



Extraordinary Shareholders' Meeting
of 23rd and 24th June 2004

This is an English translation of the Italian original “Assemblea Straordinaria del 23 e 24 giugno 2004” and has been prepared solely for the convenience of the reader.

The version in Italian takes precedence and will be made available to interested readers upon written request to
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Board of Directors, Board of Statutory Auditors and Independent Auditors

Board of Directors

Chairman	*	Giovanni BAZOLI
Deputy Chairmen	*	Giampio BRACCHI René CARRON
Managing Director Chief Executive Officer	*	Corrado PASSERA

Directors		Giovanni ANCARANI Francesco ARCUCCI Benito BENEDETTI Antoine BERNHEIM Jean Frédéric DE LEUSSE Alfonso DESIATA * Ariberto FASSATI * Giancarlo FORESTIERI Paolo FUMAGALLI Jorge M. JARDIM GONÇALVES Jean LAURENT Michel LE MASSON Giangiacomo NARDOZZI Eugenio PAVARANI Giovanni PERISSINOTTO * Mariano Riestra Sandro SALVATI Eric STRUTZ Gino TROMBI
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* *Members of the Executive Committee*

Board of Statutory Auditors

Chairman	Gianluca PONZELLINI
Auditors	Francesco Paolo BEATO Paolo Andrea COLOMBO Franco DALLA SEGA Bruno RINALDI

Independent Auditors RECONTA ERNST & YOUNG S.p.A.

Convocation Notice of the Extraordinary Shareholders' Meeting

Shareholders are summoned for the Extraordinary Shareholders' Meeting on 23rd June 2004 at 6 pm on first call and, if necessary, on second call on 24th June 2004 at 10 am in the Fondazione Cariplo Congress Centre, via Romagnosi 6, Milano, to debate upon the following

Agenda of the meeting

- Change of the following articles of the Articles of Association: 2 (Registered office), 5 (Share capital), 8, 9, 10 and 11 (General Shareholders' Meetings), 14, 18 and 19 (Board of Directors), 23 (Statutory Auditors) and introduction of a new section containing Article 31 (Recess), with consequent renumbering of the Section and of the following Article (Final considerations). Related and consequent resolutions.

Shareholders may intervene at the Meeting provided they present the relevant participation certificates issued by an intermediary authorised according to the terms set forth by current regulations.

Documentation relative to the matters in the agenda of the meeting provided for by current regulations will be available for the general public at the Company's Registered office and at Borsa Italiana SpA according to the terms set forth by the law. Shareholders have the faculty to obtain a copy of the documentation available.

Milano, 13th May 2004

The Chairman of the Board of Directors

(Giovanni Bazoli)

Changes in the Articles of Association

Banca Intesa notifies that as regards changes in the Articles of Association to be submitted to the Extraordinary Shareholders' Meeting summoned on 23rd and 24th June 2004, the Bank of Italy - with note No. 568187 of 11th June 2004 - declared to have no objections, under the Supervisory standards, related to the aforementioned changes and required that the penultimate paragraph of the new Art. 19 be integrated with a clear reference to information compliance provided for by Art. 2391 of the Italian Civil Code regarding Directors' interests.

Therefore a proposal will be made at the Extraordinary Shareholders' Meeting to add in the second part of the penultimate paragraph of Art. 19 the insertion "save for the compliance with Art. 2391 of the Italian Civil Code". Consequently the text of said paragraph will be as follows:

"Directors must inform Statutory Auditors rapidly, and in any case at least quarterly, whenever a Board of Directors Meeting or an Executive Committee Meeting takes place, or by means of a report on the development of operations and on particularly important transactions in economic, financial or capitalisation terms, carried out by the Company or by Subsidiary companies. In particular, **save for the compliance with Art. 2391 of the Italian Civil Code**, information is supplied regarding transactions **in which Directors have an interest, on their own behalf or on behalf of third parties.**

Report of the Board of Directors on the proposed changes in the Articles of Association

Distinguished Shareholders,
you have been summoned for this Extraordinary Shareholders' Meeting to resolve upon the proposed changes in the Articles of Association, for the purpose of adapting it to the new provisions of the Italian Civil Code introduced in our legal system by the recent reform of company law, and also using the greater autonomy left to the articles of association by that same reform.

In fact, Legislative Decree 6 of 17.1.2003 – into force as of 1st January 2004 and subsequently amended and integrated by Legislative Decree 37 of 6.2.2004 – introduced the first organic reform of company law governing “società di capitali” and rewrote most of the articles of the Italian Civil Code of 1942 that regulated such companies, with the objective of adjusting the inspiring principles of the Italian legislation to those of the most advanced systems in terms of company law in a wider EU reference framework.

In particular, the transitional provisions of the Italian Civil Code, contained in Art. 223-*bis* of the aforementioned Decree 6/2003, set forth that articles of association must comply with the new mandatory rules of the reform within 30.9.2004; however, the Bank of Italy, with a letter dated 17.3.2004 (also published on Official Gazette 74 of 29.3.2004), suggested that Banks adjust their articles of associations within 30.6.2004, by introducing the provisions contained in the interpretative guidelines provided by the aforementioned Supervisory Authority and aimed at ensuring the compliance of company bodies to criteria of safe and sound management.

For the purpose of more effectively guaranteeing the representation of minority shareholders in the Board of Statutory Auditors, at the same time the Board of Directors also proposes the decrease from 2% to 1% of the quorum necessary for the presentation of the lists of nominees for the Board of Statutory Auditors, also in accordance with the indications of Assogestioni (the Italian asset managers association).

Consequently, we propose to change the following articles of the Articles of Association: 2 (Registered office), 5 (Share capital), 8, 9, 10 and 11 (General Shareholders' Meetings), 14, 18 and 19 (Board of Directors), 23 (Statutory Auditors) and introduction of a new section containing Article 31 (Recess), with consequent renumbering of the Section and of the following Article (Final considerations). All changes are indicated in the proposed text below which is presented aside the current text and accompanied by short comments on the content and motivations of each proposed change.

Current text	Proposed text
<p style="text-align: center;"><i>Article 2</i></p> <p>The Company's registered office is in <u>Piazza Paolo Ferrari 10, Milano</u>.</p> <p>Subject to authorisation in accordance with regulations in force, the Company may both establish and close down representative offices and branches both in Italy and abroad.</p>	<p style="text-align: center;"><i>Article 2</i></p> <p>The Company's registered office is in Milano.</p> <p>Subject to authorisation in accordance with regulations in force, the Company may both establish and close down representative offices and branches both in Italy and abroad.</p>

Pursuant to Art. 2328, par. 2, number 2 of the Italian Civil Code, we propose to indicate in the Articles of Association only the City where the company's registered office is located; the complete address will be present – as well as in the Company Register – in the company's deeds and correspondence, as provided for by Art. 2250 of the Italian Civil Code.

The proposed change would not require, in case of a variation of address within the same City, a modification in the Articles of Association.

