

BY LAWS



**MEDIOCREDITO
INVESTITIONSBANK**
TRENTINO ALTO ADIGE SÜDTIROL

May 2017

RESOLUTIONS RELATIVE TO THE BY-LAWS OF MEDIOCREDITO TRENINO-ALTO ADIGE S.P.A.

Approved by the Extraordinary Shareholders' Meeting on 19/06/1992;

Modified by the Extraordinary Shareholders' Meeting on 29/03/1993;

Modified by the Extraordinary Shareholders' Meeting on 09/08/1996;

Modified by the Extraordinary Shareholders' Meeting on 30/06/1997;

Modified by the Board of Directors on 21/09/2001 according to article 17 (1-5) of Legislative Decree no. 213 of 24 June 1998 and further amendments;

Modified by the Board of Directors on 03/02/2003 according to the mandate conferred by the Extraordinary Shareholders' Meeting on 09/08/1996;

Modified by the Extraordinary Shareholders' Meeting on 21/07/2003 – registered in the Register of Companies on 06/08/2003;

Modified by the Extraordinary Shareholders' Meeting on 07/06/2004 – registered in the Register of Companies on 01/07/2004;

Modified by the Extraordinary Shareholders' Meeting on 24/09/2004 – registered in the Register of Companies on 21/10/2004;

Modified by the Extraordinary Shareholders' Meeting on 23/06/2006 – registered in the Register of Companies on 19/07/2006;

Modified by the Extraordinary Shareholders' Meeting on 30/11/2007 – registered in the Register of Companies on 14/12/2007;

Modified by Board of Directors on 03/07/2008 – registered in the Register of Companies on 14/10/2008;

Modified by the Extraordinary Shareholders' Meeting on 29/06/2009 – registered in the Register of Companies on 17/07/2009;

Modified by the Board of Directors on 13/04/2015 according to article according to article 12 (2.7) of By Laws in adaptation to the supervisory regulations; registered in the Register of Companies on 30/7/2015;

Modified by the Board of Directors on 27/08/2015 according to article 12 (2.7) of By Laws in adaptation to the supervisory regulations – registered in the Register of Companies on 14/09/2015;

Modified by the Board of Directors on 12/05/2017 according to article 12 (2.7) of By Laws in adaptation to the supervisory regulations; registered in the Register of Companies on 30/6/2017.

Chapter I

INCORPORATION – REGISTERED OFFICE – DURATION - PURPOSE OF THE COMPANY

Art.1

A limited liability company (Società per Azioni), "Mediocredito Trentino- Alto Adige – S.p.A. – in German "Investitionsbank Trentino-Südtirol" – A.G.", is hereby incorporated. The Bank was established in accordance with a restructuring plan prepared by Mediocredito Trentino-Alto Adige public corporation (established by Law no. 208 of 13 March 1953 and further amendments) and approved in accordance with Law 218/90 by legislative decree no. 356 of 20 November 1990.

The Company's registered office is situated in Trento, Via Paradisi 1 and its sub-office in Bolzano, Via Museo 44.

Other sub-offices, branches, and representative offices both in Italy and abroad can be established in compliance with the existing norms on the subject.

The duration of the Company is until 31 December 2050 subject to extensions.

Art. 2

The Company's purpose is banking, for the most part medium-long term.

The Company may undertake all financial activities and services, in accordance with applicable regulations, including the assumption and management of shareholdings, and also any other operation either instrumental or otherwise related to the corporate purpose.

In its capacity as parent company of "Gruppo Bancario Mediocredito Trentino Alto Adige", a banking group pursuant to art. 61 (4) of the new Consolidated Banking Law, and in the performance of its management and co-ordination activities, the Company issues instructions to Group companies regarding the implementation of the Bank of Italy's instructions and to ensure the stability of the Group.

