

CORPORATE BY-LAWS

Unione di Banche Italiane Società cooperativa per azioni

SECTION I

INCORPORATION, NAME, DURATION AND REGISTERED OFFICE OF THE COMPANY

ARTICLE 1

The joint-stock co-operative company

Unione di Banche Italiane Società cooperativa per azioni

shortened to

UBI Banca

(the "Company"), which assumed this name following the merger - inspired by the principle of equal partnership between the participating companies "Banche Popolari Unite Società cooperativa per azioni" (shortened to "BPU Banca") and "Banca Lombarda e Piemontese Società per Azioni" (shortened to "Banca Lombarda") - is in force.

ARTICLE 2

The duration of the Company is established as up to and including December 31st, 2100 and can be extended.

ARTICLE 3

The registered office of the Company is in Bergamo and its operating offices are located in Brescia and Bergamo.

SECTION II

BUSINESS PURPOSE

ARTICLE 4

Drawing its inspiration from the traditional principles of Cooperative Societies, the purpose of the Company is the collection of savings and the carrying out of all forms of lending activities, both directly and through subsidiary companies, both towards shareholders and towards non-shareholders.

To this end, it may, provided it complies with the legislation in force and subject to the obtainment of the prescribed authorisations, both directly and through subsidiary companies, carry out any banking or financial transactions and services, as well as any other activity credit institutions are allowed to conduct, including issue of bonds and granting of loans regulated by special laws.

Furthermore, the Company may carry out any other transaction serving as a means or in any case connected to achieving the corporate object.

The Company, in pursuing the Shareholders' benefit, pays special attention to the enhancement of the resources of the territory where it is located through its own distribution network and that of the Group. In compliance with its own institutional aims, the Company grants special terms to the Shareholder customers with regard to the enjoyment of specific services.

In order to attain its purposes, the Company may become a member of associations and consortia within the banking system, both in Italy and abroad.

The Company, in its position as parent company of the Unione di Banche Italiane Group, also shortened in UBI Banca Group (the "Group"), pursuant to article 61, fourth paragraph, of Legislative Decree no. 385 of September 1st, 1993, issues, in exercising its activities of management and co-ordination, provisions regulating the companies forming the Group, also for carrying out instructions issued by Bank of Italy and in the interest of the Group's stability.

SECTION III

SHARE CAPITAL, SHAREHOLDERS AND SHARES

ARTICLE 5

The share capital is variable and unlimited; it is represented by registered shares of the par value of Euro 2.50 (two point fifty) each.

The issue of new shares may be decided:

- a) As an extraordinary measure, by the Shareholders' extraordinary meeting, in compliance with the provisions of article 2441 of the Italian Civil Code, with the majorities and the quorum provided by these By-laws for the setting up and the resolutions of the Shareholders' extraordinary meeting, with the right to give proxies to the Management Board, but subject to prior authorisation of the Supervisory Board, in compliance with the regulations in force, for exercising the rights provided by articles 2420 ter and 2443 of the Italian Civil Code.
- b) As an ordinary measure, by the Management Board according to the law provisions and the prescribed regulations in force in this field.

The share capital may also be increased by contribution in kind.

As long as the shares of the Company are listed on regulated markets, the issue of new shares may occur only through the resolution of the shareholders' extraordinary meeting, according to the provisions of the previous paragraph 2 point a).

ARTICLE 6

Natural persons, excluding those under the conditions provided in the following article 7, are allowed as Registered Shareholders.

Corporate bodies and other bodies can become Registered Shareholders of the Company provided that they appoint in writing the natural

person authorised to represent them; no change of the latter can be opposed to the Company till this has been notified with registered letter with acknowledgement of receipt.

Minors may be admitted as Registered Shareholders on request of their legal representative who substitutes for them in all the relations with the Company.

The persons appointed as above, the legal representatives of natural persons, as well as the common representatives as per the second paragraph of article 15 of these By-laws, may exercise all the rights pertaining to the Registered Shareholders, but, in this capacity, they cannot be appointed in corporate positions.

ARTICLE 7

Interdicted, incapacitated and non-discharged bankrupt persons as well as all those who were sentenced with disqualification also temporarily from holding public offices cannot be admitted as Registered Shareholders.

ARTICLE 8

Those who intend to become Registered Shareholders must show the Management Board the participation certificate to the centralised management system and submit to the Board a request in writing indicating the shares held as well as personal details, domicile, nationality and any other information and/or declaration due according to law or the By-laws or requested by the Company in general.

The presentation of the certification attesting the ownership of at least 250 shares is requested to be admitted as Registered Shareholder.

The Management Board has the right to determine the extent of the preliminary investigation expenses, which, if the request is accepted, will be placed to the charge of the new admitted Registered

Shareholder.

The candidate Registered Shareholder must declare in the application his/her commitment to the obligations provided by the By-laws, the regulations and corporate resolutions.

ARTICLE 9

According to law provisions on cooperative banks, any decision on the acceptance of the Registered Shareholder applications is taken by the Management Board, also in the light of the general principles indicated by the Supervisory Board, considering exclusively the objective interests of the Company, including those concerning its independence and autonomy, as well as the observance of the spirit of the co-operative form; the party concerned is informed of this decision. For the purposes of evaluating these requirements, any previous relation with companies of the Group of those submitting the application will be taken into consideration.

ARTICLE 10

The non-acceptance as Registered Shareholder, suitably and consistently justified in relation to the principles as per Article 9, must be notified in writing to the domicile of the applicant no later than 60 (sixty) days from when the application is received by the Company.

ARTICLE 11

The non-acceptance may be submitted by the party concerned to the analysis of the Board of Arbitrators, set up in compliance with the By-laws and integrated with a representative of the candidate Registered Shareholder, pursuant to art. 30 paragraph 5 of Lgs. D. 385 of 1st September 1993.

The only effect produced by the non-acceptance as Registered Shareholder, for those regularly holding Company shares, is to prevent the exercise of rights other than economic rights.

ARTICLE 12

The capacity to act as a Registered Shareholder is acquired, following the acceptance resolution, with the enrolment in the Shareholders' Register.

Without prejudice to the provisions of the previous art. 5, fourth paragraph, if the new Registered Shareholder is admitted following the issue of shares decided as an ordinary measure by the Management Board pursuant to art. 5, paragraph 2, letter b), the Registered Shareholder must previously pay the amount of the subscribed shares, the price surplus determined according to art. 2528 second paragraph of the Italian Civil Code, the registration fee, as well as any interest balance.

For all intents and purposes of the By-laws and of the law, each Registered Shareholder, acting in this capacity, elects domicile at the registered office of the Company, except for the right of notifying in writing a different domicile.

ARTICLE 13

In addition to those cases provided for by the law, the Management Board may decide on the ouster of a Shareholder in the event of:

- a) interdiction, incapacitation or sentencing to disqualification - also temporary - from holding public offices;
- b) bankruptcy or other insolvency proceedings;
- c) proven activity detrimental to the interest and the prestige of the Company;
- d) non-fulfilment of the contractual obligations towards the Company.

The ouster resolution must be notified to the party concerned with registered letter with acknowledgement of receipt.

