



Montepaschi Group Code of Ethics

GRUPPOMONTEPASCHI

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1 Introduction

The Montepaschi Group¹ is one of the leading banking organisations in Italy.

The Parent Company, Banca Monte dei Paschi di Siena Spa, was founded in 1472 as a public pawnbroking establishment (Monte di Pietà) to provide aid to the needy, combat usury and support at a difficult moment in history for the city of Siena.

Five hundred years of contact with the needs of people and communities have led the Group to develop a strong sense of responsibility and commitment to taking part in the sustainable growth of the comp development any.

This commitment is implemented through corporate decisions, individual behaviours and an ongoing dialogue with stakeholders² to meet their expectations and merit their trust, in the conviction that the Group's success depends not just on the quality of its products and services but, above all, on the way they are created and distributed.

To achieve this, Directors, Auditors, Management and all employees must act according to the highest ethical and professional standards.

Good conduct is good for the company, increases its ability to generate value for itself and its stakeholders, and is essential for gaining and maintaining credibility, reputation and consensus over time.

The Code of Ethics points out the references and guiding principles which are complementary to our legal and regulatory obligations (but not limited to those of the industry's Supervisory Authorities or similar entities) and must guide our expected conduct, consistently and in continuity with the Company's mission and its core values: the ethics of responsibility, customer focus, attention to change, a pro-active and entrepreneurial approach, a passion for professional know-how, team spirit and cooperation.

¹ "Group" is intended as Banking Group pursuant to art. 60 of Legislative Decree no. 385 of 1 September 1993 (Consolidated Law on Banking).

² Stakeholders are those who:

- contribute to achieving the company's mission;
- can influence the achievement of corporate objectives with their decisions (on matters of spending, investment, collaboration, regulation and control)
- are affected by the decisions and activities of the company.

Though there is no one definition of stakeholder valid for all companies, stakeholders are commonly identified as those parties having a material interest in the institution's activities, such as shareholders/partners, employees, customers, vendors and other business partners, institutions (including supervisory and control authorities, public administration), local communities.

The Code of Ethics is intended to stimulate virtuous behaviours and processes to best combine proper corporate conduct with socially significant expectations and interests, with results assessed from a medium and long-term viewpoint.

The Code of Ethics brings together and integrates principles of conduct already considered in the business, with respect to which the Montepaschi Group intends to continue to measure itself. Personal responsibility and ethics must always guide the Group's decisions and actions.

Both the positive and negative results of implementation of the Code of Ethics will be checked constantly through internal controls as key indicators of corporate performance.

Corporate policies, codes, regulations and procedures, along with other types of internal rules, lay out the concrete terms of application of each area of the Code of Ethics; the latter, however, is to be considered the Group's internal regulations to all effects and purposes.



2 - Code Implementation

2.1 OBJECTIVES AND ADDRESSEES

The Code of Ethics (hereinafter the “Code”) sets forth the principles, models and standards of behaviour which the Montepaschi Group (hereinafter the “Group”) is committed to following in all its activities, internal relations, relations with the market and its stakeholders, and with regard to the environment.

The Code of Ethics is an essential element of the organisational, management and control model adopted by the Group pursuant to and by effect of Legislative Decree 231/2001 “Administrative Liability of organisations, companies and associations, including those without legal personality”, as it completes the model in terms of expression and communication of values, principles and rules of conduct.

2.1.1 Objectives

The Code's Objectives are to:

- define standards of “good conduct” for the implementation of corporate policies and procedures
- inform employees about expected behaviours
- contribute to implementing the Group's social responsibility policy
- contribute to harmonising the Group's objectives with the interests of civil society

2.1.2 Addressees

The directors, auditors and senior managers of the companies and Group employees, in performing their own duties and in relation to their respective responsibilities, must apply the Code and contribute to its promotion, taking inspiration from and complying with the values it expresses in all their activities.

Employees of all types and levels are required to comply with the Code at all times.

The Group is committed to encouraging adoption of the Code by affiliated companies, subsidiaries, business partners, consultants and collaborators, considering compliance with the Code as a factor in assessing current and future relations

2.2 APPLICATION

Given the variety and diverse nature of the Group's activities, any behaviour, even if not expressly covered by the Code, must be based on criteria of common sense and personal ethics, in line with corporate values, guiding principles and procedures, and with the understanding that it does not expose the Group to reputational risk.

