. A General Manager cannot be appointed if a Managing Director has been appointed.
5. The Board of Directors may also appoint one or more Deputy General Managers. A Deputy General Manager or Deputy General Managers may be appointed even if the Managing Director performs the duties of General Manager.

**- Article 22 -**

**Board of Directors' resolutions**

1. For resolutions of the Board of Directors to be valid, a majority of the members currently in office must be in attendance.
2. Resolutions are approved by a majority of those voting excluding abstentions. In case of a tied vote, the Chair shall have the casting vote.
3. Votes shall be cast openly.

**- Article 23 -**

**Minutes of Board of Directors' meetings**

1. Resolutions adopted by the Board of Directors shall be recorded in a specific minutes book, signed by the Chair and/or by the Secretary of the meeting and the Secretary.
2. Copies or extracts of the minutes, where not drafted by a Notary, are certified as true copies by the Chair of the Board of Directors or his/her representative; the minutes book and extracts constitute conclusive evidence of the meetings and resolutions of the Board of Directors.

**- Article 24 -**

**Directors' remuneration**

1. Board members are entitled to reimbursement of the expenses they may incur in the performance of their duties and a fee determined by the Shareholders' Meeting on appointment.
2. The remuneration of the Directors vested with special duties is determined by the Board of Directors, on the proposal of the committee in charge of remuneration and after obtaining the opinion of the Audit and Internal Control Committee.
3. The remuneration of Directors who are members of the Audit and Internal Control Committee is established in any case by the Shareholders' Meeting upon appointment, for the entire term in office.

**- Article 25 -**

**Representation of the Company**

1. The powers of corporate signature and representation, also during court proceedings, lie with the Chair of the Board of Directors and/or the Managing Director (where appointed), as determined by the resolution adopted by the relevant Shareholders' Meeting.
2. For single acts or categories of acts, the Board of Directors may also assign corporate signature and representation to individual Directors, to the General Manager, where appointed, to

executives, officers and employees of the Company as well as to other attorneys, determining the related powers, limits and ways by which these must be exercised.

### **SECTION THREE- CORPORATE DEPARTMENT**

#### **- Article 26 - General Manager**

1. Where envisaged as part of the organisational structure, the Corporate Department consists of the General Manager, when appointed by the Board of Directors which determines his/her duties and powers. As established in article 21 above, as an alternative to the appointment of a General Manager, the duties and powers of the General Manager may be assigned by the Board of Directors to a Managing Director.
2. To the extent of the powers conferred and in accordance with guidelines of the Board of Directors, the General Manager shall manage all current business, exercise the powers bestowed for loan disbursement, spending and financial transactions within the limits assigned and oversee service organisation and functioning.
3. In any case, the General Manager shall exercise his/her duties under the terms of these Bylaws, any regulations and the powers granted to him/her by the Board of Directors.
4. The General Manager, where appointed, is head of human resources.
5. In particular, as head of human resources, he/she makes recommendations concerning recruitment, appointment, promotion, remuneration and disciplinary measures, with the right to temporarily suspend employees, subsequently reporting back to the Board of Directors for the resulting resolutions. He/she arranges for the allocation and transfer of personnel, notifying the Board of Directors in this respect.
6. Where appointed the General Manager reports to the Board of Directors every six months, according to the procedures established by the Board of Directors and in compliance with the provisions of these Bylaws and the law.
7. If appointed, the General Manager, when he/she does not hold the office of Director, shall take part in Board meetings with advisory functions and attend Shareholders' Meetings.

### **SECTION FOUR – FINANCIAL REPORTING OFFICER**

#### **- Article 27 - Financial Reporting Officer**

1. Subject to the mandatory but non-binding opinion of the Audit and Internal Control Committee, the Board of Directors appoints and dismisses the Financial Reporting Officer who, in compliance with the law, performs functions governed by article 154-bis of the TUF and by any other *pro tempore* laws and regulations applicable to the Company; the Board of Directors also determines his/her powers, resources and remuneration in accordance with the above-mentioned laws and regulations and the provisions contained in paragraph 2 of this article.
2. The Financial Reporting Officer is granted suitable powers and resources to carry out the duties assigned to him/her by law and other applicable provisions, as well as any powers and functions established by the Board of Directors at the time of his/her appointment or by subsequent resolution.
3. The Financial Reporting Officer must meet the requirements prescribed by applicable *pro tempore* laws and regulations for individuals performing administrative or management functions. In particular, he/she must have specific expertise in administrative, accounting, credit, financial and

securities matters. The Board of Directors is responsible for verifying that the aforementioned requirements are met.

4. The Board of Directors shall ensure that the Financial Reporting Officer meets the above requirements in order to perform his/her duties.

#### **AUDIT AND INTERNAL CONTROL COMMITTEE AND INDEPENDENT AUDIT**

##### **- Article 28 -**

#### **Duties, functions, powers and organisation of the Audit and Internal Control Committee**

1. The Audit and Internal Control Committee performs the duty of supervising compliance with laws, regulations and the Bylaws. Having been granted the powers, it also carries out the duties and exercises the control functions provided for by applicable *pro tempore* laws and regulations, including those of a supervisory nature, reporting any shortcomings and irregularities encountered, requesting suitable corrective measures to be adopted and verifying their effectiveness over time.

