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**GUIDELINES FOR SHAREHOLDERS
ON THE QUALITATIVE AND QUANTITATIVE
COMPOSITION OF THE BOARD OF DIRECTORS
OF BANCA MONTE DEI PASCHI DI SIENA S.P.A.
19 FEBRUARY 2026**



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IMPORTANT NOTICE

*The Guidelines for Shareholders on the qualitative and quantitative composition of the Board of Directors of Banca Monte dei Paschi di Siena S.p.A. contained in this document **update and replace** the Guidelines dated 13 February 2026 and made available to Shareholders on 14 February 2026. The Guidelines set out below identify, in light of the characteristics of the sector in which the Bank operates, the managerial and professional profiles, as well as the skills - taking into account the criteria of diversity, including gender, and the independence requirements of the candidates - deemed useful to foster the best proposals for the composition of the new Board of Directors.*

Shareholders who intend to submit lists of candidates for the appointment of the new Board of Directors are therefore invited to take into account exclusively the Guidelines contained in this document, as updated and approved by the outgoing Board of Directors.

1. INTRODUCTION

Supervisory regulations require that the Board of Directors, for the purpose of appointing its members and taking into account the applicable rules:

- identifies in advance its optimal qualitative and quantitative composition in relation to the objectives set forth by the applicable regulations, identifying and justifying the theoretical profile (including professional characteristics and any independence requirement) of the candidates deemed appropriate for these purposes;
- subsequently verifies the correspondence between the qualitative and quantitative composition deemed optimal and the actual composition resulting from the appointment process.

The Board of Directors (hereinafter also the “**Board**” or the “**Body**”) of Banca Monte dei Paschi di Siena S.p.A. (hereinafter also “**BMPS**” or the “**Bank**”), in view of the renewal of the Body for the period 2026-2028 and in line with the recommendations of the Corporate Governance Code for Public Companies, and as required by the provisions of the Supervisory Authorities and applicable Italian and European regulations (see paragraph 2 below), with the support of the Nominations Committee, has identified the qualitative and quantitative composition deemed optimal for the effective performance of the tasks and responsibilities entrusted to the Body under the applicable law, supervisory regulations, and the By-Laws.

This document therefore contains the Guidelines prepared by the Board of Directors of BMPS on the optimal qualitative and quantitative composition of the Board itself, to be made available to the shareholders for the purpose of submitting lists and nominations as part of the procedure for appointing the new Board of Directors (hereinafter the “**Guidelines**”) scheduled for the ordinary shareholders' meeting on April 15, 2026. This document has been drawn up following the self-assessment process for the year 2025, with the aim of providing the shareholders with clear and detailed guidelines to ensure that the lists of candidates submitted for the next renewal of the Board are consistent with the Bank's responsibilities and needs.

The Guidelines are made available to the shareholders in due time so that they may take them into account when selecting candidates. In doing so, shareholders retain the right to express different opinions on the optimal composition of the Board, provided that any differences with respect to the analysis carried out by the Board and detailed in these Guidelines are duly explained.

These Guidelines also apply to the outgoing Board of Directors in the event that it intends to submit its own list of candidates for the appointment to the Board.



2. LAW AND REGULATORY FRAMEWORK

These Guidelines have been prepared in accordance with the provisions set forth in the By-Laws of BMPS and taking into account the applicable laws, regulations and guidelines on the matter issued at national and European level, which are listed below:

- Articles 147-ter, 147-quinquies and 148 of the Italian Legislative Decree No. 58 of 24 February 1998, (“**TUF**” or the “**Consolidated Financial Act**”) and Issuers’ Regulation adopted by CONSOB under resolution no. 11971 of 14 May 1999 as subsequently amended;
- Article 26 of the Legislative Decree No. 385 of 1 September 1993 (“**TUB**” or the “**Consolidated Banking Act**”);
- Law No. 214 of 22 December 2011, Article 36 on “*Interlocking Directorship*” and related application *criteria* published by the Bank of Italy, Consob and ISVAP on 20 April 2012, as subsequently updated (“**Interlocking Prohibition**”);
- Decree of the Minister of Economy and Finance No. 169 of 23 November 2020, providing regulations on the requirements and criteria for suitability to hold the position of corporate officers of banks (“**MEF Decree**”);
- Decree of the Minister of Justice adopted in agreement with the Minister of the Treasury, Budget and Economic Planning No. 162 of 30 March 2000, providing regulation on the professional and reputation requirements for statutory auditors of listed companies;
- Part I, Title IV, Chapter 1, Section IV (Composition and appointment of corporate bodies) of the Bank of Italy Circular No. 285 of 17 December 2013 as subsequently amended (the “**Supervisory Provisions**”);
- Supervisory Provisions of the Bank of Italy relating to the procedure for assessing the suitability of the officers of banks, financial intermediaries, electronic money institutions, payment institutions and depositor guarantee systems dated 5 May 2021 (the “**Supervisory Provisions On Suitability Assessment Procedure**”);
- Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms;
- Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as subsequently amended (“**CRR**”);
- Directive no. 2464/2022/EU on corporate sustainability reporting (“**Sustainability Directive**” or “**CSRD**”) and Legislative Decree n°125/2024 implementing such Directive;
- “Guide to fit & proper assessment” of the European Central Bank of December 2021 (“**ECB Guide**”);
- “EBA and ESMA Guidelines on the assessment of the suitability of members of the management body and key function holders of 2 July 2021” (“**EBA/ESMA Guidelines**”);
- “EBA Guidelines on internal governance” of 2 July 2021;
- “Guideline on the benchmarking of diversity practices, including diversity policies and gender pay gap, under Directive 2013/36/EU and Directive (EU) 2019/2034” (EBA/GL/2023/08) (“**Report EBA**”);
- ECB Guide on climate-related and environmental risks – Supervisory expectations for risk management and disclosures of November 2020 (“**ECB Guide on climate-related and environmental risks**”);
- Corporate Governance Code for Public Companies, approved by the Corporate Governance Committee of Borsa Italiana S.p.A. on 31 January 2020 (“**Corporate Governance Code**”).



The Guidelines herein prepared by the Board of Directors also consider the indications provided by the European Central Bank in the context of the supervisory discussions held with BMPS.

Pursuant to the Supervisory Provisions, the Boards of Directors of banks are required to identify their own qualitative and quantitative composition deemed optimal for the effective performance of the tasks and responsibilities entrusted to them by the law, the Supervisory Provisions and the company By-Laws.

Pursuant to the general principles of the Supervisory Provisions:

- 1) **from a quantitative standpoint**, the number of members of the Corporate Bodies must be adequate to the size and complexity of the Bank's organizational structure to ensure the functionality and efficiency of the body and to effectively oversee the entire corporate operations regarding terms of management and controls;
- 2) **from a qualitative standpoint**, the proper performance of the functions falling under the responsibility of the bodies with strategic supervision functions requires the presence of Officers who:
 - are fully aware of the powers and obligations inherent in the functions that each of them is called to perform (supervisory or management function; executive and non-executive functions; independent members, etc.);
 - possess professional skills appropriate for the role to be filled, including when involved in any internal Board committees, and calibrated in relation to the operational and dimensional characteristics of the bank;
 - possess skills that are widespread among all members and appropriately diversified, so that each member, within the committees of which they are part and in collective decisions, can effectively contribute to ensuring effective risk management in all areas of the bank;
 - can commit sufficient time and resources to the complexity of their role, without prejudice to compliance with the limits on the number of positions that may be held, as provided for by the MEF Decree;
 - direct their actions towards the pursuit of the overall interest of the bank, regardless of the shareholding component that voted for them or the list from which they are drawn, with the obligation to operate with full independence of judgment.

With regard to the qualitative standpoint, the Bank's Directors must be suitable for the role and therefore meet the requirements of professionalism, reputation and independence and comply with the *criteria* of competence, integrity and time commitment, as well as the limits on the number of roles that may be held, as prescribed by the MEF Decree and the legislation in force at the time, including the specific skills and aptitudes required by the EBA/ESMA Guidelines and the ECB Guide on the assessment of suitability requirements, in consideration of the role, duties and the position held by each Officer.

In accordance with the Supervisory Provisions On Suitability Assessment Procedure, the assessment of the suitability of the directors is carried out by the Board of Directors and submitted to the Supervisory Authority after the appointment, where the latter is the responsibility of the Shareholders' Meeting and, except in cases of exceptional urgency, before the appointment, where the latter is not the responsibility of the Shareholders' Meeting.



Specific company regulations govern the stages and methods of the suitability assessment of the Officers, which is conducted on the basis of the information provided by each of them and any other relevant information, including information from reasonably available sources.

The Supervisory Provisions require that attention be paid to all members, executive and non-executive, as they are involved in the decisions taken by the entire Board and called upon to perform an important dialectical and monitoring function on the choices made by the executive members.

When renewing the Board or replacing individual Directors during their term of office, the specific recommendations contained in the Guidelines represent the tool that the Bank makes available to Shareholders to submit, respectively, lists of candidates or individual candidatures in line with the composition deemed balanced *ex-ante* (i.e. before the appointment), also with reference to the degree of diversity in terms of gender, age, length of service, knowledge, skills and experience, background (academic, managerial or professional profile), any international experience/projection regardless of nationality; all of the above always in compliance with the priority objective of ensuring the adequate competence and professionalism of the members of the Board, also taking into account the size and operational complexity of the Montepaschi Group (hereinafter, the “**Group**”), as well as the need for continuity and renewal of the Board, in accordance with the strategic objectives of the Bank and the Group.

3. GOVERNANCE AND STRUCTURE OF THE BOARD OF DIRECTORS

BMPS adopts the traditional system of administration and control, which provides that the management of the Bank is entrusted to the Board of Directors, appointed by the Shareholders’ Meeting, and that the control functions are carried out by the Board of Statutory Auditors. Auditing, pursuant to current legislation, is entrusted to an independent auditing firm. Without prejudice to the foregoing, pursuant to the By-Laws, the Board of Directors:

- establishes internal Committees specialized in the matters, and with the functions, provided for by current legislation and by the provisions of the Bank of Italy and other Supervisory Authorities, determining their composition, responsibilities and operating methods (currently the internal Committees of BMPS are: Risk and Sustainability Committee, Nominations Committee, Remuneration Committee, Related-Party Transactions Committee and IT and Digitalization Committee);
- appoints a General Manager (who is currently also the Chief Executive Officer);
- appoints one or more Chief Executive Officers from among its members.