If the ousted Shareholder does not intend to interpose a demurrer pursuant to the third paragraph of article 2533 of the Italian Civil Code, he/she may appeal to the Board of Arbitrators, no later than 60 (sixty) days from the notification. The Board of Arbitrators decides on the review of the resolution within 60 (sixty) days from receiving the claim and the Management Board finally decides with justified decision.

The oustering takes effect from the enrolment in the Shareholders' register.

ARTICLE 14

The withdrawal from the Company is allowed only in the cases provided for by the law, in accordance with the modalities and effects provided by the regulations in force.

ARTICLE 15

Shares are indivisible.

In the event of co-ownership of a share, the co-owners' rights are exercised by a common representative appointed in accordance with the modalities provided by the regulations in force. If the common representative has not been appointed or if the Company has not been informed of this appointment, the communications and declarations made by the Company to any one of the co-owners are effective towards everyone.

Shares can be transferred according to the law. As long as the transferee of the shares has not been admitted as a Registered Shareholder, it is allowed to exercise only the rights having an economic value.

The transfer by the Shareholder of the overall shareholding, taken over by the Company, implies the loss of the quality of Registered Shareholder.

The Management Board may purchase or reimburse the shares of the

Company according to the provision of article 2529 of the Italian Civil Code, within the limits of the distributable profits and of the available reserves resulting from the last duly approved financial statements, and destined to these purposes by the Shareholders' Meeting. Purchased shares may be resold or cancelled.

In all cases of redemption, the Registered Shareholder or its assignees are obliged to deliver the certification attesting the ownership of the relevant shares.

The amount of the redemption is non-interest bearing.

ARTICLE 16

In any case, shares are considered, by corporate agreement, subjected to a lien with privilege in favour of the Company, in guarantee of all the direct and indirect obligations of the Registered Shareholder towards the Company.

With reference to the above, the Management Board, without prejudice to any other and different procedure, may order, totally or partially, the sale of the shares of the defaulting Registered Shareholder without putting him/her in default and without proceeding formalities, by means of a notary or qualified intermediary, transferring the obtained amount to the curtailment or to the repayment of the debt. Any excess is deposited in a non-interest bearing current account available to the Registered Shareholder.

ARTICLE 17

Sharing in the net worth and in the profits is proportioned to the shares held.

Dividends that have not been collected within five years from the date on which they became collectable shall be transferred to the Company in order to increase the legal reserve.

ARTICLE 18

No Registered Shareholder is allowed to hold a number of shares greater than the maximum number allowed by law.

If the above-mentioned limit is exceeded, the Company does not enter the surplus into the Shareholder's register.

ARTICLE 19

In the event of the Registered Shareholder's death, the corporate relation continues with the successors of the deceased. The transfer of shares can be opposed to the Company provided that the formalities prescribed by the law are fulfilled and the successors who are not already Registered Shareholders obtain the authorisation provided by the third paragraph of art. 15 of these By-laws. Co-ownership is governed by the second paragraph of the said article 15.

SECTION IV

CORPORATE BODIES

ARTICLE 20

The exercise of the corporate functions, according to their competence, is delegated:

- a) to the Shareholders' Meeting;
- b) to the Management Board;
- c) to the Supervisory Board;
- d) to the Chief Executive Officer;
- e) to the General Management;
- f) to the Board of Arbitrators.

SECTION V

SHAREHOLDERS' MEETING

ARTICLE 21

The regularly convened Shareholders' Meeting represents all of the Registered Shareholders; its resolutions, taken in compliance with the law and these By-laws, are binding for all Shareholders, even if absent or dissenting.

ARTICLE 22

The Shareholders' Meeting is ordinary or extraordinary.

The ordinary Meeting:

- a) appoints and removes the members of the Supervisory Board, determines their remuneration pursuant to Article 44 and elects the Chairman and Deputy Chairman, with the modalities set out in Article 45;
- b) decides with reference to the responsibility of the members of the Supervisory Board and, pursuant to art. 2393 and art. 2409-*decies* of the Italian Civil Code, with reference to the responsibility of the members of the Management Board, without prejudice to the concurrent competence of the Supervisory Board;
- c) decides on the distribution of profits, after presentation of the financial statements and of the consolidated financial statements approved pursuant to art. 2409-*terdecies* of the Italian Civil Code;
- d) appoints and removes the auditing company in charge of the auditing;
- e) approves the financial statements if the Supervisory Board fails to approve them or if this is required by at least two thirds of the members of the Supervisory Board;
- f) decides on the other issues that fall within its competence pursuant to the law or these By-laws.

The extraordinary Shareholders' Meeting resolves on any amendments to the corporate by-laws, on the appointment, removal, substitution and powers of liquidators and on any other subject that falls within its competence pursuant to the law.

The Meeting is convened in all the cases provided for by the law

and by these By-laws, and it is called by the Management Board, or, pursuant to art. 151-bis of Lgs. D. no. 58 of February 24th, 1998, by the Supervisory Board or by at least two of its members, without prejudice to the other convening powers provided by the law.

In any case, the ordinary Meeting is called at least once a year no later than 120 (one hundred and twenty) days from the end of the financial year in order to resolve on subject matters falling under its competence as provided for by law or by the By-laws. If the law requirements occur, the Shareholders' Meeting can be called within 180 (one hundred eighty) days from the closing of the corporate year. In such cases, the Management Board shall indicate the reasons for the postponement in the report provided for by art. 2428 of the Italian Civil Code.

The call of the ordinary and extraordinary Meeting on the Shareholders' request occurs without delay following the submission of the motivated request containing the agenda which must be undersigned by at least one tenth of the Registered Shareholders entitled to vote on the date of the request.

According to the methods, within the terms and limits established by the law, a number of Registered Shareholders not lower than 1/40 (one-fortieth) of the entitled shareholders on the date of request may ask in writing for the integration of the agenda resulting from the notice convening the shareholders' meeting. The signatures of the Registered Shareholders must be authenticated pursuant to the law or by the employees of the Company or of its authorised subsidiaries. The legitimation of the exercise of the right is given by the appropriate documentation attesting the ownership of the shares on the filing date of the request.

ARTICLE 23

The Meeting is convened, alternatively, in the city or province of Bergamo and in the city or province of Brescia.

ARTICLE 24

The Meetings are convened by means of notice - specifying the agenda, the place, the day and the time of the meeting and whatever is prescribed by the applicable law provisions - published as prescribed by the regulations in force on the Official Gazette of the Italian Republic. The notice must also be posted up in the Company branches.

The Meeting in second call may be convened with the same notice convening the first call, for a following day, but not longer than the thirtieth day from the one fixed for the first call.

ARTICLE 25

In compliance with law dispositions, those Registered Shareholders having the right to vote for which the intermediary in charge has notified the company at least 2 (two) working days before the day fixed for the first call, pursuant to art. 2370 of the Italian Civil Code and any special law and prescribed provisions, have the right to attend the meeting.

The Registered Shareholder cannot withdraw the shares or the relevant certification before the Meeting has taken place.

The capacity to act as a Registered Shareholder must be held for at least 90 (ninety) days starting from the registration in the shareholders' register in order to attend the Meeting, exercise one's vote and be eligible to be appointed in corporate positions.

ARTICLE 26

The Registered Shareholder is entitled to one vote whatever the number of shares held.

The Registered Shareholder has the right to be represented by means

of written proxy issued to another Registered Shareholder entitled to attend the Meeting.

