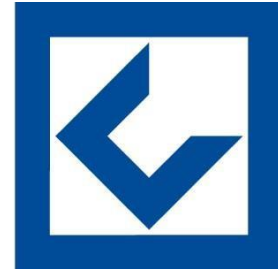


**Credito  
Valtellinese**



# **ARTICLES OF ASSOCIATION**

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## **ESTABLISHMENT – AIM – PURPOSE – TERM AND REGISTERED OFFICE OF THE COMPANY**

### Art. 1

1. "Banca Piccolo Credito Valtellinese S.p.A.", or, in short form "Credito Valtellinese S.p.A." or "Creval S.p.A.", is a joint-stock company coming from the transformation of "Banca Piccolo Credito Valtellinese, società cooperativa (cooperative company)" resolved by the Shareholders' Company of [29] October 2016 pursuant to Italian Law no. 33 of 24 March 2015 ("Bank" or "Company"). The Bank was founded under deed dated 12 July 1908, under the hand and seal of Mr. Del Felice, Notary Public, no. 12378/301 and was authorised to carry out lending activities by Decree no. 189 dated 24 July 1908 of the Court of Sondrio.

2. The Company is governed by provisions of law and these Articles of Association.

### Art. 2

1. The Company's purpose involves the raising of savings and lending activities, in its various forms. It pays particular attention to the valuation of local resources where it is present through its own distribution network and that of the Group and it also supports and encourages the development of all businesses, particularly the smaller ones and cooperatives and, according to its founders' intentions and its traditional Christian inspiration, it favours the institutions that aim to improve the moral, intellectual and economic conditions of the less fortunate classes, also by means of charitable activities.

2. In observance of current laws in force, the Company may carry out all banking and financial operations and services permitted, as well as any other operation, which is instrumental or linked to the achievement of the corporate purpose.

3. The Company may issue bonds in compliance with current legal provisions.

4. In its capacity as Parent Company of the "Credito Valtellinese Group" ("Creval Group" or "Group"), pursuant to Article 61 of Italian Legislative Decree no. 385 of 1 September 1993, the Company issues instructions to the group members, whilst exercising management and co-ordination activities, for the execution of the instructions imparted by the Bank of Italy in the interest of the stability of the Group.

Art. 3

1. The duration of the Company is established until 12 July 2058, with the right to implement other extensions.

Art. 4

1. The Company's registered offices and general management are located in Piazza Quadrivio 8, Sondrio, Italy. By means of resolution of the Board of Directors and upon attainment of the necessary authorisations, branches or agencies may be established or closed down in Italy and abroad.

## **SHAREHOLDERS' EQUITY – SHARES**

Art. 5

1. The share capital, subscribed and paid-up, amounted to EUR 1,643,508,053.06 and is divided into 70,149,694 ordinary shares with no nominal value.

2. The share capital may be increased in accordance with law provisions, also pursuant to Article 2441, fourth paragraph, second sentence, of the Italian Civil Code, in compliance with the conditions and procedure set forth therein.

3. It is allowed, in accordance with the law, to allocate profits to employees of the Company or its subsidiaries, through the issue of shares pursuant to Article 2349 of the Italian Civil Code.

Art. 6

1. The shares are personal, non-divisible and freely transferable.

2. Each share has one voting right.

3. In the case of co-ownership of a share, the rights of the co-owners must be exercised by a common representative, if all the law provisions are observed.

Art. 7

1. The right to withdraw from the Company can be exercised only in the cases and in the manner envisaged by binding legal regulations. In any event, said right is not applicable if the duration of the Company is extended or restrictions on the circulation of the shares are changed or removed.

## **SHAREHOLDERS' MEETING**

### Art. 8

1. Duly constituted Shareholders' Meetings represent all Shareholders ("Shareholders" or "Partners") and its resolutions, adopted in compliance with the law and these Articles of Association, are binding on all Shareholders, irrespective of their attendance or agreement.
2. The execution of Shareholders' Meetings is governed by the provisions of law and the Articles of Association, as well as by the regulations approved by the ordinary Shareholders' Meeting ("Shareholders' Meeting Regulations").

### Art. 9

1. Shareholders' Meetings are held in ordinary and extraordinary session.
2. The Ordinary Shareholders' Meeting must be convened at least once a year, within 120 days from the closing of the financial year.
3. The Extraordinary Shareholders' Meetings take place in the cases provided by law.

### Art. 10

1. The Shareholders' Meeting is convened by the Board of Directors even in a place other than the registered office, provided that in Italy, according to the law.
2. The Board of Directors must convene the Shareholders' Meeting without delay when Shareholders representing at least one twentieth of the share capital request it in writing, indicating the issues to be discussed, in accordance with the law.
3. The Shareholders who represent at least one fortieth of the share capital may request the inclusion in the list of issues to be discussed at the Meeting, resulting from the notice thereof, indicating in the request the additional issues proposed, or submit proposals for resolutions on items already on the agenda, through the procedures, terms and within the limits established by law. Additions to the agenda are not allowed for items on which the shareholders' meeting resolves, in accordance with the law, upon proposal of the Board of Directors or on the basis of a project or report prepared by them, other than those indicated in Article 125-ter, paragraph 1, of Italian Legislative Decree no. 58 of 24 February 1998.
4. The requests referred to in the previous paragraphs two and three must be accompanied by certifications issued by intermediaries attesting the legal capacity of the requesting Shareholders,

pursuant to the applicable laws and regulations.

5. The Ordinary and Extraordinary shareholders' meetings are held in single call, unless otherwise decided by the Board of Directors.

