

Annex “C” to docket no. 86123/18300

## **ARTICLES OF ASSOCIATION OF BANCA AKROS S.p.A.**

### **SECTION I**

#### **NAME – PURPOSE – OFFICES - DURATION**

##### **Article 1 – Company Name and Holding Group**

1.1 The Company is called **BANCA AKROS S.p.A.** (the “Company”).

1.2 The Company belongs to the banking group Gruppo Bancario Banco BPM, duly registered with the Bank of Italy in the Banking Group Register. As such, the Company shall abide by the provisions drawn up by said Parent Company in the due course of its management and coordination activities in conforming with the rules and regulations set forth by the Supervisory Authorities with the aim to maintain group stability.

1.3 The Directors shall supply the Parent Company with all such data and information required for said provisions to be drawn up and for the verification of compliance with them.

##### **Article 2 – Corporate Purpose**

2.1 The Company’s corporate purpose is to collect savings from the general public and grant the various forms of credit and, pursuant to the applicable provisions of the law, to be able to:

- (i) trade in securities, financial and currency instruments and to carry out stock brokerage activities in general;

- (ii) perform all such banking and financial transactions and services allowed by the law as well as to perform any other ancillary activities or activities that pertain to the fulfilment of the corporate purpose.

2.2 The Company may issue bonds, securities, stocks and shares and debt instruments pursuant to the provisions of the law on the matter.

##### **Article 3 – Registered Offices**

3.1 The Company’s registered offices are in Milan

3.2 The Company may, in accordance with current provisions, set up and shut down branch offices, subsidiaries, representative offices in Italy and abroad.

##### **Article 4 – Duration**

4.1 The Company’s duration is established until 31 (thirty-first) December 2100 (two thousand

one hundred).

## **SECTION II**

### **SHARE CAPITAL – SHARES**

#### **Article 5 – Share capital**

5.1 The Company's subscribed and paid-up capital amounts to 39,433,803 (thirty-nine million four hundred thirty-three thousand eight hundred and three) euro, divided into 39,433,803 (thirty-nine million four hundred thirty-three thousand eight hundred and three) shares each with a par value of one euro.

5.2 The share capital may be increased, when all legally required conditions are met, also by contribution of credits and by contribution in kind, in this latter case in compliance with Article 2440 of the Italian Civil Code.

5.3 In accordance with Articles 2443 and 2420-ter of the Italian Civil Code and within the limits required therein, the extraordinary Shareholders' Meeting may empower Directors to increase the company's share capital on one or more occasions and to issue convertible debentures up to a determined amount and for a maximum period of 5 (five) years from the resolution date.

#### **Article 6 – Shares and withdrawal**

6.1 Shareholding in the company consists of ordinary registered shares and grants the shareholders who own them proportional, property and administrative rights.

6.2 All shares are assignable pursuant to the law and cannot be divided, pursuant to art. 2347 Italian Civil Code.

6.3 Shareholders may exercise their right of withdrawal when such right is mandatory by law. Shareholders may not withdraw for decisions pertaining to:

- (a) extension of duration,
- (b) introduction, amendment or removal of limitations to the circulation of shares.

## **SECTION III**

### **SHAREHOLDERS' MEETINGS**

#### **Article 7 – Ordinary and extraordinary Shareholders' Meetings, notice of call, right to attend and representation rights in Shareholders' Meetings**

7.1 Ordinary and extraordinary Shareholders' Meetings are convened by the Board of Directors according to the formalities, with the frequency and for dealing with the items provided for by law at the registered offices or in another place as long as they are held in Italy.

7.2 Shareholders' Meetings are convened, in addition to the cases provided for by law,

whenever the Board of Directors deems it to be appropriate, or whenever a request thereof is made by shareholders representing at least one tenth of the company's share capital or a different percentage determined by the applicable law in force, and as long as the conditions required by Article 2367 of the Italian Civil Code are met. In case of non-compliance with the request of calling of the Board, or on its behalf by the Statutory Auditors, the procedures set out in Article 2367, second paragraph, of the Italian Civil Code shall apply.

7.3 Calls to Meetings shall contain the location, the date and the time of the meetings and the agendas. The calls may also contain the location, the date and the time of the second callings which cannot take place on the same day fixed for the first call. As an exception to the second paragraph of Article 2366 of the Italian Civil Code, in case the publication in the official Italian journal "*Gazzetta Ufficiale*" is not expressly required by the Board of Directors, the notice of call is by registered letter with notification of receipt or by any other method of receipt of the notice, at least eight days before a meeting date.

