

*This document is a courtesy translation into English of the Board of Directors' Report on the proposed amendments to the Bylaws. In case of any discrepancies between the English and the Italian version, the Italian version shall prevail.*



**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS  
OF BANCO BPM S.P.A.**

**CONCERNING THE ITEM 1 ON THE AGENDA OF THE EXTRAORDINARY  
SHAREHOLDERS' MEETING**

(pursuant to Article 125-ter of Legislative Decree no. 58 of February 24, 1998, as  
subsequently amended)

**Extraordinary Shareholders' Meeting dated February 23, 2026**

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**Explanatory report of the Board of Directors of Banco BPM S.p.A., pursuant to Article 125-ter of Legislative Decree no. 58/1998 as subsequently amended, and to Article 72 and to the chart no. 3 of the Annex 3A of the regulation adopted by resolution of Consob dated May 14, 1999 no. 11971 as subsequently amended**

**Proposals of amendment of Articles 20.4., 20.5., 20.6., 20.7., 20.8. e 24.4. of the by-laws of Banco BPM S.p.A.**

Dear Shareholders,

this Report (herein referred to as the "**Report**") pursuant to Article 125-ter of Legislative Decree no. 58/1998 as subsequently amended ("**Italian Consolidated Financial Act**"), and to Article 72 and to the chart no. 3 of the Annex 3A of the regulation adopted by resolution of Consob dated May 14, 1999 no. 11971 as subsequently amended ("**Issuers' Regulation**") is intended to set out the explanation of the proposals of amendment of the by-laws of Banco BPM S.p.A. (the "**By-laws**" and the "**Bank**" or "**Banco BPM**") that the Board of Directors of Your Bank has resolved to submit for Your approval.

The proposals of amendment are aimed at implementing the new regulatory framework concerning the submission of slates of candidates for the office of director by the outgoing board of directors, pursuant to Article 147-ter.1 of the Italian Consolidated Financial Act and the related implementing regulatory provisions set forth under Article 144-quater.1 of the Issuers' Regulation.

## **1. Rationale of the proposed changes.**

As known, the Article 12 of Law no. 21 of March 5, 2024 (the "**Capital Markets Law**") introduced in the context of the Italian Consolidated Financial Act a new Article 147-ter.1, pursuant to which Italian companies whose shares are listed on a regulated market are granted with the faculty to provide in their by-laws for the submission of a slate by the outgoing board of directors, establishing a specific regulatory framework applicable in such circumstance. Said provision was implemented by Consob Resolution No. 23725 dated October 29, 2025, which introduced, *inter alia*, a new Article 144-quater.1 in the context of the Issuers' Regulation.

Without prejudice to the above, Article 20 of the By-laws already provides for the possibility for the outgoing Board of Directors to submit its own slate of candidates for the office of director, regulating in an organic and detailed manner the procedures for the formation and submission thereof on the basis of the corporate and banking law rules applicable at the relevant time, as well as the recommendations set forth in the Corporate Governance Code for listed companies.

However, the aforementioned new regulatory framework introduces certain amendments to the previous regulatory framework governing the formation, submission and voting of the slate submitted by the outgoing board of directors of listed companies.

That being said, the current By-laws of the Bank appears, in its procedural aspects, to be largely already compliant with the aforementioned new regulatory framework.

It is however deemed necessary to intervene on the By-laws, through specific and targeted amendments on specific aspects, for the purpose of aligning the By-laws with the new regulatory framework.

Furthermore, according to the *rationale* of the Capital Markets Law and to the principle of proportionality set forth therein, it is deemed appropriate to submit to Your approval a by-laws

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provision which, to the extent permitted for each individual issuer under the new regulatory framework, provides for the granting to minority slates with a broader representation within the board of directors than the minimum required by the relevant mandatory provisions and already provided for under the By-laws, as further specified below.

**2. Comparison of the articles of the By-laws proposed to be amended, setting out the wording currently in force and the proposed wording, together with an illustration of the relevant changes.**

The potential amendments to the by-laws' provisions subject to Your approval are set out below, with the relevant changes highlighted against the text of the current By-laws.

<u>CURRENT TEXT</u>	<u>NEW TEXT</u>
<b>20.4 Lists of candidates</b>	<b>20.4 Lists of candidates</b>
<p><b>20.4.1</b> Members of the Board of Directors are appointed on the basis of lists in which candidates are assigned consecutive numbers. In case of submission of a number of candidates equal to, or exceeding, 3 (three) the list shall be composed so to comply with the gender proportions provided under applicable laws.</p>	<i>Unchanged</i>
<p><b>20.4.2.</b> The lists of candidates for the office of director can be submitted:</p> <p>(i) by the Board of Directors (the "<b>List of the Board</b>"). The composition and the submission of the List of the Board must be approved, after non-binding opinion of the Nominations Committee, with a favourable vote of 11 (eleven) directors in office;</p> <p>(ii) by one or more shareholders which are collectively holders of a shareholding equal to at least 1% (one per cent) of the share capital of the Company having right to vote in the ordinary Shareholders' Meeting or any other percentage established under the applicable law and which will from time to time be communicated in the notice of call of the Shareholders' Meeting called to resolve upon the appointment of the Board of Directors (the "<b>List of Shareholders</b>"); and</p> <p>(iii) by one or more shareholders that are simultaneously working employees of the Company or subsidiaries and who collectively have a shareholding equal to at least 0,12% (zero point twelve per cent) of the share capital of the Company (the "<b>List of Employee-Shareholders</b>").</p>	<i>Unchanged</i>
Ownership of the minimum stake in the share	<i>Unchanged</i>

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<p>capital for the presentation of lists under (ii) and (iii) is determined with regard to the shares registered to each individual shareholder, or of more shareholders jointly, on the day on which the lists are submitted to the Company. The ownership of the number of shares necessary for the submission of the lists must be proven in accordance with applicable law; such proof may be received by the Company even after the filing provided at least twenty-one days before the date of the Shareholders' Meeting in the manner provided for by applicable law.</p>	
<p>On penalty of inadmissibility:</p>	<p><i>Unchanged</i></p>
<p>a. the lists of candidates must be deposited with the registered office, including through means of distance communication defined by the Board of Directors and indicated in the notice of call, enabling identification of the subjects proceeding to the deposit, within the twenty-fifth day preceding the date of the Shareholders' Meeting and are made available to the public at the registered office, on the Company's website and with the other procedures prescribed by the laws applicable from time to time, at least twenty-one days before the date of the Shareholders' Meeting;</p>	<p>a. the lists of candidates, <b><u>other than the List of the Board</u></b>, must be deposited with the registered office, including through means of distance communication defined by the Board of Directors and indicated in the notice of call, enabling identification of the subjects proceeding to the deposit, within the twenty-fifth day preceding the date of the Shareholders' Meeting and are made available to the public at the registered office, on the Company's website and with the other procedures prescribed by the laws applicable from time to time, at least twenty-one days before the date of the Shareholders' Meeting;</p>
<p>b. each shareholder may submit or concur to submit, and vote for one list of candidates only, even if through a third party. Shareholders belonging to the same group – meaning the parent, the subsidiaries and the companies subject to common control – and the shareholders that are part to a shareholders' agreement provided for by Article 122 of Legislative Decree 24 February 1998 n. 58, relating to the Company's shares cannot submit, nor can those with voting rights vote for, more than one list, even if through a third party or through a fiduciary company. Shareholders submitting a list and being distinct from the shareholders holding a controlling or relative majority stake must also submit a declaration attesting to the absence, in respect of such shareholders, of connection qualified as relevant under applicable law. Each candidate may be present one list only, under penalty of ineligibility;</p>	<p><i>Unchanged</i></p>
<p>c. the List of the Board must meet the</p>	<p>c. the List of the Board must meet the</p>

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<p>following requirements: (i) it must contain 15 (fifteen) candidates; (ii) in the first two slots, there shall be indicated the candidate for the office of Chairman of the Board of Directors, in the first place, and of Chief Executive Officer, in the second place; (iii) in the third slot, there shall be indicated the candidate for the office of Vice Chairman of the Board of Directors;</p>	<p>following requirements: (i) it must contain <del>15 (fifteen)</del> <b>20 (twenty)</b> candidates; (ii) in the first two slots, there shall be indicated the candidate for the office of Chairman of the Board of Directors, in the first place, and of Chief Executive Officer, in the second place; (iii) in the third slot, there shall be indicated the candidate for the office of Vice Chairman of the Board of Directors;</p>
<p>d. the composition of the List of the Shareholders and the List of Employee-Shareholders does not need to comply with the above letter c. The submission of lists with less than 15 (fifteen) candidates is therefore permitted, provided that: (i) the lists that provide for a number of candidates equal to, or above, 3 (three) shall include candidates of different gender, in order to ensure that the composition of the Board of Directors complies with the gender balance provided by the law and applicable regulations; (ii) they must also contain a number of candidates who meet the independence requirements set out under Article 20.1.6. equal to at least 8 (eight) candidates where the list is composed of 15 (fifteen) candidates or at half (by approximation to the unit below if the first decimal point is equal to or below 5, or to the unit above, in the other cases) if the list is composed of less than 15 (fifteen) candidates;</p>	<p>d. the composition of the List of the Shareholders and the List of Employee-Shareholders does not need to comply with the above letter c <del>The submission of lists with less than 15 (fifteen) candidates is therefore permitted,</del> provided that: (i) the lists that provide for a number of candidates equal to, or above, 3 (three) shall include candidates of different gender, in order to ensure that the composition of the Board of Directors complies with the gender balance provided by the law and applicable regulations; (ii) they must also contain a number of candidates who meet the independence requirements set out under Article 20.1.6. equal to at least 8 (eight) candidates where the list is composed of 15 (fifteen) candidates or at half (by approximation to the unit below if the first decimal point is <del>equal to or below</del> 5, or to the unit above, in the other cases) if the list is composed of less than 15 (fifteen) candidates;</p>
<p>e. where not otherwise specified by the applicable laws in force, together with each list, within the time limit for depositing the same indicated in the preceding letter a), all further documentation and declarations required by law, including of a regulatory nature, must be submitted to the registered office of the Company, as well as the information relating to those who submitted the lists, with indication of the total percentage of shares held, exhaustive information on the personal and professional characteristics of the candidates, the declarations with which the individual candidates accept their own candidature and attest, at their own responsibility, to the absence of causes of ineligibility and incompatibility and the existence of the requirements prescribed by the law, regulations and Bylaws for carrying out the office of Board Member, the list of positions as director and statutory auditor carried out in other companies and the potential</p>	<p>Unchanged</p>

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<p>declaration of meeting the requirements of independence set out under these Bylaws as well as any information useful for the complete assessment of suitability for the role held, according to the scheme that will be made public in advance by the Company, also taking into account the guidelines of the Regulatory Authority;</p>	
<p>f. in addition to the documentation set out in the preceding letter e., the employee-shareholders that submit the List of Employee-Shareholders must file the documentation proving the status as employees of the Company or its subsidiaries.</p>	<p><i>Unchanged</i></p>
<p><b>20.4.3.</b> Lists submitted without complying with the above provisions shall be considered as not submitted. However, failure to provide documentation on individual candidates in a list does not entail the exclusion of the whole list, but only of those candidates to whom the irregularities are attributed.</p>	<p><i>Unchanged</i></p>
<p><b>20.4.4.</b> The List of the Board must be deposited and made public using the same procedures established for the lists submitted by the shareholders.</p>	<p><b>20.4.4.</b> The List of the Board must be deposited and made public <b><u>within the term set forth by the regulations in force from time to time</u></b> using the same procedures established for the lists submitted by the shareholders.</p>
<p><b><i>The number of candidates for the office of director, in the event of a slate submitted by the Board of Directors, must be increased to 20 individuals (from the current 15) in order to comply with the requirements set out in paragraph 1(b) of Article 147-ter.1 of the Italian Consolidated Financial Act.</i></b></p> <p><b><i>The term for filing the slate of the outgoing Board of Directors must be consistent with that provided for by current legal framework (currently paragraph 2 of Article 147-ter.1 of the Italian Consolidated Financial Act, i.e. 40 days before the shareholders' meeting).</i></b></p>	
<p><b>20.5. Voting</b></p>	<p><b>20.5. Voting</b></p>
<p><b>20.5.1.</b> In the event that more than one list of candidates is submitted, the appointment of Board Members shall be made as follows:</p>	<p><i>Unchanged</i></p>
<p>(a) 12 (twelve) directors or the lower number of directors covering all the candidates indicated in such list, based on the sequential order in which they were listed, are selected from the list that has obtained the majority of votes;</p>	<p>(a) <b><u>up to</u></b> 12 (twelve) directors or the lower number of directors covering all the candidates indicated in such list, based on the sequential order in which they were listed, are selected from the list that has obtained the majority of votes; <b><u>if the List of the Board is submitted and obtain the majority of votes, the directors referred to</u></b></p>

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	<p><u>under such list - as specified in letter (b) below - shall be selected as follows:</u></p> <ul style="list-style-type: none"> <li><u>i. the Shareholders' Meeting shall proceed to a further individual vote on each candidate, to which all those attending may participate, either directly or through a representative;</u></li> <li><u>ii. the candidates are ranked on the basis of the number of votes obtained by each of them, from highest to lowest;</u></li> <li><u>iii. the candidates who have obtained the majority of votes are elected, in proportion to the number of offices to be assigned;</u></li> <li><u>iv. in the event of parity of votes between candidates, it shall be followed the sequential order in which they were listed;</u></li> </ul>
	<p><u>(b) from the lists, other than the one that has obtained the majority of votes, and without prejudice to the provisions set out in letter (c) below, shall be selected:</u></p> <ul style="list-style-type: none"> <li><u>i. where the aggregate number of votes obtained by the first two of such lists by number of votes expressed in the shareholders' meeting does not exceed 20 (twenty) per cent of the total votes, 3 (three) directors;</u></li> <li><u>ii. where the aggregate number of votes obtained by the first two of such lists by number of votes expressed in the shareholders' meeting exceeds 20 (twenty) per cent of the total votes but is equal to or lower than 35 (thirty-five) per cent of the total votes, 4 (four) directors;</u></li> <li><u>iii. where the aggregate number of votes obtained by the first two of such lists by number of votes expressed in the shareholders' meeting exceeds 35 (thirty-five) per cent of the total votes but is equal to or lower than 50 (fifty) per cent of the total votes, 5 (five) directors;</u></li> <li><u>iv. where the aggregate number of votes obtained by the first two of such lists by number of votes expressed in the shareholders' meeting exceeds 50 (fifty) per cent of the total votes, 6 (six) directors;</u></li> </ul>



