

English translation for courtesy purpose only. In case of discrepancies between the Italian version and the English version, the Italian version shall prevail



BANCA MONTE DEI PASCHI DI SIENA S.P.A.

SHAREHOLDERS' MEETING

18 December 2017 (on single call)

EXPLANATORY REPORT BY THE BOARD OF DIRECTORS

CONCERNING ITEM 6) ON THE AGENDA - ORDINARY SESSION

pursuant to Article 125-ter of Legislative Decree no. 58 of 24 February 1998,
as subsequently amended and supplemented.

ITEM 6 ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING

REPORT OF THE BOARD OF DIRECTORS PURSUANT TO ARTICLE 125-TER OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS SUBSEQUENTLY AMENDED.

Dear Shareholders,

you were convened to attend a meeting to resolve upon the following item on the agenda of the ordinary session of the Shareholders' Meeting:

- **Determination of the compensation of the Chairman of the Board of Directors**

..°°.. ..°°.. ..°°..

In addition to the determination of the remuneration of the members of the Board of Directors resolved upon item 5 of the agenda, the Shareholders' Meeting today is also called to deliberate on the determination of the remuneration to be paid to the Chairman of the Board of Directors, which anyway must not exceed the fixed remuneration received by the General Manager and the Chief Executive Officer, if appointed.

Also for the Chairman of the Board of Directors, the determination of the remuneration concerns the the financial years 2017 - 2018 - 2019, and, more specifically, in the present case, the last part of the 2017 financial year, which has not yet been concluded, and the entire financial years 2018 and 2019.

For the financial year 2017, the remuneration will be recognized in the measure "pro tempore".

Please note that the Shareholders' Meeting of 16 April 2015 had determined the remuneration for the Chairman for the financial years 2015, 2016 and 2017 in the following measures: gross fixed annual compensation of Euro 500,000, including the annual compensation of Euro 65,000 in relation to the office of member of the Board of Directors.

..°°.. ..°°.. ..°°..

Dear Shareholders, you are therefore invited to adopt the relevant resolutions.

Siena, 7 November 2017

For the Board of Directors

Mr. Alessandro Falciai

Chairman of the Board of Directors