#### Art. 11

1. In addition to discussing the subject matters provided by the law, the ordinary Shareholders' Meeting adopts the following resolutions:

- a) approves, upon proposal of the Board of Directors, the remuneration and incentive policies and equity-based pay plans for the Board of Directors, employees and collaborators not bound to the company by subordinate contractual relationships;
- b) resolves, on proposal by the Board of Directors, the methods and limits for determining the fee to be paid to key personnel, as defined by the laws and regulations pro tempore in force, in the event of early termination of the employment or early termination of office;
- c) resolves, on proposal by the Board of Directors, on the possible fixing of a limit to the ratio between the variable and fixed component of the individual remuneration exceeding 100% (ratio of 1:1) and in any case in compliance (i) with laws and regulations pro tempore in force and (ii) with the decision-making quorum set forth in Article 13, paragraph 2;
- d) resolves, on proposal by the Board of Directors, on the possible derogation from the limit established by the laws and regulations pro tempore in force for the remuneration of the Chairman of the Board of Directors in compliance with the decision-making quorum set forth in Article 13, paragraph 2;
- e) authorises the carrying-out of transactions with related parties that the Board of Directors may subject to its examination pursuant to the Company's internal procedures in compliance with applicable laws and regulations.

#### Art. 12

1. The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or by the nominee pursuant to these Articles of Association or, in their absence, by a person designated by the persons attending.
2. The Shareholders' Meeting appoints a Secretary and, if the Chairman deems it necessary, one or more scrutineers.
3. In case of Extraordinary Shareholders' Meeting, the notary will act as secretary. The relevant minutes are registered in the special Shareholders' Meeting Register.
4. Shareholders' Meetings may also be validly held through remote communication systems provided

that the persons entitled to participate and to exercise their voting right can be duly identified and that they are able to follow the meeting's business and to cast their vote on resolutions, in compliance with applicable laws and regulations and with the shareholders' meeting regulations. If this option is used, the notice of call of the Shareholders' Meeting will provide precise information on the venues with remote connection, specifying whether it shall be possible to participate in discussion on the items on the agenda even in said venues. In any case, the Chairman and the Secretary must be present at the main venue, where the meeting is considered to be held.

5. In compliance with laws and regulations in force, the Board of Directors may allow the transmission in real time of the Shareholders' Meeting, as well as the voting right to be exercised before or during the course of Shareholders' Meetings, by using electronic means and according to procedures, to be stated in the notice of call, which can guarantee identification of the persons entitled to vote and safety of communications.

#### Art. 13

1. Unless otherwise provided by these Articles of Association, for Ordinary and Extraordinary Shareholders' meetings and for its resolutions to be valid, the majorities required by law apply.

2. Resolutions of the Ordinary Shareholders' Meeting concerning the proposals of the Board of Directors referred to in Article 11, paragraph 1, letters c) and d) will be approved when: i) the shareholders' meeting is constituted with at least half of the share capital and the resolution is adopted with the favourable vote of at least 2/3 of the capital attending the meeting; or ii) the resolution is passed with the favourable vote of at least 3/4 of the capital present at the shareholders' meeting, whatever the quorum with which it was formed.

#### Art. 14

1. The subjects entitled to vote showing their legal capacity in compliance with laws and regulations in force have the right to attend the Shareholders' meetings. Those who have the right to vote can be represented in the Shareholders' Meetings in compliance with the law provisions and Regulations of the Shareholders' Meetings. The proxy can be notified also by e-mail according to the procedures indicated in the notice of call.

2. The Board of Directors has the right to appoint, giving notice of it in the notice of call, for each Shareholders' Meeting, one or more subjects to whom the holders of voting rights can assign, with the methods envisaged by applicable regulatory provisions, a proxy with voting instructions on all or some of the proposals on the agenda. The proxy is effective for draft resolutions in relation to which voting instructions were given.

Art. 15

1. Resolutions of the Shareholders' Meeting are placed on record through specific minutes which, recorded in the special register, are signed by the Chairman, the Secretary or by the notary public.
2. This register and the extracts taken from it, certified as true copies by the Chairman and the Secretary, provide proof of the Shareholders' Meetings and resolutions.

## **BOARD OF DIRECTORS**

Art. 16

1. The Board of Directors of the Company consists of 15 members chosen by the Shareholders' Meeting.

Art. 17

1. The duration of the mandate of the Directors is three years unless a shorter duration is established by the Shareholders' Meeting upon appointment. The office of the Directors expires on the date on which the Shareholders' Meeting is convened for the approval of the financial statements corresponding to the last financial year of their office and they can be re-elected.
2. The Board of Directors must have the requirements of integrity, professional standing, independence, competence and correctness established by law, as well as other requirements that may be laid down by laws and regulations in force in order to ensure the sound and prudent management of the Bank. If the aforesaid requirements cease to exist, the Director falls from his office; this removal is declared in accordance with the procedures established by law. Moreover, at least four Directors must also have the independence requirements envisaged in the following paragraph 3. Finally, at least five members must be non-executive directors under the provisions of the applicable regulations issued by the Bank of Italy.
3. A Director cannot be considered independent in the following cases:
  - a) if, he/she controls the Company, directly or indirectly, also through subsidiaries, trust companies or by proxy, or is able to have a significant influence over the Company, or is a party to a shareholders' agreement through which one or more subjects can control or have a significant influence over the Company;
  - b) if he/she is, or has been in the previous three financial years, a representative of the Company, of a subsidiary company with strategic importance or a company under common control with the



Company, or of a company or body that, also with others through a shareholders' agreement, controls the Company or is able to exercise a significant influence over it;

c) if, directly or indirectly (for example through subsidiary companies or companies in which he/she is a representative, or as a partner of an office or consulting firm), he/she has, or had in the prior financial year, a significant commercial, financial or professional relation:

- with the Company, a subsidiary, or with any of the relevant representatives;
- with a subject that, also with others through a shareholders' agreement, controls the Company, or - in case of a company or a body - with the relevant representatives;

or he/she is, or has been in the previous three financial years, an employee of one of the aforesaid subjects;

d) if he/she receives, or has received in the previous three financial years, from the Company or from a subsidiary or parent company, a significant additional remuneration (compared to the "fixed" fee of non-executive director of the Company, and to the remuneration for participating in committees recommended by the Corporate Governance Code promoted by Borsa Italiana S.p.A.), also as participation in incentive schemes related to business performance, share based or otherwise;

e) if he/she was a Director of the Company for more than nine years in the last twelve years;

f) if he/she holds the office of Executive Director in another company in which an Executive Director of the Company holds the office of Director;

g) if he/she is a shareholder or director of a company or of a body belonging to the network of the audit company;

h) if he/she is a close relative of a person who is in one of the situations referred to in the previous points.