Current text	Proposed text
<p style="text-align: center;"><i>Article 5</i></p> <p>Share capital amounts to 3,561,062,849.24 euro, represented by 6,848,197,787 shares with a nominal value of 0.52 euro each, comprising 5,915,707,226 ordinary shares and 932,490,561 non-convertible saving shares.</p> <p>The Extraordinary Shareholders' Meeting held on 17th December 2002 pursuant to Art. 2443 of the Italian Civil Code, delegated to the Board of Directors the power to increase share capital, one or more times, within a five-year period, for a maximum amount of 52,000,000.00 euro, via the issue of up to a maximum of 100,000,000 ordinary shares of nominal value 0.52 euro each. The new shares will be offered for subscription to employees of Banca Intesa and Subsidiary companies subject to the latter's control.</p>	<p style="text-align: center;"><i>Article 5</i></p> <p>Subscribed and paid-up share capital amounts to 3,561,062,849.24 euro, represented by 6,848,197,787 shares with a nominal value of 0.52 euro each, comprising 5,915,707,226 ordinary shares and 932,490,561 non-convertible saving shares.</p> <p>The Extraordinary Shareholders' Meeting held on 17th December 2002 pursuant to Art. 2443 of the Italian Civil Code, delegated to the Board of Directors the power to increase share capital, one or more times, within a five-year period, for a maximum amount of 52,000,000.00 euro, via the issue of up to a maximum of 100,000,000 ordinary shares of nominal value 0.52 euro each. The new shares will be offered for subscription to employees of Banca Intesa and Subsidiary companies subject to the latter's control.</p> <p>Share capital may be increased also with non-cash contributions within the limits set forth by the law.</p>

The first paragraph specifies, as set forth by Art. 2328, par. 2, number 4, of the Italian Civil Code, that share capital is subscribed and paid-up.

It is also deemed opportune to specify, pursuant to Art. 2342 of the Italian Civil Code, that share capital may also be increased via non-cash contributions.

Current text	Proposed text
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<i>Article 8</i>	<i>Article 8</i>
Without prejudice to what provided for by convocation powers contained in specific regulations, the Board of Directors may call General Shareholders' Meetings <u>as set forth in current regulations</u> to be held at the Company's Registered Office or elsewhere in Italy as provided in the convocation notice. <u>Holders of ordinary shares have the right to intervene at the Meeting provided regulations regarding right to intervene have been complied with.</u>	Without prejudice to what provided for by convocation powers contained in specific regulations, the Board of Directors may call General Shareholders' Meetings to be held at the Company's Registered office or elsewhere in Italy as provided in the convocation notice. The convocation notice must be published according to the terms set forth by the law on the Official Gazette of the Republic of Italy or on the daily newspaper Il Sole 24 Ore. The Extraordinary Shareholders' Meeting may be summoned on third call.

The Articles of Association would therefore provide for the possibility of publishing the convocation notice of the Meeting on a national daily newspaper as an alternative to publication on the Italian Official Gazette and also explicitly refer to the possibility of a third call for the extraordinary shareholders' meeting, as set forth by Art. 126 of Legislative Decree 58/1998.

The second paragraph, for consistency reasons is moved to the subsequent article, Art. 9, as set out below.

Current text	Proposed text
<i>Article 9</i>	<i>Article 9</i>
Each ordinary share confers the right to cast one vote. Shareholders may be represented by a proxy appointed in the form specified by the law. The Chairman of the General Shareholders' Meeting must verify the proxies presented.	Each ordinary share confers the right to cast one vote. Shareholders may intervene at the Shareholders' Meeting by proving their right to take part in the Meeting as provided for by current regulations; the communications of the intermediary which issued the certifications required by the law must be received by the Company within two days before the Shareholders' Meeting. Shareholders may be represented by a proxy appointed in the form specified by the law. The Chairman of the General Shareholders' Meeting must verify the regularity of the proxies presented.

As permitted by Art. 2370, par. 2, of the Italian Civil Code, the proposed term for receipt by the Company of communication by the intermediaries authorised to issue the required certification regarding share holdings is set within 2 days before the date of the Shareholders' Meeting on first call.

Current text	Proposed text
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<i>Article 10</i>	<i>Article 10</i>
<p>A General Shareholders' Meeting must be called at least once a year, no later than <u>four months</u> after the end of the accounting period.</p> <p><u>Should particular reasons justify it</u>, the General Shareholders' Meeting may be called no later than <u>six months</u> after the end of the accounting period.</p>	<p>A General Shareholders' Meeting must be called at least once a year, no later than a hundred and twenty days after the end of the accounting period.</p> <p>Should the cases provided for by the law justify it, the General Shareholders' Meeting may be called no later than a hundred and eighty days after the end of the accounting period. The Directors illustrate the reasons for the delay in their report required by Art. 2428 of the Italian Civil Code.</p>

The Articles of Association are adapted to comply with provisions set forth by Art. 2364, par. 2, of the Italian Civil Code relative to the terms of convocation of the Shareholders' Meeting called to approve the annual report and financial statements.

Current text	Proposed text
<i>Article 11</i>	<i>Article 11</i>
<p>The Chairman of the Board of Directors or his substitute, according to Art. 21 below, shall be the Chairman of the General Shareholders' Meeting.</p> <p>The Chairman of the General Shareholders' Meeting shall verify that the Meeting is constitutional and ascertain the right of Shareholders to intervene and vote, as well as regulate business and decide upon the means of voting.</p> <p>The Chairman shall be assisted by a Secretary appointed by the Shareholders present, if minutes are not required to be kept by a notary public, and if desired by two scrutineers chosen by the Chairman from those present.</p>	<p>The Chairman of the Board of Directors or his substitute, according to Art. 21 below, shall be the Chairman of the General Shareholders' Meeting.</p> <p>The Chairman of the General Shareholders' Meeting shall verify that the Meeting is constitutional and ascertain the right of Shareholders to intervene and vote, as well as direct and regulate the discussion and business and decide upon the means of voting and proclaim the relative results.</p> <p>The Chairman shall be assisted by a Secretary appointed by the Shareholders present, if minutes are not required to be kept by a notary public, and if desired by two scrutineers chosen by the Chairman from those present.</p>

The functions and responsibilities of the Chairman of the Shareholders' Meeting are specified in greater detail as provided for by Art. 2371 of the Italian Civil Code.

Current text	Proposed text
<p style="text-align: center;"><i>Article 14</i></p> <p>The Company shall be administered by a Board composed of between 15 and 25 Directors elected by the General Shareholders' Meeting.</p> <p>Directors shall remain in office, as resolved by the General Shareholders' Meeting, for a maximum of three financial years and may be re-appointed.</p> <p>The entire Board shall be dissolved with effect from the appointment of a new Board if, for whatever reason, the number of members falls to or below half of that fixed.</p>	<p style="text-align: center;"><i>Article 14</i></p> <p>The Company shall be administered by a Board composed of between 15 and 25 Directors elected by the General Shareholders' Meeting.</p> <p>Directors shall remain in office, as resolved by the General Shareholders' Meeting, for a maximum of three financial years, and expire at the date of the General Shareholders' Meeting called to approve the last financial statements of their appointment and may be re-appointed.</p> <p>The entire Board shall be dissolved with effect from the appointment of a new Board if, for whatever reason, the number of members falls to or below half of that fixed.</p>

These are the provisions relative to the duration of the appointment of Directors set forth in Art. 2383, par. 2, of the Italian Civil Code.

