



ARTICLES OF ASSOCIATION

BANCA UBAE S.p.a

**ARTICLES OF ASSOCIATION
AS APPROVED BY THE SHAREHOLDERS' EXTRAORDINARY
GENERAL MEETING ON 20.07.2022**

SECTION I

ESTABLISHMENT, HEAD OFFICE, DURATION AND PURPOSES OF COMPANY

Article 1

Form and Name

1. A joint-stock company is hereby formed with the name of "BANCA UBAE Società per Azioni joint-stock company" and in abbreviated form "Banca UBAE S.p.A." (hereinafter also referred to as "the Bank" or "the Company").

2. The Company is a Bank pursuant to legislative decree no. 385 of 1 September 1993, as subsequently modified (containing the Consolidated Banking Law, Testo Unico Bancario hereinafter T.U.B.), 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

1. The Registered Office and General Management of the Bank are situated in Rome though the latter may be relocated elsewhere in Italy subject to Board of Directors' resolution.

2. The Bank may, after required authorization has been duly obtained, set up branches and representation offices in Italy and abroad.

Article 3

Duration

The Bank has been licensed to operate until 31 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 credit and financial relations of Mediterranean and Middle Eastern countries both with the rest of the world and with particular attention to Europe.

Article 5

Transactions

1. 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 activities and instrumental operations to or otherwise connected with the attainment of its corporate purposes.
2. The Bank may issue bonds and other debt instruments, 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

1. Shares shall be in registered forms and freely transferable, except for the cases foreseen in this article.
2. The transfer of shares to third parties shall be valid only when the transfer has been recorded in the Share Register. Such transactions 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.
3. A shareholder intending to transfer all or part of his shares must serve written notice thereof, by registered letter with written confirmation of receipt or SWIFT message or certified legal email to all shareholders at their official address or certified legal email addresses or SWIFT code, giving them details of the purchaser and the terms of the transfer. The agreement of these shareholders to the transfer of shares or a declaration stating that they wish to exercise their right of pre-emption must be communicated to the transferor by registered letter with written confirmation of receipt, SWIFT message or certified legal email which must be received by the transferring shareholder within thirty (30) 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 the silent shareholder is no longer interested in exercising its right none of the shareholders wishes of pre-emption and its agreement shall be understood as having been given.
4. 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 communicate to the transferor their disagreement by registered letter with written confirmation of receipt, SWIFT message or certified legal email which must be received by the transferring shareholder within thirty (30)

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 last available evaluation of the Bank's net worth.

5. The provisions of the previous paragraphs 2 to 4 are not to be applied in the event of transfer of shares to companies or institutions in the holding group to which the transferring shareholder belongs. Such transfer shall be valid once it has been recorded in the Share Register, without prejudice to the application of the following paragraph 6. In this case, the loss of the status of subject belonging to the group of the transferring shareholder must be foreseen in the legal transaction by means of which the transfer referred to in this paragraph takes place as a resolute condition of the same and, consequently, automatically determines the repurchase by the transferring shareholder, it being expressly understood that, in such cases, the latter will give prompt and complete prior information of this transfer to the other shareholders.

6. In any case, the transfers of shares, however arranged, including those referred to in paragraph 5 above, are understood to be subject to compliance with the provisions of law and regulations, in force from time to time, applicable to the Company by reason of its nature as a bank, including, by way of example but not limited to it, articles 19 to 25 of the T.U.B. This is without prejudice to any further provisions of law or regulations applicable to the transfer, also due to the nature of the transferor and/or the purchaser.

Article 8

Withdrawal

1. Shareholders may withdraw from the Bank when and as stipulated by the law and by the Articles of Association.
2. 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;
- Executive Committee, whether established;
- General Management;
- Board of Auditors.

Article 9a

Meetings of Shareholders

1. 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.

2. 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

1. 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 and whenever required by law.
2. Extraordinary general meetings shall be convened to resolve upon such matters as the law attributes to their jurisdiction whenever a request to that effect is advanced in accordance with the law.
3. 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, registered letter with written confirmation of receipt or certified legal email, fax, Swift or simple email (with delivery confirmation of the message to be sent to email addresses previously authorized by the recipient shareholder) 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

1. General meetings may be attended by the shareholders who are enrolled 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.

2. Subject to the provisions of the law, each 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.

3. 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 participating and exercising the right to vote, to steer the proceedings and to verify voting results; the outcomes of all such checks shall be reported in the minutes.