Representatives may not be chosen among members of the administrative or controlling bodies or among employees of the Company, or among companies controlled by the company itself; the same applies to members of the administrative or controlling bodies and to the employees of such companies.

Except for the provisions of art. 2372, paragraph 2, of the Italian Civil code, the proxy can be conferred for a single Meeting only, effective also for the following calls, and cannot be conferred without the name of the representative.

Each Registered Shareholder may not represent by proxy more than 3 (three) Registered Shareholders.

Voting by mail is not allowed.

The members of the Management Board as well as the members of the Supervisory Board, cannot vote in the resolutions concerning their responsibility.

In case of pledge or usufruct on the shares, only the Registered Shareholder is entitled to vote.

ARTICLE 27

The ordinary and extraordinary meetings are validly convened, in first call, when at least one twentieth of the Shareholders with the right to vote is present on its own or by representation and proxy.

In second call, the ordinary Meeting is regularly convened whatever the number of Shareholders present, whereas the extraordinary Meeting, without prejudice to the provisions of the following article 28, is regularly convened when at least 1/400 (one four hundredth) of the Shareholders with the right to vote is present on its own or by representation and proxy.

If the agenda is not completed during the day, the Chairman of the Meeting will order its continuation not longer than the seventh

following day, informing those present orally without the need of further notice. During the second session, the Meeting is convened and decides with the same majorities established for the validity of the call and resolutions of the Meeting that is being continued.

ARTICLE 28

The ordinary and extraordinary meetings, save as otherwise provided by these By-laws, decide with the absolute majority of votes; with an equal number of votes, the proposal is rejected.

The appointment of corporate positions for which the Meeting is competent is made by secret vote and according to the methodology set out in Article 45.

In any case, without prejudice to any other mandatory law regulation, the favourable vote of at least one twentieth of all the Shareholders with the right to vote is required, also during the Meeting in second call, for the passing of the resolutions concerning the change of the business purpose, the elimination or the closing of the operating offices of Brescia and Bergamo as provided and identified by Article 3, early winding-up of the Company determined by facts provided by the law, excluding the assumption set forth in no. 6 of article 2484 of the Italian Civil Code, the cancellation or modification of articles 23 and 36 of the By-laws and/or the insertion of any other provision inconsistent with the text of these articles, as well as the approval of the modification or cancellation of this paragraph and/or of the resolution quorum provided in it.

Always without prejudice to any other mandatory law regulation, the favourable vote of at least one twentieth of all the shareholders with the right to vote, which in turn represent at least 20% of the fully subscribed and paid-up share capital on the ninetieth day before the meeting, is required, also during the Meeting in second call, for the passing of the resolutions concerning the cancellation or modification of Article 45, paragraph 6, Article 48, paragraph 6

and Article 49, paragraphs 4,5 and 6 of the By-laws, as well as of this paragraph and/or of the resolution quorum provided in it.

For the resolutions to be taken upon request of the Supervisory Authority or in relation to regulatory or legislative modifications, the Meeting, both ordinary and extraordinary, takes resolutions with the majority of votes; in such cases, for the resolutions attributable to the Supervisory Board, dispositions provided for by article 48, sub-paragraph 5 apply.

ARTICLE 29

The ordinary and extraordinary meetings are chaired by the Chairman of the Supervisory Board or, if absent, by the Deputy Chairman of the Supervisory Board or, in case of absence or impediment, by the Chairman of the Management Board or, in case of absence or impediment, by the Vice Chairman of the Management Board; in case of absence or impediment also of the latter, by another person appointed by the Meeting itself.

The Chairman of the Supervisory Board may always appoint the Chairman of the Management Board to chair the Shareholders' Meeting, and the Chairman of the Management Board will report the appointment occurred at the opening of the meeting works.

The Chairman of the Meeting is responsible for ascertaining the regularity of the proxies and, generally, the right of attendance at the Meeting, checking that the Meeting has been regularly convened and that the majorities required to validly pass resolutions are present, directing and controlling the discussion, as well as establishing the ways in which the voting must be carried out and ascertaining the related results.

The Meeting, upon the proposal of the Chairman, appoints a Secretary and four scrutineers.

In the event of an extraordinary Meeting, or when the Chairman deems it advisable, the Secretary functions are carried out by a

notary appointed by the Chairman of the Meeting.

SECTION VI
MANAGEMENT BOARD

ARTICLE 30

The Management Board consists of a minimum of 7 (seven) members to a maximum of 11 (eleven) members, including a Chairman, a Deputy Chairman and a Chief Executive Officer, elected among the Shareholders with the right to vote by the Supervisory Board, upon the proposal of the Appointment Committee once their number is determined.

The members of the Management Board shall hold office for three financial years and their term of office shall elapse on the date upon which the meeting of the Supervisory Board is called to approve the financial statements relating to the last financial year of their office. In any case, they shall hold office until the renewal of the Management Board pursuant to Article 46, letter a) and they are eligible for re-election.

The members of the Management Board are exempted from putting down security.

Those individuals who are under situations of ineligibility or loss of office according to art. 2382 of the Italian Civil Code or lack the requirements of respectability and professionalism, or any other requirement established by law and regulations, shall not be entitled to be appointed as members of the Management Board. In any case, *i)* at least one of the members of the Management Board must hold the requirements of independence set forth in art. 148, third paragraph, of Lgs. D. no. 58 of February 24th, 1998, *ii)* at least the majority must have at least a three years experience in management and/or professional activities in financial and/or securities and/or banking and/or insurance institutions in Italy or abroad.

The members of the Management Board may be Directors, members of the Management Board or General Managers of competing companies; moreover, the authorisation of the Supervisory Board is required in case of external companies of the Group or companies not participated by the Bank.

The members of the Supervisory Board cannot be appointed members of the Management Board as long as they hold this office.

ARTICLE 31

The Chairman of the Management Board and the Deputy Chairman of the Management Board - appointed to carry out the functions as Chairman in case of absence or impediment of the former - are appointed by the Supervisory Board according to the provisions of Article 46.

The Secretary functions are delegated by the Management Board to a member of the Management Board itself or to the General Manager or also to another manager or to another external subject of the Company or of the Group.

ARTICLE 32

In case one or more members of the Management Board leave office, the Supervisory Board shall replace them without delay, always upon the proposal of the Appointment Committee. The office of the so-appointed members shall expire at the same time as that of the members holding office at the time of their appointment.

Should the majority of the members originally appointed by the Supervisory Board no longer hold office for any reason, all the Management Board is considered expired starting from the date of assumption of the office by the new appointed members. The latter shall hold office for the residual duration the expired Management Board would have held office.

ARTICLE 33

The meetings of the Management Board are chaired by the Chairman or, if absent, by the Vice Chairman. Should they be absent, they are chaired by the eldest member.

The minutes of the meetings of the Management Board, drawn up by the Secretary, are read and submitted to the approval of the Board itself in the immediately following session or, at the latest, in the next one; they are signed by the person who chaired the Meeting and by the Secretary.

ARTICLE 34

The Management Board is convened at least once a month, as well as each time the Chairman deems it advisable to convene it or when 5 (five) members request it.

The Meetings shall take place, alternatively, in the city of Bergamo and in the city of Brescia, and once a year in the city of Milan.

