

ARTICLES OF ASSOCIATION



These articles of Association were approved by way of a merger deed dated 23/11/94

As subsequently amended by the Extraordinary Shareholders' Meeting held on 8/1/1997

As amended by the Extraordinary Shareholders' Meeting held on 19/11/1999

As amended by the Extraordinary Shareholders' Meeting held on 24/3/2000

As amended by the Extraordinary Shareholders' Meeting held on 8/9/2000

As amended by the Extraordinary Shareholders' Meeting held on 7/9/2001

As amended by the Extraordinary Shareholders' Meeting held on 31/3/2003

As amended by the Extraordinary Shareholders' Meeting held on 29/6/2004

As amended by the Extraordinary Shareholders' Meeting held on 30/3/2007

As amended by the Extraordinary Shareholders' Meeting held on 28/3/2008

As amended by the Extraordinary Shareholders' Meeting held on 29/6/2009

As amended by the Extraordinary Shareholders' Meeting held on 31/10/2010

SECTION I

INCORPORATION – NAME – REGISTERED OFFICE – DURATION

ART. 1

“CASSA DI RISPARMIO DI BIELLA E VERCELLI S.p.A.”, shortly called as BIVERBANCA S.p.A, a bank incorporated on 23 November 1994 by deed no. 51575/16036 under the seal and hand of Notary Public Dr. Giovanni Fulcheris, hereinafter called “the Company”, is a joint stock company resulting from the merger between Cassa di Risparmio di Biella S.p.A., established by notary deed drawn on 21 July 1992 by Dr. Giovanni Fulcheris, by assignment of the banking activities of Cassa di Risparmio di Biella, founded in 1856 by Mons. Giovanni Pietro Losana – Bishop of Biella – and licensed by Royal Decree dated 24 August 1856, and Cassa di Risparmio di Vercelli S.p.A., constituted by notary deed drawn on 27 December 1991 by Dr. Francesco Boggia, by way of transferring the banking business of Cassa di Risparmio di Vercelli, founded in 1851 and approved as an independent non-profit entity by Royal Decree dated 19 August 1851.

ART. 2

The Company’s registered office and management centre are located in Biella, Via Carso 15.

Subject to existing law, the Company may open and close subsidiaries, branches and representative offices in Italy and abroad.

ART. 3

The Company shall remain in existence until 31 December 2050, when it may be further extended by a resolution of the Extraordinary Shareholders’ Meeting.

SECTION II

CORPORATE MISSION AND ACTIVITIES

ART. 4

The Company's mission is to carry out full-range banking activities and to also provide any kind of financial services, in abeyance with their rules and regulations, as well as to perform any necessary or related activities.

Subject to existing provisions, the Company may consequently conduct all banking and financial transactions and services as well as any other transactions that are necessary for, or related to, the fulfilment of its corporate mission.

The Company may also carry on lending to craftsmen, farmers and on a collateral basis, servicing public authorities and providing cashiers' services and, in any case, fulfilling all tasks which used to be performed by Cassa di Risparmio di Biella S.p.A. and Cassa di Risparmio di Vercelli S.p.A., pursuant to law regulations or administrative provisions, and succeeds to the rights, entitlements and law obligations and privileges vested in the two credit institutions.

The Company may issue bonds subject to existing law.

The Company is a member of the "Gruppo Monte dei Paschi di Siena" banking group, duly registered with the Bank of Italy in the banking groups book.

In consequence thereof, the Company must enact the provisions which its Parent, whilst fulfilling its supervisory and co-ordination role, may from time to time release in connection with the implementation of any instructions given by the Bank of Italy bearing upon the Group's stability. The Company's Directors provide the Parent with all data and information which may become necessary in order to issue any such provisions.

SECTION III

EQUITY CAPITAL AND SHARES

ART. 5

The equity capital, fully subscribed and paid up, amounts to 124,560,677 Euro (one hundred and twenty-four million five hundred and sixty thousand six hundred and seventy-seven) divided into 124,560,677 (one hundred and twenty-four million five hundred and sixty thousand six hundred and seventy-seven) ordinary shares, with a face value of 1 (one) Euro each, and may also be increased by issuing shares bearing different rights from those already in issue.