7.4 The Meeting is considered duly constituted, even in case of lack of the formalities required for the calling, as long as the entire company's share capital is represented in the Meeting and the majority of members of the management and control bodies attend the Meeting. In this case, each attendee has the right to oppose to the discussion of items on which he or she deems to be not adequately informed thereof. Directors and Statutory Auditors not attending shall be promptly informed of the resolutions adopted.

7.5 The Meeting to approve the yearly financial statements shall be called within one hundred and twenty days after closure of the relevant financial year. In cases provided for by law, the Meeting may be convened within the broader term of one hundred and eighty days from the end of the financial year.

7.6 During an ordinary Shareholders' Meeting, the Shareholders deliberate on the matters reserved for such meeting by law and by these Articles of Association; in any case the Shareholders approve (i) the remuneration and incentive policies for the Directors, Statutory Auditors and personnel (including freelance staff), including any proposals by the Board of Directors to set a limit on the ratio between the variable component and the fixed component of individual remuneration for the most important staff of over 1:1, but in any case not higher than the limit established by the regulations in force from time to time; (ii) any remuneration plans based on financial instruments; (iii) the criteria for calculating any amounts to be paid in the event of early termination of employment relationships or of offices of all personnel, including the limits provided for the abovementioned amounts in terms of the fixed basic annual remuneration and the maximum amount resulting from their application in compliance with the applicable law

in force.

7.7 The extraordinary Meeting is competent to resolve on amendments to the Articles of Association, on the appointment, revocation, replacement and powers of the liquidators and any other matters attributed by law to its competence and not derogated by the Articles of Association.

7.8 The right to attend Shareholders' Meetings and to be represented therein are governed by the provisions of the law;

7.9 Shareholders may grant a mandate to third parties, even non-shareholders, to participate in Meetings as their representatives, in accordance with the procedures and within the limits established by Article 2372 of the Italian Civil Code or by other regulatory provisions.

7.10 Shareholders' Meetings may be held via audio-video conferencing provided that the collective decision-making method and the principle of good faith and equality in shareholders' treatment are complied with. In particular:

(i) the Chairman, either personally or through any of his assistants, must be able to identify all those present and to ascertain that they are indeed eligible to attend. Furthermore, he shall be able to duly run the meetings and check and declare voting results;

(ii) the person appointed to prepare the minutes of the meetings must be able to clearly follow the proceedings of the meetings;

(iii) the persons attending the meeting must be allowed to take an active role in the discussions and voting proceedings regarding the points on the meeting agenda, as well as to receive, send and view documents.

In any case, the Secretary or the notary, if appointed, must attend the Meeting at the venue indicated in the notice of call, where the meeting shall be considered held.

## **Article 8 – Lawful shareholders' meetings and resolutions**

8.1 All ordinary and extraordinary Shareholders' Meetings shall be governed by the law both as regards the requirements for the regular constitution of meetings and for the validity of the resolutions taken.

8.2 Notwithstanding the quorums referred to in the previous paragraph, resolutions regarding the proposal to set a limit of over 1:1 on the ratio between the variable and fixed components of the individual remuneration of senior personnel, as established by the regulations in force from time to time, shall be approved by the ordinary Meeting, in the first call, with the favourable vote of at least 2/3 of the share capital represented in the meeting and, in the second call, with the favourable vote of at least 3/4 of the share capital represented in the meeting.

8.3 Resolutions adopted by the Meeting in accordance with the law and the Articles of Association are binding upon all of the shareholders, even those not attending or dissenting.

#### **Article 9 – Chairman of the Shareholders’ Meetings**

9.1 Shareholders’ Meetings, both ordinary and extraordinary, shall be chaired by the Chairman of the Board of Directors or, if said Chairman is absent or otherwise unavailable, by the Vice President or, failing that, by whomever the Shareholders’ Meeting has appointed as Chairman.

9.2 The Chairman of the Meetings, either personally or with the assistance of one or more persons appointed for this purpose, shall ensure that the meetings are called and constituted lawfully, identify all those present and ascertain that they are eligible to attend the meeting, manage and run the meeting, set the order and procedures for interventions and (non-secret) voting and check voting results.

9.3 The Chairman shall be assisted by a Secretary appointed by the shareholders. Said Secretary shall not be necessary when the minutes of the Meetings are drawn up by a notary, as required by law, or when the Chairman of the meetings deems it necessary; in this case the notary may act as secretary. All resolutions made during a Shareholders’ Meeting shall be written into the minutes of the meeting, which shall be signed by the Chairman of the meeting and the Secretary or the notary, when it is drafted by them. The minutes shall be drawn up with the contents provided by Article 2375 of the Italian Civil Code.

### **SECTION IV MANAGEMENT**

#### **Article 10 – Board of Directors**

10.1 The Company adopts the management and auditing system provided for in paragraphs 2, 3 and 4 of Section VI bis of Title V Book V of the Italian Civil Code. It operates through a Board of Directors and a Board of Statutory Auditors.