4. QUANTITATIVE COMPOSITION

The current Board of Directors, whose term of office will expire on the date of the Shareholders’ Meeting called to approve the 2025 Financial Statements, was appointed by the Shareholders’ Meeting of 20 April 2023, after determining the total number of its members in 15 (fifteen) Directors.

The Board of Directors, also in light of the self-assessment process for the year 2025, deems that this number is adequate in relation to the size, organizational complexity and operating dynamics of the Bank. In fact, the current size allows for an adequate balance of the skills and experience required and a proper composition of the Committees, enabling the members of the Board of Directors to be adequately involved in management activities and to engage in appropriate discussions at meetings.



It should also be recalled that:

- regarding the minimum number of independent Directors, Circular No. 285/2013 of the Bank of Italy establishes that it must be at least one fourth of the members of the Board of Directors;
- Article 15 of the By-Laws also provides that at least one third of the elected Directors must meet the independence requirements established by the laws and regulations in force;
- in the event of renewal of the Board of Directors, at least two candidates on each list, or the sole candidate, or at least one third of the candidates in case of lists with more than 6 candidates, specifically indicated, must meet the above-mentioned independence requirements;
- lists submitted by the shareholders must indicate, if possible, in number of candidates greater than those to be elected, in order to have possible candidates to be selected in the event of co-optation during the term of office (Article 15 By-Laws);
- Committees specializing in “appointments”, “risks”, “remuneration” and “related parties” must be set up within the body responsible for strategic supervision, as required by law and the Corporate Governance Code;
- each of the aforementioned committees must normally consist of 3-5 members, all of whom are non-executive and mostly independent. The committees must differ from each other by at least one member and, where there is a director elected by minority shareholders, this director must be a member of at least one committee. The Chairperson of each Committee is chosen from among the independent members.

Based on the above, it is considered appropriate for the Board to have no. 1 executive director and no. 14 non-executive directors, of whom at least no. 11 independent, as this is sufficient to ensure the effective functioning of the Board of Directors and its committees.

It should be noted that the current legislation on gender balance requires that at least two-fifths of the members of the Board of Directors must belong to the less represented gender.

Indeed, as required by supervisory regulations, an adequate degree of diversity, including in terms of age, gender and geographical origin, promotes - among other things - a plurality of approaches and perspectives in the analysis of problems and in decision-making.

5. QUALITATIVE COMPOSITION

In line with the provisions of the Supervisory Regulations and the Corporate Governance Code, in order to ensure a balanced composition of knowledge, skills and experience and to promote inclusion and diversity in terms of age, gender and geographical areas, as well as to adequately reflect the size and operational complexity of the Montepaschi Group, particularly in relation to its new scope of activities, and also with a view to ensuring a balance between continuity and renewal in the composition of the Board, the Board of Directors, in relation to its size, composition and functioning, emphasizes the importance of:

- ensuring a balanced combination of profiles and experiences within the Board of Directors in view of the challenges that the Bank will face;
- promoting profiles with skills and aptitudes that can ensure the optimal performance of the Directors' duties;
- where possible, promoting candidates who can guarantee continuity in government and strategic guidelines;



- assessing the adequacy of the system of delegated powers to the Chief Executive Officer as the sole executive member of the Board of Directors, while ensuring that the Board verifies the exercise of the powers conferred;
- ensuring the presence of an adequate number of independent Directors (at least 11), both in the Board and in the Committees, in order to stimulate open debate;
- identifying profiles with sufficient time and resources to enable them to effectively perform their role as Directors on the Board and its Committees;
- further promoting existing diversity requirements, particularly with regard to training and professional experience gained in executive roles, gender diversity (with a minimum standard of 40% for the less represented gender), internationality and age diversification.

In this regard, the Board of Directors reiterates the importance of promoting inclusion and diversity in terms of age, gender, geographical area, length of service, background (academic, managerial, or professional), and international experience/projection, regardless of nationality, while always respecting the priority objective of ensuring the adequate competence and professionalism of its members and of the Board as a whole, as well as to adequately reflect the size and operational complexity of the Montepaschi Group, and to take into account the need for continuity and renewal of the Board, in light of the mandate already carried out by its members at the Bank and the objectives of the Business Plan following the completion of the public tender and exchange offer (“**OPAS**”) on the shares of Mediobanca – Banca di Credito Finanziario Società per Azioni (“**Mediobanca**”).

In addition to professional characteristics, the Board also considers personal characteristics and aptitudes (commonly referred to as “soft skills”) pursuant to the EBA/ESMA Guidelines, as reported in Annex 1, recommending that the following aptitude profiles, considered essential for performing the role of director of BMPS at its best, be given due consideration:

- *Gravitas*: solid authority and the individual's ability to inspire respect and trust among peers. It is a combination of maturity, competence and presence that enables someone to exert a positive influence on others.
- *Intelligence and Flexibility*: ability to deal with complexity, simplifying issues to facilitate decision-making; familiarity with managing ambiguous situations, prospective view and ability to interact effectively in different contexts.
- *Mental independence*: ability to remain objective and open-minded, to be ready to both challenge and support management decisions; to take and defend a position; to manage conflictual situations while maintaining constructive relationships.
- *Interpersonal style*: ability to establish relationships at all levels; persuasion, listening and communication skills; ability to influence, gain the trust and support of others; use of diplomacy and tact; understanding and respect for the differences in roles between the Board and management.
- *Integrity*: respect for values and consistency in applying them; honesty and loyalty; authenticity, awareness and personal confidence.
- *Dedication and commitment*: willingness to invest time and energy in deepening knowledge of the Bank and following its evolution; discipline, interest in the business, commitment and preparation.



- *Undisputed credibility*: extensive high-level relationships and impeccable credibility within the banking or other community are also essential. Well respected, with a strong external reputation and a solid third-party perception of robust experience and capability.

6. INDIVIDUAL REQUIREMENTS OF REPUTATION AND INTEGRITY CRITERIA

The members of the Board of Directors must be chosen from among individuals who satisfy the requirements of reputation set forth in Article 3 of the MEF Decree and the *criteria* of integrity set forth in Article 4 of the same MEF Decree.

With reference to the *criteria* of integrity, it should be noted that the occurrence of one or more of the situations indicated in the MEF Decree does not automatically render the representative unsuitable, but requires an assessment by the Board of Directors, considering the principles of sound and prudent management as well as the protection of the Bank's reputation and public trust.

It should also be noted that the members of the Board of Directors must meet the reputation requirements established by the combined provisions of Articles 147-*quinquies* and 148, paragraph 4, of the TUF, and Article 2 of Ministerial Decree 162/2000.

For regulatory provisions and specific requirements of reputation and integrity *criteria*, please refer to the information provided in Annex 2.

7. PROFESSIONALISM REQUIREMENTS AND COMPETENCE CRITERIA

The members of the Board of Directors of the Bank must meet the requirements of professionalism set out in Article 7 of the MEF Decree, as well as the competence *criteria* set out in Article 10 of the same Decree, as reported in Annex 2.

Also in light of the provisions of EU legislation, each Director must possess both the theoretical knowledge and basic practical experience, preferably in the banking sector, in the following areas: (a) banking and financial markets, (b) the relevant regulatory framework and related legal obligations, (c) strategic planning, awareness of the company's strategic guidelines or the business plan of a credit institution and its implementation, (d) risk management (identification, assessment, monitoring, control and methods of mitigation of the main types of risk of a credit institution), (e) accounting and auditing, (f) assessment of the effectiveness of the governance mechanisms of the credit institution, aimed at ensuring an effective system of supervision, direction and control, (g) interpretation of the financial data of a credit institution, identification of the key issues and appropriate controls and measures based on such information.

Taking into account the size, operational complexity, scope of activities and related risks of the Group, as well as the specific characteristics of the markets in which it operates, the Board of Directors, in view of its renewal for the financial years 2026-2028, formulates specific recommendations to ensure a balanced composition of profiles (managerial, professional or academic) in terms of knowledge, skills and experience. In this context, the Board of Directors has identified specific requirements that Directors must meet, in addition to those established by applicable rules and regulations, to ensure the proper functioning of the Board. The Board as a whole must be diversified in order to: encourage discussion within the bodies, as well as the presence of multiple approaches and



points of view both in the analysis of relevant issues and during the decision-making process; effectively support the company's processes of strategy development, business and risk management, and senior management performance control; take into account the multiple interests that contribute to the sound and prudent management of the Bank.

The collective experience of the Board should be instrumental to the strategic priorities that the Bank will address in the coming years.

A key factor is the understanding of the global dynamics of the economic and financial system and their impact on the European banking system and the Bank's relevant markets.

The theoretical knowledge of the Directors, acquired through studies and training, as well as their practical experience – assessed taking into account the number of years of professional activity and the level of managerial and/or board experience gained in complex and significant organizational contexts in the banking and/or insurance and/or professional and/or academic and/or institutional sectors – are taken into consideration. Experience acquired within the boards of directors or control bodies of companies with adequate size and complexity is also considered, as well as, more generally, the experience and knowledge necessary to understand the Bank's business and the risks to which it is exposed.

To this end, candidates for the position of Director must prepare and attach, when submitting their candidacy, their *curriculum vitae* in Italian and English, providing detailed information on:

- education and training in the relevant sectors identified;
- professional competence acquired through practical experiences, specifying the previously held positions;
- the sector of activity and the role performed, the position held (e.g. offices, advisory roles, employment relationships, and performance of managerial functions), the duration and size of the relevant entity.

In the event of specific and limited deficiencies, the Board of Directors may assess the adoption of measures necessary to address them, such as board induction activities.

