



ARTICLES OF ASSOCIATION

BANCA UBAE S.p.a

**ARTICLES OF ASSOCIATION
AS APPROVED BY THE SHAREHOLDERS' EXTRAORDINARY
GENERAL MEETING ON 23.12.2019**

SECTION I

ESTABLISHMENT, HEAD OFFICE, DURATION AND PURPOSES OF COMPANY

Article 1

Form and Name

A joint-stock company is hereby formed with the name of "BANCA UBAE Società per Azioni" and in abbreviated form "Banca UBAE SpA" (hereinafter also referred to as "the Bank" or "the Company"). The Company is a Bank pursuant to Legislative Decree no. 385 of 1 September 1993, and is subject to control in accordance with the law governing protection of savings and credit activities and with the supervisory regulations.

Article 2

Registered Office, Branch Offices and Representative Offices

The Registered Office and General Management of the Bank are situated in Rome though the latter may be relocated elsewhere in Italy should the Board of Directors so decide. The Bank may, after required authorization has been duly obtained, set up branches and representative offices both in Italy and abroad.

Article 3

Duration

The Bank has been licensed to operate until 31st December 2100, unless duration is further extended.

Article 4

Purpose

Banca UBAE is devoted to promoting and developing all manner of financial, commercial, industrial and economic relations in Europe

and the rest of the world.

Its activity shall be directed primarily, though not exclusively, at supporting the relations of Mediterranean and Middle Eastern countries with Europe and the rest of the world.

To this end the Bank will provide its clientele with the services of a modern and efficient bank equipped to meet the demands of the international market in terms of providing finance and attracting funds.

Article 5

Transactions

The objects of the Bank are to attract and accept deposits and to carry on the business of banking in its diverse forms. Subject to current regulations, the Bank may effect all transactions, supply all banking and financial services and carry out all operations instrumental to or otherwise connected with the attainment of its corporate purposes. The Bank may issue bonds and other debt instruments for public underwriting and selling, as well as acquire participations, according to the prevailing law.

SECTION II

COMPANY CAPITAL AND SHARES

Article 6

Company capital

The share capital of the Bank amounts to 261,185,870.00 euros (two

hundred and sixty-one million, one hundred and eighty-five thousand, eighty-seven hundred) divided into 2,374,417 (two million, three hundred and seventy-four thousand, four hundred and seventeen) registered shares of 110 (one hundred and ten) euros each.

Article 7

Class and Transfer of Shares

Shares shall be in registered form.

The transfer of shares to third parties shall be valid only when the transfer has been recorded in the Share Register.

Such transaction may occur only on the prior agreement of the other shareholders not involved in the proposed transfer, as they shall have the right of pre-emption proportionate to their relative holdings.

A shareholder intending to transfer all or part of his shares must serve written notice thereof, by registered letter with written confirmation of receipt, to all shareholders at their official address, giving them details of the purchaser and the terms of the transfer. The agreement of these shareholders or a declaration stating that they wish to exercise their right of pre-emption must be communicated to the transferor by registered letter within thirty days from the date on which the notice of intent to transfer was served.

In the event that no reply is received, it shall be understood that none of the shareholders wishes to exercise his right of pre-emption and his agreement shall be understood as having been given.

In the event that one or more shareholders invited to exercise their right of pre-emption or to express their agreement to the proposed transfer are not interested in purchasing the shares, but do not approve of the transfer, they must notify the transferor of their disagreement within thirty days from the date on which the notice of intent to transfer was served. In such a case, the shareholder denied the right of transfer may withdraw from the Bank subject to reimbursement of the value of the unsold shares to be calculated on the basis of an up-to-date evaluation of the Bank's net worth.

The foregoing is not to be applied in the event of transfer of shares to companies or institutions in the shareholder's holding group. Such transfer shall be valid once it has been recorded in the Share Register.