In addition to the Code's rules, the Group is also committed to complying with internal standards and procedures, the externally issued codes which it accepts (Codes of Governance, specific Codes of Conduct by business sector, the United Nations Global Compact, the European Alliance on Corporate Social Responsibility, etc.), contractual provisions and current legal obligations in every geographical context and area of activity in which it operates.

2.3 RESPONSIBILITIES

2.3.1 Issue and update

The Code and any amendments made to it are subjected to the approval of the Board of Directors of the Parent Company, Banca Monte dei Paschi di Siena Spa. The Group companies adopt and apply the Code.

2.3.2 Promotion of the Code

The Code and its updates are brought to the attention of the Addressees and, for the sake of transparency, also to that of the customers, vendors and other stakeholders through appropriate channels, which include:

- distribution in hardcopy and/or electronic format;
- training programmes;
- intranet systems and other internal communication tools;
- Group internet sites;
- the network of branches.

All administrative and management structures are committed to promoting the Code and encouraging its application.

2.3.3 Reports and controls

Application of the Code is ensured through the implementation of an internal controls



system which constitutes a key element in a company's overall governance system.

Each corporate Function carries out controls designed to manage, oversee and govern all risks relating to their specific operational area and responsibilities, including that of noncompliance with the Code.

There are also:

- Control Functions, i.e. those which, under legislative, regulatory, statutory or selfregulatory provisions, carry out control tasks;
- the internal audit Function which, through its audits, verifies the regular performance of operations and risk development as well as assessing the completeness, accuracy, proper functioning and reliability of the organisational structure and other components of the internal controls system.

Any non-compliance and behaviours considered not in line with the Code's instructions may be noted by any Corporate function as part of control activities relating to its own area of jurisdiction.

The relative reports, to be sent simultaneously to the internal audit and compliance Functions through the procedure for transmission of formal communications called "Sisifo", must be treated confidentially and analysed in order to determine their significance and provide any corrective measures and/or improvements.

The Compliance Function examines the reports by evaluating the aspects within its scope of competence and determining the appropriate measures to be adopted, informing the internal audit Function as well.

Through its audit activities, the Function evaluates and checks for any potential behaviours that may indicate a violation of the Code and reports the results to the relevant Corporate bodies.

2.3.4 Violations

Any failure to comply with the Code's provisions may, depending on circumstances and severity as well as the person/entity involved, result in the:

- initiation of disciplinary proceedings against the employee;
- termination of relationship, including contractual agreements, with a third party;
- application of other sanctions provided for by law or regulations to the defaulting party.

These activities are carried out in accordance with specific internal procedures.

3 - General Principles

3.1 - MISSION

The Group's mission is to:

- create value for its shareholders, in both the short and long term, giving priority to customer satisfaction, the professional development of resources and the interests of all stakeholders;
- steadily present itself as a model of reference in the Italian banking scenario, affirming a leadership role;
- promote a sense of belonging to the Group, while at the same time valuing cultural differences and maintaining a strong footprint in the areas in which it operates.

3.2 VALUES

The Group's values, previously compiled in the "Charter of Values", are:

Corporate social responsibility

Relate every behaviour to the ethic of corporate social responsibility, which commits the Group to being consistently oriented towards service, integrity and transparency, fairness in business practices, protection of the environment and the respect of all people.

Strong customer focus

An increased focus on listening and thus attention to relationships with external and internal customers, improving the level of quality of services provided and the degree of customer satisfaction through a continuous focus on efficiency and effectiveness in the processes of producing and delivering services.

A drive for change

Nurture a proactive focus towards the future, openness to innovation and flexibility when carrying out tasks, while at the same time emphasising the strengths deriving from tradition.

An entrepreneurial and proactive spirit

Incorporate an entrepreneurial approach at all levels of responsibility, anticipating problems, putting forth proposals and solutions, assuming responsibilities appropriate to each professional level.



A passion for professional skills

Be a model of reference by developing best practices and a conception of the profession based on training and self-development of key skills, both individual and corporate.

Team spirit and cooperation

Communicate to maintain and develop team spirit, improving cooperation, sharing knowhow and the ability to help others: the objective is to be a responsible player in order to pursue and promote the Group's success in compliance with its ethical framework.

