

ARTICLES OF ASSOCIATION
of the
ASSICURAZIONI GENERALI

AS APPROVED BY THE
GENERAL MEETING OF SHAREHOLDERS
ON APRIL 25th 1930

TRIESTE



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SECTION I.

Name, Seat, Objects and Duration.

Art. 1. The Company limited by shares, named

Assicurazioni Generali,

founded under a Memorandum of Association dated December 26th 1831, is governed by the following Articles of Association.

Att. 2. The name of the Company, in languages other than Italian, has been fixed as hereinafter set forth, either in a literal translation or in such versions as the usage of the various countries or the necessity for distinguishing the Company from others have rendered appropriate.

The Company in thus named :

in French: Assurances Générales de Trieste & Venise

in English: The General Insurance Company Ltd. of Trieste & Venice

in German: Allgemeine Assekuranz in Triest

in Spanish: Seguros Generales de Trieste y Venecia

in Greek: Γενικαί Ασφάλειαι ἐν Τεργέστη

in Roumanian: Asigurări Generale în Triest

in Czecho-Slovakian: Všeobecná pojišťovna v Terstu



- in Serbian: Свеопће Осигурање у Трсту
in Croatian: Sveopće Osiguranje u Trstu
in Slovenian: Občna zavarovalnica v Trstu
in Bulgarian: Генерално Застрахователно Дружество в Триест
in Polish: Powszechna Asekuracja w Tryeście
in Russian: Генеральное Страхование Триеста, Акц. Об-во
in Hungarian: Triesti Általános Biztosító Társulat
in Arabian: شركة التأمين العمومية في تريستا
in Turkish: Assikurazioni Cenerali Triyeste
in Hebrew: אחריות כללית - טריסט
in Armenian: ընդհանուր ապահովագրության ընդհանուր ընկերություն
in Dutch: Algemeene Verzekering Maatschappij van Trieste
in Flemish: Algemeene Verzekeringsmaatschappij van Trieste
in Albanian: Sugurime të Pergjithshme Triesht
in Portuguese: Seguros Geraes de Trieste e Veneza
in Chinese: 脱利新脱及佛尼新保有限公司

Art. 3. The Company has its seat and its Central Head Office in Trieste, with a Head Office in Venice and another in Rome. It has and may hereafter establish other Head Offices, Seats, Branches, Offices or Agencies at other places in Italy or abroad.

Art. 4. The object of the Company is to engage, both in Italy and abroad, in all branches of insurance business permissible under the Law, both by way of direct underwriting and by reinsurance or retrocession. The Company shall be authorised to acquire a shareholding or treaty interest in other companies and enterprises having similar objects and to represent or manage them.

The Company may further undertake capitalisation and savings operations, assuming the obligation to effect payments or to deliver bonds of the classes enumerated in Art. 15.A) Nos. 1 and 2, against payment which may also be made in instalments, and it may, on the basis of special regulations, take over the administration of

foundations and estates for account of third parties, whether individuals or corporate bodies, whether working on a mutual basis or not.

Art. 5. The administration of the Company is divided into two Sections, A and B.

Section A comprises all the business of the Company except that appertaining to Section B.

Section B comprises Life Insurance and Reinsurance, the assurance of Life Annuities, of old age and invalid pensions, and all the operations mentioned in Para. 2 of Art. 4.

Within the limits of the present article and after consulting the General Board, the Board of Directors may determine the commencement or termination of any particular class of business.

Art. 6. The duration of the Company shall be until December 31st 2031, and may be extended upon resolution of a General Meeting without the right of withdrawal for dissentient shareholders.

Art. 7. Official publications of the Company shall be legally made if inserted in the Official Gazette of the Kingdom of Italy, unless otherwise provided by the law or by these Articles of Association.

SECTION II.

Share Capital, Shares and Shareholders' Rights.

Investment of Assets.

Art. 8. The capital of the Company is Lire 60.000.000.— fully paid, divided into 120.000 nominative shares of Lire 500 each, in single or multiple certificates. The shares must be signed by two members of the Board of Directors.

In case of future increases of capital, the procedure for the issue of new shares and particularly the time and the price of issue shall be determined by a General Meeting, which may authorise the Board of Directors to decide upon the matter after consulting the General Board.