Company management is entrusted to a Board of Directors made up of from five to fifteen Directors, who shall hold office for up to a maximum period of three financial years, in accordance with the resolutions taken from time to time by the Meeting, and who may be re-appointed at the expiration of the mandate. Directors’ mandates expire on the date of the Shareholders’ Meeting convened to approve the financial statements for the last year of their office.

10.2 If the number of Directors to be appointed is below the established maximum number, the Shareholders may appoint more Directors during the time the Board of Directors is in office by

majority vote. All new Directors thus appointed shall end their term in office at the same time the Directors already in office end their term in office.

10.3 The composition of the Board of Directors shall ensure gender balance, in accordance with the applicable law - including regulations - in force.

10.4 Directors must be suitable for the performance of the office, as provided for in the applicable law in force, and in the Articles of Association; in particular, they shall meet the professional, good repute and independence requirements and comply with the criteria of competence, fairness and time commitment and the limits on the maximum number of offices prescribed under the applicable law and the Articles of Association. Without prejudice to the provisions in article 10.8, if a Director no longer meets these prerequisites he/she shall forfeit from office. Such forfeiture shall be announced by the Board of Directors or, in case of failure to do so, by the Supervisory Authority in compliance with the applicable law from time to time in force.

10.5 Pursuant to this article 10, the Chairman and the Vice Chairman shall hold the specific requirements provided for in the applicable law in force.

10.6 Candidates for directorships must submit declarations certifying, under their responsibility, that there are no grounds for ineligibility or incompatibility of office(s), that they meet the requirements for the office of Director, as well as any other positions of management or control they hold in other companies.

10.7 At least a quarter of the Directors, or the different number of them set out by legal and regulatory provisions from time to time in force, shall meet the requirements provided in article 10.9 of the Articles of Association.

10.8 If one or more Directors fail to meet the requirement of independence as defined below, they shall not forfeit the office as long as the minimum number of Directors, as established in these Articles of Association and in compliance with current laws, still meet that requirement. The loss of the independence requirement under article 10.9 shall in any case result in forfeiture of the offices for which such requirement is required by the applicable law in force and the Articles of Association.

10.9 For the purposes of these Articles of Association, independent directors shall be those directors who do not have nor have recently had – whether directly or indirectly – with the Company or with anyone connected with the Company, a professional, equity, personal or any other sort of relationship that could in any way prejudice objectivity and balancing of decisions, it being clear that no director can be considered an independent director if they fit into one of the following categories:

- a) if they are a Company's significant shareholder meaning a person – other than the Parent Company Banco BPM –, for the purposes of article 10.9, who, directly or indirectly (by way of a third party) acquires a shareholding equal to or greater than the percentages in relation to which the applicable law in force requires the granting of an authorisation, or that involves the acquisition of the Company's control or the possibility to exercise significant influence over it, or that participates in a shareholders' agreement through which one or more parties exercise control or a significant influence over the Company;
- b) if they hold or held in the last two years at a Company's significant shareholder or in a company that the latter controls, the offices of Chairman of the Board of Directors, of the management board or of the supervisory board, or executive offices, or they held for more than nine years in the last twelve, offices of member of the Board of Directors, of the management board or of the supervisory board, as well as managing positions at a Company's significant shareholder or in a company that the latter controls;
- c) if they are, or have been in the previous three financial years, an important member – meaning Chairman of the Board of Directors when granted with powers in the management and development of company strategies, executive directors and “top management” – of the Company, one of its subsidiaries having strategic importance or of a company that is subject to joint control with the Company, or of the Parent Company, or of a Company's significant shareholder;
- d) if they are independent directors in another bank of the Group Banco BPM, save for the case of banks which are, directly or indirectly, in a total control relationship;
- e) if they are directors of, or have held directive positions in, the Company for more than nine financial years, also non-consecutive, in the last twelve;
- f) if they hold the position of executive director in another company in which an executive director of the Company has a position as a director, including a non-executive position;
- g) if they are shareholders, directors or employees of a company or an entity belonging to the network of the accounting firm commissioned to audit the Company's financial statements;
- h) if they receive or have received in the three previous financial years, from the Company, the Parent Company or from a company controlled by the latter – even indirectly -, a significant additional remuneration (compared to the “fixed” compensation for the office and for participating in the internal committees of the Board of Directors, as well as any medals for attending such meetings), including possible participation in incentive plans pegged to company performance, even if they are based on shares;
- i) if they have, or have had in the three previous financial years, whether directly or indirectly (for example by way of subsidiaries or companies of which they are an important member, or as

a partner of a professional firm or a consulting firm), a significant, also non continuative, professional, equity, commercial or financial relationship:

- with the Company, with one of its subsidiaries, with Chairmen or some of its top managers;
  - with the Parent Company or a Company's significant shareholder, or – in the case of a company or an entity – with the pertinent chairmen or top managers;
  - with companies that are subject to joint control with the Company;
- or are, or have been in the previous three financial years, an employee, a freelancer or had an also non continuous relationship with one of the foregoing people.