For the purposes of the above-mentioned cases, the provisions of the Corporate Governance Code promoted by Borsa Italiana S.p.A. apply. With specific reference to the case in point under letter d), having received any remuneration deferred with respect to activities ended more than three years is not significant in itself.

Moreover, a Director cannot be considered Independent in cases indicated by Article 148, third paragraph, of Italian Legislative Decree no. 58 of 24 February 1998, if these define more restrictive conditions.

Should a Director no longer meet the independence requirements set out by this paragraph, this Director will fall from office, unless said requirements are still met by the minimum number of Directors who must meet them, according to the Articles of Association, in compliance with the laws and regulations in force.

4. In order to ensure a gender balance on the Board of Directors, at least two-fifths of Directors must be of the gender least represented. If application of the gender distribution criterion does not result in a whole number of members of boards of directors of the gender least represented, the result is rounded up to the nearest whole number.

5. The Board of Directors governs the limits to the plurality of administration and control offices that can be held in other companies by the Directors with special regulations, in compliance with laws and regulations in force.

#### Art. 18

1. Directors are appointed by the Shareholders' Meeting on the basis of lists submitted by the shareholders, as established by these Articles of Association. The Board of Directors of the Company has the right to submit its own list of candidates (the "List of the BoD"). The lists must include at least 3 to 15 candidates, except for the List of BoD that can contain up to 12 candidates. The majority of the members of the List of the BoD, when chosen, must be independent pursuant to the provisions of Article 17 of these Articles of Association. In the lists, the candidates must be listed in progressive order and those who hold the independence requirements envisaged in the previous Article 17 must be expressly indicated.

2. Each list must be compiled in such a way as to guarantee gender balance among candidates, and must therefore ensure that at least two-fifths of candidates on the list are of the less-represented gender.

3. The lists must be filed at the company headquarters, even using remote communication means, in accordance with procedures stated in the notice of call of the Shareholders' Meeting, which allow the filing parties to be identified, by the twenty-fifth day before the date set for the first or single call of the Shareholders' Meeting, and made available to the public at the company headquarters, on the website and through the other procedures established by applicable legislation at least twenty-one days prior to the date of the Shareholders' Meeting. Each list, except for the List of the BoD, must be signed by one or more of the Shareholders holding a total share capital not less than the one envisaged by applicable laws and regulations.

4. Each Shareholder may participate in the submission of one list only, otherwise the endorsement shall not be counted for any of the lists; each candidate must appear on one list only, under penalty of ineligibility.

5. Along with each list, and by the closing date for filing the list at the company headquarters, under penalty of disqualification, a curriculum indicating the personal and professional characteristics of each candidate must be filed in addition to the declarations by which the individual candidates:

irrevocably accept their candidature, certify under their own responsibility that there are no reasons to exclude eligibility and no incompatibility issues, and that they meet all the requirements under prevailing law and the Articles of Association to take the office of Director and possibly state whether they are “independent” pursuant these Articles of Association.

6. Lists that do not comply with the requirements or the timeframes set out in the Articles of Association or with prevailing law or regulations are not admitted for voting. The non-admissibility of lists not submitted in compliance with procedures and timeframes set forth in this article will be decided by the Board of Directors, as a matter of urgency, subject to opinion of the committee set up for appointment of directors in compliance with the provisions and regulations in force and with the provisions of the Corporate Governance Code of Borsa Italiana. The non-admissibility of the List of the BoD will be decided, subject to opinion of the committee set up for appointment of directors, by the Board of Statutory Auditors.

7. Each Shareholder may vote for one list only.

8. Without prejudice to the fact that, for the purposes of allocating the Directors to be elected, lists are not taken into consideration (including the List of the BoD, if any) unless they obtain a percentage of votes equal at least to half the percentage required by these Articles of Association for submitting the lists by the Shareholders, directors are elected as follows:

a) up to 12 directors will be taken from the list that obtained the majority of votes (the “First List”) in the order in which they are listed; the remaining 3 Directors will be taken from the list that obtained the majority of votes among other lists (the “Second List”), always in the order in which they are listed;

b) if the First List does not have a sufficient number of candidates to ensure the number of Directors to be elected in accordance with the mechanism indicated under letter a) is reached, all the candidates of the First List will be elected and the remaining Directors will all be taken from the Second List according to the progressive order in which they are listed;

c) if the Second List does not have a sufficient number of candidates to ensure the number of Directors to be elected is reached, the remaining Directors will be taken from the third most voted list, then, if necessary, from the fourth list and so on from the most voted lists, always according to the progressive order in which the candidates are listed;

d) if the number of candidates included in the lists is less than the total number of Directors to be elected, the remaining Directors are elected with resolution adopted by the Shareholders' Meeting with relative majority ensuring the compliance with the principles of independence and gender balance prescribed by these Articles of Association and by the regulations in force. In the event of equal votes between a number of candidates, a ballot will be held between said candidates by further

shareholder vote;

e) if only one list is submitted or admitted, a maximum number of 12 Directors will be taken from it. The remaining Directors will be elected by the Shareholders' meeting with relative majority, but excluding the vote of the shareholders who submitted the single list, on proposal of these shareholders with voting rights pursuant to this paragraph;

f) if no list is submitted or admitted, the Shareholders' Meeting resolves in according to the terms set forth in the previous letter d), within the candidates presented by the Shareholders at least 16 days prior to the date set for the Shareholders' Meeting on first or single call, with the obligation to file the documentation envisaged in the previous paragraph 5;

g) if the minimum number required of independent directors and/or directors belonging to the least represented gender is not elected, the Directors of the First List with the highest sequence number and without the requirements at issue are replaced by the following candidates taken from the same list with the requirement or requirements. If, even by applying this method, it is not possible to identify the Directors with the above-mentioned characteristics, the substitution criteria indicated will apply to the members of the Second List and then gradually to the most voted lists from which the elected candidates were taken;

h) if, even by applying the substitution criteria set forth under the previous letter g), appropriate substitutes are not identified, the Shareholders' Meeting resolves with relative majority. In this case, the substitutions will be made gradually starting from the most voted lists and from the candidates with the highest sequence number.