Current text	Proposed text
<p style="text-align: center;"><i>Article 18</i></p> <p>Save for what provided for by the provisions set forth in Art. 2389, par. <u>2</u> of the Italian Civil Code concerning the Chairman, the Deputy Chairmen and, if appointed, the Managing Directors, all Board members are entitled to an annual salary, attendance fees for Board and Committee meetings and the reimbursement of expenses incurred in the performance of their duties.</p> <p>Directors cannot receive more than one attendance fee per day.</p> <p>The level of remuneration and attendance fees shall be set by the General Shareholders' Meeting.</p>	<p style="text-align: center;"><i>Article 18</i></p> <p>Save for what provided for by the provisions set forth in Art. 2389, par. 3 of the Italian Civil Code concerning the Chairman, the Deputy Chairmen and, if appointed, the Managing Directors, all Board members are entitled to an annual salary, attendance fees for Board and Committee meetings and the reimbursement of expenses incurred in the performance of their duties.</p> <p>Directors cannot receive more than one attendance fee per day.</p> <p>The level of remuneration and attendance fees shall be set by the General Shareholders' Meeting.</p>

This change merely reflects the renumbering of the paragraphs of Art. 2389 of the Italian Civil Code (par. 3 instead of par. 2).

Current text	Proposed text
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<p style="text-align: center;"><i>Article 19</i></p> <p>The Board of Directors shall have the widest powers of ordinary and extraordinary administration, including the power to cancel or reduce mortgages also following the incomplete payment of the related loans.</p> <p>In addition to responsibilities that cannot legally be delegated, the Board of Directors has the responsibility for the following decisions:</p> <ul style="list-style-type: none"> a) determination of general operating policy; b) appointment of one or two Managing Directors and the delegation of the related powers; c) appointment of one or more General Managers, of one or more Joint General Managers, of one or more Deputy General Managers and the delegation of their related powers as proposed by the Managing Directors, if appointed; d) purchase and sale of equity investments which lead to changes in the Banking Group; e) determination of general organisational structure as well as the creation of Committees or Commissions with consultative or co-ordination functions; f) determination of criteria for the co-ordination and direction of Group companies and for the implementation of the instructions issued by the Bank of Italy. <p>The Board of Directors, working within the law and the Articles of Association, may delegate its powers to the Executive Committee or to the Managing Directors, if appointed, together with the limits of the delegated powers.</p> <p>The Board may also delegate powers, within predefined limits, to Company personnel on the basis of the functions or post held, or to Committees made up by Group companies' personnel.</p> <p>The decisions taken by delegates with regard to lending must be notified to the Executive Committee according to the means and timing fixed by the Board of Directors, and reported to the Executive Committee or the Board; the latter will in</p>	<p style="text-align: center;"><i>Article 19</i></p> <p>The Board of Directors shall have the widest powers of ordinary and extraordinary administration, including the power to cancel or reduce mortgages also following the incomplete payment of the related loans, as well as all other competencies reserved by the law or by the Articles of Association to the Board of Directors.</p> <p>In addition to responsibilities that cannot legally be delegated, the Board of Directors has the responsibility for the following decisions:</p> <ul style="list-style-type: none"> a) determination of general operating policy; b) appointment of one or two Managing Directors and the delegation of the related powers; c) appointment of one or more General Managers, of one or more Joint General Managers, of one or more Deputy General Managers and the delegation of their related powers as proposed by the Managing Directors, if appointed; d) purchase and sale of equity investments which lead to changes in the Banking Group; e) determination of general organisational structure as well as the creation of Committees or Commissions with consultative or co-ordination functions; f) determination of criteria for the co-ordination and direction of Group companies and for the implementation of the instructions issued by the Bank of Italy. <p>The resolutions on the matters listed below are also exclusively attributed to the Board of Directors, as provided for by Art. 2436 of the Italian Civil Code:</p> <ul style="list-style-type: none"> a) mergers in the cases provided for by Articles 2505 and 2505-bis of the Italian Civil Code; b) establishment or closure of secondary registered offices; c) indication of which Directors may represent the Company; d) reduction of share capital in case of recess of a shareholder;
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<p>any case be sent periodic information regarding total volumes granted.</p> <p>The Board of Directors will also determine the means and the timing according to which the most significant decisions regarding other matters taken by delegates must be notified to the Board.</p> <p>In urgent cases when the Executive Committee is unable to meet, according to Art. 20 below, the Chairman of the Board of Directors may take decisions normally made by the Board of Directors and the Executive Committee with the exception of decisions for which the Board of Directors may be exclusively responsible as set forth in this article. Should the Chairman be absent or unavailable, the Deputy Chairman who substitutes him, pursuant to Art. 21 below, or in the case of absence or unavailability of the Deputy Chairman or Chairmen, either one of the Managing Directors, if appointed, may take decisions as described above. The decisions taken must be made known at the next Meeting of the respective bodies.</p> <p>Directors must inform Statutory Auditors rapidly, and in any case at least quarterly, whenever a Board of Directors Meeting or an Executive Committee Meeting takes place or by means of a report on the development of operations and on particularly important transactions in economic, financial or capitalisation terms, carried out by the Company or by Subsidiary companies. In particular, information is supplied regarding transactions <u>with potential conflicts of interest</u>.</p>	<p>e) changes in the Articles of Association to comply with new legal provisions;</p> <p>f) transfer of the registered office to another city in Italy.</p> <p>The Board of Directors, working within the law and the Articles of Association, may delegate its powers to the Executive Committee or to the Managing Directors, if appointed, together with the limits of the delegated powers.</p> <p>The Board may also delegate powers, within predefined limits, to Company personnel on the basis of the functions or post held, or to Committees made up by Group companies' personnel.</p> <p>The decisions taken by delegates with regard to lending must be notified to the Executive Committee according to the means and timing fixed by the Board of Directors, and reported to the Executive Committee or the Board; the latter will in any case be sent periodic information regarding total volumes granted.</p> <p>The Board of Directors will also determine the means and the timing according to which the most significant decisions regarding other matters taken by delegates must be notified to the Board.</p> <p>In urgent cases when the Executive Committee is unable to meet, according to Art. 20 below, the Chairman of the Board of Directors may take decisions normally made by the Board of Directors and the Executive Committee with the exception of decisions for which the Board of Directors may be exclusively responsible as set forth in this article. Should the Chairman be absent or unavailable, the Deputy Chairman who substitutes him, pursuant to Art. 21 below, or in the case of absence or unavailability of the Deputy Chairman or Chairmen, either one of the Managing Directors, if appointed, may take decisions as described above. The decisions taken must be made known at the next Meeting of the respective bodies.</p> <p>Directors must inform Statutory Auditors rapidly, and in any case at least quarterly, whenever a Board of Directors Meeting or an Executive Committee Meeting takes place or by means of a report on the development of operations and on particularly important transactions in economic, financial or capitalisation terms, carried out by the Company or by Subsidiary companies. In particular, information is supplied regarding transactions in which Directors</p>
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	<p>have an interest, on their own behalf or on behalf of third parties.</p> <p>Again in the Board of Directors Meetings and at least quarterly the delegated bodies report to the Board of Directors and the Board of Statutory Auditors on the general development of operations, their forecasted development as well as the most significant transactions carried out by the Company and by its Subsidiaries.</p>
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The competencies of the Shareholders' Meeting set forth by par. 2 of Art 2365 of the Italian Civil Code are delegated to the Board of Directors, for the purpose of achieving a considerable simplification in the adoption in the relevant resolutions and ensuring a more efficient and flexible management of the company.