For the sole purposes of this letter (i), the relationships between the Director and close family members, as set forth hereafter, the top managers of the Company, one of its subsidiaries or a company that is subject to joint control with the Company, of the Parent Company or of a Company's significant shareholder are relevant;

j) if they hold or have held in the last two years one or more of the following positions:

- member of the national or the European parliament, the Government or the European Commission;
- regional, provincial or municipal councillor, regional council president, province president, mayor, president or member of the district council, chairman or member of the board of directors of consortia between local authorities, president or member of the council of unions of municipalities, member of the board of directors or president of special companies or institutions referred to in Article 114 of Italian Legislative Decree no. 267 of 18 August 2000, mayor or councillor of Metropolitan cities, president or member of the bodies of mountain or island communities, when the overlapping or contiguity between the geographical area of reference of the entities in which the aforementioned positions are held and the Company's or the Group's territorial organisation, are such as to compromise their independence;

k) if they are a close family member (meaning the spouse, provided they are not legally separated, relatives or similar within the fourth degree, a partner in a civil partnership or a cohabitating member of the couple or the children of a partner in a civil partnership or a cohabitating member of the couple and the cohabiting relatives) of a person who is classified in one of the categories set forth in the previous points;

l) if they are a close family member of the Directors of the Company or of the directors of the companies controlled by the latter, of the companies that control it and of those companies that are subject to joint control;

m) if they are in breach of the independence requisites provided for by the laws *pro tempore* in force.



10.10 The Board of Directors establishes in general the most suitable quantitative and/or qualitative criteria for assessing the significance of the relationships set forth in letters h) and i) of the above article 10.9 of this article 10.

10.11 For the purposes of article 10.9, “Executive Directors shall be”:

a) the Chief Executive Officer and the Directors to whom the Board of Directors has delegated functions, pursuant to article 2381, paragraph 2 Italian Civil Code and those Directors who should, in fact, perform functions pertaining to the day-to-day management of the company of which they are Directors;

b) the Directors that are members of an Executive Committee;

c) the members of a board of directors who hold management positions in the administered company, supervising certain areas of company management.

10.12 Furthermore, also for the purposes of article 10.9, members of “top management” shall be those who are not members of the board of directors and have the power and responsibility, directly or indirectly, for the planning, management and control of the activities of a company and of the group referring thereto.

10.13 More than one requirement of this article 10 may be met at the same time by the same person, it being understood that an executive director of the Company or of another Banco BPM Group company cannot be considered as Independent Director, pursuant to article 10.9 above.

10.14 Without prejudice to the provisions in this article 10, whoever is in a situation of ineligibility or forfeiture from office under Article 2382 of the Italian Civil Code, or does not hold the good repute and professional requirements set out in the applicable laws and regulations from time to time in force, cannot be appointed as member of the Board of Directors, and if appointed shall forfeit from office.

10.15 Except for any additional causes of incompatibility provided for under applicable laws, individuals who are or become members of management bodies or employees of companies that carry out or belong to groups which perform activities in competition with those of the Company or the Group to which it belongs, may not be appointed to the office, and if appointed, they cease from the office, except in the case of central banks or subsidiaries, directly or indirectly, controlled by the Company. The above prohibition does not apply when the participation in management bodies in other banks is assumed in representation of organisations or associations of the banking system

10.16 Without prejudice, where stricter, to the causes of ineligibility and cessation from office as well as the prohibitions under applicable laws and regulations, the limits on multiple offices that may be held at the same time by the directors, are governed by the appropriate internal

regulations approved by the Board of Directors.

10.17 Without prejudice to article 10.15, if the cause of incompatibility occurs after the office has been taken, the director will be deemed as automatically ceased from office, if he/she does not remove the cause of incompatibility within sixty days of its occurrence.

10.18 Each Board Member, during the course of his/her office, shall update, with timely notice to the Company, declarations relating to the fulfilment of the requirements and any information useful for the purposes of the complete assessment of the suitability for the position held.

