

**Credito
Valtellinese**



ARTICLES OF ASSOCIATION

**Current text in force as amended by the
Extraordinary Shareholders' Meeting held on
16 april 2011**

ESTABLISHMENT – AIM – PURPOSE – TERM AND REGISTERED OFFICE OF THE COMPANY

Article 1

1. Banca Piccolo Credito Valtellinese, *banca popolare* (cooperative bank), was founded under deed dated 12 July 1908, under the hand and seal of Mr. Del Felice, Notary Public, no 12378/301 and was authorised to carry out lending activities by Decree no. 189 dated 24 July 1908 of the Court of Sondrio. It is a *società cooperativa per azioni* (limited liability cooperative company) called “Banca Piccolo Credito Valtellinese, società cooperativa”, or, in short form “Credito Valtellinese s.c.” or even only “Credito Valtellinese”.
2. The Company is governed by provisions of law and these Articles of Association.

Article 2

1. The Company's purpose involves the raising of savings and lending activities, both with regards to its shareholders and for those who are not. Its operations are founded on the principles of mutual assistance and it also supports and encourages the development of all businesses, particularly the smaller ones and co-operatives and, according to its founders' intentions and its traditional Christian inspiration, favours the institutions which aim to improve the moral, intellectual and economic conditions of the less fortunate classes, also by means of charitable activities.
2. In observance of current laws in force, the Company may carry out all banking and financial operations and services permitted, as well as any other operation which is instrumental or linked to the achievement of the corporate purpose.
3. The Company may issue bonds in compliance with current legal provisions.
4. In its capacity as Parent Company of the "Credito Valtellinese Group", pursuant to Article 61 of Italian Legislative Decree 385/93, the Company issues instructions to the group members, whilst exercising management and co-ordination activities, for the execution of the instructions imparted by the Bank of Italy in the interest of the stability of the Group.

Article 3

1. The Bank may provide duplicates of bearer savings books, for deposits within the limits fixed by law, once the term of thirty days has passed since the report of loss, theft or destruction has been filed in the Corporate Register, provided that no objections have been made.
2. In the event of objections, duplicates will be issued only if ordered by law.

Article 4

1. The duration of the Company, previously extended until 12 July 2008, is extended for a further fifty years, until 12 July 2058, with the right to implement other extensions.

Article 5

1. The Company's registered offices and general management are located in Piazza Quadrivio 8, Sondrio, Italy. By means of resolution of the Board of Directors and upon attainment of the necessary authorisations, branches or agencies may be established or closed down in Italy and abroad.

SHAREHOLDERS' EQUITY – SHAREHOLDERS - SHARES

Article 6

1. The shareholders' equity comprises:

- 1) the share capital;
- 2) the legal reserve;
- 3) any other reserve.

Article 7

1. The share capital is variable and is determined by the total number of registered shares with a par value of EUR 3.5 subscribed by the Shareholders.

2. The extraordinary Shareholders' meeting of 19 September 2009 granted the Board of Directors the right

- a) to issue a Credito Valtellinese debenture loan convertible into ordinary shares, pursuant to art. 2420-ter of the Italian Civil Code, by and no later than 30 June 2010, for a total nominal amount of € 625,000,000.00, with maturity not longer than 42 months from the issue date, through the issue of convertible bonds to be offered as option to all those entitled;
- b) to establish the methods, terms and conditions of the debenture loan, including the conversion ratio, notwithstanding that the minimum price of the shares to be issued for the conversion of the bonds shall not be lower than the par value of the shares; the effect is a paid share capital increase, in a separable manner, for the conversion of the bonds, through the issue of a maximum number of ordinary shares equal to 178,571,429;
- c) to assign the subscribers of the bonds under letter a) above, free of charge and according to criteria to be defined as part of the loan settlement, warrants (also of several different types) carrying the right to subscribe Credito Valtellinese ordinary shares, establishing the relevant methods, terms and conditions for exercising the subscription right, notwithstanding that the minimum price of the shares to be issued in relation to the warrants shall not be lower than the par value of the shares; the effect is a paid share capital increase, in a separable manner, in relation to the warrants, through the issue of a maximum number of ordinary shares equal to 75,000,000”.

3. On 13 October 2009 and 26 November 2009, the Board of Directors – in implementation of the power of attorney assigned to the administrative body pursuant to resolution of the Extraordinary Shareholders' Meeting of 19 September 2009, recorded in minutes by Francesco Surace Notary Public in Sondrio, file no. 195428/22653, registered in Sondrio on 6 October 2009 at no. 680 series 1T, entered in the Sondrio Register of Companies on 13 October 2009 – deliberated to issue 8,327,632 convertible bonds, each with the nominal value of Euro 75, for a total nominal amount of Euro 624,572,400.00, with free attachment of 33,310,528 warrants at the rate of 4 warrants which will entitle subscription of 1 Credito Valtellinese share of new issue in 2010 (the “2010 Warrants”), as well as 41,638,160 warrants at the rate of 5 (five) warrants which will entitle subscription of 1 Credito Valtellinese of new issue in 2014 (the “2014 Warrants”), to be offered under option to those proving to be shareholders of Credito Valtellinese at the starting date of the subscription period, at a ratio of 1 convertible bond to every 25 ordinary shares of the bank held. Consequently, again pursuant to the power of attorney received, the Board of Directors deliberated to increase the share capital to be used for conversion of the bonds and exercise of the 2010 Warrants and of the 2014 Warrants for the maximum amount of Euro 874,401,360.00, to be released also in

a number of instalments though issue of a maximum of 249,828,960 Credito Valtellinese ordinary shares, each with the nominal value of Euro 3.50, with regular rights, having the same characteristics as the Credito Valtellinese ordinary shares outstanding at the date of issue and to be exclusively used for conversion of the bonds and exercise of the 2010 Warrants and of the 2014 Warrants, with the understanding that this capital increase will be irrevocable up to the date of expiry of the convertible bonds and exercise of the 2010 Warrants and of the 2014 Warrants, as established by the regulations of the bond issue, by the regulations of the 2010 Warrants and by the regulations of the 2014 Warrants, and limited to the amount of the shares subscribed at the end of the expiries.

