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## Extraordinary Shareholders' Meeting of January 29, 2021

### Explanatory report of point 1) on the agenda

**Amendment of articles 5, 11, 14, 17, 18, 19, 20, 22, 24, 27, 28, 29, 31, 32, 33, 34, 36, 37, and 45; repeal of the articles 21 and 23, and insertion of new article 28, with consequent renumbering of the articles of the Articles of Association. Related and consequent resolutions.**

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*This is a translation into English of the original in Italian. The Italian text shall prevail over the English version.*

BPER Banca S.p.A.

Extraordinary Shareholders' Meeting of January 29, 2021

*Report pursuant to art. 125-ter of the Consolidated Law on Finance*

**Amendment of articles 5, 11, 14, 17, 18, 19, 20, 22, 24, 27, 28, 29, 31, 32, 33, 34, 36, 37, and 45; repeal of the articles 21 and 23, and insertion of new article 28, with consequent renumbering of the articles of the Articles of Association. Related and consequent resolutions.**

To our Shareholders,

With regard to point 1 on the agenda of the Extraordinary Shareholders' Meeting, the Board of Directors of BPER Banca S.p.A. ("**BPER**" or the "**Bank**") has called you for January 29, 2021 to submit for your approval the amendments to the Articles of Association illustrated in this report (the "**Report**"), drawn up pursuant to art. 125-ter of Italian Legislative Decree no. 58 of 24 February 1998, as subsequently amended (the "**Consolidated Law on Finance**") and pursuant to art. 72 of the Regulation implementing CONSOB Resolution no. 11971 of 14 May 1999, as subsequently amended (the "**Issuers' Regulation**"), as well as in accordance with the provisions of Scheme no. 3 of Annex 3A to the Issuers' Regulation.

Amendments to the Articles of Association submitted for the approval of the Shareholders' Meeting, concerning the overall governance structure of the Bank, were drawn up by the Board in exercising its power to assess the corporate governance system, also in order to take account of the evolution in the ownership structures following the transformation of the Bank into joint-stock company (S.p.A).

The Board of Directors' proposal specifically regards the procedures for appointing the Board of Directors, governed by art. 19 of the Articles of Association.

The current Articles of Association of BPER specifically set a fixed number of Directors of 15 (fifteen) and a majority election mechanism for the Board, by virtue of which the list that obtained the highest number of votes proposes a minimum of 12 (twelve) to a maximum of 14 (fourteen) Directors, while the second list (which is not linked, even indirectly, to the first) proposes the remaining Directors, in a number from 1 (one) to 3 (three) based on the size of the ratio of the number of votes it obtained to the number of votes obtained by the first list.

The proposed amendment to art. 19, without prejudice to maintaining a fixed number of Directors equal to 15 (fifteen), takes the form of the following essential aspects:

- the adoption of a proportional election criterion for appointing the Board of Directors based on the "quotient" method, which aims to adequately represent the various components of the ownership structures, encouraging the participation of minority interests;
- inclusion of a threshold for "access to allocation", to ensure stability and consistency in the operation of the management body, so that, without prejudice to the legal requirement to ensure

that the first minority list can propose at least one Director, the other minority lists contribute to appointing the Board only where they have obtained votes amounting to at least 5% of the voting capital;

- introducing limits to the linking of lists, which are stricter than those envisaged by law, in order to guarantee the proper representation of minority shareholders in the management body and, at the same time to prevent that, due to the proportional election system, linked minority lists enable to elect the majority of the Board of Directors.

The proposal of the Board of Directors also provides for a derogation from the proportional election system described just above, where the list that has obtained the highest number of votes, provided that it contains a number of candidates equal to or greater than the majority of Directors to be elected, has obtained the favourable vote of more than half of the share capital with voting rights. In that case, the rule equivalent to that set out in the current BPER's Articles of Association shall apply, with the consequent extraction from the first list of a number of Directors between fourteen (14) and twelve (12) and the possibility for the second list that is not linked in any way to the first to appoint one (1) to three (3) Directors, based on the size of the ratio of the number of votes it obtained to the number of votes obtained by the first list.

Lastly, consistent with the decision to submit to Shareholders decisions relating to the composition of the Board of Directors, the power of the outgoing Board to submit a list of candidates for the appointment of the management body is eliminated.

Additional minor changes regard, *inter alia*:

- the elimination of the role of Honorary Chairman;
- the change in the structure of the implementing bodies, making the appointment of the Executive Committee optional and, therefore, leaving it to the Board of Directors to decide on whether the Committee should be established;
- the reduction of the number of members of the Board of Statutory Auditors from the current 5 (five) Serving Statutory Auditors to 3 (three).

It is hereby specified that on 15 December 2020, the European Central Bank authorised the proposed amendments to the Articles of Association that are the subject matter of this Report.

In compliance with the regulatory obligations in force, it is also noted that the Shareholders shall not have the right of withdrawal in relation to the amendments to the Articles of Association in question.

The articles proposed for amendment, in the current and proposed text, are reported below. The text, which is proposed to be deleted is in strikethrough, and the text proposed to be introduced is in bold. For each article, the presentation of the amendments is preceded by an illustration of the content and reasons for the proposed changes.

At the end of the presentation of the amendments, the full Articles of Association is reported as it would result in case of approval of the proposed amendments.

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**Amendments to art. 5 of the Articles of Association**

Art. 1, paragraph 2-*bis* of Italian Decree Law no. 3 of 24 January 2015, as amended by Conversion Law no. 33 of 24 March 2015, established that Articles of Association of joint-stock companies resulting from the transformation of cooperative banks could envisage, with a limited effect and specific term, in any event no longer than twenty four months from the entry into force of said Conversion Law, that no party with voting rights could exercise them over an amount of shares exceeding 5% of the share capital with voting rights, without prejudice to the right to set out higher limits.

That provision was reflected in paragraph 5 of art. 5 of the Articles of Association, which limited the exercise of voting rights within the threshold of 5% of the share capital until the expiry of the term set out in said law provision and, in any event, up to 26 March 2017.

As that provision of the Articles of Association is no longer effective, it is proposed to repeal it.

<b>CURRENT TEXT</b>	<b>PROPOSED TEXT</b>
<b>Article 5</b>	<b>Article 5</b>
<p>1. Share capital, fully subscribed and paid in, amounts to Euro 2,100,435,182.40 and is represented by 1,413,263,512 registered ordinary shares, with no nominal value.</p> <p>2. If a share becomes the property of several persons, the joint ownership rights must be exercised by a common representative.</p> <p>3. Within the limits established by current regulations, the Company, by resolution of the Extraordinary Shareholders' Meeting can issue categories of shares carrying different rights with respect to the ordinary shares, and may determine such rights, as well as financial instruments with equity or administrative rights.</p> <p>4. All the shares belonging to the same category carry the same rights.</p> <p>5. Until the expiry of the deadline provided for by art. 1, paragraph 2 bis of Decree Law 3 of 24 January 2015, converted into Law 33 of 24 March 2015, and subsequent possible extensions and/or modifications, no one entitled to vote may vote, for any reason, for a quantity of the Company's shares in excess of 5% of the share capital with voting rights. To this end, account should be taken of the total shares held directly and indirectly, through subsidiaries, trust</p>	<p>[paragraphs 1 to 4 unvaried]</p> <p><del>5. Until the expiry of the deadline provided for by art. 1, paragraph 2-bis of Decree Law 3 of 24 January 2015, converted into Law 33 of 24 March 2015, and subsequent possible extensions and/or modifications, no one entitled to vote may vote, for any reason, for a quantity of the Company's shares in excess of 5% of the share capital with voting rights. To this end, account should be taken of the total shares held directly and indirectly, through subsidiaries, trust</del></p>

companies and intermediaries, and those for which the voting rights are assigned for any reason to someone other than the owner. No account is taken of shareholdings included in the portfolios of mutual funds. For the purpose of these Articles of Association, control takes place, also with regard to parties other than companies, in the cases foreseen in art. 23 of Legislative Decree 385 of 1 September 1993. In the event of violation of these provisions, any shareholders' resolutions may be challenged pursuant to art. 2377 of the Italian Civil Code, if the required majority was not reached without this violation. The shares for which voting rights cannot be exercised are not included in the count for the purpose of establishing whether there is a quorum to hold the General Meeting.

6. The Board of Directors at the meeting held on 11 July 2019, by virtue of the delegation attributed to it by the Extraordinary Shareholders' Meeting held on 4 July 2019, pursuant to Article 2420-ter of the Italian Civil Code, to be exercised by 31 December 2019, has resolved to issue an Additional Tier 1 convertible bond, for a total nominal amount equal to Euro 150,000,000.00, to be entirely offered in subscription to Fondazione di Sardegna, with the exclusion of option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, at a subscription price higher than par value equal to Euro 180,000,000.00, and, consequently, to resolve a paid capital increase, in one or more tranches and in divisible form, for a maximum total amount equal to Euro 150,000,000.00, including a share premium equal to Euro 42,857,142, to service exclusively and irrevocably the conversion of the abovementioned Additional Tier 1 bond through the issue of a maximum of no. 35,714,286 ordinary shares of the Company, without explicit par value, with regular dividend rights and the same features as the ordinary shares of the Company outstanding at the issue date.

~~companies and intermediaries, and those for which the voting rights are assigned for any reason to someone other than the owner. No account is taken of shareholdings included in the portfolios of mutual funds. For the purpose of these Articles of Association, control takes place, also with regard to parties other than companies, in the cases foreseen in art. 23 of Legislative Decree 385 of 1 September 1993. In the event of violation of these provisions, any shareholders' resolutions may be challenged pursuant to art. 2377 of the Italian Civil Code, if the required majority was not reached without this violation. The shares for which voting rights cannot be exercised are not included in the count for the purpose of establishing whether there is a quorum to hold the General Meeting.~~

65[text unchanged]

7. The Extraordinary Shareholders' Meeting held on 4 July 2019 granted the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power, for a period of five years from the date of the shareholders' meeting resolution, to resolve a paid capital increase, one or more time and in one or more tranches, with the exclusion of option rights pursuant to Article 2441, paragraph 4, and/or Article 2441, paragraph 5, of the Italian Civil Code, for a maximum total amount equal to Euro 13,000,000.00, including any share premium to be determined pursuant to Article 2441, paragraph 6, of the Italian Civil Code, by issue of a maximum number of 2,500,000 ordinary shares of the Company, without express par value, whose issue value may also be lower than the accounting par value existing at the relevant issue date, with regular dividend rights and the same characteristics as the ordinary shares of the Company outstanding at the issue date.

76[text unchanged]

8. The Extraordinary Shareholders' Meeting held on 22 April 2020 granted to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the authorization, to be exercised by 31 March 2021, to increase the share capital in one or more tranches, in a divisible form, against payment, for a total maximum amount of Euro 1,000,000,000.00, inclusive of any share premium, through the issuance of ordinary shares of the Company, with no par value, whose issuance price may be lower than the accounting par value of pre-existing shares, to be offered in option to the existing shareholders pursuant to Article 2441, paragraph 1 of the Italian Civil Code, having regular entitlement and the same features of the ordinary shares outstanding at the issue date. The Board of Directors, partially exercising this right, at the board meeting of 29 September 2020 resolved to increase the share capital for payment, in one or more tranches, limited to a total maximum amount of Euro 534,838,838.40 (five hundred

87[text unchanged]

<p>and thirty-four million eight hundred and thirty eight thousand eight hundred and thirty eight point forty), as well as a share premium of a maximum of Euro 267,419,419.20 (two hundred and sixty-seven million, four hundred and nineteen thousand, four hundred nineteen point twenty), by issuing a maximum of 891,398,064 (eight hundred and ninety-one million three hundred and ninety-eight thousand and sixty-four) ordinary shares, with no par value, with regular rights of enjoyment and the same characteristics as the ordinary shares in circulation on the issue date, to be offered under option to those entitled to them, pursuant to article 2441, paragraph I, of the Italian Civil Code. The deadline for subscription of the newly issued shares is 31 December 2020, with the clarification that if the approved increase in capital is not fully subscribed by that date, the capital will in any case be deemed to have increased by an amount equal to the subscriptions received.</p>	
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**Amendments to art. 11 of the Articles of Association**

Pursuant to art. 11 of the current Articles of Association, the Shareholders' Meeting can appoint an Honorary Chairman from among those - not necessarily members of the Board of Directors - who have made a significant contribution to the Company's prestige and development. The position of Honorary Chairman is not remunerated.

The role of Honorary Chairman, which is historically connected with cooperative companies, has never been concretely activated.

With a view to simplifying the Articles of Association and streamlining corporate structures, it is proposed to repeal the provision that allows the Shareholders' Meeting to appoint the Honorary Chairman, contained in paragraph 2 of art. 11.

The change in paragraph 5 regards mere coordination with the amendment pursuant to art. 5 illustrated above.

CURRENT TEXT	PROPOSED TEXT
<b>Article 11</b>	<b>Article 11</b>
1. The Ordinary Shareholders' Meeting must be called at least once each year, within 120 (one	[paragraph 1 unvaried]

hundred and twenty) days of the end of the financial year.

2. The Ordinary Shareholders' Meeting:

- on the reasoned proposal of the Board of Statutory Auditors, appoints the Independent Auditors from among the registered auditing firms, determines their fees and any criteria for fee adjustments during their period of office; can, under certain circumstances, revoke their appointment, having consulted with the Statutory Auditors;
- determines, in accordance with applicable legal and regulatory requirements, the remuneration payable to the directors. The remuneration of directors that perform special duties pursuant to the Articles of Association is established by the Board of Directors, having heard the opinion of the Board of Statutory Auditors;
- determines the fees payable to the Statutory Auditors;
- approval of the remuneration policies in favour of the bodies with supervisory, management and control functions and the staff;
- approves any remuneration plans based on the use of financial instruments;
- approves the criteria for calculating any special remuneration to be awarded in the event of early termination of employment or stepping down ahead of schedule, including the limits set on such remuneration in terms of the number of years of the fixed portion of remuneration and the maximum amount that derives from applying these criteria;
- has the power to resolve, with qualified majorities required by current supervisory regulations, a ratio between the variable and fixed element of individual staff remuneration higher than 1:1, but not exceeding the maximum established in such regulations;
- can appoint an Honorary Chairman from among those - not necessarily members of the Board of Directors - who have made a significant contribution to the Company's prestige and

[beginning and first 7 bullet points unvaried]

~~can appoint an Honorary Chairman from among those - not necessarily members of the Board of Directors - who have made a significant contribution to the Company's prestige and~~

<p>development. The position of Honorary Chairman is not remunerated; - resolves on all other matters reserved for it by law.</p> <p>3. The Extraordinary Shareholders' Meeting resolves on all matters reserved for it by law.</p> <p>4. Persons who have the right to vote are entitled to attend the Meeting if the Company has received, by the legal deadline, communication from the authorised intermediary certifying this right.</p> <p>5. Each ordinary share carries the right to one vote, notwithstanding art. 5, paragraph 6.</p> <p>6. Those who have the right to vote may be represented at the Meeting in compliance with the applicable regulations. The proxy can be notified electronically through the use of the appropriate section of the Company's website or by e-mail, as indicated in the notice of calling.</p> <p>7. Postal voting is not allowed.</p> <p>8. In accordance with current regulations, the Board of Directors can allow votes to be cast before and/or during the Shareholders' Meeting, without requiring the physical presence of the person or their proxy, through the use of electronic devices in ways to be communicated in the notice of calling of the Shareholders' Meeting, such as to ensure the identification of those who have the right to vote and security of communications.</p> <p>9. Members of the Board of Directors may not vote on resolutions regarding their responsibility for actions.</p>	<p><del>development. The position of Honorary Chairman is not remunerated;</del> [last bullet point unvaried]</p> <p>[paragraphs 3 and 4 unvaried]</p> <p>5. Each ordinary share carries the right to one vote, <del>notwithstanding art. 5, paragraph 6.</del> [paragraphs 6 to 9 unvaried]</p>
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#### **Amendments to art. 14 of the Articles of Association**

The proposed amendment to art. 14 of the Articles of Association, on the validity of the resolutions of the Shareholders' Meeting, consists of a simple update to the reference to the Articles of Association governing the appointment of the Board of Statutory Auditors, following the renumbering of said provisions.

<b>CURRENT TEXT</b>	<b>PROPOSED TEXT</b>
<b>Article 14</b>	<b>Article 14</b>
1. For shareholders' resolutions to be valid, current legal regulations shall apply, without prejudice to arts. 18, 19, 20, 32, 33 and 34.	1. For shareholders' resolutions to be valid, current legal regulations shall apply, without prejudice to arts. 18, 19, 20, <del>32</del> <sup>1</sup> , <del>33</del> <sup>2</sup> and 34 <sup>3</sup> .

#### **Amendments to art. 17 of the Articles of Association**

Art. 17 of the Articles of Association governs the composition of the Board of Directors.

For a systematic approach, it is proposed to concentrate in that clause of the Articles of Association the rules, currently laid down in articles 21 and 23, concerning the requirements of Directors and the related reasons for ineligibility, incompatibility and loss of office, so that they precede, instead of following, the provisions laid down in articles 18 and 19, which govern the procedures for the appointment of the Board of Directors.

Moreover, for greater clarity, it is proposed to include in paragraph 4 reference to the applicable legislation that governs the independence requirements for Directors, currently laid down in art. 18.

The following amendments are also proposed:

- in order to align the composition of the Board of Directors with corporate best practices, it is proposed to insert in paragraph 4 the requirement that independent members of the Board of Directors must meet the independence requirements defined by the current Corporate Governance Code for Listed Companies issued by Borsa Italiana S.p.A.;
- to paragraph 5, which substantially reflects the provision in the current art. 21, paragraph 1, proposes to add an express reference to the need to comply with the limits on the number of positions held, as provided for by current legislation on offices held by a member of the management body of a bank issuing shares listed on regulated markets, on pain of ineligibility or loss of office. Paragraph 6 also proposes the obligation for the Directors to immediately inform the Board of Directors of any situation that may affect the assessment of their eligibility to hold office;
- in relation to reasons for incompatibility laid out in the current art. 23 (new paragraph 7 of art. 17) relating to parties that are employees of the Company or directors, employees or members of supervisory committees, commissions or bodies of competing banks or companies, it is proposed to set out a mechanism that permits the removal of those reasons for incompatibility, both before and after the appointment of the Directors.

<b>CURRENT TEXT</b>	<b>PROPOSED TEXT</b>
<b>Article 17</b>	<b>Article 17</b>
1. The Board of Directors comprises 15 (fifteen) directors elected at the Meeting. 2. The members of the Board of Directors remain in office for three years and their	[paragraphs 1 and 2 unvaried]

mandate expires on the date of the Meeting called to approve the financial statements for the last year of their appointment. They can be re-elected.

3. The composition of the Board of Directors has to ensure gender balance in accordance with current regulations.

3. The composition of the Board of Directors has to ensure gender balance **and the minimum number of independent members** in accordance with current regulations.

**4. Directors who meet the independence requirements established by article 148, paragraph 3, of Legislative Decree 58 of 24 February 1998, as well as by the regulations in force implementing article 26 of Legislative Decree 385 of 1 September 1993, are regarded as independent (hereinafter, the “*Independence Requirements*”).** The independent members of the Board of Directors must also meet the independence requirements defined by the current Corporate Governance Code for Listed Companies issued by Borsa Italiana SpA. It is up to the Board of Directors to define the parameters based on which it is assessed whether the relationships maintained by directors have compromised their independence.

**5. The members of the Board of Directors must meet the requirements and eligibility criteria, as well as comply with the limits on the number of positions held, as provided for by current legislation on offices held by a member of the board of directors of a bank issuing shares listed on regulated markets; subsequent failure to meet these requirements and criteria shall lead to ineligibility or loss of office.**

**6. During their term of office, the Directors shall immediately inform the Board of Directors of any situation that may affect the assessment of their eligibility to hold office.**

**7. Without prejudice to the other reasons for ineligibility, incompatibility and loss of office established by current regulations:**

	<p>a) the following persons cannot be members of the Board of Directors: (i) Company employees, unless they are members of General Management; (ii) the directors, employees or members of supervisory committees, commissions or bodies of competing banks or companies, unless the Company holds investments in such banks or companies, whether directly or via companies that are members of the Banking Group;</p> <p>b) the existence of a reason of incompatibility under letter a) shall not prevent the candidate from standing for the office of Company director, it being understood that by accepting the candidature, the candidate undertakes the obligation to immediately terminate said reason if he/she is appointed;</p> <p>c) in the event that a reason of incompatibility under letter a) occurs after the appointment, the interested person shall immediately notify the Board of Directors and, if said reason is not removed within 30 (thirty) days from the notification or within any shorter time laid down by current regulations, he/she shall cease to hold office.</p> <p>8. If a Director no longer meets the Independence Requirements or other requirements foreseen under current law or under the Articles of Association, providing they do not envisage ineligibility or loss of office, this does not automatically lead to his/her loss of office, if there is still the required minimum number of Directors who meet them.</p>
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**Amendments to art. 18 of the Articles of Association**

It is proposed to eliminate the outgoing Board's power to submit its own list of candidates, as provided for in current paragraph 1. That amendment is part of a general overhaul of the procedures for appointing the Board of Directors that, as mentioned, entails the inclusion of a proportional

election mechanism. In this view, it is considered more consistent with the new approach to submit to Shareholders decisions relating to the composition of the Board of Directors.

It is also proposed to amend paragraph 2, letter c) in order to take into account the amendments to the rules on gender balance in the composition of management and control bodies introduced by Italian Law 160 of 27 December 2019, and especially the change from one-third to two-fifths of the quota reserved for the less represented gender. Given that it is arithmetically impossible to ensure compliance with this criterion for both genders in lists made up of only 3 (three) candidates, it is proposed to specify that, in this case, each list must present at least 1 (one) candidate belonging to the less represented gender.

