Articles of Association

2 june 2016

BANCO POPOLARE

Articles of Association of Banco Popolare – Società Cooperativa

Approved by the Extraordinary Shareholders' Meeting of Banco Popolare di Verona e Novara on 10 March 2007 with minutes dated 11 March 2007 index no. 98155 of Notary Dr. Ruggero Piatelli, filed and registered at the Companies Register of Verona on 4 April 2007 at no. PRA/15829/2007/CVRAUTO.

Approved by the Extraordinary Shareholders' Meeting of Banca Popolare Italiana on 10 March 2007 with minutes dated 27 March 2007 index no. 2.676/1.317 of Notary Carlo Marchetti, filed and registered at the Companies Register of Lodi on 3 April 2007 at no. PRA/2431/2007ELO030.

Amended by the Supervisory Board - with the powers granted by Art. 41.2 letter f) of the Articles of Association, in application of Art. 2365 second paragraph of the Italian Civil Code - at the meeting on 8 January 2008 with minutes on even date index no. 51537 of Notary Dr. Marco Porceddu Cilione, filed at the Companies Register of Verona at no. PRA/14093/2008/CVRAUTO on 27 March 2008 and registered on 31 March 2008.

Amended by the Supervisory Board - with the powers granted by Art. 41.2 letter f) of the Articles of Association, in application of Art. 2365 second paragraph of the Italian Civil Code - at the meeting on 26 February 2008 with minutes on even date index no. 51744 of Notary Dr. Marco Porceddu Cilione, filed at the Companies Register of Verona at no. PRA/14092/2008/CVRAUTO on 27 March 2008 and registered on 31 March 2008.

Amended by the Extraordinary Shareholders' Meeting on 3 May 2008 with minutes dated 7 May 2008 index no. 52014 of Notary Dr. Marco Porceddu Cilione, filed at the Companies Register of Verona at no. PRA/21406/2008/CVRAUTO on 16 May 2008 and registered on 20 May 2008.

Amended by the Extraordinary Shareholders' Meeting on 25 April 2009 with minutes dated 26 April 2009 index no. 53168 of Notary Dr. Marco Porceddu Cilione, filed and registered at the Companies Register of Verona on 27 April 2009 at no. PRA/32051/2009/CVRAUTO.

Amended by the Extraordinary Shareholders' Meeting on 30 January 2010 with minutes dated 31 January 2010 index no. 54089 of Notary Dr. Marco Porceddu Cilione, filed and registered at the Companies Register of Verona on 1 February 2010 at no. PRA/5841/2010/CVRAUTO.

Amended by the Management Board – in implementation of the delegation granted to it by the Extraordinary Shareholders' Meeting dated 30 January 2010, subject to the favourable opinion of the Supervisory Board – with minutes dated 2 February 2010 index no. 54096 of Notary Dr. Marco Porceddu Cilione, filed and registered at the Companies Register of Verona on 3 February 2010 at no. PRA/6343/2010/CVRAUTO and with minutes dated 25 February 2010 index no. 54167 of Notary Dr. Marco Porceddu Cilione, filed and registered at the Companies Register of Verona on 26 February 2010 at no. PRA/9696/2010/CVRAUTO.

Amended by the Extraordinary Shareholders' Meeting on 11 December 2010 with minutes dated 13 December 2010 index no. 55252 of Notary Dr. Marco Porceddu Cilione, filed and

registered at the Companies Register of Verona on 14 December 2010 at no. PRA/73481/2010/CVRAUTO.

Amended by the Management Board – in implementation of the delegation granted to it by the Extraordinary Shareholders' Meeting dated 11 December 2010, subject to the favourable opinion of the Supervisory Board – with minutes dated 14 December 2010 index no. 55253 of Notary Dr. Marco Porceddu Cilione, filed and registered at the Companies Register of Verona on 15 December 2010 at no. PRA/73655/2010/CVRAUTO and with minutes dated 12 January 2011 index no. 55337 of Notary Dr. Marco Porceddu Cilione, filed and registered at the Companies Register of Verona on 13 January 2011 at no. PRA/1720/2011/CVRAUTO.

Amended by the Extraordinary and Ordinary Shareholders' Meeting on 26 November 2011 with minutes dated 28 November 2011 index no. 56633 of Notary Dr. Marco Porceddu Cilione, filed and registered at the Companies Register of Verona on 29 November 2011 at no. PRA/87134/2011/EVR9996 and approved, insofar as it is responsible in accordance with Art. 2415 paragraph 1 no. 2) of the Italian Civil Code, by the Bondholders' Meeting on 16 December 2011 with minutes dated 19 December 2011 index no. 103611 of Notary Dr. Ruggero Piatelli, filed and registered at the Companies Register of Verona on 20 December 2011 at no. PRA/98601/2011/CVRAUTO, realising the condition of effectiveness identified in chapter 4 of the aforementioned minutes of the Extraordinary and Ordinary Shareholders' Meeting.

Amended by the Extraordinary and Ordinary Shareholders' Meeting on 20 April 2013 with minutes dated 30 April 2013 index no. 64789 of Notary Dr. Filippo Zabban, filed and registered at the Companies Register of Verona on 7 May 2013 at no. PRA/30677/2013/CVRAUTO.

Amended by the Board of Directors – in implementation of the delegation granted to it by the Extraordinary Shareholders' Meeting dated 26 November 2011 – with minutes dated 12 November 2013 index no. 58717 of Notary Dr. Marco Porceddu Cilione, filed and registered at the Companies Register of Verona on 13 November 2013 at no. PRA/108489/2013/CVRAUTO.

Amended by the Extraordinary Shareholders' Meeting on 1 March 2014 with minutes dated 1 March 2014 index no. 66.037/11.295 of Notary Dr. Filippo Zabban, filed and registered at the Companies Register of Verona on 3 March 2014 at no. PRA/13345/2014/CVRAUTO. Amended by the Board of Directors - in implementation of the delegation granted to it by the Extraordinary Shareholders' Meeting on 1 March 2014 – with minutes dated 4 March 2014 index no. 59056 of Notary Dr. Marco Porceddu Cilione, filed and registered at the Companies Register of Verona on 4 March 2014 at no. PRA/13604/2014/CVRAUTO and with minutes dated 27 March 2014 index no. 59129 of Notary Dr. Marco Porceddu Cilione, filed at the Companies Register of Verona on 27 March 2014 at no. PRA/20294/2014/CVRAUTO and registered on 28 March 2014.

Amended by the Extraordinary Shareholders' Meeting of 29 March 2014 with minutes dated 30 March 2014 index no. 59141 of Notary Dr. Marco Porceddu Cilione, filed and registered at the Companies Register of Verona on 1 April 2014 at no. PRA/20909/2014/EVR9996 commencing from the date of effectiveness towards third parties of the merger by incorporation into Banco Popolare – Società Cooperativa del Credito Bergamasco S.p.A. (1 June 2014).

Amended by the Extraordinary Shareholders' Meeting on 11 April 2015 with minutes dated 13 April 2015 index no. 45275 of Notary Dr. Emanuele Caroselli, filed at the Companies Register of Verona on 13 April 2015 at no. PRA/21984/2015/1100/CVRAUTO and registered on 14 April 2015.

Amended by the Board of Directors – with the powers granted to it by Art. 33.2, paragraph 2, letter y) of the Articles of Association, in application of Art. 2365 second paragraph of the Italian Civil Code – at the meeting on 15 September 2015 with minutes on even date index no. 67983 of Notary Dr. Filippo Zabban, filed at the Companies Register of Verona on 14 December 2015 at no. PRA/83926/2015/CVRAUTO and registered on 15 December 2015.

Amended by the Extraordinary Shareholders' Meeting of 7 May 2016 with minutes dated 8 May 2016 index no. 60727 of Notary Marco Porceddu Cilione, filed and registered at the Companies Register of Verona on 9 May 2016 at no. PRA/30851/2016/CVRAUTO. Amended by the Board of Directors – implementing the delegation granted to it by the Extraordinary Shareholders' Meeting of 7 May 2016 – with minutes dated 10 May 2016, index no. 60731 of Notary Marco Porceddu Cilione, filed at the Companies Register of Verona on 10 May 2016 at no. PRA/31619/2016/CVRAUTO and registered on 11 May 2016 and with minutes dated 2 June 2016, index no. 525 of Notary Alessio Porceddu Cilione, filed at the Companies Register of Verona on 2 June 2016 at no. PRA/45231/2016/CVRAUTO and registered on 3 June 2016.

ARTICLES OF ASSOCIATION

TITLE I –

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

Art. 1. - Incorporation and Company Name

Banco Popolare – Società Cooperativa (the "**Company**" or the "**Bank**") was incorporated by deed dated 27 June 2007 index no. 98543 of the Notary Ruggero Piatelli of Verona.

The Company was created by virtue of the merger on 27 June 2007 between "Banco Popolare di Verona e Novara S.c.a r.l.", incorporated on 21 May 2002 - as resulting from the merger between Banca Popolare di Verona – Banco S.Geminiano e S.Prospero S.c.c. a r.l. founded on 21 June 1867 and Banca Popolare di Novara S.c.a r.l. founded on 28 May 1871 - and "Banca Popolare Italiana - Banca Popolare di Lodi Società cooperativa" founded on 28 March 1864 (jointly, the "**Founder Banks**").

The Company also operates using, even alone and/or in abbreviated form, as traditional distinctive signs and having local significance, amongst others "Banca Popolare di Verona", "Banca Popolare di Verona - Banco S.Geminiano e S.Prospero", "Banco S.Geminiano e S.Prospero", "Banca Popolare di Lodi", "Banca Popolare di Novara", "Cassa di Risparmio di Lucca Pisa Livorno", "Cassa di Risparmio di Lucca", "Cassa di Risparmio di Pisa", "Cassa di Risparmi di Livorno", "Credito Bergamasco", "Banco San Marco", "Banca Popolare del Trentino", "Banca Popolare di Cremona", "Banca Popolare di Crema", "Banco di Chiavari e della Riviera Ligure", "Cassa di Risparmio di Imola", "Banco Popolare Siciliano".

The Company is organised by way of territorial Divisions (the "**Divisions**") corresponding to one or more areas of its traditional historic roots, whose senior management structures are located in Verona, Lodi, Novara and Bergamo.

Art. 2. - Duration

The term of duration of the Company is fixed until 31 December 2040, with the option of extensions.

Art. 3. - Registered Office

The Company's registered office is in Verona, Piazza Nogara no. 2 and it has administrative offices in Verona, Lodi and Novara.

The Company, in compliance with legal provisions, may open, close and transfer secondary headquarters, both in Italy and abroad.

Art. 4. - Corporate Purpose

The Company has as its objective the collection of savings and the provision of credit, in its various forms, as much in relation to its shareholders as to its non-shareholders, acting on the basis of the principles of Cooperative Lending (Credito Popolare). The Company may complete, in compliance with existing provisions and subject to obtaining the necessary authorisations, all banking, financial and insurance operations and services, including the establishment and management of open or closed pension funds, as well as the other activities permitted for credit institutions, including the issuance of bonds, the exercise of financing activity regulated by special laws and the purchase and sale of trade receivables.

The Company may complete any other operational instrumental or connected to achieving the corporate purpose. The Company may also join associations and consortia to achieve its purposes.

The Company, as the bank exercising the management and coordination activity over the Banco Popolare Banking Group in accordance with Art. 61, fourth paragraph of Italian Legislative Decree no. 385 of 1 September 1993, issues directives to the Group members, also to implement the instructions imparted by the Supervisory Authorities and in the interest of the Group's stability.

Art. 5. - Mutuality

In accordance with its participation in cooperative lending, the Company pays special attention to the territory in which it is present by way of its own distribution network and that of the Group, with particular regard to small and medium enterprises and to cooperatives. In accordance with its institutional purposes, the Company grants benefits to its shareholder customers in relation to the use of specific services.

Without prejudice to the provisions of Art. 53, first paragraph of the Articles of Association, the annual Ordinary Shareholders' Meeting of Banco Popolare

may allocate to aid, charity and public interest a share of the net profit shown by the approved financial statements.

That overall amount will be split between support initiatives of the areas with the greatest presence based upon the shares indicated below:

- 8/30 for supporting initiatives in the civil and social fabric of the Lodi area and that of reference to the Division whose senior management structures are located in Lodi;
- 8/30 for supporting initiatives in the civil and social fabric of the Novara area and that of reference to the Division whose senior management structures are located in Novara;
- 9/30 for supporting initiatives in the civil and social fabric of the Verona area and that of reference to the Division whose senior management structures are located in Verona;
- 1/30 for supporting initiatives of the Fondazione di Culto Banco S.Geminiano e S.Prospero;
- 4/30 for supporting initiatives of the Fondazione Credito Bergamasco.