Article 8

Withdrawal

Shareholders may withdraw from the Bank when and as stipulated by the law. No right of withdrawal accrues to shareholders who have failed to take part in the approval of resolutions concerning:

- the extension of the Bank's duration;
- the introduction, modification or removal of restrictions on the circulation of the Bank's shares.

SECTION III

CORPORATE BODIES, ORDINARY AND EXTRAORDINARY GENERAL MEETING

Article 9

Corporate Bodies

The exercise of corporate functions, according to their respective duties, is carried out by:

- Shareholders' meeting;
- Board of Directors;
- General Management;
- Board of Auditors.

Article 9a

Meetings of Shareholders

The meeting, regularly constituted, represents all shareholders and its resolutions, compliant with law and the current Articles of Association, bind all shareholders, even if they are absent or dissenting.

Pursuant to the Civil Code, the meeting is ordinary or extraordinary.

Article 9b

Place of Meetings

Meetings shall be convened at the Head Office of the Bank, or in other places in Italy or abroad as indicated by the Board of Directors when giving notice of meetings.

Article 10

Notice of Ordinary and Extraordinary General Meetings

An ordinary general meeting shall be convened at least once a year within 120 (one hundred and twenty) days from the end of the financial year to resolve upon such matters as the law attributes to its jurisdiction. Extraordinary general meetings shall be convened to resolve upon such matters as the law attributes to their jurisdiction whenever the Board of Directors deems it necessary or a request to that effect is advanced in accordance with the law.

The procedures to be followed for convening meetings are those established by the Italian Civil Code. The provisions of art. 2366, para. 2 of the Civil Code notwithstanding, notice of a general meeting shall be sent out by cable, fax, Swift or registered letter with advice of receipt not later than 8 (eight) days prior to the date on which the meeting is scheduled to be held on first call.

Article 11

Attendance at General Meetings

General meetings may be attended by the holders of voting shares who are registered in the Share Register or who exhibit either their title or documentary evidence supporting their right to attend. The prior deposit of shares is not required.

Subject to the provisions of the law, a shareholder may choose, by means of a simple written proxy, to be represented at a general meeting by someone who is or is not a shareholder. No such proxy may be given to anyone who is a Director or Auditor or is employed

by the Bank, nor to any of the Bank's subsidiaries or to any Directors, Auditors or employees thereof.

It is the duty of the Chairman of the shareholders' meetings to ascertain the validity of meeting sessions, to check the identity and right of attendance of those present, to steer the proceedings and to verify voting results; the outcomes of all such checks shall be reported in the minutes.

Article 12

Votes

Each share confers the right to one vote.

Article 13

Proceedings, Chairmanship, Minutes

The Chairman of the Board of Directors shall preside as Chairman at every general meeting or if he cannot be present, one of the Vice Chairmen or in the latter's absence the senior Director present will preside. In drawing up the minutes, the Chairman is assisted by a Secretary but, on the occasion of extraordinary general meetings as foreseen in art. 2375 of the Italian Civil Code or whenever else he deems it opportune, the Chairman will be assisted by a notary.

Article 14

Quorum

In order to determine the validity of ordinary and extraordinary general meetings on first or second call, and the validity of resolutions passed, the requirements prescribed by law shall be applied. Appointment of Directors shall be resolved upon by a relative majority by secret ballot unless decided upon differently by the general meetings.

If the agenda is not fully discussed in a single session, the

Chairman can extend the meeting no later than the day after that date, by a declaration made during the meeting, without the need of further notice. At the further session, the meeting is constituted and deliberates with the same majorities required for the validity of the constitution and of the resolutions of the meeting of which it is the extension.

SECTION IV

BOARD OF DIRECTORS

Article 15

Election, Rotation and Replacement of Directors

The affairs of the Bank shall be managed by a Board of Directors composed of a minimum of nine and a maximum of eleven members. Directors shall be appointed for three financial years and shall be eligible for re-election. In appointing the Board of Directors the ordinary general meeting shall observe the following criteria:

- each shareholder is entitled to designate one Director for every 8% fraction of share capital held;
- shareholders who have not designated any Directors by such method may enter into agreements so as jointly to designate as many Directors as the amount of share capital cumulatively held by them allows.

