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

ORDINARY SHAREHOLDERS' MEETING

15 September 2015 (single convocation)

BOARD OF DIRECTORS' REPORT

ON ITEM 2) OF THE AGENDA

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

**SELECTION, AMONGST THE MEMBERS OF THE BOARD OF DIRECTORS, OF THE CHAIRMAN
(AND THE DEPUTY CHAIRMAN, IF NECESSARY). INHERENT AND SUBSEQUENT RESOLUTIONS.**

ITEM 2) OF THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING

BOARD OF DIRECTORS' REPORT PREPARED PURSUANT TO ARTICLE 125-TER OF THE LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998.

Dear Shareholders,

You have been called to the Ordinary Shareholders' Meeting in order to resolve upon the following matter, set forth in item No. 2 of the agenda:

- **Selection, amongst the members of the Board of Directors, of the Chairman (and the Deputy Chairman, if necessary). Inherent and subsequent resolutions.**

Recalling what resolved upon in the first item of the agenda, following the resignation of Mr. Alessandro Profumo, the Shareholders' Meeting is called to resolve upon the appointment of the new Chairman, to be chosen amongst the members of the Board of Directors appointed by the Shareholders' Meeting, including the Director appointed in order to reinstate the proper number of members of the Board of Directors, as per the previous item of the agenda.

As already mentioned in the report pursuant to Article 125-ter of Legislative Decree No. 58 of 1998 ("TUF"), related to the first item of the agenda (*Appointment of a Director for the integration of the Board of Directors. Inherent and subsequent resolutions*), on 24 July 2015, on the same day in which Banca Monte dei Paschi di Siena S.p.A. (hereinafter the "**Company**" or "**BMPS**") published the press release announcing Mr. Profumo's resignation, Fondazione MPS, Fintech Advisory Inc. and BTC Pactual, as shareholders of the Company, identified Dr. Massimo Tononi as a suitable candidate for the position of Director and Chairman, in place of Mr. Profumo. Should the abovementioned candidate be elected as member of the Board of Directors by the Shareholders' Meeting, his appointment as Chairman of the Board of Directors will be submitted to the Shareholders' Meeting, together with any other candidate that might be presented by the shareholders (amongst the members of the Board), also directly during the Shareholders' Meeting, or before. Each candidate will be voted in the order in which his/her candidacy as Chairman has been presented to the Shareholders' Meeting.

Should the Shareholders' Meeting resolve upon the appointment of the current Deputy Chairman Mr. Roberto Isolani as the new Chairman, the agenda also provides for the possible appointment of a new Deputy Chairman.

Please bear in mind that the resolution to be adopted on this item of the agenda shall be approved with the majorities required by law in accordance with the By-Laws of the Company.

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Dear Shareholders,

You are therefore invited to select, amongst the members of the Board of Directors, the new Chairman which will be in place until the date of the approval of the financial statements for the year 2017. Unless otherwise decided by the Shareholders' Meeting, the Chairman will receive the remuneration approved by the Shareholders' Meeting held on 16 April 2015 for the Board of Directors' Chairman in respect to the years 2015, 2016 and 2017, *i.e.* EUR 500,000.00 as fix annual gross remuneration, which includes also the remuneration due to each Member of the Board of Directors, equal to EUR 65,000.00.

Siena, 6 August 2015