4 - Rules of conduct

4.1 PERSONNEL MANAGEMENT AND WORK ENVIRONMENT

The Group is committed to ensuring safe, healthy and satisfactory working conditions and environment, in which employees are treated fairly and with respect, supported in their professional development and rewarded for good performances.

Staff search and selection is based on criteria of objectivity, competence and professionalism, ensuring equal opportunities of employment and career based on merit. Each recruitment, promotion, career advancement and remuneration increase is carried out following a policy based on the recognition of merit and equal opportunities.

A positive work climate is also promoted through relations with the Trade Unions, enhancing individuality, interpersonal relationships and helping to achieve participation, sense of belonging and team spirit.

Our commitment is to best reconcile the objectives and needs of the company with the personal and family needs of employees, as part of a flexible approach to the management of human resources.

No form of discrimination or harassment is tolerated.

The Group puts in place all necessary measures to allow employees to correctly adhere with and apply the Code.

In this respect, the Group provides employees with the appropriate instruments (as regulated in section 2.3.3.) to report any violations to the established rules of conduct without fear of reprisal or adverse consequences.

Compliance with the Code is a prerequisite for application of the incentive and career progression systems provided for by contractual regulations.

4.2 CUSTOMER RELATIONS

The Group is committed to creating and developing customer relationships based on trust and mutual and enduring satisfaction.

The objective is to be at the service of customers in order to meet their needs and preferences, always behaving honestly and transparently, being prepared, capable of innovating and credible.

Customers are informed fully and clearly of the conditions and performances of products and services, facilitating their understanding and enabling them to make more informed choices. By this means, we hope to support customers in clarifying their needs, helping them to manage their activities in an informed and capable way.



Focus is particularly given to the needs of the more vulnerable members of society, promoting financial inclusion, the informed use of credit and the prevention of overindebtedness.

When establishing business relations, particularly with “Public Administration” customers, including participation in public tenders, it is always necessary to operate within the law and in accordance with sound business practice.

In particular, it is forbidden to use or submit false statements or documents attesting untruth, or to omit information in order to obtain, for the benefit of or in the interests of the Group, contributions, loans or any other type of disbursement granted by the State, a Public Body or by the European Union.

Customers’ personal data are treated confidentially. Marketing and advertising initiatives are directed only at customers who have given their consent.

In order to promote the culture of customer relationships, the achievement of customer satisfaction and loyalty objectives (regularly monitored) are rewarded. The Group is open to suggestions and proposals from customers and other stakeholders regarding services and products.

Complaints are handled with sensitivity and provide opportunities for improvement, to overcome conflicts and regain the trust and satisfaction of customers, even under existing agreements with Consumer Associations.

4.3 VENDOR RELATIONSHIPS

The Group is committed to developing honest, transparent relationships with all its suppliers.

They are selected on the basis of merit, soundness and organisational sustainability and the best quality-price ratio. Fairness and integrity are ensured in relationships with suppliers, avoiding any risk of conflict of interests.

Suppliers are sensitised to providing their services according to standards of conduct consistent with those set out in the Code.

In particular, they must ensure reliability in their business, respect the rights of their workers, invest in quality and responsibly manage environmental and social impacts.

4.4 FAIRNESS AND TRANSPARENCY IN BUSINESS

4.4.1 Fair competition

Honest and fair competition is a prerequisite for developing and maintaining the company in the markets, in formal and substantive compliance with the regulatory framework.

The Group competes in the markets based on the quality and transparency of its products and services, avoiding agreements and other behaviours restricting competition, the formation of “cartels”, the division of markets, etc.

4.4.2 Integrity

In carrying out their functions, Addressees of the Code must act with diligence, professionalism and honesty.

It is forbidden to promise and obtain any improper advantage which may prejudice the fairness and impartiality of decisions, causing harm to the company’s reputation.

Tasks and activities which are incompatible with the company’s role or contrary to the moral and economic interests of the Group are not permitted; any non-compliance identified shall be treated in accordance with the provisions under the paragraph “Violations”.

4.4.3 Conflict of interest

The Group applies and maintains an efficient management policy to prevent conflicts of interest in relationships with customers, ensuring the transparency and completeness of information in terms of its nature, source and distribution.

In this respect, the Group has equipped itself with specific policies for the management of transactions with Related and Associated Parties, in full compliance with the relevant legislation.

