



## **BANCA IFIS S.p.A.'S ARTICLES OF INCORPORATION**

### **CORPORATE NAME**

Article 1) The company is a public limited company having the name "BANCA IFIS S.p.A." or, in abbreviated form "IFIS S.p.A.".

### **HEAD QUARTERS**

Article 2) The company has its registered office in Mestre - Venice. It is permitted to set up branches, subsidiaries, offices, agencies, representative offices and the like, in Italy and abroad. The company Head Quarters is located at the company's registered office.

### **TERM OF EXISTENCE**

Article 3) The terms of existence of the company will expire on 31 (thirty-first) of December 2050 (two thousand and fifty) but can be extended with a resolution by the Shareholders' Meeting. In cases of such a resolution to extend the company's duration, those shareholders who have not taken part in the approval of resolution do not have the right to recede.

### **NATURE OF BUSINESS**

Article 4) The company's purpose is to collect public savings and to grant credit in its various forms, in Italy and abroad, operating in compliance with the regulations and laws in force. Observing the legal provisions in force, Banca IFIS can carry out all banking, financial and investment operations and services, create and manage open pension funds and, in general, effect any other operations that are instrumental or connected to the achievement of its business purpose.

In carrying out its management and coordination activity and in its capacity of parent company to the Banca IFIS Group as per article 61, paragraph 4 of the Lgs. Decree 385/1993, the company guides the components of the group in the execution of Bank of Italy's instructions, in the interest of Group stability.

The company can issue bonds in accordance with laws and regulations in force.

## CAPITAL

Article 5.1) The share capital is 34,299,404.00 (thirty-four million, two hundred and ninety-nine thousand, four hundred and four) Euro, represented by 34,299,404.00 (thirty-four million, two hundred and ninety-nine thousand, four hundred and four) ordinary shares of a nominal value of 1 (one) Euro each.

Article 5.2) With the Board of Directors' resolutions of 5 May 2004, 14 June 2004 and 2 July 2004, as well as the C.E.O.'s decision taken immediately after the closing of the offer period, in complete execution of the Extraordinary Shareholders' Meeting resolution of 17 December 2003, it was resolved:

- to issue a bond loan called "the Banca IFIS Convertible Bond Loan 2004-2009", convertible into Banca IFIS shares, with exclusion of option right ex article 2441, paragraph 5, of the Civil Code. This bond loan amounts to 50,000,000.00 (fifty million) Euro, constituted by 4,000,000.00 (four million) convertible bonds with correlated increase in share capital for a total amount of 4,000,000.00 (four million) Euro, composed of 4,000,000.00 (four million) ordinary Banca IFIS shares backing the conversion of the convertible bonds. These bonds are offered for subscription under a Public Subscription Offering to the general public in Italy, together with a private placement in Italy for professional Italian investors and/or foreign institutes. The convertible bonds offered in subscription at par have an issue price of 12.50 (twelve point fifty) Euro and the conversion rate was fixed at 1 share for every convertible bond submitted at conversion. The shares backing the conversion have a price equal to 12.50 (twelve point fifty) Euro, 11.50 (eleven point fifty) Euro of which is share premium.
- To set the interest rate concerning the Banca IFIS Convertible Bond Loan 2004-2009 at 4.375% (four point three seven five) per annum, gross of taxes.

With the Extraordinary Shareholders' Meeting resolution of 10 October 2005, it was resolved:

- To change the conversion rate of this convertible bond loan, under and to the effects of the regulations governing it, as per article 8 lett C of these regulations, in proportion with the measure of the free share capital increase assigned to the shareholders of the same Extraordinary Shareholders' Meeting of 10 October 2005. The new

conversion rate stands at 1.1 (one point one) shares for every 1 (one) convertible bond;

- To assign to the 'Banca IFIS Convertible Bond Loan 2004-2009' holders, as a result of this change and backing eventual conversions, a maximum of 400,000.00 (four hundred thousand) ordinary shares, through rounding off to the nearest whole unit. Enjoyment of these shares starts from 1 (first) January of the year of issue.