The excess value obtained by the issue of new shares at a price higher than the nominal value thereof, shall be assigned to the Company's reserve funds in such manner as may be directed by the General Meeting, after deduction of corresponding expenditure.

Art. 9. One half of the Capital is allotted to Section A and the other to Section B.

The assets of one Section may not be assigned for purposes of the other.

Art. 10. The Company's shares are issued to a specified name of one holder only and may not be subdivided. They may be transferred or subjected to real bonds in accordance with the law. Such transfers and bonds are binding upon the Company only if they have been approved by the Board of Directors and registered in the Company's books. In the event of the Board of Directors refusing to approve, it shall designate the name of a purchaser to take over the shares at current prices.

The Company has the right, but not the duty, to investigate the legality of title of any application for such registration.

In case of the death of a shareholder, his heirs or successors shall arrange for due transfer of the single shares to one only name. The Board of Directors may suspend payment of dividends and super-dividends until such transfer has been effected.

Art. 11. In the event of share-certificates being stolen, mislaid or destroyed, the Company will issue a duplicate thereof upon completion by the shareholder of amortization proceedings.

Art. 12. Shareholders are not obliged to refund dividends and super-dividends distributed in pursuance to resolutions passed by a General Meeting.

Art. 13. In case of the transfer of shares to a third party by a shareholder, who is a debtor to the Company, the Company is entitled not to approve the transfer and to withhold dividends and super-dividends until its claim has been satisfied.

Art. 14. Shareholders participate in the Company's total assets and profits in proportion to the number of shares in their possession.

The ownership and registration of the shares constitute, as such, an act of full acceptance by the Shareholder of the Articles of Association and the decisions of the Company, and imply the choice of legal residence at the Company's Head Office for the purpose of all relations, judiciary or extra-judiciary, which the Shareholder, as such, may have with the Company.

The Shareholders or their successors may not bring actions aiming at the sequestration of the Company's property, nor may they demand the division or sale thereof, or directly interfere in the management; the Balance Sheet of the Company and the decisions taken by the General Meeting or by other organs of the Company in accordance with their respective powers shall be exclusively valid and binding upon them.

Art. 15. A) The technical reserves of Section A and all the assets of Section B shall be invested as follows:

- 1) in Bonds issued or guaranteed by the Government, or by Provinces or Municipalities;
- 2) in Bonds issued by institutions authorised to undertake Land Credit Operations in the Kingdom of Italy;
- 3) in Purchases, by transfer or subrogation, of Annuities due from the Government;
- 4) in House Property situate in the Kingdom of Italy;
- 5) in Loans with First Mortgages on Real Estate situate in the Kingdom of Italy, for amounts not exceeding one half of the value of such property;
- 6) in Loans on the Company's Life Insurance Policies within the limits of the mathematical reserves;
- 7) in Cash Deposits with the «Cassa di Depositi & Prestiti», with the Banks of Issue, Credit or Savings Banks in the Kingdom of Italy;
- 8) in Bills discountable at the Banks of Issue;

9) in Loans against pledge of the Securities enumerated sub 1) and 2) above, of not more than 80 % of their market value and in no case more than the minimal net price of redemption if redeemable;

10) in other investments sanctioned by the current Laws dealing with the matter.

B) For the investment of technical reserves in respect of insurances concluded abroad the Laws of the respective countries shall obtain; in the absence of such Laws the provisions of A) of the present Article shall apply analogically.

C) Further assets of Section A may also be invested in such other manner as the Board of Directors of the Company may consider advisable and which correspond to the requirements of the necessary prudence.

SECTION III.

Administration of the Company.

A) General Meeting.

Art. 16. The General Meeting represents all the Shareholders; resolutions passed by it in accordance with the terms of the Articles of Association are binding on all the Shareholders, including those absent or dissentient, and are likewise binding upon the Company's Administration.

General Meetings shall be either Ordinary or Extraordinary. They shall be held at Trieste. In exceptional cases the Board of Directors may however call a General Meeting also at other places in Italy. The Ordinary General Meeting, at which the Balance Sheet and the Report on the Company's business are submitted to the Shareholders, shall take place within the first six months of each year.

Art. 17. Subject to the rights of the General Board as set forth by Art. 40, paragraph «m», all General Meetings shall be summoned by the Board of Directors.