The Board of Directors develops the appropriate directives and necessary guidelines on the policies of expenditure and social responsibility for the purposes of aid, charity and public interest in compliance with the provisions of this article, ensuring they are respected.

Decisions relating to the aforementioned initiatives, if not entrusted to the Fondazione Bipielle, to the Fondazione Banca Popolare di Novara per il Territorio, to the Fondazione Credito Bergamasco and to the other Foundations, whose establishment has been or will be promoted by the Company and which will use directly what has been allocated to them for their own statutory purposes, will be made with the opinion or at the proposal of the relevant Territorial Consultation and Credit Committee, referred to in Art. 51, with territorial jurisdiction.

TITLE II -
EQUITY, SHARE CAPITAL, SHAREHOLDERS, SHARES

Art. 6. - Corporate Equity

The equity of the Company is made up of:

(a). the share capital;
(b). the legal reserve;
(c). the statutory reserve;

(d). any other reserve, however named, established with the net profits of the financial year and/or in application of the regulations in force each time.

Art. 7. - Share Capital

The share capital is variable and is represented by ordinary shares without par value, which may be issued on an unlimited basis. The shares are registered.

The issuance of new shares may be resolved upon:

(a). extraordinarily, by the Extraordinary Shareholders' Meeting, in accordance with existing regulations, with the quorums and majorities provided by these Articles of Association for the constitution and resolutions of the Extraordinary Shareholders' Meeting;
(b). ordinarily, by the Board of Directors in line with existing regulations.

Until the shares of the Company become listed on regulated markets, the Board of Directors will not proceed to issue new shares in accordance with letter b) of the second paragraph of this article.

The Extraordinary Shareholders' Meeting may attribute to the Board of Directors, in accordance with Articles 2443 and 2420 *ter* of the Italian Civil Code, the right to increase the share capital or to issue convertible bonds in line with existing regulations within the limits set out in Art. 33.2, second paragraph, letter n).

The Extraordinary Shareholders' Meeting of 7 May 2016 resolved to grant the Board of Directors a delegation to be exercised no later than 18 months from the resolution of the Shareholders' Meeting: (*i*) in accordance with Art. 2443 of the Italian Civil Code, to increase against payment and all at once or in multiple instalments, the share capital, by issuing ordinary shares to be offered, at the choice of the Board of Directors, in whole or in part, under option to the shareholders and/or, where it appears reasonably more convenient for the company's interest, with the exclusion of the right of option in accordance with Art. 2441, paragraph 5, of the Italian Civil Code, with the right of the Board of Directors to place the shares with qualified investors; and/or *ii*) in accordance with Art. 2420-*ter* of the Italian Civil Code, to issue convertible bonds (with the right to early conversion at the initiative of the Board of Directors of the Company) and/or bonds that must be converted into ordinary shares (the "Bonds"), for a maximum nominal amount totalling Euro 1,000,000,000.00 (one billion), resulting in a share capital increase needed for the conversion by issuing ordinary shares to be offered, at the choice of the Board of Directors, in whole or in part, under option to the shareholders and/or, where it appears reasonably more convenient for the company's interest, with the exclusion of

the right of option in accordance with Art. 2441, paragraph 5, of the Italian Civil Code, with the right of the Board of Directors to place the Bonds with qualified investors, in accordance with Art. 34-*ter*, paragraph 1, let. b) of Consob Regulation no. 11971 of 14 May 1999 as amended and supplemented, vesting the Board of Directors with all the required powers to define the contents of the regulation of the bond, including the right to envisage in the regulation the characteristics of the Bonds, any request for their admission to listing and/or any other deed and/or documents required for this, as well as, in derogation of the provisions of Art. 2503-*bis*, paragraph 2, Italian Civil Code , the exclusion of the right of the Bondholders of early conversion with reference to the merger between Banco Popolare – Società Cooperativa and Banca Popolare di Milano S.c. a r.l.; without prejudice to the maximum total amount, including any premium, of the share capital increase against payment and all at once or in multiple instalments, as a result of the issues or conversions referred to in the previous points (*i*) and (*ii*) will amount to Euro 1,000,000,000.00 (one billion), in accordance with the regulations below:

- the resolution or resolutions to increase the share capital may envisage the observance of the right of option or expect its exclusion in accordance with Art. 2441, fifth paragraph, Italian Civil Code;
- the resolution or resolutions to increase the share capital (or relating single tranches) that envisage the observance of the right of option must envisage the issue of ordinary shares without recorded par value having the same characteristics of those outstanding to be offered under option to the shareholders;
- the resolution or resolutions to increase the share capital (or relating single tranches) that envisage the exclusion of the right of option (a) may determine that the newly issued shares, however ordinary, are offered to qualified investors, in accordance with Art. 34-*ter*, paragraph 1, let. b) of Consob Regulation no. 11971 of 14 May 1999 as amended and supplemented, and (b) they will have to determine the issue price of the shares (or the parameters for calculating it upon execution) in compliance with procedures and methods required by law applicable each time, as specified in detail in the explanatory report of the Board of Directors formed for the Shareholders' meeting of 7 May 2016;
- the resolution or resolutions to issue Bonds in accordance with Art. 2420-*ter* of the Italian Civil Code that require the observance of the right of option must envisage the issue of these Bonds to be offered under option to the shareholders;
- the resolution or resolutions to issue Bonds in accordance with Art. 2420-*ter* of the Italian Civil Code, with the exclusion of the right of option in

accordance with Art. 2441, paragraph 5, of the Italian Civil Code (a) may determine that these Bonds are offered, in whole or in part, to qualified investors, in accordance with Art. 34-*ter*, paragraph 1, let. b) of Consob Regulation no. 11971 of 14 May 1999 as amended and supplemented, and (b) they will have to determine the issue price of the Bonds and of the shares to be issued as part of the share capital increase needed for their conversion (or the parameters for calculating these prices upon execution) in compliance with procedures and methods required by law applicable each time, as specified in detail in the explanatory report of the Board of Directors formed for the Shareholders' meeting of 7 May 2016;

- the resolution or resolutions to increase the share capital will have to determine the portion of the issue price of the shares offered, and/or conversion shares of the Bonds issued, attributable to capital and the portion of the issue price possibly attributable to premium.

Implementing the granted delegation pursuant to the resolution of the Ordinary and Extraordinary Shareholders' meeting of 7 May 2016, put on record under the hand and seal of Notary Marco Porceddu Cilione of Verona on 8 May 2016, index no. 60727, record no. 23382, the Board of Directors, on 10 May 2016 and 2 June 2016, resolved to increase, in accordance with Art. 2443 of the Italian Civil Code, the share capital for a maximum amount totalling Euro 996,343,990.56 (nine hundred ninety six million three hundred forty three thousand nine hundred ninety/fifty six), to be paid-up also on several occasions, by issuing, against payment, maximum 465,581,304 (four hundred sixty five million five hundred eighty one thousand three hundred and four) Banco Popolare ordinary shares with no indication of the par value, regular entitlement, to be offered under option to the shareholders in accordance with 9 newly issued Banco Popolare shares out of 7 ordinary shares of the Company, without premium, establishing that the subscription of shares must be made before 1 September 2016, it being understood that, if the increase in share capital is not fully subscribed within that date, the share capital will be considered increased by an amount equal to the collected subscriptions.

Within the limits established by existing regulations and subject to obtaining any necessary administrative authorisations, the Company may issue categories of shares equipped with different rights, establishing their content.

All shares belonging to the same category have equal rights.

The shares are indivisible; in the case of co-ownership of shares, the rights of the co-owners must be exercised by a joint representative, in compliance with existing regulations.

Art. 8. - Shareholders

Individuals may be admitted as shareholders, with the exclusion of those found in the conditions provided by Art. 9 below. Legal entities, as well as companies of any nature, consortia, associations and other collective entities, may also assume the capacity of shareholder of the Company; they must appoint in writing the individual authorised to represent them. Any change to that appointment may not be enforceable against the Company until the latter has been duly notified.

The persons appointed as above and the legal representatives of individuals may exercise all rights due to the shareholders but, in that capacity, they may not be elected (if not shareholders) to the corporate offices.

Art. 9. - Causes of non-admission to shareholder

Those who are debarred, incapacitated or bankrupt for the insolvency period and those who have received convictions that involve even a temporary prohibition from holding public office may not be admitted as shareholders.

Art. 10. - Application for admission to shareholder

The admission to shareholder, both by subscription of newly-issued shares, and in the exercise of warrants or by conversion of bonds, and due to acquisition, inter vivos or due to death, of outstanding shares or option rights, occurs following a written request setting out personal details, domicile, citizenship and any other information and/or declaration due by law or requested by the Company generally. The shareholder must accompany the application for admission with certification certifying the ownership of at least 100 (one hundred) shares, subject to the right of the Board of Directors to reduce that limit in favour of less prosperous categories and for pre-determined periods. The Board of Directors establishes, in general, the application fee and the application handling fee, if accepted.

The aspiring shareholder must declare, in the application for admission, to accept the obligations provided by the Articles of Association, by the regulations and by the corporate decisions.

Art. 11. - Decisions on admission

Taking into account the legal provisions on cooperative banks, any decision on accepting the application for admission to shareholder is made by the Board of Directors with regard to the Company's interest, including that of its

independence and autonomy, and in respect of the spirit of the cooperative form.

The decision on the application for admission to shareholder is communicated to the interested party within 90 days from receipt of the duly compiled application.

The decisions to reject the application for admission must be motivated in relation to the foregoing. For the holder of Company shares, the rejection decision produces only the effect of not allowing for the exercise of rights other than those of an economic nature.

The admission rejection may be sent by the interested party to be examined by the Ethics and Disciplinary Committee, established in accordance with the Articles of Association and possibly supplemented by a representative of the aspiring shareholder, in accordance with Art. 30, fifth paragraph of Italian Legislative Decree no. 385 of 1 September 1993.

Art. 12. - Acquisition and loss of capacity of shareholder

Following the communication to the interested party of the admission decision, the capacity of shareholder is acquired upon registration in the shareholders' book, subject to payment of the admission fee.

The admission to shareholder is understood to be forfeited if the applicant fails to fulfil the provisions of this article within 30 (thirty) days from that communication of admission.

The sale by the shareholder of the entire shareholding, along with the partial sale of shares which reduces the shareholding to below the limit prescribed by Art. 10 of the Articles of Association, in application of Art. 30 paragraph 5 *bis* of Italian Legislative Decree no. 385 of 1 September 1993, involves, however acquired by the Company, the loss of the capacity of shareholder and the consequent deletion from the shareholders' book.

Art. 13. - Death of shareholder

In the case of death of the shareholder, the corporate relationship is terminated. Without prejudice to the redemption of the shares belonging to the deceased shareholder, which may be limited or deferred in accordance with Art. 15, Second paragraph, of these Articles of Association, the successor or successors by way of inheritance acquire all capital rights over the shares granted on succession and they may submit an application for admission to shareholder; if the application is accepted, the successor or successors by way of inheritance

may attend at the company Shareholders' Meetings in accordance with Art. 23 of these Articles of Association, only 90 (ninety) days after his/her or their registration in the shareholders' book.

Where there is more than one successor, if they have not proceeded to divide the shares, they must appoint a joint representative, who will be entitled to exercise the capital rights over the shares obtained by succession.

The handling costs and the minimum limit of shares identified in Art. 10 do not apply to the procedure for admission of successors by way of inheritance.

Art. 14. - Liquidation of investments

Without prejudice to the provisions of Art. 15, second paragraph of these Articles of Association, if the shareholder loses that capacity by withdrawal or exclusion, he will be entitled to the liquidation of his shares, which must occur in accordance with the methods and conditions provided, respectively, at Art. 2437 *ter* of the Italian Civil Code and Art. 2535 of the Italian Civil Code.

The liquidation of the shares following withdrawal or exclusion of the shareholder will be done at the price determined by the Board of Directors which must proceed with the same in respect of the criteria and terms provided by existing regulations.

Art. 15. - Shareholder withdrawal

The shareholder may withdraw in all cases established by law; the withdrawal must relate to the entirety of the shares owned and, without prejudice to what is provided by the paragraph below and possibly by law, it will entitle the shareholder to the liquidation of the shares to be determined according to the methods established by Art. 14.

