

## » 2. Amendments to the Articles of Association to adopt the one-tier corporate governance system

Directors' Report

27 October 2023

Extraordinary part Shareholders' Meeting

# Amendments to the Articles of Association to adopt the one-tier corporate governance system

Dear Shareholders,

You have been called to this UniCredit S.p.A. (“**UniCredit**”) Extraordinary Shareholders’ Meeting to resolve upon certain amendments to the Articles of Association functional to adopt the one-tier corporate governance system.

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## 1. The reasons to adopt the one-tier model

UniCredit has adopted, ever since its incorporation, the traditional model, which is the default option envisaged by Italian law for corporations. Although this set-up has been overtime efficient, the developments in the economic and regulatory context, the challenges that banks face today, the demands from market players and regulators for an effective corporate governance ground the need for rethinking and reassessing the current governance model.

To explain the reasons for the proposed change, first of all it is worth moving from the results of the self-assessment process of the Board of Directors (“**Board**”) in 2022, which highlighted the pivotal role of the members of the Board of Statutory Auditors (“**BoSA**”). Specifically, the need for an increased involvement of BoSA in Board dynamics in a meaningful manner, the highly valuable inputs that the BoSA provides, the usefulness of BoSA members interventions to help overseeing effective management have been pointed out. Similarly, the BoSA has requested overtime to be more involved in Board dynamics. This led, for instance, to include BoSA members as participants to Board Committees’ meetings.

In addition to internal needs, the external context should also be considered. Firstly, UniCredit’s share ownership is characterized by the presence of non-Italian investors, including renowned investments funds based abroad. Experience showed that foreign shareholders strive to understand the functioning and tasks of the control body in the traditional system, which is separate from the Board, does not participate to the decision-making process and does not resolve upon strategic or management topics. This separation results in a governance body which does not effectively partake to the management nor to the business of the Company. Secondly, applicable rules for banks at EU level are designed for a one-tier or a two-tier system, being the traditional model – as implemented in UniCredit – a specificity provided for by Italian law. This leads to a time-consuming and complex interpretation of laws to ensure that the rules are effectively implemented.

In light of the above, and in view of the 2024 Board renewal, the Board of Directors launched the process to assess and discuss a possible amendment to the Bank’s governance system, with the aim to identify the most suitable model which – from a practical perspective – would ensure the efficient management and effectiveness of controls, taking into account the ownership structure of UniCredit and its international presence, thus including the size and the operational complexity of the Bank and the Group. Additionally, the analyses considered the allocation of roles required by law, namely the three functions attributed to governing bodies (strategic oversight, management, control) and the features of the banking sector which – with respect to the scope of controls – foster preemptive interactions and efficient information flows among corporate bodies.

In this respect, the Corporate Governance & Nomination Committee carried out in-depth analyses to evaluate the possible implications of a change in the corporate governance model. Moreover, it devoted specific considerations to the one-tier model, being the model characterizing banks incorporated abroad of a similar standing, and the model most familiar to UniCredit investors. The Committee thus considered a benchmarking with banks incorporated abroad, rationales and goals, pros and cons, as well as Board composition in the hypothesis of the adoption of the

one-tier model. Non-Executive Directors were also involved in the process, as they were informed by the Chair of the Corporate Governance & Nomination Committee during Board meetings on the discussions carried out on the assessments. The evaluations of the Board also benefited from the involvement and considerations of external consultants. Specifically, an external leading consultant was engaged to identify the priorities that shareholders expect in an efficient corporate governance set-up. Additionally, primary legal consultants assisted UniCredit in defining the approach to be used in the corporate governance documents and in the expected set-up of the corporate bodies, also through an induction session delivered to Non-Executive Directors.

The analyses led to the following outcome.

The main feature of the traditional model is that the Board and the BoSA are separated. The BoSA generally carries out control activities on an *ex post* basis whereas *ex ante* assessments are required by laws and regulations only in specific situations. This means that, in the traditional model, Board's resolutions generally cannot benefit of assessments carried out by the control body. BoSA members are not directors and therefore ought to limit their controls (and responsibility) to legitimacy without scrutinising the business judgment of the managerial actions guided by the corporate interest. In practice, however, BoSA's functions have evolved in a manner that led its members to be progressively assimilated to the directors, although, unlike directors, statutory auditors do not have the appropriate leverage on company's business. Moreover, despite the effort, the BoSA and the Board necessarily rely on a different set of information and provide their inputs based on a different background as they perform two different roles – strategic oversight and control, respectively. As a result, controls are performed after the implementation of resolutions and cannot be fully embedded in the Board's activities. Considering the foregoing, and with a view to adopt a model which best ensures the effectiveness of controls, it was deemed appropriate to consider whether alternative models would overcome such features.

As to the two-tier model, the experiences of Italian banks show that such option is not successful, mainly due to the clear yet sharp separation between the strategic oversight and control versus the management function. The model distances the management activities from the oversight ones and hampers the effectiveness of information flows. Additionally, the implementation of the model suffers from regulatory complexities as the Management Board is also made up of independent directors, and at least one Supervisory Board member participates to Management Board's meetings.

Therefore, to ensure an appropriate governance focused on timely circulation of information flows and *ex ante* scrutiny (functional, for example, to the issuance of prior opinions as a support and condition for the adoption of Board resolutions), the one-tier model was assessed as a suitable model to ensure an efficient management and the effectiveness of controls. This system is characterized by the fact that the control function is not entrusted to individuals outside of the management body (Board of Directors), as is the case of the BoSA in the traditional system, but to some independent members of the Board of Directors itself (who make up the Audit Committee, i.e. "*Comitato per il Controllo sulla Gestione*" under Italian law). Indeed, the *ex ante* evaluation that the Audit Committee performs in the one-tier system enables the Board to analyse issues highlighted by the control body in order to better pursue the sound and prudent management of the Bank. Moreover, internal controls are efficient considering the centralization of controls in one body, and information flows are integrated, optimized, quick given that all functions (strategic oversight, management, control) are performed by one body. Finally, the one-tier model does not prejudice the day-to-day management of the Bank to be entrusted to a Chief Executive Officer, who is a Director and implements the strategic guidelines provided by the Board.

The one-tier model thus presents the following advantages compared to other corporate governance models envisaged by Italian law:

- effectiveness of controls by overcoming the inefficiencies caused by the existence of a separate control body, so that Board activities benefit from the *ex ante* assessments and scrutiny carried out by an internal committee composed only of independent and highly qualified directors;
- efficiency of management by keeping the strategic oversight and management function within the same body, while maintaining the unaltered support of Board Committees that provide in-depth analyses and technical know-how to the Board;
- better response to investors' understanding of the Bank's corporate governance, leading to a better shareholders' engagement;

- easier implementation of EU rules and dialogue with Supervisory Authorities.

The practical implementation of the one-tier governance system to UniCredit focuses on the following main guidelines:

- notwithstanding the fact that one single body performs all functions established by law (i.e., strategic oversight, management, control), setting of clear roles and responsibilities:
  - the Board of Directors performs all functions entrusted to it by applicable rules, without changing its current scope of responsibility;
  - the Audit Committee, set up within the Board, performs the powers and functions entrusted to it by the applicable rules to the body with control function, as well as the tasks related to audits of annual and consolidated financial statements set forth in Leg. Decree 39/2010, and powers related to the internal controls system;
  - Board Committees, set up within the Board – with assessment, advisory and propositional tasks, each within its own remit – support the Board of Directors in performing its function and facilitate the adoption of fully informed decisions;
- presence of a majority of non-executive and/or independent Board members to ensure a fair and balanced debate within the Board, an effective counterweight to the Chief Executive Officer;
- key role of the Chair of the Board of Directors, who shall ensure the effective functioning of the Board, encourage the effective debate within the Board and the involvement of all Board members;
- adequate and timely information flows between the bodies and with the Bank's structures;
- unaltered role of the Chief Executive Officer and supporting Managerial Committees.

Furthermore, the above guidelines are implemented in an adequately structured, functional and effective framework of internal controls, which will not undergo significant changes following the adoption of the new corporate governance system.

## **2. The new text of the Articles of Association**

The new text is attached to this Directors' Report under Annex A, together with a compare of the amended Clauses, indicating the current and proposed wording.

### **2.1 Board of Directors and Audit Committee (Clause 20)**

Pursuant to Articles 2409-*sexiesdecies* and following of the Italian Civil Code, in the new one-tier corporate governance structure UniCredit operates through a Board of Directors, some members of which make up the Audit Committee (Clause 20.1).

The Articles of Association have thus been amended providing that the Board of Directors is composed of a minimum of 9 to a maximum of 19 members, appointed by the Shareholders' Meeting. In this context, the Audit Committee consists of at least 3 and no more than 5 Directors, also appointed directly by the Shareholders' Meeting, in accordance with the requirements set forth by the applicable banking rules (Clause 20.1).

#### **2.1.1 Requirements of Audit Committee members (Clause 20.2 and 20.3)**

The members of the Audit Committee must meet all requirements requested of them by applicable laws and regulations. For the purposes of meeting the professional experience requirement, at least one of the members of the Audit Committee – or at least two, if the Committee is composed of more than 3 members – must be enrolled with the Register of Auditors and must have carried out the legal auditing of accounts for no less than three years. The other members of the Committee must meet the professional experience requirements requested by applicable rules, and they must have exercised for at least three years, also alternatively, the activities listed in the Articles of Association, whereas the Chair of the Audit Committee must meet higher thresholds of professional experience (Clause 20.2).

As to the independence requirements, it is envisaged that all Audit Committee members must be independent pursuant to the Italian Corporate Governance Code in force from time to time (Clause 20.3).

### **2.1.2 Appointment of the Board of Directors (Clause 20.5, 20.6, 20.10)**

The appointment of Directors will be based on the submission of slates drafted either by the Board of Directors or by shareholders. The slate shall be divided in two sections: the first section will list only the candidates to the office of Director but that will not be members of the Audit Committee; the second section will list only the candidates to the office of Director that will also be members of the Audit Committee. In each section, each candidate is listed under a corresponding progressive number. Each section of each list presenting a number of candidates equal to or greater than 3 must indicate a number of candidates belonging to the less represented gender to ensure the compliance with the minimum thresholds provided by applicable rules (Clause 20.5).

The first candidate of the second section and at least another candidate (or the first two, in case the Audit Committee is composed of more than 3 members), must be enrolled with the Register of Auditors and must have carried out the legal auditing of accounts for no less than three years; the first candidate and at least another candidate must possess the requirements for the office as Chair of the Audit Committee.

The Board of Directors will be appointed as described below, following the progressive number attributed to each candidate:

- from the first section of the slate obtaining the majority of votes cast are drawn as many Directors to be appointed who will not be members of the Audit Committee, decreased of 2 Directors;
- from the second section of the slate obtaining the majority of votes cast are drawn 2 (or 3, in case the case the Audit Committee is composed of more than 3 members), Directors who will be members of the Audit Committee;
- from the first section of the slate obtaining the majority of votes cast among the minorities' slate, are drawn the remaining 2 Directors who will not members of the Audit Committee;
- from the second section of the slate obtaining the majority of votes cast among the minorities' slate, is drawn the remaining Director who will be member of the Audit Committee - or the remaining Directors, in case the case the Audit Committee is composed of 5 members. The candidate listed as first one becomes the Chair of the Audit Committee.

The additional supplementary mechanisms for a successful appointment of the Board of Directors have been adapted to the new set-up of the slates, characterized by two sections (Clause 20.10).

Finally, in order to be best prepared to potential amendments to the deadlines provided by law to file the slates, it is also proposed to delete the specific dates provided for by current legislation and keep a flexible approach, indicating that the slates must be filed within the deadline provided by the regulations in force from time to time (Clause 20.6 and 20.8).

### **2.1.3 Removal and termination of Directors (Clause 20.11 to 20.14)**

The removal of Directors is resolved upon by the Shareholders' Meeting. Specific safeguards are provided in case it is proposed to remove Audit Committee members (Clause 20.11).

In case an Audit Committee member ceases to hold office, the member is replaced by the first non-appointed member of the second section of the slate to which the outgoing Director belonged. In case such individual were not to possess the requirements envisaged by applicable rules, the member will be replaced by the following non-appointed candidate of the second section of the same slate having the needed requirements. In case the Chair ceases to hold office, the following candidate of the same slate having the necessary requirements becomes Chair. If it is not possible to find a suitable candidate with the described procedure, a Shareholders' Meeting is called (Clause 20.13).

The Audit Committee members, as replaced, and the members of the Board of Directors appointed with a replacement procedure (*cooptazione*) hold their office until the following Shareholders' Meeting (Clause 20.14).

## 2.2 Audit Committee (Clause 26, former Clause 30)

The Audit Committee performs the roles and functions envisaged by applicable laws and regulations. In particular, it oversees compliance with laws, regulations and Articles of Association, proper management and the adequacy of organizational and accounting structures of the Bank, of the overall functionality of the internal controls system, of the external auditing of the annual accounts and the consolidated accounts, of the independence of the external audit firm and on the financial information process (Clause 26.1).

In order to properly perform its tasks, and in particular to fulfill its obligation to timely inform the Bank of Italy, and where applicable, the other supervisory authorities on the irregularities noted, also managerial or related to breaches of regulations, the Audit Committee is entrusted with the broadest powers envisaged by applicable rules and, in particular, its members may proceed at any time, also individually, to activities of inspection and control (Clause 26.2).

The Committee is validly held if attended by the majority of its members and its resolutions are taken with a majority of votes cast by those attending. In case of a split vote, the Chair has the casting vote (Clause 26.3).

Were the Chair to consider it appropriate, meetings can be held by means of telecommunication as long as the specific requirements indicated in the Articles of Association are complied with (Clause 26.4).

As the Board of Statutory Auditors no longer exists, Clause 30 is deleted.

## 2.3 Consistency amendments (Clause 4, 20, 22, 23, 24, 25, 33)

A few amendments have been made to ensure consistency with the new corporate governance system.

As required by law, the Audit Committee members, even individually, have the power to call a Board of Directors' meeting, following a notification to the Chair of the Board of Directors (Clause 22.1). Moreover, it was established that the Board approves the rules related to the functioning of the Board Committees, including the Audit Committee (Clause 23.2).

As to the other changes, where mentioned, the activities previously performed by the Board of Statutory Auditors are now performed by the Audit Committee, specifically with respect to information flows (Clause 23.4), the opinions necessary for the granting of additional remuneration to Directors and the express provision to have the Shareholders' Meeting to resolve upon the Audit Committee's remuneration (Clause 25.2 and 25.3), and the appointment of the manager charged with preparing the Company's financial reports (Clause 33.1).

Certain Clauses were updated to ensure consistency with:

- the applicable provisions relating to the direction and coordination activities of the holding company *vis-à-vis* its subsidiaries (Clause 4.3 and 23.3);
- the current set-up under which (i) there are no shares different from the ordinary ones (Clause 20.5); (ii) the Shareholders' Meeting does not have management powers *vis-à-vis* the Bank (Clause 23.1); and (iii) the Board of Directors resolves upon the number, appointment and dismissal of Board Committees members (Clause 23.3).