8. INDEPENDENCE REQUIREMENTS

The Supervisory Provisions require that the body performing the strategic supervision function (*i.e.* the Board of Directors) include independent members who, with autonomous judgment, oversee the company's management, thereby contributing to ensure that it is carried out in the interest of the company and in a manner consistent with the objectives of sound and prudent management.

In larger banks such as BMP, the majority presence of independent members within the internal Board Committees with preparatory, advisory and proposal-making functions facilitates the decision-making process, especially with reference to more complex activities or situations where the risk of conflicts of interest is higher.

With respect to the regulatory provisions and the specific independence requirements, please refer to Annex 2.

Furthermore, in light of the principles and recommendations set forth in the Corporate Governance Code, as well as the provisions of the MEF Decree, regarding the independence requirement, it is necessary that there are no significant commercial, financial, asset-related or professional relationships between the individual Director, the



Bank and the parties connected thereto as identified by the relevant legislation (Article 2, Recommendation No. 7 of the Corporate Governance Code; Articles 13 and 15 of the MEF Decree).

9. INCOMPATIBILITY

Article 15, paragraph 1 of the By-Laws of BMPS provides that: *“Under penalty of forfeiture of office, no BMPS director may, at the same time, hold the office of member of the board of directors, management board or supervisory board of competing banks, not belonging to the BMPS Group, holding a banking license issued by the supervisory authority and operating in the Italian markets of deposit-taking or the granting of ordinary credit. Any BMPS director who accepts to hold one of the abovementioned positions must promptly notify the BMPS Board of Directors, which shall declare such director’s immediate forfeiture of office”*.

Furthermore, in accordance with Article 36 of Legislative Decree 201/2011 (converted with amendments by Law 214/2011), the Board of Directors recommends that, for candidates for the position of Director of the Bank, the absence of incompatibility grounds prescribed by the aforementioned law (Interlocking Prohibition) be verified in advance, or that the candidate be willing to resolve any incompatibilities in accordance with the applicable regulations.

10. INDEPENDENCE OF JUDGMENT AND ABSENCE OF CONFLICTS OF INTEREST

Pursuant to Article 15 of the MEF Decree, all Directors must act with full independence of judgment and awareness of the duties and rights inherent to their office, in the interest of the sound and prudent management of the Bank and in compliance with the law and any other applicable regulations. Consideration must also be given to the relevant provisions on independence of judgment and conflicts of interest contained in Title III, paragraph 9.2, of the EBA/ESMA Guidelines and in Paragraph 3.3 of the ECB Guide.

11. TIME COMMITMENT AND LIMIT ON THE NUMBER OF DIRECTORSHIPS

In accordance with Article 16 of the MEF Decree and Principle XII of the Corporate Governance Code, Directors are required to dedicate adequate time to the performance of their duties.

In light of the applicable regulatory framework, the availability of sufficient time to devote to the performance of the office, having regard to its nature, quality and complexity, is a fundamental requirement that Directors candidates must ensure, also in relation to the activities arising from participation in the work of the Board Committees, where they are members.

In view of the above, the Board recommends that candidates accept the appointment only where they believe they can devote the necessary time to it, taking into account the following factors: other personal and professional commitments and circumstances, as well as offices held in other companies; the nature, scope and complexity of the duties performed, the size and situation of the companies in which the position is held, and the location or country of establishment of such companies.

In order to enable the Shareholders to properly assess the time commitment required from candidates for the office of Director and to enable candidates themselves to correctly assess whether they are able to ensure proper preparation and participation in meetings, the Board of Directors has estimated the minimum time (in days/per year) (“**Time Commitment**”) required from each Director in order to effectively participate in the work and



meetings of the Board and its Committees, based on the number of meetings and their average duration in relation to meetings held during the 2025 financial year, also considering the extraordinary commitment involved in the specific meetings dedicated to the implementation of the Mediobanca OPAS.

Corporate Body	N° of Meetings	Duration average
Board of Directors	25	3 h and 30 min
Risk and Sustainability Committee	21	5 h and 30 min
Remuneration Committee	12	1 h
Nominations Committee	22	1 h
Related-Party Transactions Committee	13	1 h
IT and Digitalization Committee	12	2 h and 15 min
Supervisory Body 231	10	1 h and 50 min

Based on the above, the estimated Time Commitment deemed necessary for Director's effective participation in meetings is summarized in the following table:

ROLE	ESTIMATED BOARD OF DIRECTORS' COMMITMENT (DAYS PER YEAR)
Chairperson of the Board of Directors	150
Non executive Director	46
Board Internal Committee	
ROLE	ESTIMATED COMMITTEES' COMMITMENT (DAYS/YEAR)
Risk and Sustainability Committee Chairperson	6
Risk and Sustainability Committee Member	32
Remuneration Committee Chairperson	2
Remuneration Committee Member	9
Nominations Committee Chairperson	3
Nominations Committee Member	17
Related-Party Transactions Committee Chairperson	2
Related-Party Transactions Committee Member	9
IT and Digitalization Committee Chairperson	2
IT and Digitalization Committee Member	9
Supervisory Body 231	9
Education/ Board Induction	3

For the purpose of estimating the time commitment required in the capacity as Chairperson of each internal Board Committees, this is increased by 1/5 compared to the number of days estimated for a simple individual Committee member (for example, the Chairperson of the Risk and Sustainability Committee has 6 additional days added to the 32 days already provided for the members of this Committee).

For the purpose of determining the Time Commitment, if a Director also serves as a member of an internal Board Committee, the estimated commitment of 46 days/per year for the Board of Directors (as indicated in the previous table) is reduced: (i) by 8 days/per year in the case of participation in the Risk and Sustainability Committee and (ii) by 1 day/per year in the case of participation in other internal Board Committees.



The position of Chief Executive Officer requires a full-time commitment.

In addition, the Board notes that – beyond the necessary availability of time – consideration must also be given to other appointments, commitments, and professional activities, while ensuring compliance with the limits on the accumulation of appointments provided for by Article 17 of the MEF Decree, which provides that each Director may hold a total number of offices in banks or other commercial companies corresponding to one of the following alternative combinations:

- a) no. 1 executive appointment and n. 2 non-executive appointments;
- b) no. 4 non-executive appointments;

subject to the following clarifications:

- a) "appointments" means appointments within the Board of Directors, the Supervisory Board, the Management Board, the Board of Statutory Auditors, and as General Manager; in foreign companies, appointments equivalent to these are considered, in accordance with the regulations applicable to the relevant company;
- b) for the purposes of calculating the limit mentioned above:
 - i. the position held at the Bank is included;
 - ii. the following aggregation mechanism applies: the set of appointments held in each of the following cases is considered as a single position: (1) within the same group; (2) within banks belonging to the same institutional protection scheme; (3) within companies outside the Montepaschi Group, in which the Bank holds a qualifying holding as defined in Regulation (EU) No. 575/2013, Article 4, *i.e.* the direct or indirect holding of at least 10% of the capital or voting rights in an undertaking, or which allows the exercise of significant influence over the management of that undertaking. Any set of appointments counted as a single one is considered as an executive appointment if at least one of the appointments is executive; in other cases, it is considered non-executive.
 - iii. the following appointments are not taken into account: (1) appointments in companies or entities whose sole purpose consists in the management of the private interests of a Director or of the Director's spouse not legally separated, civil partner, cohabiting partner, or relatives or in-law up to the fourth degree, and which do not require any type of day-to-day management by the Director concerned; (2) appointments held as a partner in a professional firm; (3) appointments as an alternate statutory auditor.

The acceptance of an additional non-executive appointment exceeding the above limits is permitted, provided that it does not prejudice the Director's ability to dedicate adequate time to the appointment at the Bank in order to effectively carry out his/her functions, within the limits and subject to the conditions set out in Article 19 of the MEF Decree.

12. ADEQUATE COLLECTIVE COMPOSITION AND OVERALL SUITABILITY

In addition to the basic knowledge required by Article 10 of the MEF Decree and in order to achieve an adequate collective suitability and an adequate degree of diversification, the Board of Directors, through these Guidelines, defines and provides a "matrix" of knowledge, skills and experiences, which should be present in a diversified and adequate measure, having regard to the strategic objectives of the Bank, and which enable an understanding of



BMPS's main business areas and the main risks to which it is exposed over time in order to ensure the sound and prudent management of the Bank (the “**Skills Matrix**” or “**Matrix**”).

The Skills Matrix indicates the level of distribution of individual knowledge, skills and experiences that are further qualifying compared to the basic ones referred to in Article 10 of the MEF Decree, required for the composition of the lists of candidates or the presentation of individual candidacies in case of replacement during the term of office, in order to achieve an optimal qualitative composition of the Board of Directors and the related internal Board Committees; the structure of the Matrix identifies three categories of skills, to be possessed at an advanced level, with the following desired level of distribution¹, namely:

- 1) “very common” knowledge, experience and skills, required for the majority of the Directors;
- 2) “common” knowledge, experience and skills, required for more than one third of the Directors;
- 3) “less common” knowledge, experience and skills, required only for some Directors, which are today essential in the knowledge and experience of the Board of Directors and the internal Board Committees, but which can, theoretically, be held by more limited number of Directors, given the high degree of specialization.

	Skills Matrix	Level of Distribution		
		Very common	Common	Less common
1	Banking and financial markets (knowledge of the business in which the Bank and the Montepaschi Group operate)	X		
2	Corporate governance and organizational structures	X		
3	Guidelines and strategic planning	X		
4	Management of corporate entities in managerial and/or entrepreneurial roles in complex contexts, including non-financial ones		X	
5	Banking and financial regulation	X		
6	Risk Management	X		
7	Internal control systems and other operational mechanisms		X	
8	Knowledge of remuneration policies		X	
9	Experience gained in coordinating, directing, or managing human resources		X	
10	Banking and financial activities and products/services		X	
11	Insurance markets and products and related regulation		X	
12	Knowledge of climate and environmental risks ²			X
13	ESG/Sustainability		X	
14	ICT, AI, technology, cybersecurity and digital innovation		X	

¹ The term “advanced level” of **skills** in relation to each subject, refers to: (i) with respect to **experience**, the **practical** and **professional** experiences effectively acquired at an executive or high-level managerial level in relation to specific roles and over a significant period of time (at least five years in the last twenty); (ii) in relation to **knowledge**, those considered advanced are those acquired through specific training courses and accompanied by a recognized professional profile and/or achieved through the acquisition of practical experiences (including multi-year ones in strategic supervisory bodies), as appropriately represented and certified in the *curriculum*.