#### Art. 19

1. If during the year, for any reason whatsoever, one or more Directors leave office, provided that the majority is still comprised of members appointed by the Shareholders' Meeting, the Board will substitute them by means of co-opting pursuant to Article 2386 of the Italian Civil Code, in compliance with the principles set forth in Article 17, paragraphs 2, 3 and 4, and will subsequently appoint them, during the Shareholders' Meeting, without the use of list voting, as follows:

a) if the Director leaving office was elected from a list also containing names of candidates who were not elected, the Board of Directors substitutes the Director appointing the next person on the list from which the Director leaving office was elected, and the subsequent Shareholders' Meeting resolves with a legal majority, in compliance with said principles;

b) where the office of an Independent Director has terminated and/or there is no longer a gender balance pursuant to Art. 17, paragraphs 3 and 4, the Board of Directors substitutes the Director as far

as possible by appointing the first non-elected Independent Director and/or of the least represented gender on the list from which the name of the outgoing Independent Director and/or of the least represented gender was originally taken, and the next Shareholders' Meeting will comply - by the legal established majority - with the same principles;

c) If there are no candidates on the lists submitted previously who were not elected, or the methods of substitution do not allow for compliance with the requirements established by Article 17, paragraphs 3 and 4, or if no lists were originally submitted, the Board of Directors shall substitute the Directors leaving office without observing the provisions in points a) and b) above, and the subsequent Shareholders' Meeting shall adopt a resolution in compliance with the provisions of Article 18, paragraph 8, letter d) above.

2. The Directors elected in replacement of those leaving take on the same level of seniority.

#### Art. 20

1. The Board of Directors appoints a Chairman and one or more Vice Chairmen from amongst its members. The Chairman must be chosen from amongst the non-executive members of the Board.

2. They remain in office until the end of their mandate.

3. The Board of Directors can appoint a Secretary, which may be chosen from among its members or from external persons, including non-employees, provided that such person has the require preparation and experience.

4. If the Chairman is absent or unavailable, the Vice Chairman takes his place. In the event there are several Vice Chairmen, the one appointed by the Board for this purpose has precedence.

5. If the Chairman and Vice Chairmen are all absent, they are replaced by the most senior Director in age or whomever is appointed by the Board for this purpose.

#### Art. 21

1. The Chairman oversees the Company's performance, promotes the effective functioning of the corporate governance system, encourages internal communication and ensures the balance of powers. He/she calls the Board of Directors meetings, setting the agenda, coordinating the work and undertaking to provide adequate information on the issues to be discussed on the agenda to all directors.

2. If absolutely necessary, upon proposal by the Managing Director or General Management, the Chairman may adopt measures that would normally fall under the responsibility of the Board of Directors or the Executive Committee, on the condition that the Board of Directors is informed of such in the next meeting.

3. Without prejudice to what is established by the paragraph above, in case of emergency, transactions with related parties that do not fall under the competence of the Shareholders' Meeting or should not be authorised by it can be concluded also by way of derogation from the specific provisions of the Company's internal procedures adopted in accordance with the laws and regulations in force.

4. Related party transactions concluded in accordance with paragraph 3 above are subsequently the subject matter, without prejudice to their effectiveness, of a non-binding resolution of the first Ordinary Shareholders' Meeting available. The Board of Directors prepares a report that justifies adequately the reasons of the emergency and the Board of Statutory Auditors reports to the Shareholders' Meeting its evaluation on the existence of reasons of emergency.

#### Art. 22

1. Board Meetings are called by the Chairman or, in his absence, by whomever takes his place, by means of notice containing the agenda, to be sent to the domicile or address - as communicated by each Director and Permanent Auditor in office – at least five days before the date fixed for the meeting via means which guarantee receipt has taken place, except in cases of urgency when the meeting shall be called by notice to be forwarded via fax, email or other urgent methods of communication to be sent at least one day before the meeting.

2. Unless otherwise provided by these Articles of Association, resolutions are adopted by means of an absolute majority of votes; in the event equal votes are received, the vote of whomever chairs the meeting presides. In order for Board resolutions to be valid, the majority of its members must be effectively present.

3. Board Meetings can also be held through the use of electronic means, connected via audio and/or video link, provided that all the participants can be identified and that it is possible for them to follow the discussion, receive, send and view documents, participate orally and in real time in relation to all issues covered. In this case, the Board of Directors is considered held in the place where the Chairman and Secretary of the meeting are found.

#### Art. 23

1. The Board has all powers for ordinary and extraordinary administration of the Company, except those that are exclusively reserved for the Shareholders' Meeting pursuant to law and these Articles of Association.

2. The Directors relate to the Board of Statutory Auditors in Board of Directors meetings or the Executive Committee on the activities performed and the most significant transactions from an economic, financial and equity point of view carried out by the Company or by subsidiaries. In

particular, the Directors report on transactions in which they have an interest, on their own behalf or on behalf of third parties.