Two mere formal amendments were also made as to the list of the circumstances concerning the independence set by the Corporate Governance Code, which was incorporated into a flexible recall, so as to ensure that all scenarios provided for by the Code in force from time to time are covered (Clause 20.3), and as to the details on the meetings of the Board of Directors, which have been merged into a single Clause (Clause 24 and former Clause 25).

## 3. Information on the exercise of the right of withdrawal

The proposed amendment to the Articles of Association does not constitute any of the circumstances envisaged for the exercise of the right of withdrawal by shareholders pursuant to Article 2437 of the Italian Civil Code.

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In light of all the above, the Board of Directors of UniCredit deemed appropriate to propose to this Shareholders' Meeting the adoption of the one-tier model and the related amendments to the Articles of Association.

The Board of Directors of UniCredit – in execution of the resolutions taken in its meeting of 31 July 2023 – coherently formulates its proposal to the Extraordinary Shareholders' Meeting **to approve the amendments to the Articles of Association.**

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## Resolutions submitted to the Extraordinary Shareholders' Meeting

*“Dear Shareholders,*

*if you agree with the contents and arguments presented in the Directors' Report, then we ask you to approve the following resolutions:*

*“The Extraordinary Meeting of UniCredit S.p.A., having acknowledged the proposal made by the Board of Directors, resolves*

- 1. to adopt the one-tier corporate governance system, with effect from the date of the renewal of the corporate bodies currently in office, pursuant to Articles 2409-sexiesdecies and following of the Italian Civil Code;*
- 2. to approve, as a whole, the new text of the Articles of Association consisting of 33 (thirty-three) articles and attached to the report of the Board of Directors, amended with respect to the current text only in the following clauses: Clause 4, Clause 20, Clause 22, Clause 23, Clause 24, Clause 25, Clause 26, Clause 30, Clause 34;*
- 3. to further approve that all changes to the Articles of Association shall become effective upon the first renewal of the corporate bodies to which they apply following today's Shareholders' Meeting, except for Clause 20, which shall apply from the date of the notice convening the Shareholders' Meeting, called to resolve on the appointment of the new corporate bodies;*
- 4. to grant to the Board of Directors and, for it, to the Chair of the Board of Directors, and to the Head of Group Legal, also severally and with the power to sub-delegate to the Executive Personnel of the Company, any appropriate power to: (i) provide for the implementation, in accordance with the law, of the resolutions under the points above; (ii) accept in, or add to, the same, potential amendments or integrations (which do not alter the substance of the resolutions adopted) which may be requested for the registration with the Company's Register or by the Authorities or necessary and/or appropriate for the implementation of laws and regulations; (iii) provide for the filing and the registration, in accordance with the law, with explicit and anticipated declaration of approval and ratification of the resolutions resolved upon and of the text of the Articles of Association updated with the above”*



# Amendments to the Articles of Association to adopt the one-tier corporate governance system - Annex A



# Amendments to the Articles of Association to adopt the one-tier corporate governance system - Annex A

## 1. Text of the amendments to the Articles of Association

The amendments to the Articles of Association submitted to the Shareholders' Meeting for approval are shown in the schematic overview below.

CURRENT TEXT	PROPOSED AMENDMENT
<b>Clause 4</b>	<b>Clause 4</b>
1. The purpose of the Bank is to engage in deposit-taking and lending in its various forms, in Italy and abroad, operating wherever in accordance with prevailing norms and practice. It may execute, while complying with prevailing legal requirements, all permitted transactions and services of a banking and financial nature. In order to achieve its corporate purpose as efficiently as possible, the Bank may engage in any activity that is instrumental or in any case related to the above.	(unchanged)
2. The Bank, in compliance with current legal provisions, may issue bonds and acquire shareholdings in Italy and abroad.	(unchanged)
3. The Bank, in its role of parent to the Banking Group UniCredit, pursuant to the provisions of Clause 61 of Legislative Decree no. 385 dated September 1, 1993, issues – in undertaking its management and co-ordination activities – instructions to other members of the Group in respect of the fulfilment of requirements laid down by the Bank of Italy in the interest of the Group's stability.	3. The Bank, in its role of parent to the Banking Group UniCredit, pursuant to the provisions of Clause 61 of Legislative Decree no. 385 dated September 1, 1993, issues – in undertaking its management and co-ordination activities – instructions to other members of the Group <a href="#">in respect to ensure the compliance with the supervisory regulations, including the implementation of the fulfilment of requirements laid down general and specific measures issued</a> by the Bank of Italy in the interest of the Group's stability.
<b>SECTION V</b>	<b>SECTION V</b>
<b>Regarding the Board of Directors</b>	<b>Regarding the Board of Directors <a href="#">and the Audit Committee</a></b>
<b>Clause 20</b>	<b>Clause 20</b>
1. The Board of Directors is composed of between a minimum of nine and a maximum of twenty-four	1. The <a href="#">Company adopts the one-tier management and control system pursuant to Articles 2409-sexiesdecies et seq. of the Italian Civil Code and is therefore managed by</a>

<p>members. The composition of the Board of Directors must ensure the balance between the genders.</p>	<p><u>a Board of Directors is composed of between a minimum of nine and a maximum of <del>twenty-four</del> <u>nineteen</u> members, of whom at least three – and, in any case, no more than five – compose the Audit Committee. The composition of the Board of Directors must ensure the balance between the genders. <u>The number of members of the Audit Committee is established by the Shareholders' Meeting.</u></u></p>
<p>2. The members of the Board of Directors must meet the requirements laid down by current regulations and other laws.</p>	<p>2. The members of the Board of Directors must meet the requirements laid down by current regulations and other laws. <u>With reference to the possession of the professional experience requirements, at least one of the members of the Audit Committee – or at least two, if the Committee is composed of more than three members – must be listed in the Rolls of Auditors and have undertaken the legal auditing of accounts for a period of no less than three years.</u></p> <p><u>The other members of the Audit Committee must meet the professional experience requirements set out in the current provisions applying art. 26 of Legislative Decree no. 385 of 1 September 1993 and art. 148 of Legislative Decree no. 58 of 24 February 1998; with regard to the Company's business activities, they must have exercised, for at least three years, also alternatively:</u></p> <ul style="list-style-type: none"> <li><u>a) activity of legal auditing of accounts;</u></li> <li><u>b) activity of administration or control or executive tasks in the credit, financial, securities or insurance sector;</u></li> <li><u>c) administration or control activities or executive tasks at listed companies or companies whose size and complexity is greater than, or comparable to, that of the Company (in terms of turnover, nature and complexity of the organisation or activity carried out);</u></li> <li><u>d) professional activities as a business accountant or lawyer, undertaken primarily in the credit, financial, securities or insurance sector;</u></li> <li><u>e) teaching, as university professor of first or second level, subjects concerning – in the field of law – banking, commercial and/or fiscal law, as well as the running of financial markets and – in the field of business/finance – banking operations, business economics, accountancy, the running of the securities markets, the running of the financial and international markets and corporate finance, as well as other subjects in any way connected with the activities of the credit, financial, securities or insurance sector;</u></li> <li><u>f) performing managerial, executive or top management duties, however called, within public organisations or offices of the Public Administration, relating to the credit, financial, securities or insurance sector, or to the investment services sector or to the collective investment-management sector as defined in Legislative Decree no. 58 of February 24, 1998.</u></li> </ul> <p><u>The Chairman of the Audit Committee must:</u></p>

	<p><u>(i) be listed in the Rolls of Auditors and have exercised the legal auditing of accounts for a period of not less than five years, or</u>  <u>(ii) have exercised, also alternatively, for a period of not less than five years, the activity of legal auditing of accounts or the other activities provided for in current legislation.</u></p>
<p>3. Without prejudice to the provisions of the regulations in force concerning the independence requirements of Directors, a number of Directors equal to at least the one provided for by the Corporate Governance Code must possess the independence requirements mentioned in such Code. In particular, a Director cannot be considered independent in the following circumstances:</p> <p>a) if he/she is a significant shareholder of the Company, to be understood to mean any person who, directly or indirectly (through subsidiaries, trustees or intermediaries), controls the Company or is able to exercise significant influence over the Company or who participates, directly or indirectly, in a shareholders' agreement through which one or more persons exercise control or significant influence over the Company;</p> <p>b) if he/she is, or was in the previous three financial years, an executive director or an employee:</p> <ul style="list-style-type: none"> <li>- of the Company, of its subsidiary having strategic relevance or of a company subject to joint control;</li> <li>- of a significant shareholder of the Company;</li> </ul> <p>c) if he/she has, or had in the previous three financial years, a significant commercial, financial or professional relationship, directly or indirectly (for example through subsidiaries, or through companies of which he or she is an executive director, or as a partner of a professional or a consulting firm):</p> <ul style="list-style-type: none"> <li>- with the Company or its subsidiaries, or with their executive directors or top management;</li> <li>- with a subject who, also together with others through a shareholders' agreement, controls the Company;</li> </ul> <p>or, if the control is held by a company or another entity, with its executive directors or top management;</p> <p>d) if he/she receives, or received in the previous three financial years, from the Company, one of its subsidiaries or the parent company, significant remuneration other than the fixed remuneration for the position held within the board and for the membership in the committees recommended by the Code on Corporate Governance or required by law;</p> <p>e) if he/she has served on the board for more than nine years, even if not consecutive, of the last twelve years;</p> <p>f) if he/she hold the position of executive director in another company whereby an executive director of the Company holds the office of director;</p> <p>g) if he/she is shareholder, quota-holder or director of a company or other legal entity belonging to the network of the external auditor of the Company;</p>	<p>3. Without prejudice to the provisions of the regulations in force concerning the independence requirements of Directors, a number of Directors equal to at least the one provided for by the Corporate Governance Code <u>in force from time to time – including all members of the Audit Committee –</u> must possess the independence requirements mentioned in such Code. <del>In particular, a Director cannot be considered independent in the following circumstances:</del></p> <p><del>a) if he/she is a significant shareholder of the Company, to be understood to mean any person who, directly or indirectly (through subsidiaries, trustees or intermediaries), controls the Company or is able to exercise significant influence over the Company or who participates, directly or indirectly, in a shareholders' agreement through which one or more persons exercise control or significant influence over the Company;</del></p> <p><del>b) if he/she is, or was in the previous three financial years, an executive director or an employee:</del></p> <ul style="list-style-type: none"> <li><del>– of the Company, of its subsidiary having strategic relevance or of a company subject to joint control;</del></li> <li><del>– of a significant shareholder of the Company;</del></li> </ul> <p><del>c) if he/she has, or had in the previous three financial years, a significant commercial, financial or professional relationship, directly or indirectly (for example through subsidiaries, or through companies of which he or she is an executive director, or as a partner of a professional or a consulting firm):</del></p> <ul style="list-style-type: none"> <li><del>– with the Company or its subsidiaries, or with their executive directors or top management;</del></li> <li><del>– with a subject who, also together with others through a shareholders' agreement, controls the Company;</del></li> </ul> <p><del>or, if the control is held by a company or another entity, with its executive directors or top management;</del></p> <p><del>d) if he/she receives, or received in the previous three financial years, from the Company, one of its subsidiaries or the parent company, significant remuneration other than the fixed remuneration for the position held within the board and for the membership in the committees recommended by the Code on Corporate Governance or required by law;</del></p> <p><del>e) if he/she has served on the board for more than nine years, even if not consecutive, of the last twelve years;</del></p> <p><del>f) if he/she hold the position of executive director in another company whereby an executive director of the Company holds the office of director;</del></p> <p><del>g) if he/she is shareholder, quota holder or director of a company or other legal entity belonging to the network</del></p>

<p>h) if he/she is a close relative - meaning parent, child, a spouse not legally separated and cohabitee - of a person who is in any of the circumstances set forth in previous letters.</p> <p>For the purposes of the above-mentioned cases, the definitions contained in the Corporate Governance Code shall apply.</p>	<p><del>of the external auditor of the Company;</del>  <del>h) if he/she is a close relative - meaning parent, child, a spouse not legally separated and cohabitee - of a person who is in any of the circumstances set forth in previous letters.</del>  <del>For the purposes of the above-mentioned cases, the definitions contained in the Corporate Governance Code shall apply.</del></p>
<p>4. The Directors' term in office spans three operating years, except where a shorter term is established at the time they are appointed, and ends on the date of the Shareholders' Meeting convened for the approval of the accounts relating to the last operating year in which they were in office.</p>	<p>(unchanged)</p>
<p>5. The Directors are appointed by the Shareholders' Meeting on the basis of lists. The legitimate parties who are entitled to submit lists are the Board of Directors and the shareholders, who individually or collectively with others represent at least 0.5% of share capital in the form of ordinary shares with voting rights at ordinary Shareholders' Meetings.</p> <p>The Board of Directors must resolve on the submission of its own list with a resolution being carried out as per the outright majority of votes cast by the Directors in office.</p> <p>Each list in which candidates must be listed using a progressive number, must introduce a number of candidates belonging to the least represented gender such as to ensure abidance by the balance between genders at least in the minimum quantity required by the provisions, also of a regulatory nature, in being at the time.</p>	<p>5. The Directors are appointed by the Shareholders' Meeting on the basis of lists. The legitimate parties who are entitled to submit lists are the Board of Directors and the shareholders, who individually or collectively with others represent at least 0.5% of share capital in the form of <del>ordinary</del> shares with voting rights at ordinary Shareholders' Meetings.</p> <p>The Board of Directors must resolve on the submission of its own list with a resolution being carried out as per the outright majority of votes cast by the Directors in office.</p> <p>Each list <del>in which</del> <u>must be divided into two sections of names: the first section, containing the candidates for the office of member of the Board of Directors other than the candidates for the office of member of the Audit Committee; the second section, containing only candidates for the office of member of the Audit Committee. In each section, each of the relevant candidates must be listed using a progressive number. Each section of each list containing a number of candidates equal to or more than 3</u> must introduce a number of candidates belonging to the <del>least</del> represented gender such as to ensure abidance by the balance between genders at least in the minimum quantity required by the provisions, also of a regulatory nature, in being at the time. <u>The first candidate in the second section and at least one other candidate (or the first two, in the case of an Audit Committee consisting of more than three members), must be enrolled in the Rolls of Auditors and have exercised the legal auditing of accounts for a period not less than three years; the first candidate and at least one other candidate must also meet the requirements for the office as Chairman of the Audit Committee.</u></p>
<p>6. In order to be valid, the lists must be filed at the Registered Office or the Head Office, also through long distance communication means and in accordance with the manner indicated in the notice of the Meeting which allows the identification of the parties that are doing the</p>	<p>6. In order to be valid, the lists must be filed <del>at</del> <u>with</u> the Registered <del>Office or the Head</del> Office, also through long distance communication means and in accordance with the manner indicated in the notice of the Meeting which allows the identification of the parties that are doing the</p>