Article 5.3) With the Extraordinary Shareholders' Meeting resolution of 10 October 2005, it was resolved:

- To increase share capital, divisibly, through payment, for a maximum amount of 10,180,000.00 (ten million, one hundred and eighty thousand) Euro, through the issue of:
  - i) a maximum of 5,090,000.00 (five million, and ninety thousand) ordinary shares of a nominal value of 1 (one) Euro each, enjoyment as from 1 (first) January 2005 (two thousand and five) to be offered for subscription to shareholders and Banca IFIS Convertible Bond Loan 2004-2009' holders at a ratio of 1 (one) newly issued ordinary share for every 5 (five) shares or convertible bonds held before the above-mentioned bonus issue to be subscribed before 30 (thirtieth) June 2006 (two thousand and six). At 30 (thirtieth) June 2006 (two thousand and six), 5,090,000.00 (five million, and ninety thousand) shares were issued at an issue price of 6.00 (six) Euro, inclusive of share premium. For every share issued in this way, a warrant ("Banca IFIS Warrant 2005-2008") is attached. This warrant circulates autonomously and offers the right to subscribe one ordinary share at a nominal value of 1 (one) Euro and at a subscription price of 6.00 (six) Euro, (including share premium) from 1 (first) August 2007 (two thousand and seven) to 31 (thirty-first) July 2008.
  - (ii) a maximum of 5,090,000.00 (five million, and ninety thousand) ordinary shares of a nominal value of 1 (one) Euro each, backing the "Banca IFIS Warrants 2005-2008", enjoyment as from 1 (first) January of the year of issue, at an issue price to be determined according to that stated in the previous point (point i);
- To establish, as per the second paragraph of article 2439 of the Civil Code, that share capital will be considered as increased by the amount of subscriptions effected within the given time period running from 30 (thirtieth) June 2006 (two thousand and six) to 31 (thirty-first) July 2008 (two thousand and eight);

- To confer to the Board of Directors and, within it, the President and the C.E.O., even if individually, the freedom to determine the terms and formalities for the execution of that stated in the previous points of the resolution presented herein.

Article 5.4.1) With the Board of Directors' deliberation of 5 May 2004 and subsequent modifications by the Board of Directors on 6 December 2005, in execution of the resolutions of the Extraordinary Shareholders' Meeting of 10 October 2005, which, in turn, was in complete execution of the Extraordinary Shareholders' Meetings of 30 April 2002, it was resolved to increase share capital through payment to service the second stock option plan for Banca IFIS's directors "Plan A2" and the second stock option plan for Banca IFIS's employees "Plan D2" for the nominal amount of 214,500.00 (two hundred and fourteen thousand, five hundred), divisibly, through the issue of 214,500.00 (two hundred and fourteen thousand, five hundred) new ordinary shares of a nominal value of 1 (one) Euro each. These shares have the same characteristics as those already in circulation, no non-transferable restrictions, even temporary, and have been issued at a price of 7.422421427 Euro (seven point four two two four two one four two seven) per share, with the exclusion of the option right ex article 2441, paragraphs 5 and 6 of the Civil Code. Of these shares, 64,500.00 (sixty-four thousand, five hundred) of these are offered for subscription to the bank's directors entrusted with particular responsibilities, and 150,000.00 (one hundred and fifty thousand) are offered for subscription to the bank's employees in general. The subscription deadline has been fixed for 31 (thirty-first) December 2007 (two thousand and seven). In every case, the share capital will be considered increased by an amount equal to the subscriptions collected on the aforesaid date of 31(thirty-first) December 2007 (two thousand and seven);