In implementation of the provisions of Art. 28, paragraph 2-*ter* of Italian Legislative Decree no. 385 of 1 September 1993, the Board of Directors, in respect of the regulatory provisions in force each time, having heard from the Board of Statutory Auditors, is entitled to limit, in whole or in part and without time limits, or to defer in whole or in part, also in this case without time limits, the redemption of the shares in the case of withdrawal, also following the transformation of the Company, exclusion or death of the shareholder, all in derogation of the provisions of the Italian Civil Code in that regard and any other rule of law. Without prejudice to the applicable authorisations of the Supervisory Authorities for the redemption of shares, the Board of Directors, having heard from the Board of Statutory Auditors, makes the decisions on extending the deferment, on the extent of the limitation or, if full, on the

exclusion of the redemption of shares as well as on the time extension of the deferment, taking into account the Bank's prudential situation.

Art. 16. - Shareholder exclusion

The Board of Directors, by resolution made by the absolute majority of its members, may exclude from the Company:

(a). those who have incited the Company to bring judicial proceedings due to breach of the obligations contracted by them;
(b). those who are liable for acts that are harmful or prejudicial to the interest of the Company and the prestige of the same;
(c). those who are found to be in one of the cases provided by Art. 9.

The excluded shareholder is entitled to make recourse to the Ethics and Disciplinary Committee against the exclusion resolution, to be sent by recorded delivery letter, within 30 (thirty) days of the notification being made.

Art. 17. - Limits to shareholding

Nobody may hold, directly or indirectly, a number of shares higher than that permitted by law.

The Company, as soon as it identifies that that limit has been exceeded, formally notifies the holder of the shareholding and the respective intermediary of the violation of the prohibition. The shares exceeding the limit must be alienated within one year of the notification; once that term has elapsed, the respective capital rights accrued up until their alienation are acquired by the Company in accordance with the law.

Art. 18. - Registration of shares, transferability, pledge and lien

The shares are all registered and may not be subjected to pledge or another lien without authorisation from the Board of Directors.

The pledge and any other lien produce effects towards the Company only after being noted in the shareholders' book. In any case, in the event of pledge and usufruct of the shares, the right to vote in the Shareholders' Meeting is reserved to the shareholder.

The shares may be transferred in accordance with legal methods. Until the transferee of the shares has obtained the admission to shareholder, he may only exercise the rights having economic content.

The shares, in any case, are understood to be allocated, from their origin and by corporate agreement, in guarantee in favour of the Company of any obligation that the shareholder has, for any reason, towards the same.

In the case of default by the shareholder of his obligations towards the Company, the Board of Directors, without prejudice to any other action due to the Company and without the need for prior warning or placement in default and judicial formalities, may offset, in whole or in part, also in accordance with Art. 1252 of the Italian Civil Code, the credit to which the Company, at its sole discretion, intends to allocate it, with the price of the shares held by the shareholder, established in an amount equal to the listing price at the start of the day after the resolution of the Board of Directors.

Art. 19. - Dividends

Any dividends not collected within five years from the day on which they became due are devolved to the Company.

TITLE III - SHAREHOLDERS' MEETING

Art. 20. - Shareholders' Meeting

The Shareholders' Meeting, duly constituted, represents the totality of the shareholders; its resolutions, made in compliance with the law and these Articles of Association, bind all shareholders, even if absent or dissenting.

The Shareholders' Meeting is ordinary or extraordinary in accordance with the law.

The Ordinary Shareholders' Meeting:

1) appoints, in the number provided by the Articles of Association, and revokes the members of the Board of Directors, establishes their fee and elects their Chairman and two Deputy Chairmen by the methods set out in Art. 29.8;
2) appoints the Auditors and Chairman of the Board of Statutory Auditors and determines their fee;
3) resolves upon the liability of members of the Board of Directors and the Board of Statutory Auditors;
4) approves the financial statements;
5) resolves upon the allocation and distribution of profits;

6) appoints, at the motivated proposal of the Board of Statutory Auditors, and revokes, having heard from the Board of Statutory Auditors, the company instructed to perform the statutory accounts audit, establishing its fee;
7) resolves in relation to the approval: (i) of the remuneration and incentive policies in favour of the Board Directors, Auditors, employees and collaborators not linked to the Company by relationships of subordinate employment, therein including any proposal to establish a limit to the ratio between the variable and fixed component of the individual remuneration of the most significant personnel, greater than 1:1, according to what is established by the regulations in force each time; (ii) of the remuneration and/or incentive plans based upon financial instruments and (iii) of the criteria for determining the fee to be granted to the most significant personnel in the event of the early conclusion of the employment relationship or early termination from the role, therein including the limits fixed to that fee in terms of years of fixed remuneration and the maximum amount that derives from their application;
8) approves any Regulation of the Shareholders' Meeting works;
9) resolves on the other matters attributed to its remit by law or by the Articles of Association.

The Extraordinary Shareholders' Meeting resolves upon amendments to the Articles of Association, the appointment, revocation, replacement and powers of the liquidators and any other matter attributed by law to its remit and not derogated by the Articles of Association.

Art. 21. - Meeting location

The Shareholders' Meeting, whether ordinary or extraordinary, meets, on rotation, in Verona, Lodi and Novara, at the location identified in the notice of call, subject to the right of the Board of Directors, by resolution made with the favourable vote of at least three-quarters of the Directors other than those having the requirements set out in the first paragraph of Art. 29.1 in office, to derogate from the principle of rotation or to convene it in another city provided that it is in Italy and in one of the regions in which the Company operates through a number of branches consisting of no less than 10% of the total.

Art. 22. - Call

The Shareholders' Meeting is convened by the Board of Directors each time it deems it opportune, or, in line with the provisions of Art. 2367 of the Italian Civil Code, upon request in writing, with an indication of the matters to be discussed, by at least 1/20 of the shareholders with right to vote. The signatures

of the shareholders must be authenticated by a notary or by employees of the company or by banks of the Group duly authorised to do so. The entitlement to exercise the right is proven by the filing of a copy of the certification issued by the depositary of the shares in accordance with existing legal and regulatory rules.

Without prejudice to the powers of call ratified by other provisions of law, the Shareholders' Meeting may be convened, subject to communication to the Chairman of the Board of Directors, also by the Board of Statutory Auditors or by at least two of its members, in accordance with the law.

Subject to what is further provided by existing legal and regulatory rules, with the methods, timescales and limits established by law, a number of shareholders no less than 1/80 of the total shareholders with right to vote may, by written application, request additions to the list of matters to be discussed in the Shareholders' Meeting, recorded by the notice of call of the same, indicating in the application the additional matters proposed by them; they may also submit resolution proposals on matters already on the agenda. The signatures of the shareholders must be authenticated by a notary or by employees of the company or by banks of the Group duly authorised to do so. The entitlement to exercise the right is proven by the filing of a copy of the communication or certification issued by the intermediary in accordance with existing legal and regulatory rules.

The Ordinary Shareholders' Meeting must be convened at least once a year within 120 (one hundred and twenty) days from the end of the financial year.

The Shareholders' Meeting is convened at the locations set out in Art. 21 by way of notice containing an indication of the day, time and location of the meeting and the list of matters to be discussed, to be published in the timescales and in the forms provided by existing regulations and in at least one national newspaper.

The notice of call may schedule, for the Shareholders' Meeting in extraordinary session, also a third call.

Art. 23. - Attendance at Shareholders' Meeting and representation

To attend at the Shareholders' Meeting and to exercise the vote, the shareholder must have held that capacity for at least 90 (ninety) days commencing from the registration in the shareholders' book.

Holders of the right to vote for whom, at least 2 (two) working days prior to that fixed for the first call, the communication to the Company certifying the entitlement to attend at the Shareholders' Meeting and to exercise the right to

vote has been made by the instructed intermediary, in compliance with its accounting records and in accordance with Art. 2370 of the Italian Civil Code and any legal and regulatory provisions, may attend at the Shareholders' Meeting, in respect of existing legal and regulatory provisions.

The shareholder has one single vote whatever number of shares is owned.

The shareholder is entitled to be represented by way of written proxy issued to another shareholder having the right to attend at the Shareholders' Meeting, who is not a director or auditor or employee of the Company or member of the administrative or audit bodies or employee of the companies directly or indirectly controlled by the Company, or independent auditors to which the respective assignment has been granted or responsible for the statutory accounts audit of the Company and who does not fall within one of the other conditions of incompatibility provided by law.

The proxy may be granted only for individual Shareholders' Meetings, with effect also for subsequent calls, and it may not be granted with the name of the representative left blank.

Each shareholder may represent no more than another ten shareholders, subject to cases of legal representation. The vote by correspondence is not permitted.

The Board of Directors may, however, arrange for the activation of one or more distance connections with the location in which the Shareholders' Meeting is held, to allow the Shareholders not intending to travel to that location to participate in the discussion, to follow in any case the shareholders' meeting works and to express, when voting is held, their vote, provided that the identification of those Shareholders is guaranteed and communication of that right is given in the notice of call of the Shareholders' Meeting.

The members of the Board of Directors and Board of Statutory Auditors may not vote in resolutions regarding their respective liability.

Art. 24. - Constitution of Shareholders' Meeting

The Shareholders' Meeting, both ordinary and extraordinary, is validly constituted, at first call, when at least 1/10 of the shareholders with the right to vote are present, in person or by representation and proxy.

At second and third call, the Ordinary Shareholders' Meeting is validly constituted whatever the number of shareholders is in attendance; the Extraordinary Shareholders' Meeting is validly constituted when at least 1/200 of the shareholders with the right to vote are present, in person or by representation and proxy. In particular, the Extraordinary Shareholders' Meeting, if the shareholders attending at second call do not represent the

number of votes required for the constitution, may be convened again within 30 days.

Art. 25. - Validity of resolutions

The resolutions are taken by absolute majority of the votes; in the case of equal votes, the proposal is understood to be rejected. The Shareholders' Meeting resolves by relative majority only for the appointments of the corporate offices.

In any case, subject to any different provision that is mandatory by law, for the approval of resolutions concerning or that imply the modification of the company name, change of the corporate objective, transformation of the Company, transfer of the company headquarters, early dissolution of the Company, abrogation or amendment of Art. 21 of the Articles of Association, abolition or amendment of the rules in relation to (i) remit and composition of the Board of Directors and the Executive Committee and (ii) methods of appointing the members of the Board of Directors and the Executive Committee, as well as the amendment or abrogation of this paragraph and/or the resolution quorum provided in the same, the favourable vote of at least 1/50 of all the shareholders with the right to vote is required.

However, for resolutions concerning or that imply the change of the company name and for those concerning the modification of the rules in relation to (i) remit and composition of the Board of Directors and Executive Committee, (ii) methods of appointment of members of the Board of Directors and Executive Committee, the favourable vote of 1/100 of all shareholders entitled to vote is required each time the proposal of amendment of the Articles of Association has been approved by the Board of Directors in compliance with Art. 32.5 of the Articles of Association.

Voting takes place openly, except for the appointment of the corporate offices which must be done by secret ballot and with the methods set out in Art. 29 below, except where the Shareholders' Meeting, at the proposal of the Chairman, consents to proceed by open voting.

For resolutions to be made to comply with the requirements of the Supervisory Authorities or for those concerning the adjustment of the Articles of Association to regulatory provisions, where not approved by the Board of Directors, the Shareholders' Meeting resolves by absolute majority of votes.

In addition to what is laid down by the Articles of Association, for Shareholders' Meeting resolutions concerning operations with related parties in accordance with Art. 2391 *bis* of the Italian Civil Code and the respective

implementing provisions, the special provisions in relation to resolution quorums provided by the regulations in force each time must also be applied.

In addition, resolutions concerning any proposal to establish a limit to the ratio between the variable and fixed component of the individual remuneration of the most significant personnel, greater than 1:1, according to what is established by the regulations in force each time are approved, in derogation of the provisions of Art. 24 of the Articles of Association, at first call when at least half of the Shareholders entitled to vote are present or represented and the resolution is made with the favourable vote of at least 2/3 of the shareholders present at the Shareholders' Meeting and at second call with the favourable vote of at least 3/4 of the shareholders present in the Shareholders' Meeting whatever the number of shareholders attending.

Art. 26. - Chairmanship and conduct of Shareholders' Meeting. Secretary

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in the case of his absence or impediment, by those who replace him in accordance with Art. 38.2; failing that, the Shareholders' Meeting proceeds to elect the Chairman in accordance with Art. 2371 of the Italian Civil Code.