The Audit and Internal Control Committee and its members, also on an individual basis, may avail themselves of the Company's structures and internal control functions in order to carry out and direct their checks and the necessary investigations. For this purpose they receive from such structures and functions suitable information flows both periodical and related to specific situations or business trends. In addition, the members of the Audit and Internal Control Committee may at any time, also individually, perform inspections and checks. In accordance with article 151-*ter* of the TUF, therefore, they may, by way of example: (i) ask, also individually, to other Directors, ~~for~~ to provide information, also in reference to subsidiaries, on business performance or ~~on~~ specific transactions, or make the same requests for information directly to the management and control bodies of subsidiaries. The information are provided to all the members of the Audit and Internal Control Committee; (ii) ask the Chair, also individually, to convene the Committee, stating the subjects to be discussed. The meeting must be convened without delay, unless there are obstructing reasons that shall be communicated on a timely basis to the person requesting the meeting and explained to the Committee at the next meeting. In addition, the Audit and Internal Control Committee (iii) may, subject to notifying the Chair of the Board of Directors, call a meeting of the Board of Directors or of the Executive Committee (if established) and avail itself of the Company's employees to perform its functions. The power to call meetings and request collaboration may also be exercised on an individual basis by each member of the Committee, receiving relevant data and information from the heads of the Company's internal control functions and structures; (iv) may, at any time, perform inspections and checks, also by means of a suitably delegated member of the Committee, as well as exchange information with the corresponding bodies of subsidiaries concerning management and control systems and the general performance of the business.

The Audit and Internal Control Committee exchanges information with the Managing Director or the Executive Committee, if established, these being required to report to the Audit and Internal Control Committee, at least on a quarterly basis, on the activities performed and the significant transactions of an economic, financial and capital nature carried out by the Company or by entities of the Banking Group. In particular, they report on transactions in which they have an interest, on their own behalf or on behalf of third parties, or which may be influenced by the individual party exercising management and coordination.

2. The operating regulations of the Audit and Internal Control Committee are approved by the Committee itself, subject to the opinion of the Board of Directors.
3. The Audit and Internal Control Committee, which meets on a periodic basis, is convened by its Chair by sending notice by any means of communication that ensures certainty of receipt, specifying the date, time and place of the meeting and the items to be discussed, at least 3 (three) days before the date scheduled for the meeting, or at least 24 (twenty-four) hours in

case of urgency. All participants must sign the minutes and records of the Audit and Internal Control Committee.

4. The Audit and Internal Control Committee is duly constituted with the presence of the majority of its members and adopts resolutions with the majority of those in attendance.
5. Participants at meetings of the Audit and Internal Control Committee may attend remotely via audio or video conference systems, on condition it can be ensured that:
  - (a) the Chair is able to confirm the identity of all participants;
  - (b) each participant is able to take part in the discussion in real time, verbally express their opinion and examine, receive and transmit all documentation;
  - (c) the proposals and resolutions of the Audit and Internal Control Committee can be examined at the same time.

**- Article 29 -**

**Independent audit of the accounts**

1. The independent audit of the Company's accounts is performed by an auditing firm possessing the legal requirements established by applicable *pro tempore* laws and regulations.
2. The engagement to audit the accounts is bestowed by the Shareholders' Meeting, on the reasoned proposal of the Audit and Internal Control Committee, as established by applicable *pro tempore* laws and regulations.

**TITLE IV  
FINANCIAL STATEMENTS AND PROFITS**

**- Article 30 -**

**Financial statements**

1. The company's financial year ends on 31 December.
2. At the end of each financial year the Board of Directors shall prepare the company's financial statements in accordance with statutory provisions and submit them to the Shareholders' Meeting.

**- Article 31 -**

**Profits, reserves**

1. Profits resulting from the financial statements, net of the amount to be allocated to the legal reserve, will be allocated in accordance with resolutions of the Shareholders' Meeting.
2. Dividends are distributed in accordance with the terms and conditions set by the resolution of the Shareholders' Meeting providing for the distribution of profits to shareholders. Any dividends unclaimed within 5 (five) years from the date on which they become payable are forfeited and revert to the Company, and are allocated to reserves.
3. On proposal of the Board of Directors, the Shareholders' Meeting may allocate an overall annual amount – not exceeding 5% (five percent) of the net profit for the year – to social, welfare and cultural initiatives.

**TITLE V**

**DISSOLUTION, LIQUIDATION AND GENERAL PROVISIONS**

**- Article 32 -**

**Dissolution, Liquidation**



1. In all cases of dissolution, the Shareholders' Meeting shall appoint the Liquidators and establish their powers, the liquidation procedures and the allocation of the assets resulting from the final balance sheet.
2. The provisions of law shall apply for the liquidation of the Company and for anything not expressly provided for in these Bylaws.