

## **Proposal by the Supervisory Board concerning the appointment for the legal audit of the accounts (Art. 13, paragraph 1 of Legislative Decree No. 39 of 27<sup>th</sup> January 2010)**

Dear Shareholders,

The Supervisory Board:

### HAVING NOTED

- that it had been judged appropriate for the appointment of the main independent auditors for the Group to be made one year ahead of the natural expiry of the current engagement, through the process of recruitment and selection of a firm of independent auditors;
- that, accordingly, in view of the expiry (upon approval of the 2011 financial statements) due to completion of the term of the engagement of the current independent auditors, the Shareholders' Meeting is required to resolve on the appointment for the legal audit of the accounts;
- that on 7<sup>th</sup> April 2010, Legislative Decree No. 39 of 27<sup>th</sup> January 2010 came into force, entitled "Implementation of Directive 2006/43/EC on the legal audits of accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC" (hereinafter the "Decree");
- that Art. 13, paragraph 1 of the Decree establishes that the Shareholders' Meeting, on the basis of a reasoned proposal submitted by the control body, shall grant the appointment for the legal audit of the accounts, setting the fees to be paid to the independent auditors and the criteria for adjusting them during the period of the appointment;
- that Art. 19, paragraph 2, letter b) of the Decree requires that the Internal Control and Audit Committee be consulted by the Supervisory Board concerning the proposal referred to in Art. 13, paragraph 1 of the Decree.

### HAVING CONSIDERED

- that the engagement of the current independent auditors, having now run for a total of nine financial years, can no longer be renewed pursuant to Art. 17, paragraph 1 of Legislative Decree No. 39 of 27<sup>th</sup> January 2010, which establishes that the audit engagement shall have a duration of nine years for independent auditors and cannot be renewed or granted again to the same independent auditors, thus making it necessary to appoint a different firm to perform the legal audits of the accounts of Unione di Banche Italiane S.c.p.a. for the period 2012-2020;
- that, accordingly, the Supervisory Board, having consulted the Internal Control and Audit Committee, resolved to implement the process of recruitment of the independent auditors by inviting firms, belonging to a major international network and with an adequate standing to meet the needs of the Group, to make an offer for the role of main independent auditors for the Group;
- that the final selection – under the supervision of the Supervisory Board as the competent body pursuant to Art. 13, paragraph 1 of the Decree – was guided by an assessment of the most significant technical and financial criteria, with the identification of 12 elements, grouped into three categories: 1. General aspects (overall background assessment of the audit firm's knowledge of the UBI Group and the banking business, and its experience in the sector); 2. Team and audit procedures (assessment of the seniority of the human resources to be used and of the audit approach to be adopted, as detailed in the offers received); 3. Fees (assessment based on a score of 1 to 5 for each of the 12 key elements);

– that the Supervisory Board received three separate offers for the appointment to perform the legal audit from the firms Deloitte & Touche Spa, PricewaterhouseCoopers Spa and Reconta Ernst & Young Spa;

– that the offers for the appointment to perform the legal audit covered the following for each financial year:

- (i) audit of the separate financial statements and the consolidated financial statements and provision, in a special report, of an opinion on the separate financial statements of Unione di Banche Italiane S.c.p.a. and on the consolidated financial statements of the UBI Group pursuant to Art. 14 of the Decree, and including verifications of the consistency of the management report and the report on governance with the separate financial statements and the consolidated financial statements as required by Art. 14, paragraph 2 of the Decree and Art. 123-bis, paragraph 4 of Legislative Decree No. 58/1998;
- (ii) verification of the proper maintenance of the company accounts and the accurate recording of operating events in the accounting records pursuant to Art. 14, paragraph 1 of the Decree;
- (iii) limited audit of the condensed interim consolidated financial statements;
- (iv) verifications related to the signature of tax returns;

with an indication of the number of hours and fees for each of the activities envisaged;

– that the offers also indicated the number of hours and fees for the legal audit of the financial statements of certain subsidiaries identified within the scope of the remit established for the role of main independent auditors of the UBI Group;

#### HAVING VERIFIED

– that the procedures for the performance of the audit activities detailed in the offers, also in terms of expected number of hours and human resource requirements, were found to be adequate for the scope and complexity of the engagement;

– that all the offers also contained a specific and reasoned declaration concerning the commitment to demonstrating the satisfaction all the legal requirements of independence, with particular regard Articles 10 and 17 of the Decree, in compliance with the current laws and regulations;

– that the organisational structure and technical and professional capabilities of all the audit firms were adequate for the scope and complexity of the engagement;

– upon completion of the assessment of the 12 key elements described above, the highest total score was achieved by the offer received from the audit firm Deloitte & Touche Spa;