3. In addition to powers that cannot be delegated by law, the Board of Directors is granted exclusive responsibility for decisions and duties relating to:

- defining the organisational and corporate governance structure as well as the general management guidelines and rules of the Bank and the Group and verifying their proper implementation;
- approving the strategic transactions, business and financial plans, budgets, risk management policies and the Group's internal control system;
- approving the accounting and reporting systems;
- supervising the Bank's public disclosure and communication process;
- ensuring an effective exchange of ideas with the management functions and with the heads of the main corporate functions and monitoring the choices and decisions they made over time;
- appointing, revoking and determining the financial remuneration of the General Manager and other members of General Management;
- forming internal committees of corporate bodies envisaged by the laws and regulations in force as well as by the Corporate Governance Code;
- appointing and revoking the Manager in charge of preparing corporate accounting documents, and the managers of the internal audit, compliance and risk control functions;
- acquiring and disposing of qualifying investments, as defined by the supervisory provisions of the Bank of Italy;
- setting up, transferring and closing branches and offices;
- determining the criteria for contributions to charities and cultural and social organisations to a specially designated fund or additions through the allocation of a share of annual net profits by the Shareholders' Meeting;
- defining the Group's overall business plan, determining the criteria for coordination and management of Group Companies, as well as the criteria for implementing instructions from Bank of Italy;
  
- approving and amending key internal regulations;
- adopting and changing the procedures with the aim of ensuring transparency and substantive and procedural correctness in related party transactions, in accordance with the laws and regulations in force;
- transactions with related parties of greatest importance, as identified pursuant to the internal Company procedures adopted in compliance with the laws and regulations in force.

4. The Board of Directors is also responsible for resolutions to adapt the Articles of Association to regulatory provisions, as well as resolutions regarding mergers and demergers in the cases envisaged in articles 2505 and 2505-bis and 2506-ter, paragraph 5, of the Italian Civil Code.

#### Art. 24

1. In observance of current legal provisions and the Articles of Association, the Board of Directors may delegate its powers to an Executive Committee, determining the limits of the powers of attorney.
2. The Board may also appoint a Managing Director, establishing his related powers, and may grant powers to individual Directors for the performance of specific acts or individual transactions.
3. The delegated bodies must report to the Board of Directors or the Board of Statutory Auditors at least every quarter on the general performance and outlook of management, and on the most significant operations carried out by the Company and its subsidiaries.
4. The Board may grant decision-making powers concerning the disbursement of credit and current operations to the General Manager, to the Executives and Middle Management individually or together in Committees -, as well as to other Employees of the Company or companies of the Creval Group, within the limits of pre-established values with reference to the importance of the roles and position held.
5. The decisions adopted by the holders of the powers of attorney will be individually brought to the attention of the Executive Committee and, also in terms of the global amounts delegated, of the Board of Directors, to which the Committee will also report on the single decisions adopted.

#### Art. 25

1. The Executive Committee – which is convened by applying the procedures established by the Articles of Association for the Board of Directors - is comprised of no less than five and no more than seven members, appointed annually, during the first meeting following the Ordinary Shareholders' Meeting, by the Board of Directors.
2. The Committee includes a Vice Chairman and the Managing Director, by right, if appointed. The Committee is chaired by the Managing Director or, in his absence by the Vice Chairman. The Chairman of the Board of Directors, in order to ensure an efficient information link between the bodies responsible for strategy and management, attends, without voting rights, to the meetings of the Executive Committee.
3. The meetings of the Committee are valid when the majority of its members are present, including the Managing Director or a Vice Chairman.



4. The secretary of the Board of Directors takes the office of secretary of the Executive Committee, unless the Board provides different instructions.
5. The resolutions are adopted by an absolute majority of votes. In the event equal votes are received, the vote of whomever chairs the meeting presides.
6. Meetings of the Executive Committee may also be held through the use of electronic means, connected via audio and/or video link, in compliance with the conditions set forth in Article 22. In this case, the Executive Committee meeting is considered held in the place where the Chairman and the Secretary to the meeting are located.

#### Art. 26

1. Ordinary Board Meetings are held every month, while extraordinary sessions are called whenever the need arises or when at least five Directors or a Statutory Auditor make request.

#### Art. 27

1. The members of the Board of Directors, in addition to the reimbursement of any expenses incurred as a result of their appointment, are paid fees for their office and attendance fees for participating in the meetings of the Board of Directors, of the Executive Committee and of other Board Committees, to be established by means of the resolution of the Shareholders' Meeting. In any case, the Directors cannot receive more than one attendance fee per day.
2. Having heard the opinion of the Board of Statutory Auditors, the Board of Directors may approve additional compensation for the Directors who cover particular offices in accordance with the Articles of Association, including the office of member of the Board Committees.

#### Art. 28

1. The meetings and the resolutions of the Board of Directors and of the Executive Committee will be placed on record through specific minutes to be recorded in the respective books and to be signed by the Chairman, and by the Secretary. These books and the extracts from the same, certified as compliant by the Chairman and the Secretary, act as proof of the meetings and resolutions of the two bodies.

### **COMPANY SIGNATURE AND POWERS OF REPRESENTATION**

#### Art. 29

1. Legal representation of the Company and the use of the company signature are granted to the

Chairman acting severally, or whomever takes his place, and, if appointed, the Managing Director.

2. The Chairman or whomever takes his place may, from time to time, grant the General Manager the right to represent the Company in dealings with third parties and before legal authorities.

3. Before third parties, the signature of whomever substitutes the Chairman shall provide evidence of the absence or impediment of the same.

#### Art. 30

1. The company signature may also be granted to a member of the Board of Directors together with the General Manager, or whomever takes his place.

2. The Board of Directors is entitled to grant the company signature, with the limits and specifications, which it deems expedient, to the General Manager, the Executives, the Middle Managers and the Employees of the Company or other companies in the Credito Valtellinese Group, acting severally or jointly.

4. The Board may also, where necessary, grant authority or powers of attorney to third parties as well for the accomplishment of acts or specific categories of acts.

### **BOARD OF STATUTORY AUDITORS**

#### Art. 31

1. The Board of Statutory Auditors is appointed by the Ordinary Shareholders' Meeting and comprises three Permanent Auditors and two Substitute Auditors, in possession of the requisites prescribed by the law.

2. The Statutory Auditors remain in office for three years and their mandate expires as of the date of the Shareholders' Meeting called to approve the annual financial statements relating to the third financial year of their office. They can be re-elected.