Article 5.4.2) With the Board of Directors' resolution of 15 December 2004 and subsequent modifications by the Board of Directors on 6 December 2005, in execution of the Extraordinary Shareholders' Meeting resolution of 10 October 2005, in partial execution of the Extraordinary Shareholders' Meeting of 17 December 2003, it was resolved to increase share capital by payment to service the third stock option plan for Banca IFIS's directors "Plan A3" and the third stock option plan for Banca IFIS's employees "Plan D3" for the nominal amount of 214,500 (two hundred and fourteen thousand, five hundred point zero zero) Euro, divisibly. This, through the issue of 214,500(two hundred and fourteen thousand, five hundred point zero zero) new ordinary shares of a nominal value of 1 (one) Euro each. These shares

have the same characteristics as those already in circulation, no non-transferable restrictions, even temporary, and were issued at a price of 7.050525573 Euro (seven point zero five zero five two five five seven three) per share, with the exclusion of the option right ex article 2441, paragraphs 5 and 6 of the Civil Code. Of these shares, 64,500 (sixty-four thousand, five hundred) of these are offered for subscription to the bank's directors entrusted with particular responsibilities, and 150,000 (one hundred and fifty thousand) are offered for subscription to the bank's employees in general. The subscription deadline has been fixed for 31 (thirty-first) December 2008 (two thousand and eight); in every case, the share capital will be considered increased by an amount equal to the subscriptions collected on the aforesaid date of 31 (thirty-first) December 2008 (two thousand and eight);

Article 5.4.3) With the Extraordinary Shareholders' Meeting of 30 April 2007 it was resolved to increase share capital by payment to service the fourth stock option plan for the directors and employees of Banca IFIS "Plan no. 4", for the nominal amount of 214,500.00 (two hundred and fourteen thousand, five hundred point zero zero) Euro, divisibly, through the issue of 214,500 (two hundred and fourteen thousand, five hundred point zero zero) new ordinary shares of a nominal value of 1 (one) Euro each. These shares have the same characteristics as those already in circulation, no non-transferable restrictions, even temporary, and have an issue price of 10.10 Euro (ten point ten) per share, with the exclusion of the option right ex article 2441, paragraphs 5 and 6 of the Civil Code. Of these shares 64,500 (sixty-four thousand, five hundred) are offered for subscription to the bank's directors entrusted with particular responsibilities, and 150,000 (one hundred and fifty thousand) are offered for subscription to the bank's employees in general. The subscription deadline has been fixed for 31 (thirty-first) December 2010 (two thousand and ten). In every case, the share capital will be considered increased by an amount equal to the subscriptions collected on the aforesaid date of 31 (thirty-first) December 2010 (two thousand and ten);

Article 5.4.4) With the Extraordinary Shareholders' Meeting of 30 April 2007 it was resolved to increase share capital by payment to service the fifth stock option plan for the directors and employees of Banca IFIS "Plan no. 5", for the nominal amount of 250,000.00 (two hundred and fifty thousand, point zero zero) Euro, divisibly, through the issue of 250,000.00 (two hundred and fifty thousand, point zero zero) new ordinary shares of a nominal value of 1 (one) Euro each. These shares have the same

characteristics as those already in circulation, no non-transferable restrictions, even temporary, and have an issue price of 10.10 Euro (ten point ten) per share, with the exclusion of the option right ex article 2441, paragraphs 5 and 6 of the Civil Code. Of these shares 59,200 (fifty-nine thousand, two hundred) of these are offered for subscription to the bank's directors entrusted with particular responsibilities, and 190,800 (one hundred and ninety thousand, eight hundred) are offered for subscription to the bank's employees in general. The subscription deadline has been set for 30 (thirtieth) April 2011 (two thousand and eleven). In every case, the share capital will be considered increased by an amount equal to the subscriptions collected on the aforesaid date of 30 (thirtieth) April 2011 (two thousand and eleven);

#### SHAREHOLDERS' MEETINGS

Article 6) Shareholders' Meetings resolutions, taken in conformity with the Law and the Articles of Incorporation, obligate all shareholders, whether absent or dissenting; shareholders who have not participated in the approval of resolutions concerning the introduction or removal of restrictions to the circulation of the bank's shares do not have the right to recede.

Shareholders' Meetings can be ordinary and extraordinary, under the law.

The Meetings can be held in following convocations to the second in adherence with the provisions of the law.

The Shareholders' Meetings can be held away from the registered office, provided that they take place within national territory.

Article 7) Every action gives the right to vote.

Article 8) The Ordinary Shareholders' Meeting is summoned at least once a year, within 120 (one hundred and twenty) days from the closing of the accounting year, to deliberate on matters of the shareholders' competence as laid down by the law and the Articles of Incorporation.