4. The shares are indivisible; in the event of joint ownership of a share, the rights of the joint owners must be exercised by a common representative, in compliance with all provisions of law.

5. While the shares of the Company are listed on regulated markets, new shares may only be issued by resolution of the Extraordinary Shareholders' Meeting, in accordance with the provisions of Article 2441 of the Italian Civil Code.

Article 8

1. Any individual person, with the exception of those who find themselves in the conditions set forth in Article 13 below, may become Shareholders.

2. Company Employees may be Shareholders.

3. Legal persons, companies of any type, consortiums, associations and other institutions can become Company members. They must appoint in writing the individual person authorised to represent them; no change to said written appointment is possible, until the Company is properly notified.

4. The Shareholders' legal representatives exercise all the rights due to the persons they represent, but in this capacity, they may not be elected to corporate offices.

Article 9

1. Persons who wish to become Shareholders must provide proof of their participation in the central management system for securities, and present a written application to the Board of Directors. This request must contain the number of shares subscribed or purchased, the applicant's personal details and domicile and any further information and/or declaration required by the law, by the Articles of Association or by the Company, in general.

2. Until the owner of the shares has applied for and obtained Shareholder status, he may only exercise equity-related rights.

3. The Board of Directors decides whether to accept or to reject the application for Shareholder status, by means of a properly justified resolution, after considering the Company's interests, the spirit of the co-operative form of the Company, and the provisions contained in its Articles of Association

4. The resolution granting shareholder status must be registered in the Shareholders' Register and communicated to the interested party. The application for Shareholder status is understood to be accepted if no refusal is communicated to the domicile of the applicant within sixty days of receipt of said application by the Company.

5. If the application is rejected, the applicant can submit the rejection to examination by the Board of Arbitrators, within the term of thirty days from receipt of the notification of resolution. The Board of Directors is obliged to re-examine the application upon the properly justified decision of the Board of Arbitrators, established pursuant to these Articles of Association, and including a representative of the aspiring Shareholder.

6. Shareholder status is acquired through registration in the Shareholders' Register.
7. Shareholder status shall be lost through the transfer of the entire equity investment, which must be acquired by the Company. Subsequently, the Company shall notify the interested party of the loss of this status in a timely manner.

Article 10

1. The shares may be transferred according to the method set forth by law.

Article 11

1. The right to withdraw from the Company can be exercised only in the cases set forth in the binding legal regulations and in any event said right is not applicable if the duration of the Company is extended or restrictions on the circulation of the shares are changed or removed.

Article 12

1. By means of resolution of the Board of Directors, the Company can buy or redeem its own shares, within the limits and at the conditions set by applicable provisions of the law or regulations.
2. The shares that have been acquired can be re-assigned or cancelled by the Board of Directors.

Article 13

1. Individuals who have been disabled or disqualified by law, insolvent individuals who have not obtained discharge sentences and those who have criminal convictions which involve disbarment, temporary or otherwise, from public office, cannot become Shareholders of the Company.
2. Shareholders in one of the circumstances above shall be excluded from membership in the Company, subject to assessment by the Board of Directors.

Article 14

1. In the event of death of a Shareholder, the Shareholders' heirs shall continue the corporate relationship, without prejudice to compliance with the provisions of Article 9.

Article 15

1. By means of a resolution adopted by the absolute majority of its members, the Board of Directors may exclude from the Company:
 - a. those who have forced the Company to take legal action for the fulfilment of obligations contracted with the Company;
 - b. those who are responsible for acts which damage the interest or image of the Company;
 - c. those in other situations provided by law or by the Articles of Association as causes for exclusion.
2. The resolution of exclusion, undertaken pursuant to Article 13 or pursuant to the first paragraph of this Article, must be notified to the Shareholder by registered letter with return receipt.
3. The Shareholder may appeal against the exclusion resolution to the Court, within the term of 60 days from notification.
4. The excluded Shareholder may also appeal to the Board of Arbitrators within 30 days of notification, while the possibility of suspending the appealed measure generally shall not

apply. The Board of Arbitrators will make a definitive decision within 30 days of receipt of the appeal.

Article 16

1. In the case of exclusion and withdrawal, the redemption and cancellation of the shares will be made in accordance with the law.
2. The amount payable as a result of the redemption is placed at the disposal of those entitled in a non interest-bearing account.

Article 17

1. Pledge or any other constraint shall produce effects on the Company from the moment they are registered in the Shareholders' Register.
2. In the event of pledge or usufruct of the shares, the Shareholder, in any event, shall enjoy the right to vote in the Shareholders' Meeting.
3. In any event, by means of corporate agreement, the Company is granted the right of retention on the shares held by the Shareholder, which are deposited with the Company, by way of guarantee of all amounts directly or indirectly due by the Shareholder.
4. Should the Shareholder be found to be in breach of contract, the aforementioned shares can be sold by the Company on behalf of the Shareholder, or purchased or redeemed by the Company, and the proceeds shall be used to compensate the amount owed up to the extent thereof.

