

ENTE CASSA DI FAETANO
ARTICLES OF ASSOCIATION
updated further to the modifications proposed
by the Board of Directors
to the Shareholders' Meeting on 18th November 2007

Art. 1 - COMPANY NAME

Ente Cassa di Faetano (henceforth referred to as the "Organisation") is a non-profit-making association, with full private law capacity and full statutory and management independence, governed by the law, general provisions on legal entities and the present Articles of Association. It remains from the transfer by Cassa Rurale di Depositi e Prestiti di Faetano, established on 20th December 1920, legally recognised by the Grand and General Council by a decree dated 15th February 1921 and subsequently named Banca di San Marino S.c.a.r.l. (henceforth referred to as "Banca di San Marino"), of the banking activity of a joint-stock company (henceforth referred to as the "Banking Company") with minutes drawn up by the lawyer Giuseppe Lonfernini, executing the deliberation taken by the Shareholders' Meeting on 28th January 2001, all of the above in full compliance with law no. 130 dated 29th November 1995.

Art. 2 - OFFICES AND DURATION

The registered offices of the Organisation are in the Republic of San Marino at 48, Strada della Croce, Faetano and it has an unlimited duration.

Art. 3 - PURPOSE

In particular and primarily with reference to the territory of the Republic of San Marino, the Organisation pursues its charitable objectives in the sectors, amongst others, of culture, art, education, sports activities, economic development, health, scientific research and protection of the weakest categories in society, through initiatives considered best suited to fulfilling this purpose. Furthermore, the Organisation aims to favour development in the fields of agriculture, crafts, commerce, tourism and industry, as well as in the field of cooperation in the Republic of San Marino.

The Organisation can collaborate with other bodies or organisations with similar objectives, even through shareholdings in Italian and international institutions or organisations, in both the public and private sectors.

Further to regulations approved by the Shareholders' Meeting, we hereby define the criteria for carrying out interventions by the Organisation in the sectors indicated in the first paragraph of the present article, as well as guidelines for the three-year programme drafted by the Board of Directors. The Organisation manages its own assets, including the shareholding held in the Banking Company into which the banking activity was transferred, in compliance with previous Art. 1. The Organisation can carry out any financial, commercial, movable and immovable operation permitted by existing laws and the present Articles of Association. This does not include the direct running of a banking enterprise or having shareholdings in the capital of banking or financial companies other than the Banking Company.

Shareholdings in companies operating in sectors other than those indicated in the present paragraph can be assumed when they are instrumental to pursuit of the institutional purpose. In order to achieve the purposes of the present article, the Organisation can assume management of public services in the form of concessions or franchises. The Organisation can have its own employees and its organisation chart is established by the Board of Directors.

Art. 4 - ASSETS

The assets of the Organisation consist in company shares and its own assets and shareholdings in the Banking Company. The said assets normally increase by effect of any operating surpluses not allocated in favour of third parties and any donations received and allocated to increasing assets. In no case can the Organisation's share in the Banking Company be less than 51% of partnership capital. In the cases provided for by Art. 2.1, paragraph 2 of law no. 130 dated 29th November 1995, the Organisation will set up a reserve fund, with the aim of undersigning increases in capital in the Banking Company, as well as the purchase of shares in the Banking Company itself. In order to carry out its activities and achieve its institutional purpose, the Organisation can use:

- a) Any proceeds and income deriving from the management of its own assets, minus operating costs and any other costs provided for by the law or the Articles of Association.
- b) Any operating surpluses and donations not allocated to increasing assets.
- c) Any extraordinary proceeds not allocated to increasing assets.

Proceeds deriving from the transfer of shares in the Banking Company must be used according to the criteria of diversification of investment, in order to safeguard the economic value of the assets, save

compliance with Art. 2.1 of law no. 130 dated 29th November 1995. The assets of the Organisation are bound to pursuit of the statutory purposes and management of the same must be conducted in such a way as to retain their value over time and obtain appropriate profitability, even through the diversification of investment. Asset management can be entrusted to specialists, either totally or in part. Shareholders do not have any rights either on the assets or on the profits of the Organisation.