Article 9) Shareholders can intervene in the meeting if they have voting rights, and, even if present in the shareholders register, have produced intermediation advice at least two working days before the fixed date of the Meeting. For that period and up to the moment in which the meeting takes place, shares will not be available.

As far as concerns the representation of shareholders in Meetings, the majority necessary for the validity of the resolutions and the drawing up of the Board minutes, please refer to that stated by the Law, applicable regulations, the Articles of Incorporation and Shareholders' Meeting regulations.

#### MANAGEMENT

Article 10) The company is managed by a Board of Directors composed of between five and fifteen members, elected by the Shareholders' Meeting. The members remain in office for a period not exceeding three years, established at the moment of nomination, and their term expires on the date of the Annual Shareholders' Meeting convened to approve the annual report for the last year of their office.

The nomination of Board members is based on lists, presented by the shareholders, in which the candidates are listed progressively and the number of candidates cannot exceed the number of Board members to be elected.

Only shareholders that, individually or together with others, are owners of shares with voting rights equal to the quota laid down by Consob, as per article 147-ter of the Lgs. Decree 58/1998 and published, as per article 144-septies of the "Application regulations of the Lgs. Decree 58/1998 governing issuers", can present a list; the quota required for the presentation of candidate lists must be indicated in the notice of convening of the Shareholders' Meeting convened to deliberate the nomination of the Board of Directors' members.

No shareholder can present, or try to, even on behalf of another person or fiduciary company, more than one list, and neither can they vote for different lists. This is also the case for shareholders belonging to the same group and/or shareholders who are part of a para-social pact involving the company's shares. Each candidate can only be present on one list or he/she will be considered ineligible.

Nomination lists must be deposited at the registered office at least fifteen days before the expected date of the first convening of the Shareholders' Meeting, which will be mentioned in the Notice of convening of the Shareholders' Meeting.

Lists of candidates must include:

- information on the identity of the shareholders presenting the list and the percentage of the share capital held by these shareholders with a certificate to prove this.
- a declaration by the shareholders different from those who hold, even jointly, a controlling or majority quota, declaring that no relationship (as per article 144-quinquies of the "Application regulations of the Lgs. Decree 58/1998, governing issuers" exists with the latter.
- an exhaustive list of the personal and professional characteristics of the candidates, together with a declaration that the candidate satisfies all the legal and statutory requirements and accepts his/her candidacy.

No subjects not satisfying the requisite of honour and professionalism as stated by article 26 of the Lgs. decree 385/1993 can be included in a list of candidates. In addition, each list must contain at least one candidate satisfying the independence requirement as stated in article 148, paragraph 3 of the Lgs. Decree 58/1998.

Any list which does not respect the above will be considered as not presented.

Elections of Board members are carried out as follows:

- 1) all but one Board members are chosen from the list that received the greatest number of votes in the Shareholders' Meeting according to the order in which they appear on the list.
- 2) the remaining director is chosen from the list that received the second greatest number of votes in the Shareholders' Meeting and, under article 147-ter, paragraph 3 of the Lgs. Decree 58/1198, has no connection, even indirect, with the shareholders who have presented or voted for the list with the first highest number of votes.

In addition to that set out in point 2 in the previous paragraph, at least one member of the Board of Directors (or two if there are more than 7 Board members in total) must satisfy the independence requirement established for by article 148, paragraph 3 of the Lgs. Decree 58/1198.

Board member's compensation is established at the moment of nomination or in the Shareholders' Meeting, as per article 2389 of the Civil Code. Compensation for Board members with particular roles can be decided by the Board of Directors, if accepted by the Statutory Auditors' Board. The



Shareholders' Meeting can determine an overall amount for the remuneration of all Board members, including those with particular roles.

Article 11) The Board of Directors selects a President and, if so desired, a Vice President from its members. During meetings, should the President be absent, the Vice President presides. If both should be missing, the C.E.O. presides. In cases where all three are not present, the most elderly director presides. The Board of Directors nominates the Secretary and his/her substitute. The Secretary takes care of taking and filing the Board minutes for every Meeting, which must be signed by he who chairs the Meeting and the secretary him/herself.