Provisions regarding the information to be provided by the delegated bodies to the Board of Directors and to the Board of Statutory Auditors are adapted to the new formulation of Art. 150 of Legislative Decree 58/1998 and integrated with the provisions set forth by Art. 2381 of the Italian Civil Code.

Current text	Proposed text
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<p style="text-align: center;"><i>Article 23</i></p> <p>The Board of Statutory Auditors is made up of five Auditors and two Alternate Auditors.</p> <p>As provided for by Ministerial Decree 162 of 30th March 2000, Statutory Auditors are chosen among candidates with professional requirements set forth in Art. 1, par. 1 of the aforementioned Ministerial Decree and in par. 2, letters a), b) and c) of Art.1. For the sole purpose of verification of professional requirements and referring to letters b) and c), it must be noted that the areas of activity closely related to those of the Company are credit, near-banking, financial and insurance.</p> <p>Save for what provided for by different unanimous resolution by the General Shareholders' Meeting, the election of Statutory Auditors shall take place on the basis of lists drawn up by shareholders according to the following rules:</p> <ul style="list-style-type: none"> a) Shareholders representing at least <u>2%</u> of ordinary share capital may submit a list of candidates listed in order of preference, by depositing it at the Company's registered office at least 10 days before the date of the Shareholders' Meeting on first call; if such conditions are not met the list will not be valid. In order to prove the holdings of the number of shares necessary to submit the list, Shareholders must include copies of the certificates for participation to the General Shareholders' Meeting; b) each Shareholder may submit and vote one list of candidates and every candidate may only take part in one list. If such conditions are not met the candidate will not be eligible; c) Shareholders which have stipulated Voting Syndicates, irrespective of the type and purpose of the agreement, may present and vote only one list; d) together with each list, and within the terms for its presentation at the Company's registered office, each candidate must deposit a 	<p style="text-align: center;"><i>Article 23</i></p> <p>The Board of Statutory Auditors is made up of five Auditors and two Alternate Auditors.</p> <p>As provided for by Ministerial Decree 162 of 30th March 2000, Statutory Auditors are chosen among candidates with professional requirements set forth in Art. 1, par. 1 of the aforementioned Ministerial Decree and in par. 2, letters a), b) and c) of Art.1. For the sole purpose of verification of professional requirements and referring to letters b) and c), it must be noted that the areas of activity closely related to those of the Company are credit, near-banking, financial and insurance.</p> <p>Save for what provided for by different unanimous resolution by the General Shareholders' Meeting, the election of Statutory Auditors shall take place on the basis of lists drawn up by shareholders according to the following rules:</p> <ul style="list-style-type: none"> a) Shareholders representing at least 1% of ordinary share capital may submit a list of candidates listed in order of preference, by depositing it at the Company's registered office at least 10 days before the date of the Shareholders' Meeting on first call; if such conditions are not met the list will not be valid. In order to prove the holdings of the number of shares necessary to submit the list, Shareholders must include copies of the certificates for participation to the General Shareholders' Meeting; b) each Shareholder may submit and vote one list of candidates and every candidate may only take part in one list. If such conditions are not met the candidate will not be eligible; c) Shareholders which have stipulated Voting Syndicates, irrespective of the type and purpose of the agreement, may present and vote only one list; d) together with each list,
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<p>declaration in which he/she accepts the candidature and declares under their responsibility that no ineligibility exceptions apply and that they meet the requirements for the office of Statutory Auditor contained in current regulations and in the Articles of Association.</p> <p>In order to elect the Board of Statutory Auditors the following procedure must be followed:</p> <p>a) three Auditors and one Alternate Auditor are chosen according to the progressive order in which they are listed in the list which has obtained the highest number of votes;</p> <p>b) the remaining two Auditors and the second Alternate Auditor are chosen from the other lists; the votes obtained for each of the lists are divided by one, two, and three. The resulting quotients are progressively assigned to the candidates of each list according to the order included in each list. The quotients attributed to the candidates of each list are registered in decreasing order in one list: the two candidates with the highest quotients are elected Auditors whereas the candidate with the third highest quotient is elected Alternate Auditor.</p> <p>Should more than one candidate have the same quotient, the candidate from a list in which no candidates have been elected shall be preferred; if no Auditors have been elected from those lists, the election will take place by means of a ballot.</p> <p>The Board of Statutory Auditors will be chaired by the candidate indicated in the first position on the list which has obtained the highest number of votes.</p> <p>Should only one list of candidates be submitted the Auditors and Alternate Auditors will all be chosen from that list.</p> <p>Should no minority list receive votes, the integration of the Board of Statutory Auditors will take place by means of a resolution passed with the majority of votes of Shareholders</p>	<p>and within the terms for its presentation at the Company's registered office, each candidate must deposit a declaration in which he/she accepts the candidature and declares under their responsibility that no ineligibility exceptions apply and that they meet the requirements for the office of Statutory Auditor contained in current regulations and in the Articles of Association.</p> <p>In order to elect the Board of Statutory Auditors the following procedure must be followed:</p> <p>a) three Auditors and one Alternate Auditor are chosen according to the progressive order in which they are listed in the list which has obtained the highest number of votes;</p> <p>b) the remaining two Auditors and the second Alternate Auditor are chosen from the other lists; the votes obtained for each of the lists are divided by one, two, and three. The resulting quotients are progressively assigned to the candidates of each list according to the order included in each list. The quotients attributed to the candidates of each list are registered in decreasing order in one list: the two candidates with the highest quotients are elected Auditors whereas the candidate with the third highest quotient is elected Alternate Auditor.</p> <p>Should more than one candidate have the same quotient, the candidate from a list in which no candidates have been elected shall be preferred; if no Auditors have been elected from those lists, the election will take place by means of a ballot.</p> <p>The Board of Statutory Auditors will be chaired by the candidate indicated in the first position on the list which has obtained the highest number of votes.</p> <p>Should only one list of candidates be submitted the Auditors and Alternate Auditors will all be chosen from that list.</p> <p>Should no minority list receive votes, the integration of the Board of Statutory Auditors will take place by means of a resolution passed with the majority of</p>
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<p>present at the Meeting.</p> <p>Should no list be submitted within the terms, the Meeting will pass a resolution with the majority of votes of Shareholders present at the Meeting.</p> <p>The Auditors from the list which has obtained the majority of votes expressed by Shareholders, will be substituted by the Alternate Auditor from the same list; in the case of substitution of an Auditor from the other lists, the Alternate Auditor elected pursuant to letter b) of the fourth paragraph of this article will take his place.</p> <p>The Meeting called to integrate the Board of Statutory Auditors as set forth in regulations will do so in accordance to the minority representation principle.</p> <p>The post of Statutory Auditor for the Company is incompatible with similar appointments in more than five other listed companies, with the exclusion of companies which are part of the banking group "Gruppo Banca Intesa".</p> <p>For this purpose each Statutory Auditor must therefore submit to the Board of Directors a declaration containing, if necessary, the mention of the resignation from incompatible posts.</p> <p>If the declaration described in the preceding paragraph is not provided within thirty days from the appointment, or as a consequence of the subsequent acceptance of posts which are incompatible, the forfeiture from the post of Statutory Auditor will automatically apply.</p> <p>The provisions set forth above in paragraphs 12, 13 and 14 do not apply to Alternate Auditors even in the periods when they are substituting the Auditors.</p> <p>Statutory Auditors remain in office for a three-year term and may be re-elected.</p> <p>The General Meeting shall also fix the annual emoluments of each Auditor for his entire period in office. In addition to the reimbursement of expenses incurred in the performance of their duties, Auditors are entitled to attendance fees for presence at Meetings of the Board of Directors and the Executive</p>	<p>votes of Shareholders present at the Meeting.</p> <p>Should no list be submitted within the terms, the Meeting will pass a resolution with the majority of votes of Shareholders present at the Meeting.</p> <p>The Auditors from the list which has obtained the majority of votes expressed by Shareholders, will be substituted by the Alternate Auditor from the same list; in the case of substitution of an Auditor from the other lists, the Alternate Auditor elected pursuant to letter b) of the fourth paragraph of this article will take his place.</p> <p>The Meeting called to integrate the Board of Statutory Auditors as set forth in regulations will do so in accordance to the minority representation principle.</p> <p>The post of Statutory Auditor for the Company is incompatible with similar appointments in more than five other listed companies, with the exclusion of companies which are part of the banking group "Gruppo Banca Intesa".</p> <p>For this purpose each Statutory Auditor must therefore submit to the Board of Directors a declaration containing, if necessary, the mention of the resignation from incompatible posts.</p> <p>If the declaration described in the preceding paragraph is not provided within thirty days from the appointment, or as a consequence of the subsequent acceptance of posts which are incompatible, the forfeiture from the post of Statutory Auditor will automatically apply.</p> <p>The provisions set forth above in paragraphs 12, 13 and 14 do not apply to Alternate Auditors even in the periods when they are substituting the Auditors.</p> <p>Statutory Auditors remain in office for a three-year term and expire at the date of the General Shareholders' Meeting called to approve the last financial statements of their appointment.</p> <p>They may be re-elected.</p> <p>The General Meeting shall also fix the annual emoluments of each Auditor for his entire period in office. In addition to the reimbursement of expenses incurred in the performance of their duties, Auditors are entitled to attendance fees for presence at Meetings of the Board of Directors and the Executive Committee. These fees will be set by the General Meeting.</p> <p>Statutory Auditors cannot receive more</p>
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<p>Committee. These fees will be set by the General Meeting.</p> <p>Statutory Auditors cannot receive more than one attendance fee per day.</p>	<p>than one attendance fee per day.</p> <p>The auditing of the financial statements is executed by an auditing company appointed as set forth by law.</p>
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For the purpose of ensuring a greater representation of minority shareholders in the Board of Statutory Auditors, the Board of Directors proposes the decrease from 2% to 1% of the quorum necessary for the presentation of the lists of nominees for the Board of Statutory Auditors, also in accordance with the indications of Assogestioni (the Italian asset managers association).