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	<u>directors:</u>
<p>(b) the remaining 3 (three) directors – or the higher number of directors in the event that from the list indicated in letter (a) above less than 12 (twelve) directors have been taken – are selected from the other lists as follows:</p>	<p><del>(b)</del> <b>(c)</b> the remaining 3 (three) <del>the</del> directors— or the higher number of directors in the event that from the list indicated in <b>referred to under</b> letter <b>(b)</b> <del>(a)</del> above less than 12 (twelve) directors have been taken —are selected from the other lists <b>other than the one that has obtained the higher number of votes</b> as follows:</p>
<p>1. where at least one List of Employee-Shareholders is regularly submitted and obtained votes: (i) 1 (one) director is selected from the List of Employee-Shareholders obtaining the highest number of votes among the Lists of Employee Shareholders; whilst (ii) the remaining 2 (two), or more than 2 (two), directors to be appointed pursuant to letter (b) above, are selected from the list, other than the list referred to under (i), according to the following criterion: the votes obtained by each list are divided by one, two, three, four and so on, according to the number of directors yet to be appointed. The quotients so obtained are attributed progressively to the candidates of each of said lists, according to the order respectively provided by the same. The quotients so attributed to the candidates of the various lists are set in a sole decreasing order: the candidates that have obtained the highest quotients and that are taken from lists that are not in any way related, under applicable law, to the list that has obtained the majority of votes shall be appointed as directors, up to the number of directors yet to be appointed. It is understood that, in any case, 1 (one) director shall be selected from the List of Employee-Shareholders even if the number of votes obtained by such list is below the number of votes obtained by the other lists;</p>	<p>1. where <del>at least one List of Employee-Shareholders is regularly submitted and obtained votes</del> <b>the List of the Board is not submitted or, if submitted, the latter has not obtained the majority of votes referred to under letter (a) above:</b> (i) 1 (one) director is selected from the List of Employee-Shareholders obtaining the highest number of votes among the Lists of Employee Shareholders <b>where at least one List of Employee-Shareholders is regularly submitted and obtained votes;</b> whilst (ii) the remaining <del>2 (two), or more than 2 (two),</del> directors to be appointed <b>to complete the composition of the Board of Directors pursuant to letter (b) above,</b> are selected from the list <b>lists, included the List of the Board, where submitted,</b> other than the list referred to under (i), according to the following criterion: the votes obtained by each list are divided by one, two, three, four and so on, according to the number of directors yet to be appointed. The quotients so obtained are attributed progressively to the candidates of each of said lists, according to the order respectively provided by the same. The quotients so attributed to the candidates of the various lists are set in a sole decreasing order: the candidates that have obtained the highest quotients and that are taken from lists that are not in any way related, under applicable law, to the list that has obtained the majority of votes shall be appointed as directors, up to the number of directors yet to be appointed. It is understood that, in any case, 1 (one) director shall be selected from the List of Employee-Shareholders even if the number of votes obtained by such list is below the number of votes obtained by the other lists;</p>
<p>2. where Lists of Employee-Shareholders are not submitted or are submitted but none of such Lists of Employee-Shareholders obtained votes or where the list that has</p>	<p>2. where <b>instead, the List of the Board is submitted and has obtained the majority of votes referred to under letter (a) above</b> <del>Lists of Employee-Shareholders are not submitted</del></p>



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<p>obtained the highest number of votes pursuant to letter (a) above is a list of Employee-Shareholders, the remaining 3 (three) or more directors are selected from the other lists that obtained votes – other than the list that resulted first pursuant to letter (a) above – according to the following criteria: the votes obtained by every list are divided by one, two, three, four and so on according to the number of members yet to be appointed. The quotients thereby obtained are assigned progressively to the candidates of each of these lists, according to the order in which they appear. The quotients thereby attributed to the candidates of the various lists are arranged in a single decreasing order: the candidates obtaining the highest quotients and that are selected from lists that are not in any way connected, pursuant to applicable law, to the list that has obtained the majority of votes, are appointed as Board members, up to the number of directors yet to be appointed.</p>	<p><del>or are submitted but none of such Lists of Employee Shareholders obtained votes or where the list that has obtained the highest number of votes pursuant to letter (a) above is a list of Employee Shareholders, the remaining 3 (three) or more directors are selected from the other lists that obtained votes—other than the list that resulted first pursuant to letter (a) above—</del> <b><u>(x) that have obtained a percentage equal to, or higher than, 3 (three) per cent of the votes (being understood in such case that the votes of the lists which have obtained a percentage of votes lower than such percentage shall be allocated proportionally to the votes obtained by the minority lists that have exceeded such threshold) or (y) in the event referred to under Article 20.5.1.(b)i., from the first two lists by number of votes,</u></b> according to the following criteria: the votes obtained by every list are divided by one, two, three, four and so on according to the number of members yet to be appointed. The quotients thereby obtained are assigned progressively to the candidates of each of these lists, according to the order in which they appear. The quotients thereby attributed to the candidates of the various lists are arranged in a single decreasing order: the candidates obtaining the highest quotients and that are selected from lists that are not in any way connected, pursuant to applicable law, to the list that has obtained the majority of votes, are appointed as Board members, up to the number of directors yet to be appointed.</p>
<p><b>20.5.2.</b> Without prejudice to the provisions of the following Articles 20.6 and 20.7, in the event it is not possible to complete the composition of the Board of Directors according to the procedure set out in Article 20.5.1(b) or the total number of candidates included in the lists is lower than the number of directors to be appointed, the remaining directors are appointed by resolution of the Shareholders' Meeting adopted by relative majority vote in accordance with the provisions set forth under Articles 20.1.2., 20.1.3., 20.1.5., 20.1.7., 20.3.1., 20.3.2. and 20.3.3.</p>	<p><b>20.5.2.</b> Without prejudice to the provisions of the following Articles 20.6 and 20.7, in the event it is not possible to complete the composition of the Board of Directors according to the procedure set out in Article 20.5.1(<del>b</del>) or the total number of candidates included in the lists, <b><u>including the List of the Board, where submitted,</u></b> is lower than the number of directors to be appointed, the remaining directors are appointed by resolution of the Shareholders' Meeting adopted by relative majority vote in accordance with the provisions set forth under Articles 20.1.2., 20.1.3., 20.1.5., 20.1.7., 20.3.1., 20.3.2. and 20.3.3.</p>
<p><b>The voting procedures for the candidates indicated on the slate of the outgoing Board of Directors shall be aligned with the provisions of paragraph 3(a) of Article 147-ter.1 of the Italian Consolidated Financial Act, thus providing for a second individual vote on the</b></p>	

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**individual candidates referred to under such slate should the latter rank first by number of votes obtained.**

**Furthermore, the procedures for the allocation of the offices reserved to minority slates, should the slate submitted by the outgoing Board of Directors rank first by number of votes obtained, shall be aligned with Article 147-ter.1, paragraph 3(b), of the Italian Consolidated Financial Act, by granting the minority slates with the candidates to which they are entitled under the By-laws, proportionally with the votes obtained within the shareholders' meeting, as well as in compliance with the corrective mechanisms identified by the applicable legal and regulatory framework.**

**It is also deemed appropriate to provide for an increase in the number of offices to be allocated to minority slates, according to a clear and transparent mechanism based on the votes obtained by the lists which are entitled, in compliance with the new Article 147-ter.1 of the Italian Consolidated Financial Act, in line with the rationale underlying its introduction by the Capital Markets Law, and concurrently safeguarding the stability of the Bank's governance, ensuring that the majority list is granted at least with nine candidates.**

**Finally, it is necessary to amend the current By-laws' provisions concerning the procedures for allocating a director to the Employees-Shareholders slate, providing that this slate, in the event that the slate of the outgoing Board of Directors is submitted and ranks first by number of votes, shall participate, like the other shareholders' slates, in the election of minority directors proportionally with the votes obtained, without privileges in the allocation of newly elected directors, for the purpose of aligning the provisions of the By-laws with the principle of proportionality between minority directors appointed and votes obtained within the shareholders' meeting by minority slates, as provided for by the current regulations. The allocation proceedings of a director from the List of Employee-Shareholders remain unchanged in the scenario where the slate of the outgoing Board of Directors has not been submitted or where the slate of the outgoing Board of Directors has been submitted but it has not been ranked first by number of votes.**

20.6. Parity of quotients and ballot	20.6. Parity of quotients and ballot
<p><b>20.6.1.</b> In the cases governed by Articles 20.5.1(b)(1) and 20.5.1.(b)(2) where more than one candidate obtain the same quotient, the candidate of the list from which no Board Member has been appointed or from which the lowest number of Board Members has been appointed, shall be appointed (it being understood that in the case under Article 20.5.1.(b)(1), one director shall be taken from the List of Employee-Shareholders, where duly submitted, which has obtained the majority of votes among the Lists of Employee-Shareholders). If none of said lists has appointed a Board Member or if they have all appointed the same number of Board Members, the candidate of the one obtaining the highest number of votes shall be appointed. In the event of parity of votes on each list and also parity of quotient, a ballot shall take place, in which the whole Shareholders' Meeting shall vote again, with the appointment of the candidate obtaining the relative majority of</p>	<p><b>20.6.1.</b> In the cases governed by Articles 20.5.1<del>(b)</del> <b>(c)</b>(1) and 20.5.1.<del>(b)</del> <b>(c)</b>(2) where more than one candidate obtain the same quotient, the candidate of the list from which no Board Member has been appointed or from which the lowest number of Board Members has been appointed, shall be appointed (it being understood that in the case under Article 20.5.1.<del>(b)</del> <b>(c)</b>(1), one director shall be taken from the List of Employee-Shareholders, where duly submitted, which has obtained the majority of votes among the Lists of Employee-Shareholders). If none of said lists has appointed a Board Member or if they have all appointed the same number of Board Members, the candidate of the one obtaining the highest number of votes shall be appointed. In the event of parity of votes on each list and also parity of quotient, a ballot shall take place, in which the whole Shareholders' Meeting shall vote again, with the appointment of the candidate obtaining</p>

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votes, without prejudice to Articles 20.1.2., 20.1.3., 20.1.5., 20.1.7., 20.3.1., 20.3.2., and 20.3.3.	the relative majority of votes, without prejudice to Articles 20.1.2., 20.1.3., 20.1.5., 20.1.7., 20.3.1., 20.3.2., and 20.3.3.
<b>20.7. Supplementary mechanism</b>	<b>20.7. Supplementary mechanism</b>
<p><b>20.7.1.</b> If at the end of voting (i) Board Members meeting the independent requirements of Article 20.1.6 are not appointed in the number required by these Bylaws, or (ii) the composition of a Board of Directors does not allow to comply with the regulations in force regarding gender balance, a number of appointed candidates shall be excluded and replaced with candidates meeting the needed requirements, taken from the same list as the candidate to be excluded according to the progressive list order; in this regard, the non-independent candidate or the candidate from the most represented gender, appointed as last in the progressive order in the list that has obtained the majority of votes shall be excluded, and, where the substitution with another candidate taken from the same list does not allow to comply with the requirements at hand, the candidates taken from the other lists shall be excluded (and shall be substituted with candidates taken from the same list). If the number of Board Members to be appointed cannot be completed with this criterion, the missing directors shall be appointed – complying with the independence requirements set forth in Article 20.1.6. and gender balance – by the Shareholders' Meeting at that very meeting, by resolution adopted by relative majority of the share capital represented in the Shareholders' Meeting and having right to vote, upon proposal of the attending shareholders.</p>	<p><b>20.7.1.</b> If at the end of voting (i) Board Members meeting the independent requirements of Article 20.1.6 are not appointed in the number required by these Bylaws, or (ii) the composition of a Board of Directors does not allow to comply with the regulations in force regarding gender balance, a number of appointed candidates shall be excluded and replaced with candidates meeting the needed requirements, taken from the same list as the candidate to be excluded according to the progressive list order, <b><u>where applicable, as resulting from the individual vote referred to in the Article 20.5.1(a)i. above</u></b>; in this regard, the non-independent candidate or the candidate from the most represented gender, appointed as last in the progressive order in the list that has obtained the majority of votes shall be excluded, and, where the substitution with another candidate taken from the same list does not allow to comply with the requirements at hand, the candidates taken from the other lists shall be excluded (and shall be substituted with candidates taken from the same list). If the number of Board Members to be appointed cannot be completed with this criterion, the missing directors shall be appointed – complying with the independence requirements set forth in Article 20.1.6. and gender balance – by the Shareholders' Meeting at that very meeting, by resolution adopted by relative majority of the share capital represented in the Shareholders' Meeting and having right to vote, upon proposal of the attending shareholders.</p>
<b>20.8. Appointment of the Chairman and the Vice Chairman of the Board of Directors</b>	<b>20.8. Appointment of the Chairman and the Vice Chairman of the Board of Directors</b>
<p><b>20.8.1.</b> The Chairman and Vice Chairman of the Board of Directors are taken, respectively, from the first and third names on the list that appointed the highest number of directors pursuant to Article 20.5.1. In case no list is presented or where there is not a list that has appointed the highest number of directors, or where the persons indicated in the first and third place of the list that has</p>	<p><b>20.8.1.</b> The Chairman and Vice Chairman of the Board of Directors are taken, respectively, from the first and third names <b><u>(i) indicated in the context of the submission of the List of the Board, where they are appointed following the additional individual vote referred to under Article 20.5.1.(a)i. or (ii)</u></b> on the list that appointed the highest number of directors pursuant to Article 20.5.1.. In case</p>

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<p>appointed the majority of directors have accepted the office of director but not the office of Chairman or Vice Chairman, the Chairman and Vice Chairman of the Board of Directors are appointed by the Board of Directors, with the ordinary majorities provided for by Article 23.4.1. of the Bylaws.</p>	<p>no list is presented or where there is not a list that has appointed the highest number of directors, or where the persons indicated in the first and third place of the list that has appointed the majority of directors have accepted the office of director but not the office of Chairman or Vice Chairman, the Chairman and Vice Chairman of the Board of Directors are appointed by the Board of Directors, with the ordinary majorities provided for by Article 23.4.1. of the By-laws.</p>
<p><b>The additional provisions required by the new regulations must be included, together with those linking them to the provisions of the By-laws already in force.</b></p>	
<p><b>24.4. Nomination Committee, Remunerations Committee, Internal Control, Risk and Sustainability Committee, Related Party Committee and other Committees</b></p>	<p><b>24.4. Nomination Committee, Remunerations Committee, Internal Control, <u>and</u> Risk and Sustainability Committee, Related Party Committee and other Committees</b></p>
<p><b>24.4.1.</b> The Board of Directors establishes within itself, in compliance with the provisions applicable from time to time, the following Committees, as regulated below. The Committees are entrusted with the functions and roles provided in respect to each of them under applicable laws, and applicable regulations, and by the code of conduct on corporate governance issued by the regulated stock exchange management company which the Company adhered to.</p>	<p><i>Unchanged</i></p>
<p><b>Nomination Committee</b></p> <p>The Board of Directors establishes within itself a nomination committee (the "<b>Nomination Committee</b>"), approving the Regulation that determines its competences and functioning, in accordance with surveillance regulations. The Committee is composed of 3 (three) directors, all non-executives, and the majority of which (among which the person to be elected as chairman) holding the independence requirements of Article 20.1.6.</p>	<p><i>Unchanged</i></p>
<p><b>Remunerations Committee</b></p> <p>The Board of Directors establishes within itself a remunerations committee (the "<b>Remunerations Committee</b>"), approving the Regulation that determines the competences and functioning, in accordance with surveillance regulations. The Committee is composed of a minimum of 3 (three) members, all non-executives and the majority of which (among which the</p>	<p><i>Unchanged</i></p>

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<p>person to be appointed as chairman) holding the independence requirements of Article 20.1.6.</p>	
<p><b>Internal Control, Risk and Sustainability Committee</b></p> <p>The Board of Directors establishes within itself, preparing the Regulation, an "Internal Control, Risk and Sustainability Committee", approving the Regulation that determined and competences and functioning in accordance with surveillance regulation. The Internal Control, Risk and Sustainability Committee is composed of 5 (five) members, all non-executives and the majority of which (among which the person to be appointed as chairman) holding the independence requirements of Article 20.1.6.</p>	<p><b>Internal Control, <u>and</u> Risk <del>and Sustainability</del> Committee</b></p> <p>The Board of Directors establishes within itself, preparing the Regulation, an "Internal Control, <u>and</u> Risk <del>and Sustainability</del> Committee", approving the Regulation that determined and competences and functioning in accordance with surveillance regulation. The Internal Control, <u>and</u> Risk <del>and Sustainability</del> Committee is composed of 5 (five) members, all non-executives and the majority of which (among which the person to be appointed as chairman) holding the independence requirements of Article 20.1.6.</p> <p><b><u>If the List of the Board has obtained the majority of votes at the shareholders' meeting, the Board of Directors shall appoint the Chairman of the Internal Control and Risk Committee, selecting such Chairman among the independent directors referred to in Article 20.1.6 who have not been selected from the List of the Board.</u></b></p>
<p><b>Related Party Committee</b></p> <p>The Board of Directors establishes within itself a related party Committee (the "Related Party Committee"), approving the regulation that determines the competences and functioning in accordance the applicable legal and regulatory framework. The Committee is composed of 3 (three) members, all holding the independence requirements of Article 20.1.6.</p>	<p><i>Unchanged</i></p>
<p><b>Other Committees</b></p> <p>The Board of Directors has, in any case, the power to establish, approving the relating Regulations, additional committees with consulting, structuring and proposing powers. Each committee shall include at least a component holding the independence requirements of Article 20.1.6.</p>	<p><i>Unchanged</i></p>
<p><b><i>The rules on the chairmanship of the Internal Control and Risk Committee shall be aligned with the new legal and regulatory framework which, should the slate of the outgoing Board of Directors be ranked first by number of votes, provides for the designation of the Chairman of the Committee among the independent directors who are selected from a slate other than the one of the outgoing board.</i></b></p>	



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**The amendment to the name of the Committee is aimed at aligning the latter to the new name of the Committee following the introduction of the Sustainability Committee.**

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The full text of the By-laws, amended as illustrated above, is attached herein under "Annex A".