Article 12) Under article 12 of the company's articles of incorporation, the President is responsible for convening the Board of Directors by means of letter, fax, email or any other suitable form, sent to every director's domicile at least three days before the expected meeting date. In urgent cases, the convocation can also be transmitted as little as one day in advance.

Board of Directors' Meetings can also be conducted via telecommunication, provided that all the participants can be identified by the President and by all other members and that they are permitted to: take part in the meeting, intervene - in real time - in the discussions taking place, receive, transmit and view documents related to the matters at hand and that all the above actions are written in the Board minutes. In such cases, the location of the Board of Directors is considered to be the place in which the President and the Secretary are, so as to allow the minutes to be taken.

The Board of Directors' resolutions are valid if the majority of the Board members is present and if such resolutions are taken with the absolute majority of those present.

The Board of Directors meets a minimum of every three months, and, in addition, every time the President deems it necessary to do so, or the C.E.O. or at least three directors call one. The Board of Directors can also be summoned by at least two Statutory Auditors giving prior notice to the President of the Board of Directors.

Article 13) The Board of Directors is responsible for all the powers of ordinary and extraordinary administration, excluding those that, by law, lie within the competence of the Shareholders' Meeting. Aside from duties that are not delegable by law, the Board of Directors is exclusively responsible for deliberations regarding:

- the general management of the company
- changes to the articles of incorporation and company by-laws according to legal provisions;
- mergers with other companies, in the cases provided for by articles 2505 and 2505 of the Civil Code;
- reduction of capital in case of shareholders' withdrawing from the company;
- the indication of which Board Members can represent the company, in addition to those indicated in the articles of incorporation;
- the management of risk policies, as well as the evaluation of functionality, efficiency and effectiveness of the internal control system and the adequacy of the organizational, administrative and accounting structures;
- the determination of the bank's general regulations;
- the setting up and management of branches, subsidiaries, agencies, counters, representative offices and addresses, both in Italy and in foreign countries, as well as their closing; deliberating the powers of attorney, proxies and so forth;
- the transfer of the registered office within national territory;
- the buying and selling of shareholdings, companies and/or branches of companies bringing about changes in the group, or investments and/or disinvestments that exceed 1% (one percent) of the bank's net equity as shown in the last approved balance sheet;
- the determination of criteria for carrying out Bank of Italy's instructions;
- the nomination and the dismissal of general management members.

Board members report, when required, but at least on a quarterly basis, to the Statutory Auditors' Board during Board of Directors' Meetings or Executive Committee Meetings, or also directly, in writing. This reporting concerns the activity undertaken, important operations carried out by the company or its controlled companies and situations that could result in conflict of interest.

Article 14) The Board of Directors can nominate an Executive Committee and a C.E.O. from its members, and can delegate particular duties to individual directors, all under the senses and limits of article 2381 of the Civil Code. In addition, the Board can also nominate proxies and special proxies for certain acts or category of acts. It is up to the C.E.O. to take care of the execution of resolutions of the Board of Directors and the Executive Committee, also conferring with top management. The C.E.O. reports to the

Board of Directors on his/her activities on a quarterly basis.

Article 15) The Executive Committee can be nominated for a duration determined, from time to time, by the Board of Directors. The Board of Directors also determines this committee's powers, assignments and operational methods. The Executive Committee is composed of between three to five members; the President of the Board of Directors, he/she who chairs it and the C.E.O. are automatically part of this committee. The General Manager, or substitute, can participate in the Executive Committee Meetings with an advisory role. The frequency with which the Executive Committee meets is set by the Board of Directors.

The Committee's resolutions are valid if the majority of the members is present, if such resolutions are taken with the absolute majority of those present and if these resolutions are recorded in minutes signed by the President and the secretary. In cases where votes are tied, the vote of he/she who is chairing the meeting prevails. The Executive Committee reports to the Board of Directors on its activities on a quarterly basis. In urgent cases, the Executive Committee can deliberate any business or operation, requesting the Board of Directors' ratification at the first Board of Directors' Meeting that follows. The Committee's secretarial duties are to be carried out by the secretary to the Board of Directors or, in his/her absence, by the substitute.