<p>filing, no later than the twenty-fifth day prior to the date of the Shareholders' Meeting and must be made available to the public at the Registered Office, on the Company's web site and through other channels provided for under prevailing laws at least twenty-one days prior to the date of the Shareholders' Meeting. Each legitimate party may submit or contribute to the submission of only one list and, similarly, each candidate may only be included on one list, on penalty of ineligibility.</p>	<p>filing, no later than the <del>twenty-fifth day prior to</del><a href="#">deadline provided for by the date of legislation in force at the Shareholders' Meeting</a>time and must be made available to the public, <del>again in the deadline provided for by the legislation in force,</del> at the Registered Office, on the Company's web site and through other channels provided for under prevailing laws <del>at least twenty-one days prior to the date of the Shareholders' Meeting.</del> Each legitimate party may submit or contribute to the submission of only one list and, similarly, each candidate may only be included on one list, on penalty of ineligibility.</p>
<p>7. When lists are submitted by the shareholders, the ownership of the minimum shareholding percentage is calculated with regard to the shares registered to each individual shareholder, or to multiple shareholders combined, on the day on which the lists are submitted to the Company. Ownership of the number of shares necessary for filing lists must be proven pursuant to the laws in being at the time; such proof can even be submitted to the Company during or after the time when the lists are filed provided that this occurs prior to the deadline for when the Company must make the lists public.</p>	<p>(unchanged)</p>
<p>8. By the deadline indicated in paragraph 6 above, parties having the right thereto who filed lists must, together with each list, also file any such further document and declaration required by the provisions, also of a regulatory nature, in being at the time as well as:</p> <ul style="list-style-type: none"> <li>- for the shareholders, the information on those who filed lists with information on the total percentage of equity investment held;</li> <li>- information on the personal and professional characteristics of the candidates indicated on the list;</li> <li>- a statement whereby the individual candidates irrevocably accept the position (subject to their appointment) and attest, under their responsibility, that there are no reasons for their ineligibility or incompatibility respect to candidacy, and that they meet the experience and integrity requirements provided for by current regulatory and other provisions;</li> <li>- a statement that the independence requirements dictated by these Articles of Association have been met.</li> </ul> <p>Any list that does not meet the above requirements shall be deemed to have not been filed.</p>	<p>8. By the deadline <del>indicated</del><a href="#">for the filing referred to</a> in paragraph 6 above, parties having the right thereto who filed lists must, together with each list, also file any such further document and declaration required by the provisions, also of a regulatory nature, in being at the time as well as:</p> <ul style="list-style-type: none"> <li>- for the shareholders, the information on those who filed lists with information on the total percentage of equity investment held;</li> <li>- information on the personal and professional characteristics of the candidates indicated on the list;</li> <li>- a statement whereby the individual candidates irrevocably accept the position (subject to their appointment) and attest, under their responsibility, that there are no reasons for their ineligibility or incompatibility respect to candidacy, and that they meet the experience and integrity requirements provided for by current regulatory and other provisions;</li> <li>- a statement that the independence requirements dictated by these Articles of Association have been met.</li> </ul> <p>Any list that does not meet the above requirements shall be deemed to have not been filed.</p>
<p>9. All those entitled to vote may only vote for one list.</p>	<p>(unchanged)</p>
<p>10. The election of Members of the Board of Directors shall proceed as follows:</p> <p>a) from the list obtaining the majority of votes cast shall be taken - in the consecutive order in which they are shown on the list – as much Directors as to be appointed, decreased of two Directors. The remaining two Directors shall be taken - in the consecutive order in</p>	<p>10. The election of Members of the Board of Directors shall proceed as follows:</p> <p>a) from <a href="#">the first section of</a> the list obtaining the majority of votes cast shall be taken - in the consecutive order in which they are shown on the list – as much Directors, <a href="#">other than members of the Audit Committee,</a> as to be appointed, decreased of two Directors. <del>The;</del></p>

which they are shown on the list – from the minority list receiving the highest votes and is not linked in any way, even indirectly, with the shareholders who presented or voted the list which resulted first by the number of votes;

b) if the majority list doesn't reach a sufficient number of candidates for the election of the number of Directors to be appointed – following the mechanism pointed out under the previous lett. a) – all the candidates from the majority list shall be appointed and the remaining Directors shall be taken from the minority list receiving the highest votes and is not linked in any way, even indirectly, with the shareholders who presented or voted the list which resulted first by the number of votes, in the consecutive order in which they are shown on the such list;

c) if the minority list receiving the highest votes doesn't reach a sufficient number of candidates for the election of the number of Directors to be appointed the remaining Directors shall be taken in succession from the further minorities lists receiving the highest votes, always in the order in which they are shown on the lists;

d) if the number of candidates included on the majority as well as minorities lists submitted is less than the number of the Directors to be elected, the remaining Directors shall be elected by a resolution passed by the Shareholders' Meeting by a relative majority ensuring the abidance by the independence and balance between genders principles established by the provisions, also of a regulatory nature, in being. If there is a tie vote between several candidates, a run-off will be held between these candidates by means of another vote at the Shareholders' Meeting;

e) if only one list or no list is filed, the Shareholders' Meeting shall deliberate in accordance with the procedures set forth in item d) above;

f) if the minimum necessary number of independent Directors and/or of Directors belonging to the least represented gender is not elected, the Directors of the most voted list who have the highest consecutive number and do not meet the requirements in question shall be replaced by the subsequent candidates, who meet the necessary requirement or requirements, taken from the same list. Should it prove impossible, even applying said criterion, to single out Directors possessing said requirements, the above substitution criterion will apply to the minorities lists receiving the highest votes from which the candidates elected have been taken;

g) if, even applying the substitution criteria given in the previous lett. f), suitable substitutions have not been found, the Shareholders' Meeting shall resolve by a relative majority. In such circumstances the substitutions shall be effected beginning from the

b) from the second section of the list referred to in letter a) above shall be taken, again in the consecutive order, two – or three, if the Committee has more than three members – Directors composing the Audit Committee;

c) the remaining two Directors, other than members of the Audit Committee, shall be taken - in the consecutive order in which they are shown on the list – from the first section of the minority list receiving the highest votes and is not linked in any way, even indirectly, with the shareholders who presented or voted the list which resulted first by the number of votes;

d) the remaining Director member of the Audit Committee – or the remaining Directors, in the event that the Committee is composed of five members – shall be taken, again in consecutive order, from the second section of the list referred to in lett. c) above. The Director indicated in first place in that section shall assume the office of Chairman of the same Committee;

~~e) e) if a section of~~ the majority list doesn't reach a sufficient number of candidates for the election of the number of Directors to be appointed – following the mechanism pointed out under ~~the previous~~ lett. a) and/or b) – all the candidates from the section of the majority list shall be appointed and the remaining Directors shall be taken from the corresponding section of the minority list receiving the highest votes and is not linked in any way, even indirectly, with the shareholders who presented or voted the list which resulted first by the number of votes, in the consecutive order in which they are shown on the section of such list;

~~e) f) if the section of~~ the minority list receiving the highest votes doesn't reach a sufficient number of candidates for the election of the number of Directors to be appointed the remaining Directors shall be taken in succession from the corresponding sections of the further minorities lists receiving the highest votes, always in the order in which they are shown on the sections of the lists;

~~e) g) if~~ the number of candidates included on a section of the majority as well as minorities lists submitted is less than the number of the Directors to be elected, the remaining Directors shall be elected by a resolution passed by the Shareholders' Meeting by a relative majority ensuring the abidance by the independence and balance between genders principles established by the provisions, also of a regulatory nature, in being. If there is a tie vote between several candidates, a run-off will be held between these candidates by means of another vote at the Shareholders' Meeting;

~~e) h) if~~ only one list or no list is filed, the Shareholders' Meeting shall deliberate in accordance with the procedures set forth in item ~~e) g)~~ above;

~~e) i) if~~ the minimum necessary number of independent

<p>progressively most voted lists and from the candidates bearing the highest progressive number.</p>	<p>Directors and/or of Directors belonging to the least represented gender is not elected, the Directors of the most voted list who have the highest consecutive number and do not meet the requirements in question shall be replaced by the subsequent candidates, who meet the necessary requirement or requirements, taken from the same <del>list</del><u>section or, missing that, from another section of the same list</u>. Should it prove impossible, even applying said criterion, to single out Directors possessing said requirements, the above substitution criterion will apply to the minorities lists receiving the highest votes from which the candidates elected have been taken; <del>§) if</del>, if, even applying the substitution criteria given in the previous lett. <del>§)</del>, suitable substitutions have not been found, the Shareholders' Meeting shall resolve by a relative majority. In such circumstances the substitutions shall be effected beginning from the progressively most voted lists and from the candidates bearing the highest progressive number.</p>
<p>-----</p>	<p><u>11. The revocation of members of the Board of Directors is resolved by the Meeting of Shareholders in the manner provided for by law. The proposal to revoke one or more members of the Audit Committee must explain the reasons and, if submitted by the Board of Directors, it must be adopted with the favourable vote of the absolute majority of all Directors in office and subject to the prior opinion of the internal nomination committee; if the proposal is submitted by the Audit Committee, it must be adopted by unanimous vote of the other members of that Committee. The revocation of members of the Audit Committee must be duly motivated. The revocation of a member of the Audit Committee implies his/her revocation also as a member of the Board of Directors.</u></p>
<p>11. In the event of a Director dying or leaving office, in the event of forfeiture or lack of a Director for any other reason, the Board of Directors can take steps to co-opt another Director in substitution, taking into proper account the right of the minorities to be represented. In the above cases, should the minimum number of independent Directors fall below the level established by the Articles of Association and/or should the number of Directors belonging to the least represented gender fall below the level established by law, the Board of Directors shall provide for their replacement.</p>	<p><del>11.12.</del> <u>12.</u> In the event of a Director dying or leaving office, in the event of forfeiture or lack <del>of a Director,</del> <u>of a Director, other than a member of the Audit Committee,</u> the Board of Directors can take steps to co-opt another Director in substitution, taking into proper account the right of the minorities to be represented. In the above cases, should the minimum number of independent Directors fall below the level established by the Articles of Association and/or should the number of Directors belonging to the least represented gender fall below the level established by law, the Board of Directors shall provide for their replacement.</p>
<p>-----</p>	<p><u>13. If a member of the Audit Committee ceases to hold office, the first non-elected member of the second section of the list to which the outgoing member belonged shall take his/her place. If, at the time of replacement, the person identified on the basis of the previous criterion does not meet the legal, regulatory or</u></p>



	<p><u>statutory requirements of the departing member, he/she shall be replaced by the next non-elected candidate taken from the second section of the same list and having the same requisites prescribed for the member to be replaced. Should the Chairman of the Committee cease to hold the office, the member taken from the same list of the outgoing member and next in rank in the appointment list who has the necessary requirements shall take the chair. If, for any reason, it is not possible to proceed to the replacement on the basis of the above criteria, the member of the Audit Committee who has ceased to serve shall be replaced by the Meeting of Shareholders to be convened without delay in accordance with the provisions of paragraph 15 below.</u></p>
-----	<p><u>14. The members taking over in the Audit Committee and members appointed by the Board by co-optation remain in office until the next Meeting of Shareholders.</u></p>
<p>12. For the appointment of Directors that need to be added to the Board of Directors, resolutions of the Meeting of Shareholders shall be by relative majority, ensuring abidance by the criteria of independence and balance between genders established by the provisions, also of a regulatory nature, in being.</p>	<p><u>15.2.</u> For the appointment of Directors that need to be added to the Board of Directors, resolutions of the Meeting of Shareholders shall be by relative majority, ensuring abidance by the criteria of independence and balance between genders established by the provisions, also of a regulatory nature, in being.</p>
<b>Clause 22</b>	<b>Clause 22</b>
<p>1. The Board of Directors meets at the Bank's Registered Office or elsewhere in Italy or abroad at intervals of usually no more than three months and every time the Chairman feels it necessary or a Board meeting is requested by the Chief Executive Officer or by least three Directors. A Board meeting may also be convened on the initiative of one Statutory Auditor.</p>	<p>1. The Board of Directors meets at the Bank's Registered Office or elsewhere in Italy or abroad at intervals of usually no more than three months and every time the Chairman feels it necessary or a Board meeting is requested by the Chief Executive Officer or by <u>at</u> least three Directors. A Board meeting may also be convened, <u>after notifying the Chairman of the Board of Directors,</u> on the initiative of one <del>Statutory Auditor</del> <u>member of the Audit Committee.</u></p>
<p>2. Whenever the Chairman of the Board of Directors deems it opportune, meetings of the Board of Directors may be held by using means of telecommunication, providing that each of the attendees may be identified by all the others and that each of the attendees is in a position to intervene real time during the discussion of the topics being examined, as well as receive, transmit and view documents. Once the fulfilment of these prerequisites has been verified, the meeting of the Board of Directors is considered held in the place where it was convened.</p>	(unchanged)
<p>3. The Board is convened by the Chairman or by whoever replaces him and may also be convened using electronic means.</p>	(unchanged)
<p>4. The Chairman and Chief Executive Officer, where appointed, may invite staff from UniCredit S.p.A. and/or Companies in the UniCredit Group to attend Board meetings.</p>	(unchanged)
<b>Clause 23</b>	<b>Clause 23</b>