### **3. Assessment of the Board of Directors related to the eventual exercise of the withdrawal right**

The amendments to the By-laws referred to herein, whether approved, do not give rise to the withdrawal right for shareholders who did not participate in the relevant resolution, provided that such amendments are connected with the implementation of Capital Markets Law and, however, do not fall within any of the cases giving rise to a withdrawal right set out by applicable law, also taking into account that the possibility for the outgoing Board of Directors to submit a slate of candidates for the office of director is already provided for in the current By-laws.

### **4. Authorizations**

The amendments to the by-laws referred to herein are subject to the authorization of the Supervisory Authority pursuant to Articles 56 and 61 of the Legislative Decree no. 385/1993.

### **5. Resolution proposed to the Extraordinary Shareholders Meeting**

In the light of the foregoing, the Board of Directors of Banco BPM S.p.A. submits to the Extraordinary Shareholders' Meeting the following proposed resolution:

*"The Extraordinary Shareholders' Meeting of Banco BPM S.p.A.:*

- *having acknowledged the Explanatory Report of the Board of Directors on the proposed amendments to the By-laws and the proposals set forth therein;*
- *having acknowledged that the required statutory authorizations have been obtained;*

#### **RESOLVES**

1. *to amend Articles 20.4., 20.5., 20.6., 20.7., 20.8. and 24.4. of the by-laws of Banco BPM S.p.A., approving the changes highlighted in the text referred to under the Explanatory Report, for the reasons illustrated therein;*
2. *to grant the Board of Directors, and for the latter the Chief Executive Officer, severally and with the power to subdelegate, all powers as may be necessary or appropriate for the implementation and full execution of this resolution, with every and any power necessary or even appropriate for such purpose, none excluded, including the power to prepare any related document, to make all non-substantive amendments, additions, or deletions to this resolution as may be necessary or appropriate, also for the purposes of the registration within the Companies Register, including each amendment necessary or appropriate due to technical or legal reasons or may be required by the competent Authority, as well as to properly and promptly execute all formalities, acts, and obligations connected and consequent to this resolution, undertaking any initiative necessary, or even merely appropriate, for its implementation, hereby ratifying and confirming as valid any action taken."*

Milan January 20, 2026

**The Board of Directors**

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**Annex A**

**By-laws**



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## BY-LAWS

### TITLE I -

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

##### Art. 1. - Incorporation and company name

- 1.1. Banco BPM Società per Azioni (the "**Company**") was incorporated, in accordance with the merger plan approved on 24 May 2016 (as integrated until 12 September 2016) (the "**Merger Plan**"), by deed no. 13,501/7,087 dated 13 December 2016, drawn up by the Notary Public Carlo Marchetti of Milan.
- 1.2. The Company was formed as a result of the merger (the "**Merger**") between:
- (i) "Banco Popolare - Società Cooperativa" ("**BP**"), incorporated on 27 June 2007, as the resulting entity of the merger between the "Banco Popolare di Verona e Novara Soc. Coop. a r.l.", incorporated on 21 May 2002, which, in turn, resulted from the merger between "Banca Popolare di Verona – Banco S.Geminiano and S.Prospiero S.c. a r.l.", established on 21 June 1867, and "Banca Popolare di Novara S.c. a r.l.", established on 28 May 1871, and "Banca Popolare Italiana – Banca Popolare di Lodi Società cooperativa", established on 28 March 1864; and
  - (ii) "Banca Popolare di Milano – Società Cooperativa a responsabilità limitata", established on 12 December 1865 ("**BPM**").
- 1.3. The Company may operate using, among others, as traditional distinctive names with local relevance, "Banca Popolare di Verona", "Banca Popolare di Verona – Banco S.Geminiano e S.Prospiero", "Banco S.Geminiano e S.Prospiero", "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 Risparmio 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", "Banca di Legnano" and "Cassa di Risparmio di Alessandria", "Banca Popolare di Milano" as well as the company names and/or brands or distinguishing signs used over the years by BP and BPM and by the companies from time to time incorporated in the Company.
- 1.4. The Company operates in continuity with the values represented by the

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rooting of BP and BPM in their respective historical areas of reference.

- 1.5. The Company is organised according to Network Departments corresponding to one or more areas of traditional community markets.

## **Art. 2. - Duration**

- 2.1. The Company's duration has been set to 23 December 2114, and may be extended.

## **Art. 3. - Registered Office**

- 3.1. The Company's registered office is in Milan, and the administrative office is in Verona.
- 3.2. The Company, with resolution of the Board of Directors and in accordance with applicable law, may establish, cease and move secondary offices and representative offices, in Italy and abroad.
- 3.3. The establishment of the functions of the central and administrative structures of the Company, their deletion, substitution, transfer, or consolidation, may be resolved on, according to a balanced and coherent allocation between Verona and Milano, exclusively by the Board of Directors and shall not be deemed as an amendment of the By-laws.
- 3.4. At the date of establishment of the Company, in accordance with the Merger Plan, the functions of the central and administrative structures shall be allocated between Verona and Milano as follows:
  - (i) the following functions of the central structures shall be located in Verona: Accounting & Tax, Audit, Compliance, Credits, Divisional Banking Activities, Institutional/Public and Other Clients, Planning and Control, Retail Clients, Risks, General and Corporate Secretary, Equity Investments and Leasing;
  - (ii) the following functions of the central structures shall be located in Milan: Communication, Corporate, Finance, Private & Investment Banking, Investor Relations, Legal, M&A and Corporate Development, Operations/Organization, Human Resources, IT, Asset Management and Bancassurance.

## **Art. 4. - Corporate Purpose**

- 4.1. The Company's corporate purpose is to collect savings and provide loans in various forms, both directly and through subsidiaries.

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- 4.2.** In compliance with applicable regulations and after obtaining the necessary authorizations, the Company may carry out, directly or through controlled companies, all banking, financial and insurance transactions and services, including the setting up and management of open or closed-end pension schemes, and the other activities that may be performed by lending institutions, including issuance of bonds, the exercise of financing activity regulated by special laws and the sale and purchase of company receivables.
- 4.3.** The Company may carry out any other transaction that is instrumental to or in any way related to the achievement of its corporate purpose.
- 4.4.** To pursue its objectives, the Company may adhere to associations and consortia of the banking system, both in Italy and abroad.
- 4.5.** The Company, in its capacity as Parent Company of the Banking Group Banco BPM, pursuant to the laws from time to time in force, including Article 61, Paragraph 4, of Legislative Decree 385 of 1 September 1993, in exercising the activity of direction and coordination, issues guidelines to Group members, also for the purpose of executing instructions issued by the Regulatory Authorities and in the interest of the stability of the Group.
- 4.6.** The determination of the criteria for the coordination and direction of the Group companies, as well as for the implementation of the instructions issued by the Regulatory Authorities, is reserved to the exclusive competence of the Board of Directions of the Parent Company.

## **TITLE II-**

### **SUPPORT TO THE TERRITORIES OF HISTORICAL ROOTING**

#### **Art. 5. - Support to the territories of historical rooting**

- 5.1.** The Company grants special attention to the territories in which it is present through its own distribution network and that of the Group, also taking into account families, small and medium enterprises and cooperative companies.
- 5.2.** Without prejudice to Article 39, paragraph 1, of the Bylaws, the Board of Directors of the Company, subject to resolution of the ordinary Shareholders' Meeting, may allocate a portion of the net profit for the year resulting from the approved annual financial statements not exceeding 2,5% (two point five per cent) of such profit for the purposes of assistance,

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charity and public interest, to be used to support initiatives related to specific territories of reference.

**5.3.** This total amount will be divided between initiatives related to the areas of greater presence based on the percentages indicated below:

- 14.6% for initiatives to support the Banca Popolare di Verona Foundation in the Verona area and in the territories of the reference Network Department;
- 30% for initiatives to support the Banca Popolare di Milano Foundation in the Milan area and in the territories of the reference Network Department;
- 11.6% for initiatives to support the Banca Popolare di Lodi Foundation in the Lodi area and in the territories of the reference Network Department;
- 7.6% for initiatives to support the civil and social fabric in the Lucca area and in the territories of the reference Network Department;
- 11.6% for initiatives to support the Banca Popolare di Novara Foundation in the Novara area, in the Alessandria territories and in the territories of the reference Network Department;
- 7.6% for initiatives to support the civil and social fabric in the Rome area and in the territories of the reference Network Department;
- 1% for initiatives to support the Banco S.Geminiano e S.Prospero Religious Foundation;
- 8% for initiatives to support the Banco San Geminiano and San Prospero Foundation in the Modena territories and in the territories of the reference Network Department;
- 8% for initiatives to support the Credito Bergamasco Foundation in the Bergamo area and the territories of the reference Network Department.

**5.4.** The Board of Directors puts forth the appropriate directives and necessary guidelines regarding the policies on expenditure and social responsibility with assistance, charity and public interest purposes in compliance with the provisions of this article, ensuring their compliance. Such directives and guidelines are implemented by the territorial Foundations or, absent such Foundations, with the opinion or upon proposal of the consulting territorial committees, which, if established, shall have mere consulting roles.

### **TITLE III -**

#### **SHARE CAPITAL, SHARES, LIMIT ON VOTING RIGHTS, WITHDRAWAL**

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## **Art. 6. - Share capital and shares**

- 6.1.** The subscribed and paid-up share capital is equal to Euro 7,100,000,000.00 and is represented by no. 1,515,182,126 ordinary shares without nominal value.
- 6.2.** The issue of new shares may be decided by the Extraordinary Shareholders' Meeting with the capital attendance quorum and deliberative quorum provided for under the law applicable from time to time, with the power to mandate the Board of Directors, pursuant to Articles 2443 and 2420-ter of the Italian Civil Code, to increase the share capital or to issue convertible bonds, also with exclusion and/or limitation of the pre-emption right in accordance with paragraphs 4 and 5 of Article 2441 of the Italian Civil Code; the Company may avail itself of the rights provided by Article 2441, Paragraph 4, second period, of the Italian Civil Code. The contribution in kind may regard receivables and physical assets.
- 6.3.** The shares are nominal and indivisible. In the event of joint ownership of a share the rights of the joint owners must be exercised by a common representative, in compliance with the laws applicable from time to time. If the common representative has not been appointed, or if notice of such appointment has not been given to the Company, the communications and declarations made by the Company to any of the joint owners are effective towards all of them.
- 6.4.** The shares are transferable in accordance with the law.
- 6.5.** All the shares belonging to a same class attribute identical rights. Within the limits set out under applicable law, the Company may issue classes of shares having different rights, determining their content.
- 6.6.** The Company may resolve to assign profits to employees of the Company or controlled companies through the issuance of shares or other securities (different from the shares) to be assigned to employees in compliance with applicable law.

## **Art. 7. - Dividends**

- 7.1.** Dividends that are not collected within five years of the date they become payable will be devolved to the Company.

## **Art. 8. - Right to vote**

- 8.1.** Each ordinary share grants the right to one vote, notwithstanding the cases of suspension or disenfranchisement provided for by the Articles of Association or by applicable pro tempore regulations.

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#### **Art. 9. - Withdrawal of the shareholder**

**9.1.** The withdrawal of the shareholder is permitted only in the mandatory cases provided for by the law. In any case, the right of withdrawal is excluded for shareholders who did not participate in the approval of resolutions regarding:

- the extension of the term of duration of the Company;
- the introduction, modification or removal of restrictions on the circulation of shares.

**9.2.** The terms and procedures of the right of withdrawal, the criteria for determining the value of the shares and the related liquidation process are governed by law.

### **TITLE IV -**

#### **CORPORATE BODIES**

#### **Art. 10. - Corporate bodies**

**10.1.** The exercise of corporate functions, in accordance with their respective competence, is delegated to:

- a) the Shareholders' Meeting;
- b) the Board of Directors;
- c) the Chairman of the Board of Directors;
- d) the Chief Executive Officer;
- e) the General Management;
- f) the Board of Statutory Auditors.

### **TITLE V -**

#### **SHAREHOLDERS' MEETINGS**

#### **Art. 11. - Shareholders' Meetings**

**11.1.** The Shareholders' Meeting, when duly convened and constituted, represents all shareholders and the resolutions adopted in compliance with the law and these Bylaws are binding on all shareholders, even if absent or dissenting.

**11.2.** Shareholders' Meetings may be ordinary or extraordinary pursuant to law.

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**11.3.** The ordinary Shareholders' Meeting:

- (a).appoints, in the number established by the Bylaws and in accordance with Article 20.5., and revokes, the members of the Board of Directors, determines their compensation and appoints the Chairman and Vice Chairman in accordance with Article 20.8.;
- (b).appoints the Statutory Auditors and the Chairman of the Board of Statutory Auditors in accordance with Article 35. and determines their compensation;
- (c).resolves on the liability of the members of the Board of Directors and of the Boards of Statutory Auditors;
- (d).approves the annual financial statements;
- (e).decides on the allocation and distribution of profits;
- (f). appoints, upon motivated proposal of the Board of Statutory Auditors, and revokes or modifies, where necessary, having consulted the Board of Statutory Auditors, the company entrusted with the auditing of the accounts, determining its fees;
- (g).resolves on the approval: (i) of remuneration and incentives policies for Members of the Board of Directors, Statutory Auditors and personnel, including any proposal of the Board of Directors to set a limit to the ratio between the variable and the fixed component of the individual remuneration, higher than 1:1, for the most relevant personnel, in any case not exceeding the limits set out in the applicable regulations in force; (ii) of equity-based remuneration plans and (iii) of the criteria for determining the amounts to be possibly granted in the event of early termination of the employment relationship or of the office of all personnel, including the limits to such amounts in terms of years of the fixed remuneration and the maximum amount deriving from their application in accordance with the law *pro tempore* in force;
- (h). approves and modifies the Shareholders' Meeting regulation;
- (i). resolves on the other matters assigned to its competence by applicable laws, or the Bylaws.

**11.4.** The extraordinary Shareholders' Meeting resolves on the amendments to the Bylaws (except for the powers conferred to the Board of Directors pursuant to Article 24.2.2., letter (aa)), on the appointment, revocation, replacement and powers of liquidators and on any other matter reserved by law to its competence and not derogated by the Bylaws.

