



## **NOTICE OF EXTRAORDINARY AND ORDINARY SHAREHOLDERS' MEETING**

The Shareholders of Banca Monte dei Paschi di Siena S.p.A. ("**BMPS**" or "**Company**" or "**Bank**") are called to the Extraordinary and Ordinary Shareholders' Meeting in **Siena, Viale Mazzini 23** on **24 November 2016 at 9:30 a.m. on a single call**, to discuss and pass resolutions on the following:

### **AGENDA**

#### **Extraordinary Session:**

1. Financial statements as of 30 September 2016 and proposal for a voluntary reduction of the share capital covering previous losses and losses resulting from the financial statements as of 30 September 2016; relevant amendments to the Articles of Association. Connected and consequent resolutions.
2. Grouping of the ordinary shares of Banca Monte dei Paschi di Siena S.p.A. in the ratio of 1 new ordinary share with regular entitlement per 100 existing ordinary shares; relevant amendments to the Articles of Association, and connected and consequent resolutions.
3. Proposal to grant to the Board of Directors the power, pursuant to Article 2443 of the Italian civil code - to be exercised not later than 30 June 2017 - to increase the share capital for consideration, even in a divisible form, in one or more issues and in one or more tranches, with the exclusion or limitation of the pre-emptive right pursuant to Article 2441, paragraph 5, of the Italian civil code, for an overall amount up to EUR 5,000,000,000 (5 billion), including any premium. Consequent amendments to the Articles of Association. Connected and consequent resolutions. Grant of powers.

#### **Ordinary Session:**

- 1 Adoption of the measures relating to: (a) the allocation of the share premium that will arise following the exercise of the delegation and the subsequent execution of the share capital increase referred to at item 3 of the extraordinary session; (b) the distribution in kind of the share premium reserve, once it is constituted as a result of the execution of what is resolved at point 1(a) above of the ordinary session, through the allocation to BMPS's shareholders of securities representing junior notes, arising out of the securitisation of non-performing exposures. Connected and subsequent resolutions.
- 2 Appointment of a director to complete the board of directors following co-option. Connected and consequent resolutions.
- 3 Appointment of a director to complete the board of directors. Connected and consequent resolutions.
- 4 Appointment of the Chairman (and the Deputy Chairman, if necessary) among the members of the board of directors. Connected and consequent resolutions.

#### **General information**

There are 2,932,079,864 ordinary shares, each of which gives the right to one vote at ordinary and extraordinary shareholders' meetings. At the date of this Notice, BMPS holds 147,618 ordinary shares in usufruct; the voting right relating to these shares is suspended.

#### **Appointment of the Chairman and directors**

Please note that the Board of Directors has made no proposals in relation to item 3 and 4 on the agenda of the ordinary session.

In referring to Article 15 of the By-Laws (which may be consulted on the website [www.mps.it](http://www.mps.it), in the section Investors - Corporate Governance), please consider the following.

The Shareholders' meeting will be called to resolve upon the appointment of an additional member to the

Board of Directors following cooption (item 2), and the appointment of an additional member to complete the Board of Directors (item 3), with the majorities required by law and without the application of the voting list (Article 15, paragraph 1, paragraph 1.7 of the By-Laws).

Please note that compliance with requirements and grounds for disqualification from office are also established in Article 15 of the By-Laws (available at [www.mps.it](http://www.mps.it) in the section Investors – Corporate Governance).

Without prejudice to the fact that candidacies may also be submitted during the Shareholders' Meeting, in order to facilitate the conduct of the meeting, shareholders are kindly invited to submit any proposal in advance at the Company's Registered Office, and approximately at least 5 (five) days prior to the Shareholders' Meeting. Each candidacy may be accompanied by a declaration by the candidate certifying, under their own responsibility, that: there do not exist any causes of ineligibility and incompatibility; they are compliant with the age limits established in the By-Laws; there do not exist any significant situations pursuant to Article 36 "Protection of competition and personal cross shareholdings in the credit and financial markets" of Law Decree No. 201/2011 – converted by Law No. 214/2011; they meet the requirements prescribed by law and by the By-Laws and any independence requirements established by Articles 147-ter and 148, paragraph 3 of Law Decree no. 58 of 24 February 1998 and subsequent amendments (the "**Unified Financial Act**" or "**UFA**") and the Self-regulation Code of listed companies. Candidates shall submit a curriculum vitae, in Italian and English, containing detailed information on their professional skills and experience and the list of any management and control positions held in other companies. The candidates will be requested furthermore to declare that they do not hold the office of director or of member of the council of management or the supervisory board of competitor banks, which do not belong to the Monte dei Paschi di Siena Banking Group, have a banking license issued by the Supervisory Authority and operate in the markets of bank funding or ordinary credit in Italy.