Without prejudice to the calling powers expressly vested in the Supervisory Board and in each of its members, the call, with the brief indication of the items on the agenda, is made by the Chairman, with notice to be sent by any adequate means, at least 3 (three) days before the day of the meeting, to the domicile of each member, except for the urgent cases for which the term is reduced to one day. The members of the Supervisory Board must be informed of the calls in the same way.

The meetings of the Management Board shall be deemed valid in the presence of the majority of the members holding office, without prejudice to the provision of Article 36.

The remote participation to the meeting of the Management Board is allowed by using proper audio-videoconference and/or

teleconference systems, provided that all the persons entitled may participate and be identified and that they are allowed to follow the meeting and intervene in real time on the agenda, as well as receive, send or view documents, with simultaneous deliberative analysis and decision. In this case, the Management Board's meeting is considered carried out in the place where the person chairing the meeting and the Secretary are found.

ARTICLE 35

The members of the Management Board, apart from the refund of expenses incurred in relation to their office, are entitled to a remuneration to be determined by the Supervisory Board according to Article 46, paragraph 1, letter a) of these By-laws. Furthermore they shall be entitled to presence medals for taking part in the meetings of the Management Board as well as in the meetings of the commissions and committees set up by the Management Board itself, as established by the Supervisory Board, and to compensation - determined by the Supervisory Board itself - for those members of the Management Board appointed with special offices provided for by the By-laws.

ARTICLE 36

The resolutions of the Management Board are taken by open voting, with the favourable vote of the majority of the members present.

The favourable vote of at least 8 members of the Management Board (or of all the members minus one, for the case in which the Management Board consists of 7 or 8 members) are required for the resolutions concerning:

- a) the proposal, to be submitted to the attention of the Supervisory Board for the following approval by the extraordinary Meeting, of statutory modifications;
- b) total or partial transfer of the shareholdings held in the following companies: Banca Popolare Commercio e

Industria S.p.A., Banca Popolare di Bergamo S.p.A., Banca Popolare di Ancona S.p.A., Banca Carime S.p.A., Centrobanca S.p.A., Banco di Brescia S.p.A. and Banca Regionale Europea S.p.A., as well as the setting up of any kind of encumbrances on their shares;

- c) determining the vote to be given in the meetings of the companies listed under b) convened for the approval of increases in share capital excluding the right of option (upon payment or for contribution in kind), issuing convertible bonds or bonds with warrant, excluding the right of option, that imply, if subscribed, the loss of control by the Company;
- d) determining the vote to be given in the meetings of the companies mentioned above under b) convened for deciding on the merger through incorporation in the Company or in other companies, their transformation, splitting, early winding-up, changes in the business purpose, name alteration or relocation of the registered office out of the municipality in which they are currently located, the transfer to third parties not forming part of the group of the banking company or of a substantial part of it;
- e) the appointment to the post of member of the Board of Directors and of the Statutory Board in the companies listed in point b), taking into consideration the proposals of the Appointment Committee, if applicable;
- f) the assignment, if considered suitable, of the task to supervise the proper operation of the internal auditing system to a member of the Management Board itself.

ARTICLE 37

The Management Board is responsible for the business of the Company in compliance with the general programmatic and strategic

policies approved by the Supervisory Board, upon the proposal of the Management Board itself. For this purpose, it carries out all the operations required, useful or advisable for achieving the business purpose, whether they are of ordinary and extraordinary management.

In addition to those decisions which cannot be delegated according to law, the following decisions will be reserved exclusively to the Management Board:

- a) defining, upon the proposal of the Chief Executive Officer, the general programmatic and strategic policies of the Company and of the Group to be submitted to the approval of the Supervisory Board;
- b) assigning and revoking the proxies to the Chief Executive Officer; the identification of the member of the Management Board to whom the proxies are assigned must be carried out upon the proposal of the Supervisory Board, decided in turn following prior designation by the Appointment Committee; if this designation has not been formulated by the Appointment Committee with the legal numbers prescribed by the relevant Regulation, the proposal of the Supervisory Board to be submitted to the Management Board shall be decided with the favourable vote of at least 17 (seventeen) members of the Supervisory Board. The revocation of the proxies is decided by the Management Board with the favourable vote of at least 8 (eight) members of the Management Board (or of all the members minus one, for the case in which the Management Board consists of 7 or 8 members), after hearing the Supervisory Board;
- c) preparing, upon the proposal of the Chief Executive Officer, industrial and/or financial plans, as well as the budgets of the Company and of the Group to be submitted to the approval of the Supervisory Board pursuant to art. 2409-terdecies of the Italian Civil Code;
- d) the management policy of risks and internal auditing;
- e) assigning, modifying or revoking proxies and powers as well as assigning special functions or proxies to one or more Directors;

- f) appointing and removing the General Manager, the Joint General Manager and the members of the General Management, defining their functions and competences, as well as designating the top management of the Group;
- g) designating members of the board of directors and of the board of auditors of the companies belonging to the group, without prejudice for the provisions of Article 36, paragraph 2, letter e);
- h) acquiring and selling shareholdings;
- i) opening and closing branches and representative offices;
- l) determining the organisational, administrative and accounting structure of the company, as well as, without prejudice to the exclusive competence of the Supervisory Board set forth in Article 49 of these By-laws, setting up Committees or Commissions with advisory, preliminary, controlling or co-ordinating functions;
- m) determining the criteria for the co-ordination and management of Group's companies, as well as the criteria for carrying out instructions issued by Banca d'Italia;
- n) subject to the compulsory opinion of the Supervisory Board, appointing and removing the Manager in charge of drawing up the accounting documents, pursuant to art. 154-bis of Lgs.D. no. 58 of February 24th, 1998, and determining his/her remuneration. The Manager in charge of drawing up the corporate accounting documents must have, apart from the requirements of respectability prescribed by the regulations in force for those carrying out administrative and management functions, requirements of professionalism characterised by a specific competence, from the administrative and accounting point of view, in the field of credit, finance, securities or insurance. This competence, which must be ascertained by the Management Board itself, must be acquired through work experiences in an appropriate position of responsibility for a congruous period of time and in undertakings comparable with the Company;
- o) appointing or removing the manager in charge of the internal

auditing function, as well as the persons in charge of the functions whose appointment belongs exclusively to the Management Board as provided for by legislative and regulatory dispositions;

p) drawing up the draft financial statements and the draft consolidated financial statements;

q) exercising the proxy for the increases in share capital granted pursuant to art. 2443 of the Italian Civil Code, as well as issuing convertible bonds pursuant to art. 2420-ter of the Italian Civil Code, following previous authorisation by the Supervisory Board;

r) the fulfilment of duties pertaining to the Management Board set forth in art. 2446 and 2447 of the Italian Civil Code;

s) drawing up merger or splitting projects;

t) transactions with significant strategic, economic, financial and capital relevance or the preparation of transactions to be submitted to the authorisation of the Supervisory Board;

u) defining the criteria for the identification of those transactions with related parties to be reserved to the Management Board's own competence.

ARTICLE 38

The Management Board shall timely report to the Supervisory Board on the general management trends and on the most important operations in terms of size and characteristics, carried out by the Company and its subsidiaries and it shall report on the operations in which the members of the Management Board have an interest on their own account or on behalf of third parties.

The communication is made during the meetings of the Supervisory Board and in any case, at least quarterly; it may be provided also in writing.