**Art. 12. - Meeting venue**



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- 12.1.** The sessions of the ordinary Shareholders' Meetings of the Company concerning the approval of the annual financial statements as well as, upon decision of the Company's Board of Directors, the additional matters set out in the agenda of the same ordinary Shareholders' Meeting and the sessions of the extraordinary Shareholders' Meetings to be held in conjunction with said ordinary Shareholders' Meetings, are held, for each cycle of 5 (five) sessions of the ordinary Shareholders' Meeting, on a rotating basis, in the following venues: (i) 2 (two) (non-consecutive) sessions are held in a venue located in the province of Milan and (ii) 3 (three) sessions are held, one each, in venues located in the provinces of Verona, Lodi and Novara.
- 12.2.** The meeting venue of ordinary Shareholders' Meetings other than those referred to in Article 12.1. and of the extraordinary Shareholders' Meetings not held in conjunction with the ordinary Shareholders' Meetings called to approve the annual financial statements is decided by the Board of Directors in a venue located in the provinces of Verona, Milan, Lodi and Novara.

### **Art. 13. - Convocation**

- 13.1.** Shareholders' Meetings are convened by the Board of Directors, in the venue to be identified pursuant to Article 12., whenever the latter deems it appropriate or, in accordance with Article 2367 of the Italian Civil Code and with the modalities set forth by applicable law, upon written request containing the indication of the matters to be discussed submitted by shareholders representing at least one twentieth of the share capital or the different percentage set forth by the applicable law. In any case, the ordinary Shareholders' Meeting must be convened at least once a year within 120 (one hundred-twenty) days of the end of the financial year. Convocation is permitted up to a maximum of 180 (one hundred-eighty) days from the closing of the financial year in the cases provided for by the law.
- 13.2.** Without prejudice to the powers of convocation established by other provisions of law, Shareholders' Meetings may also be convened, subject to communication to the Chairman of the Board of Directors, by the Board of Statutory Auditors or by at least two of its members, in accordance with applicable law.
- 13.3.** With the procedures, terms and limits established by the applicable law, shareholders who, also jointly, represent at least one fortieth of the share capital or the different percentage established under applicable law, may submit written request for integration of the agenda to be discussed in the Shareholders' Meeting stated in the notice of call of the same, indicating the further matters they propose and providing a report on the matters they

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propose to discuss, as well as to submit proposal of resolutions on matters already on the agenda. The convocation and integration of the agenda on request of shareholders are not allowed for matters on which the Shareholders' Meeting resolves, by law, upon proposal of the Board of Directors or on the basis of a project or a report prepared by the same, other than those indicated in Article 125-ter, paragraph 1, of Legislative Decree 58 of 24 February 1998. Entitlement to exercise such right shall be proven by depositing copy of the communication or certificate issued by the intermediary with which the shares are deposited pursuant to applicable legal framework.

**13.4.** The Shareholders' Meeting is convened at the venues provided for in Article 12 through notice containing indication of the date, time and place of the meeting, the list of the items to be discussed and anything else required by the applicable legal framework. The notice of call shall be published in compliance with the legal time limits and the other modalities established by the applicable legal framework.

**13.5.** The Shareholders' Meeting, both ordinary and extraordinary, is held, generally, in a single call, pursuant to Article 2369, paragraph 1, of the Italian Civil Code. However, the Board of Directors may establish that the Shareholders' Meeting, ordinary or extraordinary, may be held in more calls, setting a second call and, solely for the Extraordinary Shareholders' Meeting, also a third call. Notice of such determination is given in the notice of call.

#### **Art. 14. - Attendance and representation in Shareholders' Meetings**

**14.1.** The Shareholders' Meeting may be attended by subjects having the right to vote for which the Company has received, within the time limits provided for under the applicable law, the communication of the authorized intermediary certifying their right to attend the Shareholders' Meeting and to exercise the right to vote.

**14.2.** Those who have the right to vote are entitled to be represented in the Shareholders' Meeting in compliance with applicable law. The proxy can be notified electronically through the use of the appropriate section of the Company's website or by certified email, as indicated in the notice of call, or by other means among other provided for under applicable law.

**14.3.** The Board of Directors has the power to designate, providing notice in the notice of call, for each Shareholders' Meeting, one or more subjects to whom the holders of voting rights may confer, in the manner provided for under the applicable law, a proxy with voting instructions on all or some of the proposals on the agenda. The proxy to the subject designated by the Board of Directors has only effect with regard to the proposals for which voting instructions are conferred.

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- 14.4.** Except as set out by Article 2372, paragraph 2, of the Italian Civil Code, the proxy may be conferred for single Shareholders' Meetings only, with validity for subsequent calls, and cannot be assigned leaving the name of the representative blank.
- 14.5.** There shall be no voting by mail.
- 14.6.** The Board of Directors may set up one or more remote links with the venue in which the Shareholders' Meeting is to be held, to allow shareholders not planning to go to such venue to take part in the discussion, follow the meeting's works and express their vote at the appropriate time, provided that identification of these shareholders is ensured and that exercise of this solution has been communicated in the notice of call of the Shareholders' Meeting. In any case, the Secretary or the notary, if appointed, shall be in the same venue indicated in the notice of call, where the Shareholders' Meeting shall be deemed to be held.
- 14.7.** Members of the Board of Directors and of the Board of Statutory Auditors cannot vote in resolutions concerning their respective liabilities.

#### **Art. 15. - Formation of the Shareholders' Meeting**

- 15.1.** For the valid formation of the Shareholders' Meeting, both ordinary and extraordinary, in a single, first, second call, and for the sole extraordinary Shareholders' Meeting, third call, the relevant laws in force shall apply, except as provided in Article 16.2.

#### **Art. 16. - Validity of the resolutions of the Shareholders' Meeting**

- 16.1.** The resolutions are adopted by the ordinary Shareholders' Meeting, in single, first and second call, with the majorities provided for under applicable law in relation to each call, except as provided by Article 16.2. and except as provided for in the Bylaws with respect to the appointment of the members of the Board of Directors and of the Board of Statutory Auditors. If the votes are equal, the proposal shall be considered rejected.
- 16.2.** The resolutions concerning any proposal to set a limit to the relationship between the variable component and the fixed component of individual remuneration of key personnel greater than 1:1, as determined under applicable law, shall be deemed approved by the ordinary Shareholders' Meeting when (i) the Shareholders' Meeting is formed with at least half of the share capital and the resolution is adopted with a favorable vote of 2/3 (two thirds) of the share capital represented in the Shareholders' Meeting and having right to vote; or (ii) the resolution is adopted with a favorable vote of at least 3/4 (three fourths) of the share capital represented in the Shareholders' Meeting and having right to vote, regardless of the share

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capital attending the meeting.

- 16.3. The extraordinary Shareholders' Meeting in single, first, second, and third call shall resolve with the favorable vote of shareholders representing at least 2/3 (two thirds) of the share capital represented in the Shareholders' Meeting and having right to vote.
- 16.4. Without prejudice to the provisions of the Bylaws, where the Shareholders' Meeting is called to resolve in respect to related parties transactions upon contrary opinion of the Related Party Committee, the resolutions shall also be taken in accordance with the special provisions on deliberative majorities provided for by the law from time to time in force and by the specific regulation for related party transactions.

#### **Art. 17. - Chairmanship and Procedure for Shareholders' Meetings. Secretary**

- 17.1. Shareholders' Meetings, both ordinary and extraordinary, are chaired by the Chairman of the Board of Directors or, in the event of his/her absence or incapacity, by his/her substitute pursuant to Article 27.2.; failing this, the Shareholders' Meeting appoints a Chairman pursuant to Article 2371 of the Civil Code.
- 17.2. In compliance with the Shareholders' Meeting Regulation, the Chairman has full powers to verify, also through subjects appointed by the same, the regularity of the proxies and in general the right of those present to take part and vote in the Shareholders' Meeting, to establish whether the meeting has been regularly formed and has reached the appropriate voting quorum, to direct and regulate the conduct of the Shareholders' Meeting, to take all appropriate measures to enable the orderly conduct of the discussion and voting, as well as establishing voting procedures (which in any case shall allow the identification in relation to each vote cast), verifying and declaring the relating results.
- 17.3. The Shareholders' Meeting, upon proposal of the Chairman, appoints a Secretary; where considered appropriate, the Chairman shall be assisted by the scrutineers, even not being shareholders, that he/she has selected.  
  
In the case of extraordinary Shareholders' Meeting, or when the Chairman deems it appropriate, the Secretary functions are assumed by a notary public designated by the Chairman of the Shareholders' Meeting.
- 17.4. If the matters in the agenda are not exhausted in one day, the Shareholders' Meeting, in compliance with the Shareholders' Meeting Regulation, shall be extended to no later than the eighth day thereafter by simple verbal communication from the Chairman of the Shareholders' Meeting to the participating shareholders, without further notice being required. In the following meeting, the Shareholders' Meeting is formed and resolves with the same majorities provided for the validity of the formation

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and resolution of the Shareholders' Meeting of which it represents the extension.

#### **Art. 18. - Minutes of the Shareholders' Meetings**

**18.1.** The resolutions adopted by the Shareholders' Meetings are recorded in minutes, signed by the Chairman of the meeting and by the Secretary or by the Notary Public, where appointed, and by the scrutineers, where appointed, and transcribed in the appropriate book.

**18.2.** This book, the copies and extracts of the minutes declared to be true copies by the Chairman of the Board of Directors or by his/her deputy, provide full proof of the Shareholders' Meetings and resolutions thereof.

### **TITLE VI-**

#### **GOVERNANCE AND CONTROL SYSTEM**

#### **Art. 19. - Traditional governance and control system**

**19.1.** The Company adopts the traditional governance and control system, pursuant to Articles 2380-bis et seq. of the Italian Civil Code. Accordingly, it operates through a Board of Directors (hereinafter, also, the "**Board**") and a Board of Statutory Auditors.

### **FIRST SECTION - BOARD OF DIRECTORS**

#### **Art. 20. - Board of Directors**

##### **20.1. - Composition, number and requirements**

**20.1.1.** The Board of Directors is composed of 15 (fifteen) Directors, also non-shareholders, including a Chairman and a Vice Chairman, appointed by the Shareholders' Meeting, as provided in Article 20.8.

**20.1.2.** The composition of the Board of Directors ensures, in accordance with applicable laws, including regulations, in force, the gender balance.

**20.1.3.** Board Members must be suitable to the performance of the office, as provided in the applicable law in force, and in the Bylaws and, in particular, they must meet the requirements of professionalism,

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honorability and independence and comply with the criteria of competence, correctness and commitment of time and the limits on the accumulation of positions prescribed under applicable laws and the Bylaws.

**20.1.4.** The Chairman and the Vice Chairman shall hold the specific requirements provided for in the applicable law in force.

**20.1.5.** Without prejudice to any further requirement provided under applicable law, at least 8 (eight) directors must possess the independence requirements set out in Article 20.1.6. below; such directors are defined in the Bylaws as "**Independent Directors**".

**20.1.6.** For purposes of these Articles of Association, Independent Directors are defined as those directors who do not engage in business, or have not recently engaged in business - directly or indirectly - with the Company or with parties connected to it through relationships of a professional, financial, personal, or other nature that would influence the objectivity and balancing of decisions, explicitly noting that a director cannot be an Independent Director even if just one of the following situations applies to him/her:

- a) if he/she is a Company's significant shareholder, meaning the a person who, directly or indirectly (through subsidiaries, trust companies, or third parties) 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 may exercise control or significant influence on the Company;
- b) if he/she holds or held in the lasts two years at a Company's significant shareholder or in a company that the latter controls, offices of Chairman of the Board of Directors, of the management board or of the supervisory board, or executive offices, or he/she 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 he/she is, or has been in the three previous years, a high-level representative (defined as: Chairman of the Board of Directors granted with proxies in the management and in the elaboration of company strategies, "executive directors", and "top management") of the Company, a strategically important subsidiary or a company subject to common control with the Company, or at a Company's



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significant shareholder;

- d) if he/she is an independent director 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 he/she was director of, or held directive positions in, the Company for more than nine financial years, also non-consecutive, in the last twelve;
- f) if he/she holds the position of executive director in another company in which an executive director of the Company has a position as non-executive director;
- g) if he/she is a shareholder, director, or employee of a company or an entity belonging to the network of the independent auditors who have been assigned to audit the Company's accounts;
- h) if he/she receives or has received in the previous three years, from the Company or from a subsidiary or parent company, significant additional compensation (in comparison to the "fixed" consideration for the office and to that for participating in internal committees of the Board of Directors, as well as any fees for meeting attendance), including from possible participation in incentive plans linked to business performance, which may be based on shares;
- i) if he/she has, or has had in the previous three years, directly or indirectly (e.g., through subsidiaries or companies for which he/she is a high-level representative, or as a partner of a professional or consulting firm), a significant, also non-consecutive, professional, commercial, or financial relationship:
  - with the Company, one of its subsidiaries, with the respective Chairmen or high-level representatives;
  - with a Company's significant shareholder, or – in the case of a company or an entity - with the respective Chairmen or high-level representatives;
  - with companies subject to common control with the Company;or is, or has been in the previous three years, an employee, contractor, or had collaborative relationship, also non-consecutive, with one of the aforementioned parties; solely for purposes of this letter i), this includes relationships between the director and close family members, as defined below, of high-level representatives of the Company, one of its subsidiaries or a company subject to common control with the Company, or a Company's significant shareholder;
- j) if he/she holds or held in the last two years one or more of the following



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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, 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 the legislative decree 18 August 2000, n. 267, mayor or councillor of Metropolitan cities, president or member of the bodies of mountain or island communities, when the overlap or the contiguity between the reference geographical area of the entities in which are held the aforementioned positions and the Company's or the Group's territorial organization, are such as to compromise his/her independence;
- k) if he/she is a close family member (intended as spouse, unless legally separated, relative 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 cohabiting family members) of a person described in one of the previous points;
- l) if he/she is a close family member of the Company's directors or directors of its subsidiaries, parent companies, and companies subject to common control;
- m) if he/she is in any other way lacking in terms of the independence requirement envisaged in the *pro tempore* governing regulations.

For the purposes of this Article 20.1.6., "executive directors" shall be:

- (i) the chief executive officer, the directors to whom the board of directors have conferred delegations in accordance with Article 2381, second paragraph, of the Italian Civil Code (and of Article 24.2.2., letter f), of the Bylaws) and the directors who carry out, de facto, functions related to the ordinary management of the company;
- (ii) the directors who are members of the executive committee;
- (iii) the members of a board of directors who hold management roles in the managed company, overseeing determined areas of the company management.

Furthermore, also for the purposes of this Article 20.1.6., members of "top

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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 it belongs to.

The Board of Directors determines the general quantitative and/or qualitative criteria suitable for determining the significance of the relationships indicated in letters h) and i) of the first paragraph of this Article 20.1.6.

- 20.1.7.** More than one requirement of this Article 20.1. may be met at the same time by the same person, it being understood that it cannot be considered as Independent Director, pursuant to Article 20.1.6. above, an executive director of the Company, of a controlled company having strategic relevance or of a company under common control with the Company, or of a Company's significant shareholder.

## **20.2. - Duration**

Board Members remain in office for three years, expiring at the date of the Shareholders' Meeting convened for the approval of the financial statements related to the final year of their term in office and are eligible again at the expiry of their mandate.

## **20.3. - Prohibitions and incompatibility of the members of the Board of Directors**

- 20.3.1.** Without prejudice to Article 20.1., those who fall under the cases of ineligibility or cessation from office under Article 2383 of the Italian Civil Code or do not meet the honorability and professionalism requirements set out in the applicable laws, including applicable regulatory provisions, may not be appointed to the office of Board member, and if appointed shall fall from office.