Should the general meeting fail to appoint the statutory minimum number of Directors in this way, the minority shareholders who are not represented on the Board shall nominate a Director to make up the shortfall.

Should it be necessary to nominate any additional Directors, it will be up to the shareholder with the most voting rights to do so.

Nominations must be signed by the shareholder or shareholders submitting them, be it directly or by proxy, and must be deposited at the Bank's Head Office no later than seven days prior to the date

on which the general meeting (as held on first call) is to appoint the Bank's Directors.

At least three of the Directors nominated must meet the requirements stipulated in art. 2399 of the Civil Code.

The election, rotation and replacement of all Directors shall be carried out in compliance with the requirements of law. However, if more than four Directors shall vacate their office in the course of any one financial year, the remaining Directors shall be considered as retiring and shall convene an ordinary general meeting for the appointment of the entire Board as soon as possible.

Article 16

Chairman, Vice Chairman and Secretary

Provided that the general meeting has not done so, the Board of Directors shall elect among its members a Chairman nominated by the Bank's largest shareholder who shall remain in office during his term as a Director.

The Chairman shall be responsible for convening the Board of Directors, setting its agenda, coordinating proceedings, and ensuring that all Directors are supplied with adequate information concerning the topics listed for deliberation.

In the establishment of the agenda of the meeting and during the discussion, the Chairman ensures that the issues of strategic importance are treated with priority and with all the time required.

The Chairman ensures the effectiveness of the discussion during the meeting and neutrally fosters dialogue amongst Directors.

The Chairman shall ensure that the resolutions of the Board of Directors are the outcome of this dialectic and of the conscious and reasoned involvement of all its components. To this end, the Chairman, leveraging upon the support of the Board Secretariat and the General Management, shall ensure that:

- the Directors receive preliminary information – in suitable advance of the sending date of documents supporting the

resolutions of the Board – on the matters to be discussed at the meeting;

- the documentation supporting the resolutions is adequate in quantitative and qualitative terms with respect to the matters on the agenda.

The Chairman shall ensure that:

- the self-assessment process is carried out effectively, the modalities through which it is conducted are consistent with respect to the complexity of the Board’s work, the expected corrective measures are taken in order to deal with any deficiencies highlighted;
- the Bank prepares and implements induction programmes and training plans in the interests of the members of the Board of Directors and, if required, plans for the succession of top executives.

The Board may also elect among its members up to two Vice Chairmen and appoint a Secretary. One Vice Chairman shall be designated by the Italian shareholder with the most voting rights. The Secretary need not necessarily be a member of the Board.

Should the Chairman not be present, the elder Vice Chairman - or, if no Vice Chairman is present, the eldest Director present - shall act in his stead.

If the Secretary is absent, the Board shall appoint a substitute.

Article 17

Board of Directors’ Meetings

The Board of Directors shall be convened by the Chairman or by whomever is acting in his stead either on his own initiative or at the request of at least four Directors or upon request of the Board of Auditors. In either of the latter two instances, those requesting a meeting must indicate their reasons for doing so by listing the items to be included in the agenda.

The Board shall be convened at least four times a year or at such

time as the Chairman may deem appropriate. Meetings shall take place at the Head Office or wherever indicated in the notice.

Meetings shall be convened by notifying the Directors and Auditors, by such means as will provide proof of receipt (e.g. registered letter with advice of receipt, fax, email), at least 8 (eight) days prior to the date of the meeting. In case of urgency such term may be reduced to 3 (three) days.

Board meetings may involve video- or teleconferencing, provided that all participants can be identified by the Chairman and by co-participants and are in a position to follow the discussion, take part in the Board's deliberations in real-time, and examine the relevant supporting documentation. Provided such conditions are met, the Board of Directors shall be deemed as meeting in the location, be it in Italy or abroad, where the Chairman is physically present, which is where the Secretary must also be present in order to ensure that the minutes are recorded, entered and signed in the appropriate book.