² See for example “Guide on climate-related and environmental risks – Supervisory expectations for risk management and disclosure” European Central Bank, November 2020.



15	Accounting and financial reporting and interpretation of financial data	X		
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For a description of the skills listed in the Matrix, please refer to Annex 1, which takes into account the areas required to ensure the adequate overall suitability of the new Board of Directors in light of the diversification of activities and the significant increase in the size and complexity of the Montepaschi Group resulting from the acquisition of control of Mediobanca. These areas include, by way of example, investment banking, private banking, ICT and digitalization, organizational structure and corporate governance, regulation in the banking and financial sector, risk management, accounting and financial reporting, and the interpretation of financial data, supported by consolidated experience in banking and financial groups of a size and complexity greater than, or comparable to, that of the Montepaschi Group.

In addition, the Board of Directors expects that the composition of the new Board will include further high-profile individuals with an even more robust level of expertise than the “advanced level” in respect of certain most common skills (banking and financial markets, organizational and corporate governance structures, strategic guidelines and planning) and in respect of specific and strategic skills, also in light of the ECB's findings (ICT, AI, technology, IT security and digital innovation, ESG/sustainability). Therefore, it is expected that the new board will include individuals with additional specific experience and consolidated expertise acquired as described below:

- **Banking and financial markets:** expertise acquired through an adequate period of experience (at least 5 years in the last 20) in senior management positions (CEO, General Manager or first-line managers) in a credit institution; it is also relevant to have held, currently or in the past, the position of Chairperson of the Board of Directors in a significant banking group. Experience gained in the public sector or in consulting is considered relevant only if closely related to the credit industry.
- **Organizational structure and corporate governance:** expertise acquired through an adequate period of experience (at least 5 years in the last 20) in senior management positions (CEO, General Manager or first-line managers) within companies/groups with significant organizational complexity and/or subject to ECB supervision, of comparable size. Relevant experience also includes having held managerial roles in the Legal, Audit and Compliance functions in companies of comparable size and complexity and/or having served as Chairperson of the Board of Directors or Chairperson of the Board of Statutory Auditors. Where such expertise has been acquired in academia, consultancy, or the public sector (that is, on a theoretical basis), the experience must be connected to the banking/financial industry.
- **Guidelines and strategic planning:** expertise acquired through a significant period of experience (at least 5 years in the last 20) in senior management positions (CEO, Managing Director or first-line manager) in large national or multinational groups operating in various sectors. Functions such as Finance and Business Areas are considered relevant. Experience gained in consulting is relevant only if closely related to the specific sector.

Furthermore, in line with the regulator's recommendations and in order to ensure that the Board is able to (i) supervise the management of relevant risks with a view to the medium-long term sustainability of the banking business and (ii) benefit from digital/technological expertise, it is expected that the Board will include profiles possessing the following two additional qualifying skills and experience:

- **ICT, AI, technology, cybersecurity and digital innovation:** experience in contexts with a strong technological component, either as a core business or as a strategic lever for business transformation, acquired



over at least 5 years in the last 10 years, as CEO, General Manager or first-line manager in technology-intensive companies or Board of Directors. Where such expertise has been acquired in academia or consultancy (that is, on a theoretical basis), the experience must be connected to the banking and financial industry.

- **ESG/Sustainability:** expertise acquired through experience gained in contexts with a strong focus on ESG issues, including ESG risks and climate and environmental risks in accordance with the expectations of the banking supervisory authority³, considered fundamental elements of the company's long-term strategies, acquired through a reasonable period of experience (at least 5 years in the last 10) in senior management positions (CEO, General Manager or first-line managers) in companies in various sectors. Alternatively, experience in the public-institutional sector or in consulting is relevant only if closely related to sustainability issues.

The Board must also collectively possess adequate knowledge, skills and experience to understand the risks of money laundering, terrorist financing and violation of EU and national restrictive measures related to the Bank's activities and business model, including knowledge of the relevant legal and regulatory framework.

To facilitate shareholders' understanding of each candidate's skills, the Board requires that the nomination proposal be accompanied by the candidates' CVs and a statement from the candidates themselves that analytically highlights the level of skills they have acquired in the various areas indicated above, together with any certifications obtained.

The definition of these Guidelines is an integral part and an implementation tool of the Diversity Policy for the composition of corporate bodies adopted by the Bank pursuant to the applicable legislation (the “**Diversity Policy for Corporate Bodies**”).

13. CHARACTERISTICS OF THE CHAIRPERSON AND THE CHIEF EXECUTIVE OFFICER

Based also on the guidelines contained in the MEF Decree, the Consolidated Banking Act, and the ECB Guide, it is expected that:

the **Chairperson of the Board of Directors** will have:

- overall experience of at least six years (acquired over the last fifteen years) in the performance of the activities referred to in Article 7(1) and (2) of the MEF Decree.
- authority and personal standing to ensure the proper and transparent management of the Board of Directors during their term of office and to act as a guarantor for shareholders and stakeholders;
- personal characteristics that enable him/her to create a spirit of collaboration and cohesion among the members of the Board of Directors, promoting constructive discussion and inclusiveness of different perspectives;
- adequate knowledge in corporate governance, having gained significant previous experience in – and preferably leading – boards of directors of companies of adequate complexity and size comparable to those of BMPS, and having demonstrated a keen awareness of governance issues in the performance of such duties;

³ See previous note no. 2



- experience gained in coordinating, directing, or managing human resources such as to ensure the effective performance of his or her duties in coordinating and directing the work of the board, promoting its proper functioning, including in terms of the circulation of information, effective discussion, and stimulation of internal debate, as well as the overall composition of the body;
- experience and familiarity with managing debate within the Board of Directors, also with regard to issues of strategic importance, as well as the one related to specific business issue;
- skills in economics, finance, and law, and possibly basic technical knowledge in the banking sector;
- adequate international culture, accompanied by knowledge of foreign languages, especially English;

the **Chief Executive Officer** must have:

- overall experience in the credit, financial, securities or insurance sectors, acquired over a period of at least six years (in the last fifteen years) through management or control activities or executive responsibilities within companies with significant organizational complexity and/or listed companies operating in the credit, financial, securities or insurance sectors, of significant size and characterized by a high level of complexity.
- managerial experience at the top level in companies of significant size and organizational complexity and/or in business areas related to the banking or financial intermediary sector;
- adequate knowledge, skills, and experience concerning financial and non-financial risk management systems, including money laundering risks, anti-money laundering policies, controls, and procedures, as well as the evolution of the banking business in relation to technological and digital evolution;
- strategic and forward-looking vision relevant to market trends, integrated with environmental, social, and governance sustainability profiles, as well as digital and technological evolution;
- an approach of absolute fairness and transparency in the conduct of executive duties, as well as openness and constructive dialogue with corporate bodies, first and foremost the Board of Directors and the Board of Statutory Auditors;
- extensive experience in the context of extraordinary transactions and subsequent phases such as integration and redesign of the strategic industrial plan and business models;
- authoritative leadership, ability to attract and retain high-level talent, to build teams and motivate employees;
- an adequate international culture, accompanied by knowledge of foreign languages, especially English.

14. MODALITIES AND DEADLINES FOR THE APPOINTMENT PROCESS

The candidates' lists must be filed at least 25 days prior to the Annual General Meeting (“**AGM**”), and published at least 21 days before the AGM.

In the event that the Board of Directors intends to submit its own list of candidates for the appointment to the Body, such list shall be filed and made public no later than 40 days prior to the date of the Shareholders' Meeting.

Together with each list, within the deadline for its filing, for each proposed candidate, the following documents, *inter alia*, must be filed with the Bank's registered office: (i) a declaration by which the candidate accepts his/her



candidacy and certifies, under his/her own responsibility, the absence of any grounds of ineligibility and incompatibility, including the absence 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 compliance with the requirements and eligibility criteria prescribed for the office by applicable laws, regulations and the By-Laws, providing additional information on relevant experience and expertise as encouraged in the Guidelines; (ii) where the candidate is indicated as independent, a declaration 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 the candidate’s personal and professional skills, specific expertise, and a list of 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, not belonging to the Montepaschi Group, holding a banking license issued by the Supervisory Authority and operating in the Italian markets of deposit-taking or granting of ordinary credit; (iv) information concerning the identity of the shareholder(s) submitting the candidacy, including the overall share capital percentage held, by means of a certification attesting to the ownership of said share capital percentage together with the statement certifying the absence/presence of connecting relationships pursuant to Article 147-ter, comma 3, del TUF, and Article 144-quinquies of the CONSOB Issuers Regulation no. 11971/1999, and (v) the privacy statement.

Further details on the documentation to be filed and on modalities and deadlines for the submission of the lists will be made available to shareholders on the Bank's institutional website.



ANNEX 1

DESCRIPTION OF SKILLS



1. Banking and financial markets (knowledge of the businesses in which the Bank and the Montepaschi Group operate): proven, comprehensive and systematic experience and knowledge of financial and banking markets, competitive dynamics, capital regulations, and governance of the banking and financial business, taking into account the new perimeter of the Montepaschi Group (in particular Asset Management, Investment Banking, Consumer Finance, Wealth Management & Private Banking).

2. Corporate governance and organizational structures: proven expertise in corporate governance models for at least five years in the last twenty in senior executive positions (CEO/GM) or first-line positions in companies operating in regulated markets and with a level of complexity comparable and consistent with the new structure of the Montepaschi Group. Attention to delegated powers, controls, committees and decision-making processes, supervision and accountability is required.