<p>1. The Board of Directors is vested with all powers necessary for the running of the Bank, except for those powers reserved for Meetings of Shareholders by law and by the Articles of Association.</p>	<p>1. The Board of Directors is vested with all powers necessary for the running of the Bank, <del>except for those powers reserved for Meetings of Shareholders by law and by the Articles of Association.</del></p>
<p>2. In compliance with applicable laws and the Company's Articles of Association, the Board of Directors adopt rules concerning its functioning and attributions</p>	<p>2. In compliance with applicable laws and the Company's Articles of Association, the Board of Directors adopt rules concerning its functioning and attributions, <u>as well as those of the Audit Committee and the internal committees of the corporate bodies.</u></p>
<p>3. In addition to those duties and powers that may not be delegated according to the law, the Board of Directors is exclusively responsible for adopting resolutions regarding the following:</p> <ul style="list-style-type: none"> <li>- the general guiding of, as well as the adoption and amendment of, the Bank's industrial, strategic and financial plans;</li> <li>- assessing the general trend of business;</li> <li>- adjustments made to the Articles of Association to comply with legal requirements;</li> <li>- the merger by incorporation of companies in the situations foreseen by Article 2505 and 2505 (ii) of the Italian Civil Code;</li> <li>- the demerger of companies in the situations foreseen by Article 2506 (iii) of the Italian Civil Code;</li> <li>- the reduction of capital in the event of a shareholder withdrawing;</li> <li>- decisions as to which Directors, in addition to those indicated in these Articles of Association, may represent the Bank;</li> <li>- the determination of criteria for the coordination and management of Group companies and the determination of criteria for compliance with Bank of Italy requirements;</li> <li>- risk management policies, as well as the evaluation of the functionality, efficiency and effectiveness of the internal audit system and the adequacy of the organisational, administrative and accounting set-up;</li> <li>- the acquisition and sale of shareholdings, companies and/or businesses involving investments or divestments that exceed 5% of equity, as recorded in the last set of accounts approved by the Bank, and in any event the acquisition and sale of shareholdings that modify the composition of the Banking Group not included in the industrial, strategic and financial plans already approved by the Board of Directors, whilst the provisions of Article 2361, second paragraph, of the Italian Civil Code continue to be duly observed;</li> <li>- the resolutions concerning organization structures of the company and the related internal rules and regulations that shall be considered relevant, following the criteria established by the Board of Directors;</li> <li>- the establishment of board committees;</li> <li>- the creation and closing down, of secondary offices, branches, however named, and representative offices;</li> </ul>	<p>3. In addition to those duties and powers that may not be delegated according to the law, the Board of Directors is exclusively responsible for adopting resolutions regarding the following:</p> <ul style="list-style-type: none"> <li>- the general guiding of, as well as the adoption and amendment of, the Bank's industrial, strategic and financial plans;</li> <li>- assessing the general trend of business;</li> <li>- adjustments made to the Articles of Association to comply with legal requirements;</li> <li>- the merger by incorporation of companies in the situations foreseen by Article 2505 and 2505 (ii) of the Italian Civil Code;</li> <li>- the demerger of companies in the situations foreseen by Article 2506 (iii) of the Italian Civil Code;</li> <li>- the reduction of capital in the event of a shareholder withdrawing;</li> <li>- decisions as to which Directors, in addition to those indicated in these Articles of Association, may represent the Bank;</li> <li>- the determination of criteria <del>for to perform</del> <u>the coordination and management of Group companies and the determination of criteria for to ensure the compliance with the supervisory regulations, including the execution of the measures issued by the</u> Bank of Italy <u>requirements;</u></li> <li>- risk management policies, as well as the evaluation of the functionality, efficiency and effectiveness of the internal audit system and the adequacy of the organisational, administrative and accounting set-up;</li> <li>- the acquisition and sale of shareholdings, companies and/or businesses involving investments or divestments that exceed 5% of equity, as recorded in the last set of accounts approved by the Bank, and in any event the acquisition and sale of shareholdings that modify the composition of the Banking Group not included in the industrial, strategic and financial plans already approved by the Board of Directors, whilst the provisions of Article 2361, second paragraph, of the Italian Civil Code continue to be duly observed;</li> <li>- the resolutions concerning organization structures of the company and the related internal rules and regulations that shall be considered relevant, following the criteria established by the Board of Directors;</li> <li>- the establishment of board committees, <u>their number, appointment and dismissal of their members;</u></li> </ul>

<ul style="list-style-type: none"> <li>- the appointment and revocation of General Managers, Deputy General Managers and other Directors holding strategic responsibilities for the Bank;</li> <li>- the appointment and revocation of the head of the internal audit function, the head of the risk management function and the head of the compliance function.</li> </ul>	<ul style="list-style-type: none"> <li>- the creation and closing down, of secondary offices, branches, however named, and representative offices;</li> <li>- the appointment and revocation of General Managers, Deputy General Managers and other Directors holding strategic responsibilities for the Bank;</li> <li>- the appointment and revocation of the head of the internal audit function, the head of the risk management function and the head of the compliance function.</li> </ul>
<p>4. The Directors report to the Board of Statutory Auditors on the activities and the transactions carried out by the Bank and its subsidiaries that are of significant importance from an economic, financial and balance-sheet perspective; in particular they refer on those transactions in which they hold an interest on their own account or on behalf of third parties. To this end, they provide the Board of Statutory Auditors, at least once every quarter, with reports received from the Bank's relevant departments and from the subsidiaries that concern the activities and transactions in question, said reports being prepared in accordance with the guidelines issued by the Directors themselves.</p>	<p>4. The <del>Directors-delegated bodies</del> report to the Board of <del>Statutory Auditors</del> <u>Directors and, therefore, also to the Audit Committee</u>, on the activities and the transactions carried out by the Bank and its subsidiaries that are of significant importance from an economic, financial and balance-sheet perspective; in particular they refer on those transactions in which they hold an interest on their own account or on behalf of third parties. To this end, they provide the Board of <del>Directors-Statutory Auditors</del>, at least once every quarter, with reports received from the Bank's relevant departments and from the subsidiaries that concern the activities and transactions in question, said reports being prepared in accordance with the guidelines issued by the Directors themselves.</p>
<b>Clause 24</b>	<b>Clause 24</b>
<p>1. In order for Board resolutions to be valid, the presence of the majority of Directors in office at the time is required.</p>	(unchanged)
<p>2. The resolutions of the Board are adopted with the majority of the votes of those who have expressed their votes, with the exclusion of those who abstained; in case of equality of votes the Chairman will have a casting vote, except for what is provided for in Clause 20.</p>	(unchanged)
<b>Clause 25</b>	<b>Clause 25</b>
<p>1. Resolutions carried by the Board of Directors are verified by way of minutes recorded in the register provided for this specific purpose, which are signed by the Chairman of the meeting and the Secretary.</p>	<p><del>13.</del> Resolutions carried by the Board of Directors are verified by way of minutes recorded in the register provided for this specific purpose, which are signed by the Chairman of the meeting and the Secretary.</p>
<p>2. Copies of the minutes, signed and certified as valid and in conformity to requirements by the Chairman of the Board or by whoever deputizes for him, or by the Secretary, constitute full evidence.</p>	<p><del>24.</del> Copies of the minutes, signed and certified as valid and in conformity to requirements by the Chairman of the Board or by whoever deputizes for him, or by the Secretary, constitute full evidence.</p>
<b>Clause 26</b>	<b>Clause 25 26</b>
<p>1. The Directors are entitled to a reimbursement of those expenses incurred when performing their duties. The Board is also entitled to an annual fee, which shall be resolved upon by the Meeting and shall remain unchanged until the Meeting subsequently decides otherwise.</p>	(unchanged)
<p>2. The way in which the emoluments payable to the Board of Directors (as resolved upon by the Meeting) are distributed is established by way of a Board resolution. The Board of Directors may also, after hearing the opinions of the Board of Statutory Auditors, establish the remuneration of the directors holding the specific roles</p>	<p>2. The way in which the emoluments payable to the Board of Directors (as resolved upon by the Meeting) are distributed is established by way of a Board resolution. The Board of Directors may also, <u>after hearing on</u> <del>the opinions-proposal of the Board of Statutory Auditors</del> <u>committee responsible for remuneration and having</u></p>

provided for by Article 2389, third paragraph, of the Italian Civil Code	<u>consulted the Audit Committee</u> , establish the remuneration of the directors holding the specific roles provided for by Article 2389, third paragraph, of the Italian Civil Code.
-----	<u>3. The Shareholders' Meeting shall establish a specific remuneration for Directors who are member of the Audit Committee upon their appointment and for their entire term of office.</u>
-----	<b><u>Clause 26</u></b>
	<u>1. The Audit Committee performs the roles and functions set out by the legislation in force, and the additional ones set forth by the regulation referred to in article 23.2. In particular, it oversees compliance with laws, regulations and Articles of Association, the proper management and the adequacy of the organisational and accounting set-up of the Bank, as well as the functionality of the overall internal audit system, of the external auditing of the accounts and the consolidated accounts, of the independence of the external audit firm and on the financial information process.</u>
	<u>2. In order to properly perform its tasks, and in particular to fulfill its obligation to promptly inform the Bank of Italy, and where provided, other supervisory authorities of irregularities in the management of the bank or violations of the law, the Audit Committee is vested with all the powers provided for by the laws and regulations in force and, in particular, its members may proceed at any time, even individually, to acts of inspection and control. The Audit Committee has full autonomy in the organisation and exercise of its functions.</u>
	<u>3. The Audit Committee is properly formed when the majority of the members are present, with resolutions being carried as per the outright majority of votes cast by those present. In the event of a tie, the vote of the Chairman shall prevail.</u>
	<u>4. If the Chairman of the Audit Committee deems it appropriate, meetings of the Audit Committee may be held by means of telecommunication, provided that each of the attendees may be identified by all the others and that each of the attendees is in a position to intervene in real time during the discussion of the topics being examined, as well as receive, transmit and view documents. Once the fulfilment of these prerequisites has been verified, the meeting of the Audit Committee is considered held in the place where the Chairman is located.</u>
<b>SECTION VIII</b>	<b>SECTION VIII</b>
<b>Regarding the Board of Statutory Auditors</b>	<b><u>Regarding the Board of Statutory Auditors</u></b>
<b>Clause 30</b>	<b><u>Clause 30</u></b>
1. The General Meeting of Shareholders appoints five permanent Statutory Auditors, from whom the Chairman. Moreover it appoints four stand-in Statutory	<del>1. The General Meeting of Shareholders appoints five permanent Statutory Auditors, from whom the Chairman. Moreover it appoints four stand-in Statutory</del>

<p>Auditors. The membership of the Board of Statutory Auditors must ensure the balance between genders.</p>	<p><del>Auditors. The membership of the Board of Statutory Auditors must ensure the balance between genders.</del></p>
<p>2. Permanent and stand-in Statutory Auditors may be re-elected.</p>	<p><del>2. Permanent and stand-in Statutory Auditors may be re-elected.</del></p>
<p>3. The Statutory Auditors must meet the requirements of applicable law and regulations.</p> <p>With reference to the possession of the professional experience requirements, at least two permanent Auditors and one stand-in Auditor must be listed in the Rolls of Auditors and have undertaken the legal auditing of accounts for a period of no less than three years.</p> <p>The other members of the Board of Statutory Auditors must meet the professional experience requirements set out in the current provisions applying art.26 of Legislative Decree no. 385 of 1 September 1993 and art. 148 of Legislative Decree no. 58 of 24 February 1998; with regard to the Company's business activities, they must have exercised, for at least three years, also alternatively:</p> <ul style="list-style-type: none"> <li>a) activity of legal auditing of accounts;</li> <li>b) activity of administration or control or executive tasks in the credit, financial, securities or insurance sector;</li> <li>c) administration or control activities or executive tasks at listed companies or companies whose size and complexity is greater than, or comparable to, that of the Company (in terms of turnover, nature and complexity of the organisation or activity carried out);</li> <li>d) professional activities as a business accountant or lawyer, undertaken primarily in the credit, financial, securities or insurance sector;</li> <li>e) teaching, as university professor of first or second level, subjects concerning – in the field of law – banking, commercial and/or fiscal law, as well as the running of financial markets and – in the field of business/finance – banking operations, business economics, accountancy, the running of the securities markets, the running of the financial and international markets and corporate finance, as well as other subjects in any way connected with the activities of the credit, financial, securities or insurance sector;</li> <li>f) performing managerial, executive or top management duties, however called, within public organisations or offices of the Public Administration, relating to the credit, financial, securities or insurance sector, or to the investment services sector or to the collective investment-management sector as defined in Legislative Decree no. 58 of February 24, 1998. The Chairman of the Board of Statutory Auditors must:</li> </ul> <ul style="list-style-type: none"> <li>- be listed in the Rolls of Auditors and have undertaken the legal auditing of accounts for a period of not less than five years, or</li> </ul>	<p><del>3. The Statutory Auditors must meet the requirements of applicable law and regulations.</del></p> <p><del>With reference to the possession of the professional experience requirements, at least two permanent Auditors and one stand-in Auditor must be listed in the Rolls of Auditors and have undertaken the legal auditing of accounts for a period of no less than three years.</del></p> <p><del>The other members of the Board of Statutory Auditors must meet the professional experience requirements set out in the current provisions applying art.26 of Legislative Decree no. 385 of 1 September 1993 and art. 148 of Legislative Decree no. 58 of 24 February 1998; with regard to the Company's business activities, they must have exercised, for at least three years, also alternatively:</del></p> <ul style="list-style-type: none"> <li><del>a) activity of legal auditing of accounts;</del></li> <li><del>b) activity of administration or control or executive tasks in the credit, financial, securities or insurance sector;</del></li> <li><del>c) administration or control activities or executive tasks at listed companies or companies whose size and complexity is greater than, or comparable to, that of the Company (in terms of turnover, nature and complexity of the organisation or activity carried out);</del></li> <li><del>d) professional activities as a business accountant or lawyer, undertaken primarily in the credit, financial, securities or insurance sector;</del></li> <li><del>e) teaching, as university professor of first or second level, subjects concerning – in the field of law – banking, commercial and/or fiscal law, as well as the running of financial markets and – in the field of business/finance – banking operations, business economics, accountancy, the running of the securities markets, the running of the financial and international markets and corporate finance, as well as other subjects in any way connected with the activities of the credit, financial, securities or insurance sector;</del></li> <li><del>f) performing managerial, executive or top management duties, however called, within public organisations or offices of the Public Administration, relating to the credit, financial, securities or insurance sector, or to the investment services sector or to the collective investment-management sector as defined in Legislative Decree no. 58 of February 24, 1998. The Chairman of the Board of Statutory Auditors must:</del></li> </ul> <ul style="list-style-type: none"> <li><del>- be listed in the Rolls of Auditors and have undertaken the legal auditing of accounts for a period of not less than five years, or</del></li> </ul>