ARTICLE 39

The Chairman of the Management Board:

- a) shall have the legal representation of the company and the corporate signature, as stated more in detail in the following Article 40;
- b) shall convene the Management Board, establish the agenda taking into account also the resolution proposals formulated by the Deputy Chairman and by the Chief Executive Officer, by ensuring that adequate information regarding the items on the Agenda is provided to all members;
- c) shall maintain the relations with the Supervisory Authorities, in agreement with the Deputy Chairman and the Chief Executive Officer;
- d) shall maintain the relations with the Supervisory Board and with its Chairman;
- e) shall see that the Supervisory Board is informed at least quarterly pursuant to the previous Article 38;
- f) shall maintain, in agreement with the Chairman of the Supervisory Board and with the Chief Executive Officer, the external communication of the information concerning the company;
- g) shall exercise all the other powers relevant to the carrying out of his office.

The Deputy Chairman of the Management Board shall be consulted and involved by the Chief Executive Officer in the integration process resulting from the merger of BPU Banca and Banca Lombarda.

In the event of absolute justified urgency, and if the Management Board cannot be immediately convened, the Chairman of the Management Board or, in case of absence or impediment, the Vice-Chairman or, in case of absence or impediment of the aforementioned, the Chief Executive Officer, may take decisions with regard to any transaction pertaining to the Management Board, and in particular in the field of loan granting, except for the subjects of exclusive competence of the Management Board. The Management Board must be informed of these

decisions at its next meeting.

ARTICLE 40

The Chairman of the Management Board, the Vice Chairman of the Management Board and the Chief Executive Officer shall represent the Company severally before third parties and in legal proceedings, before any Court of all levels and degrees, and they are also entitled to free corporate signature.

The Chairman of the Management Board, the Deputy Chairman of the Management Board and the Chief Executive Officer have individually the right to start legal proceedings for all the acts concerning corporate management and administration, appeal to all the Legal and Jurisdictional Authorities, the Administrative and tax Authorities and Commissions, grant general and special warrants of attorney with choice of domicile, also to join prosecution as plaintiff.

The Chairman, the Deputy Chairman and the Chief Executive Officer, individually and within the framework of their powers, may appoint attorneys ad hoc for specific acts or categories.

ARTICLE 41

The Management Board has the right to grant the corporate signature jointly or individually, with the limitations and specifications it shall deem proper, to the General Manager, to the managers, to the officers and to other personnel of the premises and branches, and to appoint attorneys also with certain powers.

Likewise, the Management Board has the right to grant to the subjects indicated in the previous paragraph its own powers as concerns the write-off and reduction of mortgages, even if the latter are not respectively related to the paying off or decrease of loans granted against collateral.

SECTION VII

CHIEF EXECUTIVE OFFICER

ARTICLE 42

The Management Board, in compliance with the law and these By-laws, and particularly in compliance with the provisions of Article 37, delegates those duties which do not fall within its exclusive competence pursuant to the law or these By-laws, to one of its members, who acts as Chief Executive Officer, without prejudice to the provisions set out in Article 39, last paragraph, relative to cases of urgency.

Decision-making powers, relative to loan granting and to the assumption of risk in typical banking activities, except those that cannot be delegated, may be delegated to special committees, consisting of Directors and managers and also, within preset amount limits, to the General Manager, to managers, to officers, as well as to persons in charge of branches.

The Management Board may delegate powers also to each of its members in order to carry out single acts and transactions.

ARTICLE 43

The following powers may, among other, be granted to the Chief Executive Officer:

- a) supervise business and Group management;
- b) take care of strategic co-ordination and company and Group management control;
- c) take care of the implementation of the organisational and business structure determined by the Management Board and approved by the Supervisory Board;
- d) determine the operating directives for the General Management;
- e) supervise the Group integration, consulting and involving the Deputy Chairman of the Management Board;
- f) submit to the Management Board the management guidelines, the industrial and strategic plan, the budget and take care of their

- implementation by means of the General Management;
- g) propose the accounting policy and the optimisation policies with regards to the use and enhancement of resources and submit the draft financial statements and the periodical statements to the Management Board;
 - h) propose the appointments of the company's and the Group's top management to the Management Board, in agreement with the Chairman and Deputy Chairman of the Management Board and after hearing the General Manager;
 - i) promote integrated risk control.

The CEO reports quarterly to the Management Board and to the Supervisory Board (and to the latter also within the context of the communication provided by Article 38) with regard to management trends and outlook and on the main operations carried out by the company and its subsidiaries. He also reports every month to the Management Board and at least every sixty days to the Supervisory Board with regard to the main accounting results of the Company, of the main subsidiaries and of the Group.

ARTICLE 43 BIS

The Management Board may instruct one of its members to supervise the proper operation of the internal auditing system with the task - to be carried out with a close co-operation and agreement with the Chief Executive Officer and the General Manager - of supervising the promotion and implementation of an internal auditing system suitable in terms of effectiveness and efficiency for the Company and the Group it belongs to.

SECTION VIII

SUPERVISORY BOARD

ARTICLE 44

The Supervisory Board consists of 23 (twenty three) members elected among the Shareholders with the right to vote, including a Chairman, a Senior Deputy Chairman, appointed by the Meeting pursuant to Article 45, and two Deputy Chairmen chosen by the same Supervisory Board among its own members. The members of the Supervisory Board shall hold office for three financial years and shall expire on the Shareholders' meeting date provided by the second paragraph of art. 2364-*bis* of the Italian Civil Code.

The expiry due to the end of term in office shall become effective from the moment the Supervisory Board - which in the meantime maintains full powers - is re-established.

If, during the course of the year, the posts of one or more members of the Supervisory Board become vacant, provision is made to replace them in accordance with article 45.

The members of the Supervisory Board must possess the requirements of respectability and professionalism as well as the requirements of independence provided by the regulations in force.

At least 15 (fifteen) members of the Supervisory Board must possess the requirements of professionalism provided by the regulations in force for the persons who act as Directors of banks.

In particular, at least 3 (three) members of the Supervisory Board must be chosen among the persons entered in the Register of the Auditors who have exercised legal auditing activities for a period not shorter than three years.

Without prejudice for mandatory provisions of the law, regulations, or of the Supervisory authorities, persons already holding offices as full statutory auditor or member of other controlling bodies in more than five listed companies and/or their parent companies or subsidiaries cannot hold office as a member of the Supervisory Board.

If the reason of incompatibility of the previous paragraph is not eliminated within 60 (sixty) days from the election or, if occurred, from the notification to the person concerned, the Member of the Board shall automatically fall from office.

Apart from the refund of expenses incurred in relation to their office, the members of the Supervisory Board are entitled to a consideration determined for their whole term by the Shareholders' Meeting. They are also entitled to presence medals determined by the Shareholders' Meeting for taking part in the meetings of the Supervisory Board, as well as to the meetings of the commissions and committees set up by the Supervisory Board itself

The Supervisory Board, after hearing the Remuneration Committee, determines the remunerations for the Chairman, the Senior Deputy Chairman, the Deputy Chairmen and the members of the Supervisory Board to whom these By-laws or the Board itself attributes special duties, powers or functions.

ARTICLE 45

The Meeting shall elect the members of the Supervisory Board according to lists that may be presented by the Shareholders or by the Supervisory Board, as follows.

