



**SHAREHOLDERS' MEETING  
ROME - 19 APRIL 2018**

EXPLANATORY REPORT  
OF THE BOARD OF DIRECTORS  
in accordance with Article 125-ter of Italian Legislative Decree no. 58 dated 24 February 1998

ON ITEM 3 OF THE AGENDA

**3. Appointment of Board of Auditors for 2018 – 2020 financial years**

- 3.1 Appointment of three Statutory Auditors and two Alternate Auditors;
- 3.2 Appointment of Chairman of Board of Auditors;
- 3.3 Determination of fee for members of Board of Auditors.

Dear Shareholders,

The mandate of the current Board of Auditors of doBank S.p.A. (hereafter: "doBank") expires on 19 April 2018, the date of the Shareholders' Meeting convened to approve the financial statements closing at 31 December 2017.

At that meeting, you will therefore be asked, inter alia, to appoint the new Board of Auditors, to elect its Chairman and to determine the fee due to the statutory auditors, in accordance with the terms and provisions of the doBank Articles of Association and the legal and regulatory rules in force in that regard.

\*\*\*

### **Appointment of three Statutory Auditors and two Alternate Auditors**

In conformity with the Articles of Association, the Shareholders' Meeting is required to appoint three Statutory Auditors and two Alternate Auditors, who remain in office for the duration of three financial years and cease office at the date of the Shareholders' Meeting convened to approve the financial statements for the final financial year of their office.

The statutory and alternate members of the Board of Auditors of doBank must possess, under penalty of ineligibility or forfeiture, the requirements established by the Articles of Association and by existing legal and regulatory provisions, therein including those relating to the accumulation of roles.

In particular, with regard to the requirements of professionalism, the sectors that, based upon the Articles of Association, are considered to be closely related to the activity of doBank, for the purposes of applying the provisions of Art. 1, paragraph 2, letters b) and c) of the Decree of the Ministry of Justice no. 162 dated 30 March 2000, are commercial law and tax law, business economics and company finance, as well as matters relating to the financial and credit sector.

In accordance with the law and the articles of association, the composition of the Board of Auditors must guarantee respect of the gender balance.

As provided by the Articles of Association and existing regulatory and legislative provisions, the appointment of the statutory and alternate members of the Board of Auditors is done on the basis of lists submitted by the legitimated parties, in which the candidates must be listed by sequential number. The lists must be split into two

sections, indicating, respectively, up to three candidates for the role of Statutory Auditors and up to two candidates for that of Alternate Auditor.

In each list that includes candidates for the role of Statutory Auditor and Alternate Auditor, at least the first candidate for the role of Statutory Auditor and at least the first candidate for that of Alternate Auditor, indicated in the respective sections, must have been registered for at least three years in the Register of Statutory Auditors and must have exercised statutory accounts auditing activity for a period of no less than three years.

In addition, in each list that has a number of candidates equal to or greater than three, each section for the appointment to Statutory Auditor and to Alternate Auditor must present a number of candidates belonging to the least represented gender which guarantees, within that section, respect of the gender balance at least to the minimum extent required by the legislation, including regulatory, in force.

No candidate, under penalty of forfeiture of his/her candidacy, may appear in more than one list.

Persons legitimated to vote who, alone or together with others, hold overall shares with voting right representing at least 1% of the share capital have the right to submit lists for the appointment of the Auditors (in accordance with Art. 23.6 of the Articles of Association and CONSOB Resolution no. 20273 dated 24 January 2018).

Each person legitimated to vote (as well as (i) legitimated persons belonging to the same group, i.e., a controlling party, whether or not belonging to the company, pursuant to article 2359 of the Italian Civil Code, and any company controlled by, or under common control of, the said party, or (ii) members subscribing to the same shareholders' agreement under art. 122 of Italian Law Decree no. 58 of 24 February 1998, or (iii) legitimated persons who are otherwise associated with one another by virtue of their associative relationships in accordance with applicable and in-force laws and/or regulations) may submit or contribute to submitting only one list, just as any candidate may appear in only one list under penalty of ineligibility

The lists of candidates, accompanied by the information and documents required by existing regulations, by the Articles of Association and by CONSOB Communication DEM/9017893 dated 26 February 2009, must be filed by 12pm on 26 March 2018, by hand delivery to the registered office of doBank, in Verona - Piazzetta Monte 1, during normal office hours or by certified e-mail transmission to the address [dobank.pec@actaliscertymail.it](mailto:dobank.pec@actaliscertymail.it).

For detailed information on filing lists, we refer to the notice of convocation of the

Shareholders' Meeting.

### **Appointment Method**

Based upon the provisions of Art. 23.10 of the Articles of Association, the members of the Board of Auditors are elected as follows:

- i) two Statutory Auditors and one Alternate Auditor are taken from the list that obtained the highest number of votes validly expressed, in the sequential order in which they are indicated on that list;
- ii) the remaining Statutory Auditor and the remaining Alternate Auditor are taken from the list that obtained the highest number of votes after that identified in point i) above, which is not connected in any way, even indirectly, with the persons legitimated to vote who submitted the list cited above; the first candidates of the respective sections will be elected, respectively, Statutory Auditor and Alternate Auditor (hereafter, the former: "Minority Statutory Auditor").

If only one list has been validly submitted, or no list has been submitted, or the number of candidates equal to the Auditors to be elected is not present in the lists, the Ordinary Shareholders' Meeting will resolve on the appointment or supplementation by relative majority. If several candidates have received equal votes, a second ballot will be held on the same, by way of further shareholders' meeting vote. The Shareholders' Meeting is required in any case to ensure respect of the gender balance as provided by the legislation, including regulatory, in force.

### **Appointing the Chairman of the Board of Auditors**

Pursuant to art. 148, para. 2-*bis*, of Italy's Consolidated Law on Finance (TUF) and art. 23.11 of the Articles of Association, the Chairmanship of the Board of Auditors is held by the Minority Statutory Auditor.

Without prejudice to the above, if just one or no list is submitted, the Chairman of the Board of Auditors shall be appointed at the Shareholders' Meeting with the majorities required by law.

### **Determination of fee for members of Board of Auditors**

The Shareholders' Meeting is also asked to resolve in relation to the fee due to the members of the new Board of Auditors.

For that purpose, it is noted that, based upon the indications provided by the outgoing Board, in the 2017 financial year, the Board held 16 meetings, with an average duration of about 3 hours and 30 minutes each; in addition, the Auditors participated at 17 meetings of the Board of Directors and 33 meetings of the Board Committees.

The Board of Auditors was also attributed by the Board of Directors the functions of Supervisory Body pursuant to Art. 6 of Italian Legislative Decree no. 231 dated 8 June 2001 (in accordance with paragraph 4-*bis* of that article), in line with the Supervisory Provisions of the Bank of Italy on internal controls (Circular no. 285 of December 2013).

### **Resolutions proposed to the Shareholders' Meeting**

Dear Shareholders,

In accordance with and in respect of the provisions of the Articles of Association of doBank and the legislation, including regulatory, in force, we invite you to resolve on proposals relating to:

- the appointment of the members of the Board of Auditors, both statutory and alternate, and the election of the Chairman, for the duration of three financial years and, therefore, until the date of the Shareholders' Meeting convened to approve the financial statements closing at 31 December 2020;
- the determination of the fee due to the Chairman and the other statutory members of the Board of Auditors, for the entire duration of the respective mandate.

Rome, 8 March 2018

The Board of Directors