Art. 5 - ORGANS

The Organisation's organs are:

- The Shareholders' Meeting
- The Board of Directors
- The Chairman
- The Board of Statutory Auditors.

Art. 6 - SHAREHOLDERS

Shareholders in Banca di San Marino on the date of the transformation represent the historical and legal continuity of the Organisation with the original institute and the cause of forfeiture mentioned in paragraph 5 b) below does not apply to them. The position of shareholder is acquired by deliberation of the Board of Directors, which also establishes the amount of the shareholding.

The maximum number of shareholders is 500 (five hundred).

Shareholders must be chosen from natural persons who represent the economic reality and social context of the Republic of San Marino and preferably amongst representatives of the sectors the activities of the Organisation focus on.

The following cannot be appointed shareholders:

- a) Those against whom there are overt acts pending due to breach of their obligations towards the Organisation and/or companies directly or indirectly associated with the same or those who have lawsuits pending with the same or have caused damages or losses to the same.
- b) Employees of bodies or companies either directly or indirectly controlled by the above. The position of shareholder, which is personal and non-transferable, is lost by forfeiture or due to resignation.

Following a declaration by the Board of Directors, the position of Shareholder is forfeited by:

- a) Anyone who has been debarred or incapacitated or has lost, for any reason whatsoever, full civil capacity.
- b) Anyone to whom the conditions provided for in letter a) and b) of paragraph 4 above apply.
- c) Anyone who has a definitive conviction for a non-culpable crime with the penalty of imprisonment for a period of not less than two years.
- d) Anyone against whom the judicial concurrence of creditors or bankruptcy has been declared.

Anyone who has not participated in three consecutive Shareholders' Meetings, without a just cause, can also be declared in forfeiture.

Forfeiture of the position of Shareholder is pronounced by the Board of Directors. Any resignations will become effective from the date of receipt of the relevant written communication of the same. Any Shareholders who have forfeited their rights or have resigned cannot be re-elected.

The following constitute cause for suspension:

- a) Conviction with suspended sentence that damages the reputation of the Shareholder.
- b) Temporary disqualification from holding public offices; in this case, suspension applies for the entire duration of disqualification.
- c) Application of a personal security measure; in this case, suspension applies for the entire duration of the measure applied.

Art. 7 - SHAREHOLDERS' MEETING

The Shareholders' Meeting deliberates on the:

- Provisions that govern its functioning.
- Appointment and revocation of members of the Board of Directors.
- Appointment and revocation for just cause of the members of the Board of Statutory Auditors.
- Statutory modifications proposed by the Board of Directors.
- Items subjected to the review of the Board of Directors.
- Approval of the annual final balance sheet.
- Proposition of proceedings of liability against members of the Board of Directors or the Board of Statutory Auditors.

- Approval and modifications to the regulations mentioned in Art. 3, paragraph 3 of the present Articles of Association.
- Determination of annual remunerations and attendance allowances for the Chairman, Vice-Chairman and members of the Board of Directors and the Board of Statutory Auditors.
- Winding-up, transformation or merger of the Organisation and subsequent decisions.

Art. 8 - CONVOCACTION AND COSTITUION OF THE SHAREHOLDERS' MEETING

The Shareholders' Meeting must be convened by the Chairman, following a deliberation by the Board of Directors, at least once a year by 31st May, in time for approval of the final balance sheet and the obligations relevant to the same. It can also be convened following an initiative of the Board of Directors when it is deemed necessary or when a justified request is made to the same by at least a quarter of the shareholders or the Board of Statutory Auditors. Should convocation of the Shareholders' Meeting not be provided for, each shareholder can request the Chief Judge of the Single Court to arrange convocation of the said meeting and appoint a person to chair it.