The lists of the candidates, signed by those who present them, must be deposited at the registered office of the Company at least 15 (fifteen) days before the Meeting is held in first call and they must contain the names of at least two candidates.

In the event of presentation by the Shareholders, the signature of each presenting Shareholder must be duly authenticated pursuant to the law or by the employees of the Company or of its subsidiaries intentionally delegated by the Management Board.

The lists must also be accompanied by information concerning

the identity of the registered shareholders who have presented them, with indications of the number of shares and therefore the total percentage of the shares held by the registered shareholders presenting them and by certificates which prove ownership of the shares, as well as all other information required by law and regulatory provisions in force.

Exhaustive information must be deposited together with each list on the personal and professional characteristics of the candidates along with a declaration by the candidates themselves stating that they are in possession of the requirements specified by the Law and by regulatory and corporate by-law provisions and also that they accept their candidature.

In cases when only one list has been presented by the end of the term mentioned in paragraph two of this article, the Bank reports this immediately by informing at least two press agencies; in this case lists may be presented up to the fifth day following the end of the term date. In this case the thresholds laid down in the subsequent paragraph are reduced by half.

In the event of list presentation by the Shareholders, and without prejudice to any other mandatory law or regulation, each list must be presented by at least 500 Shareholders who have the right to attend and vote during the Meeting convened to elect the Supervisory Board, who support this right by documentary evidence according to the regulations in force, or by a number of shareholders who represent at least 0.50% of the share capital, this limit being determined with reference to the capital existing 90 days before the date established for calling the Meeting and to be indicated in the notice convening the meeting itself.

Each Shareholder may contribute to the presentation of only one list: in case of non-observance, his signature is not calculated in any list.

The presentation of a list by an outgoing Supervisory Board

must occur upon proposal of the Appointment Committee and following a resolution taken by the Supervisory Board with the favour of at least 17 (seventeen) of its members.

Each candidate may be placed in only one list, otherwise the same shall be deemed ineligible.

The lists not pursuant to such provisions shall be considered as never submitted.

Each Shareholder may vote only one list.

The appointment of the members of the Supervisory Board shall be effected as follows:

- a) 22 members of the Supervisory Board are taken from the list that has obtained the majority of votes expressed by the Shareholders, following the progressive order with which they appear in the same list;
- b) One member of the Supervisory Board is taken from the list that has obtained the second majority of votes and which is not related - in accordance with the regulations in force - with the list mentioned in letter a), who is the first person appearing in the list.

If only one list is validly proposed or if no list is presented, the Meeting shall appoint the Supervisory Board by a relative majority vote; with an equal number of votes, the eldest candidate is appointed.

If two or more lists obtain an equal number of votes, these lists will be voted again, until the number of votes obtained differs.

The offices of Chairman and Senior Deputy Chairman of the Board belong to the members indicated in the first and second position, respectively, of the list that has obtained the majority of votes, or in the only list presented or to the members appointed as such by the Meeting, if no list was presented.

If, during the course of the year, the Board lacks one or more members for the case of substitution of the Directors elected in the

majority list, the appointment occurs by a relative majority vote with no list obligation, and the Supervisory Board itself may present candidacies upon proposal of the Appointment Committee.

If board members belonging to the minority list must be replaced, their place is taken by the first non elected candidate already contained on the list to which the board member to be replaced belonged, or in sub-order from any other minority lists, on the basis of the decreasing number of votes received by these, who confirms his acceptance of the post together with the declarations concerning the non-existence of any causes for ineligibility and incompatibility, as well as his fulfilment of the requirements provided for by law and by the By-laws for the office; if that is not possible, the shareholders' meeting shall make provision to replace the board member in observance of the principle of the necessary representation of minorities.

ARTICLE 46

The Supervisory Board:

- a) appoints, upon proposal of the Appointment Committee, and removes the members of the Management Board and its Chairman and Deputy Chairman, determining their compensation after hearing the Remuneration Committee; determines, after hearing the Remuneration Committee, the compensation of the members of the Management Board vested with special offices, tasks or proxies or assigned to committees; without prejudice to the provisions of Article 32, paragraph 2, of the By-laws, and to the case of substitution of members of the Management Board leaving office before term, the Supervisory Board renews the Management Board in the first meeting following its appointment by the Shareholders' Meeting;
- b) upon proposal of the Management Board, decides on the definition of the general programmatic and strategic guidelines of the Company and of the Group;

- c) approves the individual financial statements and the consolidated financial statements prepared by the Management Board;
- d) authorises the Management Board to exercise the proxy for increases in share capital or for issuing convertible bonds if granted by the Shareholders' meeting pursuant to art. 2443 and/or of art. 2420-ter of the Italian Civil Code;
- e) attends the meetings of the Management Board delegating to it the Chairman and the Senior Deputy Chairman;
- f) carries out the supervision functions provided by art. 149, first and third paragraphs, of the Lgs.D. no. 58 of February 24th, 1998;
- g) promotes the exercise of the liability action against the members of the Management Board;
- h) presents the statement to Banca d'Italia pursuant to art. 70, subparagraph 7, Lgs.D. no. 385 of September 1st, 1993;
- i) reports in writing to the Shareholders' Meeting convened pursuant to art. 2364-bis of the Italian Civil Code on the supervisory activity carried out, on the omissions and objectionable facts observed as well as, on occasion of any other ordinary or extraordinary Shareholders' Meeting convened, on subject-matters considered part of its competences;
- l) informs Bank of Italy without delay of all acts or facts, that come to its notice when carrying out its duties, which may represent management irregularities or violations of the rules governing banking activity;
- m) expresses a binding opinion concerning the person in charge of drawing up the corporate accounting documents pursuant to art. 154-bis of Lgs.D. no. 58 of February 24th, 1998;
- n) upon proposal of the Management Board, decides on the authorisations relative to industrial and/or financial plans and to the budget of the Company and of the Group prepared by the Management Board, and on the authorisations relative to strategic operations, in any case without prejudice to the Management Board's liability for

action taken. In particular, the Supervisory Board decides on the authorisations relevant to:

(i) proposals of operations on the share capital, issuing convertible and cum warrant bonds in Company securities, mergers and splitting;

(ii) proposals of statutory modifications;

(iii) purchases or transfers by the Company and by the Subsidiaries of controlling interests in companies with important strategic value or individually with a total value higher than 5% of consolidated net equity, as well as the purchase or sale of undertakings, relations in bulk, business units/lines of business with an important economic and/or strategic value;

(iv) strategically important investments and/or divestments and/or implying commitments for the Company whose overall amount exceeds, for each transaction, 5% of consolidated net equity;

(v) stipulation of strategically important commercial, cooperation and shareholder agreements,

without prejudice to the fact that the authorisation of the Supervisory Board on the operations indicated in the above-mentioned list shall not be necessary in case of operations specifically contemplated in the industrial plans already approved by the Supervisory Board;

o) decides on the guidelines relevant to cultural and charitable initiatives as well as to the image of the Company and of the Group, with a special reference to the valorisation of the historical and artistic legacy, checking the convergence between programmed initiatives and objectives;

p) decides on mergers and splittings as per art. 2505 and 2505-bis of the Italian Civil Code;

q) exercises any other power provided by the regulations in force or by the By-laws.