Article 18

1. No one, neither Shareholders or non-shareholders may hold shares for an overall par value exceeding the limits for investment in share capital established by law.
2. As soon as the Company notes the exceeding of the investment limit, it informs the Shareholder of the violation of the restriction. The excess shares, which are not registered in the Shareholders' Register, must be sold within one year of the notification. Once this term has elapsed, the related equity rights accrued up to disposal of the excess shares shall be acquired by the Company.

Article 19

1. The Shareholder who, in accordance with the previous provisions, has been admitted to the Company and enrolled in the corporate registers may obtain loans – within the limits and according to the procedures established by the Board of Directors – having priority over the non-Shareholder, offering the same guarantees.
2. Moreover, the Shareholder is entitled to participate in the Shareholders' Meeting and exercise the right to vote if he/she is registered in the Shareholders' Ledger for at least 90 days and the appropriate communication of the intermediary entrusted with the keeping of accounts on which the shares as registered pursuant to the regulations currently in force is received at the registered office of the Company, by the end of the third day of the open market before the date fixed for the Shareholders' Meeting in first call, or different deadline established by Consob, in agreement with the Bank of Italy, with regulation. If the notification is received by the Company after the deadline indicated in the paragraph above, the party will be considered legitimate for the purpose of speaking and voting in the meeting provided that the notification arrives by the beginning of the meeting works on first call.

SHAREHOLDERS' MEETING

Article 20

1. Shareholders' Meetings shall meet quorum requirements if they represent all Shareholders, and if its resolutions, adopted in compliance with the law and these Articles of Association, are binding on all Shareholders, irrespective of their attendance or agreement.
2. The execution of Shareholders' Meetings is governed by the provisions of law and the Articles of Association, as well as by specific Shareholders' Meeting Regulations approved by the Shareholders' Meeting.

Article 21

1. Each Shareholder has just one vote, irrespective of the number of shares held.

Article 22

1. Shareholders' Meetings are held in ordinary and extraordinary session.
2. Ordinary Shareholders' Meetings shall take place at least once per year, within 120 days of the end of the corporate accounting period.
3. Extraordinary Shareholders' Meetings shall take place in the cases provided by law.

Article 23

1. The Shareholders' Meeting is convened by the Board of Directors even in a place other than the registered office, provided that in Italy, according to the law.
2. The Board of Directors must convene the Shareholders' Meeting without delay when at least one-twentieth of the Shareholders with voting rights request it in writing, indicating the issues to be discussed, in accordance with the law.
3. The Shareholders who represent at least one fortieth of the total number of Shareholders with voting rights may request the inclusion in the list of issues to be discussed at the Meeting, resulting from the notice thereof, through the procedures, terms and within the limits established by law.
4. The requests referred to in the previous paragraphs two and three must be accompanied by certifications issued by intermediaries attesting the legal capacity of the requesting shareholders, pursuant to the laws and regulations in force.

Article 24

1. The Ordinary Shareholders' Meeting is validly constituted in first call when at least one quarter of the Shareholders are present or represented, and in second call regardless of the number of Shareholders present or represented.
2. In addition to discussing the subject matters provided by the law, the ordinary Shareholders' Meeting passes the following resolutions:
 - approves the pay policies and fee plans based on financial instruments to the Directors, employees and collaborators not bound by contractual relationships;
 - authorises the carrying-out of transactions with related parties that the Board of Directors may subject to its examination pursuant to the Company's internal procedures adopted in accordance with the legislation in force.
3. The Extraordinary Shareholders' Meeting is validly constituted in first call when at least one third of the Shareholders are present or represented and in second call when at least one eighth of the Shareholders are present or represented.

Article 25

1. Shareholders' Meeting will be chaired by the Chairman of the Board of Directors or by the nominee or, in their absence, by a person designated by the persons attending.
2. The Shareholders' Meeting will choose from among the Shareholders three *or more* tellers, including one acting as Chairman, and will appoint a secretary.
3. In case of Extraordinary Shareholders' Meeting, the notary will act as secretary. The relevant minutes will be registered in the special Shareholders' Meeting book.
4. If contemplated each time in the notice convening the Shareholders' Meeting, speaking and/or voting at the Meeting may be possible by means of remote communication systems in compliance with the current legislation and the Shareholders' Meeting Rules.

Article 26

1. The Ordinary Shareholders' Meeting shall adopt resolutions with an absolute majority of votes.
2. In the event of equal votes, the motion put to the vote will be rejected.
3. Appointment to corporate offices takes place by means of secret ballot, according to the methods indicated in the provisions governing the elective corporate bodies.
4. Extraordinary Shareholders' Meetings shall adopt resolutions on first call by means of the favourable vote of at least a quarter of the Shareholders and on second call by means of a two-thirds majority of votes cast.
5. In any event, without prejudice to any different, inviolable provisions of law, resolutions of the Extraordinary Shareholders' Meeting involving the transformation or merger of the Company must obtain, on second call, the favourable vote of at least one tenth of the Shareholders' with the right to vote. Resolutions resulting in the early winding-up of the Company, in case of winding-up resolved by the Shareholders' Meeting, must obtain, again on second call, the favourable vote of at least one third of the Shareholders with the right to vote.