10.19 Should one or more Directors during the financial year withdraw, as well as in the case of early termination from office of the Chairman of the Board of Directors and/or Vice-Chairman, the Board of Directors shall replace them in compliance with the law and the regulatory provisions in force, opting for candidates holding the suitability requirements identified by the competent bodies of the Parent Company, in compliance with the minimum number of Independent Directors provided for by the Articles of Association and the minimum number of directors belonging to the less represented gender established by the Articles of Association and by the applicable law and regulations from time to time in force. Board of Director members appointed to replace those missing shall remain in charge until the original expiration date of the Director replaced.

10.20 The shareholders may remove members of the Board of Directors at any time, without prejudice to the right of each Director to seek damages if such removal is executed without just cause.

#### **Article 11 – Director remuneration and reimbursement of expenses**

11.1 The members of the Board of Directors are entitled to receive a remuneration per year as established by the Shareholders, as well as a refund of any expenses they incur by reason of their office. If not already specified by the Meeting, the division of the compensation is established by the Board of Directors.

11.2 The remuneration of Directors with special duties pursuant to the Articles of Association is provided by the Board of Directors on the recommendations of the Board of Auditors, within the limits of the overall amounts set by the Meeting in accordance with Article 2389, last paragraph, of the Italian Civil Code.

#### **Article 12 – Chairman, Vice Chairman, Secretary**

12.1 If the Shareholders have not done so, the Board of Directors shall appoint the Chairman among its members, as well as a Secretary, who need not be a member of the Board of Directors.

The Board may also appoint one or more Vice Chairmen and a Chief Executive Officer.

12.2 The Chairman, in addition to the duties and responsibilities assigned to the same by the legislation in force from time to time and by these Articles of Association, shall call the Board of Directors' Meetings, set the agendas, co-ordinate the work, ensuring also that priority is given to matters of strategic importance and that enough information on the Board meeting agendas is circulated to all the Directors.

12.3 When the Chairman is absent or unavailable, these tasks are performed by a Vice-Chairman.

12.4 When the Chairman and the Vice-Chairmen are absent or unavailable, these tasks are performed by the Director longest in office or, in case of equal duration in office, by the oldest in terms of age.

### **Article 13 – Board Meetings**

13.1 The Board of Directors will meet at the Company's registered offices or at the location specified in the calls to meetings, as long as in the national territory, usually at least once every two months and in any case whenever the Chairman deems it necessary or upon the written request of at least one-third of the Directors or by the Board of Auditors.

13.2 The Chairman, or whoever replaces him, shall call the Board meetings by way of notice containing the agenda and to be sent by registered letter with return receipt or by using any means suitable for providing proof of receipt, at least three days before the meeting date. If urgent, the notice of call may be sent at least twelve hours before said meeting by the aforementioned mode.

13.3 In the absence of a formal notice of call, the meeting attended by all the members of the Board of Directors and of the Board of Statutory Auditors in charge shall be in any case considered validly constituted and entitled to resolve.

13.4 Board meetings may also be held by way of long-distance communication means, such as conference calls or video conference calls, provided that all Directors attending said meeting can be identified and that they can follow the discussions, intervene in real time, express their votes as well as receive, transmit or inspect documents. Save for the cases in which meetings are held exclusively through remote connection systems, at least the Chairman and the Secretary (or the notary if appointed) must however be present at the venue at which the Board meeting is convened, where the meeting shall be considered to be held.

13.5 The General Manager attends the meetings of the Board of Directors; other members of General Management may be called on to be present, as well as, at the invitation of the Chairman, Company's managers, employees and associates.

**Article 14 – Board of Director resolutions**

14.1 Board of Director resolutions shall be deemed valid when the majority of the Board Members in office are present.

14.2 All resolutions shall be passed when the majority of the attending Board Members present in said meeting vote in favour of a resolution; if voting is equally divided on any issue, the relevant resolution shall be passed if the Director chairing the meeting applies his/her casting vote in favour of said issue.

14.3 Minutes of meetings of the Board of Directors shall be written into the appropriate Minutes Ledger and the Chairman of the meeting and the Secretary shall sign them.

14.4 Without prejudice to the duty of each director to declare his or her own interest in company transactions in accordance with Article 2391 of the Italian Civil Code, Directors report to the Board of Directors and to the Board of Auditors on the transactions in which the relevant Directors have an interest, on their own behalf or on behalf of third parties, or which are influenced by the person who acts in a managerial role or coordination capacity.

**Article 15 – Board of Director Powers – Non delegable competences**

15.1 Company management is assigned to the sole competence of the Board of Directors.

15.2 The Board of Directors shall have the widest powers pertaining to the ordinary and extraordinary management of the Company. Said Board of Directors shall perform all such actions, including acts of disposition, it deems fit to reach the company purpose, except for such actions provided for by law or by the Articles of Association that are reserved for the Shareholders' Meetings.