Chapter II

SHARE CAPITAL AND CORPORATE BODIES

Art. 3

The share capital amounts to Euro 58,484,608 (euro fifty eight million, four hundred eighty four thousand, six hundred eight) and is subdivided into 112,470,400 (one hundred twelve million, four hundred seventy thousand, four hundred) ordinary shares of Euro 0.52 each (euro zero point fifty two).

The share capital can be increased, in accordance with applicable regulations, even with the issue of shares having different rights from ordinary shares.

The Company can also resolve share capital increases through the issue of convertible bonds and stock subscription warrants.

Art. 4

Each Shareholder has the right of pre-emption in the purchase of shares and pre-emptive rights that other Shareholders may want to transfer.

The Shareholder who intends to dispose of all or part of his shares (or of his pre-emptive rights) will have to communicate his decision (notification by fax is allowed provided it is confirmed by registered letter with return-receipt) to the Chairman of the Board of Directors indicating the name of the transferee, the number of shares offered for sale, the price of assignment and the terms of payment.

The Chairman of the Board of Directors will have to promptly notify the other Shareholders who will have to state in writing their intention to exert their pre-emptive right within 30 days from such notification as far as shares are concerned and 15 days as far as pre-emptive rights are concerned.

The right of pre-emption shall be effective only if exerted for the whole package of shares or for all pre-emptive rights offered for sale by the individual Shareholders. To this purpose each Shareholder has the right to exercise his pre-emptive rights also on the portions that other entitled Shareholders do not intend to

purchase, and therefore must specify the maximum number of shares or pre-emptive rights he intends to buy. This is done in the statement where he declares his intention to exert his pre-emptive rights. If the option of buying shares or pre-emptive rights is exercised by several Shareholders and exceeds the number of shares or pre-emptive rights on sale, the same are prorated among the interested Shareholders according to their respective portions of the share capital.

If after 30 days for shares and 15 days for pre-emptive rights respectively, the pre-emptive rights that are exercised do not cover the whole package of shares or of pre-emptive rights, the offering Shareholder will be able to sell the said package at a price no lower than that which he offered to the other Shareholders.

As a partial exception to the above-mentioned provisions, shares and pre-emptive rights are freely transferable among Shareholders and also to the benefit of companies with the majority of the paid up capital held solely or jointly by one or more Shareholders.

A beneficial interest on shares can be established only with the previous consent of the Board of Directors.

In the case of a beneficial interest or a pledge of shares, the Shareholder will retain his right to vote, and he is bound to set this as a condition when the beneficial interest or the right of pledged shares is established.

The purchase or the subscription of shares is also regulated by legislation and by the rules and regulations of the supervisory authorities.

Art. 4 bis

Withdrawal from the Company is regulated by the provisions of the law. Notwithstanding the provisions of art. 2437 (2) of the Civil Code, Shareholders who did not take part in the approval of resolutions concerning extensions of the period of circulation and the introduction or the abolition of restrictions to the circulation of shares do not have the right to withdraw from the Company.

Art. 5

The Company's bodies are the Shareholders' Meeting, the Executive Committee, the Board of Auditors, the Chairman, and the General Manager. Their powers and functions are regulated by the following Chapters III-IX.

Chapter III

SHAREHOLDERS' MEETING

Art. 6

The Shareholders' Meeting is either ordinary or extraordinary.

The Ordinary Shareholders' Meeting deliberates on matters attributed to it by law and specifically:

- a) approves the annual reports and accounts;
- b) appoints and annuls the appointment of the Chairman, the Vice Chairman, and the other members of the Board of Directors, the Chairman and the other members of the Board of Auditors and determinates their remuneration;
- c) rules on the authorizations that may be required in the by-laws to carry out the acts of the Board of Directors without prejudice to their liability for such acts;
- d) decides on a liability action against the members of the Board of Directors and of the Board of Auditors.
- e) approves the remuneration and incentive policies for Members of the Board of Directors, the Supervisory Board, employees and personnel with no subordinate employment contract;
- f) approves possible equity-based compensation schemes;
- g) approves the criteria for determining the fee to be granted in the event of early conclusion of the employment relationship or early termination of office, including the limits imposed on the fee in terms of years of fixed remuneration and the maximum amount resulting from their application;
- h) on the occasion of the approval of the annual report, information is provided by the Board of Directors about the enforcement of general remuneration and incentive policies;

The Extraordinary Shareholders' Meeting shall be convened to resolve subjects regulated by art. 2365 (1) of

the Civil Code except as provided under article 12 (2 – no. 7) hereof.