3. The Board of Statutory Auditors carries out the tasks and functions envisaged by the laws and regulations in force as well as by the Corporate Governance Code. In particular, it oversees observance of the law, the Articles of Association, the corporate rules and resolutions, compliance with fair management principles, adequacy of the organisational, administrative and accounting structure adopted by the company and with its sound functioning. The Board of Statutory Auditors also supervises the operations of the overall internal control systems and carries out the functions assigned to the Committee for internal control and audit set forth in Article 19 of Italian Legislative Decree 39/2010.

4. The Board of Statutory Auditors is vested with all the powers required for carrying out the tasks and functions assigned to it by the applicable rules and regulations as well as by the Corporate Governance Code. The Board of Statutory Auditors, in carrying out its tasks and functions, uses information flows coming from the internal control functions and structures.
5. The Board of Statutory Auditors must immediately inform Bank of Italy and the strategic and management supervisory bodies of all the facts or actions, of which it becomes aware, that may constitute irregularity in the Bank's management or breach of the regulations governing banking and financial activity.
6. Persons (i) without the requirements of professional standing, integrity, independence, competence and correctness established by law, as well as any other requirement envisaged by the laws and regulations in force or (ii) in situations of ineligibility, incompatibility and forfeiture as provided by law cannot be appointed as Statutory Auditors, and if appointed, fall from office. In addition, the limits to the number of offices that may be held by one person in administration and control bodies, established by applicable laws and regulations in force as well as those envisaged, if any, by a special regulation approved by the Board of Directors, apply to the Statutory Auditors.
7. The members of the Board of Statutory Auditors cannot hold – in other companies of the Credito Valtellinese Group or in other companies in which the Bank holds, even indirectly, a strategic investment as defined by the supervisory provisions of Bank of Italy – positions in bodies other than control bodies.
8. Should the requisites established by the regulations in force no longer be held, the Statutory Auditor will forfeit his office. Said forfeiture is declared according to the formalities established by law.
9. In order to ensure gender balance on the Board of Statutory Auditors, at least two-fifths, to be calculated in accordance with the regulations in force, must be of the least represented gender.
10. The remuneration due to each Statutory Auditor is established, at the time of appointment and for the entire duration in office, by the Ordinary Shareholders' Meeting which may also establish an attendance fee to be paid for participation in the meetings of the Board, the Executive Committee and the internal Committee meetings referred to in paragraph 3 of Article 23. They cannot receive more than one attendance fee per day. The Auditors are also due reimbursement of the expenses for the performance of their office.
11. The members of the Board of Statutory Auditors attend the Shareholders' Meetings and the meetings of the Board of Directors and the Executive Committee.
12. Meetings of the Board of Statutory Auditors can also be held through the use of electronic means, with the participants located in several places, connected via audio and/or video link, provided that

all the participants can be identified and that it is possible for them to follow the discussion, participate orally and in real time in relation to all issues covered, receive, send and view documents, freely form their own opinions and freely express their own ideas and their votes. If these requisites are met, the meeting is understood to be held in the place where the Chairman is located. The minutes of the meeting are drawn up and read by the Chairman upon completion of discussion of the points on the agenda. The minutes must also contain the declaration of the participants that the content of said minutes corresponds exactly to the issues covered. The Statutory Auditors who participated in the meeting via audio and/or video link will sign the minutes as soon as possible and, in any event, before the following meeting.

#### Art. 32

1. The entire Board of Statutory Auditors is appointed on the basis of lists containing no more than five candidates and no less than two, submitted by the Shareholders, and where the candidates must be listed in progressive order. Each list shall comprise two sections: one for the candidates for the position of Permanent Auditor and one for the candidates for the position of Substitute Auditor.

2. The lists must be filed at the company headquarters, even using remote communication means, in accordance with procedures stated in the notice of call of the Shareholders' Meeting, which allow the filing parties to be identified, by the twenty-fifth day before the date set for the first or single call of the Shareholders' Meeting, and made available to the public at the company headquarters, on the website and through the other procedures established by applicable legislation at least twenty-one days prior to the date of the Shareholders' Meeting. Each list must be signed by one or more of the Shareholders holding a total share capital not less than the one envisaged by applicable laws and regulations. If at the expiry date of the previously mentioned deadline only one list has been filed, or only lists submitted by shareholders that, on the basis of applicable provisions, prove to be inter-related, lists may be submitted up to the third day after said deadline. In this case, the above-mentioned shareholding percentage to submit lists is reduced by half.

3. Each Shareholder may participate in the submission of one list only, otherwise the endorsement will not be counted for any of the lists; each candidate must appear on one list only, under penalty of ineligibility

The composition of the lists should be such as to ensure compliance with the requirements of general rules or statutory provisions for individual components and the entire Board of Statutory Auditors.

4. Each list with two or more candidates must be compiled in such a way as to guarantee gender balance among candidates, and must therefore ensure that at least two-fifths of the candidates listed in the section relating to permanent auditors, to be calculated in accordance with the regulations in

force, is of the least represented gender.

5. In addition to that established by law and by regulations in force, along with each list, and by the closing date for filing the list at the company headquarters, under penalty of disqualification, a curriculum indicating the personal and professional characteristics of each candidate must be filed in addition to the declarations by which the individual candidates irrevocably accept their candidature and certify under their own responsibility that there are no reasons to exclude eligibility and no incompatibility issues, and that they meet all the requirements under the laws and regulations in force as well as under these Articles of Association to take the office of Statutory Auditor.

6. Lists that do not comply with the requirements or the timeframes set out in the Articles of Association or with prevailing law or regulations are not admitted for voting. The non-admissibility of lists not submitted in compliance with procedures and timeframes set forth in this article will be decided by the Board of Directors, as a matter of urgency, subject to opinion of the committee set up for appointment of directors in compliance with the provisions and regulations in force and with the provisions of the Corporate Governance Code of Borsa Italiana.