- 20.3.2.** Except for the potential additional causes of incompatibility provided for under applicable laws, those 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 organizations or trade associations of the banking system.

- 20.3.3.** Without prejudice, where stricter, to the causes of ineligibility and

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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.

**20.3.4.** Without prejudice to Article 20.3.2., 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.

**20.3.5.** The loss of the requirement of independence provided for under Article 20.1.6. by a director shall not cause the loss of office if the requirements are still met by the minimum number of directors who, according to these Bylaws, in compliance with applicable legislation, must meet this requirement.

The loss of the requirement of independence provided for under Article 20.1.6. determines in any case the loss of the roles for which this requirement shall be met under applicable law or the Bylaws.

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

## **20.4. - Lists of Candidates**

**20.4.1.** Members of the Board of Directors are appointed on the basis of lists in which candidates are assigned consecutive numbers. In case of submission of a number of candidates equal to, or exceeding, 3 (three) the list shall be composed so to comply with the gender proportions provided under applicable laws.

**20.4.2.** The lists of candidates for the office of director can be submitted:

- (i) by the Board of Directors (the "**List of the Board**"). The composition and the submission of the List of the Board must be approved, after non-binding opinion of the Nominations Committee, with a favourable vote of 11 (eleven) directors in office;
- (ii) by one or more shareholders which are collectively holders of a shareholding equal to at least 1% (one per cent) of the share capital of the Company having right to vote in the ordinary Shareholders' Meeting or any other percentage established under the applicable law and which will from time to time be communicated in the notice of call of the Shareholders' Meeting called to resolve upon the appointment of the Board of Directors (the "**List of Shareholders**"); and
- (iii) by one or more shareholders that are simultaneously working

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employees of the Company or subsidiaries and who collectively have a shareholding equal to at least 0,12% (zero point twelve per cent) of the share capital of the Company (the "**List of Employee-Shareholders**").

Ownership of the minimum stake in the share capital for the presentation of lists under (ii) and (iii) is determined with regard to the shares registered to each individual shareholder, or of more shareholders jointly, on the day on which the lists are submitted to the Company. The ownership of the number of shares necessary for the submission of the lists must be proven in accordance with applicable law; such proof may be received by the Company even after the filing provided at least twenty-one days before the date of the Shareholders' Meeting in the manner provided for by applicable law.

On penalty of inadmissibility:

- a. the lists of candidates, other than the List of the Board, must be deposited with the registered office, including through means of distance communication defined by the Board of Directors and indicated in the notice of call, enabling identification of the subjects proceeding to the deposit, within the twenty-fifth day preceding the date of the Shareholders' Meeting and are made available to the public at the registered office, on the Company's website and with the other procedures prescribed by the laws applicable from time to time, at least twenty-one days before the date of the Shareholders' Meeting;
- b. each shareholder may submit or concur to submit, and vote for one list of candidates only, even if through a third party. Shareholders belonging to the same group – meaning the parent, the subsidiaries and the companies subject to common control – and the shareholders that are part to a shareholders' agreement provided for by Article 122 of Legislative Decree 24 February 1998 n. 58, relating to the Company's shares cannot submit, nor can those with voting rights vote for, more than one list, even if through a third party or through a fiduciary company. Shareholders submitting a list and being distinct from the shareholders holding a controlling or relative majority stake must also submit a declaration attesting to the absence, in respect of such shareholders, of connection qualified as relevant under applicable law. Each candidate may be present one list only, under penalty of ineligibility.
- c. the List of the Board must meet the following requirements: (i) it must contain 20 (twenty) candidates; (ii) in the first two slots, there shall be indicated the candidate for the office of Chairman of the Board of Directors, in the first place, and of Chief Executive Officer, in the

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- second place; (iii) in the third slot, there shall be indicated the candidate for the office of Vice Chairman of the Board of Directors;
- d. the composition of the List of the Shareholders and the List of Employee-Shareholders does not need to comply with the above letter c, provided that: (i) the lists that provide for a number of candidates equal to, or above, 3 (three) shall include candidates of different gender, in order to ensure that the composition of the Board of Directors complies with the gender balance provided by the law and applicable regulations; (ii) they must also contain a number of candidates who meet the independence requirements set out under Article 20.1.6. equal to at least 8 (eight) candidates where the list is composed of 15 (fifteen) candidates or at half (by approximation to the unit below if the first decimal point is below 5, or to the unit above, in the other cases) if the list is composed of less than 15 (fifteen) candidates;
- e. where not otherwise specified by the applicable laws in force, together with each list, within the time limit for depositing the same indicated in the preceding letter a), all further documentation and declarations required by law, including of a regulatory nature, must be submitted to the registered office of the Company, as well as the information relating to those who submitted the lists, with indication of the total percentage of shares held, exhaustive information on the personal and professional characteristics of the candidates, the declarations with which the individual candidates accept their own candidature and attest, at their own responsibility, to the absence of causes of ineligibility and incompatibility and the existence of the requirements prescribed by the law, regulations and Bylaws for carrying out the office of Board Member, the list of positions as director and statutory auditor carried out in other companies and the potential declaration of meeting the requirements of independence set out under these Bylaws as well as any information useful for the complete assessment of suitability for the role held, according to the scheme that will be made public in advance by the Company, also taking into account the guidelines of the Regulatory Authority;
- f. in addition to the documentation set out in the preceding letter e., the employee-shareholders that submit the List of Employee-Shareholders must file the documentation proving the status as employees of the Company or its subsidiaries
- 20.4.3.** Lists submitted without complying with the above provisions shall be considered as not submitted. However, failure to provide documentation on individual candidates in a list does not entail the exclusion of the whole list, but only of those candidates to whom the irregularities are attributed.

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**20.4.4.** The List of the Board must be deposited and made public within the term set forth by the regulations in force from time to time using the same procedures established for the lists submitted by the shareholders.

## **20.5. - Voting**

**20.5.1.** In the event that more than one list of candidates is submitted, the appointment of Board Members shall be made as follows:

**(a)** up to 12 (twelve) directors or the lower number of directors covering all the candidates indicated in such list, based on the sequential order in which they were listed, are selected from the list that has obtained the majority of votes. If the List of the Board is submitted and obtain the majority of votes, the directors referred to under such list - as specified in letter (b) below - shall be selected as follows:

- i. the Shareholders' Meeting shall proceed to a further individual vote on each candidate, to which all those attending may participate, either directly or through a representative;
- ii. the candidates are ranked on the basis of the number of votes obtained by each of them, from highest to lowest;
- iii. the candidates who have obtained the majority of votes are elected, in proportion to the number of offices to be assigned;
- iv. in the event of parity of votes between candidates, it shall be followed the sequential order in which they were listed;

**(b)** from the lists, other than the one that has obtained the majority of votes, and without prejudice to the provisions set out in letter (c) below, shall be selected:

- i. where the aggregate number of votes obtained by the first two of such lists by number of votes expressed in the shareholders' meeting does not exceed 20 (twenty) per cent of the total votes, 3 (three) directors;
- ii. where the aggregate number of votes obtained by the first two of such lists by number of votes expressed in the shareholders' meeting exceeds 20 (twenty) per cent of the total votes but is equal to or lower than 35 (thirty-five) per cent of the total votes, 4 (four) directors;
- iii. where the aggregate number of votes obtained by the first two of such lists by number of votes expressed in the shareholders' meeting exceeds 35 (thirty-five) per cent of the total votes but is equal to or lower than 50 (fifty) per cent of the total votes, 5 (five) directors;
- iv. where the aggregate number of votes obtained by the first two of such lists by number of votes expressed in the shareholders' meeting exceeds 50 (fifty) per cent of the total votes, 6 (six) directors;



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directors;

**(c)** the directors referred to under letter (b) above are selected from the lists other than the one that has obtained the higher number of votes as follows:

1. where the List of the Board is not submitted or, if submitted, the latter has not obtained the majority of votes referred to under letter (a) above: (i) 1 (one) director is selected from the List of Employee-Shareholders obtaining the highest number of votes among the Lists of Employee-Shareholders where at least one List of Employee-Shareholders is regularly submitted and obtained votes; whilst (ii) the remaining directors to be appointed to complete the composition of the Board of Directors, are selected from the lists, included the List of the Board, where submitted, other than the list referred to under (i), according to the following criterion: the votes obtained by each list are divided by one, two, three, four and so on, according to the number of directors yet to be appointed. The quotients so obtained are attributed progressively to the candidates of each of said lists, according to the order respectively provided by the same. The quotients so attributed to the candidates of the various lists are set in a sole decreasing order: the candidates that have obtained the highest quotients and that are taken from lists that are not in any way related, under applicable law, to the list that has obtained the majority of votes shall be appointed as directors, up to the number of directors yet to be appointed. It is understood that, in any case, 1 (one) director shall be selected from the List of Employee-Shareholders even if the number of votes obtained by such list is below the number of votes obtained by the other lists;
2. where instead, the List of the Board is submitted and has obtained the majority of votes referred to under letter (a) above, the remaining directors are selected from the other lists other than the list that resulted first pursuant to letter (a) above (x) that have obtained a percentage equal to, or higher than, 3 (three) per cent of the votes (being understood in such case that the votes of the lists which have obtained a percentage of votes lower than such percentage shall be allocated proportionally to the votes obtained by the minority lists that have exceeded such threshold) or (y) in the event referred to under Article 20.5.1.(b)i., from the first two lists by number of votes, according to the following criteria: the votes obtained by every list are divided by one, two, three, four and so on



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according to the number of members yet to be appointed. The quotients thereby obtained are assigned progressively to the candidates of each of these lists, according to the order in which they appear. The quotients thereby attributed to the candidates of the various lists are arranged in a single decreasing order: the candidates obtaining the highest quotients and that are selected from lists that are not in any way connected, pursuant to applicable law, to the list that has obtained the majority of votes, are appointed as Board members, up to the number of directors yet to be appointed.

**20.5.2.** Without prejudice to the provisions of the following Articles 20.6 and 20.7, in the event it is not possible to complete the composition of the Board of Directors according to the procedure set out in Article 20.5.1 or the total number of candidates included in the lists, including the List of the Board, where submitted, is lower than the number of directors to be appointed, the remaining directors are appointed by resolution of the Shareholders' Meeting adopted by relative majority vote in accordance with the provisions set forth under Articles 20.1.2., 20.1.3., 20.1.5., 20.1.7., 20.3.1., 20.3.2. and 20.3.3.

## **20.6. - Parity of quotients and ballot**

**20.6.1.** In the cases governed by Articles 20.5.1(c)(1) and 20.5.1.(c)(2) where more than one candidate obtain the same quotient, the candidate of the list from which no Board Member has been appointed or from which the lowest number of Board Members has been appointed, shall be appointed (it being understood that in the case under Article 20.5.1.(c)(1), one director shall be taken from the List of Employee-Shareholders, where duly submitted, which has obtained the majority of votes among the Lists of Employee Shareholders). If none of said lists has appointed a Board Member or if they have all appointed the same number of Board Members, the candidate of the one obtaining the highest number of votes shall be appointed. In the event of parity of votes on each list and also parity of quotient, a ballot shall take place, in which the whole Shareholders' Meeting shall vote again, with the appointment of the candidate obtaining the relative majority of votes, without prejudice to Articles 20.1.2., 20.1.3., 20.1.5., 20.1.7., 20.3.1., 20.3.2., and 20.3.3.

## **20.7. - Supplementary mechanism**

**20.7.1.** If at the end of voting (i) Board Members meeting the independent requirements of Article 20.1.6 are not appointed in the number required by these Bylaws, or (ii) the composition of a Board of Directors does not allow to comply with the regulations in force regarding gender balance, a number of appointed candidates shall be excluded and replaced with candidates meeting the needed requirements, taken from the same list

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as the candidate to be excluded according to the progressive list order, where applicable, as resulting from the individual vote referred to in the Article 20.5.1 (a)i. above; in this regard, the non-independent candidate or the candidate from the most represented gender, appointed as last in the progressive order in the list that has obtained the majority of votes shall be excluded, and, where the substitution with another candidate taken from the same list does not allow to comply with the requirements at hand, the candidates taken from the other lists shall be excluded (and shall be substituted with candidates taken from the same list). If the number of Board Members to be appointed cannot be completed with this criterion, the missing directors shall be appointed – complying with the independence requirements set forth in Article 20.1.6. and gender balance – by the Shareholders' Meeting at that very meeting, by resolution adopted by relative majority of the share capital represented in the Shareholders' Meeting and having right to vote, upon proposal of the attending shareholders.

## **20.8. - Appointment of the Chairman and the Vice Chairman of the Board of Directors**

**20.8.1.** The Chairman and Vice Chairman of the Board of Directors are taken, respectively, from the first and third names (i) indicated in the context of the submission of the List of the Board, where they are appointed following the additional individual vote referred to under Article 20.5.1.(a)i. or (ii) on the list that appointed the highest number of directors pursuant to Article 20.5.1. In case no list is presented or where there is not a list that has appointed the highest number of directors, or where the persons indicated in the first and third place of the list that has appointed the majority of directors have accepted the office of director but not the office of Chairman or Vice Chairman, the Chairman and Vice Chairman of the Board of Directors are appointed by the Board of Directors, with the ordinary majorities provided for by Article 23.4.1. of the Bylaws.

## **20.9. - Single list**

**20.9.1.** If only one list of candidates is submitted, the members of the Board of Directors are appointed from said list up until the number of candidates included in said list. If the number of candidates included in the single list are less than 15 (fifteen), the remaining directors are appointed by the Shareholders' Meeting with resolution adopted by relative majority vote of the share capital attending the Shareholders' Meeting and having right to vote, upon proposal of the attending shareholders.

## **20.10. - Absence of lists**

**20.10.1.** If no list is submitted within the relevant deadline, the Shareholders' Meeting shall adopt a resolution by relative majority of the share capital represented at the meeting and having right to vote, upon proposal of

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the attending shareholders. In the event of votes being equal between a number of candidates, a second vote shall take place, it being understood that such resolution shall comply with the requirements provided by the applicable law and Article 20.1.2., 20.1.3., 20.1.4., 20.1.5., 20.1.7., 20.3.1., 20.3.2. and 20.3.3., concerning composition and requirements of the members of the Board of Directors.

## **20.11. - Replacement**

**20.11.1.** If during the course of the office, one or more Board Members cease to hold office for any reason, provided that the majority is still composed of members appointed by the Shareholders' Meeting, the Board of Directors shall replace them by cooptation pursuant to Article 2386 of the Italian Civil Code, by choosing, if possible, among the candidates originally submitted in the same list from which the ceased member had been taken who have confirmed their candidacy and by complying with the minimum number of independent directors provided for by the Bylaws and the minimum number of directors belonging to the less represented gender as provided by the Bylaws and applicable laws, and applicable regulations.

**20.11.2.** At the following appointment by the Shareholders' Meeting, the following shall apply, in any case in compliance with the provisions on independence and gender balance provided by the law, applicable regulations and the Bylaws:

- a) for the replacement of the director taken from the list obtaining the highest number of votes, the Shareholders' Meeting shall vote by relative majority vote on the candidates originally submitted in the same list from which the ceased member had been taken, who have confirmed their candidacy. If this is not possible, the Shareholders' Meeting votes with relative majority vote without list restrictions;
- b) for the replacement of a director taken from the List of Employee-Shareholders, the Shareholders' Meeting votes by relative majority vote on the candidates originally indicated in the same list from which the ceased member had been taken, who have confirmed their own candidacy, or, failing that, from candidates proposed, in case, by employee shareholders of the Company or of controlled companies at the Shareholders' Meeting in compliance with the Bylaws provisions relating to the submission of Lists of Employee-Shareholders. This not being possible, the Shareholders' Meeting votes by relative majority vote without list restriction;
- c) for the substitution of the director that has been taken from a List of Shareholders other than that obtaining the majority of votes, the Shareholders' Meeting shall vote by relative majority vote among the

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candidates presented in the same list from which the ceased member had been taken, who have confirmed their candidacy, or, failing that, among the candidates of the other Lists of Shareholders other than the List of Shareholders that has obtained the majority of votes, and different from the Lists of Employee Shareholders. This not being possible, the Shareholders' Meeting shall proceed with the substitution voting by relative majority vote without list restriction, in compliance with the requirement on minority representation;

- d) for the substitution of the director taken from the List of the Board, in the event that such list has not obtained the majority of votes, the Shareholders' Meeting shall resolve by relative majority vote on the candidates originally submitted by the same list of the ceased director who have confirmed their candidature. If that is not possible, the Shareholders' Meeting shall resolve by relative majority vote without list constraints.