Extraordinary General Meetings shall be called by the Board of Directors within one month whenever

applied for by as many shareholders as possess registered share-holding amounting to at least one fifth of the Company's capital, subject to their having been entered in the Company's books at least one month prior to such application, and provided that mention is made in the application of the subjects which it is intended to bring before the Meeting.

Art. 18. Summonses for Meetings must be made by a notice to be published in the Official Gazette of the Kingdom of Italy at least fifteen days before the date of the Meeting.

It is customary for the Company to address also a special invitation to each shareholder at the address which he has entered in the Company's books.

The order of the day for an Ordinary General Meeting shall include all subjects brought up by one or more shareholders to the Board of Directors in Trieste within the month of February of each year, provided that the shares owned by such shareholders and registered in the Company's books for at least one month shall not be less than one fifth of the Company's capital.

The General Meeting shall not have power to adopt resolutions on subjects which have not been mentioned in the Summons for the Meeting.

Art. 19. Shareholders are entitled to attend in person at General Meetings or to be represented by another Shareholder; provided that they have been inscribed in the Company's registers at least one month before the date of the General Meeting.

Persons under guardianship or curatorship and Corporate Bodies shall attend General Meetings and shall, as the case may be, vote through their legal or statutory representatives, who need not themselves be Shareholders, or with the assistance of the curator.

The register of Shareholders entitled to attend the General Meetings is open to inspection by Shareholders at the Head Offices in Trieste and Venice during the six days preceding the General Meeting. Powers of Attorney

for representation of Shareholders at a General Meeting shall be presented and deposited at the Central Head Office not later than noon on the day before the General Meeting; after expiry of such term they are no longer admitted.

Art. 20. Each share entitles the holder to one vote. Each separate Shareholder may exercise his right to vote, either personally or by proxy, only in respect of such shares as are registered in his name in the Company's books at least one month prior to the date of the Meeting.

Art. 21. The General Meeting shall be presided over by the Chairman of the Board of Directors (Article 27).

In case of absence of the Chairman, or of his inability to attend, the General Meeting shall be presided over by such member of the Board of Directors as the latter shall have designated, or, in the absence of such designation, by the oldest member of the Board in point of seniority of service and if several have been elected simultaneously, by the senior in years amongst them. Seniority of service shall be reckoned as from original election to the Board.

Art. 22. The Ordinary General Meeting shall be competent to deal with the following matters:

- a) decisions concerning the Annual Balance Sheets, to be discussed on the basis of the report and the proposals put forward by the Board of Directors and by the General Board.
- b) decisions concerning destination of the net profits, except in so far as otherwise provided by Article 49 of these Articles.
- c) election of members to the Board of Directors and to the General Board and of Auditors and Deputy Auditors.

Members of the Board shall not participate in the voting on matters indicated sub a), but for the purpose of determining the presence of a quorum at a General Meeting, the shares owned or represented by them shall be taken into consideration.

Art. 23. The following further matters fall under the competence of the General Meeting:

- a) modification of the Articles of Association;
- b) increase or reduction of the Company's Share-Capital;
- c) suppression of one of the two Sections (Article 5) by amalgamation with another Company;
- d) suppression of a Section;
- e) the Company's amalgamation with another Company;
- f) dissolution of the Company;
- g) appointment of liquidators and fixation of their remuneration;
- h) procedure for the liquidation of the Company.

Art. 24. A General Meeting shall be legally constituted if at least one half of the capital is represented and its resolutions shall be binding upon the Company and the Shareholders if passed by simple majority; proposals which obtain an equal number of votes shall be considered to have been rejected.

For the decisions sub *a*), *b*), *e*) and *f*) of the preceding Article at least two thirds of the capital shall be represented and such decisions shall be approved by at least two thirds of the votes.

In ascertaining the number of votes, account shall be taken of the votes of abstaining Shareholders only in the case of resolutions upon subjects *a*), *b*), *e*) and *f*) of the preceding article; for the purpose of all other resolutions no account shall be taken of abstainers.

If at a General Meeting, convened to discuss the items enumerated sub *a*), *b*), *e*) and *f*) of the preceding Article, the shares represented do not amount to two thirds of the capital, a new General Meeting shall be held for the same purpose after an interval of at least fifteen days as from the General Meeting which was dissolved. The resolutions passed by such second General Meeting shall be valid if at least one half of the capital is represented and if such resolutions are passed by a majority of at least two thirds of the votes.