Ordinary shares are in registered form and cannot be split up. Should a share be owned by more than one individual, the co-owners' rights must be exercised by a joint representative, pursuant to art. 2347 of the Civil Code.

ART. 6

The shareholder who intends to transfer, by deed, to another living individual all or part of his shares or share rights must notify his decision in writing by registered letter with return receipt to all other shareholders, with a copy to the Chairman of the Board of Directors of the Company, stating the number of shares he is selling, the name of the prospective buyer, the requested price as well as any additional sale terms and conditions.

The other shareholders can exercise their pre-emptive rights within thirty days of receipt of any such notice and, in turn, notify the alienating shareholder of their decision by registered letter with return receipt.

The pre-emption right may only be exercised for the total shares and rights being offered.

Should more than one shareholder wish to exercise his pre-emptive right, the shares and rights on offer shall be allocated to the interested parties on a pro-rata basis according to their existing stake in the Company.

In the event one or more shareholders notify, within the specified timeframe, both the holder wishing to sell his stake and the Chairman of the Board of Directors of their intention to exercise their pre-emptive right at a different price from the one set by the holder effecting the sale, the price thereof shall be determined by a board of arbitrators consisting of three members, two of whom to be appointed by the selling holder and by the buying shareholder or shareholders respectively and the third, acting as Chairman, by the former two. The Board of Arbitrators shall assess the share price based on the then current market value of the stake being pre-empted and must make its binding decision known within sixty days from the date of its acceptance.

The sale procedure shall have to be completed within ninety days following notification by the board of arbitrators to the interested parties of the price calculated in such manner.

The stipulations contained in this article shall become null and void when the Company's shares are listed on a regulated stock exchange.

ART. 7

Each capital increase must be approved by the Extraordinary Shareholders' Meeting, with the shareholders having exclusive rights on each single issue, to be

exercised in accordance with the provisions and exclusions set forth in the Articles of Associations and by law.

Any such capital increase may be achieved by issuing shares of every class making up the equity capital; the shares will be issued on a pro-rata basis depending on the number of shares existing in each class at the time of the increase and the holders of shares in each class will have priority entitlement.

The capital may also be increased by issuing one single share class but, in such an event, the shares will have to be first offered to the holders of the same equity class.

The capital may additionally be increased by assigning outstanding claims and property, with an entitlement to receive ordinary shares in return.

Purchase and subscription of Company shares shall also be subject to the provisions of Section II, articles III and IV of Law Decree No. 385 of 1 September 1993.

ART. 8

Shareholders are bound by the Articles of Association.

The domicile of each shareholder for the delivery of the Company's notices and communications is the address recorded in the Shareholders' Register.

ART. 9

Shareholders may only withdraw if their right to do so is irrevocably sanctioned by law.

Withdrawal is not allowed for any shareholder who did not approve decisions pertaining to the extension of the Company's life as well as to the introduction, amendment or cancellation of any restrictions on share circulation.

SECTION IV

SHAREHOLDERS' MEETING

ART. 10

The Shareholders' Meeting may be either ordinary or extraordinary, as provided by law.

The Shareholders' Meeting, duly convened and constituted, represents all shareholders. Its resolutions, taken in accordance with law provisions and the Articles of Association, are binding on all shareholders, even if they did not attend the meeting or agree with its decisions.

Any resolution approved by the Shareholders' Meeting, deemed to impair the rights of any individual share class, must also be approved by the Extraordinary Meeting of the shareholders belonging to that particular share class.

ART. 11

The Shareholders' Meeting is summoned by the Board of Directors by publishing a notice in the Official Gazette at least fifteen days prior to the Meeting or by notifying all shareholders in writing at least eight days before the Meeting by registered letter with return receipt, fax, email sent to the address showing in the Shareholders' Register. Such notice shall indicate the day, time, venue of the meeting as well as its agenda; the notice may also set an additional date to convene a meeting on second call, should the first be unattended.

All shareholders who deposited their shares at the registered office or wherever indicated in the notice, at least two days prior to the summoning of the Meeting on first call, may attend the said Meeting by withdrawing the admission coupon. The admission coupon issued for the Meeting to be held on first call is also valid for the second call, provided that the deposited shares are not withdrawn.