3. Guidelines and strategic planning: ability to contribute to corporate planning in line with the risk profile and sound and prudent management. Ability to translate strategic guidelines into consistent, measurable and sustainable operational programmes over time. This operational competence must be acquired through an appropriate period of experience, which for non-executive directors is at least five years in the last twenty years, gained in multinational or national groups, including those operating in different sectors, with particular attention to finance and the business area, and taking into account the new structure of the Montepaschi Group.

4. Management of complex business organizations in managerial and/or entrepreneurial roles, including outside the financial sector: direct management experience in managerial and/or entrepreneurial roles in complex banking and non-banking contexts or in contexts that have undergone extraordinary processes, including organizational transformations resulting from M&A transactions and/or integration activities, in order to consolidate the skills and experience necessary to implement and oversee the new business plan and the related integration of the companies that were part of the former Mediobanca Group..

5. Banking and financial regulation: proven knowledge of the bank's operating methods in full compliance with supervisory constraints and the expectations of the Bank of Italy and the ECB (SREP – Supervisory Review and Evaluation Process; inspections, findings and remediation plans; capital and risks according to Basel, CET1, RWA, leverage, liquidity and the impact of strategic choices on capital ratios). Knowledge of banking governance, with particular reference to the functioning of committees (risks, audit, nominations), the system of delegated powers, 2nd and 3rd level controls, suitability requirements for representatives (Fit & Proper), as well as AML and compliance controls, KYC processes, anti-money laundering, supervisory reporting, internal procedures and relations with the Authorities.

6. Risk Management: proven expertise in the management of key risk profiles: credit risk (portfolios, concentrations, NPLs, provisioning), market and interest rate risk (impact on margins and capital), operational risk (processes, people, fraud, IT, errors), liquidity risk (funding, ALM, LCR, NSFR), reputational risk and AML profiles, strategic risk.

7. Internal control systems and other operational mechanisms: proven knowledge of internal control systems, gained through direct experience in complex organizational contexts with a particular focus on internal control and understanding of 1st, 2nd and 3rd level controls (information flows and responsibilities).



8. Knowledge of remuneration policies: proven expertise in defining fixed and variable remuneration systems, LTIs, retention mechanisms, as well as malus and claw-back clauses. Ability to ensure alignment between remuneration, risk profile and capital, through performance metrics consistent with the RAF and strategic plan. Prior experience gained within remuneration committees or in managerial roles as Human Resources Director or as a consultant specializing in this field.

9. Experience gained in the coordination, management or administration of human resources: experience in team and human resources management, both with direct reporting lines and in functional or matrix structures, in complex organizations.

10. Banking and financial activities and products/services: proven knowledge of banking and financial activities and products or services gained through significant experience in financial contexts such as credit, asset management, investment banking, consumer finance, wealth management & private banking, NPL and UTP.

11. Insurance markets and products and related regulations: proven knowledge of the insurance market, main products and services, and related contractual, informational and regulatory documentation.

12. Knowledge of climate and environmental risks: experience must have been gained in roles such as CFO, CRO, Risk Manager, Compliance, AML, Internal Audit, Treasury or Corporate Secretariat, or on Boards of Directors, with responsibility for climate risk issues. Skills in climate risk assessment in credit risk models are required. If these skills have been acquired in academia or consulting (i.e. theoretical skills), the experience must be related to the banking/financial sector.

13. ESG/Sustainability: proven knowledge and/or expertise in environmental, social and governance (ESG) factors with an impact on credit policies, risk management and the governance of the Board of Directors and the most relevant Board Committees.

14. ICT, AI, technology, cybersecurity and digital innovation: experience in contexts with a strong technological component, both as a core business and as a strategic lever for business transformation, gained over at least five years in the last ten as a CEO or managing director, or as a front-line manager in high-tech companies, or on boards of directors. If these skills have been acquired in academia or consulting (i.e. theoretical skills), the experience must be related to the banking/financial sector.

15. Accounting and financial reporting and interpretation of financial data: solid accounting and financial experience in the banking sector, with in-depth understanding of financial statements, capital ratios and regulatory reporting. If these skills have been acquired in academia or consulting (i.e. theoretical skills), the experience must be related to the banking/financial sector.



ANNEX 2
DIRECTORS' REQUIREMENTS - REGULATORY FRAMEWORK



A) REPUTATION REQUIREMENTS

ARTICLE 3 MINISTERIAL DECREE NO. 169/2020 (“MEF DECREE”)

Individuals cannot hold the position of director, if they:

- a) are in a state of legal interdiction or in another of the situations provided for by Article 2382 of the Italian Civil Code;
- b) have been convicted by a final sentence, without prejudice to the effects of rehabilitation and revocation of the sentence for abolition of the crime pursuant to Article 673, paragraph 1, of the Italian Criminal Procedure Code:
 - 1) to a custodial restriction for an offence provided for by the legislation on corporate and bankruptcy matters, banking, finance, insurance, payment services, anti-money laundering, intermediaries authorized to provide investment services and collective savings management, markets and centralized management of financial instruments, appeals to public savings, issuers as well as for one of the crimes provided for by Articles 270-*bis*, 270-*ter*, 270-*quater*, 270-*quater.1*, 270-*quinquies*, 270-*quinquies.1*, 270-*quinquies.2*, 270-*sexies*, 416, 416-*bis*, 416-*ter*, 418 and 640 of the Italian Criminal Code;
 - 2) to imprisonment, for a period of not less than one year, for a crime against public administration, against public faith, against property, or in tax matters;
 - 3) to imprisonment for a period of not less than two years for any non-culpable crime;
- c) have been subject to preventive measures ordered by the judicial authority pursuant to Legislative Decree No. 159 of 6 September 2011, as subsequently amended, without prejudice to the effects of rehabilitation and revocation of the sentence for abolition of the crime pursuant to Article 673, paragraph 1, of the Italian Criminal Procedure Code;
- d) upon taking up office, they are in a state of temporary interdiction from holding management positions in legal entities and businesses or temporary or permanent interdiction from carrying out administrative, management and control functions pursuant to Article 144-*ter*, paragraph 3, of Legislative Decree No. 385 of 1 September 1993, as subsequently amended (“**TUB**” or “**Consolidated Banking Act**”) and Article 190-*bis*, paragraphs 3 and 3-*bis*, of the Legislative Decree No. 58 of 24 February 1998, as subsequently amended (“**TUF**” or “**Consolidated Financial Act**”), or in one of the situations referred to in Article 187-*quater* of the TUF.

Furthermore, individuals cannot hold the office of member of the Board of directors, if they have been applied by a final judgment, either at the request of the parties or following an abbreviated trial (without prejudice to the effects of rehabilitation and revocation of the judgment for abolition of the crime pursuant to Article 673, paragraph 1, of the Italian Criminal Procedure Code), one of the following penalties:

- a) from the provisions on corporate law and bankruptcy, banking, finance, insurance, payment services, anti-money laundering, intermediaries authorized to provide investment services and collective savings management, markets and centralized management of financial instruments, appeals to public savings, issuers as well as for one of the crimes provided for by Articles 270-*bis*, 270-*ter*, 270-*quater*, 270-*quater.1*, 270-*quinquies*, 270-*quinquies.1*, 270-*quinquies.2*, 270-*sexies*, 416, 416-*bis*, 416-*ter*, 418 and 640 of the Italian Criminal Code, except in the case of extinction of the crime pursuant to Article 445, paragraph 2, of the Italian Criminal Procedure Code;



b) to imprisonment, for a period of not less than one year, for a crime against the public administration, against public trust, against property, in tax laws, and/or to imprisonment for a period of not less than two years for any non-culpable crime, except in the case of extinction of the crime pursuant to Article 445, paragraph 2, of the Italian Criminal Procedure Code.

With reference to cases regulated in whole or in part by foreign legal systems, the verification of the absence of the above-mentioned conditions is carried out on the basis of an assessment of substantial equivalence.

ARTICLE 2 MINISTERIAL DECREE 162/2000

(applicable to Directors pursuant to the combined provisions of Articles 147-quinquies and 148, paragraph 4, of the TUF)

The position of director cannot be held by individuals who:

- a) have been subject to preventive measures ordered by the judicial authority pursuant to Law No. 1423 of 27 December 1956, or Law No. 575 of 31 May 1965, as subsequently amended, without prejudice to the effects of rehabilitation;
- b) have been sentenced with a final sentence, without prejudice to the effects of rehabilitation:
 1. to imprisonment for one of the crimes provided for by the provisions governing banking, financial and insurance activities and by the provisions on financial markets and instruments, tax law and payment instruments;
 2. to imprisonment for one of the crimes provided for in Title XI of Book V of the Italian Civil Code and in the Royal Decree No. 267 of 16 March 1942;
 3. to imprisonment for a period of not less than six months for a crime against public administration, public trust, property, public order and public economy;
 4. to imprisonment for a period of not less than one year for any non-culpable crime.

The office of director cannot be held by individuals to whom one of the penalties provided for in the previous letter b) has been applied, at the request of the parties, except in the case of extinction of the crime.

B) INTEGRITY CRITERIA

ARTICLES 4 AND 5 MEF DECREE

In addition to the reputation requirements, the officers shall satisfy *criteria* of integrity in their past personal and professional conduct.