This new threshold seems to represent a sufficiently qualified participation and at the same time a fairer representation of the holdings of minority shareholders who are not part of the voting syndicate

It is also deemed opportune to explicitly state the provisions contained in Art. 2400, par. 1, of the Italian Civil Code relative to the duration of the appointment of the Statutory Auditors.

Lastly for further clarity the Board of Directors also proposes to specify that the auditing of the financial statements is executed, as set forth by law, by an auditing company.

	Proposed text (new)
	<p style="text-align: center;">Section XIV RECESS <i>Article 31</i></p> <p>Shareholders have the right of recess in the sole cases in which this right is intransgressably provided for by the law. The right of recess is excluded for shareholders who did not take part in the approval of the resolutions regarding the extension of the Company's duration and/or the introduction, change or elimination of constraints to the circulation of shares.</p>

The Board of Directors proposes to introduce a specific article (new Art. 31), regarding the right of recess, which sets forth that this exists for shareholders solely in the cases explicitly and intransgressably provided for by the law. Lastly the Board of Directors proposes, in compliance with the indications of the Bank of Italy, to exclude the right of recess for Shareholders who did not take part in the approval of the resolutions referring to the extension of the Company's duration and the introduction and or elimination of constraints to the circulation of shares. This follows from the fact that these are cases of recess that may be derogated by the Articles of Association as set forth by Art. 2437, par. 2, of the Italian Civil Code.

Milano, 11th May 2004

The Board of Directors

Articles of Association with the changes proposed to the Extraordinary Shareholders' Meeting

BANCA INTESA S.p.A.

ARTICLES OF ASSOCIATION

SECTION I

CONSTITUTION, NAME, REGISTERED OFFICE, DURATION

Article 1

The Company is called "Banca Intesa S.p.A." or, as abbreviated, even only "Intesa S.p.A."

Following the merger with Banco Ambrosiano Veneto S.p.A. (Ambroveneto S.p.A.), Cariplo-Cassa di Risparmio delle Provincie Lombarde S.p.A., Mediocredito Lombardo S.p.A. and Banca Commerciale Italiana S.p.A., the Company can use the merged companies' brands and names as brands and logos.

Article 2

The Company's registered office is in Milano.

Subject to authorisation in accordance with regulations in force, the Company may both establish and close down representative offices and branches both in Italy and abroad.

Article 3

The duration of the Company is fixed at 31st December 2100 and may be extended.

SECTION II

CORPORATE PURPOSE AND ACTIVITIES

Article 4

The purpose of the Company is to accept savings and carry out all forms of lending activities, also through Subsidiary companies. The Company may, in compliance with

regulations in force and subject to obtaining the required authorisations, provide all banking and financial services, including the creation and management of open- and closed-ended supplementary pension schemes, as well as carry out any other transactions that are necessary for, or related to, the achievement of its corporate purpose, again also through its Subsidiary companies.

As Parent Company of “Gruppo Banca Intesa” (or, as abbreviated, “Gruppo Intesa”), banking group pursuant to Art. 61 of Decree 385 of 1st September 1993, the Company issues, in its direction and co-ordination capacity, instructions to Group companies also regarding the implementation of Bank of Italy’s instructions and to ensure the stability of the Group.