CURRENT TEXT	PROPOSED TEXT
<b>Article 18</b>	<b>Article 18</b>
<p>1. The members of the Board of Directors are elected from lists presented by the members and/or the Board of Directors in which the candidates are listed with a progressive number.</p> <p>2. The presentation of lists by members has to satisfy the following requirements:</p> <p>a) the list, has to be presented by members who separately or together hold BPER shares representing not less than 1% of the share capital represented by ordinary shares, or any other lower percentage established by current regulations. Ownership of the minimum shareholding is calculated with regard to the shares registered on the day when the list is filed at the Company;</p> <p>b) the list must contain a number of candidates not higher than the number of directors to be elected,</p> <p>c) the list that contains a number of candidates equal to or higher than three, must present a number of the less represented gender to ensure that the list complies with the gender balance at least to the minimum extent required by law, rounding up to the next unit in the event of a fractional number;</p> <p>d) the list must present at least a third of</p>	<p>1. The members of the Board of Directors are elected from lists presented by the members <del>and/or the Board of Directors</del> in which the candidates are listed with a progressive number.</p> <p>2. The presentation of lists <del>by members</del> has to satisfy the following requirements:</p> <p>[letters a) and b) unvaried]</p> <p>c) the list that contains a number of candidates equal to <del>or higher than</del> 3 <b>(three)</b>, must submit <b>at least 1 (one) candidate belonging to the less represented gender; the list that contains a number of candidates higher than 3 (three) must submit</b> a number of candidates belonging to the less represented gender to ensure that the list complies with the gender balance at least to the minimum extent required by law, rounding up to the next unit in the event of a fractional number;</p> <p>d) the list must submit at least a third of</p>

candidates, who meet the independence requirements established by art. 148, paragraph 3, of Legislative Decree 58 dated 24 February 1998, as well as any other legislative requirements that are currently applicable (the "Independence Requirements"), rounding up to the next unit in the event of a fractional number;

e) the list must be filed at the Company's registered offices within the terms and methods established by current regulations;

f) together with the list, the presenting members must file at the Company's registered offices all of the documents and declarations required by law, and in any case: (i) the declarations from each candidate accepting their candidature and confirming, under their own responsibility, the absence of reasons for which they cannot be elected or other incompatibilities, and that they meet the requirements for appointment established by these Articles of Association and by current regulations and whether they meet the Independence Requirements; (ii) a full description of the personal and professional characteristics of each candidate, with an indication of the directorships and audit appointments held in other companies; (iii) information on the identity of the members presenting the lists, indicating their percentage shareholding, to be confirmed according to the terms and methods established by current regulations.

3. The status of candidate belonging to the less represented gender and that of candidate that satisfies the Independence Requirements can be combined in the same person.

4. The lists submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.

5. Any irregularities on the list that relate to individual candidates only entail the exclusion of the candidate(s) concerned.

6. Each member may not present or contribute

~~candidates, who meet the independence requirements established by art. 148, paragraph 3, of Legislative Decree 58 dated 24 February 1998, as well as any other legislative requirements that are currently applicable (the "Independence Requirements"), rounding up to the next unit in the event of a fractional number;~~

[letters e) and f) unvaried]

[paragraphs 3 to 7 unvaried]

to the presentation of more than a list of candidates, even if through a third party or through a trust company; a similar requirement applies for members belonging to the same group - meaning the parent company, its subsidiaries and the companies subject to joint control - or who are parties to a shareholders' agreement regarding the shares of the Company. In the event of non-compliance, signature is ignored in relation to all lists.

7. Each candidate may only appear on one list or, otherwise, will be ineligible for election.

8. The presentation of a list by the Board of Directors has to satisfy the following requirements:

a) the list must indicate a number of candidates equal to the number of directors to be elected.

b) the list must be filed and made public in the manner provided by current regulations on the publication of regulated information, at least five days before the deadline for filing lists by shareholders under current regulations;

c) presentation of the list must be approved by the Board of Directors by an absolute majority of its members currently in office;

d) paragraph 2 letter c), letter d) and letter f) points (i) and (ii), and paragraph 3, shall apply to the presentation of the list by the Board of Directors.

Any list presented that does not comply with the above terms and procedures is considered as though it had not been presented and is not admitted to voting.

9. Persons entitled to vote cannot vote more than one list of candidates, even if through an intermediary or through trust companies.

10. None of this prejudices any other, different requirements under current regulations concerning the basis and timing for the presentation and publication of lists.

~~8. The presentation of a list by the Board of Directors has to satisfy the following requirements:~~

~~a) the list must indicate a number of candidates equal to the number of directors to be elected.~~

~~b) the list must be filed and made public in the manner provided by current regulations on the publication of regulated information, at least five days before the deadline for filing lists by shareholders under current regulations;~~

~~c) presentation of the list must be approved by the Board of Directors by an absolute majority of its members currently in office;~~

~~d) paragraph 2 letter c), letter d) and letter f) points (i) and (ii), and paragraph 3, shall apply to the presentation of the list by the Board of Directors.~~

~~Any list presented that does not comply with the above terms and procedures is considered as though it had not been presented and is not admitted to voting.~~

~~98~~[text unchanged]

~~409~~[text unchanged]

**Amendments to art. 19 of the Articles of Association**

The current Articles of Association of BPER set a fixed number of Directors of 15 (fifteen) and a majority election mechanism for the Board, by virtue of which the list that obtained the highest number of votes proposes a minimum of 12 (twelve) to a maximum of 14 (fourteen) Directors, while the second list (which is not linked, even indirectly, to the first) proposes the remaining Directors, in a number from 1 (one) to 3 (three) based on the size of the ratio of the number of votes it obtained to the number of votes obtained by the first list.

The proposed amendment to the procedures for appointing the management body, without prejudice to maintaining a fixed number of Directors equal to 15 (fifteen), takes the form of the following essential aspects:

- the adoption of a proportional election criterion for appointing the Board of Directors based on the “quotient” method, which aims to adequately represent the various components of the ownership structures, encouraging the participation of minority interests (paragraphs 2.1 and 2.2);
- inclusion of a threshold for “access to allocation”, to ensure stability and consistency in the operation of the management body, by virtue of which, without prejudice to the legal requirement to ensure that the first minority list can propose at least one Director, the other minority lists can contribute to appointing the Board only where they have obtained votes amounting to at least 5% of the voting capital (paragraph 2.1);
- introducing limits to the linking of lists, which are stricter than those envisaged by law, in order to guarantee the proper representation of minority shareholders in the management body and, at the same time to prevent that, due to the proportional election system, linked minority lists enable to elect the majority of the board of directors. In particular, it is proposed to include in the new paragraph 2.1 that, without prejudice to the legal requirement to guarantee the representativeness of the first minority list that is not linked, even indirectly, with the list that obtained the highest number of votes, any other minority lists shall contribute to the appointment of the Board only where they are not linked, even indirectly:
  - (aa) with the Shareholders that presented or voted the list that obtained the highest number of votes or
  - (bb) with the Shareholders that presented or voted any of the other minority lists, including the one that obtained the second highest number of votes, where, in such case, the total number of candidates assigned to those lists based on the proportional election system is equal to or higher than the majority of directors to be elected.

In other words, where there are several linked minority lists and the total number of directors to assign to those lists by applying the proportional method is equal to or greater than the majority of Directors to be appointed (that is, equal to or greater than 8), the minority lists other than the list that obtained the second highest number of votes (and, that is, the third, fourth, etc. by number of votes) shall not participate in appointing the Board, and the “missing” Directors (that is, those that would be assigned to said minority lists) shall be directly elected by the Shareholders' Meeting based on candidatures submitted and put forward for voting at that venue, in accordance with the mechanism of replenishment laid out by the new paragraph 2.5.

Note that the “neutralisation” mechanism describe above is not valid for the list that obtained the second highest number of votes and is not linked in any way to the majority list (the “first minority list”) that, therefore, shall be considered for the purposes of electing the Board (see paragraph 2.4 of the new Articles of Association), in consistent application of the requirement pursuant to art. 147-ter, paragraph 3 of the Consolidated Law on Finance.

Where, otherwise, the total number of directors to be attributed to the minority lists is lower than the majority of Directors to be elected (that is, equal to or fewer than 7), no cases of links between such lists shall be relevant and all the minority lists may contribute to the election of the Board (without prejudice to the afore-mentioned requirement that the minority lists in addition to the second list have obtained votes equal to at least 5% of the voting capital).

This ensures a balance between the salient feature of the proportional method – consisting of ensuring extensive representation on the Board of the most significant components of the ownership structure – and the need, where there is a link between lists, to prevent the application of that method from translating into a subversion of majority principle (as minority lists linked to each other could actually propose the majority of the board).

Regarding another aspect, a derogation from the proportional election system was introduced, in order to reward the list that has obtained the highest number of votes that obtained the support of the majority of the ownership structure in the Shareholders’ Meeting, provided that it contains a number of candidates equal to or greater than the majority of Directors to be elected. Where that list has obtained votes representing more than half of the capital with voting rights, it is proposed to apply the rule equivalent to that set out in the current Articles of Association of BPER, with the consequent extraction from the first list of a number of Directors between twelve (12) and fourteen (14) and the possibility for the second list that is not linked in any way to the first to appoint one (1) to three (3) Directors, based on the size of the ratio of the number of votes it obtained to the number of votes obtained by the first list (paragraph 2.3). Where the list that obtained the highest number of votes contains a number of candidates less than that assigned to it based on the rule described just above (for example, the list contains eight candidates and it is entitled to elect 12 directors due to the majority bonus), provided that the number is equal to or higher than the majority of directors to be elected, the missing Directors shall be taken from the list that obtained the second highest number of votes, where that list contains sufficient candidates. Where that mechanism does not make it possible to ensure full composition of the Board of Directors, i.e. both the list that obtained the highest number of votes and the list that obtained the second highest number votes contain a number of candidates less than the necessary number, the missing Directors shall be taken from any other lists submitted, provided that they have obtained a number of votes equal to at least 5% of the capital with voting rights (paragraph 2.3).

In all cases where it is not possible to complete the Board of Directors by following the above instructions, the Shareholders’ Meeting shall provide for its completion, electing the missing Directors based on candidatures submitted and put forward for voting in that venue (paragraph 2.5).

If only one list is submitted, all Directors to be elected will be taken from it, provided that in case the Board of Directors is incomplete, the missing Directors will be elected at the Shareholders’ Meeting, based on the candidates put forward for individual voting (paragraph 3).

The Directors will be elected at the Shareholders' Meeting even in the event of failure to submit lists (paragraph 4).

Specific mechanisms are also provided to ensure that at the outcome of the election the Board of Directors is correctly constituted as regards gender balance and independence requirements (paragraphs 2.6, 2.7, 2.8 and 5).

CURRENT TEXT	PROPOSED TEXT
<b>Article 19</b>	<b>Article 19</b>
	<p><b>1. The members of the Board of Directors will be elected by applying the following procedures.</b></p> <p><b>2. If more than one list is validly presented, the provisions in paragraphs 2.1 to 2.8 apply.</b></p> <p><b>2.1. Without prejudice to the provisions of art. 18, paragraph 6, the following is taken into considerations: (i) the list that has received the highest number of votes; (ii) the list that is second for the number of votes received, provided that it is not connected - not even indirectly - with the shareholders that presented or voted the list that received the highest number of votes, or, in the event that it is connected, the list that has received the highest number of votes among those that are not connected; and (iii) the other lists that individually obtained votes equal to at least 5% of the share capital with voting rights, provided that they are not connected - not even indirectly aa) with the shareholders who presented or voted the list which came first by number of votes or (bb) with the shareholders who presented or voted any of the other minority lists, including the one which came second by number of votes, if, in the hypothesis described in letter (bb), the total number of candidates assigned to these lists on the basis of the mechanism referred to in paragraph 2.2 is equal to or higher than the majority of the directors to be elected.</b></p> <p><b>2.2. The votes obtained from each of the lists are subsequently divided by one, two, three, four and so on until reaching the number of Directors to be elected. The quotients thus</b></p>

	<p>obtained are assigned to the candidates on each list, according to the progressive order of the list. On the basis of the quotients thus assigned, the candidates are arranged in a single decreasing ranking and the first 15 (fifteen) candidates are considered elected</p> <p>2.3. If the first list, provided that it contains a number of candidates equal to or higher than the majority of the directors to be appointed, has obtained a number of votes representing more than half of the share capital with voting rights, the Board seats will be allocated as follows:</p> <ul style="list-style-type: none"> <li>a) if the ratio between the total number of votes received by the second list by number of votes, which is not connected in any way, not even indirectly, with the first list by number of votes, and the total number of votes received by the first list by number of votes, is less than or equal to 15%, 14 (fourteen) Directors are taken from the first list by number of votes and 1 (one) Director is taken from the second list by number of votes;</li> <li>b) if the ratio between the total number of votes received by the second list by number of votes, which is not connected in any way, not even indirectly, with the first list by number of votes, and the total number of votes received by the first list by number of votes, is above 15% and less than or equal to 25%, 13 (thirteen) Directors are taken from the first list by number of votes and 2 (two) Directors are taken from the second list by number of votes;</li> <li>c) if the ratio between the total number of votes received by the second list by number of votes, which is not connected in any way, not even indirectly, with the first list by number of votes, and the total number of votes received by the first list by number of votes, is above 25%, 12</li> </ul>
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	<p>(twelve) Directors are taken from the first list by number of votes and 3 (three) Directors are taken from the second list by number of votes.</p> <p>If the first list by number of votes received presents fewer candidates than those assigned to it based on the application of the mechanism referred to in this paragraph, provided that they are equal to or greater than the majority of the directors to be appointed, the following are elected: (i) all of the candidates on the first list by number of votes; (ii) the candidates on the second list by number of votes needed to complete the Board of Directors, according to the progressive order of the list. Where it is not possible to complete the Board of Directors in the manner described above, due to the fact that the first list and the second list by number of votes present fewer candidates than the number required, the following procedure applies: if the other lists, other than the first and second list by number of votes, have obtained a total of at least 5% of the share capital having voting rights, the Directors required to complete the Board of Directors are drawn from these other lists, starting with the list with the highest number of votes and moving down to the subsequent lists when the candidates on the preceding lists by number of votes run out. In all cases where it is not possible to complete the Board of Directors by following the above instructions, the Shareholders' Meeting shall provide for its completion, as laid down in subsequent paragraph 2.5.</p> <p>2.4. In any case, the first ranking candidate in the list that has obtained the highest number of votes among those that are not connected - not even indirectly - with the shareholders who have submitted or voted for the list that obtained the highest number of votes shall always be appointed Director.</p>
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	<p><b>2.5. If, as a result of the provisions of paragraphs 2.1 to 2.4, it is not possible to complete the Board of Directors, the remaining Directors are elected by the Shareholders' Meeting on the basis of candidates who are put to the vote individually: the candidates who receive the highest number of votes will be elected, up to the total number of directors still to be elected.</b></p> <p><b>2.6. If, once the ranking has been completed at the end of the procedure as per previous paragraphs 2.1 to 2.5, the correct composition of the Board of Directors is not ensured with regard to gender balance and Independence Requirements, as many elected candidates as necessary will be excluded, replacing them with candidates meeting the requirements that are missing and drawn from the same list as the candidate to be excluded, according to the order in which they are listed. Substitutions take place first for the less represented gender and then those who satisfy the Independence Requirements. This substitution mechanism is applied firstly, in sequence, to the lists that have not contributed a Director who meets the missing requirement, starting with the one that received the most votes. If this is not sufficient or if all lists have contributed at least one Director who meets the requirement that is missing, the substitution is to be applied, in sequence, to all lists, starting with one that received the most votes. Within the lists, the substitution of candidates to be excluded is applied starting from the candidates with the highest progressive number. The substitution mechanisms do not apply to candidates drawn from lists that presented less than three candidates.</b></p> <p><b>2.7. In the event that, even if the substitution</b></p>
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	<p>mechanisms under paragraph 2.6 are applied, the correct composition of the Board of Directors is not ensured, as many candidates as necessary will be excluded from the candidates elected on the basis of individual candidatures pursuant to paragraph 2.5, replacing the less voted candidates with the first unelected candidates who meet the missing requirements. Substitutions take place first for the less represented gender and then those who satisfy the Independence Requirements.</p> <p>2.8. In the event that, even if the substitution mechanisms under paragraphs 2.6 and 2.7 are applied, the correct composition of the Board of Directors is not ensured, as many candidates as necessary will be excluded - starting from the last place of the ranking -, replacing them with candidates meeting the missing requirements, who are elected by the Shareholders' Meeting on the basis of candidates put to the vote individually: the candidates who obtain the highest number of votes are elected, up to the total number of Directors still to be elected.</p> <p>Substitutions take place first for the less represented gender and then those who satisfy the Independence Requirements.</p> <p>3. If only one list is presented, all Directors are drawn from this list, according to the progressive order of the list; where it is not possible to complete the Board of Directors in this way, the missing Directors are elected at the Shareholders' Meeting, on the basis of candidates put to the vote individually: the candidates who obtain the highest number of votes are elected, up to the number of Directors required.</p> <p>4. If no list is validly presented, the missing Directors are elected by the Shareholders' Meeting on the basis of candidates who are put to the vote individually: the candidates</p>
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<p>1. The procedure for the election of the Board of Directors is described below.</p> <p>2. If more than one list is validly presented, the following provisions apply.</p> <p>2.1. Account is taken, in terms of the number of votes received, of the first list (the "Majority List")</p>	<p>who receive the highest number of votes will be elected, up to the total number of directors still to be elected.</p> <p>5. If, in the cases as per paragraphs 3 and 4, at the end of voting, an overall number of Directors meeting the requirements necessary to ensure the correct composition of the Board of Directors, with regard to gender balance and Independence Requirements, has not been elected, as many elected candidates as necessary have to be excluded by replacing the less voted candidates meeting the missing requirements with candidates meeting the missing requirements, who are elected by the Shareholders' Meeting on the basis of candidates put to the vote individually: the candidates who obtain the highest number of votes are elected, up to the total number of Directors still to be elected. Substitutions take place first for the less represented gender and then those who satisfy the Independence Requirements.</p> <p>6. All of the candidates proposed directly at the Meeting in accordance with the preceding paragraphs have to submit the documentation laid down in art. 18 paragraph 2 letter f).</p> <p>7. In the event of a tie between lists or candidates, the Meeting holds a ballot in order to establish a ranking for the candidates on these lists.</p> <p>8. Significant relationships are those identified by the current provisions of Legislative Decree 58 of 24 February 1998 and of the Regulations implementing Consob Resolution 11971 of 14 May 1999.</p> <p><del>1. The procedure for the election of the Board of Directors is described below.</del></p> <p><del>2. If more than one list is validly presented, the following provisions apply.</del></p> <p><del>2.1. Account is taken, in terms of the number of votes received, of the first list (the "Majority List")</del></p>
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and of the second list that is not connected in any way, even indirectly, with the first one (the "Junior Minority List") and their votes are placed in relation to each other:

- a) if the ratio between the total number of votes obtained by the Junior Minority List and the total number of votes obtained by the Majority List is less than or equal to 15%, 14 (fourteen) directors are taken from the Majority List and 1 (one) director is taken from the Junior Minority List;
- b) if the ratio between the total number of votes obtained by the Junior Minority List and the total number of votes obtained by the Majority List is greater than 15% and lower than or equal to 25%, 13 (thirteen) directors are taken from the Majority List and 2 (two) directors are taken from the Junior Minority List;
- c) if the ratio between the total number of votes obtained by the Junior Minority List and the total number of votes obtained from the Majority List is more than 25%, 12 (twelve) directors are taken from the Majority List and 3 (three) directors are taken from the Junior Minority List.

2.2. If the Majority List presents fewer candidates than those assigned to it based on the application of the mechanism referred to in the previous paragraph, the following are elected: (i) all of the candidates on the Majority List; (ii) the candidates on the Junior Minority List needed to complete the Board of Directors, in the sequence shown on the list. Where it is not possible to complete the Board of Directors in the manner described above, due to the fact that the Majority List and the Junior Minority List present fewer candidates than the number required, the following procedure applies: if the other lists, other than the Majority List and the Junior Minority List, have obtained a total of at least 15% of the votes expressed at the Meeting, directors required to complete the Board of Directors are taken from these other lists, placed in a single ranking by number of votes received, starting with the list with the highest number of

~~and of the second list that is not connected in any way, even indirectly, with the first one (the "Junior Minority List") and their votes are placed in relation to each other:~~

- ~~a) if the ratio between the total number of votes obtained by the Junior Minority List and the total number of votes obtained by the Majority List is less than or equal to 15%, 14 (fourteen) directors are taken from the Majority List and 1 (one) director is taken from the Junior Minority List;~~
- ~~b) if the ratio between the total number of votes obtained by the Junior Minority List and the total number of votes obtained by the Majority List is greater than 15% and lower than or equal to 25%, 13 (thirteen) directors are taken from the Majority List and 2 (two) directors are taken from the Junior Minority List;~~
- ~~c) if the ratio between the total number of votes obtained by the Junior Minority List and the total number of votes obtained from the Majority List is more than 25%, 12 (twelve) directors are taken from the Majority List and 3 (three) directors are taken from the Junior Minority List.~~

~~2.2. If the Majority List presents fewer candidates than those assigned to it based on the application of the mechanism referred to in the previous paragraph, the following are elected: (i) all of the candidates on the Majority List; (ii) the candidates on the Junior Minority List needed to complete the Board of Directors, in the sequence shown on the list. Where it is not possible to complete the Board of Directors in the manner described above, due to the fact that the Majority List and the Junior Minority List present fewer candidates than the number required, the following procedure applies: if the other lists, other than the Majority List and the Junior Minority List, have obtained a total of at least 15% of the votes expressed at the Meeting, directors required to complete the Board of Directors are taken from these other lists, placed in a single ranking by number of votes received, starting with the list with the highest number of~~

votes and moving down a sliding scale to the subsequent lists when the candidates on the preceding lists by number of votes run out. In all cases where it is not possible to complete the Board of Directors by following the above instructions, the Meeting expresses itself on candidates submitted by the shareholders directly at the Meeting, who are then voted individually: the candidates who receive the highest number of votes are elected, up to the total number of directors still to be elected.