4. Without prejudice to the situations referred to in paragraph 5 below, it is possible to hold both ordinary and extraordinary meetings of shareholders, with participants present in several different places, connected by audio/video, and this under the following conditions, which must be acknowledged in the relative minutes:

- a) that the Chairman and the Secretary of the meeting, who will prepare and sign the minutes, are present in the same place;
- b) that the Chairman of the general meeting is able to ascertain the identity and legitimacy of those present, regulate the conduct of the meeting, ascertain and announce the results of the vote;
- c) that the person taking the minutes is able to adequately perceive the meeting events to be reported in the minutes;
- d) that attendees are able to participate in the discussion and vote simultaneously on the items on the agenda, as well as to view, receive or transmit documents;
- e) that the methods for remote participation are indicated in the meeting's convening.

Once these conditions are met, the meeting is considered to be held in the place where the Chairman of the meeting and the Secretary are located.

5. It is also permitted, where there are cases of proven necessity, that the meetings of shareholders with participants present in several different places and connected by audio/video, are regularly held also if the Chairman and the Secretary are not present in the same place; it being understood that the Secretary taking the minutes must be in the place indicated in the notice of meeting, together with the person or persons appointed by the Chairman to ascertain the identity of those who attend in person, when this task is not entrusted to the Secretary himself/herself.

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 or in the event of incapacity, a 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 and competence concerning remuneration policies

1. 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.

2. 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.

3. The Shareholders' ordinary Meeting, in addition to establishing the remuneration due to the bodies appointed by the same, approves, in line with the provisions of the law and regulations in force:

- a) the remuneration policies for the members of the Board of Directors, the management body, the Board of Statutory Auditors and the remaining staff;
- b) remuneration plans based on financial instruments;
- c) the criteria for determining the remuneration in the event of early termination of the employment relationship or early termination of office, including the limits of any nature set for said remuneration in compliance with the supervisory regulations applicable from time to time.

SECTION IV

BOARD OF DIRECTORS

Article 15

Requirements, Election, Rotation and Replacement of Directors

1. The affairs of the Bank shall be managed by a Board of Directors composed of a minimum of (7) seven and a maximum of (11) eleven members, according to the decisions of the general meeting, in compliance with the regulatory and supervisory provisions on gender balance in force from time to time, and reflecting an adequate degree of diversification in terms, among other things of skills, experience, age and international outlook.
2. Directors shall be appointed for three financial years and shall be eligible for re-election. The members of the Board of Directors must be suitable for carrying out their duties in accordance with the provisions of current legislation and the Articles of Association and, in particular, they must possess the requisites of professionalism, integrity and independence of judgment, satisfy the criteria of correctness, competence and availability of time, as well as respecting the specific limits on the accumulation of posts held envisaged by the laws, regulations and supervisory provisions in force from time to time. The members of the Board of Directors to whom particular offices have been conferred, must also possess the specific requirements established for each of them by the legislation, including regulatory and supervisory legislation, in force from time to time.
3. A number of Directors at least equal to that envisaged in the regulatory and supervisory provisions in force from time to time must be independent. To this end, non-executive Directors are considered independent for whom none of the situations indicated in art. 13 of decree no. 169 enacted by the Ministry of Economy and Finance on 23 November 2020. Any fact or circumstance that

involves the lack of this requirement determines the forfeiture of office, unless the independence requirement remains in the hands of the minimum number of Directors who, pursuant to this article, must meet this requirement and in which, if the Director fails to meet the requirements referred to in this paragraph 3, he retains the office of non-independent Director. Any forfeiture is ascertained by the Board of Directors with a specific resolution.

4. For the election of the members of the Board of Directors, the general meeting will resolve in compliance with the law and in line with the following criteria for designation, in addition to those provided for in paragraphs 1 to 3 of this article:

- 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.

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

6. Nominations must be signed by the shareholder or shareholders submitting them, be it directly or by proxy, with a dispatch to be sent by certified legal email, registered letter with written confirmation of receipt or email provided that it is sent from an authorized address, and must be deposited at the Bank's Head Office no later than 7 (seven) days prior to the date on which the general meeting (as held on first call) is to appoint the Bank's Directors.

7. Without prejudice to the provision referred to in paragraph

3, article 15, the termination, replacement, suspension, forfeiture and revocation of the Directors shall be carried out in compliance with the regulatory and supervisory requirements in force from time to time.