ART. 12

The ordinary Shareholders' Meeting is convened at least once a year, no later than 120 days following the end of the fiscal year.

Any resolution regarding the listing on a regulated market must be taken by the ordinary Shareholders' Meeting.

The extraordinary Shareholders' Meeting is convened whenever it may be necessary to adopt resolutions permitted by law.

In addition to law requirements, the ordinary Shareholders' Meeting is also called to approve:

- remuneration of Company bodies it has appointed,
- compensation programmes for Board members and employees,
- plans based on financial instruments.

ART. 13

Each ordinary share confers the right to cast one vote.

Shareholders' attendance and representation at the Meetings are governed by law.

ART. 14

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in his absence or unavailability, by his deputy; failing which, the Shareholders' Meeting shall designate one of the attendees to act as Chairman.

The Chairman of the Shareholders' Meeting shall verify that the Meeting is legally constituted, ascertain the identity and the authority of the attendees, preside over the regularity of the Meeting and validate and announce voting results.

The Shareholders' Meeting shall appoint a secretary, even a non-shareholder, and, if necessary, two or more examiners chosen amongst those present.

In abeyance with law regulations, or whenever the Chairman so chooses, the minutes shall be drawn up by a Notary public.

ART. 15

The Shareholders' Meeting is validly constituted on first call when the total shareholders, attending either for their own account or by proxy, represent more than half the equity capital with voting rights. On second call, the ordinary Shareholders' Meeting is validly constituted regardless of the capital percentage represented by those in attendance or by proxy. The resolutions taken by the ordinary Shareholders' Meeting, both on first and second call, shall be deemed as valid when approved by the absolute majority of the attendees. Existing laws shall at all times apply both to the summoning of a legally constituted Extraordinary Meeting and to the validity of any of its resolutions.

This notwithstanding, the resolutions taken by any extraordinary Shareholders' Meeting shall be deemed as valid when approved by at least 81% of the shares, if deciding upon:

- a) mergers and spin-offs;
- b) amendments to articles 1, 2, 4, 6, 15, 16, 19, 25 and 30 of the Articles of Association;
- c) capital increases exceeding one fifth of the existing total;
- d) the implementation, revision or annulment of restrictions on share circulation.

ART. 16

Unless otherwise unanimously approved by the Shareholders' Meeting, corporate representatives shall be appointed as follows:

- a) each shareholder may present a list of one or more candidates, in ascending numbers, not exceeding the total prospective appointees. Each list shall include at least one candidate meeting the independency requirements, as stated in the following article 19;
- b) each shareholder shall vote for one list only;
- c) the votes obtained by each list shall be divided by one, two, three, four, etc., until they equal the number of prospective appointees;
- d) the ratios thus obtained shall be progressively allocated to the candidates of each list, in the order therein indicated, and shall be listed in decreasing order;
- e) the candidates elect shall be those who, within each individual list, obtain the highest ratios;
- f) the votes obtained by the same candidate in more than one list cannot be added together;

- g) the Board of Directors shall number a minimum of two independent members coming from the two lists with the largest number of votes. In the case the returns of the voting do not entail the election of any independent Board members in any of the above mentioned lists, the independent candidate from the same list with the highest percentage of votes will be designated as substitute of the non-independent candidate having received the smallest number of votes on the same list.

In the case of unanimous voting to appoint the Board members, at least two of them shall meet the independence requirements as stated in the following article 19.

ART. 17

Should a few of the issues on the agenda not be dealt with during the course of the Meeting, the Chairman may decide to adjourn the Meeting to the following non-working day.

ART. 18

The minutes of the Shareholders' meeting, to be recorded in the appropriate register kept in abeyance with law provisions, are signed by the Chairman of the Shareholders' Meeting and, unless drawn up by a Notary Public, by the secretary and the examiners, whenever appointed. Copies or excerpts therefrom, certified as true to the originals by either the Chairman or the Secretary of the Board of Directors, are legally binding proof, even in court.

SECTION V

BOARD OF DIRECTORS

ART. 19

The Company shall be managed by a Board consisting of 13 to 17 Directors appointed by the Shareholders' Meeting. The latter may amend their number from time to time.