<p>- have exercised, also alternatively, for a period of not less than five years, the activity of legal auditing of accounts or the other activities provided for in current legislation.</p>	<p><del>- have exercised, also alternatively, for a period of not less than five years, the activity of legal auditing of accounts or the other activities provided for in current legislation.</del></p>
<p>4. Permanent and stand-in members of the Board of Statutory Auditors are appointed in keeping with lists submitted by legitimate parties in which candidates must be listed by a progressive number. Lists must be divided in two directories, containing respectively up to five candidates for the seat as permanent Auditor and up to four candidates for the seat as stand-in Auditor. The first two candidates for the seat as permanent Auditor and the first candidate for the seat as stand-in Auditor given in the respective directories must be listed in the Rolls of Auditors and must have carried out the activity as Statutory accounting Auditor for a period of not less than three years; the first candidate for the seat as permanent Auditor and at least a candidate for the seat as stand-in Auditor must also meet the requirements specified in paragraph 3 for the office of Chairman of the Board of Statutory Auditors. Each directory for the appointment as permanent Auditor and stand-in Auditor must present a number of candidates belonging to the least represented gender such as to ensure, within the directory itself, the abidance by the balance of genders at least in the minimum quantity established by the provisions, also of a regulatory nature, in being. No candidate may appear in more than one list, or shall otherwise be disqualified.</p>	<p><del>4. Permanent and stand-in members of the Board of Statutory Auditors are appointed in keeping with lists submitted by legitimate parties in which candidates must be listed by a progressive number. Lists must be divided in two directories, containing respectively up to five candidates for the seat as permanent Auditor and up to four candidates for the seat as stand-in Auditor. The first two candidates for the seat as permanent Auditor and the first candidate for the seat as stand-in Auditor given in the respective directories must be listed in the Rolls of Auditors and must have carried out the activity as Statutory accounting Auditor for a period of not less than three years; the first candidate for the seat as permanent Auditor and at least a candidate for the seat as stand-in Auditor must also meet the requirements specified in paragraph 3 for the office of Chairman of the Board of Statutory Auditors. Each directory for the appointment as permanent Auditor and stand-in Auditor must present a number of candidates belonging to the least represented gender such as to ensure, within the directory itself, the abidance by the balance of genders at least in the minimum quantity established by the provisions, also of a regulatory nature, in being. No candidate may appear in more than one list, or shall otherwise be disqualified.</del></p>
<p>5. The lists must, under penalty of forfeiture, be submitted to the Registered Office or the Head Office, also through long distance communication means and in accordance with the manner indicated in the notice of the Meeting which allows the identification of the parties that are doing the filing, no later than on the twenty-fifth day prior to the date of the Shareholders' Meeting, and are made available to the public at the Registered Office, on the Company's web site and through other channels provided for under prevailing laws, at least twenty-one days prior to the date of the Shareholders' Meeting. The right to deposit the lists lies with legitimate parties that, by themselves or together with others, represent at least 0.5% of ordinary share capital bearing voting rights for the General Meeting of Shareholders. Minority shareholders who have no connecting relationship with the shareholders concerned shall continue to have the option to take advantage of an extension in the deadline to present lists in those instances and using those procedures specified by current regulatory and other provisions.</p>	<p><del>5. The lists must, under penalty of forfeiture, be submitted to the Registered Office or the Head Office, also through long distance communication means and in accordance with the manner indicated in the notice of the Meeting which allows the identification of the parties that are doing the filing, no later than on the twenty-fifth day prior to the date of the Shareholders' Meeting, and are made available to the public at the Registered Office, on the Company's web site and through other channels provided for under prevailing laws, at least twenty one days prior to the date of the Shareholders' Meeting. The right to deposit the lists lies with legitimate parties that, by themselves or together with others, represent at least 0.5% of ordinary share capital bearing voting rights for the General Meeting of Shareholders. Minority shareholders who have no connecting relationship with the shareholders concerned shall continue to have the option to take advantage of an extension in the deadline to present lists in those instances and using those procedures specified by current regulatory and other provisions.</del></p>
<p>6. The ownership of the minimum number of shares required for filing lists is calculated with regard to the shares registered to each individual shareholder, or to multiple shareholders combined, on the day on which the lists are submitted to the Company. Ownership of the</p>	<p><del>6. The ownership of the minimum number of shares required for filing lists is calculated with regard to the shares registered to each individual shareholder, or to multiple shareholders combined, on the day on which the lists are submitted to the Company. Ownership of the</del></p>



number of shares necessary for filing lists must be proven in accordance with the prevailing laws; such proof can even be submitted to the Company during or after the time when the lists are filed provided that this occurs prior to the deadline for when the Company must make the lists public.	<del>number of shares necessary for filing lists must be proven in accordance with the prevailing laws; such proof can even be submitted to the Company during or after the time when the lists are filed provided that this occurs prior to the deadline for when the Company must make the lists public.</del>
7. Along with the lists filed by the parties having the right thereto, the latter must also , within the deadline indicated in paragraph 5 above, file any further document or declaration required by the provisions, also of a regulatory nature, from time to time in being. Any list that does not meet the above requirements shall be deemed to have not been filed.	<del>7. Along with the lists filed by the parties having the right thereto, the latter must also , within the deadline indicated in paragraph 5 above, file any further document or declaration required by the provisions, also of a regulatory nature, from time to time in being. Any list that does not meet the above requirements shall be deemed to have not been filed.</del>
8. Every person entitled to vote may vote in respect of one list only.	<del>8. Every person entitled to vote may vote in respect of one list only.</del>
9. With regard to the appointment of permanent auditors, the votes obtained by each list are subsequently divided by one, two, three, four and five. The ratios thus obtained are allocated progressively to the candidates in the first sub-list of each list in the order foreseen by the list concerned, and are arranged in just the one schedule in descending order. Except where provided for otherwise in the next paragraph, those obtaining the highest ratios are elected as permanent Auditors.	<del>9. With regard to the appointment of permanent auditors, the votes obtained by each list are subsequently divided by one, two, three, four and five. The ratios thus obtained are allocated progressively to the candidates in the first sub-list of each list in the order foreseen by the list concerned, and are arranged in just the one schedule in descending order. Except where provided for otherwise in the next paragraph, those obtaining the highest ratios are elected as permanent Auditors.</del>
10. Given the above, the first three candidates of the list obtaining the majority of the votes are in any case elected. Should four or more candidates from one list obtain the highest ratios, only the first three however shall be elected. In any case the fourth and fifth elected persons shall be those who obtain the highest ratios out of those belonging to the lists of minority.	<del>10. Given the above, the first three candidates of the list obtaining the majority of the votes are in any case elected. Should four or more candidates from one list obtain the highest ratios, only the first three however shall be elected. In any case the fourth and fifth elected persons shall be those who obtain the highest ratios out of those belonging to the lists of minority.</del>
11. The candidate who has obtained the highest share of votes among the candidates belonging to the list that obtained the highest number of votes among the minority lists, as defined by the current provisions (also regulatory) in force, shall be elected by the Shareholders' Meeting as Chairman of the Board of Statutory Auditors. In case of a tie between lists, the candidate from the list presented by the legitimate parties with a larger stake or, subordinately, by the higher number of parties, shall be elected Chairman of the Board of Statutory Auditors. In case of a further tie, the more senior candidate in terms of age shall be appointed Chairman. If the Chairman has not been elected on the basis of the above mentioned criteria, the Shareholders' Meeting shall appoint directly with relative majority.	<del>11. The candidate who has obtained the highest share of votes among the candidates belonging to the list that obtained the highest number of votes among the minority lists, as defined by the current provisions (also regulatory) in force, shall be elected by the Shareholders' Meeting as Chairman of the Board of Statutory Auditors. In case of a tie between lists, the candidate from the list presented by the legitimate parties with a larger stake or, subordinately, by the higher number of parties, shall be elected Chairman of the Board of Statutory Auditors. In case of a further tie, the more senior candidate in terms of age shall be appointed Chairman. If the Chairman has not been elected on the basis of the above mentioned criteria, the Shareholders' Meeting shall appoint directly with relative majority.</del>
12. With regard to the appointment of stand-in Auditors, the votes obtained by each list are subsequently divided by one, two, three and four. The ratios thus obtained are allocated progressively to the candidates in the second sub-list of each list in the order foreseen by the list concerned, and are arranged in just the one schedule in	<del>12. With regard to the appointment of stand-in Auditors, the votes obtained by each list are subsequently divided by one, two, three and four. The ratios thus obtained are allocated progressively to the candidates in the second sub-list of each list in the order foreseen by the list concerned, and are arranged in just the one schedule in</del>



<p>descending order. Except where provided for otherwise in the next paragraph, those obtaining the highest ratios are elected as stand-in Auditors.</p>	<p><del>descending order. Except where provided for otherwise in the next paragraph, those obtaining the highest ratios are elected as stand-in Auditors.</del></p>
<p>13. The above remaining firm, the first two candidates of the list that has obtained the majority of the votes are in any case elected. Should three or more candidates of one list obtain the highest ratios, the first two of them shall in any case be elected. In whatever case the third and fourth elected persons shall be those who, amongst the persons belonging to the minority lists, have obtained the highest ratios.</p>	<p><del>13. The above remaining firm, the first two candidates of the list that has obtained the majority of the votes are in any case elected. Should three or more candidates of one list obtain the highest ratios, the first two of them shall in any case be elected. In whatever case the third and fourth elected persons shall be those who, amongst the persons belonging to the minority lists, have obtained the highest ratios.</del></p>
<p>14. In the event of two or more ratios amongst candidates as permanent Auditor and/or stand-in Auditor being level, the candidate from the list that has obtained the highest number of votes shall take priority – and if the number votes is equal, the oldest candidate shall then take priority.</p>	<p><del>14. In the event of two or more ratios amongst candidates as permanent Auditor and/or stand-in Auditor being level, the candidate from the list that has obtained the highest number of votes shall take priority – and if the number votes is equal, the oldest candidate shall then take priority.</del></p>
<p>15. Should the minimum number of permanent Auditors or of stand-in Auditors necessary, belonging to the least represented gender, not be elected, the Auditor of the most voted list with the highest progressive number and belonging to the most represented gender is substituted by the following candidate belonging to the least represented gender coming from the same list. Notwithstanding the above, should the minimum number of Auditors belonging to the least represented gender continue to lack, the substitution criterion will apply, if possible, to the minority lists progressively most voted from which elected candidates have been drawn, or will again apply to the most voted list. If, notwithstanding everything, the minimum number of Auditors belonging to the less represented gender continues to be missing, the Shareholders' Meeting will resolve by a relative majority. In such case the substitutions will be effected beginning from the progressively most voted lists and from the candidates having the lowest ratio.</p>	<p><del>15. Should the minimum number of permanent Auditors or of stand-in Auditors necessary, belonging to the least represented gender, not be elected, the Auditor of the most voted list with the highest progressive number and belonging to the most represented gender is substituted by the following candidate belonging to the least represented gender coming from the same list. Notwithstanding the above, should the minimum number of Auditors belonging to the least represented gender continue to lack, the substitution criterion will apply, if possible, to the minority lists progressively most voted from which elected candidates have been drawn; or will again apply to the most voted list. If, notwithstanding everything, the minimum number of Auditors belonging to the less represented gender continues to be missing, the Shareholders' Meeting will resolve by a relative majority. In such case the substitutions will be effected beginning from the progressively most voted lists and from the candidates having the lowest ratio.</del></p>
<p>16. If in accordance with the deadlines and procedures set forth in the previous paragraphs only one list, or no list, has been presented, or the lists do not contain the required number of candidates to be elected, the Shareholders' Meeting shall pass a resolution for appointment or addition by relative majority. If there is a tie vote between several candidates, a run-off election shall be held between them with a further vote of the Shareholders' Meeting. The Shareholders' Meeting must in any case ensure the balance between the genders envisaged by the provisions - also of a regulatory nature - in being.</p>	<p><del>16. If in accordance with the deadlines and procedures set forth in the previous paragraphs only one list, or no list, has been presented, or the lists do not contain the required number of candidates to be elected, the Shareholders' Meeting shall pass a resolution for appointment or addition by relative majority. If there is a tie vote between several candidates, a run-off election shall be held between them with a further vote of the Shareholders' Meeting. The Shareholders' Meeting must in any case ensure the balance between the genders envisaged by the provisions - also of a regulatory nature - in being.</del></p>
<p>17. In the event of a permanent Auditor dying or leaving office or where his term in office is lapsed or he is not available for any other reason, he shall be replaced by the stand-in Auditor on the same list indicated by the outgoing Auditor according to the progressive order of</p>	<p><del>17. In the event of a permanent Auditor dying or leaving office or where his term in office is lapsed or he is not available for any other reason, he shall be replaced by the stand-in Auditor on the same list indicated by the outgoing Auditor according to the progressive order of</del></p>

<p>the list, in abidance by the requirement concerning the minimum number of members registered in the Rolls of Auditors having undertaken the legal auditing of accounts according to paragraph 3 and by the principle of balance between the genders. If this is not possible, the departing Auditor shall be replaced by the stand-in Auditor having the required characteristics coming progressively from the most voted of the minority lists, according to the progressive order of listing. Where Auditors are not appointed by the list-based system, the stand-in Auditor provided for by legal provisions shall take over.</p> <p>Whenever the Chairman is substituted, the stand-in Auditor taking his place also takes on the Chairman's seat. The Shareholders' Meeting envisaged by art. 2401, sub-sec. 1, of the Italian Civil Code, nominates or provides for the substitution of the Statutory Auditors adopting the resolution by relative majority, abiding by the principle regarding the compulsory presence of the minorities and the balance between the genders. Where the appointment of the stand-in Auditor <i>in lieu</i> of the Auditor is not confirmed by the Shareholders' Meeting, he shall return to his position as stand-in Auditor.</p>	<p><del>the list, in abidance by the requirement concerning the minimum number of members registered in the Rolls of Auditors having undertaken the legal auditing of accounts according to paragraph 3 and by the principle of balance between the genders. If this is not possible, the departing Auditor shall be replaced by the stand-in Auditor having the required characteristics coming progressively from the most voted of the minority lists, according to the progressive order of listing. Where Auditors are not appointed by the list-based system, the stand-in Auditor provided for by legal provisions shall take over.</del></p> <p><del>Whenever the Chairman is substituted, the stand-in Auditor taking his place also takes on the Chairman's seat. The Shareholders' Meeting envisaged by art. 2401, sub-sec. 1, of the Italian Civil Code, nominates or provides for the substitution of the Statutory Auditors adopting the resolution by relative majority, abiding by the principle regarding the compulsory presence of the minorities and the balance between the genders. Where the appointment of the stand-in Auditor <i>in lieu</i> of the Auditor is not confirmed by the Shareholders' Meeting, he shall return to his position as stand-in Auditor.</del></p>
<p>18. For issues relating to the duties, powers and authorities assigned to Statutory Auditors, the determination of their remuneration and the length of their term in office, the prevailing laws shall apply.</p>	<p><del>18. For issues relating to the duties, powers and authorities assigned to Statutory Auditors, the determination of their remuneration and the length of their term in office, the prevailing laws shall apply.</del></p>
<p>19. In order to properly perform its tasks, and in particular to fulfill its obligation to promptly inform the Bank of Italy, and where provided, other supervisory authorities of irregularities in the management of the bank or violations of the law, the Board of Statutory Auditors is vested with all the powers provided for by prevailing laws and regulations.</p>	<p><del>19. In order to properly perform its tasks, and in particular to fulfill its obligation to promptly inform the Bank of Italy, and where provided, other supervisory authorities of irregularities in the management of the bank or violations of the law, the Board of Statutory Auditors is vested with all the powers provided for by prevailing laws and regulations.</del></p>
<p>20. The Board of Statutory Auditors performs the roles and functions required of it by the prevailing laws. In particular, it oversees compliance with laws, regulations and Articles of Association, the proper management and the adequacy of the organisational and accounting set-up of the Bank and of the risk management and control, as well as the functionality of the total internal audit system, of the external auditing of the accounts and the consolidated accounts, of the independence of the external audit firm and on the information process regarding to financial data.</p>	<p><del>20. The Board of Statutory Auditors performs the roles and functions required of it by the prevailing laws. In particular, it oversees compliance with laws, regulations and Articles of Association, the proper management and the adequacy of the organisational and accounting set-up of the Bank and of the risk management and control, as well as the functionality of the total internal audit system, of the external auditing of the accounts and the consolidated accounts, of the independence of the external audit firm and on the information process regarding to financial data.</del></p>
<p>21. Statutory Auditors may assume administration and control positions within other Companies within the limits established by regulatory and other provisions.</p>	<p><del>21. Statutory Auditors may assume administration and control positions within other Companies within the limits established by regulatory and other provisions.</del></p>
<p>22. The Board of Statutory Auditors is properly formed when the majority of Statutory Auditors are present, with resolutions being carried as per the outright majority of votes cast by those present. In the event of a tie, the vote of the Chairman shall prevail.</p>	<p><del>22. The Board of Statutory Auditors is properly formed when the majority of Statutory Auditors are present, with resolutions being carried as per the outright majority of votes cast by those present. In the event of a tie, the vote of the Chairman shall prevail.</del></p>