Article 27

1. The Shareholders entitled to participate and to vote in the Meeting can be represented only through proxy issued to another Shareholder other than a Director, Statutory Auditor or Employee of the Company or its subsidiaries, in compliance with the law.
2. Each Shareholder cannot represent through proxy more than five Shareholders. A non-shareholder person cannot represent a shareholder, even if vested with a general power of attorney. The aforesaid restrictions do not apply in the case of legal representation.

Article 28

1. The resolutions of the Shareholders' Meeting will be placed on record through specific minutes which, recorded in the specific book, will be signed by the Chairman, the secretary or by the notary public and the scrutineers.
2. This book and the extracts from the same, certified as compliant by the Chairman and the secretary, shall act as proof of the Shareholders' Meetings and resolutions.

BOARD OF DIRECTORS

Article 29

1. The Board of Directors of the Company is comprised of no less than 12 members, but no more than 18, chosen from among the Shareholders by the Shareholders' Meeting, after determining their number.

Article 30

1. The Directors hold office for a period not exceeding three years and they can be re-elected. The office of the Directors expires on the date on which the Shareholders' Meeting is convened for the approval of the financial statements corresponding to the last financial year of their office.

2. The Board of Directors must have the requirements of professional and honourable standing and of independence established by law, as well as other requirements that may be laid down by regulatory provisions also issued by the management company of the listing market of financial instruments of the Company. At least two of them must also possess the independence requirements established for statutory auditors by article 148, third paragraph, of Italian Legislative Decree no. 58 of 24 February 1998 and any applicable laws and regulation. At least two directors must be non executive in accordance with the Supervisory provisions of the Bank of Italy.

3. The Board of Directors governs with a special regulation the limits to the plurality of administration and control offices in other companies by the Directors.

4. If the requirements of professional and honourable standing and of independence no longer hold true, the Director falls from his/her office; this expiry is declared in accordance with the procedures laid down by law.

Article 31

1. Directors are appointed on the basis of lists containing a number of candidates equal to the number of Directors to be appointed, as indicated in the notice convening the Meeting; candidates must be listed in progressive order. Each list must include at least two candidates that hold the requirements for independence as established for statutory auditors by article 148, third paragraph of Italian Legislative Decree no. 58 of 24 February 1998. Said candidates must be declared as such.

2. The lists must be filed at the company headquarters at least fifteen days prior to the date set for the first call of the Shareholders' meeting, or different deadline established by the laws and regulations in force. Each list must be signed by one or more of the Shareholders that hold a total of not less than 0.3% of the share capital on the date that the list is presented, or at least 500 Shareholders, regardless of the shareholding held.

3. The signer Shareholders, at the time of submission of the list, must be registered in the Shareholders' Ledger for at least ninety days and entitled to participate and exercise the right to vote in the Shareholders' Meeting in accordance with the regulations in force. Each Shareholder may participate in the presentation of one list only, and if this is not complied with, his or her endorsement will not be counted for any of the lists. Each candidate may be presented in one list only, under penalty of ineligibility. The signature of each Shareholder who presents a list must be duly authenticated in accordance with the law or by one or more managers or Company directors or by the Group company authorised by the Board of Directors.

4. The professional curriculum vitae of each candidate and the declaration by which each candidate accepts his or her candidature must be filed along with each list by the closing date for filing the list at the company headquarters under penalty of disqualification. They must also declare that there are no reasons to exclude their eligibility, that there are no incompatibility issues, and that they comply with all the requirements under prevailing law and the Articles of Association to act as Director. Candidates will declare if they are “independent” in accordance with the Code of Self-Discipline of Listed Companies as adopted by the Company, and that they possess the requirements for independence provided under article 148, third paragraph of Italian Legislative Decree no. 58 of 24 February 1998.
5. Any list that does not comply with the requirements or the timeframes set out in the Articles of Association or with prevailing law will not be admitted for voting.
6. Each Shareholder may vote for one list only.
7. If there are at least two lists that obtained the votes of as many shareholders as those holding a total of not less than 0.15% of the share capital and/or the vote of at least 250 Shareholders, the following procedure will be followed when electing the Directors:
 - a number of directors equal to that determined by the Shareholders’ Meeting minus two will be taken from the list that obtained the majority of votes in the order in which they are listed;
 - the first two names indicated on the list that obtained the majority of votes in the remaining lists and comply with legal requirements will be appointed as director.
8. If only one list obtained the votes of as many shareholders as those holding a total of not less than 0.15% of the share capital and/or the vote of at least 250 Shareholders, or if only one list is presented, or one list only is admitted, all directors will be appointed from that list.
9. If no list obtained the votes of as many shareholders as those holding a total of not less than 0.15% of the share capital and/or the vote of at least 250 Shareholders, all members of the Board of Directors will be appointed from among the list that obtains the highest number of votes.
10. If no lists are presented, the directors will be appointed by the Shareholders’ Meeting by majority vote in accordance with the Shareholders’ Meeting Regulation, from the candidates that are presented by the Board of Directors or by other Shareholders at least 7 days prior to the date set for the first call of the Shareholders’ meeting, and who comply with the obligation to file the documents provided by the fourth paragraph above.