2.3. In the event of a tie between lists or candidates, the Meeting holds a ballot in order to establish a ranking for the candidates on these lists.

2.4. If, at the end of voting as per paragraphs 2.1, 2.2 and 2.3, a number of Board members belonging to the less represented gender and/or directors who satisfy the Independence Requirements are not elected to ensure the presence on the Board of Directors of the related minimum number of directors, as many elected candidates as necessary have to be excluded, replacing them with qualifying candidates from the same list as the candidate to be excluded, according to the order in which they are listed. Substitutions take place first for the less represented gender and then those who satisfy the Independence Requirements. In both cases, this substitution mechanism is applied firstly, in sequence, to the lists that have not contributed a Director who meets the requirement in question, starting with the one that received the most votes. If this is not sufficient or if all lists have contributed at least one Director who meets the requirement in question, the substitution is to be applied, in sequence, to all lists, starting with one that received the most votes. Within the lists, the substitution of candidates to be excluded is applied starting from the candidates with the highest progressive number. The substitution mechanisms mentioned so far do not apply to lists that presented less than three candidates.

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2.5. If, even by applying these substitution mechanisms, it is not possible to complete the minimum number of Board members belonging to the less represented gender and/or directors who meet the Independence Requirements, the Meeting has to elect the missing directors by expressing itself on candidates submitted by members directly at the Meeting who are put to the vote individually: candidates belonging to the less represented gender and/or meeting the Independence Requirements, who receive the highest number of votes will be elected, up to the total number of directors still to be elected. In this case, the substitutions apply, in sequence, to each of the lists, starting from the one that received the most votes and, within the lists, starting from the candidates with the highest progressive number.

3. If only one valid list is presented, all the directors are taken from that list, until all the candidates on it have been used up. Where it is not possible to complete the Board of Directors in this way, the Meeting expresses itself on candidates submitted by shareholders directly at the Meeting, who are put to the vote individually: the candidates who receive the highest number of votes are elected, up to the total number of directors still to be elected. In the event of a tie between various candidates, the Meeting holds a second ballot to establish how they are to be ranked.

4. If no list is validly presented, the Meeting expresses itself on candidates submitted by shareholders directly at the Meeting, who are put to the vote individually: the candidates who receive the highest number of votes are elected, up to the total number of directors to be elected.

4.1. In the event of a tie between various candidates, the Meeting holds a second ballot to establish how they are to be ranked.

5. If, at the end of voting as per paragraphs 3 and 4, a number of Board members belonging to the less represented gender and/or directors

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~~3. If only one valid list is presented, all the directors are taken from that list, until all the candidates on it have been used up. Where it is not possible to complete the Board of Directors in this way, the Meeting expresses itself on candidates submitted by shareholders directly at the Meeting, who are put to the vote individually: the candidates who receive the highest number of votes are elected, up to the total number of directors still to be elected. In the event of a tie between various candidates, the Meeting holds a second ballot to establish how they are to be ranked.~~

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~~5. If, at the end of voting as per paragraphs 3 and 4, a number of Board members belonging to the less represented gender and/or directors~~

<p>who satisfy the Independence Requirements have not been elected to ensure the presence on the Board of Directors of the related minimum number of directors, as many elected candidates as necessary have to be excluded, replacing those that received the least votes – and, in the case of paragraph 3, and if still necessary, to those with the highest sequential number on the list – with the first candidates not elected who meet the requirements. Substitutions take place first for the less represented gender and then those who satisfy the Independence Requirements. If, even by applying this substitution mechanism, it is not possible to complete the number of directors to be elected, the Meeting has to elect the missing directors expressing itself on candidates proposed by shareholders at the Meeting, who are put to the vote individually: candidates belonging to the less represented gender and/or meeting the Independence Requirements, who receive the highest number of votes will be elected, up to the total number of directors still to be elected.</p> <p>6. All of the candidates proposed directly at the Meeting in accordance with the preceding paragraphs have to submit the documentation laid down in art. 18 paragraph 2 letter f).</p> <p>7. Significant relationships are those identified by the applicable provisions of Legislative Decree 58 of 24 February 1998 and the Regulations implementing Consob Resolution 11971 of 14 May 1999.</p>	<p><del>who satisfy the Independence Requirements have not been elected to ensure the presence on the Board of Directors of the related minimum number of directors, as many elected candidates as necessary have to be excluded, replacing those that received the least votes – and, in the case of paragraph 3, and if still necessary, to those with the highest sequential number on the list – with the first candidates not elected who meet the requirements. Substitutions take place first for the less represented gender and then those who satisfy the Independence Requirements. If, even by applying this substitution mechanism, it is not possible to complete the number of directors to be elected, the Meeting has to elect the missing directors expressing itself on candidates proposed by shareholders at the Meeting, who are put to the vote individually: candidates belonging to the less represented gender and/or meeting the Independence Requirements, who receive the highest number of votes will be elected, up to the total number of directors still to be elected.</del></p> <p><del>6. All of the candidates proposed directly at the Meeting in accordance with the preceding paragraphs have to submit the documentation laid down in art. 18 paragraph 2 letter f).</del></p> <p><del>7. Significant relationships are those identified by the applicable provisions of Legislative Decree 58 of 24 February 1998 and the Regulations implementing Consob Resolution 11971 of 14 May 1999.</del></p>
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### **Amendments to art. 20 of the Articles of Association**

The current art. 20 on the replacement of Directors that terminated their office during their term, sets out different regulations based on whether the Director to be replaced comes from the majority list or the minority list.

In particular, in the first case, the Board may co-opt a Director at its choice, selecting that Director also from parties not included on the majority list that included the Director that terminated office.

Instead, if the Director to be replaced is from the minority list, the first of the candidates not elected, based on the progressive order of listing, which is indicated in the list that included the Director that

terminated office, shall take the position or, alternatively, the subsequent candidate not elected, based on the progressive order of the list, and so on. If it is not possible to replace the Director that terminated office, the Shareholders' Meeting shall complete the management body, on the basis of candidatures put to the vote individually.

The proposed amendment submitted to the Shareholders' Meeting, irrespective of which list the Director that terminated office is from, applies the replacement mechanism currently established for Directors taken from the minority list, which contemplates that the first of the available candidates not elected shall automatically take the position. This amendment is consistent with the approach to submit to Shareholders decisions relating to the composition of the Board of Directors.

CURRENT TEXT	PROPOSED TEXT
<b>Article 20</b>	<b>Article 20</b>
<p>1. If, during the year, one or more directors are no longer available, they are to be replaced according to the following provisions.</p>	<p>[paragraph 1 unvaried]</p> <p><b>2. A Director who is no longer available is replaced by the first unelected candidate, according to the progressive numbering on the list of origin of the terminated director, who complies with the provisions of paragraph 2.1 and belongs to the less represented gender and/or meets the Independence Requirements if the required minimum number of directors has to be made up.</b></p> <p><b>2.1. Within the period fixed by the Board of Directors, the candidate must file at the Company's registered offices a declaration in which he renews his acceptance of the office, confirming the absence of grounds for ineligibility or incompatibility and that the requirements prescribed for the office by legislation and by the Articles of Association are met, and provides information on the administration and control positions currently held in other companies. If the candidate concerned fails to do so, the next unelected candidate takes over, according to the progressive numbering of the list, and so on.</b></p> <p><b>2.2. If, for any reason, replacement is not possible according to the mechanism</b></p>

	<p>referred to in paragraphs 2 and 2.1, the Meeting votes on the replacement, on the basis of candidates who are submitted to them.</p> <p>2.3. Each candidature has to be filed at the Company's registered offices by the deadline provided by law for the presentation of lists of candidates for the election of the Board of Directors, together with any documentation and declaration required by law, and in any case: (i) the declarations from each candidate accepting their candidature and confirming, under their own responsibility, the absence of reasons for which they cannot be elected or other incompatibilities, and that they meet the requirements for appointment established by these Articles of Association and by current regulations and whether they meet the Independence Requirements; (ii) a full description of the personal and professional characteristics of each candidate, with an indication of the directorships and audit appointments held in other companies. Candidatures submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.</p> <p>2.4. If no candidature is presented within the term under paragraph 2.3, the Shareholders' Meeting shall decide on the substitution on the basis of candidatures presented directly at the Shareholders' Meeting, each accompanied by the documentation and declaration specified in the paragraph above. Candidatures submitted without complying with the above procedure will be considered as not submitted and will not be admitted to the vote.</p> <p>2.5. The Shareholders' Meeting votes on the replacement by expressing a vote on the individual candidatures: the candidate who receives the highest number of votes gets</p>
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<p>2. If the Director who is no longer available was taken from the list that obtained the highest number of votes, the Board of Directors, with the approval of the Board of Statutory Auditors, replaces him by choosing the Director to be co-opted from among persons not on the same list, making sure that the person chosen belongs to the less represented gender and/or meets the Independence Requirements if, as a result of the termination, there is no longer the required minimum number of directors.</p> <p>2.1. The co-opted Director shall remain in office until the next Shareholders' Meeting, which will then replace the director who is no longer available.</p> <p>2.2. The Meeting in this case votes without any list restriction, based on candidates who are put to the vote individually: the candidate who receives the most votes gets elected.</p> <p>2.3. Candidates can be nominated, in addition to the Board of Directors, by members who, individually or jointly, hold at least one-fifth of the share capital, as required to submit a list for the election of the Board of Directors. Ownership of the minimum shareholding for participation is calculated with regard to the shares registered on the day when the application is filed with the Company.</p> <p>2.4. Each member cannot present or contribute to the presentation of more than one candidate for each substitution, even if through a third party or through a trust company; a similar requirement applies for members belonging to the same group - meaning the parent company, its subsidiaries and the companies subject to</p>	<p><b>elected, making sure that the person chosen belongs to the less represented gender and/or meets the Independence Requirements if the required minimum number of directors has to be made up.</b></p> <p><b>2.6. In the event of a tie between various candidates, the Meeting holds a second ballot to establish how they are to be ranked.</b></p> <p><del>2. If the Director who is no longer available was taken from the list that obtained the highest number of votes, the Board of Directors, with the approval of the Board of Statutory Auditors, replaces him by choosing the Director to be co-opted from among persons not on the same list, making sure that the person chosen belongs to the less represented gender and/or meets the Independence Requirements if, as a result of the termination, there is no longer the required minimum number of directors.</del></p> <p><del>2.1. The co-opted Director shall remain in office until the next Shareholders' Meeting, which will then replace the director who is no longer available.</del></p> <p><del>2.2. The Meeting in this case votes without any list restriction, based on candidates who are put to the vote individually: the candidate who receives the most votes gets elected.</del></p> <p><del>2.3. Candidates can be nominated, in addition to the Board of Directors, by members who, individually or jointly, hold at least one-fifth of the share capital, as required to submit a list for the election of the Board of Directors. Ownership of the minimum shareholding for participation is calculated with regard to the shares registered on the day when the application is filed with the Company.</del></p> <p><del>2.4. Each member cannot present or contribute to the presentation of more than one candidate for each substitution, even if through a third party or through a trust company; a similar requirement applies for members belonging to the same group - meaning the parent company, its subsidiaries and the companies subject to</del></p>
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<p>joint control - or who are parties to a shareholders' agreement regarding the shares of the Company. In the event of non-compliance, signature is ignored in relation to all candidatures.</p> <p>2.5. The candidature, signed by the person or persons presenting the candidate, must indicate the name of the candidate and has to be filed at the Company's registered offices by the deadline provided by law for the submission of lists of candidates for the election of the Board of Directors, together with any documentation and declaration required by law, and in any case: (i) the declarations from each candidate accepting their candidature and confirming, under their own responsibility, the absence of reasons for which they cannot be elected or other incompatibilities, and that they meet the requirements for appointment established by these Articles of Association and by current regulations and whether they meet the Independence Requirements; (ii) a full description of the personal and professional characteristics of each candidate, with an indication of the directorships and audit appointments held in other companies; (iii) information on the identity of the members presenting the candidate, indicating their percentage shareholding, to be confirmed according to the terms and methods established by current regulations.</p> <p>2.6. If, as a result of the termination, there is no longer the required minimum number of directors belonging to the less represented gender and/or directors who meet the Independence Requirements, having the required status is a condition of the candidate's eligibility.</p> <p>2.7. Candidatures submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.</p> <p>2.8. If no candidature is submitted by the set deadline, the Meeting decides on the basis of</p>	<p><del>joint control - or who are parties to a shareholders' agreement regarding the shares of the Company. In the event of non-compliance, signature is ignored in relation to all candidatures.</del></p> <p><del>2.5. The candidature, signed by the person or persons presenting the candidate, must indicate the name of the candidate and has to be filed at the Company's registered offices by the deadline provided by law for the submission of lists of candidates for the election of the Board of Directors, together with any documentation and declaration required by law, and in any case: (i) the declarations from each candidate accepting their candidature and confirming, under their own responsibility, the absence of reasons for which they cannot be elected or other incompatibilities, and that they meet the requirements for appointment established by these Articles of Association and by current regulations and whether they meet the Independence Requirements; (ii) a full description of the personal and professional characteristics of each candidate, with an indication of the directorships and audit appointments held in other companies; (iii) information on the identity of the members presenting the candidate, indicating their percentage shareholding, to be confirmed according to the terms and methods established by current regulations.</del></p> <p><del>2.6. If, as a result of the termination, there is no longer the required minimum number of directors belonging to the less represented gender and/or directors who meet the Independence Requirements, having the required status is a condition of the candidate's eligibility.</del></p> <p><del>2.7. Candidatures submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.</del></p> <p><del>2.8. If no candidature is submitted by the set deadline, the Meeting decides on the basis of</del></p>
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the candidates proposed by the members directly at the Meeting, who are put to the vote individually: the candidate who receives the highest number of votes gets elected, making sure that the person chosen belongs to the less represented gender and/or meets the Independence Requirements if the required minimum number of directors has to be made up. Candidatures are to be presented in accordance with the rules laid down in paragraph 2.4 and have to be accompanied by the documentation mentioned in paragraph 2.5. Candidatures submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.

3. If the Director who has terminated was taken from a different list than the one that came first by number of votes obtained, he is replaced by the first unelected candidate, according to the progressive numbering on the list of origin of the terminated director, who complies with the provisions of paragraph 3.1 and belongs to the less represented gender and/or meets the Independence Requirements if the required minimum number of directors has to be made up.

3.1. Within the period fixed by the Board of Directors, the candidate must file at the Company's registered offices a declaration in which he renews his acceptance of the office, confirming the absence of grounds for ineligibility or incompatibility and that the requirements prescribed for the office by legislation and by the Articles of Association are met, and provides information on the administration and control positions currently held in other companies. If the candidate concerned fails to do so, the next unelected candidate takes over, according to the progressive numbering of the list, and so on.

3.2. If, for any reason, replacement is not possible according to the mechanism referred to in paragraphs 3 and 3.1, the Meeting votes on

~~the candidates proposed by the members directly at the Meeting, who are put to the vote individually: the candidate who receives the highest number of votes gets elected, making sure that the person chosen belongs to the less represented gender and/or meets the Independence Requirements if the required minimum number of directors has to be made up. Candidatures are to be presented in accordance with the rules laid down in paragraph 2.4 and have to be accompanied by the documentation mentioned in paragraph 2.5. Candidatures submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.~~

~~3. If the Director who has terminated was taken from a different list than the one that came first by number of votes obtained, he is replaced by the first unelected candidate, according to the progressive numbering on the list of origin of the terminated director, who complies with the provisions of paragraph 3.1 and belongs to the less represented gender and/or meets the Independence Requirements if the required minimum number of directors has to be made up.~~

~~3.1. Within the period fixed by the Board of Directors, the candidate must file at the Company's registered offices a declaration in which he renews his acceptance of the office, confirming the absence of grounds for ineligibility or incompatibility and that the requirements prescribed for the office by legislation and by the Articles of Association are met, and provides information on the administration and control positions currently held in other companies. If the candidate concerned fails to do so, the next unelected candidate takes over, according to the progressive numbering of the list, and so on.~~

~~3.2. If, for any reason, replacement is not possible according to the mechanism referred to in paragraphs 3 and 3.1, the Meeting votes on~~

<p>the replacement, on the basis of candidates who are put to the vote individually: the candidate who receives the highest number of votes gets elected, making sure that the person chosen belongs to the less represented gender and/or meets the Independence Requirements if the required minimum number of directors has to be made up.</p> <p>3.3. In the case referred to in paragraph 3.2, candidatures are to be presented in accordance with the rules laid down in paragraph 2.4, by the deadline foreseen in paragraph 2.5 and have to be accompanied by the documentation mentioned in paragraph 2.5. Candidatures submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.</p> <p>3.4. If no candidature is submitted in accordance with paragraph 3.3 by the deadline foreseen in paragraph 2.5, the Meeting votes on the substitution on the basis of candidates proposed by the members directly at the Meeting, who are put to the vote individually: the candidate who receives the highest number of votes gets elected, making sure that the person chosen belongs to the less represented gender and/or meets the Independence Requirements if the required minimum number of directors has to be made up.</p> <p>3.5. In the circumstances described in paragraph 3.4, the candidatures are to be presented in accordance with the rules laid down in paragraph 2.4 and have to be accompanied by the documentation mentioned in paragraph 2.5. Candidatures submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.</p> <p>4. The directors taking over each assume the residual period of office of the person they replaced.</p> <p>5. If, due to resignations or other causes, more than half of the directors are no longer available</p>	<p><del>the replacement, on the basis of candidates who are put to the vote individually: the candidate who receives the highest number of votes gets elected, making sure that the person chosen belongs to the less represented gender and/or meets the Independence Requirements if the required minimum number of directors has to be made up.</del></p> <p><del>3.3. In the case referred to in paragraph 3.2, candidatures are to be presented in accordance with the rules laid down in paragraph 2.4, by the deadline foreseen in paragraph 2.5 and have to be accompanied by the documentation mentioned in paragraph 3.2. Candidatures submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.</del></p> <p><del>3.4. If no candidature is submitted in accordance with paragraph 3.3 by the deadline foreseen in paragraph 2.5, the Meeting votes on the substitution on the basis of candidates proposed by the members directly at the Meeting, who are put to the vote individually: the candidate who receives the highest number of votes gets elected, making sure that the person chosen belongs to the less represented gender and/or meets the Independence Requirements if the required minimum number of directors has to be made up.</del></p> <p><del>3.5. In the circumstances described in paragraph 3.4, the candidatures are to be presented in accordance with the rules laid down in paragraph 2.4 and have to be accompanied by the documentation mentioned in paragraph 2.5. Candidatures submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.</del></p> <p>43. [text unvaried]</p> <p>54. [text unvaried]</p>
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<p>prior to the end of their term of office, the entire Board of Directors has to resign and a Shareholders' Meeting called to make the new appointments. The Board will remain in office until the Shareholders' Meeting has passed a resolution to reconstitute it. The new Directors so appointed shall hold office for the remaining term of office of their predecessors.</p>	
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**Repeal of art. 21 of the Articles of Association**

The current art. 21, paragraph 2 establishes that at least 5 (five) Directors must meet the independence requirements set out by law.

It is proposed to repeal that provision, without prejudice to the fact that, based on the new art. 17, paragraph 3, the composition of the Board of Directors must ensure a minimum number of independent members required by the applicable legislation. That proposal aims to increase the flexibility of the regulations of the Articles of Association on the composition of the Board of Directors, based on the constant evolution of the reference regulatory framework and the alignment of the current regulations to corporate best practices.

The additional provisions laid out in the current art. 21 will be moved to art. 17, as illustrated above.

<b>CURRENT TEXT</b>	<b>PROPOSED TEXT</b>
<b>Article 21</b>	<b>Article 21</b>
<p>1. The members of the Board of Directors must meet the requirements established by current law, otherwise they cannot be elected or, if they subsequently fail to meet the requirements, they will fall from office.</p> <p>2. At least 5 (five) directors must also meet the Independence Requirements specified in art. 18 above. It is up to the Board of Directors to define the parameters for assessing whether the relationships maintained by directors are likely to compromise their independence in the light of current legislation.</p> <p>3. If a director no longer meets the Independence Requirements or other requirements foreseen under current law, providing they do not envisage ineligibility or forfeiture, this does not automatically lead to his forfeiture, if there is still the required minimum</p>	<p><del>1. The members of the Board of Directors must meet the requirements established by current law, otherwise they cannot be elected or, if they subsequently fail to meet the requirements, they will fall from office.</del></p> <p><del>2. At least 5 (five) directors must also meet the Independence Requirements specified in art. 18 above. It is up to the Board of Directors to define the parameters for assessing whether the relationships maintained by directors are likely to compromise their independence in the light of current legislation.</del></p> <p><del>3. If a director no longer meets the Independence Requirements or other requirements foreseen under current law, providing they do not envisage ineligibility or forfeiture, this does not automatically lead to his forfeiture, if there is still the required minimum</del></p>

number of directors who meet them.	<del>number of directors who meet them.</del>
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**Amendments to art. 22 of the Articles of Association (new art. 21)**

For reasons of simplification and streamlining the structure of the Board, it is proposed to reduce the maximum number of Deputy Chairmen that may be appointed by the Board pursuant to art. 22, paragraph 1 of the Articles of Association from 3 (three) to 2 (two).

Moreover, it is proposed to remove paragraph 2 regarding the establishment of internal board committees and to transfer the rules governing them to an autonomous provision in art. 28.

It is also proposed to amend current paragraph 3 and to provide, for reasons of greater flexibility, that the Secretary of the Board may also be appointed from third parties outside the Company.

The abrogation of current paragraphs 4 and 5 follows the elimination of the role of Honorary Chairman, due to the proposed amendment to art. 11.