The Board of Directors elects the Chairman and the Deputy Chairman from among its members, determining their term of office.

The members of the Board of Directors shall be honourable and professional individuals as per the current provisions governing the reputation to be expected of bank directors; furthermore, no less than two Board members shall meet the independence requirements established by the "Code of Conduct for Listed Companies".

The Bank's compliance with those requirements is periodically assessed by the Board.

The members of the Board of Directors can serve for a total period of 3 fiscal years and can be re-elected.

Their term of office elapses when the Shareholders' Meeting to approve the financial report relating to the final year of their tenure is convened.

Law provisions must be observed when appointing, renewing and replacing any Directors, except as provided in the next paragraph hereof.

If, through resignation or any other reason, at least half the Directors appointed by the Shareholders' Meeting relinquish their posts, the entire Board of Directors shall be deemed to have retired from office as from its reinstatement date.

The Board of Directors shall immediately summon the Shareholders' Meeting to appoint a new Board of Directors and shall remain in office with full powers until the Board is reinstated.

The Directors may be dismissed by the Shareholders' Meeting at any time, having however the right to claim for any damages or losses suffered if the removal from office has occurred without good cause.

ART. 20

The Board of Directors appoints its Secretary and, in his absence or unavailability, a substitute from among the Company's Top Executives and Executive Cadres. The Secretary is in charge of drawing up and keeping the minutes of each single meeting, which shall be signed by the Chairman of the Board and by the Secretary himself.

Copies or excerpts therefrom, certified as true to the originals by either the Chairman or the Secretary of the Board of Directors, are legally binding proof, even in court.

ART. 21

The Board of Directors is generally summoned once a month or, in any event, whenever it may be deemed necessary by the Chairman, at the Company's registered office, or anywhere in Italy, by the Chairman himself or by his deputy, who sets the agenda.

A minimum of three Directors or the Board of Statutory Auditors may request the summoning of an extraordinary Board meeting, setting forth the items on the agenda.

Each summons must be notified in writing by registered letter to the members of the Board, the regular Auditors and the General Manager at least five days before the meeting and, in case of emergency, by wire, email or fax no less than 24 hours prior to the meeting.

A meeting is deemed to have been duly set up, even when not summoned in the above manner, if all incumbent Directors and regular Auditors are in attendance.

For the Board meetings to be valid, it is necessary that the majority of Directors be present.

Board meetings are chaired by the Chairman and, in his absence or unavailability, by his deputy pursuant to article 24, paragraph two.

Resolutions will be passed by the absolute majority of the votes of the Directors in attendance. In case of equal votes, the Chairman shall be entitled to an additional casting vote

The General Manager or, in his absence or unavailability, his deputy also takes part in Board meetings in an advisory capacity as well as to illustrate any of his recommendations and may request that his statements be included in the minutes.

In the event the Board of Directors is called to deliberate on issues which, in the Chairman's judgement, should be kept secret, a Director, chosen by the Chairman, is asked to act as Secretary.

Board meetings may also be conducted by video/teleconferencing, on condition that all entitled parties are able to attend and their identity verified, that everybody can follow the meetings and discuss the subjects on the agenda in real time as well as receive, send and view documents. In such an event, the Board of Directors shall be deemed to have taken place at the venue where the Chairman and the Secretary were in attendance.

ART. 22

The Board of Directors shall be vested with any ordinary and extraordinary powers necessary to the running of the Company, excluding those which, by law or pursuant to the Articles of Association, must be exercised by the Shareholders' Meeting.