23. Whenever the Chairman of Board of Statutory Auditors deems it opportune, meetings of the Board of Statutory Auditors may be held by using means of telecommunication, providing that each of the attendees may be identified by all the others and that each of the attendees is in a position to intervene real time during the discussion of the topics being examined, as well as receive, transmit and view documents. Once the fulfilment of these prerequisites has been verified, the meeting of the Board of Statutory Auditors is considered held in the place where the Chairman is located.	<del>23. Whenever the Chairman of Board of Statutory Auditors deems it opportune, meetings of the Board of Statutory Auditors may be held by using means of telecommunication, providing that each of the attendees may be identified by all the others and that each of the attendees is in a position to intervene real time during the discussion of the topics being examined, as well as receive, transmit and view documents. Once the fulfilment of these prerequisites has been verified, the meeting of the Board of Statutory Auditors is considered held in the place where the Chairman is located.</del>
<b>SECTION IX</b>	<b>SECTION IX</b>
<b>Regarding the accounts, dividend and reserve fund</b>	<b>Regarding the accounts, dividend and reserve fund</b>
<b>Clause 31</b>	<b>Clause <del>31</del> 30</b>
1. The Bank's operating year ends on 31 December of every year.	(unchanged)
2. At the end of every operating year, the Board of Directors sees to the formation of the Bank's accounts.	(unchanged)
<b>Clause 32</b>	<b>Clause <del>32</del> 31</b>
1. The net profit reported in the accounts is allocated as follows: a) no less than 10% to the reserve, until the reserve is at the maximum level foreseen by legal provisions; b) for any earnings that remain, and in respect of whose distribution the Meeting of Shareholders carries a resolution further to a proposal from the Board of Directors, to ordinary shares as dividend; c) the Meeting of Shareholders resolves upon the distribution of any undistributed earnings, further to a proposal from the Board of Directors.	(unchanged)
2. The Meeting of Shareholders, further to a proposal from the Board of Directors, may assign to the shareholders the right to require that the dividends are settled, in whole or in part, in cash or by delivery of ordinary shares, having the same entitlements of the shares outstanding at their time of assignment.	(unchanged)
3. The Meeting of Shareholders, further to a proposal from the Board of Directors, may also resolve upon the formation and increase of reserves of an extraordinary and special nature, which are to be sourced from net profit before or after the allocations referred to in points b) and c) above.	(unchanged)
4. The Meeting of Shareholders, further to a proposal from the Board of Directors, may allocate a portion of the annual net profit to projects of a social, welfare and/or cultural nature, with any such donations to be made as per the judgment of the Board of Directors.	(unchanged)
5. The Bank may resolve upon the distribution of advance dividend payments in those situations, by those procedures and within those limits permitted by prevailing laws.	(unchanged)
<b>SECTION X</b>	<b>SECTION <del>X</del> IX</b>
<b>Regarding withdrawal</b>	<b>Regarding withdrawal</b>

<b>Clause 33</b>	<b>Clause <del>33</del> 32</b>
1. The right of withdrawal is regulated by the law, on the understanding that shareholders that have not been involved in the approval of resolutions regarding the extension of the Bank's duration or the introduction or removal of restrictions imposed upon the circulation of shares may not exercise the right of withdrawal.	(unchanged)
<b>SECTION XI</b>	<b>SECTION <del>XI</del> X</b>
<b>Regarding Manager charged with preparing a company's financial reports</b>	<b>Regarding Manager charged with preparing a company's financial reports</b>
<b>Clause 34</b>	<b>Clause <del>34</del> 33</b>
1. The Board of Directors shall, subject to the mandatory opinion of the Board of Statutory Auditors, appoint a manager, for a period of up to three years, in charge of preparing company's financial reports for the performance of the duties assigned to such manager under current laws, and shall establish his powers, qualifications and compensation.	1. The Board of Directors shall, subject to the mandatory opinion of the <del>the Board of Statutory Auditors</del> <a href="#">Audit Committee</a> , appoint a manager, for a period of up to three years, in charge of preparing company's financial reports for the performance of the duties assigned to such manager under current laws, and shall establish his powers, qualifications and compensation.
2. The manager in charge of preparing the company's financial reports shall be selected by the Board of Directors from the Bank's managers who meet all the following qualifications: a) a degree (or equivalent) in business or finance obtained in Italy or abroad; b) at least three years experience as a manager of an in-house area dedicated to the preparation of accounts or as a Chief Financial Officer (or equivalent) in an Italian or foreign listed limited company including UniCredit and its subsidiaries; c) assignment at the time of the appointment in a management or more senior position.	(unchanged)
3. The Board of Directors shall ensure that the manager in charge of the preparation of company's financial reports has the appropriate powers and means to carry out the duties assigned to him under current laws and to properly comply with administrative and accounting procedures.	(unchanged)
4. In the performance of his duties, the manager in charge of preparing company's financial reports may avail himself of collaboration provided by all areas of the UniCredit Group.	(unchanged)
5. The manager in charge shall make all attestations and declarations that he is required to make in accordance with current laws including in conjunction with delegated bodies as required.	(unchanged)

## 2. New text of the Articles of Association

### SECTION I Establishment, registered office and duration of the Bank

#### Clause 1

1. UniCredit, società per azioni, formerly known as UniCredito Italiano, Credito Italiano and Banca di Genova prior to that, and established in Genoa by way of a private deed dated April 28, 1870, is a bank pursuant to the provisions of Legislative Decree no. 385 dated September 1, 1993, also named in abbreviated form UniCredit S.p.A..
2. The Bank may use, as brands or distinguishing marks, the names and/or distinguishing marks used at various times by the Bank and/or the Companies incorporated into the Bank.

#### Clause 2

1. The registered office and the Head Office of the Bank are located in Milan. It may establish and close down, both in Italy and abroad, secondary offices, branches, however named, and representative offices.

#### Clause 3

1. The duration of the Bank runs until December 31, 2100.

### SECTION II Regarding the transactions of the Bank

#### Clause 4

1. The purpose of the Bank is to engage in deposit-taking and lending in its various forms, in Italy and abroad, operating wherever in accordance with prevailing norms and practice. It may execute, while complying with prevailing legal requirements, all permitted transactions and services of a banking and financial nature. In order to achieve its corporate purpose as efficiently as possible, the Bank may engage in any activity that is instrumental or in any case related to the above.
2. The Bank, in compliance with current legal provisions, may issue bonds and acquire shareholdings in Italy and abroad.
3. The Bank, in its role of parent to the Banking Group UniCredit, pursuant to the provisions of Clause 61 of Legislative Decree no. 385 dated September 1, 1993, issues – in undertaking its management and co-ordination activities – instructions to other members of the Group to ensure the compliance with the supervisory regulations, including the implementation of the general and specific measures issued by the Bank of Italy in the interest of the Group's stability.

### SECTION III Regarding share capital and shares

#### Clause 5

1. The Bank's share capital, fully subscribed and paid-up, amounts to Euro 21,277,874,388.48 and is divided into 1,940,777,908 ordinary shares without nominal value.
2. Shares are registered shares.
3. Share capital may be increased by way of a shareholders' resolution, also according to Article 2441, fourth paragraph, second period, of the Italian Civil Code, through the issuance of shares bearing various rights, in conformity to legal requirements.
4. The Extraordinary Shareholders' Meeting may resolve upon the allocation of earnings to the employees of the Bank or subsidiaries, in conformity to prevailing laws.
5. The Extraordinary shareholders' Meeting held on 31 March 2023 approved the cancellation of maximum no. 230,000,000 UniCredit treasury shares, delegating the Chairman of the Board of Directors, the Chief Executive Officer and the Executive Personnel of the Company competent for role and regulation, either jointly or severally, to carry out such cancellation, in one or more transactions, by the first date between (a) the date of dividend's distribution, if any, for the year ending on 31 December 2023 and (b) 31 July 2024, to amend accordingly the number of shares indicated in paragraph 1 of this clause, thereby reducing it for the number of shares effectively cancelled, and to proceed, once the cancellation transactions have been completed, with the repeal of this paragraph.

### **Clause 6**

1. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve also on one or more occasions, in 2024 a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum number of 2,000,000 ordinary shares, to be granted to employees of UniCredit and of Group banks and companies who hold positions of particular importance in execution of the 2017- 2019 LTI Plan. In accordance with the Shareholders' resolution of March 31st, 2023, upon the possible exercise of the aforementioned delegation, the share capital will be increased by an amount equal to the implied nominal value of the shares issued at the time of the possible exercise of the delegation.
2. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to carry out a free capital increase in 2024 for a maximum 800,000 ordinary shares, to be granted to employees of UniCredit and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2018 Group Incentive System. In accordance with the Shareholders' resolution of March 31st, 2023, upon the possible exercise of the aforementioned delegation, the share capital will be increased by an amount equal to the implied nominal value of the shares issued at the time of the possible exercise of the delegation.
3. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, (i) to carry out a free capital increase, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated April 11 2019, as allowed by section 2349 of the Italian Civil Code, for a maximum of 14,000,000 ordinary shares, and (ii) to carry out a free capital increase in 2025 for a maximum of 2,000,000 ordinary shares, to be granted to employees of UniCredit and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2019 Group Incentive System. In accordance with the Shareholders' resolution of March 31st, 2023, upon the possible exercise of the aforementioned delegation, the share capital will be increased by an amount equal to the implied nominal value of the shares issued at the time of the possible exercise of the delegation.
4. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated April 9th, 2020, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum of 13,100,000 ordinary shares, to be granted to employees of UniCredit and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2020 Group Incentive System. In accordance with the Shareholders' resolution of March 31st, 2023, upon the possible exercise of the aforementioned delegation, the share capital will be increased by an amount equal to the implied nominal value of the shares issued at the time of the possible exercise of the delegation.
5. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated April 15th, 2021, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum of 18,700,000 ordinary shares, to be granted to employees of UniCredit and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives in execution of 2021 Group Incentive System. In accordance with the Shareholders' resolution of March 31st, 2023, upon the possible exercise of the aforementioned delegation, the share capital will be increased by an amount equal to the implied nominal value of the shares issued at the time of the possible exercise of the delegation.
6. The Board of Directors has the power, under the provisions of article 2443 of the Italian Civil Code, to resolve, in one or more occasions in 2023 and in 2024, to carry out a free capital increase, as allowed by article 2349 of the Italian Civil Code, for a maximum 4,200,000 ordinary shares, to be granted to employees of UniCredit and of Group Banks and Companies who hold positions of particular importance in execution of the 2022 Group Incentive System and for other forms of variable remuneration.”

## **SECTION IV Regarding Meetings of Shareholders**

### **Clause 7**

1. A General Meeting of Shareholders is convened at least one a year within 180 days of the end of the financial year, in order to resolve upon the issues that the prevailing laws and the Articles of Association make it responsible for.
2. In particular, the Meeting of Shareholders, besides establishing the remuneration of members of the bodies it has



appointed, approves: (i) the remuneration and incentive policies for the members of the supervisory, management and control bodies as well as for the rest of employees; (ii) equity-based compensation schemes; (iii) the criteria to determine the compensation to be granted in the event of early termination of employment or early retirement from office including the limits set for said compensation in terms of number of years of fixed remuneration as well as the maximum amount deriving from their application. An adequate information shall be provided to the Shareholders about the enforcement of the remuneration policies.

3. Furthermore, the Ordinary Shareholders' Meeting can exercise, on the occasion of the remuneration policies' approval, the faculty to determine a ratio of variable to fixed remuneration of employees higher than 1:1, but in any case not exceeding the ratio of 2:1 being understood that the proposal shall be recognized as validly approved:

- with favorable vote of at least 2/3 of the company share capital represented in the Shareholders' Meeting, in case the Meeting itself is constituted with at least a half of the company share capital;
- with favorable vote of at least 3/4 of the company share capital represented in the Shareholders' Meeting, whatever is the company share capital constituting the Meeting.

#### **Clause 8**

1. An Extraordinary Shareholders' Meeting is convened whenever it is necessary to resolve upon any of the matters that are exclusively attributed to it by the prevailing laws.

#### **Clause 9**

1. The Meeting takes place at the Bank's Registered Office or in another location within Italy, as indicated in the notice of Meeting.

2. If the notice of Meeting so states, then holders of voting rights can participate in the Meeting of Shareholders remotely and exercise their voting rights using electronic means, in accordance with the conditions established in the notice.

#### **Clause 10**

1. The Meeting is convened in accordance with legal and regulatory requirements via a notice published on the Company's web site and through other channels provided for under prevailing laws and regulatory provisions.

#### **Clause 11**

1. The Agenda of the Meeting is established in accordance with legal requirements and these Articles of Association by whoever exercises the power to call a meeting.

2. The right to amend the Agenda and to submit resolution proposals upon the items already on the Agenda may be exercised, in the situations, methods and time limits indicated in current regulations, by shareholders who individually or collectively represent at least 0.50% of share capital.

#### **Clause 12**

1. Meetings of Shareholders are held in a single call. The Board of Directors can establish that the Meeting of Shareholders be held in more than one call. The majorities established by the prevailing laws shall be adopted.

#### **Clause 13**

1. The Meeting may be attended by those who hold voting rights for whom notification has been received by the Company from the broker holding the relevant shareholder accounts within the time period established under prevailing laws.

#### **Clause 14**

1. Those who hold voting rights may arrange to be represented in the Meeting, in accordance with the provisions of prevailing legislation.

2. The delegation of voting rights may be granted also by means of a document in electronic format with a digital signature in accordance with the provisions of prevailing legislation and notified to a specific email address of the Company as pointed out in the notice of the Meeting or alternately through other methods as provided for under legal and regulatory provisions in force.