7. Each Shareholder may vote for one list only.

8. The following procedure is followed when electing the Board of Statutory Auditors:

a) If no list is submitted or admitted – in compliance with the law, regulations or the Articles of Association – the Board of Statutory Auditors and its Chairman are appointed by the Shareholders' Meeting, in compliance with the provisions of Art. 31, paragraph 9, with relative majority vote and according to the provisions of the Shareholders' Meeting Regulations, from the candidates that are submitted by Shareholders at least 7 days prior to the date set for the first or single call of the Shareholders' Meeting, with observance of the obligation to file the documents provided by the paragraph 5 above;

b) if two or more lists are submitted:

i) two Permanent Auditors and one Substitute Auditor will be taken from the list that obtained the highest number of votes in the order in which they are listed in the list sections;

ii) the third Permanent Auditor and the second Substitute Auditor will be taken from the list that - among the remaining lists - obtained the highest number of votes and which is not associated, even indirectly, with the Shareholders who submitted the list that obtained the highest number of votes, in the order in which they are listed in the list sections;

iii) if the list that obtained the highest number of votes does not have a sufficient number of candidates to ensure the number of Permanent and/or Substitute Auditors to be elected in accordance with the above mechanism is reached, all the candidates of the aforesaid list will be elected and the remaining

Auditors will be taken from the next list in terms of votes obtained, according to the progressive order in which they are listed in each section of the list. If the list that obtained the highest number of votes among the minority lists does not have a sufficient number of candidates to ensure the number of Auditors to be elected in accordance with the above mechanism is reached, the remaining Auditors will be taken from the other minority lists that have obtained the most votes according to the progressive order in which the candidates are listed;

iv) in the event that the lists obtain the same number of votes, the candidate from the list submitted by the Shareholders who represent a higher percentage of capital will be elected;

c) if only one list is submitted or admitted – in compliance with the law, regulations or Articles of Association – the Shareholders' Meeting will vote on it and the candidates indicated in the first and second section of the list will be elected Permanent Auditors and Substitute Auditors respectively. In that case, the Chairman of the Board of Statutory Auditors will be the first candidate on the list.

9. If the number of candidates included on the lists submitted and admitted, whether majority or minority lists, is less than the number of Statutory Auditors to be elected, the remaining Statutory Auditors are elected, in compliance with the provisions of the aforementioned Art. 31, paragraph 9, with resolution adopted by the Shareholders' Meeting with relative majority. If two or more candidates receive the same number of votes, a further ballot will be held by the Shareholders' Meeting to decide among these.

10. If despite adopting the criteria specified in this article for the election of Statutory Auditors, the composition of the Board of Statutory Auditors proves non-compliant with the provisions of Art. 31, paragraph 9, the Statutory Auditor from the list obtaining the most votes and would have been elected under the terms of the aforementioned criteria, indicated in the list with a higher sequential number and not of the least represented gender, will be replaced by the next candidate on the same list that does meet these requirements.

11. If, despite application of the mechanism referred to in the previous paragraph, it is not possible to elect Statutory Auditors that meet the necessary requirements to complete the composition of the Board of Statutory Auditors as envisaged in these Articles of Association, or if it is not possible to apply the mechanism, the Shareholders' Meeting will resolve by relative majority vote on proposal by Shareholders in attendance to replace one or more Statutory Auditors that would then be elected under the terms of the aforementioned criteria, starting from the Statutory Auditor with the highest sequential number on the list that received the least votes.

12. If at least two lists are submitted, the Chairman of the Board of Statutory Auditors will be the first candidate listed on the minority list, i.e. the list that obtained the second highest number of votes.

Art. 33

1. In case of early termination of office of a Permanent Auditor, the substitutes from the same list will replace him/her until the next Shareholders' Meeting, in the sequential order in which they appeared on that list, without prejudice to compliance with the principle of gender balance pursuant to the aforementioned Art. 31, paragraph 9.

2. If the Chairman of the Board of Statutory Auditors terminates his office early, the chairmanship is undertaken until the next Shareholders' Meeting by the first permanent member or, failing this, by the first substitute, taken from the list on which the Chairman was listed.

3. If it is not possible to proceed according to the indications in paragraphs 1 and 2 above, the Permanent Auditor or Chairman leaving office shall be substituted in compliance with provisions of law until the next Shareholders' Meeting.

4. At Shareholders' Meetings expected to appoint the Permanent or Substitute Auditors required to integrate the Board of Statutory Auditors following the termination of office of individual Statutory Auditors, without prejudice to compliance with the principle of gender balance pursuant to the aforementioned Art. 31, paragraph 9, instead of the list voting system the following is adopted:

a) if it is necessary to replace Statutory Auditors from a single list filed or from the list that received most votes, or by votes without lists or in the event of integration of board membership pursuant to article 31, paragraph 9, the appointment of Statutory Auditors to be integrated and the appointment of a Chairman, if necessary, occurs by relative majority vote on individual candidates submitted in compliance with the aforementioned article 32, paragraph 8, letter a);

b) If it is necessary to replace a Statutory Auditor taken from a minority list, the appointment of the Permanent Auditor to complete the Board and the possible appointment of the Chairman takes place by means of relative majority vote, choosing, where possible and according to the consecutive order, from among the candidates indicated in the list to which the Permanent Auditor to be replaced belonged; where this is not possible, from among the candidates who were indicated in next minority list in terms of votes obtained, provided that the candidates, at least 10 days prior to the date set for the first or single call of the Shareholders' Meeting, have confirmed their candidature and filed the declaration certifying the non-existence of causes of ineligibility or incompatibility and the possession of the requirements set forth for the office of Permanent Auditor, together with their curriculum indicating their personal and professional characteristics;

c) if it is not possible to proceed as indicated in the previous point, appointment of the Permanent Auditors to complete the Board and the possible appointment of the Chairman take place by means of relative majority vote for the individual candidates submitted, in compliance with the provisions

of Article 32, paragraph 8, letter a) above, and in compliance with the laws and regulations in force.

## **GENERAL MANAGEMENT**

### Art. 34

1. The composition and powers of General Management are established by the Board of Directors. It usually consists of the General Manager, assisted by a Co-General Manager and by one or two Deputy General Managers, if appointed.

2. General Management provides for execution of the resolutions and directives of the Board of Directors and, if appointed, of the Executive Committee and of the Managing Director. It is entrusted with the organisation, guidance and ordinary management of the Bank and with operational coordination of the Group.