The Supervisory Board is also exclusively assigned, in

compliance with art. 2436 of the Italian Civil Code, the resolutions concerning:

- a) the opening and closing of secondary offices;
- b) the decrease in the share capital in case of a Shareholder's withdrawal;
- c) adjustment of the By-laws to regulatory provisions, following consultation with the Management Board.

The Supervisory Board and its members exercise the powers set forth in art. 151-bis of the Lgs.D. no. 58 of February 24th, 1998, pursuant to the terms and conditions therein provided.

ARTICLE 47

The Chairman of the Supervisory Board convenes on its own initiative and anyway in all cases provided for by the law and by these By-laws, and chairs the meetings of the Board itself, establishes the agenda, taking into account also the proposals formulated by the Senior Deputy Chairman and by the other Deputy Chairmen, and ensuring that adequate information regarding the items on the Agenda is provided to all members of the Supervisory Board.

Moreover, the Chairman of the Supervisory Board, in a manner that is functional to the carrying out of the Board's duties:

- a) attends, together with the Senior Deputy Chairman, the meetings of the Management Board with the right to instruct another member of the Supervisory Board to replace him;
- b) receives the proposals of the Management Board concerning subject-matters to be submitted to the approval of the Supervisory Board, including those concerning the strategies and general guidelines of the Company and of the Group, formulating proposals on this point;
- c) formulates to the Supervisory Board the proposals concerning the control activities on company management, with specific reference to the consistency of company management with the strategies and general guidelines approved by the Supervisory Board;

- d) supervises and activates the control procedures and systems on the activity of the Company and of the Group, and this also by asking and receiving information from the manager in charge of drawing up the corporate accounting documents and from the subjects in charge of the different functions concerned;
- e) enables the IT tools required for monitoring the correctness and adequacy of the organisational structure, of the administrative and accounting system used by the Company and by the Group;
- f) convenes and chairs the Appointment Committee;
- g) maintains the relations with the Supervisory Authorities within and for the purposes of the auditing and supervising activity of the Supervisory Board;
- h) keeps the necessary and advisable relations with the Management Board and, in particular, with its Chairman and/or Deputy Chairman and/or Chief Executive Officer;
- i) requests and receives information on specific aspects of the Company and Group management and on the general trends, also in terms of outlook, of management activities;
- l) supervises, for what is within the competence of the Supervisory Board, the management of the external communication of information concerning the Company, in agreement with the Chairman and the Deputy Chairman of the Management Board and with the Chief Executive Officer; plans, after hearing the Chairman and the Deputy Chairman of the Management Board and the Chief Executive Officer, and takes care of the realisation of the cultural and charitable initiatives of the Company and of the Group, to be submitted to the Supervisory Board, with special reference to the valorisation of the historical and artistic legacy;
- m) exercises all the other powers relevant to the carrying out of his office.

In case of absence or impediment of the Chairman of the Supervisory Board, the Senior Deputy Chairman of the Supervisory

Board fulfils his functions; in case of absence or impediment of the latter, the functions are carried out jointly by the two Deputy Chairmen, or, in case of their absence or impediment, by the most senior member of the Supervisory Board in terms of office present and, seniority being equal, by the youngest.

ARTICLE 48

The Supervisory Board shall meet at least every 60 (sixty) days; the Meetings take place, alternatively, in the city of Bergamo and in the city of Brescia, and once a year in the city of Milan.

The Board is convened by registered letter, telegram, fax, e-mail or other means that can be proved by documents.

The notice convening the meeting contains the agenda and is sent at least four days prior to the meeting except for urgent cases in which only one days' notice may be given.

In order for meetings to be deemed valid, the majority of Board members in office at that time must be present.

The Board decides with the favourable vote by the absolute majority of the Members present.

However, the Board shall decide with the favourable vote of at least seventeen of its members to approve the amendments to the Regulation of the Appointment Committee.

The same majority provided by the second point of the previous paragraph is required for the amendment proposals to the corporate by-laws, and for the other subject-matters with reference to which these By-laws provide reinforced majorities.

The remote participation to the meeting of the Supervisory Board is allowed within the limits and under the conditions set forth in Article 34 last paragraph of these By-laws.

The Board may appoint a Secretary, also permanently, who need not be a member.

ARTICLE 49

The Supervisory Board sets up an Internal Control Committee whose members range from 3 (three) to 5 (five), by determining their powers and operating rules. At least the majority of the members of the Internal Control Committee must possess the requirements set in Article 44, paragraph 5 of these By-laws. The Internal Control Committee, with the cooperation of the charged internal structures, can proceed to inspections at any time as well as exchange information with the control bodies of the companies of the Group with regard to the management and control systems and to the evolution of the corporate activity.

Moreover, the Board also sets up a Top Management Remuneration Committee consisting of some of its members, and determines its powers and operating rules.

The Board also sets up an Appointment Committee consisting of six members, including the Chairman of the Supervisory Board, acting as Chairman, and the Senior Deputy Chairman.

The Appointment Committee shall operate and be governed, also with reference to the valid passing of the relevant resolutions, by a regulation approved by the Supervisory Board with the favourable vote of at least 17 of its members.

The Appointment Committee, in compliance with what is provided elsewhere in these By-laws, among other things:

- a) designates the candidates for the offices as members of the Supervisory Board to be sent to the Supervisory Board itself for inclusion in the list to be presented to the Shareholders' Meeting;
- b) designates the candidates for the offices as members of the Management Board to be submitted to the Supervisory Board;

The Chairman of the Management Board, the Deputy Chairman of the Management Board and the Chief Executive Officer attend without the right to vote the meetings of the Appointment Committee whose agenda consists of appointments pertaining to the Management Board with reference to offices in subsidiaries.

SECTION IX
GENERAL MANAGEMENT
ARTICLE 50

General Management consists of the General Manager and Joint General Manager, if appointed, of one or more Deputy General Managers, according to the personnel defined by the Management Board, who determines its functions.

If the Management Board consists of 11 members, the General Manager and the Joint General Manager are appointed by the Management Board itself with the favourable vote of at least eight members. If the Management Board consists of a smaller number of members, the above-mentioned offices shall be appointed with the favourable vote of all the members minus one.

The Management Board may also appoint one or two Deputy General Managers, with simple majority.

The General Manager:

- a) is the head of the operating structure;
- b) is the head of the personnel;
- c) sees, as a rule (unless otherwise indicated by the competent administrative bodies), to the carrying out of the resolutions of the Management Board and of the Chief Executive Officer;
- d) manages day-to-day business in compliance with the guidelines of the administrative bodies;
- e) attends, with advisory vote, the meetings of the Management Board;
- f) sees to the co-ordination of the company's and the Group's

operations.

The Joint General Manager helps and supports the General Manager in supervising all functions assigned to the latter.

SECTION X

BOARD OF ARBITRATORS

ARTICLE 51

The Board of Arbitrators consists of a Chairman, 2 (two) regular members and 2 (two) alternate members, elected by the Shareholders' Meeting among the Registered Shareholders and non-Registered Shareholders of the Company. The Auditors shall remain in office for 3 (three) financial years and can be re-appointed. They perform their office for free, except for refund of expenses.

If, during the three-year period, a regular Auditor leaves office, he is replaced by the alternate member in order of age. If the Chairman of the Board leaves office, the eldest regular Auditor takes the chair for the remaining part of the three-year period.