15.3 In addition to matters not to be delegated by law, the Board of Directors shall have full responsibility for the following:

- (a) approval of the business model, general planning and strategic guidelines, as well as risk objectives and company policies of governance and risk management, the periodic review of the same in order to guarantee their effectiveness over time, as well as the approval of strategic operations and the business and financial plans, the overall governance structure and the duties assigned to the Board of Directors by the regulatory provisions in force pertaining to risks and the internal control system;
- (b) adequacy assessment and approval of the company's organisational, administrative and accounting structure and approval of the bank's corporate governance structure and reporting systems;
- (c) drawing up of the financial statements and the proposal for distribution of the profits;

- (d) opening, transferring and closing of branch offices and representation offices in Italy and abroad;
- (e) distribution of instalments on dividends in accordance with current regulations;
- (f) appointment and determination of compensations to the General Manager and to the other managers, in accordance with the payment policies approved by the shareholders' Meeting;
- (g) approval and amendment of internal rules and regulations, including a policy to promote diversity and inclusivity;
- (h) possible establishment of committees or commissions with consulting or coordinating functions;
- (i) purchase, sale, exchange and construction of real estate;
- (j) acquisition and sale of shareholdings, with the exclusion of shareholdings in other companies that involve unlimited liability for the obligations of the same;
- (k) purchase or sale of companies or branches of companies;
- (l) if the prerequisites exist, upon prior compulsory opinion of the Board of Statutory Auditors, the appointment of the managers responsible for preparing the corporate accounting documents, in compliance with the applicable law, establishing relevant powers and remuneration;
- (m) appointment and removal of the office of Internal Auditing, Compliance manager, Risk manager, Anti-Money Laundering manager and Internal Validation manager;
- (n) appointment and revocation of heads of functions by virtue of legislative and/or regulatory provisions;
- (o) referral to the arbitration of arbiters or amicable compositors;
- (p) supervision of the bank's public information and communication process;
- (q) approval, review and update of recovery plans, as well as their amendment and their update upon request of the Supervisory Authority;
- (r) adoption, upon request of the Supervisory Authority, of changes to be made to the operations, to the organisational structure or to the Company's or the Group's corporate form, and of other measures necessary to achieve the objectives of recovery plans, as well as removal of causes of early intervention;
- (s) decision to adopt measures provided in the recovery plan or to abstain from adopting measures despite circumstances requiring so.

15.4 In accordance with Article 2436 of the Italian Civil Code, the Board of Directors is also entrusted with the responsibility to adopt resolutions regarding mergers, in the cases provided for by Articles 2505 and 2505-*bis* of the Italian Civil Code, demergers, in the cases under the last Paragraph of Article 2506-*ter* of the Italian Civil Code, setting up and closing down of

secondary headquarters, indication of whom among the Directors have the power to represent the Company, reduction of share capital in case of a shareholder's withdrawal, adjustment of the Articles of Association to law provisions, transfer of the registered office in the national territory, pursuant to the second Paragraph of Article 2365 of the Italian Civil Code.

#### **Article 16 – Chief Executive Officer**

16.1 The Board of Directors, pursuant to legal and statutory provisions, may delegate its duties (unless they are not strictly reserved to its competence) to a Chief Executive Officer, setting the content, the limits and any manner of exercising such powers.

16.2 The delegated bodies shall report to the Board of Directors and to the Board of Auditors on the activity conducted, on the general management trend (including the trend in risks) and on predictable developments as well as on the most important operations of an economic, financial and property nature performed by the Company and its subsidiaries at least once every three months.

16.3 The Chief Executive Officer shall ensure that all resolutions taken by the Board of Directors are put into effect. Without prejudice to the provisions of article 5.3, the Board of Directors shall not delegate the powers and duties provided for by art. 2381, paragraph 4 of the Italian Civil Code nor the powers and duties of article 15 herein.

16.4 In case of absolute and unavoidable emergency, the Chief Executive Officer may take – with immediate effect in relation to third parties – decisions that are the duty of the Board of Directors as long as such decisions are not required by mandatory legal and regulatory provisions to be taken by the Board of Directors. Said decisions shall be approved by the Board of Directors at the first Board Meeting thereafter.

16.5 At the invitation of the Chairman, the Chairman of the Internal Control, Risk and Sustainability Committee of the Parent Company or a member of the same committee may participate in meetings of the Board of Auditors.

#### **Article 17 – General Manager– Executives**

17.1 The Board of Directors may appoint a General Manager and establish his duties. The offices of Chief Executive Officer and General Manager may be cumulatively performed by the same person.

17.2 Where appointed, the General Manager is in charge of managing the current affairs of the company and of managing personnel, and is qualified to participate in Meetings of the administrative bodies.