Should the necessary number of shares not be represented at such second General Meeting a new General Meeting shall be held after the expiry of at least another ten days, and its resolutions shall be valid even though passed by a simple majority and without regard to the proportion of capital represented.

The same shall apply to any second General Meeting, convened to discuss any other of the items named in Articles 22 and 23, if at the first General Meeting the number of shares represented does not reach at least one half of the capital.

Art. 25. Resolutions shall as a rule be passed by show of hands, due account being taken of the number of votes to which each shareholder is entitled. In case of doubt or if either the Chairman of the Meeting or ten Shareholders shall so require, the Shareholders present shall be called upon by name, to record their votes.

Voting as regards the election of the Company's offices shall take place by secret poll unless it is unanimously decided to do so by open votes.

If the first poll does not result in an absolute majority for all names, a new poll shall be held in respect of those who received the greatest number of votes at the first poll, two nominees being put in ballot for election for each office in question. In the ballot thus limited, an absolute majority shall be decisive. If two nominees obtain an equal number of votes, the candidate holding the greater number of shares shall be considered elected. In case of equality, a decision shall be taken by drawing lots.

Art. 26. As soon as the General Meeting is opened, its Chairman shall appoint two scrutinizers from amongst the Shareholders present at the Meeting, and shall also nominate a Secretary for drawing the Minutes of the Meeting. The scrutinizers shall verify the polling and sign the Minutes of the Meeting together with the Chairman and the Secretary.

B) Board of Directors.

Art. 27. The Board of Directors (Consiglio Direttivo) shall administer the affairs of the Company. It shall consist of not less than 9 and not more than 15 members, elected by the General Meeting, and of the General Managers. Before proceeding with the election of the members of the Board of Directors, the General Meeting shall decide as to their number within the above specified limits.

The Board shall elect its Chairman from amongst its Members.

Members of the Board appointed by the General Meeting shall be elected for three years and shall retire after the resolutions of the General Meeting on the last balance sheet of such triennial period.

If, for any reason whatsoever, any member of the Board should retire before the expiry of his term of office, the General Board may, at the suggestion of the Board of Directors, replace the retiring Member by a provisional appointment which shall be valid until the following Ordinary General Meeting. The latter shall then proceed with additional elections in respect of the unexpired portion of the current triennial period of office, at the expiry of which the entire Board shall retire.

Should the number of members of the Board for any reason fall below the minimum provided for by the present Article, the General Board shall elect new Members up to the said minimum in the manner hereinbefore set forth.

Art. 28. Each Member of the Board shall within one month of his election deposit one hundred shares of the Company at its Central Head Office, such shares being held by the Company exclusively as a guarantee of his administration during his entire tenure of office and until the General Meeting shall have approved the Balance Sheet for the last business year included in such term of office. Failure to deposit the shares shall be considered as refusal to accept office.

Art. 29. The Board of Directors shall deal with all general business and shall decide any questions not expressly reserved for decision by the General Meeting or the General Board.

The Board shall, in particular, be empowered:

- a) to establish its own internal Standing Orders;
- b) to carry into effect the resolutions of General Meetings;
- c) to decide upon the purchase, sale or exchange of real estate, upon mortgage operations, as mortgagor or mortgagee, and in general upon the investment of the Company's funds;
- d) to sue and be sued in all Courts and Tribunals;
- e) to appoint, discharge or suspend the managing personnel, and to fix its duties and remuneration;
- f) to confer the power to sign for the Company;
- g) to decide upon the establishment or suppression of Special Head Offices, Seats, Branches, Offices or Agencies;
- h) to establish rules governing the official publication of notices relating to Special Head Offices, Seats, Branches, Offices or Agencies abroad and to issue all the instruments necessary for such purposes;
- i) to decide upon financial operations connected with the management of the Company;
- l) to compile the Balance Sheet and to propose the destination of profits.

Art. 30. The Board shall appoint each year from among its own members an Executive Committee, to which it may specifically delegate any of its powers.

The Board may further delegate to one or more of its members the office of Managing Director (Amministratore delegato), fixing his functions and remunerations.

Art. 31. The Board of Directors shall meet at the Central Head Office, or, in special cases, at other places, upon summons by its Chairman. It must be summoned at any time at the request of three of its members.