CURRENT TEXT	PROPOSED TEXT
<b>Article 22</b>	<b>Article 221</b>
<p>1. The Board of Directors elects from among its number the Chairman and between 1 (one) and 3 (three) Deputy Chairmen who remain in office until the end of their mandate as directors.</p> <p>2. The Board of Directors sets up the committees provided for by law and by current supervisory provisions, as well as any other committees that are deemed appropriate, establishing their composition, powers and rules of operation.</p> <p>3. The Board of Directors appoints a Secretary who meets the requirements of experience and professionalism, chosen from among its members or the managers of the Company.</p> <p>4. If an Honorary Chairman is appointed by the Shareholders' Meeting without being a director, he can take part in meetings of the Board of Directors in a consultative role without any right to vote. He can also take part in Shareholders' Meetings.</p> <p>5. The Board of Directors can entrust the Honorary Chairman with assignments to represent the Company at cultural, scientific and charitable events. Such assignments are not remunerated.</p>	<p>1. The Board of Directors elects from among its number the Chairman and <del>between 1 (one) to</del> <b>32 (three two)</b> Deputy Chairmen who remain in office until the end of their mandate as directors.</p> <p><del>2. The Board of Directors sets up the committees provided for by law and by current supervisory provisions, as well as any other committees that are deemed appropriate, establishing their composition, powers and rules of operation.</del></p> <p><b>32.</b> The Board of Directors appoints a Secretary who meets the requirements of experience and professionalism, chosen from among its members <del>or the managers of the Company</del> <b>or among third parties.</b></p> <p><del>4. If an Honorary Chairman is appointed by the Shareholders' Meeting without being a director, he can take part in meetings of the Board of Directors in a consultative role without any right to vote. He can also take part in Shareholders' Meetings.</del></p> <p><del>5. The Board of Directors can entrust the Honorary Chairman with assignments to represent the Company at cultural, scientific and charitable events. Such assignments are not remunerated.</del></p>

**Repeal of art. 23 of the Articles of Association**

It is proposed to repeal art. 23, in line with the proposal to transfer the relevant rules to art. 17 so that it precedes the provisions governing the election system to appointing the Board of Directors.

<b>CURRENT TEXT</b>	<b>PROPOSED TEXT</b>
<b>Article 23</b>	<b>Article 23</b>
<p>1. Without prejudice to the other reasons for ineligibility or loss of office established by law, the following persons cannot be members of the Board of Directors:</p> <ul style="list-style-type: none"> <li>- employees of the Company, unless they are members of General Management;</li> <li>- the directors, employees or members of supervisory committees, commissions or bodies of competing banks or companies, unless the Company holds investments in such banks or companies, whether directly or via companies that are members of the Banking Group.</li> </ul>	<p><del>1. Without prejudice to the other reasons for ineligibility or loss of office established by law, the following persons cannot be members of the Board of Directors:</del></p> <p><del>- employees of the Company, unless they are members of General Management;</del></p> <p><del>- the directors, employees or members of supervisory committees, commissions or bodies of competing banks or companies, unless the Company holds investments in such banks or companies, whether directly or via companies that are members of the Banking Group.</del></p>

**Amendments to art. 24 of the Articles of Association (new art. 22)**

Regarding the conduct of the meetings of the Board of Directors, the current paragraph 3 of art. 24 provides that the Chairman and the Secretary must be present at the place where the meeting of the Board of Directors was called, which is where the meeting is deemed to be held.

In light of growing technological evolution, as well as the most recent legal interpretations and corporate best practices, it is proposed to envisage that an exception may be made from the joint presence of the Chairman and the Secretary in the case where the meeting is held using remote communication systems.

<b>CURRENT TEXT</b>	<b>PROPOSED TEXT</b>
<b>Article 24</b>	<b>Article 242</b>
<p>1. Board meetings are called by the Chairman. Meetings are usually called once every month; exceptionally, a Board meeting can be called every time considered necessary by the Chairman, as well as when and in writing at least one third of the directors, or by the Chief Executive Officer. The Board of Directors may</p>	<p>[paragraphs 1 and 2 unvaried]</p>

<p>be convened also by the Board of Statutory Auditors, or, following written communication to the Chairman of the Board of Directors, individually by each Serving Statutory Auditor.</p> <p>2. The Board of Directors meets in Modena at the registered offices or, exceptionally, elsewhere in Italy.</p> <p>3. Meetings of the Board of Directors can be held using remote communication systems, on condition that the identity of the persons entitled to attend is assured and all participants are able to intervene in real time in discussions about the matters on the agenda, as well as being able to see, receive and transmit documents. In any case, at least the Chairman and the Secretary must be present at the place where the meeting of the Board of Directors was called, which is where the meeting is deemed to be held.</p> <p>4. Meetings are called by a notice sent to the domicile of each director at least three days prior to the date set for the meeting. This notice period may be waived in urgent cases.</p> <p>5. Notice of the meeting must also be sent to the Serving statutory auditors on the same basis and timing.</p> <p>6. Meetings are chaired by the Chairman. They are quorate if attended by an absolute majority of the Serving members. The General Manager takes part in them.</p>	<p>3. Meetings of the Board of Directors can be held using remote communication systems, on condition that the identity of the persons entitled to attend is assured and all participants are able to intervene in real time in discussions about the matters on the agenda, as well as being able to see, receive and transmit documents. <b>At least the Chairman and the Secretary shall be present at the place where the Board of Directors was called, unless the meeting is held using remote communication systems.</b></p> <p><del>In any case, at least the Chairman and the Secretary must be present at the place where the meeting of the Board of Directors was called, which is where the meeting is deemed to be held.</del></p> <p>[paragraphs 4 to 6 unvaried]</p>
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**Amendments to articles 25 and 26 of the Articles of Association (new articles 23 and 24)**

Articles 25 and 26 only regard renumbering.

CURRENT TEXT	PROPOSED TEXT
<b>Article 25</b>	<b>Article 253</b>
1. Votes are cast by members of the Board of	[unvaried]

<p>Directors on a public basis.</p> <p>2. Resolutions are adopted by a majority of the votes cast by those present.</p> <p>3. In the event of a tie, the chairman of the meeting has a casting vote.</p>	
<b>Article 26</b>	<b>Article 264</b>
<p>1. The business and the resolutions adopted by the Board are documented in minutes that are recorded in a Minute Book and signed by the Chairman and the Secretary.</p> <p>2. This Minute Book and extracts from it, certified as authentic by the Chairman and the Secretary, provide evidence of the business and the resolutions adopted by the Board.</p>	[unvaried]

**Amendments to art. 27 of the Articles of Association (new art. 25)**

Art. 27 governs the functions of the Board of Directors.

That provision is subject to minor changes, for the purpose of:

- including in a single provision the references to the Executive Committee and other Internal Board Committees;
- considering, in the literal formulation of the provision regarding the appointment of the Deputy Chairmen, any possibility where only one Deputy Chairman is appointed;
- supplementing the provision regarding the appointment of the General Manager, with a reference to Deputy General Manager(s).

<b>CURRENT TEXT</b>	<b>PROPOSED TEXT</b>
<b>Article 27</b>	<b>Article 275</b>
<p>1. The Board exercises the widest powers of ordinary and extraordinary administration of the Company, except for those that must be exercised at the Shareholders' Meeting.</p> <p>2. Pursuant to art. 2365, paragraph 2, of the Italian Civil Code, the Board of Directors is authorised to approve mergers in the situations envisaged by arts. 2505 and 2505-bis of the Italian Civil Code, as well as any changes needed to align the Articles of Association with regulatory requirements.</p>	[paragraphs 1 and 2 unvaried]



<p>- the appointment and dismissal of the heads of the functions that the provisions of the Bank of Italy and the other Supervisory Authorities assign to the body that has the function of strategic supervision, and the appointment and dismissal of the Manager responsible for preparing the Company's financial reports;</p> <p>- mergers in the situations envisaged by arts. 2505 and 2505-bis of the Italian Civil Code;</p> <p>- any alignment of the Articles of Association with regulatory requirements.</p> <p>4. Without prejudice to the obligations laid down in art. 2391 of the Italian Civil Code, the directors, at meetings of the Board of Directors and, in any case, at least every three months, report to the Board of Statutory Auditors on the activities performed and on the principal economic, financial and capital transactions carried out by the Company and its subsidiaries.</p> <p>5. Such reports by the Board of Directors to the Board of Statutory Auditors outside of Board meetings are made in writing by the Chairman of the Company to the Chairman of the Board of Statutory Auditors.</p>	<p><b>Manager(s);</b> [eleventh bullet point unvaried]</p> <p>[twelfth and thirteenth bullet points unvaried]</p> <p>[paragraphs 4 and 5 unvaried]</p>
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**Amendments to art. 28 of the Articles of Association (new art. 26)**

The current art. 28 of the Articles of Association governs the functions of the Chairman and the Deputy Chairmen.

A formal amendment to paragraphs 2 and 3 is proposed, in line with the proposal to reduce the maximum number of Deputy Chairmen from 3 (three) to 2 (two).

CURRENT TEXT	PROPOSED TEXT
<b>Article 28</b>	<b>Article 286</b>
<p>1. The Chairman of the Board of Directors performs the functions required by current regulations, facilitating the governance of the Bank and promoting the effective and balanced functioning of the powers allocated to the various corporate bodies, as well as acting as point of reference for the Board of Statutory Auditors, for the managers of internal control functions and</p>	<p>[paragraph 1 unvaried]</p>

<p>for internal committees.</p> <p>2. The Deputy Chairmen, based on their seniority of appointment, replace the Chairman in all his functions, if absent or unavailable. If seniority of appointment is the same, replacement is based on order of age.</p> <p>3. If the Chairman and the Deputy Chairman are all absent or unavailable, the related functions are performed by the Chief Executive Officer or otherwise by the eldest director.</p>	<p>2. The Deputy <b>Chairman, or in the event of appointment of two Deputy Chairmen</b>, <del>based on their seniority of appointment the most</del> <b>senior</b>, will replace the Chairman in all his functions, if absent or unavailable. If seniority of appointment is the same, replacement is based on order of age.</p> <p>3. If the Chairman and the Deputy Chairman/<b>Chairmen</b> are all absent or unavailable, the related functions are performed by the Chief Executive Officer or otherwise by the eldest director.</p>
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**Amendments to art. 29 of the Articles of Association (new art. 27)**

The current art. 29 of the Articles of Association governs the appointment of the Executive Committee, making it mandatory for the Board of Directors to establish that Committee.

In that regard, it is proposed to amend paragraph 1 to make it optional to establish the Executive Committee and submit to the assessment by the Board of Directors, in line with best practices that assign the management body to define the corporate governance system most suited to running business operations and the pursuit of the business strategies.

A mere formal amendment is also proposed to paragraph 4 regarding references to other Articles of Association.

CURRENT TEXT	PROPOSED TEXT
<b>Article 29</b>	<b>Article 297</b>
<p>1. The Board of Directors appoints an Executive Committee ranging from a minimum of 3 (three) to a maximum of 5 (five) directors. The Committee is chaired by a member designated by the Board of Directors; the CEO forms part of it by right. The General Manager takes part in meetings of the Executive Committee.</p> <p>2. The Chairman of the Board of Directors takes part in meetings of the Executive Committee, without any right to vote and without being able to make proposals.</p> <p>3. The Executive Committee is vested with management of the Company, with attribution to</p>	<p>1. The Board of Directors <b>may</b> appoint an Executive Committee ranging from a minimum of 3 (three) to a maximum of 5 (five) directors. The Committee is chaired by a member designated by the Board of Directors; the CEO forms part of it by right. The General Manager takes part in meetings of the Executive Committee.</p> <p>[paragraphs 2 to 3 unvaried]</p>

<p>it, through delegation by the Board of Directors, of all powers that are not reserved by law or the Articles of Association to the exclusive collective competence of the Board, except for those that the latter has delegated to the CEO or to members of General Management.</p> <p>4. The Executive Committee is called by the Chairman, generally at least once a month. The provisions applicable to the Board of Directors, as contained in article 24, paragraphs 2 (meeting place), 3 (methods of conducting meetings), 4 and 5 (calling), 6 (quorum), as well as articles 25 (resolutions) and 26 (minutes and extracts), also apply to the Executive Committee.</p> <p>5. The Chairman of the Executive Committee normally provides information on its activities at the next meeting the Board of Directors.</p> <p>6. The functions of Secretary of the Executive Committee are performed by the Secretary of the Board of Directors.</p>	<p>4. The Executive Committee is called by the Chairman, generally at least once a month. The provisions applicable to the Board of Directors, as contained in article 242, paragraphs 2 (meeting place), 3 (methods of conducting meetings), 4 and 5 (calling), 6 (quorum), as well as articles 253 (resolutions) and 264 (minutes and extracts), also apply to the Executive Committee.</p> <p>[paragraphs 5 and 6 unvaried]</p>
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#### **New art. 28 of the Articles of Association**

It is proposed to insert the new art. 28 in the Articles of Association, which regards the establishment of internal board committees.

Based on the proposed text, the Board of Directors:

- shall set up the internal Committees provided for by current regulations and by the provisions of the Bank of Italy and other Supervisory Authorities, determining the members, their duties and how they will operate;
- shall have the right to set up additional Committees, if deemed useful.

<b>CURRENT TEXT</b>	<b>PROPOSED TEXT</b>
	<p style="text-align: center;"><b>Article 28</b></p> <p><b>1. The Board of Directors shall set up from among its members Committees specialising in the matters and with the functions provided for by current regulations and by the provisions of the Bank of Italy and other Supervisory Authorities, determining the members, their duties and how they will operate.</b></p>

	<p><b>2. Within the limits of applicable regulations, the Board of Directors may merge the functions of one or more Committees and assign additional powers to them, as well as set up among its members, even for a limited period of time, any other Committees deemed useful.</b></p>
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**Amendments to art. 30 of the Articles of Association (new art. 29)**

Art. 30 only regards renumbering.

<b>CURRENT TEXT</b>	<b>PROPOSED TEXT</b>
<b>Article 30</b>	<b>Article 3029</b>
<p>1. The Board appoints a CEO from among its members.</p> <p>2. The CEO supervises the Company's management, in accordance with the general strategic guidelines established by the Board of Directors; implements the resolutions of the Board of Directors and Executive Committee; makes sure that the organisational, administrative and accounting structure and internal control system are appropriate to the size and nature of the Company and suitable to provide a true and fair view of its operating performance; is entitled to propose, as part of the powers assigned to the CEO, resolutions to be decided by the Board of Directors and the Executive Committee; exercises the other powers delegated to the CEO by the Board of Directors</p> <p>3. In urgent cases, the Chief Executive Officer can decide on any matter normally decided by the Board of Directors, after hearing the opinion of the Chairman of the Board of Directors, except for those that by law or the Articles of Association have to be decided by the Board of Directors on a collegiate basis. The decisions taken under these circumstances have to be reported to the Board of Directors at the next meeting. In the event that the CEO is absent or</p>	<p align="center">[unvaried]</p>

<p>unavailable, this power may be exercised by the Chairman of the Board of Directors, on the binding proposal of the General Manager.</p> <p>4. The CEO reports to the Board of Directors, normally on a monthly basis, on the company's performance and, on a quarterly basis, on how he has exercised the powers attributed to him.</p>	
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**Amendments to art. 31 of the Articles of Association (new art. 30)**

Pursuant to the current art. 31 of the Articles of Association, the Board of Statutory Auditors is composed of 5 (five) Serving Statutory Auditors, including the Chairman, and 2 (two) Alternate members. With a view to streamlining the ownership structure, it is proposed to reduce the number of Serving Statutory Auditors from the current number of five (5) to three (3), in accordance with common market practice.

The current Articles of Association also require that the Chairman of the Board of Statutory Auditors shall have at least five years' experience in the audit of companies in the banking, investment or financial sector. In order to facilitate the submission of lists by Shareholders, simplifying the selection of candidates with regard to the specified requirements, it is proposed to eliminate that requirement of the Articles of Association, without prejudice to the application of the requirements of law and regulations to fill the position of Chairman of the Board of Statutory Auditors. Moreover, the proposed approach increases the flexibility of the structure of the Articles of Association on the composition of the Board of Statutory Auditors, based on the constant evolution of the reference regulatory framework.

CURRENT TEXT	PROPOSED TEXT
<b>Article 31</b>	<b>Article 310</b>
<p>1. The Meeting appoints 7 (seven) Statutory Auditors, comprising 5 (five) Serving members, including the Chairman, and 2 (two) Alternate members.</p> <p>2. Without prejudice to the specific requirements of professionalism set by law, the Chairman of the Board of Statutory Auditors must have at least five years' experience in the audit of companies in the banking, investment or financial sector.</p> <p>3. The Statutory Auditors must meet the requirements, also of independence, established by current law to perform their duties, otherwise they cannot be elected or, if they subsequently fail to meet the requirements, they will fall from</p>	<p>1. The Meeting appoints <del>7</del><b>5</b> (<del>seven</del><b>five</b>) Statutory Auditors, comprising <del>5</del><b>3</b> (<del>five</del><b>three</b>) Serving members, including the Chairman, and 2 (two) Alternate members.</p> <p><del>2. Without prejudice to the specific requirements of professionalism set by law, the Chairman of the Board of Statutory Auditors must have at least five years' experience in the audit of companies in the banking, investment or financial sector.</del></p> <p><b>32</b>[text unchanged]</p>

<p>office.</p> <p>4. The limits on the accumulation of directorships and audit appointments laid down by current regulations apply to the Statutory Auditors. In any case, the Statutory Auditors may not hold positions in bodies other than control bodies in other companies of the Group or in which the Company holds, directly or indirectly, a strategic investment, as defined by the Supervisory Authority.</p> <p>5. The Statutory Auditors remain in office for three years and their mandate expires on the date of the Meeting called to approve the financial statements for the last year of their appointment; they are re-eligible.</p> <p>6. The Chairman and the Serving members of the Board of Statutory Auditors are entitled to receive the annual remuneration approved at the Shareholders' Meeting throughout their entire period in office.</p> <p>7. The composition of the Board of Statutory Auditors has to ensure gender balance in accordance with current regulations.</p>	<p>43[text unchanged]</p> <p>54[text unchanged]</p> <p>65[text unchanged]</p> <p>76[text unchanged]</p>
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**Amendments to art. 32 of the Articles of Association (new art. 31)**

Art. 32 governs the submission of lists for the appointment of the Board of Statutory Auditors.

That provision is subject to the following:

- in order to facilitate the submission of lists by the Shareholders, it is proposed, by amending paragraph 2, to permit the submission of lists containing a number of candidates lower than the number of Statutory Auditors to be elected;
- the additional amendment proposed to paragraph 2 has the same purpose. Based on this it shall be sufficient that only one candidate – and non-necessarily the first – for the position of Serving Statutory Auditor and Alternate Statutory Auditor, contained in the respective sections of the list, are enrolled in the register of auditors and have practised the profession of auditing for not less than three years. The reduction from 2 (two) to 1 (one) in the number of candidates that meet that requirement, to be indicated in the section of the list regarding candidates for the position of Serving Statutory Auditor results from the reduction from 5 (five) to 3 (three) of the number of members of the Board of Statutory Auditors, submitted for the approval of the Shareholders' Meeting, in compliance with that set out in the current provisions of law and regulations;

- the proposed amendment to paragraph 3 results from the reduction of the number of Serving Statutory Auditors to three (3). In particular, pending the increase from one-third to two-fifths of the quota reserved for the less represented gender introduced by Italian Law 160 of 27 December 2019, and considering that it is arithmetically impossible to ensure compliance with this criterion for both genders, it is proposed to remove the provision on the rounding up to the next higher unit for the distribution of candidates between genders, in accordance with the provisions of paragraph 3 of art. 144-*undecies* of the CONSOB Issuers' Regulation no. 11971/1999, as amended by CONSOB Resolution no. 21359 of 13 May 2020.

CURRENT TEXT	PROPOSED TEXT
<b>Article 32</b>	<b>Article 321</b>
<p>1. The election of the members of the Board of Statutory Auditors is made on the basis of the lists presented by the shareholders.</p> <p>2. The lists of candidates, which is split into two sections, one for the candidates for the position of Serving Statutory Auditor and one for the candidates for the position of Alternate Statutory Auditor, has to have the same number of candidates as the number of Statutory Auditors that to be elected. In each section, the candidates are listed with a progressive number. At least the first two candidates for the position of Serving Statutory Auditor and at least the first candidate for the position of Alternate Statutory Auditor contained in the respective sections of the list have to be enrolled in the register of auditors and have practised the profession of auditing for not less than three years.</p> <p>3. Each section of the list must have a number of candidates of the less represented gender to ensure, within the same section, that the list complies with the gender balance at least to the minimum extent required by law, rounding up to the next unit in the event of a fractional number.</p> <p>4. The list must be presented by shareholders who, individually or collectively, hold at least 0.50% of the share capital represented by ordinary shares, or a lower percentage established by current regulations. Ownership of the minimum shareholding is calculated with</p>	<p>[paragraph 1 unvaried]</p> <p>2. The list of candidates, which is split into two sections, one for the candidates for the position of Serving Statutory Auditor and one for the candidates for the position of Alternate Statutory Auditor, has to have the same a number of candidates as not exceeding the number of Statutory Auditors that to be elected. In each section, the candidates are listed with a progressive number. Furthermore. At least the first two one candidate for the position of Serving Statutory Auditor and at least the first one candidate for the position of Alternate Statutory Auditor contained in the respective sections of the list have to be enrolled in the register of auditors and have practised the profession of auditing for not less than three years;.</p> <p>3. Each section of the list must have a number of candidates of the less represented gender to ensure, within the same section, that the list complies with the gender balance at least to the minimum extent required by law, <del>rounding up to the next unit in the event of a fractional number.</del></p> <p>[paragraphs 4 to 11 unvaried]</p>

regard to the shares registered on the day when the list is filed at the Company. Each shareholder can not present or contribute to the presentation of more than one list; a similar requirement applies for members belonging to the same group - meaning the parent company, its subsidiaries and the companies subject to joint control - or who are parties to a shareholders' agreement regarding the shares of the Company. In the event of non-compliance, signature is ignored in relation to all lists.

5. The lists of candidates, signed by the members presenting them, must be filed at the Company's registered offices within the terms and methods laid down in current regulations. They must be accompanied by all documents and statements required by law and in any case: (i) declarations from each candidate accepting their candidature and confirming, under their own responsibility, that there are no reasons for which they cannot be elected or other incompatibilities, and that they meet the requirements for appointment established by law or in these Articles of Association; (ii) a full description of the personal and professional characteristics of each candidate, with an indication of the directorships and audit appointments held in other companies; and (iii) information relating to the identity of the presenting members with an indication of the percentage of shares held, to be certified as required by law.