The Addressees of the Code operate in the interest of and to achieve Group objectives, in full compliance with legislation and corporate codes of conduct (such as the Group Directive on Related-Party Transactions).

In line with this principle, situations in which the Company’s activities may be influenced by personal, family or related third-party interests must be avoided.



4.4.4 Anti-corruption

The Group does not tolerate corruption and is committed to being in compliance with all relevant laws and implementing all necessary measures to combat corruption in all its forms, including the promise and/or giving of bribes.

In particular, it is forbidden to pay or accept sums of money, to exercise other forms of corruption with the aim of obtaining an undue direct or indirect advantage for the Group. Gifts to and from third parties, including at Christmas or on other special occasions, are to be considered permitted within the normal standards of business hospitality and courtesies.

4.4.5 Information management

Information regarding the Group, its customers and other stakeholders, such as employees, suppliers, directors, shareholders, is treated confidentially and in compliance with privacy protection laws.

In particular, information to the market, especially that which may affect the prices of financial instruments, must always be oriented towards the utmost degree of accuracy and honesty and provided promptly and on a regular basis.

Confidential or privileged information may not be used to obtain personal advantages. Information on the Group's financial performance and its non-financial activities, that is sensitive in terms of reputation (corporate governance, personnel policies, relationships with customers and other stakeholders, et.), are handled in accordance with legal accounting principles and with reference to the highest existing standards. Such information is made publicly available in a clear and comprehensive way in order to allow investors and other stakeholders to take it into account when making their evaluations and investment choices.

4.5 USE OF CORPORATE ASSETS

The management and use of corporate assets - capital goods, computer systems, market knowledge, customer data, brands, etc. - must be based on the principles of integrity, honesty and responsibility.

With specific reference to IT applications, each Group employee or collaborator is required to use the hardware and software provided to them, exclusively for purposes relating to the performance of their duties and always in compliance with internal regulations adopted by the Group.

In particular, the improper use of the company's communication instruments and any activity aimed at altering the operations of the IT and telecommunications systems and/or manipulating the data contained therein are strictly forbidden.

The Group respects the intellectual property of others. The unauthorised reproduction of software, documentation or other copyright-protected material is contrary to company policy. The Group complies with the stipulations specified in the license agreements with its software vendors and prohibits the use or reproduction of software or documentation beyond that allowed by each of the said license agreements.

4.6 ADMINISTRATIVE, GOVERNING AND CONTROL BODIES

Persons who perform functions of representation, administration, management, supervision or control are required to act with the utmost honesty, loyalty, fairness and transparency, promoting a culture of legality and control and operating in a manner that ensures protection of the Group's assets. All top management, members of the Board of Statutory Auditors and independent auditors are to strictly comply with the obligations imposed on them by Law, in particular with reference to the provisions of Legislative Decree no. 231/01.

All top management is to avoid any potential conflict of interest which may prejudice the fairness and impartiality of decisions.

Directors, employees and external collaborators involved, in any capacity, in the preparation of financial statements are to act in a fair, transparent and collaborative manner, in compliance with the law and company procedures, in order to provide shareholders and third parties with true and correct information on the Group's economic situation and financial position. In particular:

- accounting records must be based on accurate, comprehensive and verifiable information and must reflect the nature of the transaction at issue;
- each entry must accurately reflect the data contained in the supporting documentation which must, therefore, be kept carefully and in order so that it may be shown at audits or inspections;
- the preparation of documents necessary for financial statement purposes must be based on the principles of sound and prudent management;

directors, auditors and those holding senior positions are forbidden from expressing facts not corresponding to the truth, omitting information or concealing data in direct



or indirect violation of regulatory principles and rules of internal procedure such that this would induce error in the recipients of such information.

4.7 RELATIONSHIPS WITH OUTSIDE ORGANISATIONS

The Group maintains open, constructive, ongoing and transparent relationships with all stakeholders, with a particular regard to institutions, trade unions, media, analysts and investors and social organisations, orienting its approaches, strategies and choices so as to respond promptly to social dynamics and excel in terms of reputation.

The Group considers the conduct of the organisations with which it deals both directly and indirectly, in terms of professionalism and reliability, with a particular focus on their possible involvement in activities which are unlawful, infringe on human rights or are harmful to the health and safety of man and nature.

In particular, any involvement in activities financing or intermediating transactions for the export, import and transit of armaments must be avoided as per existing regulations.