In case of absence of the Chairman or of his inability to attend, the Chair shall be taken by the oldest elected member of the Board amongst those present. In case of equality of service as between two Members, the senior by age shall preside.

Summons of the meeting shall generally be served four days before the date fixed for it. In case of urgency this notice may be reduced to two days, but notice to Members not residing in Trieste shall then be given by telegram.

In order that the meetings of the Board shall be legally valid, at least one half of its Members shall be present.

Resolutions shall be passed by an absolute majority. In case of equal numbers of votes being cast, the vote of the Chairman of the meeting shall decide.

Minutes shall be kept of all meetings and shall be signed by the Chairman, by another Member of the Board of Directors attending the Meeting, and by the Secretary who has drafted the Minutes.

Art. 32. Every Member of the Board of Directors is entitled to an annual remuneration amounting to one half per cent of the net profit shown in the general profit and loss account, after deduction of an amount equal to 4 % of the paid up capital and the profit reserves (Article 46), with an annual minimum of ten thousand Lire.

Members of the Board of Directors are entitled to the reimbursement of travelling expenses incurred in attending the Meetings.

Art. 33. The Board of Directors may, after consulting the General Board, appoint special Committees at individual Head Offices, Seats and Branches, both in Italy and abroad, fixing their powers, functions and emoluments. It may further entrust special charges to one or more of its Members.

The Members of the said Committees may also be chosen outside the Board of Directors and the General Board.

C) Executive Committee.

Art. 34. The Executive Committee shall have the powers and functions conferred upon it by the Board of Directors under the terms of Article 30.

It shall be composed of the Chairman of the Board of Directors, and of at least three but not more than five other Members of the Board of Directors, and of the General Managers.

The Executive Committee shall be presided over by the Chairman of the Board, or, in case of his inability to attend, by a member of the Committee appointed by him.

The Executive Committee shall meet periodically when convened by the Chairman, or as often as required by two of its Members.

It may pass valid resolutions when at least four of its Members are present. Its resolutions shall be passed by an absolute majority; in case of equality of votes, the vote of the Chairman shall decide. Minutes shall be kept of each such Meeting and shall be signed by the Chairman and by the Secretary appointed for drafting the Minutes.

The Members of the Executive Committee, with the exception of the General Managers, are entitled to a special annual remuneration to be fixed by the Board of Directors.

D) Management.

Art. 35. For the execution of the decisions of the Board of Directors and of the Executive Committee and for the current administration of the Company's business, the Board of Directors shall, after consulting the General Board, appoint one or more General Managers and, if necessary, one or more Assistant General Managers, to assist them.

At least one and not more than three General Managers with the above functions shall have charge of the Head Office in Trieste. These, with the addition, if

necessary, of not more than three Assistant General Managers, appointed to the said Head Office, shall constitute the Central Management.

The Board of Directors may further appoint one or more Joint Managers, Sub-Managers and Attorneys (Procuratori) to assist the Central Management in the performance of its duties, fixing in each case their functions and powers.

One General Manager or one Assistant General Manager may be appointed by the Board of Directors to the Venice Head Office. The Board of Directors shall further appoint at least one but not more than three Managers to assist the aforesaid General Manager or Assistant General Manager in the Administration of the Venice Head Office or to direct the said Head Office in their absence. The officials holding the above appointments shall constitute the Management of the Head Office at Venice.

The Board of Directors may further appoint one or more Joint Managers, Sub-Managers or Attorneys (Procuratori) to assist the Management of the Venice Head Office in the performance of its duties, fixing their functions and powers in each case.

Should the Board of Directors in accordance with the provisions of the last paragraph of Article 30 appoint one or more Managing Directors (Amministratori Delegati), these shall, ipso facto, form part of the Central Management.

The spheres of activity and the functions of the Central and of the Venice Management and the special relations existing between them shall be settled by the Board of Directors by the issue of expressly prepared Standing Orders.