Article 16) The Board of Directors can delegate credit-granting powers to personnel, predetermining the limits, based on their functions and/or level of seniority, singularly and/or as part of a committee chaired by the C.E.O.. Such decisions must be made known to the Executive Committee, or the Board itself, according to the formalities and frequency fixed by the Board of Directors. In all cases, the Board of Directors will be provided with a periodic report for global amounts.

The Board of Directors also sets the formalities and the frequency according to which it must be informed of the more important decisions made by proxies.

Article 17) The Board of Directors names a General Manager and can also nominate one or more Deputy General Managers, deciding their assignments and powers and the duration of their role. The General Manager is responsible for executing the resolutions of the Board of Directors and the Executive Committee, as well as application of the C.E.O.'s management directives.

The General Manager is the company's head on the executive and personnel

side, and carries out his assignment respecting the powers given to him by the Board of directors.

The General Manager participates in Board of Directors' Meetings with an advisory role.

In case of absences or impediment, the Board of Directors will choose to replace the General Manager with one of the Deputy General Managers, if nominated.

In the face of third parties, the Deputy General Manager's signature, replacing that of the General Manager, is proof of the absence or impediment of the latter.

Article 18) General Management is constituted by the General Manager and, any nominated Deputy General Managers. Together they ensure the execution of resolutions by the Board of Directors, the Executive Committee and the C.E.O., according to their respective functions and competences. They manage current business using personnel to help them reach the objectives set.

As per article 154-bis of the Lgs. Decree 58/1998 and if the necessary approval has been given by the Statutory Auditors' Board, the Board of Directors names an executive who is to be responsible for drawing up the company's financial documents.

This executive must comply with the regulations regarding both the requisite of honour necessary for the election to the position of statutory auditors as per article 2 of Italian D.M. 162 of 30 March 2000, and the requisites of professionalism for the election to the position of Board member of a public bank, as per article 1, paragraph 1 of the Italian D.M. 161 of 18 March 1998.

The executive responsible for the company's financial documents prepares suitable administrative and accounting procedures for the drawing up of the statutory and consolidated annual reports for the accounting year, together with every other communication of a financial nature, also carrying out any other assignment provided for by the law.

The Board of Directors is responsible for ensuring the executive in charge of drawing up financial and accounting documents has the necessary powers and means to accomplish the assignments attributed to him/her and to ensure that administrative and bookkeeping procedures are effectively respected by the same.

Under article 154-bis of Lgs. Decree 58/1998, the Board of Directors gives this executive the necessary powers and means to accomplish the assignments attributed to him/her at the moment of the nomination of this individual. The executive in charge of drawing up financial and accounting documents is governed by the same provisions as those which govern the Board members of the company.

#### CORPORATE SIGNATURE AND REPRESENTATION

Article 19) Representation of the Company and the placing of the corporate signature, in the face of third parties and legally, is entrusted to the Board of Directors' President, the C.E.O. and the General Manager.

For specific categories of actions and business, the Board of Directors can delegate the power to give the corporate signature by proxy, even to individuals who are not part of the company.

The naming of proxies for specific acts and categories of actions by the C.E.O. is included within the powers given to him/her by the Board of Directors.

To facilitate the company in carrying out its business, in certain cases and for specific categories of operations, the Board of Directors can determine and authorize the managers, cadres and general employees who can sign, either singularly or jointly, on behalf of the company.

#### THE STATUTORY AUDITORS' BOARD

Article 20) The Statutory Auditors' Board is composed of three standing auditors and two alternate auditors.

In compliance with article 1, paragraph 3, issued by the Department of Justice on 30 March 2000, no. 162, these parties are to be considered as strictly connected to the activity of the Company: the performance and/or marketing of banking and financial services offered by companies authorized to carry out banking activities and/or by financial intermediaries, in Italy or abroad, together with the activities listed in article 106, paragraph 1, of Lgs. Decree no. 385/1993.