6. If only one list is filed by the deadline or only lists presented by shareholders who are associated with each other, the Company promptly publishes this information with the methods laid down in current regulations; in this case, it is possible to present lists up to the third day subsequent to the deadline mentioned in paragraph 5, and the required number for presentation specified in the paragraph 4 is halved. None of this prejudices any other, different requirements under current regulations

concerning the basis and timing for the presentation and publication of lists.

7. The lists submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.

8. Any irregularities on the list that relate to individual candidates only entail the exclusion of the candidate(s) concerned.

9. Each candidate may only be included on one list or, otherwise, will be ineligible for election.

10. Candidates not meeting the requirements established by law and the Articles of Association cannot be elected or, if elected, their appointment will lapse.

11. All persons entitled to vote cannot vote more than one list of candidates, even if through an intermediary or through trust companies.

#### **Amendments to art. 33 of the Articles of Association (new art. 32)**

The current art. 33 governs the appointment of the Board of Statutory Auditors.

In that regard, in line with the proposal to reduce the number of Serving Statutory Auditors to three (3), submitted to the approval of the Shareholders' Meeting, it is proposed to amend paragraph 2.1 to consequently reduce the number of statutory auditors taken from the list that received the highest number of votes from four (4) to two (2).

Moreover, the following additional changes are proposed, which meet the need for greater completeness of the Articles of Association.

- in relation to the possibility that the second list is linked to the first, in the presence of a third unrelated list, the Chairman of the Board of Statutory Auditors and an Alternate Statutory Auditor shall be taken from the latter (new paragraph 2.3);
- in relation to the possibility that two lists obtain the same number of votes and, thus, a second ballot must be carried out, it is proposed to govern the distribution of the members of the Board of Statutory Auditors between those lists, in order to specify that the list not linked to the first that obtained a lower number of votes in the second ballot shall appoint the Chairman of the Board of Statutory Auditors and an Alternate Statutory Auditor (final line of the new paragraph 2.4).
- it is proposed to coordinate the list voting mechanism with the amendment set out in art. 32, based on which it is sufficient that only one candidate – and not necessarily the first candidate – for the position of Serving Statutory Auditor and Alternate Statutory Auditor contained in the

- respective sections of the list are enrolled in the register of auditors and have practised the profession of auditing for not less than three years (see art. 32 above). A mechanism for moving down the list shall be provided, based on which, if none of the Statutory Auditors elected on conclusion of the voting meets those requirements, the candidate shall be taken from the list that obtained the highest number of votes, replacing the candidate without the necessary qualifications with the first candidate not elected that has the necessary qualifications (new paragraph 2.5);
- it is proposed to specify in paragraph 3 that if only one list is submitted, the first candidate for the office of Serving Statutory Auditor listed in the relevant section of the list shall be elected Chairman of the Board of Statutory Auditors;
  - the provisions set out in paragraphs 4.2 and 4.3 regard the case in which the Shareholders' Meeting is called upon to elect the Board of Statutory Auditors if there are no lists or to supplement the number of Statutory Auditors taken from the lists. In this regard, it is proposed to specify the Shareholders' Meeting – unless the Chairman has already been elected in application of paragraph 2.2 or paragraph 3 (which may take place if the Statutory Auditors to be elected simply need to be supplemented) – shall also appoint the Chairman of the Board of Statutory Auditors:
  - lastly, the proposed amendment to paragraph 7 is merely formal, as it is an update to the references to other provisions of the Articles of Association.

CURRENT TEXT	PROPOSED TEXT
<b>Article 33</b>	<b>Article 332</b>
<p>1. The procedure for the election of the Board of Statutory Auditors is described below.</p> <p>2. If more than one list is validly presented, the following provisions apply.</p> <p>2.1. Four Serving statutory auditors and one Alternate Statutory Auditor are taken from the list that obtained the highest number of votes, in the order that they are listed in each section.</p> <p>2.2. The Chairman of the Board of Statutory Auditors and one Alternate Statutory Auditor are taken from the list that obtained the second highest number of votes, providing this list is not related, directly or indirectly, with the members who presented or voted the list with the highest number of votes, in the order that they are listed in each section. Significant relationships are those identified by the applicable provisions of Legislative Decree 58 of 24 February 1998 and the Regulations implementing Consob</p>	<p>[paragraphs 1]</p> <p>[paragraphs 2]</p> <p>2.1. <del>Four</del><b>Two</b> Serving statutory auditors and one Alternate Statutory Auditor are taken from the list that obtained the highest number of votes, in the order that they are listed in each section.</p> <p>[paragraphs 2.2 unvaried]</p>

<p>Resolution 11971 of 14 May 1999.</p> <p>2.3. In the event of a tie between lists, the Meeting holds a second ballot.</p> <p>2.4. If, after voting has taken place, the minimum number of Statutory Auditors belonging to the less represented gender has not been elected, the Meeting has to exclude the elected</p>	<p><b>2.3. In case the second list by numbers of votes is related, according to paragraph 2.2, with the members that have presented or voted the first list by number of votes, the Chairman of the Board of Statutory Auditors and one Alternate Statutory Auditor are taken, in the order that they are listed in each section, from the list that obtained the third highest number of votes providing this list is not related, according to paragraph 2.2, with the members who presented or voted the list with the highest number of votes</b></p> <p>2.34. In the event of a tie between lists, the Meeting holds a second ballot <b>at the outcome of which two Serving Statutory Auditors and one Alternate Statutory Auditor are taken from the list that obtained the highest number of votes, in the order that they are listed in each section; The Chairman of the Board of Statutory Auditors and one Alternate Statutory Auditor are taken from the list that obtained the second highest number of votes, providing this list is not related, directly or indirectly, with the members who presented or voted the list with the highest number of votes, in the order that they are listed in each section.</b></p> <p><b>2.5 If, after voting has taken place, no one of the appointed Auditors is enrolled in the register of auditors and have practised the profession of auditing for not less than three years, the Meeting has to exclude the elected candidate, that do not have the requirements, who has the highest number on the list that obtained the highest number of votes, replacing that person with the non-elected candidate of the same list that meets the requirements</b></p> <p>2.-46 [text unvaried]</p>
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candidate belonging to the overrepresented gender, who has the highest number on the list that obtained the highest number of votes, replacing that person with the non-elected candidate belonging to the less represented gender on the same list.

2.5. If, even by applying this replacement mechanism, it is not possible to complete the minimum number of Statutory Auditors belonging to the less represented gender, the Meeting provides for the election of the missing Statutory Auditors on the basis of candidates proposed by members at the Meeting. To this end, the candidates are put to the vote individually and the candidates who receive the highest number of votes are elected, up to the total number of Statutory Auditors to be elected. Substitutions are made from the most voted list, and within the sections of the lists, from the candidates with the highest progressive number.

3. If only one list is presented, all Auditors are taken from that list.

4. If no valid list is presented, or the number of Statutory Auditors to be elected has not been reached, the missing Statutory Auditors are elected on the basis of candidates proposed by the members at the General Meeting. To this end, the candidates are put to the vote individually and the candidates who receive the highest number of votes are elected, up to the total number of Statutory Auditors to be elected.

4.1. In the event of a tie between various candidates, the Meeting holds a second ballot among the candidates.

2.57 [text unvaried]

3. If only one list is presented, all Auditors are taken from that list. **In this case, the first candidate for the office of Serving Statutory Auditor listed in the relevant section of the list shall be elected Chairman of the Board of Statutory Auditors.**

[paragraphs 4 and 4.1 unvaried]

**4.2. If the Shareholders' Meeting has elected the Statutory Auditors because there are no lists, it shall appoint the Chairman of the Board of Statutory Auditors from among the Serving Statutory Auditors elected pursuant**

<p>5. The Meeting must take care to express the minimum number of Serving and Alternate Statutory Auditors belonging to the less represented gender also in the cases provided for in paragraphs 3 and 4.</p> <p>6. Without prejudice to the provisions of paragraph 3 and 4, application of the above provisions must in all cases result in at least one Serving Statutory Auditor and one Alternate Statutory Auditor being elected by minority shareholders who are not associated, directly or indirectly, with the shareholders that presented or voted for the list that obtained the highest number of votes.</p> <p>7. The candidates submitted by members at the General Meeting pursuant to paragraphs 2.5 and 4 must be accompanied by the documentation mentioned in article 23 paragraph 5.</p>	<p>to paragraphs 4 and 4.1 above.</p> <p><b>4.3 If the Shareholders' Meeting has supplemented the number of Statutory Auditors drawn from the lists, by electing the missing Statutory Auditors, it shall appoint the Chairman of the Board of Statutory Auditors, if not elected pursuant to paragraph 2.2 or paragraph 3, from among all the Serving Statutory Auditors elected.</b></p> <p>[paragraphs 5 and 6 unvaried]</p> <p>7. The candidates submitted by members at the General Meeting pursuant to paragraphs 2.57 and 4 must be accompanied by the documentation mentioned in article 321 paragraph 5.</p>
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**Amendments to art. 34 of the Articles of Association (new art. 33)**

It is proposed to amend the rules set out in paragraph 5 on the mechanism for replacing Statutory Auditors taken from the minority list, specifying that all unelected candidates reported in the minority list shall be considered for this purpose, drawing from both the Serving Statutory Auditors section and the Alternate Statutory Auditors section.

The proposed supplement to paragraph 6 aims to ensure, also on replacing the Statutory Auditors, the presence of at least one member of the Board of Statutory Auditors with the necessary expertise and experience as an auditor.

CURRENT TEXT	PROPOSED TEXT
Article 34	Article 343

<p>1. If the Chairman of the Board of Statutory Auditors ceases to serve, the Alternate Statutory Auditor taken from the same list as the former Chairman takes office until the number of auditors on the Board has been replenished pursuant to art. 2401 of the Italian Civil Code.</p> <p>2. If a Serving Statutory Auditor is no longer available, the Alternate Statutory Auditor from the same list takes over. The new Serving Statutory Auditor remains in office until the next Shareholders' Meeting, which has to replenish the number of members of the Board of Statutory Auditors.</p> <p>3. If the Meeting has to appoint replacement Serving and/or Alternate Statutory Auditors to the Board of Statutory Auditors, pursuant to paragraph 2 or legal requirements, the procedure is as follows.</p> <p>4. If Auditors taken from the list that came first by number of votes must be replaced, the Shareholders' Meeting votes without any list restriction, based on candidates who are put to the vote individually: the candidate who receives the most votes gets elected.</p> <p>4.1. Candidates may be submitted by members who are entitled to submit a list for the election of the Board of Statutory Auditors, in accordance with current regulations. Ownership of the minimum shareholding for participation is calculated with regard to the shares registered on the day when the application is filed with the Company.</p> <p>4.2. Each member may not present or contribute to presenting more than one candidate for each substitution; a similar requirement applies for members belonging to the same group - meaning the parent company, its subsidiaries and the companies subject to joint control - or who are parties to a shareholders' agreement regarding the shares of the Company. In the event of non-compliance, signature is ignored in relation to all candidatures.</p> <p>4.3. The candidature, signed by the person or</p>	<p>[paragraphs 1 to 4.6 unvaried]</p>
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persons presenting the candidate, must indicate the name of the candidate and has to be filed at the Company's registered offices by the deadline provided by law for the submission of lists of candidates for the election of the Board of Directors, together with any documentation and declaration required by law, and in any case: (i) the declarations from each candidate accepting the candidature and confirming, under their own responsibility, the non-existence of reasons for which they cannot be elected or other incompatibilities, and that they meet the requirements for appointment established by law and by these Articles of Association; (ii) a full description of the personal and professional characteristics of each candidate, with an indication of the directorships and audit appointments held in other companies; and (iii) information on the identity of the members presenting the candidate, indicating their overall percentage shareholding, to be confirmed according to the terms and methods established by current regulations.

4.4. Belonging to the less represented gender is a condition of eligibility for candidature if the Board no longer has the related minimum number of Statutory Auditors as a result of the termination.

4.5. Candidatures submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.

4.6. If no valid candidate is submitted, the Meeting votes on the substitution on the basis of candidates proposed by the members directly at the Meeting, who are put to the vote individually: the candidate who receives the highest number of votes gets elected, making sure that the person chosen belongs to the less represented gender if the required minimum number of Statutory Auditors has to be made up. The candidatures have to be accompanied by the documentation indicated in paragraph 4.3.

5. If it is necessary to replace an Auditor taken

5. If it is necessary to replace an Auditor taken from the list other than the one that came first by number of votes, and that is not associated, not even indirectly, with the shareholders that presented or voted for the list that came first, the Meeting does so, choosing, where possible, from those candidates indicated on the same list as the Auditor to be replaced, who confirm their candidature and file declarations at the Company's registered offices confirming that there are no reasons for which they cannot be elected or other incompatibilities, and that they meet the established requirements for appointment, as well as an up-to-date indication of the directorships and audit appointments held in other companies, within the terms prescribed by current regulations for the presentation of lists for the election of the Board of Statutory Auditors.

5.1. Where it is not possible to proceed in the manner indicated in paragraph 5, the Meeting decides on the substitution on the basis of candidates proposed by the members directly at the Meeting, who are put to the vote individually: the candidate who receives the highest number of votes gets elected, making sure that the person chosen belongs to the less represented gender if the required minimum number of Statutory Auditors has to be made up.

5.2. The candidatures have to be accompanied by the documentation indicated in paragraph 4.3.

6. In any case, the Meeting has to appoint a replacement member of the less represented gender, where this is needed to restore the minimum number of Statutory Auditors belonging to this gender.

from the list other than the one that came first by number of votes, and that is not associated, not even indirectly, with the shareholders that presented or voted for the list that came first, the Meeting does so, choosing, where possible, from those **unelected** candidates indicated in **both sections** of the same list as the Auditor to be replaced, who confirm their candidature and file declarations at the registered offices of the Company confirming that there are no reasons for which they cannot be elected or other incompatibilities, and that they meet the established requirements for appointment, as well as an up-to-date indication of the directorships and audit appointments held in other companies, within the terms prescribed by current regulations for the presentation of lists for the election of the Board of Statutory Auditors.

[paragraphs 5.1 to 5.2 unvaried]

6. In any case, the Meeting has to **guarantee the presence in the Board of Statutory Auditors of at least one member enrolled in the register of auditors and that have practiced the profession of auditing for not less than three years by nominating a substitute that have those requisites, if necessary. The Meeting has also to guarantee the respect of the gender balance principle** by appointing a replacement member of the less represented gender, where this is needed to restore the minimum number of

	Statutory Auditors belonging to this gender.
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**Amendments to art. 35 of the Articles of Association (new art. 34)**

Art. 35 only regards renumbering.

CURRENT TEXT	PROPOSED TEXT
<b>Article 35</b>	<b>Article 354</b>
<p>1. The Statutory Auditors monitor compliance with the law, regulations and the Articles of Association, respect for the principles of correct administration of the Company, the adequacy of the organisational and accounting structures, and the functionality of the overall system of internal control; they verify that the personnel involved in the control system operate effectively and are coordinated properly, reporting any weaknesses or irregularities and requesting suitable corrective action; they monitor the adequacy of the risk management and control system; they exercise such other functions and powers provided by law as well as the duties and functions that the provisions of the Bank of Italy and the other Supervisory Authorities assign to the body that has the control function. The Board of Statutory Auditors has to inform the Supervisory Authorities, in accordance with current legislation, of all facts or deeds that it becomes aware of and which could constitute management irregularities or a violation of the rules that govern banking.</p> <p>2. In performing the necessary verification work and checks, the Board of Statutory Auditors makes use of the Company's internal control personnel and functions. The Board of Statutory Auditors can carry out audits or inspections at any time, also individually; they can also ask the directors for information on the Company and its subsidiaries regarding the results of operations or of specific transactions; such information can also be requested directly from the subsidiaries' directors and Statutory Auditors.</p>	[unvaried]

<p>3. The Board of Statutory Auditors can also exchange information on the administration and control systems and on business trends in general with the corresponding boards at subsidiary companies.</p> <p>4. Meetings of the Board of Statutory Auditors can be held using remote communication systems, on condition that the identity of the participants is assured and all of them are able to take part in the discussion in real time, as well as being able to see, receive and transmit documents. The meeting is deemed to be held in the place where the Chairman is located.</p> <p>5. The minutes and deeds of the Board of Statutory Auditors must be signed by all of the members who attended the meeting.</p>	
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**Amendments to art. 36 of the Articles of Association (new art. 35)**

The current art. 36 of the Articles of Association governs the appointment and functions of the members of the General Management.

In that regard, it is proposed to:

- amend paragraph 2 for the purposes of coordination with the additional provisions of the Articles of Association and improved syntax of the provision;
- place the provision laid out in paragraph 3 in the following art. 37 (new art. 36), in order to concentrate in a single provision the list of the prerogatives of the General Manager;
- amend paragraph 4 (new paragraph 3) in order to assign the Board of Directors the decision on the frequency of reporting on the exercise of the powers conferred to the General Manager.

CURRENT TEXT	PROPOSED TEXT
<b>Article 36</b>	<b>Article 365</b>
<p>1. General Management comprises the General Manager and one or more Deputy General Managers. All of the members have to meet the requirements foreseen in current regulations.</p> <p>2. The Board of Directors decides on the powers granted to each member of General Management.</p>	<p>[paragraph 1 unvaried]</p> <p>2. <b>Without prejudice to the powers assigned to the General Manager by these Articles of Association,</b> ¶the Board of Directors decides on <b>the responsibilities and</b> the powers granted to each member of General Management.</p>

<p>3. The General Manager is the Head of Personnel and he is responsible for managing the staff in the terms established by the Board of Directors.</p> <p>4. The members of General Management report to the Board of Directors at least every three months on how they have exercised their powers.</p>	<p><del>3. The General Manager is the Head of Personnel and he is responsible for managing the staff in the terms established by the Board of Directors.</del></p> <p>43. The members of General Management report to the Board of Directors on how they have exercised their powers, <b>with a frequency at least every three months established by the Board.</b></p>
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**Amendments to art. 37 of the Articles of Association (new art. 36)**

The current paragraph 1 of art. 37 states that the General Manager assists the Chief Executive Officer in implementing the decisions taken by the Board of Directors and the Executive Committee and executes the instructions given by the Chief Executive Officer in exercising the powers attributed to him/her.

It is proposed to amend that provision in order to provide a more comprehensive and complete representation of the duties and prerogatives of the General Manager, as illustrated below.

CURRENT TEXT	PROPOSED TEXT
<b>Article 37</b>	<b>Article 376</b>
<p>1. With the collaboration and assistance of the other members of General Management, the General Manager assists the Chief Executive Officer in implementing the decisions taken by the Board of Directors and the executive committee and executes the instructions given by the Chief Executive Officer in exercising the powers attributed to him.</p>	<p><del>1. With the collaboration and assistance of the other members of General Management, the General Manager assists the Chief Executive Officer in implementing the decisions taken by the Board of Directors and the executive committee and executes the instructions given by the Chief Executive Officer in exercising the powers attributed to him.</del></p> <p><b>The General Manager:</b></p> <p><b>a) is the head of the operating structure;</b></p> <p><b>b) is the head of personnel;</b></p> <p><b>c) manages day-to-day business and performs all operations and all ordinary administration activities not reserved for the Board of Directors and not delegated by the latter to the Executive Committee, the Chief Executive Officer or other members of General Management;</b></p> <p><b>d) is responsible for the operational coordination of the companies belonging to</b></p>

<p>2. If absent or unavailable, the General Manager is replaced in the exercise of all attributed powers and functions by one or more members of General Management designated by the Board of Directors</p>	<p><b>the Group;</b> <b>e) if not already a member of the Board of Directors, attends Board meetings.</b> [paragraph 2 unvaried]</p>
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**Amendments to articles 38, 39, 40, 41, 42, 43 and 44 of the Articles of Association (new articles 37, 38, 39, 40, 41, 42 and 43)**

Articles 38 to 44 of the Articles of Association only regard renumbering.