In addition to responsibilities that cannot legally be delegated, the Board shall have the exclusive right:

- a) to determine overall management programmes, strategic objectives, operativity, business plans and financial schemes and supervise their proper implementation;
- b) to approve and amend internal regulations relating to operations, organisation and personnel;
- c) to appoint the General Manager and, acting upon his proposal, one or more Deputy General Managers and the Top Executives, as well as to dismiss or remunerate them;
- d) to resolve on any agreements and regulations governing working and retirement conditions for the Company's staff;
- e) to reprimand any of the Top Executives;
- f) to approve the acquisition, modification or sale of any shareholdings;
- g) to submit a proposal to the Shareholders' Meeting regarding the appointment or termination of the Auditors in charge of accounting verification and balance sheet certification;

- h) to open, close and transfer branches and representative offices in general;
- i) to appoint or designate Company representatives on the boards of directors or auditors of any companies or entities in which the Company holds a stake or over which it retains any kind of jurisdiction;
- j) to sell palaces of artistic or historic value and works of art;
- k) to prepare the yearly budget plan;
- l) to appoint the internal audit and compliance responsables, after informing the Board of Statutory Auditors.

Given the attributions of the Shareholders' Meeting, the Board of Directors, in addition to the powers granted by law or under the Articles of Association pursuant to the preceding paragraph, is further empowered, without any transfer authority, with the following additional prerogatives:

- m) deciding on issues pursuant to articles 2505, 2505-bis of the Italian Civil Code;
- n) reducing the share capital in the event a shareholder decides to withdraw from the Company;
- o) changing the Articles of Association to comply with binding law provisions;
- p) reducing the share capital for losses incurred pursuant to article 2446 of the Italian Civil Code in connection with shares without nominal value, issued by the Company.

In abeyance with law provisions and the Articles of Association, the Board of Directors may assign some of its powers to an Executive Committee and entrust specific duties to certain Directors, within defined limits.

In lending and ordinary activities, decision-making powers may also be conferred to the General Manager, the Deputy General Manager or Managers, the Top Executives, the Executive Cadres, jointly or severally or acting as members of special Committees or Bodies, as well as to branch managers and other staff, not exceeding predetermined maximum amounts.

Any person or body so designated must inform the Board of Directors and the Board of Statutory Auditors, whenever a meeting takes place and, in any case, at least once every quarter, about the Company's overall performance and its foreseeable evolution as well as of any particularly large transactions in terms of size and characteristics, carried out by the Company or its subsidiaries.

ART. 23

Members of the Board of Directors are entitled to a yearly emolument, as determined by the Shareholders' Meeting at the time when the financial figures are approved.

Remuneration of any Directors with specific executive responsibilities pursuant to the Articles of Association is set in accordance with article 2389, 3rd paragraph of the Italian Civil Code.

Members of the Board of Directors shall also be entitled to an attendance fee for each Board and Executive Committee Meetings; they shall also receive a refund, which can be all-inclusive, in respect of the actual expenses incurred because of their office, as determined by the Shareholders' Meeting.

Only one attendance fee per day is paid out.

SECTION VI

CHAIRMAN

ART. 24

The Chairman of the Board of Directors promotes efficient corporate governance practices, assures a balance of powers among delegated corporate bodies and acts as an interlocutor for internal audit functions. Furthermore, he is in charge of steering and supervising the Company's activities and the various Boards and Committees of which he is a member and for which he sets meeting dates and agendas. He oversees the implementation of their decisions and the Company's overall performance. He also makes sure that suitable information regarding the issues on the agenda is made available to all Directors.

In his absence or unavailability, the Chairman is substituted by the Deputy Vice Chairman; should the latter also be absent or unavailable, he is then replaced by a member of the Board of Directors designated to preside over the meeting.

In dealings with third parties, the signature of whoever substitutes the Chairman is proof of his absence or unavailability.

SECTION VII

EXECUTIVE COMMITTEE

ART. 25

The Board of Directors may appoint an Executive Committee, comprising 6 to 8 members, determining their number, term of office, powers and responsibilities.

In urgent cases, the Executive Committee is empowered to make decisions on any business or transactions, excluding issues which cannot be delegated other than those referred to in article 22, paragraph i, informing the Board at the next meeting.

The Chairman and the Deputy Vice Chairman are members by right of the Executive Committee.

The General Manager or, in his absence or unavailability, his Deputy also takes part in Executive Committee meetings in an advisory capacity as well as to illustrate any of his recommendations and may request that his statements be included in the minutes.

The Executive Committee is convened by the Chairman or, in his absence or unavailability, by his Deputy.

The Executive Committee usually meets once a week and whenever the Chairman may find it necessary or is requested to convene it by one of its members.