SECTION III

SHARE CAPITAL

Article 5

Subscribed and paid-up share capital amounts to 3,561,062,849.24 euro, represented by 6,848,197,787 shares with a nominal value of 0.52 euro each, comprising 5,915,707,226 ordinary shares and 932,490,561 non-convertible saving shares.

The Extraordinary Shareholders’ Meeting held on 17th December 2002 pursuant to Art. 2443 of the Italian Civil Code, delegated to the Board of Directors the power to increase share capital, one or more times, within a five-year period, for a maximum amount of 52,000,000.00 euro, via the issue of up to a maximum of 100,000,000 ordinary shares of nominal value 0.52 euro each. The new shares will be offered for subscription to employees of Banca Intesa and Subsidiary companies subject to the latter’s control.

Share capital may be increased also with non-cash contributions within the limits set forth by the law.

Article 6

Shareholders are bound by the Articles of Association.

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

SECTION IV

GENERAL SHAREHOLDERS' MEETINGS

Article 7

A Shareholders' Meeting, called and constituted in accordance with the Articles of Association, is deemed to represent all Shareholders. Resolutions passed in accordance with the law and the Deed of Incorporation are binding on all Shareholders, irrespective of their attendance or agreement.

Article 8

Without prejudice to what provided for by convocation powers contained in specific regulations, the Board of Directors may call General Shareholders' Meetings to be held at the Company's Registered Office or elsewhere in Italy as provided in the convocation notice.

The convocation notice must be published according to the terms set forth by the law on the Official Gazette of the Republic of Italy or on the daily newspaper Il Sole 24 Ore. The Extraordinary Shareholders' Meeting may be summoned on third call.

Article 9

Each ordinary share confers the right to cast one vote.

Shareholders may intervene at the Shareholders' Meeting by proving their right to take part in the Meeting as provided for by current regulations; the communications of the intermediary which issued the certifications required by the law must be received by the Company within two days before the Shareholders' Meeting.

Shareholders may be represented by a proxy appointed in the form specified by law.

The Chairman of the General Shareholders' Meeting must verify the regularity of the proxies presented.

Article 10

A General Shareholders' Meeting must be called at least once a year, no later than a hundred and twenty days after the end of the accounting period.

Should the cases provided for by the law justify it, the General Shareholders' Meeting may be called no later than a hundred and eighty days after the end of the accounting period. The Directors illustrate the reasons for the delay in their report required by Art. 2428 of the Italian Civil Code.

Article 11

The Chairman of the Board of Directors or his substitute, according to Art. 21 below, shall be the Chairman of the General Shareholders' Meeting.

The Chairman of the General Shareholders' Meeting shall verify that the Meeting is constitutional and ascertain the right of Shareholders to intervene and vote, as well as direct and regulate the discussion and business and decide upon the means of voting and proclaim the relative results.

The Chairman shall be assisted by a Secretary appointed by the Shareholders present, if minutes are not required to be kept by a notary public, and if desired by two scrutineers chosen by the Chairman from those present.

Article 12

The Meeting and its resolutions shall be deemed valid if they comply with the law.

Article 13

Save for what provided for by the rules regarding the appointment of Statutory Auditors, contained in Art. 23 below, the Meeting shall appoint Directors by a simple majority of the votes cast.

A ballot will be held if two or more candidates receive equal votes.

SECTION V

BOARD OF DIRECTORS

Article 14

The Company shall be administered by a Board composed of between 15 and 25 Directors elected by the General Shareholders' Meeting.

Directors shall remain in office, as resolved by the General Shareholders' Meeting, for a maximum of three financial years, and expire at the date of the General Shareholders' Meeting called to approve the last financial statements of their appointment and may be re-appointed.

The entire Board shall be dissolved with effect from the appointment of a new Board if, for whatever reason, the number of members falls to or below half of that fixed.

Article 15

The Board, for the period of its term, shall elect a Chairman and one or more Deputy Chairmen from among its members.

The Board shall appoint an Executive Committee and may also appoint one or two Managing Directors from among its members.

Article 16

Without prejudice to what provided for by convocation powers reserved by the law to the Board of Statutory Auditors, the Chairman, or his substitute, according to Art. 21 below, shall call the Board of Directors meeting at least once every two months and in any case any time he deems necessary or whenever one fourth of the Directors in office presents a written request, containing the reasons for the meeting.

The Chairman, or his substitute, shall determine the agenda of the meeting which must be communicated to Board members and to Statutory Auditors.

The convocation notice will contain the date, the time and the place of the meeting which may not be the Company's registered office provided it is in the European Union and must be sent by any appropriate means at least four days in advance or, in the case of emergencies, at least 24 hours in advance.

The notice may also contain the indication of the places from which to participate through teleconference connection systems according to Art. 17, par. 2, below.

Article 17

The quorum for the running of Board business shall be the majority of appointed Directors. In the absence of the Chairman, Board Meetings shall be chaired by his substitute according to Art. 21 below.

Members may attend the Board of Directors' meetings by means of adequate teleconference connections, provided that all those which are eligible to take part may use this means of participation, may be identified, take part and speak when business is in process as well as receive, transmit or analyse documents. In this case the Board of Directors is considered to be held in the place in which the Chairman and the Secretary are located.

Resolutions will be passed by an absolute majority of the votes cast by show of hands of the Directors in attendance, excluding abstentions. In the case of parity, the Chairman of the Meeting will have the casting vote.

The Board will appoint a Secretary and a Deputy, who will be subject to a duty of professional secrecy. The Secretary is responsible for taking and keeping the minutes of each Meeting, which must be signed by both the Secretary and the Chairman of the Meeting.

Article 18

Save for what provided for by the provisions set forth in Art. 2389, par. 3 of the Italian Civil Code concerning the Chairman, the Deputy Chairmen and, if appointed, the Managing Directors, all Board members are entitled to an annual salary, attendance fees for Board and Committee meetings and the reimbursement of expenses incurred in the performance of their duties.

Directors cannot receive more than one attendance fee per day.

The level of remuneration and attendance fees shall be set by the General Shareholders' Meeting.

Article 19

The Board of Directors shall have the widest powers of ordinary and extraordinary administration, including the power to cancel or reduce mortgages also following the incomplete payment of the related loans, as well as all other competencies reserved by the law or by the Articles of Association to the Board of Directors.

In addition to responsibilities that cannot legally be delegated, the Board of Directors has the responsibility for the following decisions:

- a) determination of general operating policy;
- b) appointment of one or two Managing Directors and the delegation of the related powers;
- c) appointment of one or more General Managers, of one or more Joint General Managers, of one or more Deputy General Managers and the delegation of their related powers as proposed by the Managing Directors, if appointed;
- d) purchase and sale of equity investments which lead to changes in the Banking Group;
- e) determination of general organisational structure as well as the creation of Committees or Commissions with consultative or co-ordination functions;
- f) determination of criteria for the co-ordination and direction of Group companies and for the implementation of the instructions issued by the Bank of Italy.