4.7.1 Public authorities and institutions

The assumption of commitments and management of relations with the institutions are limited to the corporate functions responsible and/or other authorised personnel.

In addition to complying with applicable laws and regulations, the Group's reputation and integrity must always be safeguarded in these relationships, in accordance with the policies set out in the Organisational Model pursuant to Legislative Decree 231/01.

The utmost degree of honesty and cooperation with the Supervisory and Control Authorities, the Judiciary and Public Security Authorities must always be ensured.

In particular, should any Group Company become involved in judicial proceedings, be they civil, criminal, administrative or fiscal, the Addressees must:

- refrain from engaging in conduct intended to obstruct the course of justice;
- fully cooperate with the investigating Authorities regarding and – in this respect - provide truthful information.

The Group fully and strictly complies with the provisions issued by the various Supervisory Authorities which regulate the activities carried out by each single Company of the Group.

In particular, the Group ensures the completeness and truthfulness of information provided to the Supervisory Authorities for their auditing and control activities and actively cooperates in the course of inspections, without preventing or hindering the performance of activities put in place.

All communications, particularly those of an economic-financial nature, must be clear, comprehensive and objective.

4.7.2 Union organisations and policies

No grants or donations may be given to movements or organisations with a purely political purpose. Participation in promotional and marketing campaigns associated with initiatives promoted by political parties and union organisations is also defined in compliance with current laws and in the utmost transparency.

Personal participation in political organisations by Addressees of the Code occurs outside working hours and without any connection to the position held in the Company.

4.7.3 Social organisations

The social and humanitarian purposes of third-sector organisations are supported. The Group is committed to maintaining a direct, constructive and transparent dialogue with Consumer Associations for the purpose of improving and strengthening its customer relations.

4.7.4 The media and public relations

Communications intended directly or indirectly for the public must be truthful and not contain information or omissions which may be misleading or alter their reliability. All requests received from the media are reported to the Parent Company's Communications Function.

Employees are allowed to engage in activities such as publishing documents, granting interviews or making public presentations of interest to the Group, with the prior authorisation of the Parent Company's Communications Function.



4.8 RESPONSIBILITY TO “SOCIETY”

4.8.1 Opposition to criminal activities

The Group cooperates with other banks, institutions and supervisory authorities to contribute to the fight against crime, with a particular focus on the:

- prevention of fraud against customers
- money laundering linked to unlawful or illicit activities
- funding of terrorist activities
- anti-usury
- tax evasion

Within this context, the Group operates in compliance with the law as well as through training and organisational programmes and the adoption of regulatory and technological systems which allow for the prompt detection and treatment of suspicious operations and transactions.

Any person operating in connection with the Group, and in particular the Addressees of this Code, must refrain from creating or participating in criminal organisations in order to carry out criminal or unlawful acts.

4.8.2 Creative value for shareholders and other stakeholders

The Group is committed to operating in accordance with its values, taking responsibility for the company's sustainable growth.

The Group's foremost responsibility is to create value for shareholders, primarily through the establishment of a solid and lasting relationship with customers based on the quality of services offered, and to deliver value to all stakeholders through the payment of salaries to employees, sustaining the savings achieved and meeting all fiscal responsibilities.

For the Group, corporate social responsibility means, first and foremost, making decisions and acting in a way that meets and matches the expectations and interests of shareholders and other stakeholders, and offering to cooperate with the companies and organisations that promote and diffuse corporate social responsibility practices.

4.8.3 Commitment to the community

The Group seeks to participate in promoting and developing the economic well-being and quality of the social contexts in which it operates.

It is therefore committed to supporting programmes that protect and develop communities through:

- donations to organisations active in volunteer work and solidarity activities;
- contributions towards cultural, scientific, social and environmental programmes;
- products and services for the more vulnerable and needy members of society;
- cooperation with local institutions for the sustainable growth of productive infrastructure.

4.8.4 Environmental protection

The Group pursues the objective of managing its environmental impacts in an organised and increasingly efficient manner, both in relation to its day-to-day operations (attention to the consumption of paper, water and energy, waste production and management, etc.) and to the activities of customers and vendors (environmental risk assessment in lending and investments, exclusion of polluting activities or products in relationships with vendors, etc.).

Through its own products and services, the Group supports the investments of individuals, families, institutions and businesses that want to improve their energy-environmental efficiency and quality.