#### **Clause 15**

1. Every ordinary share entitles its holder to one vote.

#### **Clause 16**

1. The Meeting is chaired by the Chairman of the Board of Directors or, where he is absent or impeded, by the Deputy Chairman or, where more than one Deputy Chairman has been appointed, by the Stand-in Chairman or, where the latter is absent or impeded, by the older Deputy Chairman. Where both the Chairman and all the Deputy Chairmen are absent or impeded, the Meeting is chaired by a Director or by a Shareholder designated by those in attendance. The person chairing the Meeting is assisted by a Secretary designated by the majority of those holding voting rights. The assistance of a Secretary is not required when the minutes of the Meeting is drawn up by a notary assigned by the Chairman.
2. The Chairman of the Meeting has full powers to regulate activities and discussions, in conformity to the criteria and procedures established by prevailing laws and foreseen in the Regulations for Shareholders' Meetings.

#### **Clause 17**

1. In order for a Meeting along with the resolutions carried therein to be valid, the relevant legal provisions are to be duly observed.

#### **Clause 18**

1. The minutes of Meetings are prepared and signed by the Chairman of the Meeting and the Secretary, when not prepared by a notary.

#### **Clause 19**

1. The copies and extracts of minutes of Meetings of Shareholders, signed and certified as valid and in conformity to requirements by the Chairman of the Board or by whoever deputizes for him, pursuant to Clause 21 of the Articles of Association, or where the latter is/are absent or impeded by two Directors, constitute full evidence.

## **SECTION V Regarding the Board of Directors and the Audit Committee**

#### **Clause 20**

1. The Company adopts the one-tier management and control system pursuant to Articles 2409-*sexiesdecies et seq.* of the Italian Civil Code and is therefore managed by a Board of Directors composed of between a minimum of nine and a maximum of nineteen members, of whom at least three – and, in any case, no more than five – compose the Audit Committee. The composition of the Board of Directors must ensure the balance between the genders. The number of members of the Audit Committee is established by the Shareholders' Meeting.
2. The members of the Board of Directors must meet the requirements laid down by current regulations and other laws. With reference to the possession of the professional experience requirements, at least one of the members of the Audit Committee – or at least two, if the Committee is composed of more than three members – must be listed in the Rolls of Auditors and have undertaken the legal auditing of accounts for a period of no less than three years. The other members of the Audit Committee must meet the professional experience requirements set out in the current provisions applying art. 26 of Legislative Decree no. 385 of 1 September 1993 and art. 148 of Legislative Decree no. 58 of 24 February 1998; with regard to the Company's business activities, they must have exercised, for at least three years, also alternatively:
  - a) activity of legal auditing of accounts;
  - b) activity of administration or control or executive tasks in the credit, financial, securities or insurance sector;
  - c) administration or control activities or executive tasks at listed companies or companies whose size and complexity is greater than, or comparable to, that of the Company (in terms of turnover, nature and complexity of the organisation or activity carried out);
  - d) professional activities as a business accountant or lawyer, undertaken primarily in the credit, financial, securities or insurance sector;
  - e) teaching, as university professor of first or second level, subjects concerning – in the field of law – banking, commercial and/or fiscal law, as well as the running of financial markets and – in the field of business/finance – banking

operations, business economics, accountancy, the running of the securities markets, the running of the financial and international markets and corporate finance, as well as other subjects in any way connected with the activities of the credit, financial, securities or insurance sector;

f) performing managerial, executive or top management duties, however called, within public organisations or offices of the Public Administration, relating to the credit, financial, securities or insurance sector, or to the investment services sector or to the collective investment-management sector as defined in Legislative Decree no. 58 of February 24, 1998. The Chairman of the Audit Committee must:

(i) be listed in the Rolls of Auditors and have exercised the legal auditing of accounts for a period of not less than five years, or

(ii) have exercised, also alternatively, for a period of not less than five years, the activity of legal auditing of accounts or the other activities provided for in current legislation.

3. Without prejudice to the provisions of the regulations in force concerning the independence requirements of Directors, a number of Directors equal to at least the one provided for by the Corporate Governance Code in force from time to time – including all members of the Audit Committee – must possess the independence requirements mentioned in such Code.

4. The Directors' term in office spans three operating years, except where a shorter term is established at the time they are appointed, and ends on the date of the Shareholders' Meeting convened for the approval of the accounts relating to the last operating year in which they were in office.

5. The Directors are appointed by the Shareholders' Meeting on the basis of lists. The legitimate parties who are entitled to submit lists are the Board of Directors and the shareholders, who individually or collectively with others represent at least 0.5% of share capital in the form of shares with voting rights at ordinary Shareholders' Meetings.

The Board of Directors must resolve on the submission of its own list with a resolution being carried out as per the outright majority of votes cast by the Directors in office.

Each list must be divided into two sections of names: the first section, containing the candidates for the office of member of the Board of Directors other than the candidates for the office of member of the Audit Committee; the second section, containing only candidates for the office of member of the Audit Committee. In each section, each of the relevant candidates must be listed using a progressive number. Each section of each list containing a number of candidates equal to or more than 3 must introduce a number of candidates belonging to the less represented gender such as to ensure abundance by the balance between genders at least in the minimum quantity required by the provisions, also of a regulatory nature, in being at the time. The first candidate in the second section and at least one other candidate (or the first two, in the case of an Audit Committee consisting of more than three members), must be enrolled in the Rolls of Auditors and have exercised the legal auditing of accounts for a period not less than three years; the first candidate and at least one other candidate must also meet the requirements for the office as Chairman of the Audit Committee.

6. In order to be valid, the lists must be filed with the Registered Office, also through long distance communication means and in accordance with the manner indicated in the notice of the Meeting which allows the identification of the parties that are doing the filing, no later than the deadline provided for by the legislation in force at the time and must be made available to the public, again in the deadline provided for by the legislation in force, at the Registered Office, on the Company's web site and through other channels provided for under prevailing laws. Each legitimate party may submit or contribute to the submission of only one list and, similarly, each candidate may only be included on one list, on penalty of ineligibility.

7. When lists are submitted by the shareholders, the ownership of the minimum shareholding percentage is calculated with regard to the shares registered to each individual shareholder, or to multiple shareholders combined, on the day on which the lists are submitted to the Company. Ownership of the number of shares necessary for filing lists must be proven pursuant to the laws in being at the time; such proof can even be submitted to the Company during or after the time when the lists are filed provided that this occurs prior to the deadline for when the Company must make the lists public.

8. By the deadline for the filing referred to in paragraph 6 above, parties having the right thereto who filed lists must, together with each list, also file any such further document and declaration required by the provisions, also of a regulatory nature, in being at the time as well as:

- for the shareholders, the information on those who filed lists with information on the total percentage of equity investment held;
- information on the personal and professional characteristics of the candidates indicated on the list;
- a statement whereby the individual candidates irrevocably accept the position (subject to their appointment) and attest, under their responsibility, that there are no reasons for their ineligibility or incompatibility respect to candidacy,

and that they meet the experience and integrity requirements provided for by current regulatory and other provisions;  
 - a statement that the independence requirements dictated by these Articles of Association have been met.

Any list that does not meet the above requirements shall be deemed to have not been filed.

9. All those entitled to vote may only vote for one list.

10. The election of Members of the Board of Directors shall proceed as follows:

a) from the first section of the list obtaining the majority of votes cast shall be taken - in the consecutive order in which they are shown on the list – as much Directors, other than members of the Audit Committee, as to be appointed, decreased of two Directors;

b) from the second section of the list referred to in letter a) above shall be taken, again in the consecutive order, two – or three, if the Committee has more than three members – Directors composing the Audit Committee;

c) the remaining two Directors, other than members of the Audit Committee, shall be taken - in the consecutive order in which they are shown on the list – from the first section of the minority list receiving the highest votes and is not linked in any way, even indirectly, with the shareholders who presented or voted the list which resulted first by the number of votes;

d) the remaining Director member of the Audit Committee – or the remaining Directors, in the event that the Committee is composed of five members – shall be taken, again in consecutive order, from the second section of the list referred to in lett. c) above. The Director indicated in first place in that section shall assume the office of Chairman of the same Committee;

e) if a section of the majority list doesn't reach a sufficient number of candidates for the election of the number of Directors to be appointed – following the mechanism pointed out under lett. a) and/or b) – all the candidates from the section of the majority list shall be appointed and the remaining Directors shall be taken from the corresponding section of the minority list receiving the highest votes and is not linked in any way, even indirectly, with the shareholders who presented or voted the list which resulted first by the number of votes, in the consecutive order in which they are shown on the section of such list;

f) if the section of the minority list receiving the highest votes doesn't reach a sufficient number of candidates for the election of the number of Directors to be appointed the remaining Directors shall be taken in succession from the corresponding sections of the further minorities lists receiving the highest votes, always in the order in which they are shown on the sections of the lists;

g) if the number of candidates included on a section of the majority as well as minorities lists submitted is less than the number of the Directors to be elected, the remaining Directors shall be elected by a resolution passed by the Shareholders' Meeting by a relative majority ensuring the abidance by the independence and balance between genders principles established by the provisions, also of a regulatory nature, in being. If there is a tie vote between several candidates, a run-off will be held between these candidates by means of another vote at the Shareholders' Meeting;

h) if only one list or no list is filed, the Shareholders' Meeting shall deliberate in accordance with the procedures set forth in item g) above;

i) if the minimum necessary number of independent Directors and/or of Directors belonging to the least represented gender is not elected, the Directors of the most voted list who have the highest consecutive number and do not meet the requirements in question shall be replaced by the subsequent candidates, who meet the necessary requirement or requirements, taken from the same section or, missing that, from another section of the same list. Should it prove impossible, even applying said criterion, to single out Directors possessing said requirements, the above substitution criterion will apply to the minorities lists receiving the highest votes from which the candidates elected have been taken;

j) if, even applying the substitution criteria given in the previous lett. i), suitable substitutions have not been found, the Shareholders' Meeting shall resolve by a relative majority. In such circumstances the substitutions shall be effected beginning from the progressively most voted lists and from the candidates bearing the highest progressive number.

11. The revocation of members of the Board of Directors is resolved by the Meeting of Shareholders in the manner provided for by law. The proposal to revoke one or more members of the Audit Committee must explain the reasons and, if submitted by the Board of Directors, it must be adopted with the favourable vote of the absolute majority of all Directors in office and subject to the prior opinion of the internal nomination committee; if the proposal is submitted by the Audit Committee, it must be adopted by unanimous vote of the other members of that Committee. The revocation of members of the Audit Committee must be duly motivated. The revocation of a member of the Audit Committee implies his/her revocation also as a member of the Board of Directors.

12. In the event of a Director dying or leaving office, in the event of forfeiture or lack, for any other reason, of a Director, other than a member of the Audit Committee, the Board of Directors can take steps to co-opt another Director in

substitution, taking into proper account the right of the minorities to be represented. In the above cases, should the minimum number of independent Directors fall below the level established by the Articles of Association and/or should the number of Directors belonging to the least represented gender fall below the level established by law, the Board of Directors shall provide for their replacement.

13. If a member of the Audit Committee ceases to hold office, the first non-elected member of the second section of the list to which the outgoing member belonged shall take his/her place. If, at the time of replacement, the person identified on the basis of the previous criterion does not meet the legal, regulatory or statutory requirements of the departing member, he/she shall be replaced by the next non-elected candidate taken from the second section of the same list and having the same requisites prescribed for the member to be replaced. Should the Chairman of the Committee cease to hold the office, the member taken from the same list of the outgoing member and next in rank in the appointment list who has the necessary requirements shall take the chair. If, for any reason, it is not possible to proceed to the replacement on the basis of the above criteria, the member of the Audit Committee who has ceased to serve shall be replaced by the Meeting of Shareholders to be convened without delay in accordance with the provisions of paragraph 15 below.

14. The members taking over in the Audit Committee and members appointed by the Board by co-optation remain in office until the next Meeting of Shareholders.

15. For the appointment of Directors that need to be added to the Board of Directors, resolutions of the Meeting of Shareholders shall be by relative majority, ensuring abidance by the criteria of independence and balance between genders established by the provisions, also of a regulatory nature, in being.

## **Clause 21**

1. The Board of Directors elects from amongst its members, for three operating years, unless a different duration is established by the Meeting pursuant to the provisions of Clause 20 above, one Chairman, one or more Deputy Chairmen (including one who acts as a stand-in) and a Secretary, who need not be one of its members. Where absent or impeded, the Chairman is replaced by the Stand-in Chairman. Where both the Chairman and Stand-in Chairman are absent or impeded, the Meeting is chaired by the oldest Deputy Chairman of those in attendance or, where all Deputy Chairmen are absent or impeded, by the oldest Director. Where the Secretary is absent or impeded, the Board of Directors designates a person to replace him.

2. The Board of Directors may appoint one Chief Executive Officer, while also determining his/her duties and powers, and may bestow special duties and powers upon other Board members.

3. The Chief Executive Officer is responsible for following the execution of resolutions carried by the Board of Directors, availing themselves of the Head Office.

4. The powers granted by the Board of Directors to the Chief Executive Officer can be further delegated to members of the Head Office, who have the power to sub-delegate them to subjects who in turn are authorized to grant again further sub-delegations.

5. The Board of Directors can appoint one or more General Managers and/or one or more Deputy General Managers, establishing their roles and areas of competence. Should a Chief Executive Officer not have been appointed, the Board of Directors shall appoint a sole General Manager, and can appoint one or more Deputy General Managers, establishing their roles and areas of competence.

6. The General Managers report to the Chief Executive Officer, where appointed, in the exercise of the duties, executing the management directives from the Chief Executive Officer and, if so requested by the Chief Executive Officer, overseeing the execution of resolutions taken by the Board of Directors, with the assistance of the members of Head Office.

7. General Managers and Deputy General Managers can delegate the powers granted to them to subjects who are in turn authorized to grant again further sub-delegations.

8. The General Managers participate in the meetings of the Board of Directors, without being granted voting rights.

9. The empowered parties shall report to the Board of Directors on the conduct of their activities, with the modalities and terms set by the Board, in accordance with law.

## **Clause 22**

1. The Board of Directors meets at the Bank's Registered Office or elsewhere in Italy or abroad at intervals of usually no more than three months and every time the Chairman feels it necessary or a Board meeting is requested by the Chief Executive Officer or by at least three Directors. A Board meeting may also be convened, after notifying the Chairman of the Board of Directors, on the initiative of one member of the Audit Committee.

2. Whenever the Chairman of the Board of Directors deems it opportune, meetings of the Board of Directors may be

held by using means of telecommunication, providing that each of the attendees may be identified by all the others and that each of the attendees is in a position to intervene real time during the discussion of the topics being examined, as well as receive, transmit and view documents. Once the fulfilment of these prerequisites has been verified, the meeting of the Board of Directors is considered held in the place where it was convened.

3. The Board is convened by the Chairman or by whoever replaces him and may also be convened using electronic means.
4. The Chairman and Chief Executive Officer, where appointed, may invite staff from UniCredit S.p.A. and/or Companies in the UniCredit Group to attend Board meetings.