The Chairman has full powers - in respect of the Regulation of Shareholders' Meeting Works, where existing - to ascertain the regularity of the proxies and in general the right of the attendees to participate at the Shareholders' Meeting, to ascertain if the meeting has been duly constituted and in a number valid to resolve, to manage and to regulate the conduct of the Shareholders' Meeting, therein including the discussion, as well as to establish the voting methods, ascertaining the results. The Chairman may choose, from the shareholders, one or more scrutineers.

The Shareholders' Meeting, at the proposal of the Chairman, appoints a Secretary.

In the case of an Extraordinary Shareholders' Meeting, or when the Chairman deems it opportune, that role is covered by a Notary appointed by him.

If the discussion of the items on the agenda is not completed in one day, the Shareholders' Meeting is extended not beyond eight days after by simple verbal communication of the Chairman to the attending shareholders, without the need for further notification.

At the next meeting, the Shareholders' Meeting is constituted and resolves with the same majorities established for the validity of the constitution and resolutions of the Shareholders' Meeting of which it is the continuation.

Art. 27. - Minutes of Shareholders' Meetings

The resolutions of the Shareholders' Meeting are recorded by minutes, which are signed by the Chairman of the same and by the Secretary or Notary and by the scrutineers, if appointed, and transcribed in the specific book.

That book, the copies and extracts of the minutes declared to be compliant by the Chairman of the Board of Directors or by those replacing him, act as full evidence of the meetings and resolutions of the Shareholders' Meeting.

TITLE IV –

ADMINISTRATION, MANAGEMENT AND DIRECTION BODIES

FIRST SECTION — BOARD OF DIRECTORS

Art. 28. - Strategic supervision and management of the Company

The function of strategic supervision is held by the Board of Directors which determines the strategic guidelines and company objectives and continuously verifies their implementation.

The management of the corporate deals, as well as the implementation of the strategic guidelines and company objectives, is under the remit of the Board of Directors, which exercises those powers also making use of the Executive Committee, the Managing Director and the General Management, in accordance with the provisions of this Title IV.

Art. 29. - Board of Directors

29.1. - Composition and number

The Board of Directors is made up of 24 (twenty-four) Directors, of whom no less than 3 (three) and no more than 4 (four) are chosen from the main managers of the Company or banking companies of the Group or from persons who hold or have held for more than 12 months the role of Managing Director of the Company or banking companies of the Group.

The remaining members of the Board of Directors may not receive delegations and may not perform individually, even de facto, functions relating to the management of the business, with the exception of any participation in the Executive Committee.

Subject to the foregoing, 16 (sixteen) Directors other than those having the requirements set out in the first paragraph of this Art. 29.1 must be chosen as follows:

(i). 6 (six) from residents in the provinces of Veneto and Emilia – Romagna, other than Parma and Piacenza (the "**Verona Historic Area**");

(ii). 6 (six), of which 1 (one) resident in the provinces of Lucca, Pisa or Leghorn, from residents in the provinces of Lombardy, other than Pavia, Tuscany and in those of Parma, Piacenza, Genoa and La Spezia (the "**Lodi Historic Area**");

(iii). 4 (four) from residents in the provinces of Piedmont, Valle d'Aosta, Lazio, Southern Italy, the Islands and in those of Pavia, Savona and Imperia (the "**Novara Historic Area**").

Hereafter, the Verona Historic Area, the Lodi Historic Area and the Novara Historic Area are jointly defined as the "**Historic Areas**".

The remaining Directors are chosen without any restriction on residence.

The minority Director is appointed in accordance with the provisions of law and regulations. The application of the provisions from Art. 29.5 to Art. 29.7 must in any case allow for at least one Director to be an expression of the minority list that is not linked, even indirectly, with the shareholders that submitted or voted on the list found to be first by number of votes, in accordance with the *pro tempore* regulations in force.

The requirements provided at the first paragraph of Art. 29.4 for the submission by the shareholders of lists of candidates are applied insofar as they are compatible with the provisions of law and regulations in force each time.

The composition of the Board of Directors ensures the balance between genders in accordance with the provisions of Italian Law no. 120 of 12 July 2011 as subsequently amended as well as by the regulatory rules in force.

At least one-third of the members of the Board of Directors are independent directors as defined in Article 29.2 *bis* below (rounded to the lower unit where there is no whole number from the allotment).

29.2. - Prohibitions and incompatibility

Those in situations of non-eligibility or forfeiture provided by Art. 2382 of the Italian Civil Code or those not in possession of the requirements of integrity and professionalism required by the legislation, even regulatory, in force, may not be appointed to the role of members of the Board of Directors.

Those who are or who become members of administration bodies or employees of companies that perform or that belong to groups that perform activities in competition with those of the Company or the Group may not be appointed to the role and, if appointed, that role is forfeited, except in the case of lead trade institutions or direct or indirect subsidiary companies of the Company.

The prohibition referred to above is not applicable when the participation in administration bodies in other banks is assumed in representation of organisations or trade associations of the banking system.

Subject, where stricter, to the causes of ineligibility and forfeiture as well as the prohibitions provided by legal and regulatory rules, the limits on the accumulation of roles are regulated in a specific internal regulation.

The Directors having the requirements set out in Art. 29.1 first paragraph forfeit their roles with immediate effect due to the termination for any reason of the continuous employment relationship in favour of the Company or subsidiary companies of the Group. In those cases, the right to compensation for damages is excluded.

29.2 *bis*. - Non-executive directors and independent directors

The members of the Board of Directors other than the following are "non-executive directors":

(i) the Managing Director, the directors to whom the Board of Directors has granted delegations in accordance with Art. 2381, second paragraph of the Italian Civil Code and Art. 33.2, second paragraph, letter f) of the Articles of Association and the director who performs, de facto, functions relating to the management of the business;

(ii) directors who are members of the Executive Committee;

(iii) members of the Board of Directors who cover management roles in the Company, supervising certain areas of the company management, and those who have the requirements set out in Art. 29.1, first paragraph of the Articles of Association.

"Non-executive directors" are also the members of the Boards of Directors who do not hold roles or exercise the assignments set out in points (i), (ii) and/or (iii) of the above paragraph at any company of the Banco Popolare banking group.

"Independent directors" are non-executive directors who do not hold or have not held - directly or indirectly - with the Company or with entities connected

to it, relationships of professional, economic, personal or other nature, such as to affect their independent judgment.

For the purposes of the above, those who are also in one of the following circumstances are not considered "independent directors":

a) directors who are, or have been in the three previous financial years, significant representatives (meaning: the Chairman of the Board of Directors, executive directors and managers with strategic responsibilities, as such meaning persons who have the power and responsibility, directly or indirectly, of the planning, management and control of the activities of the Company) of the Bank or one of its subsidiaries;

b) directors who cover the role of executive director in another company in which an executive director of Banco Popolare has an assignment as director, even non-executive;

c) directors who are shareholders, directors or employees of a company or entity belonging to the network of the company instructed to perform the statutory audit of Banco Popolare;

d) directors who receive or have received in the previous three financial years, from Banco Popolare or from a subsidiary company significant additional remuneration (compared to the fixed fee of a non-executive director of the Bank, to the fee for participation on the internal committees of the Board of Directors, to any attendance fee for meetings), therein including any participation in incentive plans linked to the company performance, including stock option plans;

e) directors who are close relatives (meaning as such: the spouse, provided that they are not legally separated, relatives and in-laws within the fourth degree, *more uxorio* cohabiting partner or children of the *more uxorio* cohabiting partner and cohabiting relatives) of a person found to be in one of the situations set out in the points above;

f) directors who are close relatives (according to the meaning set out in the letter above) of the directors of Banco Popolare and the directors of the companies controlled by it;

g) directors who hold, or have held in the previous three financial years, relationships of autonomous, subordinate employment or continuous collaboration, even on a temporary basis, with the Bank, one of its subsidiaries or with one of the respective significant representatives, as defined above; to that end, the following circumstances are also of significance:

- the directors are close relatives of a person found to be in one of the situations set out in this point;
- relationships are held by the directors with close relatives of the significant representatives of the Bank or its subsidiary;

h) directors who, beyond the cases set out in letter g) above, have or have had in the previous financial year, directly or indirectly, a significant relationship of professional, economic, commercial or financial nature with the Bank, a company controlled by Banco Popolare or with one of the respective significant representatives, as defined above; to that end, the following circumstances also become significant:
   - the directors are close relatives of a person found in one of the situations set out in this point;
   - the relationships are held by the directors with close relatives of the significant representatives of the Bank or its subsidiary;

i) those not found in any other circumstance of lack of the requirement of independence provided by the regulations or by the recommendations contained in the Corporate Governance Code of Borsa Italiana S.p.A., subject to exceptions that may be approved by the Board of Directors of the Bank.

The Board of Directors determines in general the quantitative and/or qualitative criteria for determining the significance of the relationships indicated in letters d) and h) of the above paragraph.

The loss of the requirement of independence as defined above for one or more directors does not determine the forfeiture if the requirements remain in place for the minimum number of directors who, according to these Articles of Association, in respect of existing regulations, must possess that requirement.

29.3. - Duration

The members of the Board of Directors remain in office for three financial years; they end their office at the date of the Shareholders' Meeting convened to approve the financial statements relating to the last financial year of their role and they may be re-elected at the expiry of their mandate.

29.4. - Lists of candidates

The election of the members of the Board of Directors proceeds on the basis of lists in which the candidates are assigned a sequential number. Lists may be submitted by the Board of Directors and/or by at least 500 shareholders having

the right to vote, irrespective of the percentage of share capital held by them overall, or by one or more shareholders having the right to vote that hold overall a share of investment amounting to at least 0.50% of the capital of the Company.

Under penalty of inadmissibility:

a. the lists of candidates must be filed and made available to the public in the forms, methods and terms prescribed by the regulations in force each time. The signature of each submitting shareholder must be authenticated by a notary or affixed in the presence of an employee of the Company or the banks of the Group delegated for that purpose;

b. each shareholder may submit and vote on a single list of candidates, even if by interposing person. Shareholders belonging to the same corporate group - thereby meaning the parent company, subsidiaries and companies subject to common control - and shareholders who have signed a shareholders' agreement in accordance with Art. 122 of Italian Legislative Decree no. 58/1998 concerning the shares of the Company, may not submit or vote upon more than one list, even if by interposing person or by way of a trust company. Each candidate may be present in a single list, under penalty of ineligibility;

c. the lists contain a number of candidates included between 20 (twenty) and 24 (twenty-four) and in that case their composition must respect the provisions of point d. below. Lists may also be submitted with a number of candidates less than 20 (twenty), provided that it is no more than 4 (four) and in that case their composition must not respect the provisions of point d. below but it may not include candidates in possession of the requirements provided by Art. 29.1, first paragraph. All the lists, as well as respecting the requirements set out above, must present at least half of the candidates eligible as Directors other than those indicated in the first paragraph of Art. 29.1 in possession of the requirements of independence provided by Art. 29.2 *bis*;

d. in order to ensure the composition of the Board of Directors respects the provisions of Art. 29.1 third paragraph of the Articles of Association, each list that contains a number equal to or greater than 20 (twenty) candidates must contain the indication of at least 6 (six) candidates chosen from residents in the Verona Historic Area, 6 (six) - of which 1 (one) resident in the provinces of Lucca, Pisa or Leghorn - chosen from residents in the Lodi Historic Area, 4 (four) chosen from residents in the

Novara Historic Area and at least 3 (three) in possession of the requirements provided by Art. 29.1 first paragraph;

e. the candidates of each list chosen in accordance with the criteria set out in Art. 29.1 third paragraph must be listed continuously commencing from first place in the list and with specific indication, alongside each name, of the Historic Area of origin. The candidates in possession of the requirements set out in Art. 29.1 first paragraph must be listed continuously starting from seventeenth place on the list;

f. where not otherwise specified by the regulations in force each time, together with each list, by the deadline for filing the same, comprehensive information on the personal and professional characteristics of the candidates must be filed at the Company's registered office, along with the declarations by which the individual candidates accept their candidacy and state, under their own liability, the non-existence of causes of ineligibility and incompatibility as well as the existence of the requirements prescribed by legal rules, regulations and by the Articles of Association to cover the role of Board Director and the list of assignments of administration and control covered in other companies;

g. lists that present a number of candidates equal to or greater than three must include candidates of different gender, with the aim of ensuring that the composition of the Board of Directors respects the gender balance as required by the rules, including regulatory, in force each time.

Lists submitted without complying with the above provisions are considered not to be submitted. However, the absence of documentation relating to the individual candidates on a list only involves the exclusion of those candidates and does not affect the valid submission of the lists to which they belong, subject to complying with the provisions of letter c. of the above paragraph.