Article 32

1. If, during the year, for any reason whatsoever, one or more Directors leave office, provided that the majority is still comprised of member appointed by the Shareholders’ Meeting, the Board shall substitute them by means of co-opting pursuant to Article 2386 of the Italian Civil Code and shall subsequently appoint them, during the Shareholders’ Meeting, without the use of list voting, as follows:
 - a) if the Director leaving office was elected from a list also containing names of candidates who were not elected, the Board of Directors substitutes the Director appointing the next person on the list from which the Director leaving office was elected, and the subsequent Shareholders’ Meeting resolves with a legal majority, in compliance with said principles;
 - b) if the Director leaving office is independent pursuant to Article 31 above, the Board substitutes the Director by appointing, where possible, the first of the Independent Directors not appointed, from the list from which the Independent Director leaving office was elected and the subsequent Shareholders’ Meeting resolves with a legal majority, in compliance with said principles;

c) if there are no candidates on the lists presented previously who were not elected, or the methods of substitution do not allow for compliance with the presence of at least two independent directors in the Board of Directors, or if no lists were originally presented, the Board of Directors shall substitute the Directors leaving office without observing the provisions in points a) and b) above, and the subsequent Shareholders' Meeting will effect a resolution in compliance with the provisions of the last paragraph of Article 32 above.

2. The Directors elected in substitution of those leaving shall take on the same level of seniority.

Article 33

1. The Board of Directors appoints a Chairman and one or more Vice Chairmen from amongst its members.

2. They remain in office until the end of their mandate.

3. The Board of Directors can appoint a Secretary, which may be chosen from among its members or from external persons, including non-employees, provided that such person has the require preparation and experience.

4. If the Chairman is absent or unavailable, the Vice Chairman takes his place. In the event there are several Vice Chairmen, the one appointed by the Board for this purpose has precedence.

5. If the Chairman and both Vice Chairmen are all absent, they are replaced by the most senior Director in age or whomever is appointed by the Board for this purpose.

Article 34

1. The Chairman oversees the Company's performance, promotes the effective functioning of the corporate governance system, encourages internal communication and ensures the balance of powers. He/she calls the Board of Directors meetings, setting the agenda, coordinating the work and undertaking to provide adequate information on the issues to be discussed on the agenda to all directors.

2. If absolutely necessary, upon proposal by the Managing Director or General Management, the Chairman may adopt measures that would normally fall under the responsibility of the Board of Directors or the Executive Committee, on the condition that the Board of Directors is informed of such in the next meeting.

3. Without prejudice to what is established by the paragraph above, in case of emergency, transactions with related parties that do not fall under the competence of the Shareholders Meeting or should not be authorised by it can be concluded also by way of derogation from the specific provisions of the Company's internal procedures adopted in accordance with the laws in force.

4. Related party transactions concluded in accordance with paragraph 3 above are subsequently the subject matter, without prejudice to their effectiveness, of a non-binding resolution of the first Ordinary Shareholders' Meeting available. The Board of Directors prepares a report that justifies adequately the reasons of the emergency and the Board of Statutory Auditors reports to the Shareholders' Meeting its evaluation on the existence of reasons of emergency.

Article 35

1. Board Meetings are called by the Chairman or, in his absence, by whomever takes his place, by means of notice containing the agenda, to be sent to the domicile or address - as communicated by each Director and Permanent Auditor in office – at least five days before

the date fixed for the meeting via means which guarantee receipt has taken place, except in cases of urgency when the meeting shall be called by notice to be forwarded via fax, email or other urgent methods of communication to be sent at least one day before the meeting.

2. Resolutions are adopted by means of an absolute majority of votes. In the event equal votes are received, the vote of whomever chairs the meeting presides. In order for Board resolutions to be valid, the majority of its members must be effectively present.

3. Board Meetings can also be held via video-conference, provided that all the participants can be identified and that it is possible for them to follow the discussion, receive, send and view documents, participate orally and in real time in relation to all issues covered. In this case, the Board of Directors' Meeting is understood to be held in the place where the Chairman and Secretary of the meeting are located.

Article 36

1. The Board has all powers for ordinary and extraordinary administration of the Company, except those which are exclusively reserved for the Shareholders' Meeting.

2. The Directors relate to the Board of Statutory Auditors in Board of Directors meetings or the Executive Committee on the activities performed and the most significant transactions from an economic, financial and equity point of view carried out by the Company or by subsidiaries. In particular, the Directors report on transactions in which they have an interest, on their own behalf or on behalf of third parties.

3. In addition to powers that cannot be delegated by law, the Board of Directors are granted exclusive responsibility for decisions relating to:

- determining the general management guidelines and rules and the general organisational structure of the Group and verifying its implementation, approval of strategic transactions, business and financial plans, budgets, risk management policies and the Groups' internal control system;
- appointing and determining the financial remuneration of the General Manager and other members of General Management;
- forming internal committees of corporate bodies;
- appointing the Manager in charge of preparing corporate accounting documents, and the managers of the internal audit and compliance functions;
- acquiring and disposing of investments;
- setting up, transferring and closing branches and offices;
- determining the criteria for contributions to charities and cultural and social organisations to a specially designated fund or additions through the allocation of a share of annual net profits by the Shareholders' Meeting;
- defining the Group's overall business plan, determining the criteria for coordination and management of Group Companies, as well as the criteria for implementing instructions from Bank of Italy;
- approving and amending key internal regulations;
- adopting and changing the procedures with the aim of ensuring transparency and substantive and procedural correctness in related party transactions, in accordance with the laws in force;
- transactions with related parties of greatest importance, as identified pursuant to the internal Company procedures adopted in compliance with the laws and regulations in force.

4. The Board of Directors is also responsible for resolutions to adapt the Articles of Association to regulatory provisions, as well as resolutions regarding mergers in the cases envisaged in articles 2505 and 2505-bis of the Italian Civil Code.

Article 37

1. In observance of current legal provisions and the Articles of Association, the Board of Directors may delegate its powers to an Executive Committee, determining the limits of the powers of attorney.