Art. 7

The ordinary meeting of Shareholders shall be convened once a year, within one hundred twenty days of the close of the financial year, for the approval of the annual reports and accounts.

Shareholders' Meetings shall be convened by the Chairman of the Board of Directors either by way of notice to be published on the Official Gazette of the Italian Republic or on the daily "Il Sole 24 Ore" at least 15 days before the day established for the meeting, or by way of registered letter with return-receipt. The letter must specify the date, time, and place of the meeting and the list of subjects on the agenda and it must reach each Shareholder at least eight days prior to the meeting.

The notice must specify the place which (provided that it is well served by means of transport) may not coincide with the registered office of the Company, the date and time of the meeting, and the list of subjects on the agenda; said notice could also set a date, time and place for a possible second convocation of the meeting.

Art. 8

The Ordinary Shareholders' Meeting is convened and deliberates in conformity with the applicable laws.

For the Extraordinary Shareholders' Meeting to be legally convened both in a first and a second convocation, and for its resolutions to be valid, a qualified majority of 3/4 (three-fourths) of the share capital is needed except in the case of operations requested by the Bank of Italy in its supervisory role.

The general meeting is presided over by the Chairman of the Board of Directors and in his absence or impairment by the Vice Chairman or, failing this, by the eldest member of the Board of Directors. The Chairman of the Board of Directors shall verify that the meeting is duly constituted, ascertain the identity and the right of those present to take part in the meeting, oversee the proceedings, and ascertain the outcome of the voting; the results must be noted in the minutes.

The Chairman is assisted by a secretary appointed by the Shareholders' Meeting upon the nomination of the Chairman. The secretary drafts the minutes with the approval of the Chairman as provided under art. 2375 of the Civil Code.

The assistance of the secretary is not necessary if the Chairman entrusts a public notary with the drawing up of the minutes; the resort to a public notary is compulsory in the case of an extraordinary meeting.

Art. 9

Those Shareholders who have the right to vote have the right to attend the general meetings if, at least five days prior to the date on which the meeting is held, they have deposited their shares with the Company, or with those banks or finance companies that were specified in the notice convening the Shareholders' Meeting.

Holders of shares on which appears an uninterrupted series of endorsements also have the right to attend the general meetings provided they deposit the shares as specified above.

Holders of shares, even legitimate ones, who did not comply with the provisions of art. 4 of these by-laws are not allowed to vote, nor are they registered in the register of Shareholders.

Each Shareholder has the right to one vote for each ordinary share.

The Shareholders' Meeting is allowed to be held simultaneously in several places, either near or far from each other, provided that they are connected via audio-video conferencing equipment, and this modality is mentioned in the minutes and on condition that:

- a) all those who have the right to vote can participate;
- b) the identity of Shareholders attending either personally or by proxy can be ascertained at any moment and the regularity of the Shareholders' proxies can be verified;
- c) the regularity of the meeting and the right to intervene in real time in the discussion of the topics on the Agenda are both guaranteed;
- d) the exercise of the right to vote and the regularity of voting procedures are both guaranteed;
- e) the regularity of the minutes-taking procedure is guaranteed and the person in charge of taking the

minutes is in a position to follow adequately the meeting's progress;
In such cases the notice of the Shareholders' Meeting must list the audio-video linkup locations where the attendees can convene and the Meeting will be deemed to have been held at the location where the Chairman and the Secretary are present.