### Art. 35

1. The General Manager attends meetings of the Board of Directors and the Executive Committee, in a consultancy-related role.

### Art. 36

1. The General Manager heads the internal structure; he oversees and coordinates the corporate operational management of the Group.

2. The General Manager may submit proposals to the Board of Directors and to the Executive Committee.

3. The General Manager exercises his powers in accordance with the specifications of the Articles of Association and of the Board of Directors.

### Art. 37

1. If the General Manager is absent or unavailable, his duties are carried out by one of the members of General Management appointed by the Board of Directors and, in the event the latter is absent or unavailable, by another member of General Management or by the Executive appointed for this purpose by the Board.

### Art. 38

1. The appointment and dismissal of the General Manager is resolved by the Board of Directors by means of the favourable vote of at least three quarters of its members.



## **MANAGER IN CHARGE OF FINANCIAL REPORTING**

### Art. 39

1. The Board of Directors, hearing the obligatory opinion of the Board of Statutory Auditors, appoints the Manager in charge of financial reporting, who shall be attributed the powers and duties established by the laws and regulations in force, as well as those established by the Board upon appointment, or through subsequent resolution.
2. The Manager in charge of financial reporting must have significant management experience in the accounting and administration sectors of at least five years, within the Company or the Group, or within other listed companies or companies that make use of risk capital markets and operate in the banking, financial, or insurance sector.

## **FINANCIAL STATEMENTS**

### Art. 40

1. The financial years close as at 31 December of each year. At the end of each financial year, in accordance with the terms of law, the Board of Directors draws up the draft financial statements and the consolidated financial statements as well as the other documents prescribed by law.

### Art. 41

1. The net profit, after deduction of the portion for legal reserve and the portion that may be unavailable in compliance with the law, will be allocated in accordance with the decisions of the Shareholders' Meeting to the assignment of the dividend to the Shareholders in proportion to shares held.
2. The residual portion of the profit may be allocated by the Shareholders' meeting to establishment or increase of the extraordinary reserve or other reserves however they be named, including a fund for contributions to charities and cultural and social organisations.
3. Upon the Board's proposal, the Shareholders' Meeting may assign shareholders the right to request that payment of the dividend is settled, in full or in part, in cash or through consignment of ordinary shares, with the same characteristics as the ordinary shares outstanding at the allocation date. If the previously mentioned right is assigned, upon the Board's proposal, the Shareholders' Meeting shall determine the procedures for calculating and assigning the ordinary shares, establishing the

procedures for settling payment of the dividend if the shareholders fail to exercise the aforesaid right.

Art. 42

1. Dividends on shares shall expire once five years have elapsed as from the period indicated for their payment and the sum total of the same will be assigned to the ordinary legal reserve.
2. The Company can distribute interim dividends in accordance with the law.

## **LEGAL AUDIT OF THE ACCOUNTS**

Art. 43

1. The statutory audit is carried out by a registered statutory auditing firm or statutory auditor pursuant to the laws and regulations in force.
2. The Shareholders' Meeting, on a reasoned proposal of the Board of Statutory Auditors, entrusts the assignment of statutory audit for the duration envisaged by the applicable legislation and determines the remuneration payable to the statutory auditing firm or to the statutory auditor for all the duration of the assignment and possible criteria for the adjustment of this remuneration during the assignment.

## **COMPANY WINDING-UP**

Art. 44

1. The winding-up of the Company, in the event of winding-up resolved by the Shareholders' Meeting, may take place with the favourable vote of Shareholders representing at least one third of the share capital.

Art. 45

1. Without prejudice to any other law provision, in the event of winding-up, the Shareholders' Meeting will determine the procedures for liquidation and appoint the liquidators.

## **Transitional provisions**

1. The regulation already envisaged, regarding the matter of limitation to the reimbursement of shares subject to withdrawal, under paragraph 5 of Article 36 of the Articles of Association in force on the date of transformation of the Bank taken on by the Extraordinary shareholders' meeting of 29 October 2016 (the "Shareholders' meeting of Transformation") has the following contents:

*"In order to ensure that the shares (and any other capital instruments issued) are included in the Bank's core tier 1 regulatory capital, the Board of Directors is assigned, upon proposal of the Managing Director (if appointed and, if not, of the General Manager), after having consulted the Board of Statutory Auditors, the power to limit or postpone, in full or in part and without time limits, reimbursement of the shares and other capital instruments of a shareholder who leaves due to withdrawal (also in the case of transformation) or exclusion. This right is assigned, pursuant to applicable regulations, also as an exception to the provisions of the Italian Civil Code and other law regulations and without prejudice to the authorisations of the Supervisory Authority, if any. The decisions on the extent of the limitation and on the length of the postponement of the reimbursement of the shares and of other capital instruments are taken by the Board of Directors taking into account the prudential situation of the Bank, in compliance with the provisions of the Supervisory Authority"* will retain its effectiveness and full applicability until the full reimbursement of the shares for which the Shareholders with voting rights exercised the right of withdrawal in relation to the resolution of transformation and adoption of the new Articles of Association by the Shareholders' meeting of Transformation.

2. The amendments to Articles 17, paragraph 4, and 18, paragraph 2, of the Articles of Association, introduced by a resolution adopted on 13 January 2021 by the Company's Board of Directors pursuant to Article 2365 of the Italian Civil Code, and Article 23, paragraph 4, of these Articles of Association shall be effective for six subsequent terms of office of the Board of Directors effective from the date on which the aforementioned resolution of 13 January 2021 is entered in the Register of Companies.

Similarly, the amendments to Articles 31, paragraph 9, and 32, paragraph 4, of the Articles of Association, introduced by a resolution adopted on 13 January 2021 by the Board of Directors pursuant to Article 2365 of the Italian Civil Code, and Article 23, paragraph 4, of these Articles of Association shall be effective for six subsequent terms of office of the Board of Statutory Auditors effective from the date on which the aforementioned resolution of 13 January 2021 is entered in the Register of Companies.