The General Manager and Deputy General Manager shall attend the meetings of the Board of Directors. The General Manager shall present the Board of Directors with the documents and matters intended for their examination and approval, and shall provide any elucidations they may require in respect thereof. If the General Manager is absent or incapacitated, the Deputy General Manager will act in his stead. Neither shall have any voting rights.

If the agenda is not fully discussed in a single session, the Chairman can extend the meeting no later than the day after that date.

Article 18

Powers of the Board of Directors

In the pursuit of the Bank's corporate purposes, the Board of Directors shall be delegated full powers for the ordinary and special business of the Bank, with the exception of those which the law expressly reserves for general meetings of shareholders.

The Board of Directors defines the overall structure of governance and approves the organizational structure of the Bank, providing a clear distinction between the roles and responsibilities of all bodies, verifying their proper implementation and effectiveness over time and promoting prompt corrective measures against any gaps or inadequacies.

For the purposes of sound and prudent management of the Bank, the Board of Directors, in accordance with existing regulations, identifies the strategic guidelines and policies for risk management, ensuring their consistency and monitoring their effectiveness over time, making any adjustments, where appropriate.

The Board shall, on a strictly non-delegable basis:

- resolve on the Bank's strategic policies and transactions;
- approve its business and financial plans as well as the budget;
- establish the Internal Regulations;
- approve the organization chart and resolve upon any changes thereto;
- ensure their periodic review, according to business development and external factors, in order to ensure their effectiveness over time. To this end, the Board shall promote the full use of the ICAAP findings for strategic purposes and business decisions;
- define the guidelines for the internal control system, approve the establishment of the internal control functions (Internal Audit, Compliance and Risk Management) and appoint and dismiss their heads ensuring that the internal control system is consistent with the strategic guidelines and the Bank's Risk Appetite;
- appoint and dismiss the General Manager, the Deputy General Manager, other Senior Managers, the members of any committees the Board may establish, as well the consultants of the Bank's foreign commercial network and those deemed necessary to support the Board;
- decide on the opening and closing of branches and

- representative offices both in Italy and abroad;
- resolve upon the acquisition and the transfer of major holdings, and provide for the preparation of the Bank's financial statements and an Annual Report as required by law;
 - appoint and dismiss the members of the Oversight Body that is concerned with Legislative Decree 231/2001;
 - set policies for remuneration and incentives, including any equity-based remuneration schemes, in favour of the Directors, members of the General Management, members of the Board of Auditors and the remaining personnel, including the criteria for determining the compensation to be granted in the event of early termination of employment or early retirement from the office, including the limits set in this amount in terms of the annual fixed remuneration and the maximum amount that results from their application; such policies shall be submitted to an ordinary meeting for approval.

The shareholders shall likewise be provided with suitable updates on the implementation of the said policies as well as on any facilities granted to Board members and the members of the General Management and any extraordinary compensation granted to the members of the General Management at the time of early termination of the employment relationship or during their functions.

The Board of Directors may exercise its powers and duties using internal committees – for investigating, proposing and consulting purposes – composed of three to five members that adopt their own regulations and include at least one independent member.

The Board of Directors shall adopt its own regulations governing its mode of operation and its responsibilities, in accordance with the provisions of the law, the Supervisory instructions and the Articles of Association.

Article 19

Validity of Resolutions

Resolutions of the Board of Directors shall be valid only if a majority of Directors in office is present and a majority of those present vote in favour. In the event of a tie, the vote cast by the Chairman or his substitute shall prevail.

Article 20

Minutes

Resolutions must be recorded in the minutes, which shall be kept in books in compliance with the law and signed by the Chairman, or by whomever is acting in his stead, and by the Secretary. Extracts from the minutes signed by the Chairman and the Secretary shall constitute valid proof of proceedings.

Article 21

Remuneration of Directors

Directors shall be paid for the expenses borne in carrying out their duties.