In compliance with the Supervisory Provisions for banks (Circular No. 285 of 17 December 2013 and subsequent amendments and supplements) on the composition of the corporate boards and committees, please note that, at the Shareholders' meeting of 16 April 2015, the Board of Directors provided the shareholders with a document, published and available on the Bank's website [www.mps.it](http://www.mps.it) and filed at the Company's registered office and at the stock exchange management company, containing its evaluations on the qualitative and quantitative composition considered optimal in light of the objectives set forth in the above-mentioned Supervisory Provisions and the theoretical profile (including professional characteristics and possibly independence) of the candidates deemed appropriate for these purposes to ensure that candidates are selected on the basis of the professional characteristics and requirements indicated.

In this regards, please refer to the contents of the Report on Corporate Governance and the structure of share ownership pursuant to Article 123-bis UFA, approved by the Board of Directors on 25 February 2016, submitted to the Shareholders' Meeting held on 14 April 2016 and available on the Bank website [www.mps.it](http://www.mps.it).

Furthermore, in compliance with the Supervisory Provisions for banks regarding the composition of the Corporate Bodies, the Board of Directors shall publish the reports illustrating the items on the agenda pursuant to Article 125-ter of the UFA as provided by law and regulatory provisions. These will be published on the Bank's website at [www.mps.it](http://www.mps.it) and filed at the Company's Registered Office as well as the stock market management company.

#### **Participation in the Shareholders' Meeting**

Entitlement to attend the Shareholders' Meeting and to exercise the voting right is certified in a notice sent to the Bank by a qualified intermediary in favour of the party with voting rights, on the basis of its records relating to the end of the business day on 15 November 2016, the seventh trading day prior to the date scheduled for the Shareholders' Meeting on a single call.

Credit and debit entries made on accounts subsequent to that deadline are not relevant for the purposes of legitimately exercising the voting right at the Shareholders' Meeting. Therefore, those who hold shares only after that date shall not be entitled to attend and to vote in the Shareholders' Meeting.

The owners of shares deposited c/o the Bank who possess a PasKey Internet Banking may submit the request to attend the Shareholders' Meeting through that application.

The participation of shareholders in the Shareholders' Meeting is governed by the relevant applicable law, regulations and By-Laws.

#### **Proxy voting procedure**

Those entitled to vote may be represented at the Shareholders' Meeting as prescribed by law, using the proxy form included at the bottom of the copy of the notice issued by the intermediary, if applicable, or in any case by filling out the proxy form available on the website [www.mps.it](http://www.mps.it) (in the section Investors - Corporate Governance – Shareholders' Meetings and BoD).

Proxy may be granted with an electronic document bearing a valid electronic signature in accordance with art. 21, paragraph 2 of Italian Legislative Decree no. 82 dated 7 March 2005, as amended by art. 18 of the Italian Legislative Decree no. 179 dated 26 August 2016.

The representative – certifying under his or her own responsibility the identity of the delegating party and the conformity of the copy of the proxy with the original - may deliver a copy of the proxy in place of the original upon receipt before the meeting. Said copy may also be sent, before the date of the shareholders' meeting, either in electronic form through the website [www.mps.it](http://www.mps.it) (in the section Investors – Corporate Governance – Shareholders' Meetings and BoD), or through Paskey Internet Banking for those who have this application or to the certified e-mail address [bancamps.settoreaffarisocietari@postacert.gruppo.mps.it](mailto:bancamps.settoreaffarisocietari@postacert.gruppo.mps.it), or by transmitting it to the fax number +39.0577.296396.

Pursuant to applicable regulations, the representative must keep the original proxy form and keep track for one year, beginning at the end of the shareholders' meeting, of any voting instructions received.

The Bank intends to pursue, in its capacity of promoter, a proxy vote solicitation in accordance with artt. 136 et seq. UFA, for which a separate notice will be published and relevant documents will be made available.

#### **Issuer's Appointed Representative**

For the Shareholders' Meeting announced in this Notice, the Bank has designated, pursuant to Article 135-undecies of the UFA, the company Computershare S.p.A. (hereinafter referred to as the "**Appointed Representative**") as the party to which those with voting rights who have proved their legitimacy as required by law may freely grant a proxy with voting instructions, in compliance with the provisions pursuant to Article 135-undecies of the UFA. Proxies given to the Appointed Representative are effective only for proposals in relation to which voting instructions have been given on all or some of the agenda items.

Proxies are granted to the Appointed Representative by filling out and signing the dedicated form with voting instructions, available on the website [www.mps.it](http://www.mps.it) (in the section Investors - Corporate Governance – Shareholders' Meetings and BoD) or requested using the contact information provided below.

The duly completed and signed original forms for issuing the proxy and voting instructions must be received by post by the Appointed Representative - together with a copy of a valid ID - by midnight on 22 November 2016, at the address Via Monte Giberto 33, 00138, Roma. A copy of the proxy form with voting instructions, accompanied by a statement attesting to its conformity with the original, may be sent in advance to the Appointed Representative by the same deadline by email to [ufficioroma@pecserviziotitoli.it](mailto:ufficioroma@pecserviziotitoli.it) or by fax to +39.06.45417450. The proxy and voting instructions may be revoked using the same methods by the same deadline. The proxy is valid only for proposals for which voting instructions have been given. Shares for which a proxy has been granted, even partial, are calculated to determine whether the quorum for the Shareholders' Meeting has been met. As regards proposals for which voting instructions have not been given, the shares are not calculated for the purpose of calculating the majority and the percentage of share capital required for the approval of resolutions.