Shareholders' Meetings are convened by way of "ad valvas" notice published at the Single Court at least twenty days prior to the date set for the meeting and via the other communication means the Council considers it necessary to adopt. Notice must contain a list of the topics to be dealt with and information regarding the date, time and place of the first and second convocation of the meeting. The second convocation can be held on the same day set for the first, providing it is held at least an hour later. The venue of the meeting must be in the territory of the Republic of San Marino. The Shareholders' Meeting is validly constituted when, in the first convocation, a number of shareholders equal to at least half plus one of the total is present or represented and, in the second convocation, when at least an eighth of the total number is present or represented. Shareholders who are members of the Board of Directors or the Board of Statutory Auditors cannot vote in deliberations concerning their own responsibility. Each shareholder can be represented by another shareholder via written proxy. No shareholder can hold more than two proxies.

Art. 9 - DELIBERATIONS OF THE SHAREHOLDERS' MEETING

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or in the event of the absence or impediment of the same, by whoever replaces the same in compliance with the Articles of Association or, in the event of the absence or impediment of the latter, by the person appointed by those present. Each shareholder has the right to a single vote. Save cases in which a qualified majority is provided for, the Shareholders' Meeting deliberate by the absolute majority of voters. For appointments to company positions, each shareholder has as many votes as there are subjects to appoint. Those elected and appointed to cover company positions will be those who have received the majority of votes, providing they have received the favourable vote of at least a third of voting shareholders.

In deliberations concerning the winding-up, transformation or merger of the Organisation, decisions are taken by the Shareholders' Meeting with a majority of two thirds of voters who represent at least half plus one of existing shareholders. Calculation of the voters will not take into consideration those who have abstained from voting. In open voting, in the event of a tie the vote of whoever chairs the Shareholders' Meeting will prevail. Votes that concern people will be held via secret ballot, save when the Shareholders' Meeting unanimously establishes another form of voting. Save in the event of appointment to company positions, in secret ballots, proposals that have obtained the favourable vote of half the voters will be considered rejected. Any vote counters are appointed by the Chairman from amongst the shareholders as is a Secretary, who may even be a non-shareholder. The task of the latter is to draw up the minutes and sign them along with the Chairman of the Shareholders' Meeting.

Art. 10 - BOARD OF DIRECTORS

The Board of Directors consists of the Chairman and eight board members appointed by the Shareholders' Meeting from amongst its members, preferably subjects who have matured proven experience in the sectors the Organisation focuses on and providing they are have the necessary requisites provided for by Art. 1 of law no. 47/2006 (integrations and modifications). Members of the Board of Directors remain in office for three years and can only be re-elected twice. For the purpose of this calculation, appointment to other positions in the company is also considered. At the end of the third consecutive mandate, the same cannot be appointed again nor can they assume other positions in the company until at least three years have passed since the end of their term.

In the event in which, for any reason whatsoever, one or more members of the Board of Directors cannot continue the mandate the first non-elected candidates, who in the Shareholders' Meeting to appoint members of the Board obtained the greatest number votes, will be asked to replace them. Members thus appointed remain in office until the next Shareholders' Meeting. In the absence of non-elected candidates, the Shareholders' Meeting will be convened without delay to provide for their replacement.

The term of office of any members appointed to replace those who have died, resigned or left for any other cause, will last for a period corresponding to the remaining duration of other members. This replacement appointment is not calculated for the purposes of re-election. Members of the board who have forfeited their position remain until their respective replacements take office, in compliance with existing legal provisions. The Board of Directors elects a Vice-Chairman from amongst its members for a term of three years. The latter can be revoked by the Board of Directors and cannot be re-elected to the same office more than twice consecutively. Anyone who should lose their position of shareholder cannot be a member of the Board of Directors and if appointed, must immediately forfeit the position. Any Board Members against whom proceedings of liability have been deliberated also forfeit their position do any Board Members who, without just cause, do not participate in three consecutive meetings of the Board of Directors. In the event of forfeiture, a Board Member cannot be reappointed for a period of three years from the date of the declaration of forfeiture. The forfeiture of Board Members is declared by the Board of Directors, which assumes the necessary initiatives to replace the same.