Chapter IV

BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

Art. 10

In order to ensure an adequate representation by the Shareholders, the Company is managed by the Board of Directors made up of members elected by the Shareholders' Meeting who shall be no less than 11 and not more than 13 including the Chairman and the Vice Chairman.

At least three members of the Board of Directors shall meet the independence requirement.

Members of the Board of Directors are deemed independent if a) they do not, nor did they in the course of the last business period, either directly or indirectly or on a third party account, entertain, significant trade, financial or professional relationships with the Company, its subsidiary companies, its Executive Directors, the Shareholder or group of Shareholders that controls the Company in such a sufficiently relevant way to limit the freedom to decide; b) are not either directly or indirectly or on a third party account stakeholders of stakes sizable enough as to allow them either to control the Company or to exert on it significant influence nor do they adhere to parasocial agreements for the purpose of controlling it; c) are not close relatives of Executive Directors of the Company or of subjects that are in a position such as those described under previous letters a) and b).

Members of the Board are due an annual remuneration in the amount established by the general meeting and are also due a refund for expenses sustained in connection with the execution of their duties within the limits established by possible laws and regulations on the matter.

Members of the Board holding special positions are remunerated as provided for by art. 2389 of the Civil Code.

The Shareholders' Meeting can establish the overall amount of the remuneration of all members of the Board of Directors, including those holding special positions.

Art. 11

Members of the Board hold office for terms of three financial years, including the year of their appointment, and leave office at the approval of the annual report and accounts of the third financial year.

Members of the Board may be re-elected.

The Board of Directors shall be appointed on the basis of lists in accordance with the procedure provided for herein:

- a. only Shareholders who, either alone or together with other Shareholders, represent at least 30% of share capital shall be entitled to submit lists;
- b. the lists – which shall be signed by the submitting Shareholder or Shareholders – shall include a number of candidates equal to the number of Members of the Board that are to be elected and shall also expressly name the candidate Chairman and Vice Chairman;
- c. each list shall include at least three candidates who meet the independence requirements pursuant to article 10 of the by-laws;
- d. each Shareholder shall submit or be one of the submitters of no more than one list and each candidate shall appear in no more than one list under penalty of ineligibility;
- e. candidates shall be listed in sequential order and those who satisfy the independence criteria shall be expressly identified;

Members of the Board of Directors shall be elected in accordance with the procedure provided for herein:

1. each list which obtains a number of votes exceeding 30% of the share capital represented at the Meeting, shall be attributed a number of members of the Board equal to:

- four (one of whom independent) in case the number of members of the Board to be elected is thirteen;
 - three (one of whom independent) in case the number of Members of the Board to be elected is either eleven or twelve;
2. the list which receives the highest number of votes shall be attributed the remaining Members of the Board;
 3. the elected candidates of each list shall be chosen according to their position on the same; the need to meet the requirement of a minimum number of independent members of the Board laid down under the previous article 10 could require that members on a list meeting the independence requirement supplant members on the same list with a lower sequential number;
 4. the elected Chairman and Vice Chairman shall come from the list obtaining the highest number of votes;
 5. should more than one list obtain the same number of votes a run-off shall be held by means of another vote by the Meeting and the members of the Board shall be attributed in accordance with the procedures set forth in items 1, 2, 3 and 4 above;
 6. should no list be submitted or should no list obtain votes exceeding 30% of the share capital represented at the Meeting, the latter shall pass a resolution with the majority of votes of Shareholders present at the Meeting.
- The appointment of Members of the Board can be revoked at any moment save their right to compensation for damage should revocation occur without just cause.

Art. 12

The Board of Directors shall have full powers for ordinary and extraordinary administration.