The remuneration of Board members and Executive Committee members, if appointed, shall be determined by a general meeting of shareholders.

SECTION V

EXECUTIVE COMMITTEE

Article 22

Appointment, Meetings and Remuneration of Executive Committee Members

If deemed necessary, pursuant to art. 2381 of the Civil Code, the Board may delegate part of its functions and powers to the Executive Committee, subject to the requirements of law and the provisions of the Articles of Association.

The Executive Committee is composed of five Directors at most, who will serve a maximum three-year term.

The Chairman of the Board cannot be a member of the Executive Committee.

The members of the Executive Committee are Executive Directors.

The Executive Committee shall meet at least once a month.

Every 3 (three) months as a minimum, the Executive Committee as well as the other delegated entities/persons shall report on the Bank's overall progress and outlook – and on any transactions executed by the Bank which might stand out for their calibre or characteristics – to the Board of Directors and the Statutory Auditors in accordance with the Board's directives.

The Chairman of the Executive Committee shall be responsible for convening meetings and setting their agenda on the basis of the proposal formulated by the General Manager, or if he is absent or incapacitated, by the Deputy General Manager.

The Committee shall elect a Secretary, who need not be a member of the Committee. Executive Committee meetings may be attended by video- or teleconferencing, provided that all participants can be identified by the Chairman and by co-participants and are in a position to follow the discussion, take part in the Committee's deliberations in real-time, and examine the relevant supporting

documentation. Provided such conditions are met, the Executive Committee shall be deemed as meeting in the location, whether in Italy or abroad, where the Chairman is physically present, which is where the Secretary must also be present in order to ensure that the minutes are recorded, entered and signed in the appropriate book.

The General Manager shall attend the meetings of the Executive Committee in a proposing capacity. He shall present the Executive Committee with the documents intended for its deliberation and approval, and shall give any elucidations that Committee members may require in relation thereto. The Deputy General Manager shall attend the meetings of the Committee in a consultative capacity; if the General Manager is absent or incapacitated, he shall act in his stead.

Neither shall have any voting rights.

Article 23

Deliberations of the Executive Committee

The Executive Committee shall exercise those powers delegated to it by the Board of Directors under the terms of art. 22 above.

The Executive Committee is validly convened with the presence of the majority of its members.

The resolutions of the Executive Committee shall be valid only with the favourable vote of the majority of the persons attending the meeting. If decisions on matters of an urgent nature have to be taken and no meetings can be held not even via video- or teleconferencing, the Executive Committee can validly pass resolutions on the basis of formal proposals to be circulated among its members by fax, Swift or email, and contextually submitted to the Board of Auditors for information. Granted that the proposals must spell out the reasons for using the aforementioned procedure, they will be considered as approved if the majority of Executive Committee members give a favourable response. All the proposals

forwarded through the above procedure will be submitted as a matter of record to the decision-making bodies (Executive Committee or Board of Directors).

As for the calling of a meeting and the modalities for the vote, the same rules established for the Board of Directors shall apply, but terms for convening the meeting shall be reduced to 2 (two) business days.

If the agenda is not fully discussed in a single session, the chairperson can extend the meeting no later than the day after that date.

Article 24

Minutes

The Secretary to the Executive Committee shall record the minutes of Executive Committee meetings in a special book and the minutes shall be signed by the Chairman and by the Secretary.

Section VI

MANAGEMENT

Article 25

Appointment of the General Manager, Deputy General Manager and Other Members of Senior Management - Powers

The Board of Directors shall appoint the General Manager to be chosen among those candidates having senior management experience in the banking sector.

The Board shall also appoint one Deputy General Manager, who shall be chosen among candidates coming from or seconded by the largest shareholder having senior management experience in the Arab banking establishment, and any other members of Senior Management. The General Manager shall be vested with separate or joint signatory powers (see art. 27) to conduct the Bank's ordinary

business and implement the resolutions passed by the Board of Directors.