17.3 The General Manager reports to the Managing Director, when appointed, or otherwise reports directly to the Board. The General Manager, where appointed, is in any case entrusted with the implementation of Board resolutions, in coordination with the Chief Executive Officer.

17.4 The Board of Directors may appoint one or more co-Managers or Deputy General Managers. In case the General Manager is absent or otherwise unavailable, the General Manager is replaced in all his/her functions by the deputy General Manager, where appointed, who is of highest seniority or, where several were appointed at the same time, by the deputy General Manager indicated by the Board of Directors.

17.5 In the event of non-existence, absence or impediment of all Deputy General Managers, the functions and powers in question shall be exercised by a Vice General Manager or by an employee of the Company appointed, if required, by the Board of Directors.

17.6 When acting before third parties, the signature of the person replacing the General Manager shall be proof that the General Manager is absent or otherwise unavailable.

17.7 If appointed, the Manager responsible for drawing up the company accounting records must be in possession of the standards required by the law and regulations from time to time in force, to execute his/her office.

## **Article 18 – Representational Powers**

18.1 The Chairman, or the Vice Chairman, if appointed and if the Chairman is absent or otherwise unavailable, shall represent the Company, severally, before third parties and in the courts of law with the power to bring lawsuits, challenges and petitions before any administrative and judicial authority.

18.2 The Chief Executive Officer, if appointed, or the General Manager is responsible for representing the Company within the confines and limits of the duties established by the Board of Directors, in compliance with the Articles of Association and the applicable law, and has representation powers in relation to the implementation of Board resolutions.

18.3 The signature of the person replacing the Chairman, the Vice Chairmen, the Managing Director and the General Manager shall constitute sufficient proof for the benefit of third parties of the absence or impediment of the same.

18.4 The Chief Executive Officer and, if appointed, the General Manager, shall represent the Company and sign for and on behalf of the Company within the confines and limits of the duties delegated to them by the Board of Directors, in order to simplify the performance of normal banking tasks.

18.5 The Board of Directors may also delegate special representational powers to non- company

people for a single task or categories of tasks.

18.6 The Managing Director and the General Manager may grant special mandates, but within the limits of delegated powers established by the Board of Directors.

18.7 The Chairman, or whoever takes his place in accordance with the first paragraph, may issue powers of attorney for the performance of single acts or categories of acts.

## SECTION V

### BOARD OF AUDITORS AND AUDITING

#### **Article 19 – Board of Auditors**

19.1 The Board of Auditors shall include, in accordance with the resolutions of the Shareholders' Meeting, three or five statutory auditors and two substitute auditors.

19.2 The ordinary Meeting appoints the standing and alternate members and the Chairman of the Board of Auditors and establishes their remuneration for the entire period of their mandate. The Statutory Auditors are entitled to the refund of the expenses incurred in the performance of their office.

19.3 The auditors shall be appointed for three financial years and their mandate shall expire on the date the Shareholder's Meeting called to approve the financial statements pertaining to the third financial year of said auditors' mandate is held; they may be re-appointed. An auditor may only be removed by the Shareholders for just cause; the resolution to remove them must be approved by a court order after the pertinent auditor has given witness.

19.4 Statutory auditors shall be suitable to the performance of the office and, in particular, shall meet the eligibility, professional good repute and independence requirements and comply with the skills, fairness and time commitment criteria and the limits on the maximum number of offices set forth by the law in force *pro tempore*.

In particular, at least one of the Standing Statutory Auditors, if they are three, or at least two of the Standing Statutory Auditors, if they are a number greater than three, and, in any case, at least one of the Alternate Statutory Auditors shall be enrolled in the register of auditors and shall have exercised auditing activities for a period of time not less than three years.

19.5 The composition of the Board of Statutory Auditors shall ensure gender balance, in accordance with applicable laws in force, including regulations.

19.6 If during the mandate, one or more Standing Statutory Auditors forfeit from office for any reason, the Alternate Statutory Auditors succeed in compliance with the professional requirements provided by the applicable law, including regulations, from time to time in force and in compliance with gender balance and, subordinately, in order of age. The Alternate



Statutory Auditors who succeed shall be in charge until the next Shareholders' Meeting, which shall necessarily complete the Board of Statutory Auditors.

19.7 Meetings of the Board of Statutory Auditors may also be held by teleconference or videoconference, provided that all the participants may be identified and are able to follow the debate and intervene in real time in the discussion of the topics addressed. If these requirements are met, the Board of Statutory Auditors is considered to have been convened at the venue attended by the Chairman of the meeting.

19.8 The Board of Statutory Auditors carries out – among other things – the functions attributed to it by the laws in force.