2. The Board may also appoint a Managing Director, establishing his related powers, and may grant powers to individual Directors for the performance of specific acts or individual transactions.

3. The delegated bodies must report to the Board of Directors or the Board of Statutory Auditors at least every quarter on the general performance and outlook of management, and on the most significant operations carried out by the Company and its subsidiaries.

4. The Board may grant decision-making powers concerning the disbursement of credit and current operations to the General Manager, to the Executives and Middle Management - individually or together in Committees -, as well as to other Employees of the Company or companies of the Credito Valtellinese Group, within the limits of pre-established values with reference to the importance of the roles and position held.

5. The decisions adopted by the holders of the powers of attorney will be individually brought to the attention of the Executive Committee and, also in terms of the global amounts delegated, of the Board of Directors, to which the Committee will also report on the single decisions adopted.

Article 38

1. The Executive Committee – which is convened by applying the procedures established by the Articles of Association for the Board of Directors - is comprised of no less than five and no more than seven members, appointed annually, during the first meeting following the Ordinary Shareholders' Meeting, by the Board of Directors.

2. The Committee includes the Chairman of the Board of Directors, by right, who chairs it, one of the Vice Chairmen as well as the Managing Director, if appointed.

3. The meetings of the Committee are valid when the majority of its members are present, including the Chairman or a Vice Chairman.

4. The secretary of the Board of Directors takes the office of secretary of the Committee, unless the Board provides different instructions.

5. Resolutions shall be adopted by means of absolute majority of votes.

6. Meetings of the Executive Committee may also be held via video-conference, in compliance with the conditions set forth in Article 36. In this event, the Executive Committee meeting is understood to be held in the place where the Chairman and the Secretary to the meeting are located.

Article 39

1. Ordinary Board Meetings are held every month, while extraordinary sessions are called whenever the need arises or when request is made by at least five Directors or Statutory Auditors.

Article 40

1. The members of the Board of Directors, in addition to the reimbursement of any expenses incurred as a result of their appointment, are paid compensation for their office and attendance fees for participation at the Board Meetings, the meetings of the Executive Committee and any other board committee meetings, to be established by means of the resolution of the Shareholders' Meeting.

2. Having heard the opinion of the Board of Statutory Auditors, the Board of Directors may approve additional compensation for the Directors who cover particular offices in accordance with the Articles of Association, including the office of member of the Board Committees.

Article 41

1. The meetings and the resolutions of the Board will be placed on record through specific minutes which, recorded in the specific book, will be signed by the Chairman, and by the secretary. This book and the extracts from the same, certified as compliant by the Chairman and the secretary, shall act as proof of the Board Meetings and resolutions.

COMPANY SIGNATURE AND POWERS OF REPRESENTATION

Article 42

1. Legal representation of the Company and the use of the company signature are granted to the Chairman acting severally, or whomever takes his place, and, if appointed, the Managing Director.

2. The Chairman or whomever takes his place may, from time to time, grant the General Manager the right to represent the Company in dealings with third parties and before legal authorities.

3. Before third parties, the signature of whomever substitutes the Chairman shall provide evidence of the absence or impediment of the same.

Article 43

1. The company signature may also be granted to a member of the Board of Directors together with the General Manager, or whomever takes his place.

2. The Board of Directors is entitled to granted the company signature, with the limits and specifications which it deems expedient, to the General Manager, the Executives, the Middle Managers and the Employees of the Company or other companies in the Credito Valtellinese Group, acting severally or jointly.

3. The Board may also, where necessary, grant authority or powers of attorney to third parties as well for the accomplishment of acts or specific categories of acts.

BOARD OF STATUTORY AUDITORS

Article 44

1. The Board of Statutory Auditors is appointed by the Ordinary Shareholders' Meeting and comprises three Permanent Auditors and two Substitute Auditors, in possession of the requisites prescribed by the law.

2. The Statutory Auditors remain in office for three years and their mandate expires as of the date of the Shareholders' Meeting called to approve the annual financial statements relating to the third financial year of their office. They can be re-elected.

3. The Board of Statutory Auditors oversees observance of the law, the Articles of Association, the corporate rules and resolutions, compliance with fair management principles, adequacy of the organisational, administrative and accounting structure adopted by the company and on its sound functioning.
4. The Board of Statutory Auditors oversees the functionality of the entire internal control system and the adequacy of the risk management and control system.
5. The Board of Statutory Auditors must immediately inform Bank of Italy and the strategic and management supervisory bodies of all the facts or actions, of which it becomes aware, that may constitute irregularity in the Bank's management or breach of the regulations governing banking and financial activity.
6. Neither persons lacking the requisites of professionalism, respectability and independence established by current regulations in force nor those in situations of ineligibility, incompatibility and forfeiture as provided by law may be appointed as Statutory Auditors. If such persons are appointed, they shall forfeit their office. In addition, the limits to the number of offices which may be held by one person in administration and control bodies of corporations, established through Consob Regulation apply.
7. The members of the Board of Statutory Auditors cannot hold – in other companies of the Credito Valtellinese Group or in other companies in which the Bank holds, even indirectly, a strategic investment as defined by the supervisory provisions of Bank of Italy – positions in bodies other than control bodies.
8. Should the requisites established by the regulations in force no longer be held, the Statutory Auditor shall forfeit his office. Said forfeiture is declared according to the formalities established by law.
9. The remuneration due to each Statutory Auditor is established, at the time of appointment and for the entire duration in office, by the Ordinary Shareholders' Meeting which may also establish an attendance fee to be paid for participation in the meetings of the Board of Directors, the Executive Committee and any other Committee meetings pursuant to the last paragraph of Article 38. The Auditors are also due reimbursement of the expenses for the performance of their office.
10. The members of the Board of Statutory Auditors attend the Shareholders' Meetings and the meetings of the Board of Directors and the Executive Committee.
11. Meetings of the Board of Statutory Auditors can also be held through the use of electronic means, with the participants located in several places, connected via audio and/or video link, provided that all the participants can be identified and that it is possible for them to follow the discussion, participate orally and in real time in relation to all issues covered, receive, send and view documents, freely form their own opinions and freely express their own ideas and their votes. If these requisites are met, the meeting is understood to be held in the place where the Chairman is located.
The minutes of the meeting shall be drawn up and read by the Chairman upon completion of discussion of the points on the agenda. The minutes must also contain the declaration of the participants that the content of said minutes correspond exactly to the issues covered. The Statutory Auditors who participated in the meeting via audio and/or video link shall sign the minutes as soon as possible and, in any event, before the following meeting.