### **Clause 23**

1. The Board of Directors is vested with all powers necessary for the running of the Bank.
2. In compliance with applicable laws and the Company's Articles of Association, the Board of Directors adopt rules concerning its functioning and attributions, as well as those of the Audit Committee and the internal committees of the corporate bodies.
3. In addition to those duties and powers that may not be delegated according to the law, the Board of Directors is exclusively responsible for adopting resolutions regarding the following:
  - the general guiding of, as well as the adoption and amendment of, the Bank's industrial, strategic and financial plans;
  - assessing the general trend of business;
  - adjustments made to the Articles of Association to comply with legal requirements;
  - the merger by incorporation of companies in the situations foreseen by Article 2505 and 2505 (ii) of the Italian Civil Code;
  - the demerger of companies in the situations foreseen by Article 2506 (iii) of the Italian Civil Code;
  - the reduction of capital in the event of a shareholder withdrawing;
  - decisions as to which Directors, in addition to those indicated in these Articles of Association, may represent the Bank;
  - the determination of criteria to perform the coordination and management of Group companies and to ensure the compliance with the supervisory regulations, including the execution of the measures issued by the Bank of Italy;
  - risk management policies, as well as the evaluation of the functionality, efficiency and effectiveness of the internal audit system and the adequacy of the organisational, administrative and accounting set-up;
  - the acquisition and sale of shareholdings, companies and/or businesses involving investments or divestments that exceed 5% of equity, as recorded in the last set of accounts approved by the Bank, and in any event the acquisition and sale of shareholdings that modify the composition of the Banking Group not included in the industrial, strategic and financial plans already approved by the Board of Directors, whilst the provisions of Article 2361, second paragraph, of the Italian Civil Code continue to be duly observed;
  - the resolutions concerning organization structures of the company and the related internal rules and regulations that shall be considered relevant, following the criteria established by the Board of Directors;
  - the establishment of board committees, their number, appointment and dismissal of their members;
  - the creation and closing down, of secondary offices, branches, however named, and representative offices;
  - the appointment and revocation of General Managers, Deputy General Managers and other Directors holding strategic responsibilities for the Bank;
  - the appointment and revocation of the head of the internal audit function, the head of the risk management function and the head of the compliance function.
4. The delegated bodies report to the Board of Directors and, therefore, also to the Audit Committee, on the activities and the transactions carried out by the Bank and its subsidiaries that are of significant importance from an economic, financial and balance-sheet perspective; in particular they refer on those transactions in which they hold an interest on their own account or on behalf of third parties. To this end, they provide the Board of Directors, at least once every quarter, with reports received from the Bank's relevant departments and from the subsidiaries that concern the activities and transactions in question, said reports being prepared in accordance with the guidelines issued by the Directors themselves.

### **Clause 24**

1. In order for Board resolutions to be valid, the presence of the majority of Directors in office at the time is required.

2. The resolutions of the Board are adopted with the majority of the votes of those who have expressed their votes, with the exclusion of those who abstained; in case of equality of votes the Chairman will have a casting vote, except for what is provided for in Clause 20.
3. Resolutions carried by the Board of Directors are verified by way of minutes recorded in the register provided for this specific purpose, which are signed by the Chairman of the meeting and the Secretary.
4. Copies of the minutes, signed and certified as valid and in conformity to requirements by the Chairman of the Board or by whoever deputizes for him, or by the Secretary, constitute full evidence.

#### **Clause 25**

1. The Directors are entitled to a reimbursement of those expenses incurred when performing their duties. The Board is also entitled to an annual fee, which shall be resolved upon by the Meeting and shall remain unchanged until the Meeting subsequently decides otherwise.
2. The way in which the emoluments payable to the Board of Directors (as resolved upon by the Meeting) are distributed is established by way of a Board resolution. The Board of Directors may also, on the proposal of the committee responsible for remuneration and having consulted the Audit Committee, establish the remuneration of the directors holding the specific roles provided for by Article 2389, third paragraph, of the Italian Civil Code.
3. The Shareholders' Meeting shall establish a specific remuneration for Directors who are member of the Audit Committee upon their appointment and for their entire term of office.

#### **Clause 26**

1. The Audit Committee performs the roles and functions set out by the legislation in force, and the additional ones set forth by the regulation referred to in article 23.2. In particular, it oversees compliance with laws, regulations and Articles of Association, the proper management and the adequacy of the organisational and accounting set-up of the Bank, as well as the functionality of the overall internal audit system, of the external auditing of the accounts and the consolidated accounts, of the independence of the external audit firm and on the financial information process.
2. In order to properly perform its tasks, and in particular to fulfill its obligation to promptly inform the Bank of Italy, and where provided, other supervisory authorities of irregularities in the management of the bank or violations of the law, the Audit Committee is vested with all the powers provided for by the laws and regulations in force and, in particular, its members may proceed at any time, even individually, to acts of inspection and control. The Audit Committee has full autonomy in the organisation and exercise of its functions.
3. The Audit Committee is properly formed when the majority of the members are present, with resolutions being carried as per the outright majority of votes cast by those present. In the event of a tie, the vote of the Chairman shall prevail.
4. If the Chairman of the Audit Committee deems it appropriate, meetings of the Audit Committee may be held by means of telecommunication, provided that each of the attendees may be identified by all the others and that each of the attendees is in a position to intervene in real time during the discussion of the topics being examined, as well as receive, transmit and view documents. Once the fulfilment of these prerequisites has been verified, the meeting of the Audit Committee is considered held in the place where the Chairman is located.

## **SECTION VI Regarding Head Office**

#### **Clause 27**

1. The Head Office is composed by General Managers, Deputy General Managers, other Directors holding strategic responsibilities for the Bank, employees assigned to the Head Office and seconded subjects.
2. The Head Office guarantees, in accordance with the guidelines established by the Chief Executive Officer or – where not appointed – by the General Manager, the smooth running of the business and the correct execution of resolutions carried by the Board of Directors.
3. The Chief Executive Officer, the General Managers, the Deputy General Managers and the other Directors holding strategic responsibilities for the Bank are directly vested, without any further specific powers needing to be delegated, with the abilities, that can be exercised separately, to resolve the following decisions:
  - a) to submit complaints, to promote and support legal and administrative actions, arbitration, appeasement and mediation proceedings, at any level of the law, including, for example, the exercising, remission and waiver of the right to proceed with a lawsuit, as well as the institution and the revocation of a civil action and to represent the Bank within

every place of judicial, administrative, arbitration and appeasement proceedings, before any authority and in any state, and at any level of the law, including therefore in cassation and revocation proceedings and before the State Council, with the ability to do the interrogation due pursuant to the law, to appease, to reach agreements and to settle by compromise in arbitration proceedings, which may include friendly settlement arrangements as well as to waive acts and actions;

b) to enable, possibly through the use of special agents, mortgages and liens to be registered, subrogated, reduced, postponed and cancelled, as well as to effect and cancel registrations and records of any kind, regardless of whether or not the loans to which these registrations, records and entries refer have been paid;

c) to effect any transaction whatsoever, including the collection and withdrawal of securities and other instruments, with any company or body, with the Bank of Italy, Bank for Deposits and Loans, the Public Debt Agency, and, in any event, any office of the Public Administration, with no exclusion, State-owned organisations, enterprises and companies or public bodies, and, furthermore, to carry out every measure pertaining to these transactions;

d) to issue special mandates for the execution of single actions and operations or specific types of actions and operations and powers of attorney for litigation proceedings, including general ones, as well as to appoint technical consultants and arbiters, assigning to them the appropriate powers and authorities;

e) to vest employees or third parties, including individually, with the ability to represent the Bank, as shareholder or as the delegate of shareholders, at the Ordinary or Extraordinary Shareholders' Meetings of Italian or foreign companies, in conformity to current laws.

The empowered parties mentioned in this paragraph may delegate the above mentioned powers to the employees assigned to the Head Office or to the seconded subjects.

4. The Board of Directors has the ability to establish organisational structures and/or decision-making units of the Head Office, such as regional management offices, situated locally, to which the Chief Executive Officer or – where not appointed – the General Manager may delegate (availing itself of the Head Office if necessary) duties, powers and authorities, in addition to those indicated in Clause 28, for the management of branches, however named, determining the procedures by which they are to be exercised.

5. The Chief Executive Officer or – where not appointed – the General Manager may delegate to the Management Teams of branches, however named, (availing themselves of the Head Office and the structures referred to in the previous paragraph if necessary) duties, powers and authorities, in addition to those indicated in Clause 28, for the management of branches, determining the procedures by which they are to be exercised.

#### **Clause 28**

1. The Management Team entrusted with the management of a branch, however named, solely for such management, is vested with the all the powers needed in order for ordinary transactions to be effected, said powers including the abilities referred to in points a) b) c) and d) of Clause 27 above and to be exercised, without the need for the specific granting of powers, by adopting the procedures set out in Clause 29 below.

## **SECTION VII Regarding representation and signing powers**

#### **Clause 29**

1. Representation of the Bank (including procedural representation) and signing on behalf of the Bank are responsibilities assumed by the Chairman of the Board of Directors and, should he be absent or prevented, the Deputy Vice-Chairman, as well as – separately – by the Chief Executive Officer, the General Managers, and the Deputy General Managers, with said individuals vested with the ability to designate, be it a continuous basis or otherwise, single employees of the Bank and persons on secondment to the Bank, as well as outside third parties, as representatives and special agents for the undertaking of single actions and operations or specific types of actions and operations and to appoint lawyers, technical consultants and arbiters, assigning to them the appropriate powers and authorities.

2. Procedural representation comprises, for example, the ability to initiate and support any action and measure to protect the Bank's rights and interests, which may involve applying for warnings, precautionary measures and emergency actions, and exercising enforceable actions, the exercising, remission and waiver of the right to proceed with a lawsuit, as well as the institution and the revocation of a civil action, within every place of judicial, administrative, arbitration and appeasement proceedings, before any authority and in any state, and at any level of the law, with all



the powers needed for such purposes, including the power to confer the necessary relative powers of attorney for litigation proceedings, including general ones, to do the interrogation due pursuant to the law, and with every ability foreseen by law to appease, to reach agreements and to settle by compromise in arbitration proceedings, which may include friendly settlement arrangements as well as to waive acts and actions.

3. The following persons also have the ability to sign, pursuant to the preceding paragraphs, including for procedural representation, in the name of UniCredit S.p.A.:

- a) for the Head Office and for all secondary offices, branches, however named, and representative offices: the Directors with strategic responsibilities for the Bank if different from those representatives indicated in the paragraph 1 and the other parties, included seconded persons, to whom this power has been granted;
- b) for the Head Office Unit only: Managers and grade 2, 3 and 4 Assistant Managers assigned to the Head Office, as well as seconded subjects vested with this ability;
- c) for individual secondary offices, branches, however named, and representative offices: Managers and grade 2, 3 and 4 Assistant Managers assigned to them, as well as seconded subjects vested with this ability.

In order to be binding, documents issued for the Bank by representatives who have been authorised pursuant to the provisions of this paragraph must be signed jointly by two of the persons indicated, with the restriction however that grade 2 and 3 Assistant Managers may only sign with a grade 4 Assistant Manager or a Manager, exception made - with reference to the previous letter a) - for the Director with strategic responsibilities for the Bank to whom the responsibility for legal function has been assigned to and for all the other UniCredit's Directors with strategic responsibilities, who will be able to sign separately and with the same powers conferred to the subjects indicated in paragraph 1 the acts falling within the faculties they are invested with and those provided for in clause 27 of these Articles of Association.

4. In order to facilitate the smooth running of operations, the Board of Directors may however authorize the signature of Company staff and persons on secondment to the Company itself, including for procedural representation, jointly, but potentially singularly, for the types of documents that shall be determined by the Board itself.

## **SECTION VIII**

### **Regarding the accounts, dividend and reserve fund**

#### **Clause 30**

1. The Bank's operating year ends on 31 December of every year.
2. At the end of every operating year, the Board of Directors sees to the formation of the Bank's accounts.

#### **Clause 31**

1. The net profit reported in the accounts is allocated as follows:
  - a) no less than 10% to the reserve, until the reserve is at the maximum level foreseen by legal provisions;
  - b) for any earnings that remain, and in respect of whose distribution the Meeting of Shareholders carries a resolution further to a proposal from the Board of Directors, to ordinary shares as dividend;
  - c) the Meeting of Shareholders resolves upon the distribution of any undistributed earnings, further to a proposal from the Board of Directors.
2. The Meeting of Shareholders, further to a proposal from the Board of Directors, may assign to the shareholders the right to require that the dividends are settled, in whole or in part, in cash or by delivery of ordinary shares, having the same entitlements of the shares outstanding at their time of assignment.  
In case of assignment of such right, the Meeting of Shareholders, further to a proposal from the Board of the Directors, shall determine the criteria for the calculation and assignment of the shares, establishing the form of settlement of the dividend payment in case of non-exercise of such right by the shareholders.
3. The Meeting of Shareholders, further to a proposal from the Board of Directors, may also resolve upon the formation and increase of reserves of an extraordinary and special nature, which are to be sourced from net profit before or after the allocations referred to in points b) and c) above.
4. The Meeting of Shareholders, further to a proposal from the Board of Directors, may allocate a portion of the annual net profit to projects of a social, welfare and/or cultural nature, with any such donations to be made as per the judgment of the Board of Directors.
5. The Bank may resolve upon the distribution of advance dividend payments in those situations, by those procedures and within those limits permitted by prevailing laws.

## **SECTION IX Regarding withdrawal**

### **Clause 32**

1. The right of withdrawal is regulated by the law, on the understanding that shareholders that have not been involved in the approval of resolutions regarding the extension of the Bank's duration or the introduction or removal of restrictions imposed upon the circulation of shares may not exercise the right of withdrawal.

## **SECTION X Regarding Manager charged with preparing a company's financial reports**

### **Clause 33**

1. The Board of Directors shall, subject to the mandatory opinion of the Audit Committee, appoint a manager, for a period of up to three years, in charge of preparing company's financial reports for the performance of the duties assigned to such manager under current laws, and shall establish his powers, qualifications and compensation.

2. The manager in charge of preparing the company's financial reports shall be selected by the Board of Directors from the Bank's managers who meet all the following qualifications:

- a) a degree (or equivalent) in business or finance obtained in Italy or abroad;
- b) at least three years experience as a manager of an in-house area dedicated to the preparation of accounts or as a Chief Financial Officer (or equivalent) in an Italian or foreign listed limited company including UniCredit and its subsidiaries;
- c) assignment at the time of the appointment in a management or more senior position.

3. The Board of Directors shall ensure that the manager in charge of the preparation of company's financial reports has the appropriate powers and means to carry out the duties assigned to him under current laws and to properly comply with administrative and accounting procedures.

4. In the performance of his duties, the manager in charge of preparing company's financial reports may avail himself of collaboration provided by all areas of the UniCredit Group.

5. The manager in charge shall make all attestations and declarations that he is required to make in accordance with current laws including in conjunction with delegated bodies as required.