In particular, the Board of Statutory Auditors shall oversee: (i) compliance with the provisions of law, of regulations and of the Articles of Association; (ii) compliance with the principles of proper administration; (iii) the adequacy of the organisational, administrative and accounting structures adopted by the company as well as their practical functioning; (iv) the adequacy and functionality of the entire system of internal controls; (v) the adequacy of the system of management and control of risks, with particular reference to the systems for determining capital standards; (vi) any other act or fact provided for by applicable primary and secondary regulations.

19.9 The Board of Statutory Auditors shall also verify the efficacy and proper coordination of all functions and structures implicated in the system of internal controls, including the company assigned to audit the accounts, making corrective interventions where required while making use of the control structures and functions internal to the company.

19.10 The Board of Statutory Auditors shall monitor compliance with legal provisions relating to conflicts of interest, and shall make reference to the same in the annual report to the ordinary Shareholders' Meeting.

19.11 The Board of Statutory Auditors shall inform the Bank of Italy without delay about any facts or acts which come to its attention and which may constitute an irregularity in the management of the Bank or an infringement of the rules governing banking activity.

19.12 Without prejudice to the obligation contained in the preceding paragraph, the Board of Statutory Auditors shall communicate to the Board of Directors any failures and irregularities which it discovers and request the adoption of corrective measures whose effectiveness it shall verify over time.

19.13 The Board of Statutory Auditors shall be heard about decisions relating to the appointment of persons in charge of internal control functions, and on any decision concerning the definition of the essential components of the system of internal controls.

19.14 Statutory Auditors, in carrying out the relevant checks and verifications, may make use of the structures and functions within the internal control system and also may carry out inspections and controls at any time and also on an individual basis.

19.15 The Board of Statutory Auditors may request information from Directors (also in relation to subsidiaries) on the course of company operations or on particular company matters. The Board of Statutory Auditors may also exchange information with the corresponding bodies of the subsidiaries and of the parent company relating to systems of administration and control and the general course of company activities.

19.16 Statutory Auditors shall, on the occasion of approval of the year-end balance sheet, report on the supervisory activity carried out by them and on any omissions and facts worthy of censure which may have arisen.

19.17 The Board of Statutory Auditors is assigned the functions of the internal control and auditing committee. In particular, it monitors the financial information process, the auditing of the accounts and independence of the external auditing company.

19.18 The Board of Statutory Auditors is also assigned all tasks attributed by primary and secondary regulations in force at any time.

19.19 The Statutory Auditors shall participate in ordinary Shareholders' Meetings and in meetings of the Board of Directors.

19.20 Upon invitation of the Chairman, the Chairman of the Internal Control, Risk and Sustainability Committee of the Parent Company or a member of the same committee may participate in meetings of the Board of Statutory Auditors.

## **Article 20 – Auditing of Company accounts**

20.1 The auditing of Company accounts shall be performed by a registered auditing firm.

20.2 The requisites, functions, appointment of the mandate, liability and the activities of the auditing firm shall be governed by law.

## **SECTION VI**

### **FINANCIAL STATEMENTS AND PROFIT**

#### **Article 21 – Financial Year**

21.1 The financial years shall close 31 (thirty-first) December each year

21.2 The Board of Directors draws up the financial statements in accordance with the principles and criteria stated in Article 2423 of the Italian Civil Code and all other applicable regulation.

**Article 22 – Profit Allocation**

22.1 The annual net profit entered into the financial statements, less five per cent to be allocated to legal reserves until the legal threshold has been reached, shall be allocated to the Shareholders, unless otherwise decided by the Shareholders during a Shareholders' Meeting.

22.2 The Company may resolve to distribute advance payments on dividends in accordance with the law.

**SECTION VII****WINDING UP AND RECEIVERSHIP****Article 23 – Winding up**

23.1 In the event the Company has to be wound up, the Shareholders will decide how the Company shall be wound up and they will appoint one or more receivers and decide on their powers and remuneration.

**SECTION VIII****FINAL PROVISIONS****Article 24 – Provisions of the law**

24.1 Any matter not provided for in these Articles of Association shall be governed by the laws and regulations in force on the matter.

**Article 25 – Transitional Provisions**

25.1 The provisions of articles 10.3 and 10.19, which are designed to ensure compliance with legislative and regulatory provisions concerning gender balance, shall be applicable from the first complete renewal of the Board of Directors which shall take place subsequent to 1 January 2022 and, in any case, within 30 June 2024.

25.2 The provisions of articles 19.5 and 19.6, which are designed to ensure compliance with legislative and regulatory provisions concerning gender balance, shall be applicable from the first complete renewal of the Board of Directors which shall take place subsequent to 1 January 2022 and, in any case, within 30 June 2024.

Signed   Graziano Tarantini

Manuela Agostini, Notary