Article 45

1. The entire Board of Statutory Auditors is appointed on the basis of lists containing not more than five candidates and not less than two, presented by the Shareholders, and where the candidates must be listed in progressive order. Each list will comprise two sections: one for

the candidates for the position of Permanent Auditor and one for the candidates for the position of Substitute Auditor.

2. The lists must be filed at the company headquarters **as required by the regulations**. Each list must be signed by one or more of the Shareholders that hold a total of not less than 0.3% of the share capital, or at least 500 Shareholders, regardless of the shareholding held.

3. The signer Shareholders, at the time of submission of the list, must be registered in the Shareholders' Ledger for at least ninety days and entitled to participate and exercise the right to vote in the Shareholders' Meeting in accordance with the regulations in force. Each Shareholder may participate in the presentation of one list only, and if this is not complied with, his or her endorsement will not be counted for any of the lists; each candidate may be presented in one list only, under penalty of ineligibility. The signature of each Shareholder who presents a list must be duly authenticated in accordance with the law or by one or more Managers or Company Directors or by the Group company authorised by the Board of Directors. The composition of the lists should be such as to ensure compliance with the requirements of general rules or statutory provisions for individual components and the entire Board of Statutory Auditors.

4. In addition to what is provided by the law and regulatory provisions in force, the professional curriculum vitae of each candidate and the declaration by which each candidate accepts his or her candidature must be filed along with each list by the closing date for filing the list at the company headquarters under penalty of disqualification. They must also declare that there are no reasons to exclude their eligibility, that there are no incompatibility issues, and that they comply with all the requirements under prevailing law and the Articles of Association to act as Statutory Auditor.

5. Any list that does not comply with the requirements or the timeframes set out in the Articles of Association or with prevailing law will not be admitted for voting.

6. Each Shareholder may vote for one list only.

7. The following procedure will be followed when electing the Board of Statutory Auditors:

a) two Permanent Auditors and one Substitute Auditor will be taken from the list that obtained the majority of votes in the order in which they are listed in the list sections;

b) the third Permanent Auditor and the second Substitute Auditor will be taken from the list that – among the remaining lists – obtained the majority of votes and meets the requirements set by law, in the order in which they are listed in the list sections;

c) in the event that the lists obtain the same number of votes, the candidate from the list submitted by the Shareholders who represent a higher percentage of capital will be elected, or where the percentage held is the same, from the list that the greatest number of Shareholders have submitted.

8. The Chairman of the Board of Statutory Auditors will be the first candidate listed on the minority list that obtained the majority of votes from the remaining lists.

9. If only one list is presented or admitted – in compliance with the law, regulations or Articles of Association – the Shareholders' Meeting will vote on it and the first three candidates in that order will be elected as the Permanent Auditors and the following two will be elected as Substitute Auditors. In that case the Chairman of the Board of Statutory Auditors will be the first candidate on the list.

10. If no lists are presented or admitted – in compliance with the law, regulations or Articles of Association - the Board of Statutory Auditors and its Chairman will be appointed by the Shareholders' Meeting by majority vote in accordance with the Shareholders' Meeting Rules, from the candidates that are presented by the Board of Directors or by other Shareholders at

least 7 days prior to the date set for the first call of the Shareholders' Meeting, and who comply with the obligation to file the documents provided in paragraph 4 above.

Article 46

1. In case of early termination of office of a Permanent Auditor, the Substitute Auditors elected from the same list, respecting the consecutive order of the list, shall replace the Permanent Auditor, until the next Shareholders' Meeting.
2. If the Chairman of the Board of Statutory Auditors terminates his office early, the Chairmanship is undertaken until the next Shareholders' Meeting by the first Permanent Auditor or, in the absence of the first substitute, is taken from the list on which the Chairman was listed.
3. If it is not possible to proceed according to the indications in paragraphs 1 and 2 above, the Permanent Auditor or Chairman leaving office shall be substituted in compliance with provisions of law until the next Shareholders' Meeting.
4. In the Shareholders' Meetings which must appoint Permanent Auditors or Substitute Auditors required to integrate the Board of Statutory Auditors following individual Auditors leaving office, a list vote is not carried out. The procedure for appointment is as follows:
 - a) if steps must be taken to replace the Auditors taken from the only list presented or from the list which has obtained the greatest number of votes, or in the case of voting without lists, the appointment of Auditors to complete the Board and the possible appointment of the Chairman takes place by means of voting with relative majority for the individual candidates in compliance with the provisions in the last paragraph of article 46 above;
 - b) If, by contrast, it is necessary to replace Auditors elected from a minority list, Auditors to complete the Board and the possible appointment of Chairman, this shall take place through voting with relative majority, choosing, where possible and according to the consecutive order, from among the candidates indicated in the list which the Auditors to be replaced belonged to; where this is not possible, from among the candidates who were indicated in another minority list which was second in order, provided that the candidates, at least 10 days prior to the date set for the Shareholders' Meeting on first call, have confirmed their candidature and deposited the declaration certifying the inexistence of causes of ineligibility or incompatibility and the possession of the requisites set forth for the office of Auditor, together with their professional curriculum.
 - c) Where it is not possible to proceed as indicated in the point above, the Auditors to complete the Board and the possible appointment of the Chairman shall be carried out through voting with relative majority for the individual candidates presented, in compliance with the provisions of the last paragraph of Article 46 above, in addition to compliance with Consob regulations.