The Board of Arbitrators to whom reference can be made to settle any dispute between the Company and/or Shareholders relating to the interpretation or application of the By-laws and relating to any other resolution or decision of the bodies of the Company on social relations, decides by the absolute majority of votes.

Without prejudice to the cases envisaged by the regulations in force, resorting to the Board of Arbitrators is optional and the Board's decisions are not binding for the parties and do not represent an obstacle to taking legal action or action before any competent authority.

The Board of Arbitrators regulates its own proceedings as it deems suitable with no procedural formalities.

The Management Board and the General Manager or the employee appointed by him are obliged to provide the Arbitrators with all the information and news required, concerning the controversy to be resolved.

For all purposes, the domicile of the Board of Arbitrators is elected at the registered office of the Company.

SECTION XI

FINANCIAL STATEMENTS, PROFITS AND RESERVES

ARTICLE 52

The financial year closes on December 31st of each year.

The Management Board draws up the financial statements, observing the law regulations.

Within the reports provided for in art. 2428 of the Italian Civil Code, the members of the Management Board supply the information required by art. 2528 and art. 2545 of the Italian Civil Code.

The net profit recorded in the financial statements, after deducting the legal reserve to the minimum extent required by law and the amounts decided by the Shareholders' Meeting for setting up or increasing the extraordinary or other reserves, according to precautionary rules, is distributed as follows, for the distributable part:

- a) 2.75% for social securities and allowances for the benefit of personnel to be used first of all for the needs of the corporate social security and assistance institutions; any remaining amount can be disbursed at the discretion of the Management Board;
- b) 1.5% for initiatives and institutions with charitable, humanitarian, social, cultural and artistic purposes, to be disbursed at the discretion of the Management Board, in compliance with the guidelines decided by the Supervisory Board, with a special attention

to the territories of reference of the Group;

c) the rest, as a dividend to be assigned to the shares, according to the resolution of the Shareholder' Meeting, which decides also on the allocation of any surplus.

Accumulated earnings and valuation reserves formed by applying the international accounting principles cannot be distributed to the Shareholders in the cases provided for by law.

During the financial year, the Management Board may resolve on the distribution of down payments on dividends in accordance with the law in force.

SECTION XII

WINDING-UP AND LIQUIDATION OF THE COMPANY

ARTICLE 53

For the assumption provided in no. 6 of art. 2484 of the Italian Civil Code, the resolution approving the early winding-up of the Company must be passed during the extraordinary Shareholders' Meeting attended, also in second call, by at least one thirtieth of the Shareholders having the right to vote, without prejudice to the provision of the third paragraph of article 28 of these By-laws.

The said extraordinary Shareholders' Meeting appoints the liquidators determining their powers, as well as the methods of liquidation, without prejudice to mandatory law provisions and to the authorisations and prescriptions required by law.

The extraordinary Shareholders' Meeting, with a resolution, may remove the liquidators.

TRANSITIONAL REGULATIONS

Making an exception to the regulation concerning the admittance of new shareholders, contained in the articles 6 and subsequent of the By-laws, the shareholders owning shares of former Banca Lombarda e Piemontese S.p.A. who due to the conversion ratio of the merger set forth in Article 1 of these By-laws hold at least one share of the merging Company, automatically become automatically, without the need of any procedure, formality, application, or acceptance, shareholders of the company with full rights from when the merger is effective.

Those holding the shares of former Banca Lombarda e Piemontese S.p.A. have the right, making an exception to the provisions of Article 25 of the By-laws, to attend the meetings of the company effective from the date of the merger itself.

II

Making an exception the provisions of the first sub-paragraph of Article 29, all the Shareholders' Meetings until the one convened to approve the distribution of profits relevant to the 2007 financial year shall be chaired by the Chairman of the Management Board. In case of his absence or impediment, the Shareholders' Meeting shall be chaired by the first subject of those available listed in the first paragraph of Article 29.

III

The Company resulting from the merger between BPU Banca and Banca Lombarda adopts, effective from the merger date, the Appointment Committee Regulation attached to the merger project.

IV

Making an exception to the provisions of Article 25, last paragraph, by Article 30, first paragraph and by Article 44, first paragraph, the first members of the Supervisory Board and of the Management Board may also be appointed among Registered Shareholders

registered in the Shareholders' register for less than 90 (ninety) days.

v

Also making an exception to these By-laws, which shall be in force when the merger between BPU Banca and Banca Lombarda is effective, 23 members of the Supervisory Board shall be appointed for the first time, for a period of three financial years, by the ordinary Meeting of the merging company BPU Banca applying the list voting provisions described below.

The Shareholders shall be invited to present lists where the candidates for the office of member of the Supervisory Board must be indicated.

The lists signed by those who present them shall have to be deposited at the registered office of the Company at least 15 days before the Meeting is held on first call. The signature of each presenting Shareholder must be duly authenticated pursuant to the law or by the employees of the Company or of its subsidiaries intentionally delegated by the Board of Directors.

Declarations, including appropriate documentation, in which each single candidate accepts to stand as a candidate and attests, under its responsibility, the absence of causes of ineligibility and incompatibility, as well as the fulfilment of the requirements prescribed by the law and by the rules of these By-laws for the members of the Supervisory Board, and the list of the administration and control offices held in other companies shall have to be deposited along with each list, otherwise the same shall be deemed ineligible.

Each Shareholder may contribute to the presentation of only one list: In case of non-observance, his signature is not calculated in any list.

Each candidate may acknowledge joining only one list, otherwise the same shall be deemed ineligible.

Each list must be presented by at least 500 (five hundred) Shareholders who have the right to attend and vote during the Meeting convened to elect the Supervisory Board, who support this right by documentary evidence according to the regulations in force, who

represent at least 0.50% of the share capital, this limit being determined with reference to the capital existing 90 (ninety) days before the date established for calling the Meeting and to be indicated in the notice convening it.

The lists not pursuant to such provisions shall be considered as never submitted.

Each Registered Shareholder may vote only one list.

The appointment of the members of the Supervisory Board shall proceed as follows:

- a) 22 members of the Supervisory Board are taken from the list that has obtained the majority of votes expressed by the Shareholders, following the progressive order with which they appear in the same list;
- b) a member of the Supervisory Board is taken from the list that has obtained the second majority of votes, as the first person appearing in the list.

The lists that have not reached at least 10% of the all the votes expressed during the Meeting shall not be taken into consideration for voting purposes. If only one of the presented lists has exceeded this limit, all the members of the Supervisory Board shall be taken from it.

If only one list is proposed or if no list is presented, the Shareholders' Meeting shall appoint the Supervisory Board by a relative majority vote; with an equal number of votes, the eldest candidate is appointed.

If two or more lists obtain an equal number of votes, these lists will be voted again, until the number of votes obtained differs.

The offices of Chairman and Senior Deputy Chairman of the Board belong to the member indicated in the first and second position, respectively, of the list that has obtained the majority of votes, or in the only list presented or to the members appointed as such by the

Meeting, if no list was presented.

VI

The Shareholders' Meeting called to approve the distribution of the profit related to the 2006 financial year could assign, after deducting the part destined to reserve, 1% of the 2006 profit of the merging company to the remuneration of the Board of Directors in force until 31st December 2006.