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

**ORDINARY SHAREHOLDERS' MEETING**

11 April 2024 (on a single call)

**EXPLANATORY REPORT BY THE BOARD OF DIRECTORS**

**CONCERNING ITEM 4) ON THE AGENDA**

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

**INTEGRATION OF THE BOARD OF DIRECTORS BY APPOINTMENT OF A DIRECTOR;  
RELATED AND CONSEQUENT RESOLUTIONS**



**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 resolve upon the following **item 4)** on the agenda of the Ordinary Shareholders' Meeting:

**“Integration of the Board of Directors by appointment of a Director; related and consequent resolutions”.**

It is recalled that on the occasion of the appointment of the Board of Directors in office, the Shareholders' Meeting of Banca Monte dei Paschi di Siena S.p.A. (hereinafter the “**Bank**” or “**BMPS**”) held on 20 April 2023 resolved to determine in 15 (fifteen) the number of the members of the Board of Directors.

Subsequently, on 13 November 2023 the Director Mr. Marco Giorgino (independent, appointed from the minority List no. 2, submitted for the Shareholders' Meeting of 20 April 2023), resigned from his position as Director of the Bank.

You are therefore invited to proceed with the integration of the Board of Directors, appointing a Director to reconstitute the number of 15 (fifteen) members, which was resolved by the Shareholders' Meeting of 20 April 2023, in accordance with the applicable legislation and regulation and Article 15, paragraphs 8 and 10, of the By-Laws and **with the majorities required by the law, on the basis of the candidatures submitted by the shareholders**, being not applicable in this case (appointment of a Director for integration of the Board of Directors), the list voting system, without prejudice to comply in any case with the necessary requirements set forth by the applicable legislation and the By-Laws with respect to the independence of directors and gender balance.

In this regard, please note that on 20 April 2023 the Shareholders' Meeting appointed the current Board of Directors for the financial years 2023-2024-2025, on the basis of the lists submitted by the shareholders, in compliance with the principle of the necessary representation of minorities, the minimum number of independent directors and the gender balance provided for by the applicable legislation. The assessment of the requirements and suitability of the members of the Board of Directors, carried out by the Board of Directors, as the competent body, pursuant to the provisions of the Decree of the Ministry of Economy and Finance no. 169/2020 (hereinafter the “**Decree 169/2020**”), concluded with the positive Decision by the European Central Bank on 12 October 2023.

Following the resignation of the Director Mr. Giorgino, the composition of the Board of Directors in office complies with the requirements provided for by the law (including the Corporate Governance Code) and the By-Laws in terms of independent directors, gender balance and minorities, which will continue to be complied with, regardless of whether a male or a female director is appointed by the Shareholders' Meeting, he/she is or not in possession of the independence requirements and the proposal comes from majority or minority shareholders.

With respect to the 14 (fourteen) Directors already in office, it is to be noted that:



- (i) 12 (twelve) Directors meet the independence requirements (at least 1/3, and therefore at least 5 independent Directors);
- (ii) both genders are equally represented (7 (seven) male Directors and 7 (seven) female Directors are already in office, which meets the minimum gender quotas of at least 2/5 required, equal to at least 6 members of the less represented gender);
- (iii) 2 (two) Directors are taken from minority List no. 2 (at least one director must be elected by the minority shareholders).

### Methods and deadlines for the submission of candidatures

For the selection of candidates, Shareholders are invited to take into account the indications contained in the document “*Orientamenti del Consiglio di Amministrazione di Banca Monte dei Paschi di Siena S.p.A. agli Azionisti sulla dimensione e composizione del nuovo Consiglio di Amministrazione*” (“*Guidelines of the Board of Directors of Banca Monte dei Paschi di Siena S.p.A. to Shareholders on the size and composition of the new Board of Directors*”, hereinafter the “**Guidelines**”), formulated by the outgoing Board of Directors on the occasion of the Shareholders’ Meeting of 20 April 2023, that appointed the Board of Directors in office, available on the Bank's website [www.gruppompis.it](http://www.gruppompis.it) - section *Corporate Governance – Assemblee azionisti e CdA* in the Shareholders' Meeting documentation and deposited at the registered office of the Bank and the market management company, concerning the size and composition of the Board of Directors, as well as the required managerial and professional figures and the theoretical profile of the candidates deemed appropriate, so that the choice of candidates to be presented can take into account the required professionalism and characteristics.

With regard to the profile of the candidate pursuant to the Guidelines, please note that, in light of the composition of the Board of Directors in office and the recommendations made by the Supervisory Authority with its Supervisory Review and Evaluation Process (SREP 2023), shareholders are invited to present candidates with specific ICT (Information and Communications Technology) skills and experience.

Attention is also drawn to the need for the candidate to meet the **fit and proper requirements** of banking officers (in particular Directors) established by the legal, regulatory and By-Laws provisions, which, in the event of appointment by the Shareholders’ Meeting, will be subject to the assessment by the Board of Directors for the purposes of: *i*) the applicable legislation on requirements and suitability criteria, as well as *ii*) the assessments for the purposes of the ban on interlocking directories (the so called “interlocking ban”), without prejudice for the subsequent assessment procedure by the Supervisory Authority.