**20.11.3.** Board Members called to replace missing members remain in office until the original expiry of those they replaced.

**20.11.4.** In the event of early termination from office of the Chairman of the Board of Directors and/or of the Vice Chairman, or of the Vice Chairmen, they shall be replaced by the Board of Directors with the ordinary majorities provided for by Article 23.4.1. of the Bylaws. At the following appointment at the Shareholders' Meeting, voting shall take place by relative majority vote of the share capital represented at the Shareholders' Meeting having the right to vote without list restriction.

**20.11.5.** If, due to resignation or other cause, prior to expiry of the term, more than half of the directors appointed by the Shareholders' Meeting no longer hold office, the whole Board shall be considered to have resigned and a Shareholders' Meeting shall be convened to resolve upon the new appointments. The Board shall however remain in office until the Shareholders' Meeting has adopted appropriate resolutions for its establishment and at least half of the new Board Members have accepted.

## **20.12. - Appointment of the Secretary and secretary structure**

**20.12.1.** The Board of Directors appoints a Secretary, to be chosen amongst its members or from the Company's executives, and also sets up a secretary's office appropriate for the performance of its duties.

## **Art. 21. - Remuneration of the members of the Board of Directors**

**21.1.** In addition to refund of the expenses incurred in performance of their office,

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members of the Board of Directors are entitled to an annual remuneration established, in a fixed amount, for their entire period of office by the Shareholders' Meeting at the time of their appointment. The division of the compensation resolved by the Shareholders' Meeting, where the same has not been specified, is established by the Board of Directors.

## **Art. 22. - Remuneration of Members of the Board of Directors entrusted with special offices or duties**

**22.1.** Without prejudice to Article 11.3. of the Bylaws, the Board of Directors, upon proposal of the Remunerations Committee referred to in Article 24.4. and after having heard the Board of Statutory Auditors, establishes the remuneration of its members entrusted with special offices or special duties or powers of attorney or who are assigned to committees in accordance with the Bylaws.

## **Art. 23. - Meetings and Resolutions of the Board of Directors**

### **23.1. - Venue and Convocation**

**23.1.1.** The meetings of the Board of Directors of the Company shall take place, on a rotating basis, in the municipalities of Verona and Milano. At least one meeting of the Board of Directors per year takes place in the municipalities of Lodi or Novara; where possible, one meeting of the Board of Directors per year takes place in the municipalities of Bergamo, Lucca and Modena.

**23.1.2.** The Chairman of the Board of Directors or, in the event of his/her absence or incapacity, whoever substitutes him/her pursuant to Article 27.2., convenes the Board of Directors.

**23.1.3.** The Board of Directors generally meets once a month and in any case whenever the Chairman of the Board of Directors deems it necessary.

**23.1.4.** The Board of Directors may be convened in the other cases provided for by the law.

In the cases and with the modalities provided for under applicable law, subject to notice to the Chairman of the Board of Directors, the Board of Directors may also be convened by the Board of Statutory Auditors or by its members, also individually.

### **23.2. - Notice of Call**

**23.2.1.** The Board of Directors is convened by notice containing the agenda of the matters to be discussed, sent – at least 3 (three) days prior to the meeting and, in urgent circumstances, at least 12 (twelve) hours beforehand, using any means that can provide proof of receipt – to each

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member of the Board of Directors and of the Board of Statutory Auditors. The notice may also contain the indication of the places in which it is possible to participate at the meeting through remote connection systems pursuant to the following Article 23.3.

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 office shall be in any case considered validly constituted and entitled to resolve.

### **23.3. - Meetings**

**23.3.1.** Meetings of the Board of Directors may also be validly held through use of remote connection systems, provided that it is possible to guarantee, through verification by the Chairman of the meeting, the precise identification of the persons entitled to attend and the possibility for all participants to intervene in real time in discussion of all the business and to view, receive and transmit documents. Save for the cases in which meetings are held exclusively by 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.

### **23.4. - Attendance and deliberative majorities**

**23.4.1.** Resolutions of the Board of Directors are valid when the majority of its members are present at the meeting. Without prejudice Article 23.5. below, resolutions are adopted by absolute majority vote of those present.

### **23.5. Resolutions adopted by Qualified Majority**

**23.5.1.** Exclusively the resolutions concerning, directly or indirectly, the matters listed below are validly adopted by the favorable vote of at least 11 (eleven) members in office of the Board of Directors (the "**Qualified Majority of the Board**"):

- i. approval of the List of the Board;
- ii. sale, contribution and acts of disposition and restructuring in general (even if carried out in one or more phases) of banking businesses or business branches which have a value exceeding 20% of the Company's consolidated regulatory capital, as resulting from the most recently approved consolidated annual financial statements, with the exception of cases in which said transactions are the result of instructions issued by Regulatory Authorities.

### **23.6. - Minutes and Copies**

**23.6.1.** The minutes of the resolutions of the Board of Directors are drawn up and



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recorded in the register of the minutes by the Secretary and shall be signed by who has chaired the meeting and by the Secretary.

Such minutes are transcribed in the relevant mandatory corporate books and shall be duly signed by the chairman of the meeting and by the Secretary.

Copy and extracts of the minutes, which have not been prepared by a Notary Public, are certified by a declaration of conformity signed by the Director chairing the meeting and by the Secretary. The register of minutes and extracts thereof provide full proof of the meetings and of the resolutions adopted.

## **Art. 24. - Powers and competences of the Board of Directors – Intra-Board Committees**

### **24.1. - Strategic supervision and management of the Company**

The Board of Directors is responsible for the strategic supervision and management of the Company, to be also lead in a sustainable success perspective, intended as creating a beneficial value in the long term for shareholders, also considering the interests of other stakeholders relevant to the Company. To this end, the Board of Directors may carry out all the transactions that prove necessary, useful or in any way appropriate for attaining the corporate purpose, be they ordinary or extraordinary business transactions, and has the power to allow cancellation and reduction of mortgages, even against partial payment of the credit, including through specially delegated persons.

Directors shall inform the Board of Directors and the Board of Statutory Auditors of every interest that they may have, on their own behalf or on that of third parties, with regard to a specific transaction to be carried out by the Company, indicating the nature, terms, origin and extent of said interest. If the person concerned is the Chief Executive Officer, he must also abstain from carrying out the transaction, entrusting it to the board.

### **24.2. Non delegable competences**

**24.2.1.** The Board, as indicated below, delegates the ongoing management of the Company to the Chief Executive Officer, who exercises it according to the general programmatic and strategic guidelines put forth by the Board of Directors.

**24.2.2.** In addition to matters that are not permitted by law to be delegated and those listed in Article 23.5. of the Articles of Association, and notwithstanding the powers of the Shareholders' Meeting, the following are reserved for the exclusive responsibility of the Board of Directors (exception made for what provided under Article 28.3. in relation to

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matters listed in letters p), q) and y)):

- a) the approval of business model, general policy and strategic guidelines, as well as risk objectives and of risk governance and management policies of the Company and of the Group, as well as their periodic review to guarantee that they remain effective over time;
- b) the resolutions provided for by Article 3.3.;
- c) business and financial planning, approval of the budgets of the Company and Group, definition of the geographic structure of the Network Departments, as well as approval of the expansion plans of branch networks (including any general variations) of the Company and Group;
- d) definition and approval: (i) of the risk appetite framework; (ii) of guidelines for the internal control system, so that the main risks affecting the Company and its controlled companies and the most significant transactions are correctly identified and appropriately measured, managed and monitored, also establishing criteria of compatibility of said risks with sound and proper management of the Company; the Board of Directors shall also be responsible for the approval (i) of the setting up of the corporate control functions, determining their duties and responsibilities and coordination and collaboration procedures, the information flows exchanged among these functions and between them and the corporate bodies; (ii) the process of approval of new products and services, the start of new activities, the entry into new markets; (iii) of the corporate policy on the outsourcing of corporate functions; (iv) the adoption of internal risk measurement systems. The Board of Directors also performs any other duty assigned to it by the prudential supervisory provisions with regard to the internal control system in force at the time;
- e) at least yearly assessment of the adequacy, effectiveness and proper working of the internal control system;
- f) assignment of special duties or powers to one or more Board Members and determination, modification and revocation of related powers, including the appointment and revocation of the Chief Executive Officer and the assignment, modification and revocation of related powers;
- g) on the proposal of the Managing Director, after hearing the opinion of the Chairman of the Board of Directors, the appointment, revocation, and replacement of the General Manager and Co-General Managers, the determination or modification of the duties, functions, and responsibilities of the General Manager and Co-

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General Managers and related compensation, as well as, on the proposal of the Managing Director, the appointment of the Company's top operational and managerial positions and the determination of the relative powers and compensation. The Board of Directors ensures an efficient dialectic control with the corporate key function holders and verifies over time choices and decisions implemented by the latter;

- h) assessment of the adequacy and approval of the Company and Group's organizational, administrative and accounting structure and approval of the corporate governance structure of the Company and of the Group and of the reporting systems;
- i) establishing the criteria for coordination and management of Group companies and the criteria for carrying out the Bank of Italy's instructions and every other competent Regulatory Authorities;
- j) subject to obligatory, non-binding opinion of the Board of Statutory Auditors, appointment and revocation of the Executive responsible for preparing the financial reports, pursuant to Article 154-bis of Italian Legislative Decree no. 58 of 24 February 1998 and determination of his/her powers, means and remuneration;
- k) without prejudice to the following letter (l), the appointment and revocation of the heads of functions, carried out pursuant to legislative and regulatory provisions;
- l) on proposal of the Internal Control, Risk and Sustainability Committee, upon prior compulsory non-binding opinion of the Board of Statutory Auditors, the appointment and the removal of the Compliance Manager, of the Risk Manager, of the Anti-Money Laundering Manager and of the Internal Validation Manager, as well as of the Head of the Internal Audit function, who shall be at the direct disposal of and report to the Board of Directors, after informing the Chairman of the Board of Directors, without prejudice to the assignment to the Chief Executive Officer of the responsibility of the internal control and risk management;
- m) preparation of the draft financial statements and the draft consolidated financial statements, and preparation and approval of the interim reports required by applicable regulations;
- n) the acquisition and sale of investments held by the Company that involve changes in the Group and/or those that are of strategic importance and have a value equivalent to at least 5% of the Group's consolidated regulatory capital;
- o) capital increases delegated pursuant to Article 2443 of the Civil

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- Code and issuance of convertible bonds delegated pursuant to Article 2420-ter of the Civil Code, including the power to adopt resolutions with exclusion or limitation of the pre-emption right referred to in Article 2441, Paragraph 4 and 5, of the Civil Code;
- p) the approval of: (i) issue programmes for bonds and other financial instruments; (ii) individual investment transactions by the Company in guarantee and placement consortia all of the above in compliance with the relevant internal regulations;
  - q) approval of collective national and company labor agreements and any other agreements with trade unions;
  - r) the performance of the obligations upon the Board of Directors set forth by Articles 2446 and 2447 of the Civil Code;
  - s) drafting of merger or de-merger plans;
  - t) approval and amendment of a special Regulation governing information flows;
  - u) adoption, revocation or amendment of internal procedures which, in immediate implementation of legislative or regulatory provisions, concern the prevention or the regulation of cases of conflict of interest, with the possibility of derogations, also in urgent circumstances;
  - v) the appointment of candidates for business representatives (including members of general management) of the Group's banking subsidiaries and main non-banking subsidiaries as well as the determination of their compensation;
  - w) attendance to (and determination of the vote to be cast in) the Shareholders' Meeting of the subsidiary banks and the main non-banking subsidiaries of the Group, and prior consent to amendments to the Bylaws of the Group's companies, when the resolution is to be adopted by a corporate body other than the Shareholders' Meeting, and the approval of the exercise of the pre-emption rights concerning share capital increases of Group subsidiary banks and the main non-banking Group subsidiaries; the approval of the amendments to the regulation of the investment funds (or similar entities) subscribed by the Company;
  - x) approval of proposals to call the Shareholders' Meeting to resolve on amendments to the Bylaws of the Company;
  - y) approval and amendment of the internal regulations, including a policy to promote diversity and inclusivity;
  - z) appointment of the members of the bodies of the territorial

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Foundations as per the preceding Article 5;

- aa) resolutions concerning amendments to the Bylaws required to comply with the law;
- bb) supervision of the Company's public disclosure and communication process;
- cc) the regulation of the recruitment processes for members of the network consultation committees, which, if established, will have merely advisory functions, either along with or within each Network Department;
- dd) adoption, with adequate means, of measures to facilitate the attendance of Shareholders' Meetings by shareholders-employees and small shareholders, also by way of proxies;
- ee) approval, review and update of recovery plans, as well as their amendment and their update upon request of the Supervisory Authority;
- ff) 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;
- gg) decision of adopting measures provided in the recovery plan or abstaining from adopting measures despite circumstances requiring it.

**24.2.3.** In accordance with Article 2436 of the 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 Civil Code, de-mergers, in the cases provided for by the last Paragraph of Article 2506-ter of the Civil Code, reduction of share capital in case of a shareholder's withdrawal, pursuant to the second Paragraph of Article 2365 of the Civil Code, setting up and closing down of secondary headquarters other than those indicated in the Bylaws, excluding in any case the setting up of new administrative headquarters and the closing down of the headquarter provided for by the Bylaws.

### **24.3. - Delegations**

**24.3.1.** For certain categories of acts and affairs, the Board of Directors may delegate specific powers, according to the law, to executives, to the persons in charge of branches and to other personnel, determining the limits and the modalities of exercise of the delegation, providing that the delegated persons may act disjunctly or through committees.

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Save as otherwise provided for in the delegation, the delegating body shall be informed of the decisions taken by the delegated bodies. The relating superior body shall be informed of the decisions taken by other delegated bodies according to the modalities set out in the Regulation adopted by the Board of Directors.

#### **24.4. Nomination Committee, Remunerations Committee, Internal Control and Risk Committee, Related Party Committee and other Committees**

**24.4.1.** The Board of Directors establishes within itself, in compliance with the provisions applicable from time to time, the following Committees, as regulated below. The Committees are entrusted with the functions and roles provided in respect to each of them under applicable laws, and applicable regulations, and by the code of conduct on corporate governance issued by the regulated stock exchange management company which the Company adhered to.

##### **Nomination Committee**

The Board of Directors establishes within itself a nomination committee (the "**Nomination Committee**"), approving the Regulation that determines its competences and functioning, in accordance with surveillance regulations. The Committee is composed of 3 (three) directors, all non-executives, and the majority of which (among which the person to be elected as chairman) holding the independence requirements of Article 20.1.6.

##### **Remunerations Committee**

The Board of Directors establishes within itself a remunerations committee (the "**Remunerations Committee**"), approving the Regulation that determines the competences and functioning, in accordance with surveillance regulations. The Committee is composed of a minimum of 3 (three) members, all non-executives and the majority of which (among which the person to be appointed as chairman) holding the independence requirements of Article 20.1.6.