Any list submitted by the Board of Directors must be filed and made public by the same methods provided for the lists of shareholders.

29.5. - Voting

Subject to the criteria of composition of the Board of Directors set out in Art. 29.1, where a number of lists are submitted, the election of the Directors will proceed as follows: 20 (twenty) directors are taken from the list that obtained the highest number of votes, based upon the sequential order in which they are listed.

The other candidates are then elected, until making up the residual number of Directors to be elected, taken proportionally from all the lists that obtained votes; to that end, the votes obtained by each list are divided by one, two, three, four and so on according to the number of members still to be elected, except for the votes obtained by the majority list which are divided by two, three, four and so on, according to the number of members still to be elected. The ratios thus obtained are assigned progressively to the candidates, not yet elected in accordance with the above paragraph, of each of those lists, according to the order respectively held by the same. The ratios thus attributed to the candidates of the various lists are arranged into a single decreasing ranking: those who obtained the highest ratio, in addition to those already elected in application of the provisions of the above paragraph, are elected as Board Directors.

Where, by virtue of the foregoing, none of the candidates taken from the list that obtained the second highest number of votes and that are not linked in any way, in line with existing regulations, to the list that obtained the highest number of votes (the "**Non-Connected Minority List**") are elected, the candidate positioned in first place in that list will be elected in replacement of the candidate who obtained the last ratio of the ranking referred to in the above paragraph.

Where the Non-Connected Minority List has obtained at least 15% of the votes expressed in the Shareholders' Meeting, a further Director will be taken from the same, in addition to the first one indicated in that list, in the person of the second name on the list, in replacement of the candidate who obtained the penultimate ratio of the aforementioned ranking.

Where the majority list does not have a number of candidates equal to or greater than 20 (twenty), all candidates of the majority list are elected.

The remaining Directors are taken proportionally from the other lists submitted and that have obtained votes, until reaching the number of residual Directors to be elected; to that end, the votes obtained by each list are divided by one, two, three, four and so on, according to the number of members still to be elected. The ratios thus obtained are assigned progressively to the candidates not yet elected in accordance with the above paragraph of each of those lists, according to the order respectively held by the same. The ratios thus attributed to the candidates of the various lists are arranged into a single decreasing ranking: those who have obtained the highest ratios, in addition to those already elected in application of the provisions of the above paragraph, are elected as Board Members.

Without prejudice to the provisions of Art. 29.6 and 29.7 below, where the number of candidates included overall in the submitted lists, both majority and minority, is lower than that of the directors to be elected, the missing directors

are elected by resolution made by the Shareholders' Meeting by relative majority in respect of the provisions set out in Art. 29.1.

29.6. - Equal ratios and ballot

Where a number of candidates have obtained the same ratio, the candidate will be elected from the list from which no other Director has yet been elected or the smallest number of Directors has been elected.

Where none of those lists have yet elected a Director or all have elected the same number of Directors, from those lists the candidate of that which obtained the highest number of votes will be elected. In the case of equal list votes and with equal ratios, a ballot will be taken with a new vote by the entire Shareholders' Meeting, with the candidate that obtained the relative majority of the votes being elected, subject to compliance with the provisions of Art. 29.1 on the composition of the Board of Directors and the origin of its members as well as the existing regulations on gender balance.

29.7. - Supplementary Mechanism

If, at the end of voting, the Directors having the requirements of independence set out in Art. 29.2 *bis* or provided by the applicable legal or regulatory provisions and/or the requirements, including those in relation to gender balance, set out in Art. 29.1, have not been elected, as many elected candidates as there are necessary will be excluded, replacing them with the candidates equipped with the necessary requirements, taken from the same list to which the candidate to be excluded belongs based upon the sequential order in the list. Where, by applying this criterion, it is not possible to complete the number of Directors to be elected, the missing Directors will be elected immediately - always guaranteeing compliance with the requirements of independence set out in Art. 29.2 *bis* or provided by the applicable legal or regulatory provisions and/or the requirements, including those on gender balance, set out in Art. 29.1 - by the Shareholders' Meeting with resolution taken by relative majority at the proposal of the attending Shareholders.

29.8. - Election of the Chairman and Deputy Chairmen of the Board of Directors

The Chairmanship is held by the person, from those resident in an area of the Verona Historic Area, Lodi Historic Area and Novara Historic Area, indicated in first place on the list that obtained the highest number of votes from those that contain at least 20 (twenty) names.

2 (two) Deputy Chairmen will be chosen from the Directors, taken based upon the sequential order on that list to which the candidate elected as Chairman belongs, indicated among the candidates resident in an area of the Historic Areas, notwithstanding that the Chairman and the Deputy Chairmen must each originate from a different Historic Area and may not be chosen from candidates having the requirements indicated in the first paragraph of Art. 29.1.

Where no list is submitted or lists are submitted that do not contain at least 20 (twenty) names, the shareholders' meeting will proceed to appoint the Chairman and Deputy Chairmen by simple majority in respect of the criteria of origin indicated in this article.

29.9. - Single list

If a single list of candidates is submitted, the members of the Board of Directors will be elected from that list, up to the number of candidates included in it.

29.10. - Absence of list

If, by the deadlines, no list is submitted, the Shareholders' Meeting resolves by relative majority of the shareholders present at the Meeting. In the case of equal votes between a number of candidates, there will be a further vote by ballot, subject to compliance with the provisions of Art. 29.1 in relation to the composition of the Board of Directors and the origin of its members as well as respect of the regulations in force each time on gender balance.

29.11. - Replacement

Subject, in each of the cases specified below, to the obligation to respect the provisions relating to the composition of the Board set out in Art. 29.1 and also subject to respect of the regulations in force each time on gender balance, in the case of early termination from office of one or more Directors taken from the majority list, the Company will proceed in accordance with Art. 2386 of the Italian Civil Code. The directors co-opted by the Board, with the approval of the Board of Statutory Auditors, will remain in office until the next Shareholders' Meeting which must proceed to replace the terminated Director. The Shareholders' Meeting resolves by relative majority without the list obligation, in respect of the provisions relating to the composition of the Board set out in Art. 29.1. For that purpose, the Board of Directors will be able to submit candidacies.

Where, on the other hand, it is necessary to replace Directors belonging to the minority list, the procedure will be as follows:

(a) if just one Director taken from the minority list has been appointed, the first candidate not elected already indicated in the list from which the director to be replaced takes over or, failing that, the candidate of any other minority lists, based upon the decreasing number of votes achieved by them. Where this is not possible, the Shareholders' Meeting proceeds with the replacement in respect of the principle of necessary representation of minorities;

(b) if 2 (two) Directors taken from the minority list have been appointed, based upon the votes expressed by the shareholders, and only one of the two Directors is to be replaced, the substitute will be taken from the list of which the Director to be replaced formed part or, failing that, from any other minority list identified based upon the decreasing number of votes obtained and that have obtained at least 15% of the votes expressed in the Shareholders' Meeting or, failing that, from the majority list or, failing that still, the Shareholders' Meeting will resolve by relative majority;

(c) if 2 (two) Directors taken from the minority list have been appointed based upon the votes expressed by the shareholders and both must be replaced, the first (identified based upon the higher ratio obtained in his election) will be replaced by applying the provisions of letter (a) above and the second by applying the provisions of letter (b);

(d) if one of the two Directors belonging to the minority list has already been replaced, in accordance with the above paragraph, taking him from the majority list, or has been appointed by resolution of the Shareholders' Meeting by relative majority in accordance with the above provisions, to replace the other minority Director, the first candidate indicated in any other minority lists takes over based upon the decreasing number of votes obtained by the same; where this is not possible, the Shareholders' Meeting will proceed with the replacement in respect of the principle of necessary representation of minorities.

The members of the Board of Directors asked to replace those who are missing remain in office until the original expiry of the replaced Director.

In the event of early termination from the role of Chairman of the Board of Directors and/or Deputy Chairmen or one of them, the ordinary Shareholders' Meeting, resolving by relative majority without the list obligation, proceeds with the replacement, in accordance with the law; for that purpose, the Board of Directors will be able to submit candidacies.

Where, due to resignations or for another reason, more than half of the directors come to be missing before the expiry of the mandate, the entire Board is deemed to have resigned and the Shareholders' Meeting must be convened to make the new appointments. The Board will then remain in office until the Shareholders' Meeting has resolved in relation to its re-constitution and the acceptance by at least half of the new Directors has occurred.

29.12. - Appointment of Secretary and secretarial structure

The Board of Directors appoints a Secretary, to be chosen from its members or from the managers of the Company, and it also equips itself with a secretarial structure adequate to the conduct of its duties.

Art. 30. - Fees of members of the Board of Directors

The members of the Board of Directors are entitled, as well as to the reimbursement of expenses incurred for reason of their office, to an annual fee which is determined for their entire period of office by the Shareholders' Meeting at the time of appointment.

Attendance fees for participating at meetings of the Board of Directors may also be allocated, in respect of existing regulatory provisions.

Art. 31. - Remuneration of members of the Board of Directors invested with particular roles or assignments

Without prejudice to Art. 20, third paragraph of the Articles of Association, the Board of Directors, at the proposal of the Emoluments Committee referred to in Art. 33.4. and having heard the opinion of the Board of Statutory Auditors, establishes the remuneration of the members of the Board of Directors invested with particular roles or particular assignments or delegations or who are assigned to committees in accordance with the Articles of Association.

Art. 32. - Meetings and resolutions of the Board of Directors

32.1. - Location and call

The Board of Directors meets in Verona at the registered office, in Lodi and in Novara, as well as in the other historic sites of the Bank or, exceptionally, elsewhere in Italy. The Chairman or, in the event of his absence or impediment, one of the two Deputy Chairmen with the precedence determined in accordance with Art. 38.2, convenes the Board of Directors. The meetings

usually take place once a month and in any case every time the Chairman of the Board of Directors deems it necessary or when a written request is made by the Managing Director or by at least one-quarter of its members; the Board of Directors may be convened in the other cases provided by law.

Subject to communication to the Chairman, the Board of Directors may be convened by the Board of Statutory Auditors or by its members even individually, in accordance with the law.

32.2. - Notice of call

The Board of Directors is convened by way of notice, containing the agenda of issues to be discussed - at least 3 (three) days prior to the meeting and, in urgent cases, at least 12 (twelve) hours before, by any means suitable to provide proof of receipt - to each member of the Board of Directors and Board of Statutory Auditors.

32.3. - Meetings

The meetings of the Board of Directors may also be validly held using distance connection systems, provided that they guarantee, by way of ascertainment by the Chairman of the meeting, both the identification of the persons legitimated to attend and the possibility for all participants to take part in real time in the discussion of all the issues and to read, receive and send documents. At least the Chairman and the Secretary must, however, be present in the call location of the Board of Directors' meeting, at which the same is deemed to be held.

The Board may validly resolve, even in the absence of formal call, if all its members in office and all statutory auditors in office are in attendance.

32.4. - Validity and majority

Resolutions of the Board of Directors are valid if the majority of its members in office are present at the meeting. Subject to what is indicated in Art. 21 above and Articles 32.5 and 33.4 below, the resolutions are made by absolute majority of the votes of the attendees; in the case of equal votes, the vote of the chairman will prevail.

32.5. - Resolutions by qualified majority

Resolutions concerning the following matters are validly made with the favourable vote of at least 16 members of the Board of Directors in office:

i. the appointment and revocation of the Managing Director and the determination of the respective powers and remuneration;
ii. the sale, contribution and acts of disposal and redistribution in general (even if implemented in one or more tranches) of banking businesses or business units that significantly alter the composition of one or more of the "Territorial Divisions" into which the Company organisation is split or that have a unitary value exceeding 15% of the Company's consolidated regulatory capital, as recorded by the last duly approved consolidated financial statements, except for the circumstances where those operations follow instructions imparted by the Supervisory Authorities;
iii. the approval of proposals of call of the Shareholders' Meeting concerning resolutions regarding or that imply the change of company name, change of corporate purpose, transformation of the Company, transfer of the registered office, early dissolution of the Company, abrogation or modification of Art. 21 of the Articles of Association, abolition or modification of the rules in relation to (i) responsibilities and composition of the Board of Directors and Executive Committee and (ii) method of appointing the members of the Board of Directors and the Executive Committee, as well as the modification or abrogation of the second paragraph of Art. 25 and/or the resolution *quorum* provided in the same.

32.6. - Minutes and copies

The minutes of the resolutions of the Board of Directors are prepared and transcribed in the register of minutes by the Secretary and are signed by the person chairing the meeting and the Secretary.