<b>CURRENT TEXT</b>	<b>PROPOSED TEXT</b>
<b>Article 38</b>	<b>Article 387</b>
<p>1. Pursuant to current regulations, the accounting records are audited for legal purposes by a registered auditing firm appointed in accordance with the law.</p>	<p>[unvaried]</p>
<b>Article 39</b>	<b>Article 398</b>
<p>1. Having received the opinion required from the Board of Statutory Auditors, the Board of Directors appoints a Manager responsible for preparing the Company's financial reports, granting him appropriate powers and resources to perform the tasks allocated in accordance with the law. Having received the opinion required from the Board of Statutory Auditors, the Board of Directors is also entitled to revoke the appointment of the Manager responsible.</p> <p>2. The Manager responsible for preparing the Company's financial reports is appointed from among the Company's managers who have held management responsibility for accounting and administrative matters for at least three years.</p>	<p>[unvaried]</p>
<b>REPRESENTATION AND SIGNATURE ON BEHALF OF THE COMPANY</b>	<p>[unvaried]</p>
<b>Article 40</b>	<b>Article 4039</b>
<p>1. The Chairman represents the Company in dealings with third parties and in judgement, for both jurisdiction and administrative purposes,</p>	<p>[unvaried]</p>

<p>including judgements handed down by the Courts of Cassation and Appeal, and signs on behalf of the Company as sole signatory. If absent or unavailable, temporarily or otherwise, the Chairman of the Board of Directors is replaced, separately, by the Deputy Chairmen and the Chief Executive Officer and if these are also absent or unavailable, temporarily or otherwise, by the eldest director.</p> <p>2. In dealings with third parties, the signature of the person replacing the Chairman is evidence that the latter was absent or unavailable.</p> <p>3. The Chief Executive Officer represents and signs on behalf of the Company within the limits of the powers granted to him by the Board of Directors.</p> <p>4. The General Manager represents and signs on behalf of the Company for all deeds within his sphere of competence under the Articles of Association and within the limits of any additional powers granted to him by the Board of Directors. In his absence, this is performed by the Deputy General Managers, also singly. In dealings with third parties, the signature of the person replacing the General Manager is evidence that the latter was absent or unavailable.</p> <p>5. The Chairman of the Board of Directors and, within the limits of its respective powers of representation, the Chief Executive Officer and the General Manager have the power to appoint Company employees and third parties as special nominees for the completion of specific deeds or certain categories of deeds.</p> <p>6. Signatory powers may also be granted by the Board of Directors, for the completion of specific deeds or certain categories of deeds, to individual directors, the General Manager, Deputy General Managers, Company employees and third parties.</p>	
<p><b>FINANCIAL STATEMENTS, PROFITS AND RESERVES</b></p>	<p>[unvaried]</p>
<p><b>Article 41</b></p>	<p><b>Article 410</b></p>
<p>1. The accounting reference date is 31</p>	<p>[unvaried]</p>

<p>December each year.</p> <p>2. Following the end of each financial year, the Board of Directors arranges for the preparation and presentation of financial statements in accordance with the law and these Articles of Association.</p>	
<b>Article 42</b>	<b>Article 421</b>
<p>1. The net profit reported in the approved financial statements after deducting the part for the legal reserve and the portions approved by the Meeting for the establishment and increase in reserves, including extraordinary reserves, on the proposal of the Board of Directors, the Meeting may allocate a portion of up to 1.5% for the establishment or increase of a special fund available to the Company for charitable, social, cultural and scientific initiatives. The remainder is distributed as a dividend to be attributed to the shares, as decided by the Meeting.</p> <p>2. When preparing the financial statements, the Board of Directors may allocate profits to new or existing reserves prior to determining the net profit referred to in the paragraph 1, requesting the Shareholders' Meeting to ratify such allocations.</p>	[unvaried]
<b>Article 43</b>	<b>Article 432</b>
<p>1. The dividends that are not collected and fall into prescription are devolved to the Company and allocated to the extraordinary reserve.</p>	[unvaried]
<b>Article 44</b>	<b>Article 443</b>
<p>1. In all cases of winding up of the Company, the Shareholders' Meeting appoints the liquidators, establishes their powers, determines how the liquidation will be performed, and the allocation of the surplus reported in the final liquidation balance sheet.</p> <p>2. The available amounts are allocated to the shareholders in proportion to their respective equity interests.</p>	[unvaried]

**Amendments to art. 45 of the Articles of Association (new art. 44)**

The current art. 45 of the Articles of Association (renumbered art. 44) contains implementing and

transitional provisions relating to the composition and appointment of the Board of Directors. This responds to the need to gradually implement the amendments to the Articles of Association, introduced by the Extraordinary Shareholders' Meetings of 18 April 2015 and 16 April 2016, which established that the Board of Directors would no longer be subject to partial annual renewal (so-called "staggered board") and that the number of Directors would be reduced from 19 to current 15.

Since this transitional rule is no longer effective, it is proposed to remove it. At the same time, it is proposed to introduce a transitional provision to regulate the entry into force of the new number of members of the Board of Statutory Auditors.

CURRENT TEXT	PROPOSED TEXT
<b>Article 45</b>	<b>Article 454</b>
<p>1. The provision contained in art. 17, paragraph 1, which sets the number of members of the Board of Directors at 15 (fifteen), as introduced by the Extraordinary Shareholders' Meeting on 18 April 2015, will come into force from the earlier of: (i) the date of the Meeting called to approve the 2016 financial statements; and (ii) the date of any Meeting called for early renewal of the entire Board of Directors following the termination of the majority of its members in accordance with the provisions of art. 20, paragraph 5.</p> <p>2. Pending the coming into force of the provision contained in art. 17, paragraph 1, as introduced by the Extraordinary Shareholders' Meeting on 18 April 2015, the Board of Directors will consist, from the date of the Meeting convened to approve the 2015 financial statements and up to the date of the Meeting convened to approve the 2016 financial statements, by 17 (seventeen) members.</p> <p>3. Following the elimination of the provision that the Board of Directors is to be renewed partially every year during each three-year term of office, approved by the Extraordinary Shareholders' Meeting on 16 April 2016, the Board of Directors, as an express derogation from the provisions of art. 17, paragraph 1, will continue to renew itself partially as follows, up to the date of the Shareholders' Meeting called to approve the 2017 financial statements (i.e. up to the other</p>	<p><del>1. The provision contained in art. 17, paragraph 1, which sets the number of members of the Board of Directors at 15 (fifteen), as introduced by the Extraordinary Shareholders' Meeting on 18 April 2015, will come into force from the earlier of: (i) the date of the Meeting called to approve the 2016 financial statements; and (ii) the date of any Meeting called for early renewal of the entire Board of Directors following the termination of the majority of its members in accordance with the provisions of art. 20, paragraph 5.</del></p> <p><del>2. Pending the coming into force of the provision contained in art. 17, paragraph 1, as introduced by the Extraordinary Shareholders' Meeting on 18 April 2015, the Board of Directors will consist, from the date of the Meeting convened to approve the 2015 financial statements and up to the date of the Meeting convened to approve the 2016 financial statements, by 17 (seventeen) members.</del></p> <p><del>3. Following the elimination of the provision that the Board of Directors is to be renewed partially every year during each three-year term of office, approved by the Extraordinary Shareholders' Meeting on 16 April 2016, the Board of Directors, as an express derogation from the provisions of art. 17, paragraph 1, will continue to renew itself partially as follows, up to the date of the Shareholders' Meeting called to approve the 2017 financial statements (i.e. up to the other</del></p>

<p>earlier date of appointment foreseen in paragraph 4 below):</p> <p>(i) at the Meeting called to approve the 2015 financial statements, the 5 (five) Directors elected will have a one-year term of office; and</p> <p>(ii) at the Meeting called to approve the 2016 financial statements 8 (eight) directors will be elected with a one-year term of office.</p> <p>At the time of this last election, the Board of Directors will specify, in the notice of calling, the number of candidates - if necessary, in derogation from art. 18, paragraph 2 c) and d) - belonging to the less represented gender and who meet the independence requirements to be presented in the list, in order to ensure compliance with the law and the Articles of Association.</p> <p>4. If prior to the date of the Meeting called to approve the 2017 financial statements the entire Board of Directors has to be renewed pursuant to the provisions of art. 20, paragraph 5, it will be appointed in accordance with arts. 17, 18 and 19, without the application of paragraphs 2 and 3 of this transitional provision.</p> <p>In this case:</p> <p>(i) if forfeiture of the Board of Directors happens to take place before the Bank's effective transformation into a joint-stock company resolved by the Extraordinary Shareholders' Meeting of 26 November 2016 in accordance with art. 29, paragraphs 2-bis and 2-ter, and art. 31 of Legislative Decree 385 of 1 September 1993, the new Board of Directors elected under these circumstances will expire at the time of the first Shareholders' Meeting called to approve the financial statements after the effective date of the transformation; the meeting will appoint a new Board of Directors whose term of office will expire at the Shareholders' Meeting called to approve the 2017 financial statements;</p> <p>(ii) if the forfeiture of the Board of Directors takes place after the transformation of the bank into a joint-stock company has taken effect, resolved</p>	<p><del>earlier date of appointment foreseen in paragraph 4 below):</del></p> <p><del>(i) at the Meeting called to approve the 2015 financial statements, the 5 (five) Directors elected will have a one-year term of office; and</del></p> <p><del>(ii) at the Meeting called to approve the 2016 financial statements 8 (eight) directors will be elected with a one-year term of office.</del></p> <p><del>At the time of this last election, the Board of Directors will specify, in the notice of calling, the number of candidates - if necessary, in derogation from art. 18, paragraph 2 c) and d) - belonging to the less represented gender and who meet the independence requirements to be presented in the list, in order to ensure compliance with the law and the Articles of Association.</del></p> <p><del>4. If prior to the date of the Meeting called to approve the 2017 financial statements the entire Board of Directors has to be renewed pursuant to the provisions of art. 20, paragraph 5, it will be appointed in accordance with arts. 17, 18 and 19, without the application of paragraphs 2 and 3 of this transitional provision.</del></p> <p><del>In this case:</del></p> <p><del>(i) if forfeiture of the Board of Directors happens to take place before the Bank's effective transformation into a joint-stock company resolved by the Extraordinary Shareholders' Meeting of 26 November 2016 in accordance with art. 29, paragraphs 2-bis and 2-ter, and art. 31 of Legislative Decree 385 of 1 September 1993, the new Board of Directors elected under these circumstances will expire at the time of the first Shareholders' Meeting called to approve the financial statements after the effective date of the transformation; the meeting will appoint a new Board of Directors whose term of office will expire at the Shareholders' Meeting called to approve the 2017 financial statements;</del></p> <p><del>(ii) if the forfeiture of the Board of Directors takes place after the transformation of the bank into a joint-stock company has taken effect, resolved</del></p>
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by the Extraordinary Shareholders' Meeting of 26 November 2016 in accordance with art. 29, paragraphs 2-bis and 2-ter, and art. 31 of Legislative Decree 385 of 1 September 1993, the new Board of Directors so elected will expire on the date of the Meeting called to approve the 2017 financial statements.

5. Subject to the provisions of the Articles of Association not derogated with the following text, the election of the 8 (eight) directors expected at the Annual Meeting called to approve the 2016 financial statements shall be governed as follows.

Notwithstanding article 19, para. 2.1, 7 (seven) directors are drawn from the Majority List and 1 (one) director from the Junior Minority List.

~~by the Extraordinary Shareholders' Meeting of 26 November 2016 in accordance with art. 29, paragraphs 2-bis and 2-ter, and art. 31 of Legislative Decree 385 of 1 September 1993, the new Board of Directors so elected will expire on the date of the Meeting called to approve the 2017 financial statements.~~

~~5. Subject to the provisions of the Articles of Association not derogated with the following text, the election of the 8 (eight) directors expected at the Annual Meeting called to approve the 2016 financial statements shall be governed as follows.~~

~~Notwithstanding article 19, para. 2.1, 7 (seven) directors are drawn from the Majority List and 1 (one) director from the Junior Minority List.~~

**1. The provision contained in art. 30, paragraph 1, which sets the number of members of the Board of Statutory Auditors at 3 (three) Serving members and 2 (two) Alternate members, as introduced by the Extraordinary Shareholders' Meeting of [●], will come into force only from the date of the Shareholders' Meeting convened for the first subsequent renewal of the Board of Statutory Auditors.**

**2. Pending the entry into force of the provision mentioned in paragraph 1, the Board of Statutory Auditors will continue to be composed of 7 (seven) Statutory Auditors, of which 5 (five) Serving members, including the Chairman, and 2 (two) Alternate members.**

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**FULL VERSION OF THE ARTICLES OF ASSOCIATION  
WITH THE PROPOSED AMMENDEMENTS**

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**ESTABLISHMENT, OBJECTS, DURATION AND REGISTERED OFFICES**

**Article 1**

1. The Company is called BPER Banca S.p.A., which can be abbreviated to "BPER Banca", and is the result of the transformation of Banca popolare dell'Emilia Romagna Società cooperativa, following the resolution of the Extraordinary Shareholders' Meeting on 26 November 2016, passed pursuant to arts. 29, paragraphs 2-bis and 2-ter, and 31 of Legislative Decree 385 of 1 September 1993. When using brands and logos, the words that make up the name can be combined with each other, even in different ways. The Company can use, as brands and logos, names and/or trademarks used from time to time by itself and/or by companies that have been absorbed by it.

2. The Company is governed by the applicable legislation and the regulations contained in these Articles of Association.

**Article 2**

1. The Company's corporate objects include the taking of deposits and the provision of loans in their various forms, both directly and through subsidiary companies.

2. The Company pays particular attention to the enhancement of local resources in the areas where it is present through its own distribution network and that of the Group.

3. As the Parent Company of the "BPER Banca S.p.A." Banking Group, which can be abbreviated to "BPER Banca Group", as defined in art. 61 of Legislative Decree 385 of 1 September 1993, the Company carries out management and coordination activities and issues directives to the members of the Group for implementation of the instructions received from the Bank of Italy and other Supervisory Authorities in the interests of the Group's stability.

**Article 3**

1. The duration of the Company is fixed until 1 December 2100, and may be extended.

**Article 4**

1. The registered offices of the Company are in Modena. Subject to receipt of the required authorisations, the Company may open or close branches and representative offices in Italy and abroad.

**SHARE CAPITAL, SHAREHOLDERS AND SHARES**

**Article 5**

1. Share capital, fully subscribed and paid in, amounts to Euro 2,100,435,182.40 and is represented by 1,413,263,512 registered ordinary shares, with no nominal value.

2. If a share becomes the property of several persons, the joint ownership rights must be exercised by a common representative.

3. Within the limits established by current regulations, the Company, by resolution of the Extraordinary Shareholders' Meeting can issue categories of shares carrying different rights with respect to the ordinary shares, and may determine such rights, as well as financial instruments with equity or administrative rights.

4. All the shares belonging to the same category carry the same rights.

5. The Board of Directors at the meeting held on 11 July 2019, by virtue of the delegation attributed to it by the Extraordinary Shareholders' Meeting held on 4 July 2019, pursuant to Article 2420-ter of the Italian Civil Code, to be exercised by 31 December 2019, has resolved to issue an Additional Tier 1 convertible bond, for a total nominal amount equal to Euro 150,000,000.00, to be entirely offered in subscription to Fondazione di Sardegna, with the exclusion of option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, at a subscription price higher than par value equal to Euro 180,000,000.00, and, consequently, to resolve a paid capital increase, in one or more tranches and in divisible form, for a maximum total amount equal to Euro 150,000,000.00, including a share premium equal to Euro 42,857,142, to service exclusively and irrevocably the conversion of the abovementioned Additional Tier 1 bond through the issue of a maximum of no. 35,714,286 ordinary shares of the Company, without explicit par value, with regular dividend rights and the same features as the ordinary shares of the Company outstanding at the issue date.

6. The Extraordinary Shareholders' Meeting held on 4 July 2019 granted the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power, for a period of five years from the date of the shareholders' meeting resolution, to resolve a paid capital increase, one or more time and in one or more tranches, with the exclusion of option rights pursuant to Article 2441, paragraph 4, and/or Article 2441, paragraph 5, of the Italian Civil Code, for a maximum total amount equal to Euro 13,000,000.00, including any share premium to be determined pursuant to Article 2441, paragraph 6, of the Italian Civil Code, by issue of a maximum number of 2,500,000 ordinary shares of the Company, without express par value, whose issue value may also be lower than the accounting par value existing at the relevant issue date, with regular dividend rights and the same characteristics as the ordinary shares of the Company outstanding at the issue date.

7. The Extraordinary Shareholders Meeting held on 22 April 2020 granted to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the authorization, to be exercised by 31 March 2021, to increase the share capital in one or more tranches, in a divisible form, against payment, for a total maximum amount of Euro 1,000,000,000.00, inclusive of any share premium, through the issuance of ordinary shares of the Company, with no par value, whose issuance price may be lower than the accounting par value of pre-existing shares, to be offered in option to the existing shareholders pursuant to Article 2441, paragraph 1 of the Italian Civil Code, having regular entitlement and the same features of the ordinary shares outstanding at the issue date. The Board of Directors, partially exercising this right, at the board meeting of 29 September 2020 resolved to increase the share capital for payment, in one or more tranches, limited to a total maximum amount of Euro 534,838,838.40 (five hundred and thirty-four million eight hundred and thirty eight thousand eight hundred and thirty eight point forty), as well as a share premium of a maximum of Euro 267,419,419.20 (two hundred and sixty-seven million, four hundred and nineteen thousand, four hundred nineteen point twenty), by issuing a maximum of 891,398,064 (eight hundred and ninety-one million three hundred and ninety-eight thousand and sixty-four) ordinary shares, with no par value, with regular rights of enjoyment and the same characteristics as the ordinary shares in circulation on the issue date, to be offered under option to those entitled to them, pursuant to article 2441, paragraph I, of the Italian Civil Code. The deadline for subscription of the newly issued shares is 31 December 2020, with the clarification that if the approved increase in capital is not fully subscribed by that date, the capital will in any case be deemed to have increased by an amount equal to the subscriptions received.

#### **Article 6**

1. The Company can ask, at any time and at its own expense, to the authorised intermediaries, through a centralised management company, the identification data of shareholders who have not expressly prohibited communication of the same, together with the number of shares registered on their accounts.
2. If the same request is made by shareholders, the provisions of current legislation apply, also with reference to the minimum shareholding for the submission of the application, with costs equally shared between the Company and its applicant shareholders, where not otherwise determined by law.

#### **Article 7**

1. Withdrawal is only allowed in the cases envisaged by law, except in cases of extension of the duration of the Company and the introduction or removal of restrictions on the circulation of shares.
2. The provisions currently in force apply to the redemption of the shares held by the withdrawing shareholder.

### **OPERATIONS OF THE COMPANY**

#### **Article 8**

1. In order to achieve its corporate objects, the Company, directly or through its subsidiaries, may in compliance with current regulations carry out all permitted banking and financial operations and services, as well as all other operations that are useful or in any case related to the achievement of its objects.
2. The Company may issue bonds, including those convertible into shares, in compliance with the applicable legislation.

### **CORPORATE BODIES OF THE COMPANY**

#### **Article 9**

1. Having regard for the duties imposed by law and the following provisions, the corporate functions are carried out by:
  - a) the Shareholders' Meeting;
  - b) the Board of Directors;
  - c) the Chairman of the Board of Directors;
  - d) the Executive Committee;
  - e) the Chief Executive Officer;
  - f) the Board of Statutory Auditors;
  - g) General Management.

### **SHAREHOLDERS' MEETING**

#### **Article 10**

1. The shareholders meet in ordinary or extraordinary session.
2. Meetings are held at the location specified in the notice of calling, on condition that this is in Italy.
3. The Meeting is held at a single calling. However, the Board of Directors can decide to call a Meeting at first, second or - for Extraordinary Shareholders' Meetings only - also at third calling. This decision has to be disclosed in the notice of calling.
4. The meetings are valid if held using remote communication systems, if this is provided for in the notice of calling, on condition that the identity of the persons entitled to attend is assured and that all participants are able to intervene in real time in discussions about the matters on the agenda, as well

as to vote on the resolutions. In any case, the Chairman and the Secretary must be present at the place indicated in the notice of calling, and the meeting is deemed to be held in that place.

5. The Shareholders' Meeting is called by the Board of Directors, through a notice of calling, within the time-scale and manner established by current regulations. The Meeting may also be called by the Board of Statutory Auditors, or by at least 2 (two) Statutory Auditors, in the circumstances established by law.

6. The Board of Directors must call a Shareholders' Meeting, without delay, on receipt of written application by sufficient shareholders that on the date of the request represent, individually or jointly, the minimum amount of capital for this purpose required by law. The application must be accompanied by the deposit of the certificates of participation in the centralised share management system, confirming the applicants' right to make such a request.

7. On the basis, with the timing and within the limits established by law, members representing, individually or jointly, the minimum capital required for this purpose by current regulations may, by written request, ask to integrate the list of matters to be discussed at the Shareholders' Meeting, specified in the notice of calling, or to submit proposed resolutions on matters already on the agenda. The application must be accompanied by the deposit of a copy of the communications of the authorised intermediaries, confirming the applicants' right to make such a request. Adding to the list of matters to be discussed pursuant to this paragraph cannot include matters for which, by law, the Meeting adopts resolutions based on a proposal from the directors, or based on a draft or a report prepared by them.

#### **Article 11**

1. The Ordinary Shareholders' Meeting must be called at least once each year, within 120 (one hundred and twenty) days of the end of the financial year.

2. The Ordinary Shareholders' Meeting:

- on the reasoned proposal of the Board of Statutory Auditors, appoints the Independent Auditors from among the registered auditing firms, determines their fees and any criteria for fee adjustments during their period of office; can, under certain circumstances, revoke their appointment, having consulted with the Statutory Auditors;
- determines, in accordance with applicable legal and regulatory requirements, the remuneration payable to the directors. The remuneration of directors that perform special duties pursuant to the Articles of Association is established by the Board of Directors, having heard the opinion of the Board of Statutory Auditors;
- determines the fees payable to the Statutory Auditors;
- approval of the remuneration policies in favour of the bodies with supervisory, management and control functions and the staff;
- approves any remuneration plans based on the use of financial instruments;
- approves the criteria for calculating any special remuneration to be awarded in the event of early termination of employment or stepping down ahead of schedule, including the limits set on such remuneration in terms of the number of years of the fixed portion of remuneration and the maximum amount that derives from applying these criteria;
- has the power to resolve, with qualified majorities required by current supervisory regulations, a ratio between the variable and fixed element of individual staff remuneration higher than 1:1, but not exceeding the maximum established in such regulations;

- resolves on all other matters reserved for it by law.
- 3. The Extraordinary Shareholders' Meeting resolves on all matters reserved for it by law.
- 4. Persons who have the right to vote are entitled to attend the Meeting if the Company has received, by the legal deadline, communication from the authorised intermediary certifying this right.
- 5. Each ordinary share carries the right to one vote.
- 6. Those who have the right to vote may be represented at the Meeting in compliance with the applicable regulations. The proxy can be notified electronically through the use of the appropriate section of the Company's website or by e-mail, as indicated in the notice of calling.
- 7. Postal voting is not allowed.
- 8. In accordance with current regulations, the Board of Directors can allow votes to be cast before and/or during the Shareholders' Meeting, without requiring the physical presence of the person or their proxy, through the use of electronic devices in ways to be communicated in the notice of calling of the Shareholders' Meeting, such as to ensure the identification of those who have the right to vote and security of communications.
- 9. Members of the Board of Directors may not vote on resolutions regarding their responsibility for actions.

