

Group Products Policy

Banca MPS has established an internal policy outlining the general models and principles adopted by the MPS Group for the design, acquisition and oversight of new products or services, the development of new activities and the entry into new operating or market segments (hereinafter referred to as "products"). These products are intended both for the customers of the MPS Group and for the own portfolios of Banca MPS and the individual Group companies.

These activities constitute the "Product Macroprocess", which includes the following specific processes:

- Governance and control of banking products for customers,
- Governance and control of financial products for customers,
- Distribution of insurance and supplementary pension products,
- Management of relationships with partners,
- Design and development of products for the Group's own portfolio.

The "Macroprocess" is aimed at directly creating or acquiring products from internal or external companies for sale to the Group's customers, in accordance with the commercial offering guidelines defined in the Commercial Marketing Plan, or for inclusion in the Group's own portfolios. It provides a general framework that does not preclude specific rules and processes for certain types of products.

General Requirements of the Product Macroprocess:

- Product characteristics are defined based on the outcomes of the Commercial Marketing Plan development process and/or customer intelligence analyses. These analyses aim to identify customer characteristics and needs by evaluating the behavioural profiles of different customer segments, the MiFID profile, the analysis of customer portfolios for investment products, potential customer demand, and direct and indirect feedback gathered through various interactions between the bank and the customer.
- Investment products are subject to risk assessment to ensure proper verification of their suitability/appropriateness;
- The economic conditions of the products are determined in accordance with the regulations in force and, where applicable, internal policies;
- In order to enhance its commercial offering, the Group may use products developed by third-party companies, provided that the suppliers and products undergo preliminary assessments to ensure the quality of the offering;
- For banking products, customer characteristics must be defined to ensure compliance with the principles of suitability and consistency with the identified target market;
- In the development and distribution of banking products for "retail customers", measures are taken to ensure product compatibility with customer characteristics;
- When designing banking products for 'consumers', consideration is given to accessibility for more vulnerable customer segments (individuals with disabilities, functional limitations, or low digital literacy);
- The development and distribution of financial instruments must comply with specific principles and rules, particularly concerning the identification of the target market, the risk assessment of

instruments, the definition of a distribution strategy aligned with the identified target market, and the assessment of suitability;

- The acquisition and distribution of insurance and supplementary pension products must comply with specific principles and rules, particularly with regard to obtaining all necessary information from the Producer about the product, its distribution strategy and the target market, as well as regular checks to ensure compliance with product distribution requirements and the definition of a distribution strategy aligned with the identified target market;
- Products are developed/acquired with the objective of meeting customer needs;
- When implementing a product for customers, special attention is given to clear customer information;
- Products must comply with internal control system policies and procedures.
- Products must meet the MPS Group's sustainability requirements in terms of risk profile, commercial effectiveness, tools and functionalities, processes, impact on information systems and compliance with internal and external regulations. Consequently, each product must undergo a validation process by all relevant Functions, including the Control Functions, prior to being marketed, followed by formal approval from an authorised body.

Product compliance and risk assessments are tailored according to the degree of novelty of new products or changes to Catalogue products and the associated risks for the bank. The degree of novelty – categorised as either high (or 'innovative', including strategically significant/high risk') or low ('non-innovative') – of new products or changes to Catalogue products must be shared with the control functions involved in the process. For "innovative" or "strategically significant/high risk" proposals, compliance and product risk assessments must be conducted prior to product implementation.

In addition, for "strategically significant/high risk" proposals for new products or changes to existing products, these assessments must be reviewed by the Risk Management Committee and then approved by the Strategic Supervisory Body (Board of Directors) of Banca MPS or the individual Group Bank, after review by the Risk and Sustainability Committee (a subcommittee of the Board of Directors). Proposals for Group Bank products not yet marketed by Banca MPS must also be approved by the Strategic Supervision Body of Banca MPS.

Proposals receiving negative feedback from the Risk Control Function or the Risk Management Committee may still be submitted for approval, but must be presented to the Board of Directors.