Copies and extracts of the minutes, where not prepared by a notary, are ascertained with the declaration of conformity, signed by the Chairman of the meeting and by the Secretary.

The register of minutes and extracts from the same acts as evidence of the meetings and the resolutions made.

Art. 33. - Powers of the Board of Directors

33.1. - Strategic supervision and management of the Company

The Board of Directors is responsible for the strategic supervision and management of the company. To that end, the Board of Directors completes all operations necessary, useful or in any case opportune for the implementation of the corporate purpose, whether of ordinary or extraordinary administration, and

has the right to consent to the cancellation and reduction of mortgages against partial payment of credit, also through entities delegated for that purpose.

The directors are required to report to the Board and to the Board of Statutory Auditors any interest of which they may be the bearers, on their own behalf or that of third parties, in relation to a certain operation of the Company, specifying the nature, terms, origin and scope; in the case of the Managing Director or another Director with delegation, these must also refrain from completing the operation, investing the collegial body with the same.

33.2. - Non-delegable responsibilities

The Board, as indicated here below, delegates the daily management of the Company to the Executive Committee and to the Managing Director, which exercise it in accordance with the guidelines and instructions provided by the Board of Directors.

In addition to the matters that may not be delegated by law and those listed in Art. 32.5 of the Articles of Association, and also subject to the responsibilities of the Shareholders' Meeting, the following matters are reserved to the non-delegable responsibility of the Board of Directors:

a) approval of the general planning and strategic guidelines and directions and the governance and risk management policies of the Company and the Group, as well as their periodic review to ensure their effectiveness over time;
b) industrial and financial planning, the budgets of the Company and the Group, the definition of the geographical organisation of the territorial divisions as well as the expansion plans of the territorial networks (including any variations of general nature) of the Company and the Group;
c) definition and approval of: (i) the risk appetite framework; (ii) the guidelines of the internal control system, so that the main risks relating to the Company and to its subsidiaries and to the most significant operations are correctly identified, as well as adequately measured, managed and monitored, also determining criteria of compatibility of those risks with the sound and prudent management of the Company; (iii) the constitution of the company control functions, determining the respective duties, responsibilities and methods of coordination and collaboration, information flows between those functions and between them and the company bodies; *(iv)* new products and services, the launch of new activities, the entry into new markets; *(v)* the company policy on outsourcing of company functions; *(vi)* the adoption of internal risk

measurement systems; *(vii)* and any other duty attributed to it by the prudential supervision provisions in relation to the system of internal controls in force from time to time;

d) the assessment, at least annually, of the adequacy, effectiveness and actual functioning of the internal control system;
e) the appointment and revocation of the members of the Executive Committee with the powers provided at Art. 36 and the determination of any additional powers;
f) the granting of particular assignments or delegations to one or more Directors and the determination of the respective powers;
g) at the proposal of the Managing Director, the appointment and revocation of the General Manager, the Joint General Manager and/or the Deputy General Managers, the appointment of the managers of the Company and the determination of the respective powers and economic treatment;
h) the assessment of the adequacy and approval of the organisational, administrative and accounting system of the Company as well as the approval of the corporate governance structure of the Bank and the Group and the reporting systems;
i) the determination of the criteria for the coordination and management of the Group companies, as well as the criteria for implementing the instructions of the Bank of Italy;
j) subject to the opinion of the Board of Statutory Auditors, the appointment and revocation of the Manager responsible for preparing the Company's financial reports, in accordance with Art. 154 *bis* of Italian Legislative Decree no. 58 of 24 February 1998 and the determination of the respective powers, means and fees, as well as the appointment and revocation of the Internal Audit Manager, the Chief Risk Officer (CRO), if provided, the Compliance Manager and the Risk Manager;
k) the appointment and revocation of the department managers, done by virtue of legislative or regulatory provisions;
l) the preparation of the draft financial statements and the draft consolidated financial statements, as well as the preparation and approval of the interim reports (semi-annual financial reports and interim quarterly management statements) required by the pro tempore regulations in force;
m) the acquisition and sale of investments of an amount greater than 5% of the consolidated regulatory capital of the Company, as recorded by the last duly approved consolidated financial statements;
n) the capital increases delegated in line with Art. 2443 of the Italian Civil Code and the issuance of convertible bonds delegated in accordance with Art. 2420 *ter* of the Italian Civil Code, including the right to adopt the

resolutions with exclusion or limitation of the right of option referred to in the fourth and fifth paragraph of Art. 2441 of the Italian Civil Code;

o) the fulfilments relating to the Board of Directors referred to in Articles 2446 and 2447 of the Italian Civil Code;
p) the preparation of merger or demerger projects;
q) the approval and modification of a specific Regulation regulating information flows;
r) the adoption, abrogation or modification of internal procedures that, in immediate implementation of legislative or regulatory rules, concern the prevention or regulation of cases of conflict of interest, with the possibility of derogations, inter alia, in urgent cases;
s) the designation of the candidacies for the company representatives of subsidiary banks and the main non-banking subsidiaries of the Group;
t) the determination of the vote to be expressed in shareholders' meetings of subsidiary banks and the main non-banking subsidiaries of the Group convened to resolve on statutory amendments, as well as the prior consent to amendments to the Articles of Association of the Group companies, when the resolution is under the remit of a body other than the Shareholders' Meeting;
u) the approval of proposals of call of the Shareholders' Meeting concerning amendments to the Articles of Association of the Company other than those provided at Art. 32.5, point iii.;
v) the regulations of proceedings of appointment and/or election of the members of the Territorial Consultation and Credit Committees referred to in Art. 51;
w) the approval and modification of the main internal regulations, except as required by Art. 2521, final paragraph of the Italian Civil Code;
x) the appointment of the members of the bodies of the Foundations referred to in Art. 5;
y) resolutions concerning the adjustment of the Articles of Association to regulatory provisions;
z) the supervision of the process of public disclosure and communication of the Bank.

The Board usually resolves at the proposal of the Chairman or the Managing Director, subject, however, to the right of each Director to submit proposals.

The Board of Directors may retain for itself the resolutions relating to operations that fall within the powers delegated to the Executive Committee and the Managing Director with the favourable vote of the majority of the members in office.

The Board of Directors is also attributed, exclusively, in respect of Art. 2436 of the Italian Civil Code, resolutions concerning the merger in the cases provided by Articles 2505 and 2505 *bis* of the Italian Civil Code, the demerger in the cases provided by Art. 2506 *ter*, final paragraph of the Italian Civil Code, the establishment and closure of secondary headquarters.

33.3. - Delegations

For certain categories of acts and business deals, the Board of Directors may delegate specific powers, in the legal forms, to managers, to the heads of the individual branches and to other personnel, determining the limits and methods of exercising the delegation, providing that the delegated entities may act individually or joined in a Committee.

Where not otherwise arranged in the deed of delegation, the decisions made by the delegated bodies must be communicated to the delegating body. The decisions made by other holders of delegations must be communicated to the superior body in accordance with the methods established in the specific Regulation resolved by the Board of Directors.

33.4. - Appointments Committee, Emoluments Committee, Risk Committee and other Committees

The Board of Directors establishes within it, by absolute majority of its members in office, in compliance with the regulatory provisions in force each time, the following Committees:

Appointments Committee

The Board of Directors establishes within it a Committee for appointments ("**Appointments Committee**"), approving the Regulation that determines its responsibilities and functioning, with the exclusion of any profile relating to the regulation of relationships between groups of shareholders. The Committee consists of a minimum of 3 (three) to a maximum of 5 (five) Directors, all non-executive and with the majority in possession of the requirements of independence set out in Art. 29.2 *bis*.

The Appointments Committee has, inter alia, the duty of examining and developing proposals in relation to the submission of a list for the appointment of the Board of Directors of the Company, the co-opting of terminated directors, the appointment - at the proposal of the Managing Director - of the General Manager, the Joint General Manager and/or the Deputy General

Manager(s) and it expresses to the Board of Directors its opinion in relation to the names of the candidates to corporate representatives of the Company, the banks and the main non-banking subsidiaries of the Group.

Emoluments Committee

The Board of Directors establishes within it a Committee for emoluments ("**Emoluments Committee**"), approving the Regulation that determines its responsibilities and operation. The Committee consists of a minimum of 3 (three) to a maximum of 5 (five) Directors, all non-executive and with the majority in possession of the requirements of independence set out in Art. 29.2 *bis*.

The Emoluments Committee, inter alia:

- has duties of proposal in relation to the fees of the members of the corporate bodies, personnel and collaborations whose remuneration and incentive systems must be resolved upon, based upon the regulations in force each time, by the Board of Directors;

- has advisory duties in relation to determining the criteria for fees of the members of the corporate bodies, employees and collaborators whose professional activity has or may have a significant impact on the risk profile of the relevant bank or the Group;

- oversees directly the correct application of the rules on remuneration of the managers of the internal control departments, in close liaison with the Board of Statutory Auditors;

- deals with preparing the documentation to be submitted to the Board of Directors for the respective decision;

- collaborates with the other Committees of the Board of Directors, in particular with the Risks Committee;

- ensures the involvement of the relevant company departments in the development and control of remuneration and incentive policies and practices;

- expresses a view, even making use of information received from the relevant company departments, on the achievement of the performance targets to which the incentive plans are linked and on the assessment of the other conditions imposed for the payment of emoluments;

- provides adequate feedback on the activity performed to the Board of Directors, Board of Statutory Auditors and Shareholders' Meeting.

The Committee performs the above duties in relation to the remuneration and incentive policies and practices of the Company, the entire Group and the members of the same.

Risks Committee

The Board of Directors establishes within it, drafting its Regulation, a "**Risks Committee**" consisting of 5 (five) Directors, all non-executive and with the majority in possession of the requirements of independence set out in Art. 29.2 *bis*.

The Risks Committee has, inter alia, duties of investigation and advice on the system of internal controls, on analysis, assessment, monitoring and management of risks and on the accounting IT structure. The Risks Committee, to perform its duty effectively, may conduct auditing and inspection activities on all areas of activity of the Group.

The Risks Committee reports periodically to the Board of Directors, subject to cases of urgency when the Board of Directors is promptly informed on the results of the activity performed.

Other Committees

The Board of Directors has, in any case, the right to establish, drafting their specific Regulations, additional committees with advisory, investigative and proactive powers.

Each committee must include at least one member in possession of the requirements of independence set out in Art. 29.2 *bis*.

Art. 34. - Information to Board of Statutory Auditors

The information to the Board of Statutory Auditors on the activity performed and on the operations of greatest economic, financial and capital significance performed by the Company or by the subsidiaries, and in particular on the operations in which the directors have their own interest or an interest of third parties, is provided, also by the delegated bodies in accordance with Art. 2381 of the Italian Civil Code, to the Board itself at least on a quarterly basis and in any case ordinarily on the occasion of meetings of the Board of Directors and the Executive Committee.

The information to the Board outside the meetings of the Board of Directors and Executive Committee is provided to the Chairman of the Board of Statutory Auditors.

SECOND SECTION — EXECUTIVE COMMITTEE

Art. 35. - Executive Committee: number and composition

The Board of Directors appoints an Executive Committee consisting of 7 (seven) directors, establishing their powers in compliance with Art. 36 of the Articles of Association.

By law, the following are members of the Executive Committee: the Chairman of the Board of Directors, the two Deputy Chairmen and the Managing Director. Two of the other three members are chosen from the Directors having the requirements set out in the first paragraph of Art. 29.1.

In all cases where it is necessary to supplement the Executive Committee, the Board of Directors proceeds in respect of the provisions on the composition of the Executive Committee.

The Committee is chaired by the Chairman of the Board of Directors.

The Executive Committee elects its own Deputy Chairman from the Directors other than those having the requirements set out in the first paragraph of Art. 29.1 members of the Committee itself.

The Committee remains in office for the entire duration of the Board of Directors that appoints it.

The Board of Statutory Auditors attends at meetings of the Executive Committee.

The functions of Secretary are performed by the Secretary of the Board of Directors.

Art. 36. - Functions of the Executive Committee

Without prejudice to the provisions of Art. 33.2, the Board delegates to the Executive Committee the daily management of the Company with all the powers that are not reserved - by law or in compliance with the Articles of Association – to the collegial responsibility of the Board of Directors or that the latter has not otherwise delegated to the Managing Director.