8. If, during the year, for any reason, one or more of the Directors withdraw, the others will replace them pursuant to art. 2386 of the Civil Code, respecting the criteria with which the directors appointed by the general meeting were designated. When the minimum number of independent Directors envisaged by the Articles of Association and/or the minimum number of Directors belonging to the less represented gender prescribed by the applicable supervisory regulations no longer exists, the Board of Directors must replace them, always in compliance with the relevant regulatory provisions for gender balance and independence requirements in force from time to time. For the appointment of Directors necessary for the integration of the Board of Directors, the shareholders' meeting resolves with the majorities of the law, ensuring compliance with the principles of independence and balance between genders prescribed by legislation, including supervisory regulations, in force from time to time.

9. If, due to resignations or other causes, the majority of Directors (i.e. more than 50%) appointed by the shareholders are missing, the entire Board of Directors ceases and the Directors who remain in office must urgently convene the shareholders' meeting in order to appoint the new Board of Directors.

Article 16

Chairman, Vice Chairman and Secretary

1. 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 of the Board of

Directors is vested with the powers and duties provided for by the law and by the supervisory provisions applicable from time to time. 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.

2. The Board may also elect among its members up to two Vice Chairmen and appoint a Secretary. The Secretary need not necessarily be a member of the Board. Should the Chairman not be present, the senior Vice Chairman – or, in the event of absence or incapacity of both Vice Chairmen, the senior non-executive Director present – shall act in his stead. If the Secretary is absent, the Board shall appoint a substitute.

Article 17

Board of Directors' Meetings

1. The Board of Directors shall be convened by the Chairman or by whoever is acting in his stead either on his own initiative or at the request of at least (3) three 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.

2. The Board shall be convened at least four times a year or at such time as the Chairman may deem appropriate or when it is necessary, as the Board of Directors has to adopt resolutions regarding obligations towards the supervisory authority. Meetings shall take place at the Head Office or wherever indicated in the notice.

3. Meetings shall be convened by notifying the Directors and Auditors, by such means as will provide proof of receipt (e.g. registered letter with written confirmation of receipt, certified legal email, 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.

4. Except in the event of situations as per paragraph 5, the Board meetings may involve video- or teleconferencing, provided that all participants can be identified by the Chairman 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 and the Secretary are physically present at the same time.

5. It is also permitted, where there are cases of proven necessity, that the meetings of the Board of Directors with participants present in several different locations connected by audio/video, are regularly held even without the simultaneous presence in the place where the meeting is called or in any case in the same place as the Chairman and the Secretary; it being understood that the Secretary taking the minutes must be in the place indicated in the notice of meeting, together with the person or persons appointed by the Chairman to ascertain the identity of those who attend in person, except when such office is entrusted to the Secretary himself/herself.

6. 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.

7. 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

1. 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, as well as the powers and prerogatives assigned to it, even exclusively and not delegable, by the legislative, regulatory and supervisory provisions in force from time to time with the exception of those which the law and this Article of Association expressly reserve for general meetings of Shareholders.

2. In this context, the Board shall on a strictly non-delegable basis:

- defines the overall governance framework;
- approve the Bank's organisational structure and corporate governance;
- approve accounting and reporting systems (reporting);
- supervise the public information and communication process of the Bank;
- resolve on the Bank's strategic policies and transactions;
- approve its business and financial plans as well as the budget;
- approve the Internal Regulations and establish rules of professional conduct for the staff of the Bank, also through a code of ethics or similar instruments, ensuring their implementation, monitoring compliance by staff;
- approve the organization chart and resolve upon any changes thereto;
- ensure their periodic review, according to business development and external factors, in order to guarantee their effectiveness over time. To this end, the Board shall promote the full use of the ICAAP/ILAAP findings for strategic purposes and business decisions;
- approve, review and update the recovery plan, including at the request of the supervisory authority;

- adopt at the request of the supervisory authority changes to the Bank's business, organisational structure or corporate form, and other measures necessary to achieve the objectives of the recovery plan, and eliminates the underlying causes of early intervention;
- adopt a measure provided for in the recovery plan or refrain from taking a measure despite the circumstances;
- approve a policy for the promotion of diversity and inclusiveness;
- carry out the tasks referred to in Part I, Title IV, Chap. 3, Sec. II, Para. 2 of the Supervisory Provisions of the Banks and, in particular, define the guidelines for the internal control system, approve the establishment of the internal control functions (Internal Audit, Compliance and Risk Management) after collecting the opinion of the Board of Statutory Auditors 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 representation offices both in Italy and abroad;
- resolve upon the acquisition and the transfer of strategic holdings;
- 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 and approve the relative organizational model;
- set policies for remuneration and incentives in favour of the

Directors, members of the General Management, members of the Board of Auditors and the remaining personnel, including any equity-based remuneration schemes and 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.