GENERAL MANAGEMENT

Article 47

1. The composition and powers of General Management are established by the Board of Directors. It usually consists of the General Manager, assisted by a Co-General Manager and by one or two Deputy General Managers, if appointed.
2. General Management provides for execution of the resolutions and directives of the Board of Directors and, if appointed, of the Executive Committee and of the Managing Director. It is entrusted with the organisation, guidance and ordinary management of the Bank and with operational coordination of the Group.

Article 48

1. The General Manager attends meetings of the Board of Directors and the Executive Committee, in a consultancy-related role.

Article 49

1. The General Manager heads the internal structure, he oversees and coordinates the corporate operational management of the Group.

2. The General Manager may submit proposals to the Board of Directors and to the Executive Committee.

3. The General Manager exercises his powers in accordance with the specifications of the Articles of Association and of the Board of Directors.

Article 50

1. If the General Manager is absent or unavailable, his duties shall be carried out by one of the members of General Management appointed by the Board and, in the event the latter is absent or unavailable, by another member of General Management or by the Executive appointed for this purpose by the Board of Directors.

Article 51

1. The appointment and dismissal of the General Manager is resolved by the Board of Directors by means of the favourable vote of at least three quarters of its members.

MANAGER IN CHARGE OF DRAWING UP CORPORATE ACCOUNTING DOCUMENTS**Article 52**

1. The Board of Directors, hearing the obligatory opinion of the Board of Statutory Auditors, appoints the Manager in charge of drawing up corporate accounting documents, who shall be attributed the powers and duties established by law, as well as those established by the Board upon appointment, or through subsequent resolution.

2. The Manager in charge of drawing up corporate accounting documents must have significant management experience in the accounting and administration sectors of at least five years, within the Company or the relative Group, or within other listed companies or companies which make use of risk capital markets and which operate in the banking, financial or insurance sector.

BRANCHES**Article 53**

1. The branch offices report to the General Management.

2. They operate in accordance with the instructions of the Board, which will establish powers of signature attributed to the staff based at said branches.

3. The Board may also appoint local Committees and Commissions, with purely consultancy-based roles, made up of individuals who are Shareholders.

FINANCIAL STATEMENTS

Article 54

1. The financial years close as at 31 December of each year. At the end of each financial year, in accordance with the terms of law, the Board of Directors draws up the annual financial statements, the consolidated financial statements and the other documents prescribed by law.

Article 55

1. The net profit, after deduction of the portion for legal reserve and the portion that may be unavailable in compliance with the law, will be allocated in accordance with the decisions of the Shareholders' Meeting to the assignment of the dividend to the Shareholders in proportion to shares held.

2. The residual portion of the profit may be allocated to establishment or increase of the extraordinary reserve or other reserves however they be named, or to the charity and welfare fund.

Article 56

1. Dividends on shares shall expire once five years have elapsed as from the period indicated for their payment and the sum total of the same will be assigned to the ordinary legal reserve.

LEGAL AUDIT OF THE ACCOUNTS

Article 57

1. The statutory audit is carried out by a registered statutory auditing firm or statutory auditor pursuant to the laws and regulations in force.

2. The Shareholders' Meeting, on a reasoned proposal of the Board of Statutory Auditors, entrusts the assignment of statutory audit for the duration envisaged by the applicable legislation and determines the remuneration payable to the statutory auditing firm or to the statutory auditor for all the duration of the assignment and possible criteria for the adjustment of this remuneration during the assignment.

BOARD OF ARBITRATORS

Article 58

1. The Board of Arbitrators is comprised of three permanent members and two substitute members, elected by means of relative majority from among the Shareholders, by the Ordinary Shareholders' Meeting.

2. They remain in office for three years and can be re-elected.

3. Decisions of the Board of Arbitrators, on all the disputes which are submitted before it by the Articles of Association, cannot be appealed against and are adopted by means of an absolute majority of votes.

4. The substitute members are called in order of age and until the next Shareholders' Meeting, to replace the Permanent Arbitrators who leave office or those who, from time to time, are not able to take part in the decisions due to reasons of kinship or affinity or due to any other legitimate impediment.

COMPANY WINDING-UP

Article 59

1. The winding-up of the Company, in the event of winding-up resolved by the Shareholders' Meeting, make take place when it is approved in accordance with Article 26 of these Articles of Association.

Article 60

1. In the event of winding-up, the Shareholders' Meeting will determine the procedures for liquidation and appoint the liquidators, as this is not otherwise provided for by law.