The Central Management as defined by the second and sixth paragraphs hereof and the Venice Management as defined by the fourth paragraph hereof, are granted, with joint signature under the terms of Article 42, the powers necessary for the ordinary administration of the

Company's business without special authorisation from the Board of Directors, with further power :

- a) to represent the Company in Court for all legal purposes and therefore to engage in any judiciary and administrative litigation before whatever degree of jurisdiction, including Courts of revision and of Cassation and to defend the Company in actions brought against it, to agree upon arbitration or amicable mediation or to effect friendly settlements ;
- b) to undertake any form of collection of Funds or withdrawal of securities or bonds from the Administration of the Public Debt, from the «Cassa di Depositi & Prestiti», from the Revenue Office, from the Postal, Telegraph and Railway Administrations, and in general from public, governmental, provincial and communal administrations, from bodies, private institutions and also from firms or individuals.
- c) to accord and grant inscriptions, reductions, cancellments, transcriptions, subrogations and postponement of mortgages ;
- d) to grant, within the limits of their powers, special authority for specified operations and also general powers of attorney for legal actions.

The Members of the Head Offices are responsible for the rigorous observance of the Law, of the Articles of Association and of the Standing Orders and resolutions of the General Meetings, the General Board, the Board of Directors and the Executive Committee.

E) Auditors.

Art. 36. At each Ordinary General Meeting there shall be elected three Auditors and two Deputy-Auditors, whose functions and duties shall be as defined by the Law.

The retiring Auditors and Deputy-Auditors may be re-elected.

Art. 37. The General Meeting shall decide as to the annual remuneration payable to the said Auditors.

SECTION IV.

General Board.

Art. 38. The General Board (Consiglio Generale) shall have advisory functions as defined by the present Articles of Association and shall give its opinion upon business of every description at the request of the Board of Directors. It shall consist of:

- a) the members of the Board of Directors appointed at General Meetings (art. 27).
- b) the General Managers;
- c) not less than twenty and not more than forty other shareholders to be appointed at a General Meeting.

Members of the General Board as defined under c) above shall be appointed for a term of three years and may be re-elected to such office.

In case of supplementary elections the new members of the General Board shall retain their office only until the expiry of the current triennial term of office.

Art. 39. The Meetings of the General Board shall be convened by the Board of Directors, whenever necessary. They shall be convened as often as required by six members of the General Board, failing which the General Board Meeting may be called by an invitation signed by six of its members.

The Chairman at any meeting of the General Board shall be the Chairman of the Board of Directors, and in case of his absence or inability to attend, that member of the Board of Directors who in accordance with the terms of Article 31 would be entitled to preside over the Board of Directors.

The General Board shall be summoned at least six days before the date of the meeting, by registered letter containing the order of the day, or in urgent cases by telegram at least two days before the meeting.

The General Board is empowered to pass resolutions when all its members have been duly invited to

attend and when five members of the Board of Directors and ten other members are present.

Resolutions shall be passed by majority of votes. In case of equality of votes the vote of the Chairman shall decide. In polling for elections and appointments the rules laid down in Art. 25 shall obtain.

Minutes shall be kept of every meeting of the General Board and shall be signed by its Chairman, by two of its members and by the Secretary appointed to draft the said Minutes.

Art. 40. The General Board shall:

- a) express its views with regard to the proposals to be submitted to the General Meeting in connection with the approval of the Balance-Sheets and the destination of profits;
- b) take cognizance of all matters connected with administration generally and in particular with the Company's real estate;
- c) express its views upon the proposals of the Board of Directors with regard to the appointment or discharge of General Managers and Assistant General Managers;
- d) proceed, when proposed by the Board of Directors, with the provisional appointment or substitution of members of the Board of Directors (Art. 27) and of the General Board;
- e) express its views upon the proposals of the Board of Directors concerning the appointment of Special Committees (Article 33);
- f) pass resolutions affecting the Company's internal Standing Orders and changes thereof;
- g) decide as to the regulations governing pensions and changes thereof;
- h) express its views upon the reports of the Board of Directors as regards the commencement or termination of the Company's various classes of business (Article 5);

- i) express its views upon the proposals of the Board of Directors for the increase of the share-capital or the dissolution of the Company;
- l) express its views upon the proposals of the Board of Directors as regards any change in the Company's Articles of Association;
- m) decide as to the calling of General Meetings and summon same in the event of the Board of Directors having failed to do so within the limit of time fixed by the General Board (Article 17).