Art. 11 - BOARD OF DIRECTORS MEETINGS

The Board of Directors is convened at the offices of the Organisation, or any other place on the territory of the Republic of San Marino, by the Chairman who determines the agenda. It should be convened at least once a month and any time it is deemed necessary. The Board of Directors can also be convened by at least three Board Members or by the Board of Statutory Auditors, indicating the agenda. Notice of convocation must be sent, at least five days prior to the date set, to the members of the Board of Directors and the Board of Statutory Auditors. In the event of a particular urgency, meetings can be convened by telegram or by any other means that guarantees proof of forwarding (for example, by fax or e-mail with confirmation of receipt), providing at least two days notice. The presence of the majority of serving members is requested for meetings of the Board of Directors to be valid. Meetings are chaired by the Chairman or, in the event of absence or impediment, by the Vice-Chairman. In the event of the absence or impediment of both, it will be chaired by the most senior Board Member. The most senior Board Member is the member who has been a member of the Board of Directors for the longest time without interruption. In the event of contemporary appointment, the most senior in terms of age prevails.

Art. 12 - DELIBERATIONS OF THE BOARD OF DIRECTORS

For deliberations to be valid, the absolute majority of votes of those present are requested. In the event of a tie, the vote of the Chairman prevails. When votes concern people, the Chairman arranges for voting via secret ballot. In this event, the proposal that has received the favourable vote of half of those present will be considered rejected. Minutes of the meeting will be drawn up by whoever carries out the function of Secretary and will be signed by the same and whoever chairs the meeting.

Art. 13 - POWERS OF THE BOARD OF DIRECTORS

Within the limits of legal provisions and the Articles of Association, the Board of Directors performs all actions of ordinary and extraordinary administration and in any case, all those not reserved to other organs within the Organisation.

Art. 14 - CHAIRMAN

The Chairman has the legal representation of the Organisation, convenes and chairs the Shareholders' Meeting, the Board of Directors and any commissions constituted. Unless otherwise established by an institutive measure of the commission, the Chairman's tasks include guiding and coordinating the auditing organs and supervises the general state of business of the Organisation, as well as the execution of the deliberations of the said organs and achievement of the institutional objectives. In situations of extraordinary necessity or urgency, the Chairman adopts the measures that fall under are the competence of the Board of Directors, reporting to the latter in the first available meeting. In the event of the absence or impediment of the Chairman, the same functions are fulfilled by the Vice-Chairman or in the event of the absence or impediment of the same, by the most senior Board Member. Before third parties, the signature of whoever replaces the Chairman constitutes proof the absence or impediment of the same and the order of whomever should have replaced him. From time to time and for single acts, the Chairman can appoint a proxy to replace him or her in representing the Organisation.

Art. 15 - BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors consists of three permanent and two temporary auditors elected by the Shareholders' Meeting. Auditors are chosen amongst experts in the administrative and accounting field and in possession of the requisites provided for by Art. 1 of law no. 47/2006 (integrations and modifications). The functions of Chairman of the Board of Statutory Auditors will be assumed by the auditor who receives the majority of votes. In the event of a tie the oldest serving member prevails or in

the event of contemporary appointment, the oldest in terms of age prevails. Auditors remain in office for three years and can only be re-elected twice consecutively. For calculation purposes, appointment to other positions in the company is also taken into consideration. At the end of the third consecutive term, they cannot be appointed again or assume other positions in the company until at least three years have passed from the end of their term of office. In the event that one of the members of the Board of Statutory Auditors cannot continue the mandate, for any reason whatsoever, the same will be replaced by the temporary auditor who received most votes. The same remains in office until the first Shareholders' Meeting. Members of the Board of Statutory Auditors who have forfeited their role remain until their respective replacements take up office.