##### **Internal Control and Risk Committee**

The Board of Directors establishes within itself, preparing the Regulation, an "Internal Control and Risk Committee", approving the Regulation that determined and competences and functioning in accordance with surveillance regulation. The Internal Control and Risk Committee is composed of 5 (five) members, all non-executives and the majority of which (among which the person to be appointed as chairman) holding the independence requirements of Article 20.1.6. If the List of the Board has obtained the majority of votes at the shareholders' meeting, the Board of Directors shall appoint the Chairman of the Internal Control and Risk



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Committee, selecting such Chairman among the independent directors referred to in Article 20.1.6 who have not been selected from the List of the Board.

### **Related Party Committee**

The Board of Directors establishes within itself a related party Committee (the "**Related Party Committee**"), approving the regulation that determines the competences and functioning in accordance the applicable legal and regulatory framework. The Committee is composed of 3 (three) members, all holding the independence requirements of Article 20.1.6.

### **Other Committee**

The Board of Directors has, in any case, the power to establish, approving the relating Regulations, additional committees with consulting, structuring and proposing powers.

Each committee shall include at least a component holding the independence requirements of Article 20.1.6.

## **Art. 25. - Information to the Board of Statutory Auditors**

**25.1.** The information to the Board of Statutory Auditors on the activity carried out by the Board of Statutory Auditors and on the most significant economic, financial and patrimonial transactions carried out by the Company and its controlled companies, and in particular on the transactions in respect of which the directors have an interest, on their own, or for third parties, shall be given also by the delegated bodies pursuant to Article 2381 of the Italian Civil Code, to the Board of Statutory Auditors at least on a quarterly basis, and in any case, on an ordinary basis, upon the meetings of the Board of Directors.

The information to the Board of Statutory Auditors outside the meetings of the Board of Directors shall be given by the Chairman of the Board of Statutory Auditors.

## **SECOND SECTION - CHAIRMAN OF THE BOARD OF DIRECTORS AND VICE-CHAIRMAN**

### **Art. 26. - Appointment of the Chairman of the Board of Directors and of the Vice-Chairman**

**26.1.** The Chairman of the Board of Directors and the Vice-Chairman of the Board of Directors are appointed among the board members in accordance with Article 20.8.

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## **Art. 27. - Powers and competences of the Chairman of the Board of Directors**

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

- a) has a role of impulse in the functioning of the Board of Directors and in the organization and coordination of the relating works, proposing, to this end, to the Board the appointment of the secretary. In particular, the Chairman convenes and chairs the meetings of the Board of Directors, sets the agenda also taking into account the proposals of resolution put forward by the Chief Executive Officer as well as the opinion of the intra-board committees (if required), introduces the discussion on the same and coordinates the works, ensuring, inter alia, that: (i) the matters having strategic relevance are treated with priority; and (ii) all directors receive adequate information on the matters of the agenda; ensures that the self-assessment procedure be carried out effectively. For an effective performance of its duties, the Chairman has access to the company information and of the Group, necessary to this end, giving information to the Chief Executive Officer;
- b) entertains the necessary and appropriate relationships with the Chief Executive Officer;
- c) promotes the effective functioning of the governance, guaranteeing the balance of powers in respect of the Chief Executive Officer, representing the point of reference for the internal control bodies and of the internal committees. Furthermore, it puts forward to the Board of Directors the proposal regarding the establishment of intra-board committees;
- d) promotes the implementation of the prerogatives reserved to the Board of Directors, favoring the effectiveness of the Board discussion, with particular attention to the conditions for a sustainable development in the long-term and to the corporate social responsibility;
- e) represents a guarantee and oversees the relationships with the shareholders and in this respect, entertains relationships with the generality of the same, together with the Chief Executive Officer. For the performance of such task, the Chairman avails himself/herself of the competent internal functions;
- f) in agreement and in coordination with the Chief Executive Officer, takes care of the institutional relationship with bodies and Authorities as well as the external communication of the information regarding the Company, availing himself/herself of the competent company structures;

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- g) chairs the Shareholders' Meeting and oversees its execution and works;
  - h) without prejudice for Article 31, has the right, in case of urgency and upon proposal of the Chief Executive Officer, to put forth legal action or challenge any lawsuit in any judicial venue or administrative venue, lodge complaints, as well as to retain counsel for litigation including giving general mandate, with the obligation to refer to the Board of Directors on the decisions adopted in the first following meeting;
  - i) exercises the other powers functional to the exercise of his/her office.
- 27.2.** In case of absence or impediment of the Chairman of the Board of Directors, his/her functions are exercised by the Vice Chairman or, in case of absence or impediment also of the latter, by the eldest Director (other than the Chief Executive Officer). Vis-à-vis third parties, the signature of the person substituting the Chairman of the Board of Directors gives evidence of the absence or impediment of the Chairman.

### **SECTION III - THE CHIEF EXECUTIVE OFFICER**

#### **Art. 28. - The Chief Executive Officer**

- 28.1.** The Board of Directors appoints among its members a Chief Executive Officer, by conferring to the same certain attributions and powers of the Board of Directors in accordance with Article 2381, Paragraph 2, of the Civil Code.
- 28.2.** Notwithstanding the provisions of Article 24.2. above and the powers and delegations conferred by the Board of Directors, the Managing Director:
- (a) supervises the management of the bank and the Group taking care of its current affairs, in accordance with the general strategic programs and guidelines established by the Board of Directors, also overseeing their development;
  - (b) submits proposals, having heard the Chairman of the Board of Directors, on the strategic guidelines, projects and objectives, extending beyond the short term and/or that are not ordinary in nature, of the Company and the Group;
  - (c) of its own initiative and responsibility, prepares the plans and forecast

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- documents of strategic or extraordinary nature (budget and multi-annual plans) of the Group and the Company, for approval by the Board of Directors, taking care of their implementation through the General Management office;
- (d) takes care of the study, the preparation of documents and the sending of confidentiality letters relating to transactions or agreements having extraordinary nature, to be submitted to the Board of Directors;
  - (e) formulates proposals to the Board of Directors regarding the geographic structure of the Group's Network Departments and banks, as well as the related plans to expand and reorganise the branch networks of Group companies;
  - (f) submits proposals to the Board of Directors on the accounting policy and the guidelines on the optimization of the use of, and on how to give value to, resources and submits the draft annual balance sheet and interim reports to the Board of Directors;
  - (g) prepares and submits to the Board of Directors, for approval, the annual budget also of the individual companies of the Group, consistently with the higher level planning and proceeds to the periodic monitoring of the results, approving any corrective measures deemed necessary;
  - (h) coordinates the executive activities of the Company and the Group, issuing guidelines and instructions in order to ensure that the functioning of the operating units is in accordance with the resolutions of the relevant company bodies and the activities of the controlled companies are consistent with the instructions and strategies set out by the Company;
  - (i) within the guidelines established by the Board of Directors, guides and oversees the organizational, administrative and accounting structure of the Company and the Group, in compliance with the set of values recognized by the Company;
  - (l) supervises the organization and integration of the Group and the functioning of the network of sales channels, operations and services managed by the Company and the Group companies;
  - (m) exercises, in accordance with regulatory standards, powers of proposal and granting of credit, within the limits established by regulations on lending from time to time in force;
  - (n) supervises and provides for the management of personnel, giving value to the policies on the personnel of the Company and the Group with the aim of pursuing the integration and managerial

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- continuity and favoring an appropriate motivational environment;
- (o) determines the instructions and guidelines for the General Management office;
  - (p) submits to the Chairman of the Board of Directors matters to be included in the agenda of the meetings of the Board of Directors;
  - (q) performs the functions delegated on an ad hoc basis by the Board of Directors – within the assigned limits – with the relevant regulations;
  - (r) reports periodically to the Board of Directors on the activities performed in the exercise of the powers conferred to him/her and – availing himself/herself, if appointed, of the General Manager and Co-General Managers as well as those responsible for management according to the respective competence – on the performance of the activities and the overall progress of the management of the Company and the Group, as well as on the adherence of the results to the forecast and planning documents;
  - (s) submits proposals to the Board of Directors on the guidelines of the internal control system in compliance with regulatory regulations; submits to the internal control functions, through the committee of internal control, extraordinary requests for inspections and/or investigation;
  - (t) submits proposals regarding policies on risk assumption and management, as well as on capital adequacy in compliance with the perimeters, limitations and indications of the regulatory regulations;
  - (u) submits proposals to the Board of Directors on policies concerning assumption and management of liquidity risk, setting its limits in compliance with regulatory regulations;
  - (v) submits proposals to the Board of Directors regarding the appointment of senior operational and executive managers of the company and the Group (excluding the head of the Internal Audit function) and, having heard the Chairman of the Board of Directors, on the possible appointment and dismissal of the General Manager and the Co-General Managers;
  - (w) manages, in agreement and coordination with the Chairman of the Board of Directors, the external communication of the information regarding the bank and the other Group companies as well as the relations with the Regulatory Authorities;
  - (z) oversees the valuation and management of the “sofferenze”, including any decision or matter related thereto (settlements,

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litigations, etc.).

- 28.3.** In the event of exceptional urgency, the Managing Director, after consulting with the Chairman of the Board of Directors, may take decisions regarding any transaction that is the responsibility of the Board of Directors, provided it is not designated by mandatory legal provisions or provisions of the Articles of Association as the responsibility of the Board of Directors, exception made for the provision under Article 24.2.2., first paragraph, letters p), q) and y), and even if these are transactions governed by the procedures adopted pursuant to Article 2391-bis of the Italian Civil Code and Article 53 of Italian Legislative Decree no. 385 of 1 September 1993, however, with the understanding that the special instructions prescribed by said procedures for urgent transactions are observed. In any event, the decisions taken in this manner must be brought to the attention of the Board of Directors at the first subsequent meeting.
- 28.4.** The Chief Executive Officer reports, with the General Manager and the Co-General Managers, if appointed and to the extent falling under their competence, to the Board of Directors, at least quarterly, on the general trend of the management and on its foreseeable evolution, as well as on major transactions carried out by the Company and its controlled companies.

#### **SECTION IV - THE GENERAL MANAGER OFFICE - THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS**

##### **Art. 29. - General Manager Office**

- 29.1.** The Company may appoint a General Manager and/or one or more Co-General Managers, determining, if appointed, their attributions, competences and functions to be exercised in accordance with directives given, according to the respective competences, by the Board of Directors and by the Chief Executive Officer.
- 29.2.** The appointment, the revocation or the substitution of the General Manager and/or of each Co-General Manager (as well as its determination or the modification of the attributions, functions and competences pertaining to each of them) is approved by Board of Directors, upon proposal put forward by the Chief Executive Officer, having heard the Chairman of the Board of Directors.
- 29.3.** The General Manager participates, if appointed, without right to vote, to all the meetings of the Board of Directors.



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### **Art. 30. - Manager Responsible for Preparing the Company's Financial Reports**

- 30.1.** Upon compulsory non-binding opinion of the Board of Statutory Auditors, the Board of Directors appoints and revokes the Manager Responsible for Preparing The Company's Financial Reports, in compliance with the law, establishing his/her powers, means and remuneration.
- 30.2.** The Manager responsible for preparing the Company's financial reports carries out the functions regulated by Article 154-bis of Legislative Decree 24 February 1998 n. 58 as well as the applicable legal framework.
- 30.3.** In addition to the requirements prescribed under applicable law for those performing administration and management duties, the Manager Responsible for Preparing the Company's Financial Reports must also satisfy professional requirements in terms of specific administrative and accounting expertise in the lending, finance, securities and insurance sectors. This expertise must have been acquired through professional experience in positions of appropriate responsibility for a suitable length of time and in companies of similar size to the Company.
- Verification of the existence of these requirements is left to the discretion of the Board of Directors.
- 30.4.** The Manager Responsible for Preparing the Company's Financial Reports is assigned adequate powers and means to perform the duties established by law and other applicable provisions, as well as powers and functions that may be established by the Board of Directors at the time of appointment or through subsequent resolutions.
- 30.5.** The Board of Directors ensures that the Manager Responsible for Preparing the Company's Financial Reports is provided with all of the above in order to perform his/her duties.

## **SECTION V**

### **THE COMPANY REPRESENTATION**

#### **Art. 31. - Company Representation**

- 31.1.** Active and passive representation of the Company before third parties and in court, in judicial or administrative proceedings, including appeals for cassation and motions for new trial, as well as sole corporate signing powers are entrusted to the Chairman of the Board of Directors and, in the event of even temporary absence or incapacity of the latter, to the Vice Chairmen.

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- 31.2.** Before third parties, the signature of the person replacing the Chairman provides proof of his/her absence or incapacity.
- 31.3.** Active and passive representation of the Company vis-à-vis third parties and in lawsuits, within the terms of Article 31.1., and the company signing powers are attributed also to the Chief Executive Officer, and may be attributed by the Board of Directors, if appointed, also to the General Manager, and to the Co-General Manager as well as to other responsables so-delegated.
- 31.4.** Representation of the Company and corporate signing powers may also be entrusted by the Board of Directors to individual Board Members in relation to the powers and duties assigned to them by the Board of Directors.
- 31.5.** For certain actions or categories of actions the Board of Directors may also assign corporate signing powers to employees, establishing limits to the powers of attorney.
- 31.6.** The Chairman of the Board of Directors, or his deputy pursuant to Article 31.1., the Chief Executive Office, and, if so-authorized pursuant to Article 31.1., the General Manager and the Co-General Managers as well as other responsible so-appointed may designate special attorneys, also external to the Company, for performance of single actions or categories of actions.

## **Art. 32. - Performance of Delegated Duties**

- 32.1.** Managers and other employees entrusted with powers of attorney or with certain tasks in the discharge of their duties to be performed within the operating unit to which they have been assigned, are responsible for strict compliance with general and special laws, the Bylaws and resolutions of corporate bodies.

## **TITLE VII-**

### **BOARD OF STATUTORY AUDITORS**

## **Art. 33. - Composition and Number**

- 33.1.** The Board of Statutory Auditors is composed of 5 (five) standing and 3 (three) alternate statutory 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 last financial year of their office and may be re-appointed. Statutory Auditors must meet the eligibility, independence, professional and honorability requirements and

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- comply with the skills, fairness and time commitment criteria established under the applicable laws.
- 33.2.** At least two Standing Statutory Auditors and one Alternate Statutory Auditor shall be enrolled in the register of independent auditors and shall have exercised auditing activities for a period of time not lower than three years.
- 33.3.** The composition of the Board of Statutory Auditors ensures pursuant to applicable law and regulations in force the balance between the genders.
- 33.4.** Without prejudice to the further provisions of the applicable law in force, Statutory Auditors must meet the independence requirements provided for Independent Directors of article 20.1.6. of the By-laws.
- 33.5.** Members of the Board of Statutory Auditors must comply with the limits to the holding of multiple administration and control offices, established by Consob regulations and other applicable provisions of the law.
- 33.6.** Furthermore: (i) the Statutory Auditors may not hold offices in company bodies other than those having controlling functions in other companies of the Group as well as in companies in which the Company holds, also indirectly, a participating interest of strategic relevance (also if not belonging to the Group); and (ii) candidates holding the office of Member of the Board of Directors, executive or officer in companies or entities directly or indirectly performing banking activity in competition with that of the Company and of the relating Group, with the exception of that related to trade associations, may not be appointed and, if appointed, shall cease to hold office.
- 33.7.** For the full duration of their mandate, the Chairman and the standing members of the Board of Statutory Auditors are entitled to the annual compensation decided by the Shareholders' Meeting, in addition to the reimbursement of expenses related to their office.