– that in the offer made on 9<sup>th</sup> December 2010, which is being disclosed to Shareholders and the public at the same time and in the same manner as attachment A), the audit firm proposed the following fees:

Activity	No. Hours/% Mix					
	Total No. Hours	Fee (euro)	Partner	Manager	Senior	Assistant
Legal audit of the consolidated financial statements of the UBI Group	2.800	235.000	400 14%	725 26%	825 29%	850 30%
Legal audit of the separate financial statements of Unione di Banche Italiane Scpa (including verifications for the signature of tax returns)	2.400	200.000	345 14%	620 26%	710 30%	725 30%
Verification of the proper maintenance of the company accounts and the accurate recording of operating events in the accounting records	400	35.000	55 14%	105 26%	115 29%	125 31%
Limited audit of the condensed interim consolidated financial statements of UBI Group	1.350	110.000	200 14%	350 26%	400 30%	400 30%
<b>Total</b>	<b>6.950</b>	<b>580.000</b>	<b>1.000 14%</b>	<b>1.800 26%</b>	<b>2.051 30%</b>	<b>2.101 30%</b>

- that the audit plan for the financial statements of Unione di Banche Italiane Scpa and the companies of the UBI Group detailed in the offer from the independent audit firm Deloitte & Touche Spa satisfied the criteria identified by the Internal Control and Audit Committee and the offer contained an estimate of the number of hours and the composition of the audit team for performance of the above mentioned activities that was entirely adequate;
- that the partner responsible for managing the engagement, in relation to Unione di Banche Italiane Scpa, is Mr Marco Miccoli;
- that the audit firm Deloitte & Touche Spa made an overall offer that, in addition to Unione di Banche Italiane Scpa, also covered the other companies identified within the scope of the engagement for the main independent auditors for the Group;
- that, despite being aware that this could not and must not be a principal factor in relation to the work to be performed, the total amount of the fees requested, inclusive of the fees for legal audit of the financial statements of subsidiaries identified within the scope of the remit established for the role of main independent auditors of the UBI Group, were in any event competitive compared to the other offers made;
- that the Internal Control and Audit Committee, on the basis of its evaluation of the offers received, gave its approval to the Supervisory Board for the appointment of the firm proposed;

#### PROPOSES

that the Ordinary Shareholders' Meeting of Unione di Banche Italiane Scpa, on the basis of the reasoned proposal made above,

appoint the audit firm DELOITTE & TOUCHE Spa, with registered address at 25 Via Tortona, Milan – VAT No./Tax Code and Milan Company Registration No. 03049560166 – Milan Administrative and Economic Reg. No. 1720239 –, pursuant to Art. 13 of the Decree, as the independent auditors engaged to perform the legal audit of the accounts of Unione di Banche Italiane Scpa for the financial years from 2012 to 2020 and, specifically for the:

- audit of the separate financial statements of Unione di Banche Italiane Scpa, on which the independent auditors are required to issue a report in accordance with Art. 14, paragraph 1, letter a) of the Decree;

- audit of the consolidated financial statements of the UBI Group, on which the independent auditors are required to issue a report in accordance with Art. 14, paragraph 1, letter a) of the Decree;
- verification, during the year, of the proper maintenance of the company accounts and the accurate recording of operating events in the accounting records, pursuant to Art. 14, paragraph 1, letter b) of the Decree;
- limited audit of the condensed interim consolidated financial statements of the UBI Group, in accordance with the provisions of Consob Communication No. 97001574 of 20<sup>th</sup> February 1997 and Consob Resolution No. 10867 of 31<sup>st</sup> July 1997;

approve the related fees – plus expenses incurred for performance of the work and incidental expenses for Consob supervisory contributions and VAT – for the independent auditors amounting to a total of 580.000 euro for each of the financial years of the engagement, broken down as follows:

- 200.000 euro for the audit of the separate financial statements of Unione di Banche Italiane Scpa, including the activities required for the submission of tax returns,
- 235.000 euro for the audit of consolidated financial statements of the UBI Group;
- 35.000 euro for the verification, during the year, of the proper maintenance of the company accounts and the accurate recording of operating events in the accounting records;
- 110.000 euro for the limited audit of the condensed interim consolidated financial statements;

approve the annual revision of the fees detailed above, with effect from the audit of the condensed half-yearly consolidated financial statements for the year 2012, based on the changes in the cost of living index of published by ISTAT – the Italian office for statistics – (base month June 2011) and may be subject to additions or amendments in the event of circumstances that result in an increase in the time required to perform the activities compared the estimates provided in the offer.

All of the above as detailed in the offer made by the audit firm Deloitte & Touche Spa.

13<sup>th</sup> April 2011

The Supervisory Board