#### **Article 12**

1. As regards the quorum needed to constitute a General Meeting, current regulations apply.

#### **Article 13**

1. The Meeting is chaired by the Chairman of the Board of Directors or by his alternate pursuant to the Articles of Association or, failing this, by the person elected by those present. The Chairman of the Meeting checks that the Meeting is quorate, verifies the identity and rights of those present, moderates the business conducted and determines the results of voting.
2. Except when the minutes of the Meeting are drawn up by a notary pursuant to art. 16 paragraph 2, the Secretary of the Ordinary Meeting is the Secretary of the Board of Directors or, if absent, another shareholder appointed by the Meeting.
3. The Chairman selects 2 (two) or more scrutineers from among those present.

#### **Article 14**

1. For shareholders' resolutions to be valid, current legal regulations shall apply, without prejudice to arts. 18, 19, 20, 31, 32 and 33.

#### **Article 15**

1. If discussion of the agenda is not completed in one session, the Chairman may adjourn the Meeting for not more than eight days by making a declaration to those present, without any need for further notice to be given.
2. In the second session, the Meeting is quorate and adopts resolutions with the same majorities that were applied to establish the quorum and the validity of the resolutions for the Meeting that is being continued.

#### **Article 16**

1. The resolutions adopted at the Meeting must be recorded in the minutes, prepared by the Secretary, that are signed by the Chairman, the Secretary and the scrutineers, if appointed.
2. In the circumstances required by law and when considered appropriate by the Chairman, the minutes are taken by a notary appointed by the Chairman, who acts as Secretary to the Meeting.

3. The Minute Book of the Meetings and extracts from it, the conformity of which is certified by the Chairman or authenticated by a notary, represent evidence of the business and the resolutions adopted at the Meetings.

## **BOARD OF DIRECTORS**

### **Article 17**

1. The Board of Directors comprises 15 (fifteen) directors elected at the Meeting.
2. The members of the Board of Directors remain in office for three years and their mandate expires on the date of the Meeting called to approve the financial statements for the last year of their appointment. They can be re-elected.
3. The composition of the Board of Directors has to ensure gender balance and the minimum number of independent members in accordance with current regulations.
4. Directors who meet the independence requirements established by article 148, paragraph 3, of Legislative Decree 58 of 24 February 1998, as well as by the regulations in force implementing article 26 of Legislative Decree 385 of 1 September 1993, are regarded as independent (hereinafter, the "*Independence Requirements*"). The independent members of the Board of Directors must also meet the independence requirements defined by the current Corporate Governance Code for Listed Companies issued by Borsa Italiana SpA. It is up to the Board of Directors to define the parameters based on which it is assessed whether the relationships maintained by directors have compromised their independence.
5. The members of the Board of Directors must meet the requirements and eligibility criteria, as well as comply with the limits on the number of positions held, as provided for by current legislation on offices held by a member of the management body of a bank issuing shares listed on regulated markets; subsequent failure to meet these requirements and criteria shall lead to ineligibility or loss of office.
6. During their term of office, the Directors shall immediately inform the Board of Directors of any situation that may affect the assessment of their eligibility to hold office.
7. Without prejudice to the other reasons for ineligibility, incompatibility and loss of office established by current regulations:
  - a) the following persons cannot be members of the Board of Directors: (i) Company employees, unless they are members of General Management; (ii) the directors, employees or members of supervisory committees, commissions or bodies of competing banks or companies, unless the Company holds investments in such banks or companies, whether directly or via companies that are members of the Banking Group;
  - b) the existence of a reason of incompatibility under letter a) shall not prevent the candidate from standing for the office of Company director, it being understood that by accepting the candidature, the candidate undertakes the obligation to immediately terminate said reason if he/she is appointed;
  - c) in the event that a reason of incompatibility under letter a) occurs after the appointment, the interested person shall immediately notify the Board of Directors and, if said reason is not removed within 30 (thirty) days from the notification or within any shorter time laid down by current regulations, he/she shall cease to hold office.
8. If a Director no longer meets the Independence Requirements or other requirements foreseen under current law or under the Articles of Association, providing they do not envisage ineligibility or

loss of office, this does not automatically lead to his/her loss of office, if there is still the required minimum number of Directors who meet them.

#### **Article 18**

1. The members of the Board of Directors are elected from lists presented by the members in which the candidates are listed with a progressive number.
2. The presentation of lists has to satisfy the following requirements:
  - a) the list has to be presented by members who separately or together hold BPER shares representing not less than 1% of the share capital represented by ordinary shares, or any other lower percentage established by current regulations. Ownership of the minimum shareholding is calculated with regard to the shares registered on the day when the list is filed at the Company;
  - b) the list must contain a number of candidates not higher than the number of directors to be elected,
  - c) the list that contains a number of candidates equal to 3 (three), must submit at least 1 (one) candidate belonging to the less represented gender; the list that contains a number of candidates higher than 3 (three) must submit a number of candidates belonging to the less represented gender to ensure that the list complies with the gender balance at least to the minimum extent required by law, rounding up to the next unit in the event of a fractional number;
  - d) the list must submit at least a third of candidates, who meet the Independence Requirements, rounding up to the next unit in the event of a fractional number;
  - e) the list must be filed at the Company's registered offices within the terms and methods established by current regulations;
  - f) together with the list, the presenting members must file at the Company's registered offices all of the documents and declarations required by law, and in any case: (i) the declarations from each candidate accepting their candidature and confirming, under their own responsibility, the absence of reasons for which they cannot be elected or other incompatibilities, and that they meet the requirements for appointment established by these Articles of Association and by current regulations and whether they meet the Independence Requirements; (ii) a full description of the personal and professional characteristics of each candidate, with an indication of the directorships and audit appointments held in other companies; (iii) information on the identity of the members presenting the lists, indicating their percentage shareholding, to be confirmed according to the terms and methods established by current regulations.
3. The status of candidate belonging to the less represented gender and that of candidate that satisfies the Independence Requirements can be combined in the same person.
4. The lists submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.
5. Any irregularities on the list that relate to individual candidates only entail the exclusion of the candidate(s) concerned.
6. Each member may not present or contribute to the presentation of more than a list of candidates, even if through a third party or through a trust company; a similar requirement applies for members belonging to the same group - meaning the parent company, its subsidiaries and the companies subject to joint control - or who are parties to a shareholders' agreement regarding the shares of the Company. In the event of non-compliance, signature is ignored in relation to all lists.
7. Each candidate may only appear on one list or, otherwise, will be ineligible for election.

8. Persons entitled to vote cannot vote more than one list of candidates, even if through an intermediary or through trust companies.

9. None of this prejudices any other, different requirements under current regulations concerning the basis and timing for the presentation and publication of lists.

#### **Article 19**

1. The members of the Board of Directors will be elected by applying the following procedures.

2. If more than one list is validly presented, the provisions in paragraphs 2.1 to 2.8 apply.

2.1. Without prejudice to the provisions of art. 18, paragraph 6, the following is taken into considerations: (i) the list that has received the highest number of votes; (ii) the list that is second for the number of votes received, provided that it is not connected - not even indirectly - with the shareholders that presented or voted the list that received the highest number of votes, or, in the event that it is connected, the list that has received the highest number of votes among those that are not connected; and (iii) the other lists that individually obtained votes equal to at least 5% of the share capital with voting rights, provided that they are not connected - not even indirectly aa) with the shareholders who presented or voted the list which came first by number of votes or (bb) with the shareholders who presented or voted any of the other minority lists, including the one which came second by number of votes, if, in the hypothesis described in letter (bb), the total number of candidates assigned to these lists on the basis of the mechanism referred to in paragraph 2.2 is equal to or higher than the majority of the directors to be elected.

2.2. The votes obtained from each of the lists are subsequently divided by one, two, three, four and so on until reaching the number of Directors to be elected. The quotients thus obtained are assigned to the candidates on each list, according to the progressive order of the list. On the basis of the quotients thus assigned, the candidates are arranged in a single decreasing ranking and the first 15 (fifteen) candidates are considered elected.

2.3. If the first list, provided that it contains a number of candidates equal to or higher than the majority of the directors to be appointed, has obtained a number of votes representing more than half of the share capital with voting rights, the Board seats will be allocated as follows:

- a) if the ratio between the total number of votes received by the second list by number of votes, which is not connected in any way, not even indirectly, with the first list by number of votes, and the total number of votes received by the first list by number of votes, is less than or equal to 15%, 14 (fourteen) Directors are taken from the first list by number of votes and 1 (one) Director is taken from the second list by number of votes;
- b) if the ratio between the total number of votes received by the second list by number of votes, which is not connected in any way, not even indirectly, with the first list by number of votes, and the total number of votes received by the first list by number of votes, is above 15% and less than or equal to 25%, 13 (thirteen) Directors are taken from the first list by number of votes and 2 (two) Directors are taken from the second list by number of votes;
- c) if the ratio between the total number of votes received by the second list by number of votes, which is not connected in any way, not even indirectly, with the first list by number of votes, and the total number of votes received by the first list by number of votes, is above 25%, 12 (twelve) Directors are taken from the first list by number of votes and 3 (three) Directors are taken from the second list by number of votes.

If the first list by number of votes received presents fewer candidates than those assigned to it based on the application of the mechanism referred to in this paragraph, provided that they are equal to or greater than the majority of the directors to be appointed, the following are elected: (i) all of the candidates on the first list by number of votes; (ii) the candidates on the second list by number of votes needed to complete the Board of Directors, according to the progressive order of the list. Where it is not possible to complete the Board of Directors in the manner described above, due to the fact that the first list and the second list by number of votes present fewer candidates than the number required, the following procedure applies: if the other lists, other than the first and second list by number of votes, have obtained a total of at least 5% of the share capital having voting rights, the Directors required to complete the Board of Directors are drawn from these other lists, starting with the list with the highest number of votes and moving down to the subsequent lists when the candidates on the preceding lists by number of votes run out. In all cases where it is not possible to complete the Board of Directors by following the above instructions, the Shareholders' Meeting shall provide for its completion, as laid down in subsequent paragraph 2.5.

2.4. In any case, the first ranking candidate in the list that has obtained the highest number of votes among those that are not connected - not even indirectly - with the shareholders who have submitted or voted for the list that obtained the highest number of votes shall always be appointed Director.

2.5. If, as a result of the provisions of paragraphs 2.1 to 2.4, it is not possible to complete the Board of Directors, the remaining Directors are elected by the Shareholders' Meeting on the basis of candidates who are put to the vote individually: the candidates who receive the highest number of votes will be elected, up to the total number of directors still to be elected.

2.6. If, once the ranking has been completed at the end of the procedure as per previous paragraphs 2.1 to 2.5, the correct composition of the Board of Directors is not ensured with regard to gender balance and Independence Requirements, as many elected candidates as necessary will be excluded, replacing them with candidates meeting the requirements that are missing and drawn from the same list as the candidate to be excluded, according to the order in which they are listed. Substitutions take place first for the less represented gender and then those who satisfy the Independence Requirements. This substitution mechanism is applied firstly, in sequence, to the lists that have not contributed a Director who meets the missing requirement, starting with the one that received the most votes. If this is not sufficient or if all lists have contributed at least one Director who meets the requirement that is missing, the substitution is to be applied, in sequence, to all lists, starting with one that received the most votes. Within the lists, the substitution of candidates to be excluded is applied starting from the candidates with the highest progressive number. The substitution mechanisms do not apply to candidates drawn from lists that presented less than three candidates.

2.7. In the event that, even if the substitution mechanisms under paragraph 2.6 are applied, the correct composition of the Board of Directors is not ensured, as many candidates as necessary will be excluded from the candidates elected on the basis of individual candidatures pursuant to paragraph 2.5, replacing the less voted candidates with the first unelected candidates who meet the missing requirements. Substitutions take place first for the less represented gender and then those who satisfy the Independence Requirements.

2.8. In the event that, even if the substitution mechanisms under paragraphs 2.6 and 2.7 are applied, the correct composition of the Board of Directors is not ensured, as many candidates as necessary

will be excluded - starting from the last place of the ranking -, replacing them with candidates meeting the missing requirements, who are elected by the Shareholders' Meeting on the basis of candidates put to the vote individually: the candidates who obtain the highest number of votes are elected, up to the total number of Directors still to be elected. Substitutions take place first for the less represented gender and then those who satisfy the Independence Requirements.

3. If only one list is presented, all Directors are drawn from this list, according to the progressive order of the list; where it is not possible to complete the Board of Directors in this way, the missing Directors are elected at the Shareholders' Meeting, on the basis of candidates put to the vote individually: the candidates who obtain the highest number of votes are elected, up to the number of Directors required.

4. If no list is validly presented, the missing Directors are elected by the Shareholders' Meeting on the basis of candidates who are put to the vote individually: the candidates who receive the highest number of votes will be elected, up to the total number of directors still to be elected.

5. If, in the cases as per paragraphs 3 and 4, at the end of voting, an overall number of Directors meeting the requirements necessary to ensure the correct composition of the Board of Directors, with regard to gender balance and Independence Requirements, has not been elected, as many elected candidates as necessary have to be excluded by replacing the less voted candidates meeting the missing requirements with candidates meeting the missing requirements, who are elected by the Shareholders' Meeting on the basis of candidates put to the vote individually: the candidates who obtain the highest number of votes are elected, up to the total number of Directors still to be elected. Substitutions take place first for the less represented gender and then those who satisfy the Independence Requirements.

6. All of the candidates proposed directly at the Meeting in accordance with the preceding paragraphs have to submit the documentation laid down in art. 18 paragraph 2 letter f).

7. In the event of a tie between lists or candidates, the Meeting holds a ballot in order to establish a ranking for the candidates on these lists.

8. Significant relationships are those identified by the current provisions of Legislative Decree 58 of 24 February 1998 and of the Regulations implementing Consob Resolution 11971 of 14 May 1999.

#### **Article 20**

1. If, during the year, one or more directors are no longer available, they are to be replaced according to the following provisions.

2. A Director who is no longer available is replaced by the first unelected candidate, according to the progressive numbering on the list of origin of the terminated director, who complies with the provisions of paragraph 2.1 and belongs to the less represented gender and/or meets the Independence Requirements if the required minimum number of directors has to be made up.

2.1. Within the period fixed by the Board of Directors, the candidate must file at the Company's registered offices a declaration in which he renews his acceptance of the office, confirming the absence of grounds for ineligibility or incompatibility and that the requirements prescribed for the office by legislation and by the Articles of Association are met, and provides information on the administration and control positions currently held in other companies. If the candidate concerned fails to do so, the next unelected candidate takes over, according to the progressive numbering of the list, and so on.

2.2. If, for any reason, replacement is not possible according to the mechanism referred to in paragraphs 2 and 2.1, the Meeting votes on the replacement, on the basis of candidates who are submitted to them.

2.3. Each candidature has to be filed at the Company's registered offices by the deadline provided by law for the presentation of lists of candidates for the election of the Board of Directors, together with any documentation and declaration required by law, and in any case: (i) the declarations from each candidate accepting their candidature and confirming, under their own responsibility, the absence of reasons for which they cannot be elected or other incompatibilities, and that they meet the requirements for appointment established by these Articles of Association and by current regulations and whether they meet the Independence Requirements; (ii) a full description of the personal and professional characteristics of each candidate, with an indication of the directorships and audit appointments held in other companies. Candidatures submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.

2.4. If no candidature is presented within the term under paragraph 2.3, the Shareholders' Meeting shall decide on the substitution on the basis of candidatures presented directly at the Shareholders' Meeting, each accompanied by the documentation and declaration specified in the paragraph above. Candidatures submitted without complying with the above procedure will be considered as not submitted and will not be admitted to the vote.

2.5. The Shareholders' Meeting votes on the replacement by expressing a vote on the individual candidatures: the candidate who receives the highest number of votes gets elected, making sure that the person chosen belongs to the less represented gender and/or meets the Independence Requirements if the required minimum number of directors has to be made up.

2.6. In the event of a tie between various candidates, the Meeting holds a second ballot to establish how they are to be ranked.

3. The directors taking over each assume the residual period of office of the person they replaced.

4. If, due to resignations or other causes, more than half of the directors are no longer available prior to the end of their term of office, the entire Board of Directors has to resign and a Shareholders' Meeting called to make the new appointments. The Board will remain in office until the Shareholders' Meeting has passed a resolution to reconstitute it. The new Directors so appointed shall hold office for the remaining term of office of their predecessors.

#### **Article 21**

1. The Board of Directors elects from among its number the Chairman and 1 (one) or 2 (two) Deputy Chairmen who remain in office until the end of their mandate as directors.

2. The Board of Directors appoints a Secretary who meets the requirements of experience and professionalism, chosen from among its members, the managers of the Company or among third parties.

#### **Article 22**

1. Board meetings are called by the Chairman. Meetings are usually called once every month; exceptionally, a Board meeting can be called every time considered necessary by the Chairman, as well as when and in writing at least one third of the directors, or by the Chief Executive Officer. The Board of Directors may be convened also by the Board of Statutory Auditors, or, following written

communication to the Chairman of the Board of Directors, individually by each Serving Statutory auditor.

2. The Board of Directors meets in Modena at the registered offices or, exceptionally, elsewhere in Italy.

3. Meetings of the Board of Directors can be held using remote communication systems, on condition that the identity of the persons entitled to attend is assured and all participants are able to intervene in real time in discussions about the matters on the agenda, as well as being able to see, receive and transmit documents. At least the Chairman and the Secretary shall be present at the place where the Board of Directors was called, unless the meeting is held using remote communication systems.

4. Meetings are called by a notice sent to the domicile of each director at least three days prior to the date set for the meeting. This notice period may be waived in urgent cases.

5. Notice of the meeting must also be sent to the Serving Statutory Auditors on the same basis and timing.

6. Meetings are chaired by the Chairman. They are quorate if attended by an absolute majority of the Serving members. The General Manager takes part in them.

#### **Article 23**

1. Votes are cast by members of the Board of Directors on a public basis.

2. Resolutions are adopted by a majority of the votes cast by those present.

3. In the event of a tie, the chairman of the meeting has a casting vote.

#### **Article 24**

1. The business and the resolutions adopted by the Board are documented in minutes that are recorded in a Minute Book and signed by the Chairman and the Secretary.

2. This Minute Book and extracts from it, certified as authentic by the Chairman and the Secretary, provide evidence of the business and the resolutions adopted by the Board.

#### **Article 25**

1. The Board exercises the widest powers of ordinary and extraordinary administration of the Company, except for those that must be exercised at the Shareholders' Meeting.

2. Pursuant to art. 2365, paragraph 2, of the Italian Civil Code, the Board of Directors is authorised to approve mergers in the situations envisaged by arts. 2505 and 2505-bis of the Italian Civil Code, as well as any changes needed to align the Articles of Association with regulatory requirements.

3. Without prejudice to the responsibilities that under current legislation cannot be delegated, the following decisions are the sole prerogative of the Board of Directors:

- determining general operating guidelines and criteria for the coordination and management of Group Companies, as well as for the implementation of instructions received from the Bank of Italy and other Supervisory Authorities in the interests of the Group's stability;
- definition of general guidelines, strategies, policies, processes, models, plans and programmes that the provisions of the Bank of Italy and the other Supervisory Authorities assign to the body that has the function of strategic supervision;
- the strategic direction, strategic transactions and financial and business plans;
- the purchase and disposal of equity investments that represent a controlling and/or significant interest;

- the approval and amendment of internal regulations governing the functioning of the Board of Directors;
- the approval and amendment of the deed governing the process of adopting and distributing internal regulations and other internal regulatory documents that this deed qualifies as particularly important;
- the appointment and dismissal of the Chairman and Deputy Chairman/Chairmen;
- the appointment from among its number of an Executive Committee and of other Committees referred to in art. 28, determining the members, their duties and how they will operate;
- the appointment of the Chief Executive Officer, granting, modifying and/or revoking the powers granted to him;
- the appointment and dismissal of the General Manager and of the Deputy General Manager(s);
- the appointment and dismissal of the heads of the functions that the provisions of the Bank of Italy and the other Supervisory Authorities assign to the body that has the function of strategic supervision, and the appointment and dismissal of the Manager responsible for preparing the Company's financial reports;
- mergers in the situations envisaged by arts. 2505 and 2505-bis of the Italian Civil Code;
- any alignment of the Articles of Association with regulatory requirements.

4. Without prejudice to the obligations laid down in art. 2391 of the Italian Civil Code, the directors, at meetings of the Board of Directors and, in any case, at least every three months, report to the Board of Statutory Auditors on the activities performed and on the principal economic, financial and capital transactions carried out by the Company and its subsidiaries.

5. Such reports by the Board of Directors to the Board of Statutory Auditors outside of Board meetings are made in writing by the Chairman of the Company to the Chairman of the Board of Statutory Auditors.

## **CHAIRMAN OF THE BOARD OF DIRECTORS**

### **Article 26**

1. The Chairman of the Board of Directors performs the functions required by current regulations, facilitating the governance of the Bank and promoting the effective and balanced functioning of the powers allocated to the various corporate bodies, as well as acting as point of reference for the Board of Statutory Auditors, for the managers of internal control functions and for internal committees.

2. The Deputy Chairman, or in the event of appointment of two Deputy Chairmen, the most senior, will replace the Chairman in all his functions, if absent or unavailable. If seniority of appointment is the same, replacement is based on order of age.

3. If the Chairman and the Deputy Chairman/Chairmen are all absent or unavailable, the related functions are performed by the Chief Executive Officer or otherwise by the eldest director.

## **EXECUTIVE COMMITTEE AND OTHER BOARD COMMITTEES**

### **Article 27**

1. The Board of Directors may appoint an Executive Committee ranging from a minimum of 3 (three) to a maximum of 5 (five) directors. The Committee is chaired by a member designated by the Board of Directors; the CEO forms part of it by right. The General Manager takes part in meetings of the Executive Committee.

2. The Chairman of the Board of Directors takes part in meetings of the Executive Committee, without any right to vote and without being able to make proposals.
3. The Executive Committee is vested with management of the Company, with attribution to it, through delegation by the Board of Directors, of all powers that are not reserved by law or the Articles of Association to the exclusive collective competence of the Board, except for those that the latter has delegated to the CEO or to members of General Management.
4. The Executive Committee is called by the Chairman, generally at least once a month. The provisions applicable to the Board of Directors, as contained in article 22, paragraphs 2 (meeting place), 3 (methods of conducting meetings), 4 and 5 (calling), 6 (quorum), as well as articles 23 (resolutions) and 24 (minutes and extracts), also apply to the Executive Committee.
5. The Chairman of the Executive Committee normally provides information on its activities at the next meeting the Board of Directors.
6. The functions of Secretary of the Executive Committee are performed by the Secretary of the Board of Directors.