Art. 41. Each member of the General Board, of the class indicated under letter c) of Article 38 is entitled to an annual remuneration equal to one per mille of the net profit as shown in the General Profit and Loss Account, after deduction of a sum representing four percent of the paid-up capital and profit reserves (Article 46), with a minimum of Lire 4.000 per annum.

The travelling expenses of all members of the General Board residing outside Trieste shall be refunded.

SECTION V.

Signature of the Company.

Art. 42. The following shall have power to sign jointly for the Company:

- a) the Chairman of the Board of Directors and the Managing Directors;
- b) the other members of the Board of Directors, subject to restrictions as hereinafter specified;
- c) the General Managers and Assistant General Managers;
- d) the officials holding the title of Managers, Joint-Managers or Sub-Managers and the right to sign within the limits of their power of attorney;
- e) the officials entitled to sign as Attorneys (Procuratori) within the limits of their power of attorney and subject to the restrictions hereinafter specified.

The Company's signature shall be valid when, under the written, printed or stamped name of the Company, two of the above mentioned persons have affixed their signature, with the limitation however that persons as set out under the letter *b*) above shall have power to sign only jointly with any one of the persons described under the letters *a*) and *c*) above, and that the officials described in the preceding paragraph *e*) shall not have the right of joint signature between themselves.

The Managing Directors, the members of the Board of Directors, the General Managers and the Assistant General Managers shall have the right to sign for all the Offices of the Company; officials as described under the letters *d*) and *e*) above shall be entitled to sign only at the Office to which they have been attached and at the dependent Branch Offices or Agencies of the Company.

The right to represent the Company as a Shareholder at the Meetings of other Companies may be exercised also by any one person holding the powers of signature described under the letters *a*), *b*), *c*) and *d*) above.

The Board of Directors may confer upon officials of the Company, in a capacity of Special Attorneys for the Branch to which they are attached, the right to sign by proxy and on the basis of special powers to that effect, within the limits however of the corresponding Branch and in all cases together with one of the persons described under the letters *c*) and *d*) above.

In order to facilitate the operation of local Agencies or Representations there may be appointed Agents with special powers of attorney expressly stating their authority.

SECTION VI.

The Balance Sheet.

Art. 43. The Company's business year is concurrent with the calendar year. The Books and Accounts shall be kept

and the Balance Sheet and Annual Statement be compiled in accordance with the current law separately for the two Sections, A & B.

The report to the General Meeting may, however, be compiled jointly for the two Sections.

From the Profit and Loss Accounts and the Annual Statements of the two Sections A and B a general Profit and Loss Account and a general Balance Sheet shall be also compiled.

Art. 44. The Annual Statements shall be submitted to the Auditors at least ten days before the General Meeting.

Art. 45. The Annual Statement with the Auditors' Report shall be open for inspection by the Shareholders at the Central Head Office for fifteen days before the General Meeting.

Art. 46. A Profit Reserve shall be established for each of the two Sections, A & B. This reserve shall aim at increasing the assets of the Company and shall be alimented by the allocations established under Article 49.

Should a decline of the Profit Reserve occur, the reinstatement of same shall be effected in the following years by allocating thereto not less than 15% of the annual profits as provided by Art. 49, paragraph a) hereof.

Art. 47. Besides the profit reserves as stated in Article 46 a Reserve against Fluctuations in the Value of Public Securities shall be established; the same shall be alimented from the book profit (not realized) on the quotations of Public Securities and shall serve to cover the book losses on the market value of such securities.

Art. 48. With the allocations as stated in Article 49, the following further reserves are established:

- a) a Supplementary Reserve against Fluctuations in the value of Public Securities, which is also destined to serve the purposes indicated in the preceding Article;
- b) a Real Estate Reserve, destined to cover the depreciation of the Company's real estate.

Art. 49. If a Credit Balance results under the General Profit and Loss Account, such credit balance shall be distributed in the following manner:

I. First shall be taken an amount sufficient for the payment of a dividend of four percent on the paid up capital and the profit reserves (Article 46).

From the balance shall be allocated:

a) 10% or, if the case be as set forth in Article 46, second paragraph, 15% to the profit reserve of each Section, in proportion to the profit resulting from their respective Balance Sheets; within legal limits such allocation shall be made also if the credit balance is not sufficient to cover the payment of dividends as specified above;

b) the remuneration of the Board of Directors and the General Board in the terms of Articles 32 and 41.