3. The Board of Directors may exercise its powers and duties using internal committees – for investigating, proposing and consulting purposes – composed of (3) three to (5) five members, all not executives, that adopt their own regulations and include at least one Director with independent status pursuant to art. 15, paragraph 3, of the Articles of Association.

4. The Board of Directors shall adopt its own regulations governing, among others, 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 whoever is acting in his stead, and by the Secretary. The copies and the extracts from the minutes signed by the Chairman or by 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

1. 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 (5) five Directors at most, who will serve a maximum term of three fiscal years.
2. The Chairman of the Board cannot be a member of the Executive Committee. Participation in the Executive Committees qualifies Directors as Executives.

3. 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.

4. 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.

5. 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.

6. The General Manager shall attend the meetings of the Executive Committee, with no right to vote, 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

1. The Executive Committee shall exercise those powers delegated to it by the Board of Directors under the terms of art. 22 above.
2. The Executive Committee is validly convened with the presence of the majority of its members.
3. 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.

4. 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

1. The Board of Directors shall appoint the General Manager to be chosen among those candidates in possession of the requisites of integrity, correctness, professionalism and competence envisaged for this position by the legislation, also regulatory and supervisory, in force from time to time and having senior management experience in the banking sector.
2. The Board shall also appoint one Deputy General Manager, who shall be chosen among candidates in possession of the requisites of integrity, correctness, professionalism and competence envisaged for the office of General Manager by the legislation, including regulatory and supervisory regulations, in force from time to time, who, coming from or seconded by the majority shareholder having senior management experience in the Arab banking establishment, and any other members of Senior Management.
3. 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

1. 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 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 absence or incapacity of the latter, with the Deputy General Manager.
2. 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.

Article 27

Corporate signature

1. Signatory powers shall be conferred on the Chairman individually, or in the event of his absence or incapacity, on the more senior Vice President, jointly with the General Manager or, or in the event of his absence or incapacity, the Deputy General Manager.
2. 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.

3. 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

1. Acting on recommendations by the shareholders, the ordinary general meeting shall appoint a Board of Statutory Auditors composed of (3) three Statutory Auditors and elect a Chairman from amongst their number. Two Alternate Auditors shall be also appointed, in compliance with the laws, regulations or supervisory provisions on gender balance in force from time to time; also the replacement of the members of the Board of Auditors, whether statutory or alternate, in the event of termination during the term of office of an Auditor, takes place in such a way as to ensure compliance with the aforesaid provisions.

2. Both Statutory and Alternate Auditors are eligible for re-election. The Statutory Auditors must be suitable for carrying out their duties in accordance with the provisions of current legislation and the Articles of Association and, in particular, they must possess the requisites of professionalism, integrity, independence and independence of judgment, satisfy the criteria of correctness and competence and availability of time, as well as comply with the specific limits on the accumulation of offices envisaged by the laws, regulations and supervisory provisions in force from time to time.

3. 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.

4. The Statutory Auditors carry out the duties and exercise the functions required by current legislation. In particular, the Board of Statutory Auditors shall be responsible for monitoring the Bank's compliance with the rule of laws, regulatory provisions, Articles of Association, sound management principles, and the adequacy of its organizational setup and its administrative and accounting systems. The Board of Auditors is responsible for ensuring completeness, adequacy, functionality and reliability of the system of internal controls, of the risk management and control system, the statutory audit of the annual accounts and the independence of the auditing firm. The Board of Auditors must check, furthermore, the effectiveness and adequate coordination of all the company functions and structures of the control system, promoting corrective action for any shortcomings or irregularities noted.

5. The Board of Auditors informs Banca d'Italia, pursuant to article 52 of the T.U.B. 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. In order to fulfil its duties, and in particular the provisions of this paragraph 5, the Board of Auditors is given the broadest powers provided for by the legislative, regulatory and supervisory provisions in force from time to time.

6. 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.

7. 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.

8. 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 of Directors' 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.