Beginning on the date of publication of this Notice, the Appointed Representative may be contacted for information or to answer questions by calling +39.06.45417413 or by writing to [ufficioroma@pecserviziotitoli.it](mailto:ufficioroma@pecserviziotitoli.it). The notice sent to the Bank by the intermediary attesting to legitimacy for participation in the Shareholders' Meeting and exercise of the voting right is also required if the proxy is granted to the Appointed Representative. Without that notice, the proxy shall be deemed null and void.

### **Right to ask questions**

Those with voting rights may only ask questions about the agenda items before the Shareholders' Meeting – without exception, no later than midnight on 21 November 2016, by sending them together with the notice issued by a qualified intermediary to fax number +39.0577.296396 or to the certified email address [bancamps.settoreaffarisocietari@postacert.gruppo.mps.it](mailto:bancamps.settoreaffarisocietari@postacert.gruppo.mps.it). The questions will be answered at the latest during the Shareholders' Meeting, possibly by providing the relative replies in hard copy (paper) format to each party with voting rights. A single reply may be provided to questions with the same content.

### **Supplementing the agenda**

Pursuant to Article 126-bis of the UFA, Shareholders that represent, even jointly, at least one fortieth of the share capital may request, within ten days of the publication of this Notice, to make additions to the list of the items to be discussed, indicating the additional items proposed, or may submit resolution proposals on items already on the agenda. Those with voting rights may individually submit resolution proposals during the Shareholders' Meeting. The request - in addition to the certificate proving ownership of the shareholding and a copy of an ID (for natural persons) or the documentation attesting to the relative powers (for legal entities) - must be submitted in writing and delivered to the registered office or sent by registered mail to Banca Monte dei Paschi di Siena S.p.A., Area Legale e Societario, Piazza Salimbeni 3, 53100, Siena or by certified email to [bancamps.settoreaffarisocietari@postacert.gruppo.mps.it](mailto:bancamps.settoreaffarisocietari@postacert.gruppo.mps.it).

Ownership of the minimum percentage of the share capital specified above is certified by a qualified intermediary on the basis of its accounting records, attesting to ownership of at least one fortieth of the share capital and containing an indication of the exercisable ownership right. Any integration to the agenda is not allowed for items upon which the Shareholders' Meeting resolves by law upon the board of directors' proposal or on the basis of a plan or a report prepared by it other than those provided for by Article 125-ter, para. 1 of the UFA. Notice of any supplements to the agenda and of the submission of additional resolution proposals on issues already on the agenda is given in the same forms required for publishing the notice of call, at least fifteen days before the date set for the Shareholders' Meeting. Additional resolution proposals on items already on the agenda will be made available to the public according to methods established by law when the announcement of the submission is published.

Shareholders requesting additions to the agenda items or submitting resolution proposals on items already on the agenda must prepare a report indicating the reason for the resolution proposals on the new items that they propose be dealt with or the reasoning underlying the additional resolution proposals submitted for items already on the agenda. The report must be sent to the Board of Directors by the deadline for submission of the relative request, as set forth above. The report will be made available to the public, accompanied by any assessments of the Board of Directors, according to methods established by law when the announcement of the addition to the agenda or the submission of additional resolution proposals is published.

### **Absentee voting or electronic voting**

There are no absentee voting or electronic voting procedures.

### **Documentation**

Documentation concerning the agenda topics will be made available to shareholders by the deadlines set forth by law at the registered office (Piazza Salimbeni 3, Siena) and at the stock exchange management company (Borsa Italiana S.p.A., Piazza degli Affari 6, Milan). Shareholders are entitled to obtain a copy. Such documentation (along with a copy of this Notice) will also be made available on the website [www.mps.it](http://www.mps.it), in the section Investors - Corporate Governance - Shareholders' Meetings and BoD, together with the forms that may be used by Shareholders for ordinary proxy voting or to grant proxy to the Appointed Representative, as set forth above. The same website also provides a "Guide for shareholders" which summarises the rules governing participation in Shareholders' Meetings, as indicated above, as well as information about the amount of share capital and the number and categories of shares into which it is divided.

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

The Shareholders are kindly invited to arrive before the Meeting begins, so as to facilitate admission procedures and allow for the meeting to begin on time.

Any additional information regarding procedures for participation in the Shareholders' Meeting may be requested by calling the following telephone numbers: +39.0577.296863, +39.0577.296376, +39.0577.293360, +39.0577.293135.

Milan, 24 October 2016

The Chairman of the Board of Directors  
Mr. Massimo Tononi