II. The remaining profit shall be distributed as follows:

A) 12 $\frac{1}{2}$ % of the said remaining profit shall be assigned:

a) as to two thirds to the Supplementary Reserve against Fluctuations in the Value of Public Securities, until such time as the reserve provided for in Article 47 and this supplementary reserve together reach an amount representing the percentage hereinafter stated of the market value of the Public Securities owned by the Company as on December 31st of any one year:

1) on Mortgage or Land Credit Certificates and Railway Bonds, 5% ;

2) on Government Loans, 10% ;

3) on Shares and Securities, other than those mentioned in the preceding sub-paragraphs 1 and 2, 15% ;

b) as to one third to the Real Estate Reserve.

B) The remaining 87 $\frac{1}{2}$ % shall be distributed as may be directed by the General Meeting in each instance.

III. When the Ordinary (Article 47) and Supplementary Reserves (Article 48, a) against Fluctuations in the Value of Public Securities have together reached the limit provided for in sub-paragraph II, A, a, of this Article, 10% of the remaining profit, dealt with in sub-paragraph II, shall be assigned to the Real Estate Reserve, and the remaining 90% shall be distributed as may be directed by the General Meeting in each instance.

Art. 50. When the joint credit balances of the two Profit and Loss Accounts are insufficient for the distribution of a dividend of four percent on the paid-up capital and the profit reserve (Article 46), the amount lacking shall be drawn from the profit reserve of Section A, within the limits of the law.

When the joint balances represent a loss, such loss shall be covered by the profit reserves of the corresponding Sections in the proportion of the loss shown by the respective Sections. In such case the dividend shall be paid by drawing upon the profit reserves of Section A, within the limits of the law.

In no case shall the profit reserves of Section B be reduced for the purpose of distributing dividends.

SECTION VII.

Disputes.

Art. 51. Any disputes arising in connection with the social relations between Shareholders, or between them and the Company, shall be submitted to the decision of a Board composed of three Arbitrators.

The party demanding Arbitration shall notify its demand to the other party and shall also notify to the latter the name of the Arbitrator appointed by it.

If the party so notified does not appoint its own Arbitrator or does not notify such appointment to the other party within fourteen days, the appointment of the said Arbitrator shall be made by the judiciary Authority in Trieste which would be competent to deal with the dispute.

The two first Arbitrators shall appoint an Umpire. Should they fail to agree as to this appointment, it shall be made by the judiciary Authority in Trieste which would be competent to deal with the dispute.

The Arbitrators shall not be obliged to observe the procedure and terms established for civil litigation before the judiciary authorities; they shall decide as amicable mediators and their award shall have the same effect for the parties as a sentence which has become valid.

SECTION VIII.

State Supervision.

Art. 52. The Company shall submit to the supervision of the State in the terms of the Law and of existing rules.

SECTION IX.

Dissolution of the Company.

Art. 53. In addition to the cases provided for by Law, the Company or one of its Sections may be dissolved by a resolution of the General Meeting.

In such case a General Meeting shall lay down the procedure to be followed and shall appoint the liquidators.

The liquidators shall have authority to transfer to others, in part or in whole, the rights and obligations of the Company within the limits of and in pursuance with the law.

With the appointment of Liquidators the office of the Board of Directors and of the General Board shall cease; the functions of the General Meeting shall continue and such Meetings shall be summoned by the Liquidators.

Should only one of the Sections be dissolved, its assets shall, after meeting all obligations or passing these over to another Company, devolve upon the remaining Section.

SECTION X.

Transitory and General Provisions.

Art. 54. Upon publication of the present Articles of Association in accordance with the law, members who have held office on the Administrative Board shall become members of the General Board (Art. 38 & following). The rights conferred upon the Administrative Board by the text of the Company's Life Insurance Policies entitled to share in profits shall be exercised by the General Board. The same procedure shall be followed in similar cases.

The Revisors' office shall cease upon the resolution of the General Meeting approving the present Articles of Association.

Concerning the signature of the Company (Art. 42), the rules heretofore in force shall continue to be valid until the 31st October 1930.

Copies and Extracts of the Minutes which must be submitted to the Courts of Law or which may otherwise be required for legal purposes, shall be certified as authentic by the Chairman or by the person who may be replacing him, and by the Secretary.

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