For this purpose, the existence of the following elements is considered:

- a) criminal convictions imposed by sentences, even if not final; sentences, even if not final, which apply the penalty at the request of the parties or following an abbreviated trial, criminal conviction decrees, even if not final, and personal precautionary measures relating to an offence provided for by the provisions on the following matters: corporate, bankruptcies, banking, finance, insurance, payment services, usury, anti-money laundering, tax, intermediaries authorized to provide investment services and collective savings management, markets and centralized management of financial instruments, appeals to public savings, issuers as well as for one of the crimes



provided for by Articles 270-*bis*, 270-*ter*, 270-*quater*, 270-*quater.1*, 270-*quinquies*, 270-*quinquies.1*, 270-*quinquies.2*, 270-*sexies*, 416, 416-*bis*, 416-*ter*, 418 and 640 of the Italian Criminal Code;

b) criminal convictions imposed by sentences, even if not final; sentences, even if not final, which apply the penalty at the request of the parties or following an abbreviated trial, criminal conviction decrees, even if not final, and personal precautionary measures relating to crimes other than those referred to in letter a); application, even on a provisional basis, of one of the preventive measures ordered by the judicial authority pursuant to Legislative Decree No. 159 of 6 September 2011;

c) final sentences of conviction for damages resulting from actions in the performance of duties in entities operating in the banking, financial, markets and securities, insurance and payment services sectors; final sentences of conviction for damages for administrative-accounting liability;

d) administrative sanctions imposed on the officers for violations of regulations on corporate, banking, financial, securities, insurance, anti-money laundering, markets and payment instruments laws;

e) forfeiture or precautionary measures ordered by the supervisory authorities or at their request; removal measures ordered pursuant to Articles 53-*bis*, paragraph 1, letter e), 67-*ter*, paragraph 1, letter e), 108, paragraph 3, letter d-*bis*), 114-*quinquies*, paragraph 3, letter d-*bis*), 114-*quaterdecies*, paragraph 3, letter d-*bis*), of the TUB, and Articles 7, paragraph 2-*bis*, and 12, paragraph 5-*ter*, of the TUF;

f) performance of duties in entities operating in the banking, financial, securities markets, insurance and payment services sectors which have been subject to an administrative sanction, or a sanction pursuant to Legislative Decree No. 231 of 8 June 2001;

g) holding offices in companies that have been subject to extraordinary administration, resolution procedures, bankruptcy or compulsory administrative liquidation, collective removal of members of the management and control bodies, revocation of the authorization pursuant to Article 113-*ter* of the TUB, cancellation pursuant to Article 112-*bis*, paragraph 4, letter b), of the TUB or equivalent procedures;

h) suspension or cancellation from registers, cancellation (adopted as a disciplinary measure) from professional lists and orders imposed by the competent authorities; revocation measures for just cause from positions held in management, administration and control bodies; similar measures adopted by bodies responsible for managing registers and lists, as required by law;

i) negative assessment by an administrative authority regarding the suitability of the officer in the context of authorization procedures set forth by laws and regulations on the following matters: corporate, banking, financial, securities, insurance, markets and payment services;

l) ongoing investigations and criminal proceedings related to the crimes referred to in letters a) and b);

m) negative information about the officer contained in the Bank Risks Bureau (*Centrale dei Rischi*) established pursuant to Article 53 of the TUB; in this respect, negative information means information relating to the officer even when he or she is not acting as a consumer, which is relevant for fulfilling the obligations under Article 125, paragraph 3 of the TUB.



With respect to cases governed, in whole or in part, by foreign legal systems, the verification of the existence of the above-mentioned situations is carried out on the basis of an assessment of substantial equivalence.

The occurrence of one or more of the above-mentioned situations does not automatically imply the unsuitability of the officer, but requires an assessment by the board of directors.

The assessment is conducted considering the principles of sound and prudent management, as well as the protection of the bank's reputation and public trust.

Consideration is given, *inter alia*, to: i) the objective seriousness of the facts committed or alleged, ii) the frequency of the behaviors, iii) the stage of the appeal procedure of the administrative sanction; iv) the stage and degree of the criminal proceedings, v) the type and amount of the imposed sanction, vi) the period of time elapsed between the occurrence of the disputed fact and the appointment resolution, vii) the level of cooperation with the competent body or authority; viii) the degree of responsibility of the officer in the violation, ix) the relevance of the facts connected with the banking and financial sector.

In any case, the *criterion* of integrity is not satisfied when one or more of the situations listed above outline a serious, precise and consistent pattern of conduct that conflicts with the objectives of sound and prudent management, as well as with the protection of the bank's reputation and public trust.

C) PROFESSIONALISM REQUIREMENTS

ARTICLE 7 MEF DECREE

Officers with executive roles must be chosen from among individuals who have exercised, for at least three years, even alternatively:

- a) administration or control activities or managerial functions in banking, financial, securities or insurance sectors;
- b) administration or control activities or managerial functions in listed companies or companies with a size and complexity greater than or comparable (in terms of turnover, nature and complexity of the organization or activity carried out) to that of the bank.

Non-executive directors are chosen from among individuals who meet the above requirements or have exercised, for at least three years, even alternatively:

- a) professional activities in matters relating to the credit, financial, securities, insurance sectors or otherwise functional to the bank's activity; the professional activity must be characterized by adequate levels of complexity also with reference to the recipients of the services provided and must be carried out on a continuous and significant basis in the sectors mentioned above;
- b) university teaching activities, as a first or second level professor, in legal or economic subjects or in other subjects functionally related to the activity of the credit, financial, securities or insurance sectors;
- c) managerial, executive or top management functions, however named, in public bodies or public administrations related to the credit, financial, securities or insurance sectors and provided that the body in which the officer performed such functions has a size and complexity comparable to that of the bank.



The Chairperson of the Board of Directors is a non-executive director, who must not perform, even in fact, management functions and who has gained an overall experience of at least two years more than the requirements set out above.

The Chief Executive Officer and the General Manager must be chosen from among individuals with specific experience in the credit, financial, securities or insurance matters, gained through administration or control activities or managerial duties for a period of not less than five years in the credit, financial, securities or insurance sectors, or in listed companies or companies with a size and complexity greater than or comparable (in terms of turnover, nature and complexity of the organization or activity carried out) to that of the bank.

For the purposes of meeting the above requirements, it is taking into account the experience gained over the twenty years prior to assuming the role; experiences gained simultaneously in more than one role are counted only for the period of time in which they were carried out, without cumulating counting.

D) COMPETENCE CRITERIA

ARTICLE 10 MEF DECREE

In addition to the professional requirements, the officers shall satisfy competence criteria aimed at proving their suitability to take on the position, considering the tasks inherent to the role covered and the dimensional and operational characteristics of the bank. For these purposes, theoretical knowledge - acquired through studies and training - and practical experience, gained through the performance of previous or ongoing work activities, are taken into consideration. Therefore, it is necessary that:

- a) both theoretical knowledge and practical experience are considered in more than one of the following areas: 1) financial markets; 2) banking and financial regulations; 3) guidelines and strategic planning; 4) corporate governance and organizational structures; 5) risk management (identification, assessment, monitoring, control and mitigation of the main types of risk of a bank, including the responsibilities of the officer in these processes); 6) internal control systems and other operational mechanisms; 7) banking and financial activities and products; 8) accounting and financial reporting; 9) information technology;
- b) it is assessed whether the theoretical knowledge and practical experience under a) is suitable with respect to: 1) the tasks inherent to the role covered by the officer and any specific delegations or attributions, including participation in internal board committees; 2) the characteristics of the bank, in terms of, amongst other, size, complexity, type of activities carried out and related risks, reference markets, countries in which it operates.

Moreover, for the position of chairperson of the board of directors, experience gained in coordinating, directing or managing human resources is also assessed to ensure the effective performance of the functions of coordination and direction of the work of the board of directors, promotion of its adequate functioning, also in terms of circulation of information, effectiveness of discussions and encouraging internal dialogue, as well as ensuring the adequate collective composition of the Board.

The competence *criterion* is not satisfied when the information acquired regarding theoretical knowledge and practical experience outlines a serious, precise and consistent pattern of the officer's unsuitability to hold the position. In the case of specific and limited deficiencies, the board of directors may take necessary measures to address them.



E) INDEPENDENCE REQUIREMENTS

ARTICLE 148 LEGISLATIVE DECREE No. 58/98 (“TUF”)

(applicable to Directors pursuant to Article 147-ter, paragraph 4, of the TUF)

The following individuals cannot be elected member of the board of auditors and, if elected, they shall forfeit their office:

- a) persons who are in the conditions specified in Article 2382 of the Italian Civil Code;
- b) spouses, relatives and relatives-in-law within the fourth degree of the directors of the company; the directors, spouses, relatives and the relatives-in-law within the fourth degree of the directors of the companies controlled by it, the companies that control it and those subject to common control;
- c) persons who are linked to the company, or the companies controlled by it, or the companies that control it or those under common control or to directors of the company and the individuals mentioned in letter b) by self-employment or employee relationships or by other relationships of an economic or professional nature that compromise their independence.

ARTICLE 13 MEF DECREE

A non-executive director is considered independent if none of the following situations apply:

- a) is a spouse, not legally separated, joined in a civil union or de facto cohabitation, a relative or relative in-law within the fourth degree: 1) of the chairperson of the board of directors and of the officers of the bank with executive roles; 2) of the heads of the main functions of the bank; 3) of persons who find themselves in the conditions referred to in the following letters;
- b) is a bank’s significant shareholder;
- c) holds or has held in the last two years at a bank’s significant shareholder or companies controlled by the bank, positions as chairperson of the board of directors, management or supervisory board or officer with executive duties, or has held, for more than nine years in the last twelve, positions as member of the board of directors, supervisory or management board as well as management functions at a significant shareholder in the bank or companies controlled by the bank;
- d) has held in the last two years the position of officer with executive duties in the bank;
- e) holds the position as an independent director in another bank of the same banking group, except in the case of banks among which there are direct or indirect, 100% controlling relationships;
- f) has held, for more than nine years in the last twelve, positions as a member of the board of directors or as manager at the bank;
- g) is an officer with executive responsibilities in a company in which an officer of the bank with executive responsibilities holds the position as member of the board of directors or manager of the management body;
- h) maintains, directly or indirectly, or has maintained in the two years prior to taking office, self-employment or employment relationships or other financial, patrimonial or professional relationships, even if on a non-continuous basis, with the bank or its directors with executive roles or its chairperson, with companies controlled by the bank



or its directors with executive roles or their chairpersons, or with a bank's significant shareholder or its directors with executive roles or its chairperson, such that it compromises his/her independence;

i) holds or has held in the last two years one or more of the following positions:

- 1) member of the Italian and European Parliament, of the Italian Government or of the European Commission;
- 2) regional, provincial or municipal assessor or councilor, chairperson of the regional council, chairperson of the province, mayor, chairperson or member of the district council, chairperson or member of the board of directors of *consortia* between local authorities, chairman or member of the councils or boards of unions of municipalities, board member or chairperson of special companies or institutions referred to in Article 114 of Legislative Decree No. 267 of 18 August 2000, mayor or councilor of metropolitan cities, chairperson or member of the bodies of mountain or island communities, when the overlap or contiguity between the territorial scope of reference of the entity in which the aforementioned positions are held and the territorial structure of the bank or banking group to which they belong are such that it compromises his/her independence.