The position of auditor is forfeited by anyone against whom proceedings of liability have been deliberated or any auditor who, without just cause, is absent from three consecutive meetings of the Board of Statutory Auditors. In the event of forfeiture, an auditor cannot be reappointed for a period of three years from the date of declaration of forfeiture. The Board of Statutory Auditors audits the administration of the Organisation, supervises compliance with the law and the Articles of Association and ascertains correct company book-keeping. Deliberations by the Board of Statutory Auditors are decided by an absolute majority of the members. Minutes are drawn up for meetings of the Board of Statutory Auditors and signed by all those present. Auditors intervene in Shareholders' Meetings and meetings of the Board of Directors. The Board of Statutory Auditors draws up a special report on the final balance sheet and the activities of the Organisation.

Art. 16 - REMUNERATION

The Chairman, Vice-Chairman and Members of the Board of Directors and Board of Statutory Auditors are due an annual remuneration, as well as an attendance allowance every time they take part in meetings of the Board of Directors or the Board of Statutory Auditors. The amount of the annual remuneration and the attendance allowance are determined annually by the Shareholders' Meeting. It is the faculty of the Board of Directors to establish the fees to be paid for commission meetings and the methods for paying any refunds for activities involved in carrying out their respective functions.

Art. 17 - INCOMPATIBILITY

As well as provisions regarding incompatibility dictated by the law, the Supervisory Authorities and the present Articles of Association, the following cannot be elected to the position of Board Member or Statutory Auditor:

- a) Anyone linked by marriage or who are related to each other and/or similar, up to the second level of kinship.
- b) Employees of the Organisation or anyone linked by a continuative employer-employee relationship, as well as anyone linked to the same by marriage or who are related to each other and/or similar, up to the second level of kinship.
- c) Anyone covering positions in companies controlled, either directly or indirectly, by the Organisation.
- d) Employees, managers or auditors in credit institutes or finance companies or bodies whose activity is in competition with that of the Banking Company associated with the Organisation or enterprises controlled by the same.

Members of each organ are obliged to immediately communicate any existing causes of incompatibility or any that should occur following their appointment. The position is forfeited by anyone who should incur in causes of incompatibility that are not addressed and solved within thirty days of their occurrence. In the first meeting following each appointment, the Board of Directors and the Board of Statutory Auditors check the existence, amongst their members, of the requisites for being part of the same organ.

Art. 18 - BALANCE SHEET

The financial year begins on 1st January and closes on 31st December. The draft final balance sheet is approved by the Board of Directors and transmitted to the Board of Statutory Auditors at least fifteen days prior to the date set for the Shareholders' Meeting called to approve it. The draft balance sheet, along with the report by the Board of Directors and the Board of Statutory Auditors, must be registered at the offices of the Organisation during the eight days prior to the Shareholders' Meeting called to approve it. The final balance sheet is structured in such a way to provide a clear representation of the assets of the Organisation and its economic-financial situation. The Board of Directors report that accompanies the balance sheet must also illustrate allocation and investment policies, with particular reference to maintaining the substantial economic integrity of the assets of the Organisation. Once approved by the Shareholders' Meeting, the Chairman of the Board of Directors is responsible for sending the balance sheet, along with its relevant attachments, to the Supervisory Division of the Central Bank within thirty days.

Art. 19 - SUPERVISION

The Organisation is subject to the supervision and audit of the Supervisory Division of the Central Bank of the Republic of San Marino.

Art. 20 - ANNUAL REPORT ON THE ACTIVITIES OF THE ORGANISATION

Attached to the final annual balance sheet, the Board of Directors draws up a detailed report on the activities carried out by the Organisation and its assets and liabilities.

Art. 21 - WINDING-UP

The Organisation is wound-up further to a deliberation by the Shareholders' Meeting, following a proposal by the Board of Directors. Winding-up will be carried out by one or more official receivers appointed by the Shareholders' Meeting. Any residual assets resulting from the final liquidation balance sheet will be allocated, subject to a deliberation by the Shareholders' Meeting, to bodies that pursue charitable and/or assistance objectives; in other words, objectives that are identical or similar to those of the Organisation and that carry out their activities mainly in the Republic of San Marino.