In addition to those duties that pursuant to the law cannot be delegated, the Board of Directors shall have sole competence to adopt resolutions regarding the following:

1. the strategic lines and operations, industrial and financial plans and other general management policies;
2. the approval and changes of the main internal regulations of the Company;
3. the appointment of internal committees of the house organs; these committees cannot exercise decision-making powers and they operate in compliance with relevant supervisory requirements;
4. the acquisition and sale of strategic shareholdings except as provided under art. 2361 (2) of the Civil Code;
5. the appointment and removal of the General Manager and, after having heard his opinion, of one (acting as a substitute) or two vice-general managers (one of whom acts as a substitute);
6. the appointment and dismissal of the heads of the internal control functions and, in the event they are outsourced, of their representatives;
7. the adaptation of the by-laws to legal provisions;
8. the determination of the criteria for the co-ordination and management of the companies belonging to the Group and for implementing the instructions of the Bank of Italy.
9. further to the mandatory opinion of the Board of Auditors, appointment and revocation of the Manager charged with preparing the Company's financial reports, in compliance with Article 154-bis of Legislative Decree No. 58 of 24 February 1998, establishing his powers and means to carry out the duties assigned to him under current laws. The Manager charged with preparing the Company's financial reports must meet the integrity requirements set forth for members of the Board of Directors and must also meet professional requirements consisting in specific competences as concern management and control matters; the said competences shall be ascertained by the Board of Directors and must have been acquired by occupying for several years positions of responsibility in banking, insurance or financial services companies or in consultancy companies or in private practices; the appointment can either be for a limited period of time with possible renewal or for an unlimited period of time until revocation. The Board of Directors ensures that the appointed subject is given adequate powers and means to carry out the duties assigned to him under current laws.

All other resolutions, powers and competences which may not be delegated pursuant to supervisory regulations are the exclusive responsibility of the Board of Directors.

Within the law and the by-laws the Board of Directors may delegate its powers to the Executive Committee determining the limits of the delegation and retaining the power to revoke the organ and its members.

On the subjects of loan disbursements and ordinary management of the Company and within preset limits, the Board of Directors may delegate its powers to the General Manager and, acting upon his proposal, to directors and high officials either individually or in committee.

The decisions taken by those delegated shall be brought to the knowledge of the Board of Directors in accordance with the procedure laid down by the same.

The delegated individual(s) shall inform the Board of Directors and the Board of Auditors on the current status and foreseeable development of the Company's activities at least every three months.

In cases of urgency, the Executive Committee has the power to pass resolutions within the competency of the Board, and the Chairman, upon binding proposal by the executive bodies, has the power to pass resolutions within the competency of the chaired body.

The relevant resolutions must be disclosed to the body within whose competence they normally fall at the first following meeting.

The Board of Directors appoints the Secretary of the Board of Directors who shall also act as the Secretary of the Executive Committee and hold office for the length of term for which the Board of Directors was elected.

The Secretary shall be chosen from members of the Board or from directors or high officials of the Company.

Art. 13

The Board of Directors meets at least quarterly at the registered office, the sub-office or elsewhere. The Board of Directors is convened by the Chairman or his substitute by registered letter with advice of receipt. The notice shall contain the date and time of the meeting and the list of subjects on the agenda.

The notice must be sent to each member of the Board of Directors and of the Board of Auditors at least five days prior to the date fixed for the meeting except in cases of urgency where the notice period may be reduced to one day. In this case, notice must be sent by any suitable means.

The Chairman shall convene a meeting of the Board of Directors when requested by at least a third of its members. The request must contain an indication of the matters to be discussed.

Art. 14

Resolutions passed by the Board of Directors shall be valid when the majority of Directors in office are present at the meeting.

Resolutions must be approved by an absolute majority of the votes without counting absentees.

Art. 15

The Executive Committee is made up of 7 members appointed by the Board of Directors, including the President and the Vice President and it remains in office for the same period as that of the Board of Directors. The President and the Vice President are appointed by the same Executive Committee, when not by the Board of Directors.

The President of the Board of Directors may not be a member of the Executive Committee.

The General Manager takes part to the meetings of the Executive Committee and has the power to make proposals.