For positions held in non-corporate entities, the above provisions apply to individuals holding equivalent roles within the entity.

Failure to meet the requirements will entail the forfeiture of the office of independent director. If, following the forfeiture, the residual number of independent directors in the body is sufficient to ensure compliance with the corporate governance provisions for banks implementing the TUB or other provisions that establish a minimum number of independent directors, the director who does not meet the requirements set out in this Article 13, unless otherwise provided in the by-laws, shall maintain the office of non-independent director.

CORPORATE GOVERNANCE CODE

Definitions

“Independent Directors”: non-executive directors who do not enter into, nor have recently had, even indirectly, relations with the company or with subjects related to the latter, such as to condition their current autonomy of judgment.

Recommendation No. 6

The board of directors assesses the independence of each non-executive director immediately after his or her appointment. The assessment is renewed during the mandate upon the occurrence of circumstances that concern his or her independence and at least once a year.

Each non-executive director provides all the elements necessary or useful for the assessment of the board of directors. On the basis of all the information available, the board considers any circumstance that affects or could affect the independence of the director.

Recommendation No. 7

The circumstances that jeopardise, or appear to jeopardise, the independence of a director are at least the following:

- a) if he or she is a significant shareholder of the company;



- b) if he or she is, or was in the previous three financial years, an executive director or an employee: i) of the company, ii) of its subsidiary having strategic relevance or of a company subject to joint control; iii) of a significant shareholder of the company;
- c) if he or she has, or had in the previous three financial years, a significant commercial, financial or professional relationship, directly or indirectly (for example through subsidiaries, or through companies of which he or she is an executive director, or as a partner of a professional or a consulting firm): i) with the company or its subsidiaries, or with their executive directors or top management; ii) with a subject who, also together with others through a shareholders' agreement, controls the company; or, if the control is held by a company or another entity, with its executive directors or top management;
- d) if he or she receives, or received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration other than the fixed remuneration for the position held within the board and for the membership in the committees recommended by the Code or required by law;
- e) if he or she has served on the board for more than nine years, even if not consecutive, of the last twelve years;
- f) if he or she holds the position of executive director in another company whereby an executive director of the company holds the office of director;
- g) if he or she is a shareholder, quota-holder or director of a company or other legal entity belonging to the network of the external auditor of the company;
- h) if he or she is a close relative of a person who is in any of the circumstances set forth in previous letters.

The board of directors defines *ex ante*, at least at the beginning of its mandate, the quantitative and qualitative criteria for assessing the significance of the situations set forth above in letters c) and d).

If the director is also a partner in a professional or a consulting firm, the board of directors assesses the significance of the professional relationships that may have an effect on his or her position and role within the professional or the consulting firm and in any event those pertaining to important transactions of the company and the group it heads, even regardless of the quantitative parameters.

Taking into account the principles and recommendations set forth in the Corporate Governance Code, as well as the provisions of the MEF Decree and any applicable legislation, relating to the independence requirement, it is necessary that there are no significant commercial, financial, patrimonial or professional relationships between the individual director and the subjects indicated by the legislation (Article 2, Recommendation No. 7 of the Corporate Governance Code; Articles 13 and 15 of the MEF Decree).

In order for the independence requirement to be met, it is therefore necessary that the director does not have, directly or indirectly (for example through subsidiaries, trust companies, through third parties or on the basis of agreements of any form concluded having as their object or effect the concerted exercise of the relevant control rights, or through companies of which he is an executive director, or a partner in a professional firm or consultancy firm), or has not had in the past three financial years prior to taking office, self-employment or employment relationships or other commercial, financial, investment or professional relationships, even if not on an on-going basis (“**Significant Relationships**”), with the Bank or its executive officers or its chairperson or top management (to be identified in line with the indications of the Corporate Governance Code and with the legislation in force



from time to time), with the Bank's subsidiaries or its executive officers or their chairpersons, or with a significant shareholder of the Bank or its executive officers or its chairperson or top management.

In assessing the independence requirements, various *criteria* are to be considered, including: type and nature of the Significant Relationships, amount and consideration of the transactions referring to the Significant Relationships and subjective elements (*e.g.*, whether the counterparty is the officer himself or a company/professional firm linked to the officer by means of a shareholding/corporate position/role in the professional firm).

In assessing the significance of the Significant Relationships, the board of directors, on the basis of the elements made available by the assessed entity, the information provided by the director, takes into account:

- regarding financial/investment relationships, including lending relationships: their size and specific characteristics, their weight versus the system data (for credit exposures) and, where applicable, the economic and financial situation of the borrower/individual concerned;
- regarding commercial and professional relationships: the characteristics of the transaction/relationship, the amount of the consideration/annual turnover of the individual concerned and, where applicable, their ratio to the overall annual turnover and/or the overall activity carried out and/or the annual costs incurred by BMPS and/or the Montepaschi Group attributable to the same type of contractual relationship or to similar positions;
- the current payment, or payment in the three previous financial years, of significant additional remuneration by bank, a subsidiary or the parent company, on top of the fixed remuneration paid for the office and for the participation in committees as recommended by the Corporate Governance Code or as provided for by applicable regulations.

The Board of directors of the bank, pursuant to Recommendation No. 7 of the Corporate Governance Code and Article 13, paragraph 1, letter h) of the MEF Decree with regard to financial, credit, investment and professional/commercial relationships, has identified the relationships that may compromise the formal and judgmental independence of the directors by identifying: (i) materiality/significance thresholds, below which it is believed that it can be reasonably excluded that the relationships are such as to jeopardize the independence of the Officers, and (ii) tolerance thresholds, beyond which the relationships themselves are deemed relevant for this purpose.

The bank develops and submits to each Officer specific questionnaires to acquire the information necessary to assess the independence requirement, including that relating to the existence of any Significant Relationships or other situations of conflict of interest pursuant to the provisions of the MEF Decree and the guidelines and indications of the Supervisory Authorities, as well as any other applicable internal or external regulations.

F) INDEPENDENCE OF MIND

ARTICLE 15 MEF DECREE

All officers act with full independence of mind and awareness of the duties and rights inherent to their role, in the interest of the sound and prudent management of the bank and in compliance with the law and any other applicable regulation. To this end, all directors communicate to the board of directors the information regarding the situations indicated in letters a), b), c), h) and i) of Article 13 of the MEF Decree regarding independence requirements and the reasons why, in their opinion, those situations do not concretely affect their independence of mind.



The board of directors assesses the independence of mind of the officer in the light of the information and reasons provided by the officer and verifies whether the safeguards required by law and regulations, as well as any additional organizational or procedural measures adopted by the bank or the officer himself, are effective in dealing with the risk that the above situations could affect the Officer's independence of mind or the decisions of the board of directors. The safeguards provided by the following Articles are particularly relevant: 2391 and 2391-*bis* of the Italian Civil Code and related implementing provisions; Chapter IX of Title V of Book V of the Civil Code; 53, paragraphs 4 and 4-*quater*, and 136 of the TUB and related implementing provisions; 6, paragraph 2-*novies*, of the TUF; Article 36 of Legislative Decree No. 201 of 6 December 2011, converted with amendments by Law No. 214 of 22 December 2011.

If the existing safeguards are not deemed sufficient, the board of directors may: (i) identify additional and more effective ones; (ii) modify the specific duties and roles assigned to the officer, including any delegated powers, in a manner consistent with the objective of ensuring the sound and prudent management of the bank. If such measures are not adopted or are insufficient to eliminate the existing shortcomings, the board of directors declares the officer's forfeiture from office.

The board of directors verifies the effectiveness of the safeguards and the measures adopted to preserve the officer's independence of mind, also in light of the Officer's behavior in performing the office .

G) TIME COMMITMENT

ARTICLE 16 MEF DECREE

Each director shall commit sufficient time to perform his/her function. Upon appointment and promptly in the event of supervening events, he/she shall inform the board of directors of the offices held in other companies, businesses or entities, other job-related and professional activities carried out and other situations or events pertaining to the professional sphere that may affect his/her time commitment, specifying the time that these tasks, activities, events or situations require.

The bank ensures that the officer is aware of the time deemed necessary by the bank to effectively perform their functions.

Based on the information obtained, the board of directors assesses whether the time that each officer can dedicate is suitable to perform their functions.

If the officer declares in writing that he/she can commit at least the time estimated as necessary by the bank, the assessment above mentioned may be omitted, provided that all of the following conditions are met:

- i. the offices held by the officer do not exceed the limit on the number of directorships indicated in the following paragraph;
- ii. this condition is respected without benefiting from the provisions of Articles 18 and 19 of the MEF Decree (also detailed in the following paragraph);
- iii. the officer does not hold the office of chief executive officer or general manager nor is he/she the chairperson of a corporate body or committee.

The board of directors verifies the suitability of the time dedicated by the officers to their role, also in light of their presence at meetings of the corporate bodies or committees.



If the time commitment is not sufficient, the board of directors request the officer to give up one or more offices or activities or to undertake specific commitments suitable for increasing his/her time commitment, or adopt measures including the revocation of specific delegated powers or tasks or the exclusion of the officer from committees. In any case, the assessment relating to time commitment is not relevant on its own for the decision on the forfeiture of the officer, but contributes to the assessment of the officer's suitability.