Please note that for the purposes of "suitability", in addition to the **requirements of reputation** (uniform for all banking officers), **professionalism** (graduated according to the principles of proportionality, according to the role held, e.g. executive or non-executive member), and, **to the extent necessary, independence**, banking officers must: *i*) meet *criteria* of competence and correctness, *ii*) be able to act with **independence of mind** and awareness of the duties and rights associated with the office and *iii*) have the **availability of adequate time to**



**carry out their duties** (for the estimation of the time to be devoted to the office, please refer to the Guidelines), in compliance with the **limits on the accumulation of offices** established by the law.

In this regard, particular mention should be made of the following: *i)* article 26 of Legislative Decree no. 385/1993 ("**Consolidated Banking Act**" or "**TUB**"), which implemented the European legislation on the suitability of bank officers to hold the office ("**CRD Directive**"); *ii)* the relevant implementing provisions contained in Decree 169/2020; *iii)* articles 147-*ter* and 148-*ter* of the Legislative Decree no. 58 of 24 February 1998 ("**Consolidated Financial Act**" or "**TUF**") as regards the requirement of independence; *iv)* the EBA-ESMA Guidelines on the assessment of the suitability of members of the management body and personnel holding key roles, updated in July 2021; *v)* the ECB Guide to fit and proper assessments, updated in December 2021; *vi)* Circular no. 285/2013 of the Bank of Italy (Part One, Title IV, Chapter 1 "Corporate Governance", as subsequently amended; *vii)* the Corporate Governance Code (in particular article 2, Recommendation 7 on the independence requirement); as well as *viii)* article 36 of the Legislative Decree no. 201/2011, converted by Law no. 214/2011 on the so-called "interlocking ban".

In addition to the above, it should also be noted that, under penalty of forfeiture from their office, no Director of BMPS may simultaneously hold the position of member of the board of directors, management board or supervisory board of competing banks, not belonging to the MPS Group, which have a banking license issued by the supervisory authority and are active in the banking funding or ordinary lending markets in Italy. The Director of BMPS who accepts one of the above offices must immediately notify the Board of Directors of BMPS, which will declare his/her immediate forfeiture.

The proposals containing the candidatures shall be submitted together with the following documents: *(i)* declarations by which the candidate accepts his/her candidacy and certifies, under his/her own responsibility, the absence of causes of ineligibility and incompatibility, including the non-existence of material situations pursuant to article 36 "Protection of competition and personal cross shareholdings in the credit and financial markets" of Decree Law no. 201/2011 – Law no. 214/2011, as well as that he/she meets the requirements and eligibility criteria prescribed for the office by applicable laws, regulations and the By-Laws; *(ii)* declarations by the candidate indicated as independent, certifying that he/she meets the independence requirements set forth in the applicable laws and regulations, the By-Laws and the further independence requirements set forth in the Corporate Governance Code; *(iii)* a *curriculum vitae* (both in Italian and English) containing personal and professional skills of the candidate, indicating the management and control positions held in other companies; in particular the candidate must declare that he/she does not hold the office of member of the board of directors, management board ("*consiglio di gestione*") or supervisory board ("*consiglio di sorveglianza*") of competitor banks, which do not belong to the Monte dei Paschi di Siena Banking Group, having a banking license issued by the Supervisory Authority and operate in the banking funding or ordinary lending markets in Italy; *(iv)* information concerning the identity of the shareholder/shareholders who submit the candidate, indicating the overall share



capital percentage held by means of a certification attesting the ownership of said share capital percentage, and (v) duly signed privacy statement according to the form available on the Bank's website.

Considering that, in compliance with the applicable legislation, including, in particular, article 106 of Decree Law no. 18/2020, converted with amendments by Law no. 27/2020, as extended by article 3, paragraph 12-*duodecies* of Decree Law no. 215/2023, converted with amendments by Law no. 18 of 23 February 2024, the participation in the Shareholders' Meeting is allowed exclusively through the Designated Representative (as defined in the Notice of Call of the Shareholders' Meeting), who may only be given voting instructions, the Shareholders are invited to submit any candidature and resolution proposals for the integration of the Board of Directors well in advance, and in any case with the methods and within the deadlines set out in the Notice of Call of the Shareholders' Meeting for the individual proposals of the shareholders, and therefore **by 27 March 2024**, by sending them - together with the certificate of ownership of the shareholding and a copy of a valid identity document (for natural persons) or of the documents proving the relevant powers (for legal entities) - from one's own certified electronic e-mail address to the following address [bancamps.settoreaffarisocietari@postacert.gruppo.mps.it](mailto:bancamps.settoreaffarisocietari@postacert.gruppo.mps.it) and, for information, to the e-mail address [settore.societario@mps.it](mailto:settore.societario@mps.it).

The candidature proposals - subject to verification of their correctness and completeness with respect to the applicable regulations - will be published on the Bank's website **by 29 March 2024**, in order to enable those entitled to vote to express their voting instructions and to allow the Designated Representative to collect any voting instructions also on said proposals.

Lastly, it should be recalled that each person entitled to vote may vote for only one proposal.

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Dear Shareholders,

in light of the above, you are invited to take the related decisions with regard to the integration of the Board of Directors, in order to reconstitute the number of 15 (fifteen) members, as determined by the Shareholders' Meeting of 20 April 2023.

The appointed Director will remain in office for the remaining period of the current term of office and, therefore, until the date of the Shareholders' Meeting for the approval of the financial statements for the year 2025. The appointed Director will be entitled to the annual remuneration (in the *pro-tempore* due amount), determined by the Shareholders' Meeting of 20 April 2023 for the members of the Board of Directors.

Siena, 8 March 2024

For the Board of Directors

Nicola Maione

Chairperson of the Board of Directors