The Executive Committee is convened by his own President by registered letter or telegram or fax that must be sent to each member at least three days prior to the date fixed for the meeting except in cases of urgency when the notice period may be reduced to one day. In this case, notice must be sent by any faster means.

The Chairman calls the meetings of Executive Committee, he sets their agenda, co-ordinates the proceedings, and ensures that sufficient information on the subjects on the agenda is provided to all members. The Chairman also promotes and co-ordinates the activities of the Executive Committee; he signs the minutes of their meetings and supervises the implementation of resolutions passed.

Unless otherwise stated provisions of art. 13 and 14 shall also apply to the Executive Committee.

Chapter V

BOARD OF AUDITORS

Art. 16

The Board of Auditors shall consist of three active members and two alternate members. As provided by art. 11 (1), the Auditors shall remain in office for three financial years and shall comply with the duties and shall enforce the powers set forth by law.

Upon the expiration of their terms, members of the Board of Auditors shall remain in office until they are replaced.

The Board of Auditors shall be appointed on the basis of lists in accordance with the procedure provided for herein:

- a. only Shareholders who, either alone or together with other Shareholders, represent at least 30% of share capital shall be entitled to submit lists;
- b. the lists – which shall be signed by the submitting Shareholder or Shareholders – shall include a number of candidates equal to the number of members of the Board of Auditors that are to be elected; both the candidate Chairman and the candidate Alternate Auditors shall be expressly named and the former shall be placed at the top of the list;
- c. each Shareholder shall submit or be one of the submitters of no more than one list and each candidate shall appear in no more than one list under penalty of ineligibility;
- d. candidates shall be listed in sequential order.

Members of the Board of Auditors shall be elected in accordance with the procedure provided for herein:

1. each list which obtains a number of votes exceeding 30% of the share capital represented at the Meeting, shall be attributed a Regular Auditor;
2. should only two lists obtain a number of votes exceeding 30% of the share capital represented at the Meeting, the list which obtains the higher number of votes shall be attributed a further Regular Auditor;
3. the list which obtains the highest number of votes shall be attributed the two Alternate Auditors;
4. the Chairman of the Board of Auditors shall be elected from the list which obtains the highest number of votes;
5. should more than one list obtain the same number of votes a run-off shall be held by means of another vote by the Meeting in accordance with the procedures set forth in items 1, 2, 3 and 4 above;
6. should no list be submitted or should no list obtain votes exceeding 30% of the share capital represented at the Meeting, the latter shall pass a resolution with the majority of votes of Shareholders present at the Meeting.

The Board of Auditors shall:

1. verify compliance with the laws and the by-laws, compliance with the principles of proper management and in particular on the adequacy of the management and accounting structure adopted by the Company;
2. verify adequacy of the risk management and control system;
3. point out to the Board of Directors any failings and irregularities it finds, demand the adoption of adequate remedial measures and verify their effectiveness over time;
4. promptly inform the Board of Directors on steps to take and inform the Bank of Italy pursuant to article 52 of Legislative Decree 385/93, should management irregularities or a violation of the regulations occur.

Members of the Board of Auditors shall under no circumstances be permitted to hold offices within other corporate bodies, other than in a control capacity, in other group companies or companies in which a strategic interest is held, even indirectly, as defined in the Supervisory Regulations of the Bank of Italy. The Board of Auditors verifies compliance with the appointment requirements of its members and the adequacy of its organizational and functional structure every year.

The Board of Auditors shall avail itself of the inflows of information from the Bank's internal control structure and functions to carry out its duties.

Chapter VI

STATUTORY AUDIT OF THE ACCOUNTS

Art. 17

The statutory audit of the accounts is performed by an external auditor or audit firm entered in the register established by law.

Legal and regulatory provisions rule on matters relating to the relevant appointment, powers, duties and responsibilities.

The external auditor is charged with the duties pursuant to article 52, paragraph 2, of Legislative Decree 385/93.