H) LIMITS ON THE NUMBER OF DIRECTORSHIPS

ARTICLES 17, 18 AND 19 MEF DECREE

Each officer of the bank may not assume a total number of positions in banks or other commercial companies exceeding one of the following alternative combinations:

- a) n. 1 executive position and n. 2 non-executive positions;
- b) n. 4 non-executive positions.

For the purposes of calculating the aforementioned limits, the position held in the bank is included.

The board of directors declares the forfeiture if it ascertains that the limit on the number of directorships has been exceeded and the officer concerned does not give up the position or positions that determine the exceeding of the limit within 30 days of the appointment or of the knowledge that the limit has been exceeded.

The limits on the number of directorships do not apply to officers who hold positions in the bank representing the State or other public entities

For the purposes of calculating the limits on the number of directorships, positions held by the officer are not considered:

- in companies or entities whose sole purpose consists in the management of the private interests of an officer or of the spouse who is not legally separated, a person linked in a civil union or *de facto* cohabitation, a relative or in-law within the fourth degree and which do not require any type of day-to-day management by the officer concerned;
- as a partner in a professional firm;
- as an alternate auditor.

For the purposes of calculating the limits on the number of directorships, the set of positions held in each of the following cases is considered as a single position:

- within the same group;
- within banks belonging to the same institutional protection scheme;
- within non-group entities, in which the bank holds a qualifying holding as defined in Regulation (EU) No. 575/2013, Article 4(1), point 36.

If more than one of the cases listed above occurs at the same time, the positions are added together by cumulating with each other. The set of positions computed as a single one is considered as an executive position if at least one



of the positions held in the aforementioned situations is executive; in other cases, it is considered as a non-executive position.

To this end, the board of directors considers, amongst others: (i) the circumstance that the officer holds an executive position in the bank or is a member of internal board committees; (ii) the size, activity and complexity of the bank or other commercial company where the additional position would be taken on; (iii) the duration of the additional position; (iv) the level of expertise acquired by the officer for carrying out the position in the bank and any synergies between the different positions.

The additional non-executive position cannot benefit from the application of the aforementioned counting rules.

The assumption of an additional non-executive position, with respect to the limits indicated in this paragraph, is permitted, provided that it does not prejudice the possibility for the officer to dedicate adequate time to the position at the bank to effectively carry out his/her functions.

The additional non-executive position is not permitted to the officer who: (i) holds the role of chief executive officer, general manager or chairperson of the board of directors, the board of statutory auditors or internal board committees at the bank; (ii) benefits, for the other positions, from the application of the counting rules mentioned above.

If the limits on the number of directorships are exceeded and this excess continues for more than 30 days from the appointment, the board, with the abstention of the officer concerned, declares the forfeiture of the officer himself.

I) INTERLOCKING PROHIBITION

ARTICLE 36 LEGISLATIVE DECREE 201/2011 CONVERTED IN L. 214/2011

Article 36 of Legislative Decree 201/2011 converted into Law 214/2011 establishes:

“1. Holders of positions in management, supervisory and control bodies and top officials of companies or groups of companies operating in the banking, insurance and financial markets are prohibited from assuming or exercising similar positions in competing companies or groups of companies.

2. For the purposes of the prohibition referred to in paragraph 1, competitors are understood to be companies or groups of companies between which there are no control relationships pursuant to Article 7 of Law 10 October 1990, No. 287 and which operate in the same product and geographical markets.

2-bis. In the case referred to in paragraph 1, holders of incompatible positions may opt within 90 days of appointment. If this term elapses without result, they lose both positions and the forfeiture is declared by the competent bodies of the interested organizations within thirty days of the expiry of the term or of the knowledge of the non-compliance with the prohibition. In case of *inertia*, the forfeiture is declared by the competent Supervisory Authority”.

In accordance with this regulatory provision, the board of directors of the Bank is required to carry out, with the support of the appointment committee, the necessary checks regarding the prohibition of interlocking in relation to the appointed directors, in addition to its own assessments regarding the suitability and requirements for carrying out the office”.



More specifically, the board of directors is required to assess the existence of any cross-directorships in violation of the regulations on the prohibition of interlocking provided for by the aforementioned Article 36.

In fact, the board of director is responsible for verifying the individual positions regarding the directors, the effective statutory auditors (excluding the substitute auditors) and the general manager, on the basis of the declaration issued by each interested officer, certifying their subjective situation in relation to any relevant hypotheses pursuant to the regulations referred to in Article 36.

The prohibition of interlocking applies only to the accumulation of positions in companies or groups of companies operating in the banking, insurance or financial markets, which are competitors.

For the purposes of applying the prohibition, two conditions must be met for there to be a competitive relationship:

- a) the companies or groups of companies involved are not linked to each other by control relationships pursuant to Article 7 of Law No. 287/1990;
- b) the companies or groups of companies involved operate in the same product and geographic markets.

The *criteria* for the application of the Interlocking Prohibition are reported in the joint document issued by the Bank of Italy-Consob-IVASS in 2012 and subsequently updated in 2018 and 2024.

L) CRITERIA FOR ADEQUATE COLLECTIVE COMPOSITION OF CORPORATE BODIES

ARTICLE 11 MEF DECREE

The composition of the board of directors must be adequately diversified in order to: promote discussion and internal dialectics within the corporate bodies; promote the emergence of a plurality of approaches and perspectives in the analysis of issues and in making decisions; effectively support corporate processes for developing strategies, performing activities and managing risks, and monitoring senior management work; and taking into account the multiple interests that contribute to the sound and prudent management of the bank.

To this end, it must be considered the presence on the board of directors of members: (i) diversified in terms of age, gender, tenure in office and, for banks with significant presence in international markets, geographical origin of the members; (ii) whose skills, collectively considered, are suitable to achieve the objectives indicated above; and (iii) adequate, in number, to ensure functionality and non-plethoric nature of the board itself.

In ensuring compliance with the above objectives, account is taken, among other things, of the legal form of the bank, the type of business carried out, the ownership structure, membership of a banking group, and the constraints arising from legal and regulatory provisions on the composition of the board of directors.

To this end, the board of directors identifies in advance its optimal qualitative and quantitative composition to achieve the above objectives and subsequently verifies the correspondence between this one and the actual composition resulting from the appointment process.

In the event of deficiencies, the board of directors shall adopt measures necessary to address them, including: (i) modifying the specific tasks and roles assigned to the directors, including any delegations, in a manner consistent with the objectives set out in this paragraph; (ii) defining and implementing suitable training plans. If such measures



are not effective to restore an adequate collective composition of the board of directors, the latter shall formulate recommendations to the Shareholders' meeting to overcome the identified deficiencies.

M) INDIVIDUAL CHARACTERISTICS

EBA/ESMA GUIDELINES⁴

Individual and attitudinal characteristics:

- a. **Authenticity:** is consistent in word and deed and behaves in accordance with own stated values and beliefs. Openly communicates his or her intentions, ideas and feelings, encourages an environment of openness and honesty, and correctly informs the supervisor about the actual situation, at the same time acknowledging risks and problems.
- b. **Language:** is able to communicate orally in a structured and conventional way and write in the national language or the working language of the institution's location.
- c. **Decisiveness:** takes timely and well-informed decisions by acting promptly or by committing to a particular course of action, for example by expressing his or her views and not procrastinating.
- d. **Communication:** is capable of conveying a message in an understandable and acceptable manner, and in an appropriate form. Focuses on providing and obtaining clarity and transparency and encourages active feedback.
- e. **Judgement:** is capable of weighing up data and different courses of action and coming to a logical conclusion. Examines, recognises and understands the essential elements and issues. Has the breadth of vision to look beyond his or her own area of responsibility, especially when dealing with problems that may jeopardise the continuity of the undertaking.
- f. **Customer and quality-oriented:** focuses on providing quality and, wherever possible, finding ways of improving this. Specifically, this means withholding consent from the development and marketing of products and services and to capital expenditure, e.g. on products, office buildings or holdings, in circumstances where he or she is unable to gauge the risks properly owing to a lack of understanding of the architecture, principles or basic assumptions. Identifies and studies the wishes and needs of customers, ensures that customers run no unnecessary risks and arranges for the provision of correct, complete and balanced information to customers.
- g. **Leadership:** provides direction and guidance to a group, develops and maintains teamwork, motivates and encourages the available human resources and ensures that members of staff have the professional competence to achieve a particular goal. Is receptive to criticism and provides scope for critical debate
- h. **Loyalty:** identifies with the undertaking and has a sense of involvement. Shows that he or she can devote sufficient time to the job and can discharge his or her duties properly, defends the interests of the undertaking and operates objectively and critically. Recognises and anticipates potential conflicts of personal and business interest.
- i. **External awareness:** monitors developments, power bases and attitudes within the undertaking. Is well informed on relevant financial, economic, social and other developments at national and international level that may affect the undertaking and also on the interests of stakeholders and is able to put this information to effective use.

⁴ Annex II –EBA/ESMA Guidelines (italian version)



- j. **Negotiating:** identifies and reveals common interests in a manner designed to build consensus, while pursuing the negotiation objectives.
- k. **Persuasive:** is capable of influencing the views of others by exercising persuasive powers and using natural authority and tact. Is a strong personality and capable of standing firm.
- l. **Teamwork:** is aware of the group interest and makes a contribution to the common result; able to function as part of a team.
- m. **Strategic acumen:** is capable of developing a realistic vision of future developments and translating this into long-term objectives, for example by applying scenario analysis. In doing so, takes proper account of risks that the undertaking is exposed to and takes appropriate measures to control them.
- n. **Stress resistance:** is resilient and able to perform consistently even when under great pressure and in times of uncertainty.
- o. **Sense of responsibility:** understands internal and external interests, evaluates them carefully and renders account for them. Has the capacity to learn and realises that his or her actions affect the interests of stakeholders.
- p. **Chairing meetings:** is capable of chairing meetings efficiently and effectively and creating an open atmosphere that encourages everyone to participate on an equal footing; is aware of other people's duties and responsibilities