The nomination of members of the Statutory Auditors' Board is based on lists presented by the shareholders, in which the candidates are listed progressively and the number of candidates cannot exceed the number of Statutory Auditors' Board members to be elected. This list is composed of two sections: one for the standing auditor candidates, the other for the alternate auditor candidates.

A shareholder or shareholders can present a list if they hold the quota of shares laid down by Consob, as per article 147-ter of the Lgs. Decree 58/1998 and published, as per article 144-septies of the "Application regulations of the Lgs. Decree 58/1998 governing issuers"; the quota required for the presentation of candidate lists must be indicated in the notice of convening of the Shareholders' Meeting convened to deliberate the nomination of the members of the Statutory Auditors' Board.

No shareholder can present, or try to, even on behalf of another person or fiduciary company, more than one list, and neither can they vote for different lists. This is also the case for shareholders belonging to the same group and/or shareholders who are part of a para-social pact involving the company's shares. Each candidate can only be present on one list or he/she will be considered ineligible.

Nomination lists must be deposited at the registered office at least fifteen days before the expected date of the first convening of the Shareholders' Meeting and will be mentioned in the Notice convening the Shareholders' Meeting. Lists of candidates must include:

- information on the identity of the shareholders presenting the list and the percentage of the share capital held by these shareholders with a certificate to prove this.
- a declaration by the shareholders different from those who hold, even jointly, a controlling or majority quota, declaring that no relationship (as per article 144-quinquies of the "Application regulations of the Lgs. Decree 58/1998 governing issuers") exists with the latter.
- an exhaustive list of the personal and professional characteristics of the candidates, together with a declaration that the candidate satisfies all the legal and statutory requirements and accepts his/her candidacy.

Statutory auditors cannot be included on the list of candidates if they cover statutory auditing roles in another five listed companies or, if they do not satisfy the requisite of honour and professionalism and independence as stated by the independence requirement in article 148, paragraph 3 of the Lgs. Decree 58/1998.

At the end of the Statutory Auditors' term, they are eligible for re-election.

In cases in which after the necessary 15 (fifteen) days for the presentation of lists of candidates has passed, and only one valid list has

been presented or, the lists have been presented by shareholders that are connected to one another as stated in article 144-quinquies of the "Application regulations of the Lgs. Decree 58/1998 governing issuers", it is possible to continue to present lists for a further 5 (five) days. In this case, the share quota necessary for the presentation of the lists is reduced by half.

Elections of Statutory Auditors' Board members are carried out as follows:

1) Two standing auditors and one alternate auditor are chosen from the list that received the greatest number of votes in the Shareholders' Meeting, according to the order in which they appear on the list.

2) The candidate at the top of the list that received the second greatest number of votes in the Shareholders' Meeting out of the total lists presented and voted for by shareholders who are not connected to the reference shareholders stated in article 148, paragraph 2 of the Lgs. Decree 58/1198, is elected as standing auditor. The remaining alternate auditor is the candidate at the top of that category in the same list.

In cases where there is a tie between two or more lists, the older candidate will be elected to the position of statutory auditor. The president of the Statutory Auditors' Board is the standing auditor elected from the minority list.

The term of Statutory Auditors expires or is terminated as per the law and/or if the auditor no longer satisfies the afore-mentioned statutory requirements for their nomination.

In cases of substitution of an auditor, the substitute auditor elected from the same list as that featuring the former, will take his/her place.

#### THE ANNUAL REPORT AND PROFIT

Article 21) The accounting year closes on 31 (thirty-first) of December every year.

The Board of Directors draws up the annual report in observance of the Law.

Article 22) The net profit resulting from the balance sheet, less the amount necessary for legal reserves, is divided among the shareholders in proportion to the shares held; unless the Shareholders' Meeting specifically deliberates that such profit should be entirely or partially allocated to extraordinary reserves, special Board of Directors' assignments or put aside for following accounting years.

The dividends not collected are transferred to the Company.





#### LIQUIDATION

Article 23) Should the company fold in any way and for any reason, the Shareholders' Meeting will establish how the company is to be liquidated and will nominate one or more liquidators, determining the powers of such liquidators.

#### APPLICABLE LAWS

Article 24) All that is not specifically stated herein, is governed by the applicable laws in force.