The resolutions on the matters listed below are also exclusively attributed to the Board of Directors, as provided for by Art. 2436 of the Italian Civil Code:

- a) mergers in the cases provided for by Articles 2505 and 2505-bis of the Italian Civil Code;
- b) establishment or closure of secondary registered offices;
- c) indication of which Directors may represent the Company;
- d) reduction of share capital in case of recess of a shareholder;
- e) changes in the Articles of Association to comply with new legal provisions;
- f) transfer of the registered office to another city in Italy.

The Board of Directors, working within the law and the Articles of Association, may delegate its powers to the Executive Committee or to the Managing Directors, if appointed, together with the limits of the delegated powers.

The Board may also delegate powers, within predefined limits, to Company personnel on the basis of the functions or post held, or to Committees made up by Group companies' personnel.

The decisions taken by delegates with regard to lending must be notified to the Executive Committee according to the means and timing fixed by the Board of Directors, and reported to the Executive Committee or the Board; the latter will in any case be sent periodic information regarding total volumes granted.

The Board of Directors will also determine the means and the timing according to which the most significant decisions regarding other matters taken by delegates must be notified to the Board.

In urgent cases when the Executive Committee is unable to meet, according to Art. 20 below, the Chairman of the Board of Directors may take decisions normally made by the Board of Directors and the Executive Committee with the exception of decisions for which the Board of Directors may be exclusively responsible as set forth in this article. Should the Chairman be absent or unavailable, the Deputy Chairman who substitutes him, pursuant to Art. 21 below, or in the case of absence or unavailability of the Deputy Chairman or Chairmen, either one of the Managing Directors, if appointed, may take decisions as described above. The decisions taken must be made known at the next Meeting of the respective bodies.

Directors must inform Statutory Auditors rapidly, and in any case at least quarterly, whenever a Board of Directors Meeting or an Executive Committee Meeting takes place or by means of a report on the development of operations and on particularly important transactions in economic, financial or capitalisation terms, carried out by the Company or by Subsidiary companies. In particular, information is supplied regarding transactions in which Directors have an interest, on their own behalf or on behalf of third parties.

Again in the Board of Directors Meetings and at least quarterly the delegated bodies report to the Board of Directors and the Board of Statutory Auditors on the general development of operations, their forecasted development as well as the most significant transactions carried out by the Company and by its Subsidiaries.

SECTION VI

EXECUTIVE COMMITTEE

Article 20

The Executive Committee remains in office for a period set by the Board of Directors which also determines its powers, its responsibilities and its working methods and may change all or part of Executive Committee members.

The Executive Committee shall be composed of between 5 and 10 members, including the Chairman of the Board of Directors, who shall also be Chairman of the Committee, and the Managing Directors, if appointed.

The Board of Directors shall determine the frequency of Executive Committee Meetings.

The means of convocation of the Executive Committee are determined by the Committee itself.

In urgent cases the Committee may take decisions regarding any matter which is not exclusively reserved to the Board of Directors. Such decisions must be made known at the next Board of Directors Meeting.

The quorum necessary for the running of business by the Executive Committee shall be the majority of appointed members; voting will be carried out by show of hands and resolutions will be approved by a majority of those present, excluding abstentions.

Resolutions must be recorded in minutes which must be signed by the Chairman and by the Secretary.

The Chairman shall hold a casting vote, in case of parity.

The Secretary of the Board of Directors or, in case of absence, his substitute, shall be the Secretary of the Executive Committee.

SECTION VII

CHAIRMAN

Article 21

The Chairman of the Board of Directors has the powers set forth in the Articles of Association of the Company and is responsible for the direction and co-ordination of Company business and for the activities of the bodies in which he takes part as well as for the Managing Directors, if appointed.

Without prejudice to what provided for by provisions regarding resolutions in urgent cases set forth in Art. 19, in the case of absence or unavailability of the Chairman, his functions are carried out by the Deputy Chairman. Should there be two or more Deputy Chairmen, such functions are carried out by the Deputy Chairman with the longest uninterrupted service or, in the case of parity of service, by the eldest Deputy Chairman. If none of the Deputy Chairmen is available, either one of the Managing Directors, if appointed, shall carry out such functions. In the case of absence or unavailability of the latter, Chairman functions will be carried out by the longest serving Director present and, in the case of parity of service, by the eldest Director.

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

SECTION VIII

MANAGING DIRECTORS

Article 22

The Managing Directors, if appointed, supervise the company's management within the powers they have been delegated and according to the general guidelines resolved upon by the Board of Directors. They are responsible for personnel management and determine the operational directives which are executed by General Management.

The Managing Directors are in charge of executing the resolutions of the Board of Directors and the Executive Committee with the aid of the General Management.

SECTION IX

STATUTORY AUDITORS

Article 23

The Board of Statutory Auditors is made up of five Auditors and two Alternate Auditors.

As provided for by Ministerial Decree 162 of 30th March 2000, Statutory Auditors are chosen among candidates with professional requirements set forth in Art. 1, par. 1 of the aforementioned Ministerial Decree and in par. 2, letters a), b) and c) of Art.1. For the sole purpose of verification of professional requirements and referring to letters b) and c), it must be noted that the areas of activity closely related to those of the Company are credit, near-banking, financial and insurance.

Save for what provided for by different unanimous resolution by the General Shareholders' Meeting, the election of Statutory Auditors shall take place on the basis of lists drawn up by shareholders according to the following rules:

- a) Shareholders representing at least 1% of ordinary share capital may submit a list of candidates listed in order of preference, by depositing it at the Company's registered office at least 10 days before the date of the Shareholders' Meeting on first call; if such conditions are not met the list will not be valid. In order to prove the holdings of the number of shares necessary to submit the list, Shareholders must include copies of the certificates for participation to the General Shareholders' Meeting;
- b) each Shareholder may submit and vote one list of candidates and every candidate may only take part in one list. If such conditions are not met the candidate will not be eligible;
- c) Shareholders which have stipulated Voting Syndicates, irrespective of the type and purpose of the agreement, may present and vote only one list;

- d) together with each list, and within the terms for its presentation at the Company's registered office, each candidate must deposit a declaration in which he/she accepts the candidature and declares under their responsibility that no ineligibility exceptions apply and that they meet the requirements for the office of Statutory Auditor contained in current regulations and in the Articles of Association.

In order to elect the Board of Statutory Auditors the following procedure must be followed:

- a) three Auditors and one Alternate Auditor are chosen according to the progressive order in which they are listed in the list which has obtained the highest number of votes;
- b) the remaining two Auditors and the second Alternate Auditor are chosen from the other lists; the votes obtained for each of the lists are divided by one, two, and three. The resulting quotients are progressively assigned to the candidates of each list according to the order included in each list. The quotients attributed to the candidates of each list are registered in decreasing order in one list: the two candidates with the highest quotients are elected Auditors whereas the candidate with the third highest quotient is elected Alternate Auditor.

Should more than one candidate have the same quotient, the candidate from a list in which no candidates have been elected shall be preferred; if no Auditors have been elected from those lists, the election will take place by means of a ballot.