#### **Art. 34. - Appointment by Lists**

- 34.1.** Without prejudice to any other mandatory provisions of laws and regulations, the Board of Statutory Auditors is appointed on the basis of lists submitted by shareholders.
- 34.2.** The lists, divided into two sections, one for candidates to the office of Standing Auditor and one for candidates to the office of Alternate Auditor, must indicate a number of candidates not exceeding the number of Statutory Auditors to be appointed. In each section, the candidates are listed with a progressive number. At least two candidates as Standing Statutory Auditors and one candidate as Alternate Statutory Auditor listed in the respective sections of the lists must be enrolled in the register of

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independent auditors and must have exercised auditing activities for a period of time not lower than three years.

- 34.3.** Lists which, considering both sections, have a number of candidates equal to or higher than three must include, both in the section of the list relating to Standing Statutory Auditors and in the section of the list relating to Alternate Statutory Auditors, candidates of different gender in order to ensure that the composition of the Board of Statutory Auditors complies with the applicable provisions of laws in respect of gender balance.
- 34.4.** Each list must be submitted by one or more shareholders with voting right who hold, either individually or together, shareholdings equal to at least 1% (one per cent) of the Company's capital or a different percentage determined by the provisions of applicable laws which will be communicated from time to time in the notice of call of the Shareholders' Meeting convened to resolve upon the appointment of the Board of Statutory Auditors. The ownership of the minimum portion of the share capital required for the submission of the lists shall be determined taking into account the shares recorded in favor of the single shareholder or the relevant group of shareholders jointly considered on the date upon which the lists are filed with the Company. The ownership of the number of shares required for the submission of the lists shall be certified pursuant to the applicable law in force; such certification may be delivered to the Company even following the deposit as long as it is delivered at least twenty-one days before the date of the Shareholders' Meeting in compliance with the applicable law in force.
- 34.5.** A shareholder may not submit or vote for more than one list, even if through a third party or fiduciary company. Shareholders belonging to the same corporate group – meaning the parent, the subsidiaries and the companies subject to common control – and shareholders that are party to a shareholders' agreement provided by Article 122 of Italian Legislative Decree 24 February 1998 No. 58 regarding the Company's shares cannot submit, and shareholders with voting rights cannot vote for, more than one list, even if through a third party or fiduciary company. In the event of failure to comply, the shareholder's signature shall not be counted for any of the lists.
- 34.6.** Under penalty of forfeiture, the lists of candidates must be deposited with the Company's registered office within the twenty-fifth day prior to the date of the Shareholders' Meeting, also by means of distance communication determined by the Board of Directors according to modalities set out in the notice of call of the Shareholders' Meeting, enabling those who deposit to be identified and made available to the public at the Company's registered office, on the Company's website and with the forms established by the applicable laws in force within the twenty-one days before the date of the Shareholders' Meeting. They must be accompanied, unless otherwise specified by the applicable laws in force: (i) by information on the identity

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of shareholders submitting the lists, with specification of the total percentage of shareholding held; (ii) by comprehensive information on each candidate's personal and professional characteristics, with specification of the administration and control offices held in other companies; (iii) by statements by which each candidate accepts the nomination, certifying under his own responsibility, the absence of causes of ineligibility and incompatibility, as well as the existence of the requirements established by the law or by the Bylaws for the office; and (iv) by a statement of the shareholders who have submitted the list, other than those holding, even jointly, a controlling or relative majority, attesting the absence (or the existence) of relationships of affiliation with the latter, as provided under Article 144-*quinquies*, first paragraph, of Consob Regulation No. 11971/1999 and applicable laws.

- 34.7.** If at the expiry date of the time limit set forth in Article 34.6., only one list has been deposited or only lists submitted by shareholders who, according to the statements made under Article 34.6., prove to be interrelated according to regulations in force at the time, the Company shall immediately provide notice in accordance with the procedures established by applicable laws, and then act in accordance with the law.
- 34.8.** Lists submitted without complying with the above terms and provisions shall be considered as not submitted. Any differences or shortcomings that concern the, or the lack of, documentation regarding individual candidates on a list shall not automatically result in the exclusion of the entire list, but only of the candidates concerned by the irregularities.
- 34.9.** Each candidate may only be included in one list, under penalty of ineligibility.
- 34.10.** Candidates who do not meet the requirements established by the law and by the Bylaws cannot be appointed and if appointed shall fall from office.
- 34.11.** Each person with voting right may vote for one list only.

## **Art. 35. - Voting**

- 35.1.** The Board of Statutory Auditors is appointed as follows.
- 35.2.** Two Standing Auditors and one Alternate Auditor are taken, in the progressive order in which they are listed in the related section of the list, from the list obtaining the highest number of votes.
- 35.3.** Two Standing Statutory Auditors and one Alternate Auditor are taken, in the consecutive order in which are listed in the related section of the list, from the list obtaining the second highest number of votes and that is not related, even indirectly, in accordance with applicable laws, to the

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shareholders who submitted or voted for the list obtaining the highest number of votes. If the list obtaining the second highest number of votes is related with the shareholders who submitted or voted for the list obtaining the highest number of votes, the two Standing Statutory Auditors and one Alternate Statutory Auditor are taken, in the progressive order in which they are listed in the related section of the list, from the list obtaining the third highest number of votes and that is not related, even indirectly, in accordance with applicable laws, to the shareholders who submitted or voted for the list obtaining the highest number of votes.

- 35.4.** One Standing Auditor (who will be the Chairman of the Board of Statutory Auditors) and one Alternate Auditor are taken, in the consecutive order in which are listed in the related section of the list, from the list obtaining the third highest number of votes and that is not related, even indirectly, in accordance with applicable laws, to the shareholders who submitted or voted for the lists resulted first and second for number of votes. If the list obtaining the third highest number of votes is related with the shareholders who submitted or voted for the list obtaining the highest and the second highest number of votes, the Standing Statutory Auditor to be appointed Chairman of the Board of the Statutory Auditors and one Alternate Statutory Auditor are taken, in the consecutive order in which they are listed in the related section of the list, from the list obtaining the fourth highest number of votes and that is not related, even indirectly, in accordance with applicable laws, to the shareholders who submitted or voted for the list obtaining the highest and the second highest number of votes.
- 35.5.** If any lists obtain equal votes, the Shareholders' Meeting shall repeat the voting procedure, only voting for the lists obtaining equal votes. The candidates from the list obtaining the relative majority of votes shall be appointed.
- 35.6.** If only one list is submitted, and that list obtains the majority required by the law for the ordinary Shareholders' Meeting, all the Standing and Alternate Auditors shall be taken from said list. In such case, the Chairman of the Board of Statutory Auditors shall be the person indicated at the first place of the section of candidates to the office of Standing Auditor in the list submitted.
- 35.7.** If only two lists are submitted, (a) three Standing Auditors and two Alternate Auditors are taken, in the order in which they are listed in the related section of the list, from the list obtaining the highest number of votes; and (b) two Standing Auditors and one Alternate Auditor are taken, in the order in which they are listed in the related section of the list, from the remaining list that is not related, not even indirectly, as per applicable laws with the shareholders that have submitted or voted the list that classified first for number of votes. The office of chairman of the Board of Statutory Auditors shall be held by the person indicated at the first place in the section of candidates for standing Auditor of the list referred to under this letter b).



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- 35.8.** If, at the end of the voting and considering the Standing Statutory Auditors and the Alternate Statutory Auditors severally, has been appointed the minimum number of Statutory Auditors who are enrolled with the register of independent auditors and have exercised auditing activities for a period of time not lower than three years not, taking into account the order in which they are listed in the respective section, the last candidates without such requirements appointed from the list that obtained the highest number of votes, shall forfeit office in the number required to ensure compliance with the requirement, and shall be replaced by the first candidates meeting such requirements and not appointed from the same section of the same list. In the absence of candidates meeting such requirements in the same section of the same list that obtained the highest number of votes in order to proceed with the replacement, the Shareholders' Meeting appoints the missing Standing Statutory Auditors and Alternate Statutory Auditors with the majorities provided by law, ensuring the meeting of the requirement.
- 35.9.** If, at the end of voting, the composition of the Board of the Statutory Auditors, considering the Standing Statutory Advisors and the Alternate Statutory Advisors severally, does not allow the compliance with the minimum number of Statutory Auditors of the less represented gender, taking into account their order of listing in the respective sections, the last appointed candidates of the most represented gender from the list that obtained the highest number of votes shall forfeit, in the number necessary to ensure compliance with such requirement, and shall be replaced by the first non-elected candidates belonging to the least represented gender, taken from the same section of the same list. In the absence of a sufficient number of candidates of the less represented gender within the relevant section of the list that obtained the highest number of votes to fill the places, the Shareholders' Meeting shall appoint the missing standing or alternate auditors with the legal majorities, thus ensuring the requirement is met.
- 35.10.** If no lists are submitted, the Board of Statutory Auditors shall be appointed by the Shareholders' Meeting by relative majority vote, in compliance with applicable laws on gender balance and with the requirements on eligibility, independence, professionalism and honorability set out for Statutory Auditors.
- 35.11.** If the Chairman of the Board of Statutory Auditors is no longer able to hold office, the office shall be taken, until integration of the Board pursuant to Article 2401 Italian Civil Code, by the Alternate Auditor taken from the list from which the Chairman was taken.
- 35.12.** If one or more Standing Auditors are no longer able to hold office for any reason whatsoever, they shall be succeeded by the Alternate Auditors taken from the same list in compliance with the professional requirements provided by Article 33.2. and the gender balance principle and, subordinately, in order of age. The succeeding Auditors shall remain in

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office until the next Shareholders' Meeting, which shall take the necessary steps to integrate the Board. If it is not possible to proceed with the replacement in the abovementioned manner, the Shareholders' Meeting shall resolve upon the replacement pursuant to following Article 35.13.

**35.13.** When the Shareholders' Meeting must appoint the Standing and/or Alternate Auditors required to integrate the Board of Statutory Auditors pursuant to the previous Article 35.11. or pursuant to law, they proceed as follows:

- (i) when it proves necessary to replace Auditors taken from the list obtaining the highest number of votes, election shall occur by relative majority vote without list restriction, in compliance, however, with legal provisions on gender balance;
- (ii) if, on the contrary, it proves necessary to replace Auditors taken from the list obtaining the second or third highest number of votes and that is not related, even indirectly, to the shareholders who submitted or voted for the list obtaining the highest number of votes, the Shareholders' Meeting, in compliance with legal provisions on gender balance, shall replace them, by relative majority vote, choosing where possible from the candidates indicated in the list to which the Auditor to be replaced was taken, who confirmed their candidature at least twenty-five days prior to the date set for the Shareholders' Meeting in first call, by filing at the Company's registered office, the statements regarding the absence of causes of ineligibility and incompatibility and the existence of the requirements established for the office and providing an updated indication of the administration and control offices held in other companies. If it is not possible to proceed in such way, the Shareholders' Meeting shall resolve by relative majority vote among single candidates submitted by shareholders who, by themselves or together with other shareholders, hold the minimum percentage referred to by the preceding Article 34.4., without list restriction, in compliance, in any case, with applicable laws on gender balance. In such case, in ascertaining the results of voting, the votes expressed by shareholders who hold, also indirectly, or together with other shareholders adhering to a shareholders' agreement provided by Article 122 of Legislative Decree 24 February 1998 no. 58, the relative majority of the votes exercisable in the Shareholders' Meeting as well as of the shareholders that control, are controlled by, or are under a common control with the same, shall not be computed; the foregoing, in any case, subject to the applicable laws regarding gender balance.

**35.14.** Application of the above provisions must in any case ensure the appointment of at least one Standing and one Alternate Auditor by

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minority shareholders who are not related, even indirectly, to the shareholders who submitted or voted for the list obtaining the highest number of votes.

## **Art. 36. - Functions and powers of the Board of Statutory Auditors**

**36.1.** The Board of Statutory Auditors performs the tasks and carries out the control duties prescribed by applicable laws and specifically monitors:

- a. compliance with provisions of the law, regulations and the by-laws and observance of principles of sound administration;
- b. adequacy of the Company's organisational and administrative-accounting structure and financial reporting process, in respect of the aspects under its competence;
- c. effectiveness and adequacy of the risks' management and control and internal audit system and the functionality and adequacy of the overall internal control system;
- d. the process of statutory audit of the annual accounts and the consolidated accounts;
- e. the modalities of actual implementation of the corporate governance rules which the Company has declared to follow;
- f. the adequacy of the directives submitted by the Company to
- g. controlled companies in the exercise of its direction and coordination activity;
- h. independence of the external auditing firm, with specific regard to the performance of non-auditing services.

**36.2.** The Board of Statutory Auditors is vested with the powers established by legislative and regulatory provisions and reports to the Regulatory Authorities pursuant to the applicable regulations in force.

**36.3.** Without prejudice to the obligation set forth in the previous paragraph, the Board of Statutory Auditors reports shortcomings and irregularities found to the Board of Directors, requests adoption of suitable corrective measures and verifies their effectiveness over time.

**36.4.** Statutory Auditors are also entitled to carry out at any time, and even individually, inspections and controls and to request information from the directors, also regarding subsidiary companies, on the performance of corporate transactions or on specific business, or submit such requests for information directly to the subsidiaries' administration and control bodies.

**36.5.** The Board of Statutory Auditors may also exchange information with the

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subsidiaries' corresponding bodies on the administration and control systems and on the general performance of corporate business.

- 36.6.** The minutes and deeds drawn up the Board of Statutory Auditors must be signed by all those who intervened.
- 36.7.** The Board of Statutory Auditors, which shall meet at least any 90 (ninety) days, is convened by the Chairman of the Board of Statutory Auditors with notice to be communicated at least 3 (three) days before the meeting to each Standing Auditor, and in the case of urgency, at least 12 (twelve) hours beforehand, using any means suitable for providing proof of receipt.
- 36.8.** The Board of Statutory Auditors is validly formed and resolved with the majorities provided for by the law.
- 36.9.** Meetings of the Board of Statutory Auditors may also be validly held through use of remote connection systems, provided that all the participants may be identified and are able to follow the debate and intervene in discussion of the business handled in real time. In any case, the Board of Statutory Auditors is considered to have convened at the venue indicated in the notice of call.

#### **TITLE VIII-**

##### **AUDIT OF THE ACCOUNTS**

#### **Art. 37. - Audit of the Account**

- 37.1.** The audit of the Company's accounts is entrusted, pursuant to law, to an external auditing firm appointed by the Shareholders' Meeting, upon motivated proposal of the Board of Statutory Auditors.

#### **TITLE IX -**

##### **FINANCIAL STATEMENTS**

#### **Art. 38. - Financial Year and Financial Statements**

- 38.1.** The financial year closes on 31 December of each year.
- 38.2.** The Board of Directors prepares the draft of the financial statement and the consolidated financial statement in compliance with applicable laws.

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#### **Art. 39. - Distribution of Profits**

- 39.1.** The net profit arising from the approved financial statements - deducted the quota to be allocated as legal reserve and the quota not available pursuant to the law - is allocated, by resolution of the Shareholders' Meeting, to the shareholders as dividend, or to set up and/or increase other reserves or provisions however they be named or to other purposes defined by the Shareholders' Meeting (including for the purposes set forth under Article 5.2.).
- 39.2.** The distribution of interim dividends may be approved during the financial year in compliance with applicable laws.

#### **TITLE X -**

#### **WINDING-UP OF THE COMPANY**

#### **Art. 40. - Winding-Up of the Company**

- 40.1.** In all cases of winding-up the extraordinary Shareholders' Meeting appoints and revokes the liquidators, establishes their powers, the liquidation procedures and the allocation of the closing balance.