The procedure for assembling the meetings is laid out by the Executive Committee itself, which, upon first meeting early in the year, may beforehand decide its schedule without having to send out the usual notices, except in urgent cases, when the summoning procedure follows the provisions of article 21, third paragraph.

Meetings are supervised by the Chairman of the Board of Directors or, in his absence or unavailability, by his Deputy pursuant to article 24, second paragraph.

For the Executive Committee's resolutions to be deemed as valid, the majority of incumbent members must be present; decisions are made with the majority percentages set out by the Board of Directors upon handing down some of its powers.

The Executive Committee appoints its Secretary and, in his absence or unavailability, a substitute from among the Company's Top Executives and Executive Cadres.

The Secretary is in charge of taking and keeping the minutes of each meeting, which shall have to be signed by the person presiding over the meeting and by the Secretary himself.

Copies or excerpts therefrom, certified as true to the originals by either the Chairman or the Secretary of the Executive Committee, are legally binding proof, even in court.

The Executive Committee's meetings can take place by video/teleconferencing pursuant to the provisions of article 21, last paragraph of the Articles of Association.

SECTION VIII

BOARD OF STATUTORY AUDITORS

ART. 26

The ordinary Shareholders' Meeting appoints three regular and two alternate Statutory Auditors, chosen from the Register of Certificated Auditors with the Ministry of Justice, and proceeds to designate its Chairman.

Regular and alternate statutory auditors can be re-elected.

The appointment, term of office, powers, duties and activities in general of the Board of Statutory Auditors are governed by existing laws.

Their term of office elapses when the Shareholders' Meeting to approve the financial report relating to the final year of their tenure is convened.

The members of the Board of Statutory Auditors shall be honourable and professional individuals as per current provisions governing the reputation to be expected of bank inspectors.

The ordinary Shareholders' Meeting determines the yearly salary of the Statutory Auditors throughout their term of office; the Statutory Auditors shall also be entitled to an attendance fee for each Board and Executive Committee Meetings; they shall also receive a refund, which can be all-inclusive, in respect of the actual expenses incurred because of their office, as determined by the ordinary Shareholders' Meeting.

Only one attendance fee per day is paid out to the Statutory Auditors.

The Board of Statutory Auditors' meetings can take place by video/teleconferencing pursuant to the provisions of article 21, last paragraph of the Articles of Association.

The Board of Statutory Auditors is empowered to promptly inform the Bank of Italy about any deeds or actions which it has become aware of during the performance of its duties and which may be deemed improper in connection with the management of the Company or constitute a violation of the existing banking regulations.

The members of the Board of Statutory Auditors are not allowed to hold office:

- with corporate bodies which do not perform control activities at group and financial conglomerate companies;
- with strategic shareholdings, also indirectly owned.

The members of the Board of Statutory Auditors may be dismissed by the Shareholders' Meeting only with good cause and the resolution on the removal from office shall be approved by a Court, after having heard the parties.

SECTION IX

GENERAL MANAGER

ART. 27

The General Manager exercises his powers pursuant to the provisions of the Articles of Association and existing regulations and as mandated by the Board of Directors; he is the head of personnel and supervises and directs staff activities; he is in charge of the Company's Departments, Offices and operations units and enacts the resolutions taken by the Boards.

In particular, the General Manager:

- a) takes part in Board of Directors' and Executive Committee's meetings in an advisory capacity as well as to illustrate any of his recommendations; he also attends Shareholders' meetings;
- b) makes proposals for hiring, appointing, promoting personnel, excluding the Top Executives, as well as for any other action, including reprimands, having to do with members of the staff; he puts forward to the Board of Directors any disciplinary actions against the Top Executives;
- c) orders inspections, investigations and reviews to be carried out in all the Company's offices and branches;
- d) submits to the Board of Directors and the Executive Committee for approval, according to their respective powers, lending proposals and any pre-assessed deals and transactions as well as the implementation and the amendment of internal regulations;
- e) within the limits set by the Board of Directors, authorises ordinary expenses relating to the Company's operation and the conservation of material assets or real estate;
- f) signs ordinary correspondence, deeds, contracts, commitments and documents in general pertaining to the Company's ordinary activities and endorses, delivers receipt in respect of bills of exchange, promissory notes, cheques, orders issued by public and private entities; he is also empowered to delegate such powers, even on a permanent basis, to the Company's top executives, executive cadres and other staff members,
- g) authorises reductions, cancellations, substitutions and deferrals in respect of mortgage loans, surrenders of pre-emption rights, waives executions, sealings, impediments or other obligations in general, when the underlying credit facilities have been repaid or not used; he also authorises limitations or reductions in respect of mortgage loans or liens, proportionally based on any underlying loan decrease. Any such power may be delegated, even on a permanent basis, to other staff members;
- h) authorises any legal steps to protect the Company's interests also by requesting warning notices, preventive orders and judicial sales, and calls for writs of execution and institutes any other proceedings which may become necessary to safeguard and reclaim the Company's dues, with the authority to give full power of attorney in any resulting legal proceedings; waives any repossession procedures and requests that the relevant records be struck out as soon as the underlying loan has been fully repaid or following payment of any arrears.

In case of absence or unavailability, the General Manager is substituted by the Deputy General Manager and, should the latter also be unavailable, by a top executive expressly designated by the Board of Directors.

Should there be more than one Deputy General Managers, the General Manager's powers, when absent or unavailable, are vested in the Deputy General Managers in the order set out by the Board of Directors or, failing this, in a top executive expressly designated by the Board of Directors.

In dealings with third parties, the signature of whoever substitutes the General Manager is proof of his absence or unavailability.

The General Manager may delegate his powers, even on a permanent basis, to the Deputy General Manager or to the Deputy General Managers.

SECTION X

COMPANY REPRESENTATION – COMPANY SEAL

ART. 28

The Chairman of the Board of Directors and the Managing Director, if appointed, shall be individually empowered to act as the Company's legal representative versus third parties and in court (in any judicial, administrative, special or arbitration court of any degree and jurisdiction, with the explicit authority to appoint lawyers, litigation attorneys and expert advisers as well as to instruct counsel to deliver third-party statements) and in charge of the company seal.

If the Chairman is absent or unavailable, his substitute, pursuant to Article 24 second paragraph of the Articles of Association, shall act as the Company's legal representative and shall be in charge of the company seal.

The Chairman may, in abeyance with existing laws, grant the power to represent the Company and to sign on its behalf, for given deeds or categories of deeds, to members of the Board of Directors, to the General Manager, Top Executives, Executive Cadres and other staff members and, exceptionally, to outside parties, with a clear indication of their powers, limits and manner of their duties.

The Board may, as proposed by the Chairman, authorise any Director, member of the staff and, if necessary, an outside party to act as the Company's legal representative and to sign on its behalf. It may also bestow on the same individuals a permanent authorisation to sign given deeds or categories of deeds.

The General Manager represents the Company and signs on its behalf in relation to the responsibilities laid down in the Articles of Association and those attributed by the Board of Directors, within the limits set forth by the latter. In case of absence or unavailability of the General Manager, his authority to represent the Company and sign on its behalf is vested in whoever replaces him by virtue of the Articles of Association.

SECTION XI

FINANCIAL STATEMENTS – ALLOCATION OF NET INCOME

ART. 29

The financial year ends on 31 December each year.

The Board of Directors prepares financial statements in accordance with legal requirements.

ART. 30

Net income is appropriated as follows:

- a) to the legal reserve, as proposed by the Board of Directors, in abeyance with law regulations currently in force;
- b) to any existing or newly-created reserve, as may be deemed necessary by the Board of Directors, subject to approval by the Shareholders' Meeting, in order to strengthen the Company's net equity capital;
- c) by distributing the remaining profit to Shareholders.

ART. 31

Any dividends which are not claimed in the five-year period following distribution shall be allocated to the Company's extraordinary reserve.

SECTION XII

AUDITING

ART. 32

Account certification is performed by an auditing company. Its appointment, duties and authorities, as well as responsibilities are governed by existing law.

SECTION XIII

WINDING-UP

ART. 33

The winding-up of the Company shall be governed by law.

The English version of the Articles of Association has been translated from the Italian original, which shall prevail in case of controversy.