#### **Article 28**

1. The Board of Directors shall set up from among its members Committees specialising in the matters and with the functions provided for by current regulations and by the provisions of the Bank of Italy and other Supervisory Authorities, determining the members, their duties and how they will operate.
2. Within the limits of applicable regulations, the Board of Directors may merge the functions of one or more Committees and assign additional powers to them, as well as set up among its members, even for a limited period of time, any other Committees deemed useful.

#### **CHIEF EXECUTIVE OFFICER**

#### **Article 29**

1. The Board appoints a CEO from among its members.
2. The CEO supervises the Company's management, in accordance with the general strategic guidelines established by the Board of Directors; implements the resolutions of the Board of Directors and Executive Committee; makes sure that the organisational, administrative and accounting structure and internal control system are appropriate to the size and nature of the Company and suitable to provide a true and fair view of its operating performance; is entitled to propose, as part of the powers assigned to the CEO, resolutions to be decided by the Board of Directors and the Executive Committee; exercises the other powers delegated to the CEO by the Board of Directors.
3. In urgent cases, the Chief Executive Officer can decide on any matter normally decided by the Board of Directors, after hearing the opinion of the Chairman of the Board of Directors, except for those that by law or the Articles of Association have to be decided by the Board of Directors on a collegiate basis. The decisions taken under these circumstances have to be reported to the Board of Directors at the next meeting. In the event that the CEO is absent or unavailable, this power may be exercised by the Chairman of the Board of Directors, on the binding proposal of the General Manager.
4. The CEO reports to the Board of Directors, normally on a monthly basis, on the company's performance and, on a quarterly basis, on how he has exercised the powers attributed to him.

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

### **Article 30**

1. The Meeting appoints 5 (five) Statutory Auditors, comprising 3 (three) Serving members, including the Chairman, and 2 (two) Alternate members.
2. The Statutory Auditors must meet the requirements, also of independence, established by current law to perform their duties, otherwise they cannot be elected or, if they subsequently fail to meet the requirements, they will fall from office.
3. The limits on the accumulation of directorships and audit appointments laid down by current regulations apply to the Statutory Auditors. In any case, the Statutory Auditors may not hold positions in bodies other than control bodies in other companies of the Group or in which the Company holds, directly or indirectly, a strategic investment, as defined by the Supervisory Authority.
4. The Statutory Auditors remain in office for three years and their mandate expires on the date of the Meeting called to approve the financial statements for the last year of their appointment; they are re-eligible.
5. The Chairman and the Serving members of the Board of Statutory Auditors are entitled to receive the annual remuneration approved at the Shareholders' Meeting throughout their entire period in office.
6. The composition of the Board of Statutory Auditors has to ensure gender balance in accordance with current regulations.

### **Article 31**

1. The election of the members of the Board of Statutory Auditors is made on the basis of the lists presented by the shareholders.
2. The list of candidates, which is split into two sections, one for the candidates for the position of Serving Statutory Auditor and one for the candidates for the position of Alternate Statutory Auditor, has to have a number of candidates not exceeding the number of Statutory Auditors that to be elected. In each section, the candidates are listed with a progressive number. At least one candidate for the position of Serving Statutory Auditor and one candidate for the position of Alternate Statutory Auditor contained in the respective sections of the list have to be enrolled in the register of auditors and have practised the profession of auditing for not less than three years;
3. Each section of the list must have a number of candidates of the less represented gender to ensure, within the same section, that the list complies with the gender balance at least to the minimum extent required by law.
4. The list must be presented by shareholders who, individually or collectively, hold at least 0.50% of the share capital represented by ordinary shares, or a lower percentage established by current regulations. Ownership of the minimum shareholding is calculated with regard to the shares registered on the day when the list is filed at the Company. Each shareholder can not present or contribute to the presentation of more than one list; a similar requirement applies for members belonging to the same group - meaning the parent company, its subsidiaries and the companies subject to joint control - or who are parties to a shareholders' agreement regarding the shares of the Company. In the event of non-compliance, signature is ignored in relation to all lists.
5. The lists of candidates, signed by the members presenting them, must be filed at the Company's registered offices within the terms and methods laid down in current regulations. They must be accompanied by all documents and statements required by law and in any case: (i) declarations from each candidate accepting their candidature and confirming, under their own responsibility, that there

are no reasons for which they cannot be elected or other incompatibilities, and that they meet the requirements for appointment established by law or in these Articles of Association; (ii) a full description of the personal and professional characteristics of each candidate, with an indication of the directorships and audit appointments held in other companies; and (iii) information relating to the identity of the presenting members with an indication of the percentage of shares held, to be certified as required by law.

6. If only one list is filed by the deadline or only lists presented by shareholders who are associated with each other, the Company promptly publishes this information with the methods laid down in current regulations; in this case, it is possible to present lists up to the third day subsequent to the deadline mentioned in paragraph 5, and the required number for presentation specified in the paragraph 4 is halved. None of this prejudices any other, different requirements under current regulations concerning the basis and timing for the presentation and publication of lists.

7. The lists submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.

8. Any irregularities on the list that relate to individual candidates only entail the exclusion of the candidate(s) concerned.

9. Each candidate may only be included on one list or, otherwise, will be ineligible for election.

10. Candidates not meeting the requirements established by law and the Articles of Association cannot be elected or, if elected, their appointment will lapse.

11. All persons entitled to vote cannot vote more than one list of candidates, even if through an intermediary or through trust companies.

### **Article 32**

1. The procedure for the election of the Board of Statutory Auditors is described below.

2. If more than one list is validly presented, the following provisions apply.

2.1. Two Serving Statutory Auditors and one Alternate Statutory Auditor are taken from the list that obtained the highest number of votes, in the order that they are listed in each section.

2.2. The Chairman of the Board of Statutory Auditors and one Alternate Statutory Auditor are taken from the list that obtained the second highest number of votes, providing this list is not related, directly or indirectly, with the members who presented or voted the list with the highest number of votes, in the order that they are listed in each section. Significant relationships are those identified by the applicable provisions of Legislative Decree 58 of 24 February 1998 and the Regulations implementing Consob Resolution 11971 of 14 May 1999.

2.3. In case the second list by numbers of votes is related, according to paragraph 2.2, with the members that have presented or voted the first list by number of votes, the Chairman of the Board of Statutory Auditors and one Alternate Statutory Auditor are taken, in the order that they are listed in each section, from the list that obtained the third highest number of votes providing this list is not related, according to paragraph 2.2, with the members who presented or voted the list with the highest number of votes.

2.4. In the event of a tie between lists, the Meeting holds a second ballot at the outcome of which two Serving Statutory Auditors and one Alternate Statutory Auditor are taken from the list that obtained the highest number of votes, in the order that they are listed in each section; The Chairman of the Board of Statutory Auditors and one Alternate Statutory Auditor are taken from the list that obtained the second highest number of votes, providing this list is not related, directly or indirectly, with the

members who presented or voted the list with the highest number of votes, in the order that they are listed in each section.

2.5 If, after voting has taken place, no one of the appointed Auditors is enrolled in the register of auditors and have practised the profession of auditing for not less than three years, the Meeting has to exclude the elected candidate, that do not have the requirements, who has the highest number on the list that obtained the highest number of votes, replacing that person with the non-elected candidate of the same list that meets the requirements.

2.6. If, after voting has taken place, the minimum number of Statutory Auditors belonging to the less represented gender has not been elected, the Meeting has to exclude the elected candidate belonging to the overrepresented gender, who has the highest number on the list that obtained the highest number of votes, replacing that person with the non-elected candidate belonging to the less represented gender on the same list.

2.7. If, even by applying this replacement mechanism, it is not possible to complete the minimum number of Statutory Auditors belonging to the less represented gender, the Meeting provides for the election of the missing Statutory Auditors on the basis of candidates proposed by members at the Meeting. To this end, the candidates are put to the vote individually and the candidates who receive the highest number of votes are elected, up to the total number of Statutory Auditors to be elected. Substitutions are made from the most voted list, and within the sections of the lists, from the candidates with the highest progressive number.

3. If only one list is presented, all Auditors are taken from that list. In this case, the first candidate for the office of Serving Statutory Auditor listed in the relevant section of the list shall be elected Chairman of the Board of Statutory Auditors.

4. If no valid list is presented, or the number of Statutory Auditors to be elected has not been reached, the missing Statutory Auditors are elected on the basis of candidates proposed by the members at the General Meeting. To this end, the candidates are put to the vote individually and the candidates who receive the highest number of votes are elected, up to the total number of Statutory Auditors to be elected.

4.1. In the event of a tie between various candidates, the Meeting holds a second ballot among the candidates.

4.2. If the Shareholders' Meeting has elected the Statutory Auditors because there are no lists, it shall appoint the Chairman of the Board of Statutory Auditors from among the Serving Statutory Auditors elected pursuant to paragraphs 4 and 4.1 above.

4.3 If the Shareholders' Meeting has supplemented the number of Statutory Auditors drawn from the lists, by electing the missing Statutory Auditors, it shall appoint the Chairman of the Board of Statutory Auditors, if not elected pursuant to paragraph 2.2 or paragraph 3, from among all the Serving Statutory Auditors elected.

5. The Meeting must take care to express the minimum number of Serving and Alternate Statutory Auditors belonging to the less represented gender also in the cases provided for in paragraphs 3 and 4.

6. Without prejudice to the provisions of paragraph 3 and 4, application of the above provisions must in all cases result in at least one Serving Statutory Auditor and one Alternate Statutory Auditor being elected by minority shareholders who are not associated, directly or indirectly, with the shareholders that presented or voted for the list that obtained the highest number of votes.

7. The candidates submitted by members at the General Meeting pursuant to paragraphs 2.7 and 4 must be accompanied by the documentation mentioned in art. 31 paragraph 5.

### **Article 33**

1. If the Chairman of the Board of Statutory Auditors ceases to serve, the Alternate Statutory Auditor taken from the same list as the former Chairman takes office until the number of auditors on the Board has been replenished pursuant to art. 2401 of the Italian Civil Code.

2. If a Serving Statutory Auditor is no longer available, the Alternate Statutory Auditor from the same list takes over. The new Serving Statutory Auditor remains in office until the next Shareholders' Meeting, which has to replenish the number of members of the Board of Statutory Auditors.

3. If the Meeting has to appoint replacement Serving and/or Alternate Statutory Auditors to the Board of Statutory Auditors, pursuant to paragraph 2 or legal requirements, the procedure is as follows.

4. If Auditors taken from the list that came first by number of votes must be replaced, the Shareholders' Meeting votes without any list restriction, based on candidates who are put to the vote individually: the candidate who receives the most votes gets elected.

4.1. Candidates may be submitted by members who are entitled to submit a list for the election of the Board of Statutory Auditors, in accordance with current regulations. Ownership of the minimum shareholding for participation is calculated with regard to the shares registered on the day when the application is filed with the Company.

4.2. Each member may not present or contribute to presenting more than one candidate for each substitution; a similar requirement applies for members belonging to the same group - meaning the parent company, its subsidiaries and the companies subject to joint control - or who are parties to a shareholders' agreement regarding the shares of the Company. In the event of non-compliance, signature is ignored in relation to all candidatures.

4.3. The candidature, signed by the person or persons presenting the candidate, must indicate the name of the candidate and has to be filed at the Company's registered offices by the deadline provided by law for the submission of lists of candidates for the election of the Board of Directors, together with any documentation and declaration required by law, and in any case: (i) the declarations from each candidate accepting the candidature and confirming, under their own responsibility, the non-existence of reasons for which they cannot be elected or other incompatibilities, and that they meet the requirements for appointment established by law and by these Articles of Association; (ii) a full description of the personal and professional characteristics of each candidate, with an indication of the directorships and audit appointments held in other companies; and (iii) information on the identity of the members presenting the candidate, indicating their overall percentage shareholding, to be confirmed according to the terms and methods established by current regulations.

4.4. Belonging to the less represented gender is a condition of eligibility for candidature if the Board no longer has the related minimum number of Statutory Auditors as a result of the termination.

4.5. Candidatures submitted without complying with the above terms and conditions will be considered as not submitted and will not be admitted to the vote.

4.6. If no valid candidate is submitted, the Meeting votes on the substitution on the basis of candidates proposed by the members directly at the Meeting, who are put to the vote individually: the candidate who receives the highest number of votes gets elected, making sure that the person chosen belongs to the less represented gender if the required minimum number of Statutory Auditors

has to be made up. The candidatures have to be accompanied by the documentation indicated in paragraph 4.3.

5. If it is necessary to replace an Auditor taken from the list other than the one that came first by number of votes, and that is not associated, not even indirectly, with the shareholders that presented or voted for the list that came first, the Meeting does so, choosing, where possible, from those unelected candidates indicated in both sections of the same list as the Auditor to be replaced, who confirm their candidature and file declarations at the Company's registered offices confirming that there are no reasons for which they cannot be elected or other incompatibilities, and that they meet the established requirements for appointment, as well as an up-to-date indication of the directorships and audit appointments held in other companies, within the terms prescribed by current regulations for the presentation of lists for the election of the Board of Statutory Auditors.

5.1. Where it is not possible to proceed in the manner indicated in paragraph 5, the Meeting decides on the substitution on the basis of candidates proposed by the members directly at the Meeting, who are put to the vote individually: the candidate who receives the highest number of votes gets elected, making sure that the person chosen belongs to the less represented gender if the required minimum number of Statutory Auditors has to be made up.

5.2. The candidatures have to be accompanied by the documentation indicated in paragraph 4.3.

6. In any case, the Meeting has to guarantee the presence in the Board of Statutory Auditors of at least one member enrolled in the register of auditors and that have practiced the profession of auditing for not less than three years by nominating a substitute that have those requisites, if necessary. The Meeting has also to guarantee the respect of the gender balance principle by appointing a replacement member of the less represented gender, where this is needed to restore the minimum number of Statutory Auditors belonging to this gender.

#### **Article 34**

1. The Statutory Auditors monitor compliance with the law, regulations and the Articles of Association, respect for the principles of correct administration of the Company, the adequacy of the organisational and accounting structures, and the functionality of the overall system of internal control; they verify that the personnel involved in the control system operate effectively and are coordinated properly, reporting any weaknesses or irregularities and requesting suitable corrective action; they monitor the adequacy of the risk management and control system; they exercise such other functions and powers provided by law as well as the duties and functions that the provisions of the Bank of Italy and the other Supervisory Authorities assign to the body that has the control function. The Board of Statutory Auditors has to inform the Supervisory Authorities, in accordance with current legislation, of all facts or deeds that it becomes aware of and which could constitute management irregularities or a violation of the rules that govern banking.

2. In performing the necessary verification work and checks, the Board of Statutory Auditors makes use of the Company's internal control personnel and functions. The Board of Statutory Auditors can carry out audits or inspections at any time, also individually; they can also ask the directors for information on the Company and its subsidiaries regarding the results of operations or of specific transactions; such information can also be requested directly from the subsidiaries' directors and Statutory Auditors.

3. The Board of Statutory Auditors can also exchange information on the administration and control systems and on business trends in general with the corresponding boards at subsidiary companies.

4. Meetings of the Board of Statutory Auditors can be held using remote communication systems, on condition that the identity of the participants is assured and all of them are able to take part in the discussion in real time, as well as being able to see, receive and transmit documents. The meeting is deemed to be held in the place where the Chairman is located.

5. The minutes and deeds of the Board of Statutory Auditors must be signed by all of the members who attended the meeting.

## **GENERAL MANAGEMENT**

### **Article 35**

1. General Management comprises the General Manager and one or more Deputy General Managers. All of the members have to meet the requirements foreseen in current regulations.

2. Without prejudice to the powers assigned to the General Manager by these Articles of Association, the Board of Directors decides on the responsibilities and the powers granted to each member of General Management.

3. The members of General Management report to the Board of Directors on how they have exercised their powers, with a frequency established by the Board.

### **Article 36**

1. The General Manager:

a) is the head of the operating structure;

b) is the head of personnel;

c) manages day-to-day business and performs all operations and all ordinary administration activities not reserved for the Board of Directors and not delegated by the latter to the Executive Committee, the Chief Executive Officer or other members of General Management;

d) is responsible for the operational coordination of the companies belonging to the Group;

e) if not already a member of the Board of Directors, attends Board meetings.

2. If absent or unavailable, the General Manager is replaced in the exercise of all attributed powers and functions by one or more members of General Management designated by the Board of Directors

## **AUDIT OF THE ACCOUNTING RECORDS AND PREPARATION OF THE COMPANY'S FINANCIAL REPORTS**

### **Article 37**

1. Pursuant to current regulations, the accounting records are audited for legal purposes by a registered auditing firm appointed in accordance with the law.

### **Article 38**

1. Having received the opinion required from the Board of Statutory Auditors, the Board of Directors appoints a Manager responsible for preparing the Company's financial reports, granting him appropriate powers and resources to perform the tasks allocated in accordance with the law. Having received the opinion required from the Board of Statutory Auditors, the Board of Directors is also entitled to revoke the appointment of the Manager responsible.

2. The Manager responsible for preparing the Company's financial reports is appointed from among the Company's managers who have held management responsibility for accounting and administrative matters for at least three years.

## **REPRESENTATION AND SIGNATURE ON BEHALF OF THE COMPANY**

### **Article 39**

1. The Chairman represents the Company in dealings with third parties and in judgement, for both jurisdiction and administrative purposes, including judgements handed down by the Courts of Cassation and Appeal, and signs on behalf of the Company as sole signatory. If absent or unavailable, temporarily or otherwise, the Chairman of the Board of Directors is replaced, separately, by the Deputy Chairmen and the Chief Executive Officer and if these are also absent or unavailable, temporarily or otherwise, by the eldest director.
2. In dealings with third parties, the signature of the person replacing the Chairman is evidence that the latter was absent or unavailable.
3. The Chief Executive Officer represents and signs on behalf of the Company within the limits of the powers granted to him by the Board of Directors.
4. The General Manager represents and signs on behalf of the Company for all deeds within his sphere of competence under the Articles of Association and within the limits of any additional powers granted to him by the Board of Directors. In his absence, this is performed by the Deputy General Managers, also singly. In dealings with third parties, the signature of the person replacing the General Manager is evidence that the latter was absent or unavailable.
5. The Chairman of the Board of Directors and, within the limits of its respective powers of representation, the Chief Executive Officer and the General Manager have the power to appoint Company employees and third parties as special nominees for the completion of specific deeds or certain categories of deeds.
6. Signatory powers may also be granted by the Board of Directors, for the completion of specific deeds or certain categories of deeds, to individual directors, the General Manager, Deputy General Managers, Company employees and third parties.

## **FINANCIAL STATEMENTS, PROFITS AND RESERVES**

### **Article 40**

1. The accounting reference date is 31 December each year.
2. Following the end of each financial year, the Board of Directors arranges for the preparation and presentation of financial statements in accordance with the law and these Articles of Association.

### **Article 41**

1. The net profit reported in the approved financial statements after deducting the part for the legal reserve and the portions approved by the Meeting for the establishment and increase in reserves, including extraordinary reserves, on the proposal of the Board of Directors, the Meeting may allocate a portion of up to 1.5% for the establishment or increase of a special fund available to the Company for charitable, social, cultural and scientific initiatives. The remainder is distributed as a dividend to be attributed to the shares, as decided by the Meeting.
2. When preparing the financial statements, the Board of Directors may allocate profits to new or existing reserves prior to determining the net profit referred to in the paragraph 1, requesting the Shareholders' Meeting to ratify such allocations.

### **Article 42**

1. The dividends that are not collected and fall into prescription are devolved to the Company and allocated to the extraordinary reserve.

### **Article 43**

1. In all cases of winding up of the Company, the Shareholders' Meeting appoints the liquidators, establishes their powers, determines how the liquidation will be performed, and the allocation of the surplus reported in the final liquidation balance sheet.
2. The available amounts are allocated to the shareholders in proportion to their respective equity interests.

### **TRANSITIONAL IMPLEMENTATION RULES**

#### **Article 44**

1. The provision contained in art. 30, paragraph 1, which sets the number of members of the Board of Statutory Auditors at 3 (three) Serving members and 2 (two) Alternate members, as introduced by the Extraordinary Shareholders' Meeting of [●], will come into force only from the date of the Shareholders' Meeting convened for the first subsequent renewal of the Board of Statutory Auditors.
2. Pending the entry into force of the provision mentioned in paragraph 1, the Board of Statutory Auditors will continue to be composed of 7 (seven) Statutory Auditors, of which 5 (five) Serving members, including the Chairman, and 2 (two) Alternate members.

\* \* \*

### Proposal

All of the above being said, the Board of Directors intends to submit to the Extraordinary Shareholders' Meeting the following proposed resolution:

*“The Extraordinary Shareholders' Meeting of BPER Banca S.p.A., having examined and approved the explanatory report of the Board of Directors and the proposals set out therein*

*resolves*

- (i) to approve the text of the draft amendments to the Articles of Association proposed by the Board of Directors and attached to this resolution, with the deleted text of the current Articles of Association in strikethrough and the inclusion of the new text in bold;*
- (ii) to grant a mandate to the Chairman of the Board of Directors, the Deputy Chairman and the Chief Executive Officer, severally among them and with the right to sub-delegate, to carry out, also through attorneys, all that required, necessary and useful to execute the resolution, as well as to fulfil the pertinent and necessary formalities, including the recording of the resolution in the register of companies, with the right to include any non-substantive changes that may be requested for such purpose, and in general all that is necessary for its complete execution, with each and every power necessary or appropriate, in compliance with the current provisions of law.”*

\*\*\*

Modena, December 28, 2020

BPER Banca S.p.A.  
The Chairman  
Pietro Ferrari