The Board of Statutory Auditors will be chaired by the candidate indicated in the first position on the list which has obtained the highest number of votes.

Should only one list of candidates be submitted the Auditors and Alternate Auditors will all be chosen from that list.

Should no minority list receive votes, the integration of the Board of Statutory Auditors will take place by means of a resolution passed with the majority of votes of Shareholders present at the Meeting.

Should no list be submitted within the terms, the Meeting will pass a resolution with the majority of votes of Shareholders present at the Meeting.

The Auditors from the list which has obtained the majority of votes expressed by Shareholders, will be substituted by the Alternate Auditor from the same list; in the case of substitution of an Auditor from the other lists, the Alternate Auditor elected pursuant to letter b) of the fourth paragraph of this article will take his place.

The Meeting called to integrate the Board of Statutory Auditors as set forth in regulations will do so in accordance to the minority representation principle.

The post of Statutory Auditor for the Company is incompatible with similar appointments in more than five other listed companies, with the exclusion of companies which are part of the banking group "Gruppo Banca Intesa".

For this purpose each Statutory Auditor must therefore submit to the Board of Directors a declaration containing, if necessary, the mention of the resignation from incompatible posts.

If the declaration described in the preceding paragraph is not provided within thirty days from the appointment, or as a consequence of the subsequent acceptance of posts which are incompatible, the forfeiture from the post of Statutory Auditor will automatically apply.

The provisions set forth above in paragraphs 12, 13 and 14 do not apply to Alternate Auditors even in the periods when they are substituting the Auditors.

Statutory Auditors remain in office for a three-year term and expire at the date of the General Shareholders' Meeting called to approve the last financial statements of their appointment. They may be re-elected.

The General Meeting shall also fix the annual emoluments of each Auditor for his entire period in office. In addition to the reimbursement of expenses incurred in the performance of their duties, Auditors are entitled to attendance fees for presence at Meetings of the Board of Directors and the Executive Committee. These fees will be set by the General Meeting.

Statutory Auditors cannot receive more than one attendance fee per day.

The auditing of the financial statements is executed by an auditing company appointed as set forth by law.

SECTION X

LEGAL REPRESENTATIVE, COMPANY SEAL

Article 24

The Chairman of the Board of Directors shall be the Company's legal representative in dealings with third parties and in court and he is in charge of the company seal.

The Chairman has the power to promote legal action in any judicial or administrative courts, included the power to propose legal proceedings as well as hire attorneys, with general mandates, for litigations.

If the Chairman is absent or unavailable, his substitute according to Art. 21 above, shall be the Company's legal representative, be in charge of the company seal, and have the powers set forth above.

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

The Managing Directors and the General Managers, if appointed, are in charge of the company seal and are the Company's legal representatives in the legal acts, the contracts and the documents and the correspondence in general regarding the Company; in case of absence or unavailability of the General Managers, legal representation must go to whoever substitutes them according to Art. 25 below.

The Board may, for certain legal acts and transactions, grant to third parties the power to represent the Company and the related power to sign on behalf of the Company.

The Board may authorise Company personnel to sign on behalf of the Company, normally jointly, or for the categories of legal acts specified by the Board, even singularly.

The Chairman may grant special powers to third parties, for the specific legal acts or categories of acts, contracts and documents relating to transactions decided upon

by the Company's competent bodies. A similar faculty, within the limits of delegated powers, is given to the Managing Directors and the General Managers, if appointed.

SECTION XI

GENERAL MANAGEMENT

Article 25

General Management consists of one or more General Managers and/or one or more Joint General Managers and/or one or more Deputy General Managers.

Taking account of their respective functions and responsibilities, these officers will implement the decisions taken by the Board of Directors, the Executive Committee and the Managing Directors, if appointed, as well as those taken urgently by the Chairman, pursuant to Articles 19 and 20. General Management is responsible for routine operations using the staff at its disposal.

For the exercise of its functions General Management reports to the Managing Directors.

In case of absence or unavailability of the General Managers, the latter are substituted, according to the criteria determined by the Board of Directors, by one of the Joint General Managers or, if unavailable, by one of the Deputy General Managers.

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

SECTION XII

FINANCIAL STATEMENTS - ALLOCATION OF NET INCOME

Article 26

The Company's accounting period closes on 31st December each year.

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

Article 27

Net income reported in the financial statements, minus the portion allocated to legal reserve, will be distributed as follows:

a) to non-convertible saving shares a dividend of up to 5% of the nominal value of the non-convertible saving shares.

If the dividend is less than 5% of the nominal value of the non-convertible saving shares, the difference will be added to the preferred dividend paid in the following two accounting periods;

b) retained earnings made available for distribution by the General Meeting, net of the above dividend, will be allocated to all shares so that the dividend per saving share will be 2% of nominal value of the shares higher than that per ordinary share;

c) any undistributed earnings will be allocated to the extraordinary and other reserves, without prejudice to the fact that a portion of such earnings may be used for charities and to support social and cultural activities, through the creation of a specific reserve to be used by the Board of Directors.

Article 28

Unclaimed dividends will be remitted to the Company and allocated to the extraordinary reserve after the legally established time period.

SECTION XIII

SAVING SHARES

Article 29

Saving shares, which may be in bearer form, give the power to intervene and vote in the Special Meeting of saving shares holders.

Saving shares shall be attributed privileged dividends as set forth in Art. 27.

Saving shares have the same rights as other shares should the reserves be distributed.

In the case of liquidation of the Company, saving shares shall have pre-emptive rights with regard to the reimbursement of the entire nominal value of the shares.

The reduction in share capital following losses does not include the reduction in the nominal value of saving shares with the exception of the part which exceeds the total nominal value of other shares.

In the case of exclusion from negotiations in regulated markets of the Company's ordinary or saving shares, the latter maintain their rights and characteristics, unless otherwise decided upon by the Extraordinary and Special Shareholders' Meetings.

Article 30

The Common Representative of saving shares holders is appointed for a three-year term.

The compensation of the Common Representative is fixed in 10% (ten per cent) of the compensation of the Chairman of the Board of Statutory Auditors and shall be paid by the Company. The Special Meeting can resolve upon further compensation, which will be paid from the reserve set up in order to cover expenses necessary in order to safeguard common interests.

The Common Representative has the same obligations and powers contained in regulations in force. The Chairman of the Board of Directors informs without delay the Common Representative, by means of specific communications, on Company operations which may influence the price of saving shares and in particular on proposals which the Board of Directors has resolved to submit for the approval of the Meeting regarding capital operations, mergers and spin-offs.

SECTION XIV

RECESS

Article 31

Shareholders have the right of recess in the sole cases in which this right is intransgressably provided for by the law. The right of recess is excluded for shareholders who did not take part in the approval of the resolutions regarding the extension of the Company's duration and/or the introduction, change or elimination of constraints to the circulation of shares.

SECTION XV

FINAL CONSIDERATIONS

Article 32

For matters not provided for in the Articles of Association, regulations in force apply.

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