SECTION VII

REPRESENTATION AND SIGNATORY POWERS

Article 26

Representation

The power to legally represent the Bank vis-à-vis third parties is vested in the Chairman. In the event of his absence or incapacity, it shall pertain to his natural substitutes, that is, the two Vice Chairmen jointly; should one of the Vice Chairmen be absent or incapacitated, such power shall pertain to the Vice Chairman who is present jointly with the General Manager or in the event of his absence or incapacity with the Deputy General Manager.

The power to represent the Bank in court is vested in the General Manager; in the event of his absence or incapacity, it shall pertain to the Deputy General Manager; should the latter be absent or incapacitated in turn, such power shall pertain to the other Senior Management members jointly.

Article 27

Signatory Powers

Signatory powers shall be conferred on the Chairman individually, or in the event of his absence or incapacity, on either Vice Chairman jointly with the General Manager or the Deputy General Manager. Signatory powers may also be conferred by the Board of Directors on:

- the General Manager jointly with the Deputy General Manager;
- the Deputy General Manager jointly with another Senior Management member;

- the Bank's Executive Personnel, who shall exercise them jointly and according to the Board's directions.

In order to facilitate the execution of the Bank's business, the Board of Directors may furthermore grant sole signatory powers to the General Manager, to the Deputy General Manager, to other members of Senior Management and to the other staff members for such acts or classes of acts as the Board may establish.

SECTION VIII

AUDITORS

Article 28

Appointment, Term of Office, Duties

Acting on recommendations by the shareholders, the ordinary general meeting shall appoint three Statutory Auditors and elect a Chairman from amongst their number. Two Alternate Auditors shall be also appointed.

Both Statutory and Alternate Auditors are eligible for re-election. The appointment and duties of the Auditors as well as their remuneration, term and forfeiture of office shall be regulated in accordance with the law.

The Statutory Auditors shall be responsible for monitoring the Bank's compliance with the laws and the Articles of Association, its adherence to sound management principles, and the adequacy of its organizational setup and its administrative and accounting systems in particular.

The Board of Auditors is responsible for ensuring completeness, adequacy, functionality and reliability of the system of internal controls and the Risk Appetite Framework (RAF). The Board of Auditors must check, furthermore, the effectiveness and adequate coordination of all the company functions and structures with tasks and responsibilities for control, promoting corrective action for any

shortcomings or irregularities noted. The Board of Auditors informs Banca d'Italia promptly of all facts or acts it becomes aware of that may constitute an irregularity in the management of the Bank or an infringement of regulations governing banking activities.

The Board of Auditors may ask the Bank's Directors to provide information about the progress of the Bank's business or about specific business matters. The Board of Auditors shall meet once every 90 (ninety) days as a minimum. The Auditors' periodic meetings may be held by video- or teleconferencing, provided that all participants are mutually identifiable and are in a position to follow the discussion, take part in deliberations in real-time, and examine all supporting documentation. Provided such conditions are met, the Board of Auditors shall be deemed as meeting in the location where the Chairman is physically present. The Chairman of the Board of Auditors shall draft the minutes and ensure that they are recorded, entered in the appropriate book and signed by the other attending Auditors. The Board of Auditors may assume the functions of the Oversight Body, required under Legislative Decree no. 231/2001.

SECTION IX

FINANCIAL YEAR AND BALANCE SHEET

Article 29

Financial Year

The financial year shall end on 31st December every year.

Article 30

Profits

The net profit recorded in the accounts approved by the general meeting shall be distributed as follows:

- a) 5% (five per cent) to the Legal Reserve as required for this to attain one-fifth of paid-up share capital or for restoring said ratio should the reserve have fallen short;
- b) the remaining amount shall be utilized as resolved by the general meeting on the Board's recommendation.

Claims on uncollected dividends shall be invalidated by prescription in the Bank's favour after five years have elapsed from the date on which they became payable.

SECTION X

WINDING-UP

Article 31

Winding-Up of the Bank

Whenever and for whatsoever reason the Bank should be wound up, the procedures shall be those prescribed by law.