In any case, the Executive Committee:

1) oversees, usually through the proposals of the Managing Director and in coordination with the same, the management performance;

2) resolves, in accordance with the guidelines and general directions adopted by the Board, on the provision of credit and on the issue set out in letter m)

of the second paragraph of Art. 33.2 for sums not exceeding those falling within the exclusive responsibility of the Board.

The resolutions of the Executive Committee must be made with the participation and favourable vote of the majority of its members.

Art. 37. - Meetings of the Executive Committee

The Executive Committee is convened at the initiative of its Chairman depending on the business requirements and it usually meets twice a month.

The call of the Executive Committee is done by way of notice - sent at least 3 (three) days prior to the meeting and, in cases of urgency, at least 12 (twelve) hours before, by any means suitable to provide proof of receipt - to each member of the Committee and the Board of Statutory Auditors. The notice of call must contain an indication of the location, day and time of the meeting, as well as the list, even summarily, of the matters to be discussed.

The meeting may also take place by way of distance communication systems, provided that the exact identification of the persons legitimated to attend is guaranteed along with the possibility to interject orally, in real time, on all the issues, as well as the possibility for everyone to receive or send documentation; however, the Chairman of the Board of Directors or the Managing Director and the Secretary must be present in the location of the meeting.

The Committee may, however, validly resolve even in the absence of formal call, if all its members and all statutory auditors in office are present at the meeting.

The Chairman of the Executive Committee is responsible for chairing the Committee, coordinating its works and proceeding to ensure that adequate information on the items on the agenda is provided, where necessary, to all attendees. In his absence or impediment, the duties are entrusted to the Deputy Chairman of the Committee.

The Secretary of the Executive Committee drafts in a specific book the minutes of the meetings of that Committee, signed by the Chairman of the Committee meeting, by the Managing Director and by the Secretary.

The extracts of the minutes signed by the Chairman or by the Managing Director and countersigned by the Secretary act as full evidence of the meetings and the resolutions made.

Information is given to the Board of Directors of the resolutions made by the Executive Committee within the timescales and by the methods indicated by the former.

The Executive Committee must report to the Board of Directors and to the Board of Statutory Auditors, on a monthly basis, on the general management performance, therein including the progress of the risks, its expected outlook and on the most significant operations performed by the Company and by its subsidiaries.

THIRD SECTION — THE CHAIRMAN OF THE BOARD OF DIRECTORS

Art. 38. - Chairman of the Board of Directors

38.1. The Chairman of the Board of Directors:

a) in compliance with the specific Regulation and the legislation in force each time, convenes the Board of Directors, establishes its agenda, also taking account of the resolution proposals made by the Managing Director or by the Executive Committee and coordinates its works, ensuring, inter alia, that the issues of strategic relevance are discussed as a priority and adequate information on the issues on the agenda is provided to all members;

b) without prejudice to the provisions of Art. 42, is entitled, in the case of urgency and at the proposal of the Managing Director, to bring actions or defend in court before any judicial or administrative authority, lodge petitions, as well as grant powers of attorney with a mandate, even general, with the obligation of reporting to the Board of Directors on the decisions made on the occasion of the next useful meeting;

c) maintains, in concert with the Managing Director, relationships with the Supervisory Authorities;

d) exercises all other powers functional to the exercise of his role.

In addition, the Chairman promotes the actual functioning of the corporate governance system, guaranteeing the balance of powers with respect to the Managing Director and the other Directors having the requirements set out in the first paragraph of Art. 29.1; he acts as interlocutor with the internal control bodies and internal committees.

38.2. In the event of the absence or impediment of the Chairman of the Board of Directors, the functions are exercised, in order, by the eldest Deputy Chairman, by the other Deputy Chairman or by the eldest Director.

Before third parties, the signature of the person replacing the Chairman acts as evidence of his absence or impediment.

FOURTH SECTION — THE MANAGING DIRECTOR

Art. 39. - Managing Director

39.1. The Board of Directors appoints from its members a Managing Director, chosen from the Directors having the requirements set out in the first paragraph of Art. 29.1.

39.2. Without prejudice to the provisions of Art. 33.2, the Board of Directors determines the powers of the Managing Director. In particular, the Managing Director:

1) is responsible for the executive and deals with implementing the resolutions of the Board of Directors and Executive Committee and – within the limits of his powers - the plans and guidelines established by the Board of Directors and by the Executive Committee;

2) exercises powers of proposal towards the Board of Directors and the Executive Committee, with particular reference to the management guidelines, proposals of strategic plans and budgets, the draft financial statements and interim situations;

3) is in charge of managing personnel, determining and imparting operational directives.

39.3. The Managing Director ensures the organisational, administrative and accounting system is adequate to the nature and dimensions of the company and liaises with the General Manager, the Joint General Manager and/or the Deputy General Manager(s), if appointed and insofar as they are responsible, the Board of Directors and the Executive Committee, on a monthly basis, on the general management performance and on its outlook, as well as on the most significant operations performed by the Company and by the subsidiary companies.

39.4. In respect of the duties of supervision held by the Board of Directors in relation to public disclosure processes and company communication, the Managing Director deals with, in liaison with the Chairman, the external communication of information concerning the Company.

39.5. In the case of exceptional urgency, the Managing Director, having heard from the Chairman of the Board of Directors, may make decisions in relation to any operation under the remit of the Board of Directors, provided that it is not attributed by mandatory rules of law or by statutory provisions to the remit of the Board itself and even if concerning operations regulated by the procedures adopted in accordance with Art. 2391 *bis* of the Italian Civil Code or Art. 53 of the Consolidated Banking Law, subject in those cases to complying with the

special provisions laid down by those procedures for urgent operations. In any case, the decisions thus made must be brought to the attention of the Board of Directors on the occasion of its next meeting.

FIFTH SECTION

GENERAL MANAGEMENT – THE MANAGER RESPONSIBLE – COMPANY REPRESENTATION

Art. 40. - General Management

The Board of Directors may appoint, at the proposal of the Managing Director and in respect of the provisions of Art. 33.4, a General Manager, a Joint General Manager and/or one or more Deputy General Managers, establishing their powers. If appointed, the General Manager and the Joint General Manager fall within the entities having the requirements set out in the first paragraph of Art. 29.1.

The Board of Directors determines the powers and responsibilities of the General Manager and/or the Joint General Manager, with joint or sole signature, as specified by Art. 42, for the implementation of the resolutions of the Board of Directors or the Executive Committee, in compliance with the guidelines imparted, in line with the respective powers, by the Board of Directors, Executive Committee and Managing Director.

Art. 41. - Manager responsible for preparing the Company's financial reports

41.1. The Board of Directors appoints and revokes, subject to the opinion of the Board of Statutory Auditors, the Manager responsible for preparing the Company's financial reports, in compliance with the rules of law, establishing his powers and economic treatment.

41.2. The Managing Director and the Manager responsible for preparing the Company's financial reports certify with a specific report, attached to the financial statements, the interim condensed financial statements and the consolidated financial statements, the adequacy and effective application of the procedures during the period to which the accounting documents refer, as well as the correspondence of the latter with the records of the accounting books and ledgers and their suitability to provide an accurate and correct representation of the capital, economic and financial situation of the Company and the set of companies included in the consolidation. For the financial statements and consolidated financial statements, the Managing Director and

the Manager responsible for preparing the Company's financial reports certify, by the same methods, that the report on operations includes a reliable analysis of the management performance and results, as well as the situation of the Company and the set of companies included in the consolidation, together with a description of the risks and uncertainties to which they are exposed.

Finally, for the interim condensed financial statements, the Managing Director and the Manager responsible for preparing the Company's financial reports certify, by the same methods, that the half-yearly report on operations contains a reliable analysis of the information required by law.

The Manager responsible for preparing the Company's financial reports must possess, in addition to the integrity requirements required by existing regulations for those who perform functions of administration and management, professionalism requirements characterised by specific expertise, from the administrative and accounting perspective, on credit, finance, securities and insurance matters. That expertise must have been acquired through working experience in a position of adequate responsibility for a suitable period of time and in companies of dimensions comparable to those of the Company.

The Board of Directors has discretion for verifying the existence of the aforementioned requirements.

The Manager responsible for preparing the Company's financial reports is attributed powers and means for the exercise of the duties established by law and by other applicable provisions, as well as powers and functions possibly established by the Board of Directors at the time of appointment and with subsequent resolutions.

The Board of Directors ensures that the aforementioned Manager has the availability of what is set out above for the exercise of his functions.

Art. 42. - Company representation

The representation of the Company in relation to third parties and in court, both in the jurisdictional and administrative venue, including cases of cassation and revocation, as well as the free company signature is held by the Chairman of the Board of Directors and, in the case of his absence or impediment, even temporary, by each of the two Deputy Chairmen, with the precedence determined in accordance with Art. 38.2, by the Managing Director or Director to whom those functions are attributed by the other members of the Board of Directors.

Before third parties, the signature of the person replacing the Chairman acts as evidence of the absence or impediment of the latter.

The representation of the Company and the free company signature may also be granted by the Board of Directors to individual Directors in relation to powers and attributions assigned to them by the Board of Directors itself.

The Board of Directors may also attribute - for certain acts or categories of acts - the company signature to the Managing Director, General Manager, Joint General Manager, Deputy General Manager(s) and to other employees, determining the limits of the delegation.

The Board of Directors may also, where necessary, appoint agents external to the Company for the completion of certain acts.

The Chairman, or those replacing him in accordance with the first paragraph, may issue powers of attorney for the completion of individual acts or categories of acts.

Art. 43. - Performance of delegated duties

Managerial staff and employees equipped with a delegation or to whom certain duties have been granted in the performance of the working activity to be completed as part of the operating unit to which the same are assigned are responsible for strictly complying with the general and special laws, the Articles of Association and the resolutions of the corporate bodies.

TITLE V –
BOARD OF STATUTORY AUDITORS

Art. 44. - Composition and number

The Board of Statutory Auditors consists of five statutory auditors and two alternate auditors who remain in office for three financial years. They expire at the date of the Shareholders' Meeting convened to approve the financial statements relating to the final financial year of their office and they may be re-elected. The Auditors must be in possession of the requirements of eligibility, independence, professionalism and integrity provided by law and by the other applicable provisions.

In particular, as regards the requirements of professionalism, this means activities strictly relating to those of the Company, those set out in Art. 1 of the Consolidated Banking Law, as well as the performance of investment services

or collective asset management, both as defined by Italian Legislative Decree no. 58 of 1998.

The composition of the Board of Statutory Auditors ensures the balance between genders as provided by Italian Law no. 120 of 12 July 2011 as amended as well as the regulatory legislation in force.

The limits on accumulation of assignments of administration and control established by the CONSOB regulation are applied towards the members of the Board of Statutory Auditors.

In addition, candidates who cover the assignment of Board director, manager or officers in companies or entities exercising, directly or indirectly, banking activity may not be elected and, if elected, they forfeit their office.

The Chairman and statutory members of the Board of Statutory Auditors are entitled, for the entire duration of their office, to the annual emolument resolved upon by the Shareholders' Meeting.

Art. 45. - Election by way of Lists

The appointment of the Board of Statutory Auditors - subject to any different or additional provisions provided by mandatory rules of law or regulations - occurs on the basis of lists submitted by the Shareholders.

The lists, divided into two sections, one for candidates to the role of Statutory Auditor and one for candidates to the role of Alternate Auditor, must indicate a number of candidates no higher than that of the Auditors to be elected, listed by sequential number.

The lists that, considering both sections, have a number of candidates equal to or greater than three must also include candidates of different genders, so as to ensure a composition of the Board of Statutory Auditors that respects the provisions of regulations in force each time on gender balance.

Each list must be submitted by at least 500 shareholders with the right to vote, irrespective of the percentage of share capital held by them overall, or by shareholders having the right to vote who are, individually or as a whole, holders of a shareholding amounting to at least 0.50% of the capital of the Company.

A shareholder may not submit or vote on more than one list, even by interposing person or by way of a trust company. Shareholders belonging to the same corporate group - thereby meaning the parent company, the subsidiaries and the companies subject to common control - and shareholders who have signed a shareholders' agreement in accordance with Art. 122 of Italian

Legislative Decree no. 58/1998 concerning the shares of the Company may not submit or vote on more than one list, even by interposing person; in the case of non-compliance, his signature is not calculated for any of the lists.

The lists of candidates must be filed and made available to the public in the forms, methods and terms prescribed by the regulations in force each time. They must be accompanied, where not otherwise specified by the regulations in force each time: (i) by information relating to the identity of the shareholders who have submitted the lists, indicating the percentage investment held overall; (ii) by comprehensive information on the personal and professional characteristics of each candidate, indicating the assignments of administration and control covered in other companies; and (iii) by declarations by which the individual candidates accept their candidacy and certify, under their own liability, the non-existence of causes of ineligibility or incompatibility as well as the existence of the requirements prescribed by law or by the articles of association for the role.