Chapter VII

CHAIRMAN

Art. 18

The Chairman calls and chairs Shareholders' Meetings as provided under the preceding paragraphs 7 and 8. The Chairman calls Board of Directors' meetings. He sets their agenda, co-ordinates the proceedings, and ensures that sufficient information on the subjects on the agenda is provided to all members of the Board. The Chairman also promotes and co-ordinates the activities of the Board of Directors; he signs the minutes of their meetings and supervises the implementation of resolutions passed.

The Chairman can not have an executive role and can not, in fact, perform managerial functions.

In cases of urgency the Chairman has the power to start legal and administrative proceedings, to bid for a contract, oppose suits against the Company and for this purpose appoint lawyers and attorneys.

The mere fact that the Chairman makes use of the powers bestowed on him by the previous subparagraph is sufficient proof for third parties regarding the state of urgency.

The Chairman shall inform the Board of Directors, if powers were delegated to the latter, at the first following meeting.

In cases of absence or impairment, the Chairman shall be substituted by the Vice Chairman.

The signature of the Vice Chairman is sufficient proof for third parties regarding the absence or impairment of the Chairman.

Chapter VIII

GENERAL MANAGER

Art. 19

The General Manager, assisted by one or two Vice Managers, manages the Company.

The General Manager has executive and coordination powers; is head of personnel; makes decisions about the organization of the departments; proposes to the Board of Directors and the Executive Committee all measures regarding the personnel not delegated to him; carries out the resolutions of the Board of Directors and of the Executive Committee; runs the daily operations of the Company; proposes borrowing and lending transactions; proposes the adoption and the modifications of the internal regulations referred to in art. 12; exercises any other power either conferred to him continuously, or authorized each time by, the Board of Directors; attends the Shareholders' Meeting.

The General Manager attends the meetings of the Board of Directors and of the Executive Committee and has an advisory vote and the responsibility for introducing proposals.

In case of absence or impairment of the General Manager his duties will be carried out by the vice-general manager acting as a substitute; in case of absence or impairment of the latter, then duties are carried out by the other vice-general manager (if one was appointed) or by the directors or high officials appointed by the

Board of Directors.

The signature of the substitute of the General Manager in accordance with the preceding paragraph is sufficient proof for third parties regarding the absence or impairment of the General Manager.

Chapter IX

POWER-OF-ATTORNEY AND POWERS OF SIGNATURE

Art. 20

The Chairman, or in case of his absence or impairment the Vice Chairman, is vested with powers of signature and power-of-attorney to represent the Company.

The General Manager is vested with powers of signature and, in accordance with the procedure laid down by a special resolution of the Board of Directors, so can executives and high officials of the Company.

The Chairman and, in case of his absence or impairment, the Vice Chairman can give proxies and powers of attorney to other employees and also to third parties unrelated to the Company for carrying out individual acts or categories of acts within the limits set by the Board of Directors.

Chapter X

FINANCIAL STATEMENTS AND PROFITS

Art. 21

The financial year shall start on January 1 and end on December 31 of each year.

The net profit shown on the balance sheet for each financial year shall be allocated as follows:

1. Five percent (5%) to the legal reserve, as provided by art. 2430 of the Civil Code;
2. no more than five percent (5%) to set up or increase a special fund at the disposal of the Board of Directors for charities, to support social and cultural enterprises, study, research and promotional activities, or to further increase the legal reserve;
3. to the Shareholders in proportion to their shareholdings and in the amount established by the Shareholders' Meeting save the right of the Shareholders' Meeting to set up or increase other reserves or use it for other purposes.

Chapter XI

FINAL CONSIDERATIONS

Art. 22

Without detriment to any legal provision, in case a reason occurs to dissolve the Company, the Shareholders' Meeting shall establish the liquidation procedure and appoint one or more liquidators.

Art. 23

All matters that are not regulated by the present by-laws shall be regulated by legislation and the rules and regulations of the supervisory authorities.