The signature of each submitting shareholder must be authenticated by a notary or affixed in the presence of an employee of the Company or the banks of the Group delegated for that purpose.

Where, at the expiry date of the terms set out in the sixth paragraph of this article, only one list has been submitted or only lists submitted by Shareholders who, based upon the regulations in force each time are connected between them, the Company gives notice of this without delay by the methods provided by the applicable regulations, only then to proceed in the terms of law.

Lists submitted without complying with the methods set out above are considered not to have been submitted, even where any deformities or deficiencies concern the documentation relating to the individual candidates.

Each candidate may be included in only one list under penalty of ineligibility.

Those who are not in possession of the requirements required by law or by the articles of association may also not be elected and, if elected, they forfeit the role.

Each person with the right to vote may vote on only one list.

Art. 46. - Voting

The election of the Board of Statutory Auditors proceeds as follows.

Four statutory auditors and one alternate auditor are taken from the list that obtained the highest number of votes, in the order by which they appear on that list.

The Chairman and one alternate auditor are taken, in the sequential order by which the candidates are indicated, from the list that came second by number of votes and who are not linked, even indirectly, in accordance with the provisions of existing regulations, with the shareholders who submitted or voted on the list that came first by number of votes.

In the case of equal votes between multiple lists, a new vote is taken by the Shareholders' Meeting, putting to the vote only the lists with equal votes. The candidates of the list that obtains the relative majority of votes are elected.

Where only one list is submitted, all Auditors, both statutory and alternate, are taken from that list. The chairmanship of the Board of Statutory Auditors is held by the person indicated in first place in the section of candidates to the role of statutory auditor in the submitted list.

Where the composition of the collegial body or the category of alternate auditors that derives from it does not allow for compliance with the gender balance, taking account of their listing order in the respective section, the last auditors elected from the list that obtained the highest number of votes of the most represented gender forfeit their role in the number required to ensure compliance with the requirement, and they are replaced by the first candidates not elected on the same list and in the same section of the least represented gender. In the absence of candidates of the least represented gender within the relevant section of the list that obtained the highest number of votes in a sufficient number to proceed with the replacement, the Shareholders' Meeting appoints the missing statutory or alternate auditors with the legal majorities, ensuring the requirement is satisfied.

Where no list has been submitted, the Board of Statutory Auditors is elected by way of relative majority by the Shareholders' Meeting, in respect of the provisions of existing regulations on gender balance.

If the Chairman of the Board of Statutory Auditors comes to be missing, the alternate Auditor taken from the same list from which the Chairman was taken assumes that role, up until the Board is re-constituted in accordance with Art. 2401 of the Italian Civil Code.

If one or more statutory auditors come to be missing, the alternate auditors from the same list take over, in order of age. The Auditors who have taken over remain in office until the next Shareholders' Meeting, which proceeds with the necessary supplementation of the Board.

Where the Shareholders' Meeting must proceed, in accordance with the above paragraph or in accordance with law, to elect the statutory and/or alternate auditors necessary to supplement the Board of Statutory Auditors the process will be as follows.

Where the Auditors taken from the list that was first by number of votes are to be replaced, the election occurs by relative majority voting without the list obligation, in respect, however, of the regulatory provisions on gender balance; where, on the other hand, it is necessary to replace Auditors taken from the list that came second by number of votes and who are not linked, even indirectly, with the shareholders who submitted or voted on the list that came first, the Shareholders' Meeting, in respect of the regulatory provisions in force on gender balance, replaces them, by relative majority vote, choosing them, where possible, from candidates indicated in the list to which the replaced Auditor formed part, who have confirmed, at least fifteen days prior to that fixed for the Shareholders' Meeting at first call, their candidacy, filing at the Company's registered office their declarations relating to the non-existence of causes of ineligibility or incompatibility and the existence of the requirements required for the role as well as an updated indication of the assignments of administration and control covered in other companies.

Where it is not possible to proceed in this way, the Shareholders' Meeting resolves with relative majority vote among the individual candidates, without the list obligation, in respect, however, of the regulatory provisions on gender balance.

The application of the above provisions must in any case allow at least one statutory and one alternate auditor to be elected by the minority shareholders that are not linked, even indirectly, with the shareholders who submitted or voted on the list that came first by number of votes.

Art. 47. - Functions of the Board of Statutory Auditors

The Board of Statutory Auditors performs the duties and exercises the functions of control provided by existing regulations, and in particular, it oversees:

a. compliance with the rules of law, regulations and statutory rules as well as respect of the principles of correct administration;

b. the adequacy of the organisational and administrative-accounting system of the Company and the financial information process;

c. the effectiveness and adequacy of the risk management and control system, the internal auditing system and the functions and adequacy of the overall system of internal controls;

d. the process of statutory audit of the annual accounts and consolidated accounts;

e. the independence of the independent auditors, particularly as regards the performance of non-auditing services.

The Board of Statutory Auditors is invested with the powers provided by regulatory and legislative provisions, and reports to the Supervisory Authority in accordance with the regulations in force each time.

Without prejudice to the obligations set out in the above paragraph, the Board of Statutory Auditors reports to the Board of Directors any deficiencies and irregularities it may identify, it requests the adoption of suitable corrective measures and it verifies their effectiveness over time.

The Auditors also have the right to proceed, at any time, even individually, with acts of inspection and control as well as to request from the directors information, even with reference to subsidiary companies, on the performance of the corporate operations or on certain deals, or to address those requests for information directly to the management and control bodies of subsidiary companies.

The Board of Statutory Auditors may also exchange information with the corresponding bodies of subsidiary companies in relation to the management and control system and the general performance of the corporate activity.

The minutes and deeds of the Board of Statutory Auditors must be signed by all attendees.

The meetings of the Board of Statutory Auditors may also be held by teleconference or video conference, provided that all participants can be identified and they are able to follow the discussion and interject in real time in the discussion of the issues addressed; where those requirements are in place, the Board of Statutory Auditors is considered to be held in the location in which the Chairman is found.

TITLE VI -
STATUTORY ACCOUNTS AUDIT

Art. 48. - Statutory accounts audit

The statutory accounts audit of the Company is entrusted, in accordance with the law, to independent auditors on assignment granted by the Shareholders' Meeting, at the motivated proposal of the Board of Statutory Auditors.

TITLE VII -
ETHICS AND DISCIPLINARY COMMITTEE

Art. 49. - Ethics and Disciplinary Committee

The Ordinary Shareholders' Meeting appoints from the shareholders 3 (three) standing members to the Ethics and Disciplinary Committee and 2 (two) alternate members who remain in office for three financial years and may be re-elected. The Ethics and Disciplinary Committee elects within it a Chairman who proceeds with its call where necessary and manages its works.

Any statutory member who comes to be missing is replaced by an alternate member in order of age and until the next Shareholders' Meeting; the new appointee assumes the seniority of those in office; the alternate members take over also in order of age, from time to time, those who must abstain for reasons of kinship, family relationship or another lawful impediment.

Art. 50. - Remit of the Ethics and Disciplinary Committee

The Ethics and Disciplinary Committee is the body to which the shareholders and aspiring shareholders may turn in relation to the interpretation or application of the Articles of Association and any other resolution or decision of the bodies of the Company in relation to corporate relationships.

Any recourse to the Ethics and Disciplinary Committee is optional and its decisions are not binding for the parties; they do not constitute an impediment against bringing grievances in the judicial venue or before any relevant authority.

With reference to Art. 11, the Ethics and Disciplinary Committee, supplemented by a representative of the aspiring shareholder, expresses its decisions by majority within 30 (thirty) days from the request, on any applications for review of the decisions of non-admission. In the case of equal votes, the vote of the Chairman prevails.

The Ethics and Disciplinary Committee regulates the conduct of its activity in the manner it deems appropriate without constraints of procedural formalities.

The Board of Directors and the Managing Director or the employee designated by the latter are required to provide to the Ethics and Disciplinary Committees all information and news that they request concerning the dispute to be decided.

TITLE VIII -

TERRITORIAL CONSULTATION AND CREDIT COMMITTEES

Art. 51. - Territorial Consultation and Credit Committees

The Board of Directors establishes, in correspondence or within each Territorial Division, Territorial Consultation and Credit Committees (the "**Territorial Committees**").

The Territorial Committees may not exercise functions and/or powers of management, direction and/or representation towards third parties, but exclusively consultation roles to encourage the rooting of the Company in the geographical areas in which it is present.

The Territorial Committees will be made up of members appointed among the shareholder representatives of the economic, professional and associative world of the territorial area to which the Committee refers. The Board Directors and the Auditors of the Company, the directors and Auditors of banks and the main non-banking subsidiaries of the Group and the employees of the Group may not form part of the Territorial Committees. In addition, those who are or become members of administration or control bodies or employees of companies that perform or that belong to groups that perform activities in competition with those of the Company or the Group and in any case of other banks or parent or subsidiary companies of the same may not be appointed members of the Territorial Committees and, if appointed, they forfeit their role.

The Board of Directors, without prejudice to the provisions of Art. 5, fifth paragraph, establishes, with a specific Regulation, in respect of the rules in force and the indications of the Supervisory Authority, the rules of functioning, duration in office, specific responsibilities, criteria of designation and appointment (including any causes of incompatibility and termination from the role) of the members of those Committees and any other profile relating to the formation and activity of the same.

The fees of the members are established, based upon the commitment required, by the Board of Directors.

TITLE IX -
FINANCIAL STATEMENTS

Art. 52. - Company financial year and financial statements

The company financial year ends on 31 December of each year.

In the report set out in Art. 2428 of the Italian Civil Code the members of the Board of Directors specifically indicate the criteria followed in the corporate management to achieve the mutual purpose and illustrate the reasons for the decisions taken with regard to the admission of new shareholders.

Art. 53. - Allocation of profits

The net profit resulting from the approved financial statements is allocated, within the set limits, to the reserves established by law for a share of no less than 10%, to the statutory reserve and for any additional share to other reserves established on a voluntary basis.
The remaining profit will be allocated in accordance with the resolution of the Shareholders' Meeting as dividends, or for any establishment and/or increase of other reserves or funds, however named, or for other purposes defined by the Shareholders' Meeting itself.

During the financial year, the distribution of advances on the dividend in respect of what is provided by existing regulations may be resolved.

Art. 54. - Statutory Reserve

The statutory reserve is formed:

a) with the annual allocation of profits set out in Art. 53;

b) with income relating to the shareholder admission fee;

c) with dividends due and not taken within the five year period;

d) with any other income.

TITLE X -
DISSOLUTION OF COMPANY

Art. 55. - Dissolution of Company

Without prejudice to what is established by Art. 25 regarding the early dissolution of the Company, in any case of dissolution, the Shareholders' Meeting appoints the liquidators and establishes their powers, the methods of liquidation and the allocation resulting from the final financial statements.

The division of the available sums among the shareholders takes place between them in proportion to the respective shareholdings.

TITLE XI -
TRANSITIONAL PROVISIONS

Art. 56. - Transitional Clause

The provisions of Art. 29.1, 29.4, 29.6, 29.7, 29.10, 29.11 as well as Art. 44, 45 and 46 aimed at ensuring compliance with the existing regulations on gender balance shall apply commencing from the first renewal, respectively, of the Board of Directors and the Board of Statutory Auditors after 12 August 2012 and for three consecutive mandates, reserving to the least represented gender, for the first mandate in application of the law, a share equal to at least one-fifth of the directors and statutory auditors elected and, for the next two mandates, at least one-third of the directors and statutory auditors elected (rounded up to the higher unit where no whole number results from the allotment).

With reference to shareholders registered in the shareholders' book at the date of 7 May 2013, the date of registration at the Companies Register of the resolution of the Extraordinary Shareholders' Meeting of Banco Popolare of the day of 20 April 2013 which approved the current text of Art. 12 third paragraph, the Company will proceed to ascertain the loss of the capacity of shareholder in application of Art. 30 paragraph 5 *bis* of Italian Legislative Decree no. 385 of 1 September 1993, with consequent cancellation from the shareholders' book, of those, at the date of 30 September 2016, subject to registration at the Companies Register of the resolution of the Extraordinary Shareholders' Meeting of Banco Popolare of the day of 11 April 2015 which approved this transitional provision, who held a number of shares less than the minimum limit prescribed by Art. 10 of the Articles of Association.