



# INTERNAL DEALING REGULATION

## 1. Introduction

This Internal Dealing Regulation (hereinafter, the **Regulation**), adopted by Banca Monte dei Paschi di Siena S.p.A. (hereinafter the Bank or **BMPS**) by resolution of the Board of Directors of 29 March 2006, subsequently amended by the resolutions of the Board of Directors of 28 January 2010, 8 March 2012, 17 July 2014 and 25 November 2015, identifies the Relevant Persons of BMPS and their obligations to publicly disclose and notify CONSOB of any transactions in BMPS shares and other related financial instruments performed by them or through a third party, as governed by Article 114, paragraph 7 of Italian Legislative Decree no. 58 dated 24 February 1998, (hereinafter **Consolidated Finance Act** or **CFA**).

## 2. Foreword

The Regulation concerns legitimate transactions by Relevant Persons and, as such, they are not transactions performed using privileged information referred to in Article 181 of the CFA.

## 3. Definitions

For the effects and purposes of this Regulation, the following definitions apply:

- “**Appointed Party**”, as defined in section 11 of this Regulation;
- Pursuant to the definitions provided in Article 152-*septies* of the **Issuer Regulations** (hereinafter **I.R.**), “**Relevant Transactions**” are dealings involving the purchase, sale, subscription or exchange of shares of the listed issuer or financial instruments connected to such shares, executed, also through a third party, by a Relevant Person and/or Close associate of a Relevant Person.
- Pursuant to the definitions provided in Article 152- *sexies* of I.R., “**Close associates of Relevant Persons**” are:
  - spouses of Relevant Persons unless legally separated, their dependent children (including step-children) that have been living in the same household as the Relevant Person for at least one year and parents, relatives and other kinsmen;
  - legal entities, partnerships and trusts in which a Relevant Person or one of the persons specified in the foregoing point is solely or jointly responsible for management;
  - legal entities, controlled directly or indirectly by a Relevant Person or by one of the persons specified in the first point;
  - partnerships in which the economic interests are largely equivalent to those of a Relevant Person or one of the persons specified in the first point;
  - trusts set up for the benefit of a Relevant Person or one of the persons specified in the first point
- Pursuant to the definitions provided in Article 152-*sexies* of I.R., “**Relevant Persons**” are:
  - members of the Board of Directors and Board of Statutory Auditors of the listed issuer;
  - members of the listed issuer’s management body or senior executives who have regular access to privileged information and who are authorised to decide on material corporate matters that may affect the future developments and business prospects of the listed issuer;

- members of the Board of Directors and Board of Statutory Auditors, the management body and senior executives who have regular access to privileged information and are authorised to decide on material corporate matters that may affect the future developments and business prospects of a subsidiary that is either directly or indirectly controlled by a listed issuer, if the book value of the investment in the subsidiary accounts for more than fifty percent of the listed issuer's assets, as reported in the most recently approved financial statements;
  - any other person holding an equity interest, calculated pursuant to Article 118 of I.R., of at least 10 percent of the listed issuer's share capital with voting rights, as well as any other person controlling the listed issuer (Article 93 of the CFA).
- Pursuant to the definitions provided in Article 152-sexies, letters b.1 to b.6 of the I.R., "Financial Instruments connected to shares" are:
1. financial instruments carrying the right to subscribe, buy or sell shares;
  2. debt instruments that are convertible into shares or that may be exchanged for such shares;
  3. derivative financial instruments in shares, as specified in Article 1, paragraph 3 of the Consolidated Finance Act;
  4. other financial instruments equivalent to shares, representing such shares;
  5. listed shares issued by subsidiaries controlled by the listed issuer and connected financial instruments referred to in points 1 and 4 above;
  6. unlisted shares issued by subsidiaries controlled by the listed issuer when the book value of the investment in the subsidiary accounts for more than fifty percent of the listed issuer's assets, as reported in the most recently approved financial statements, and the connected financial instruments referred to in points 1 to 4 above.

#### 4. Regulatory framework

The regulation on Internal Dealing is governed by:

- Legislative Decree no. 58 of 24 February 1998 - Consolidated Finance Act, and subsequent amendments and supplements thereto (CFA);
- Regulation implementing Legislative Decree no. 58 of 24 February 1998, adopted by CONSOB resolution 11971 of 14 May 1999, and subsequent amendments thereto, concerning the regulation of issuers (Issuer Regulations or I.R.).

#### 5 - Identification of Relevant Persons

For the effects and purpose of this Regulation, the following parties are Relevant Persons:

- a. The Chairperson of the Board of Directors, the Directors, the Statutory auditors, the Chief Executive Officer or Chief Executive Officers (if appointed) of BMPS;
- b. The General Manager, the Deputy General Manager of BMPS, the Heads of Divisions of the Parent Banking Group and the Financial Reporting Officer;
- c. Any other person holding an equity interest in BMPS, calculated pursuant to Article 118 of I.R., of at least 10 percent of share capital with voting rights (or other minimum requirement established by applicable regulations).

Under Article 152-*octies*, paragraph 10 of the I.R., it is the responsibility of Relevant Persons to inform persons closely related to them of the existence of the terms and conditions under which the latter persons are obliged to comply with the reporting requirements pursuant to Article 114, paragraph 7 of the CFA and provided for by this Regulation.

Close associates of Relevant Persons must notify the latter of any transaction executed.

## 6 - Subject of notifications to BMPS

Relevant persons referred to in letters a. and b., section 5 of this Regulation shall notify BMPS (without prejudice to their disclosure obligation towards CONSOB unless otherwise mandated to BMPS) of dealings, executed by them or by their close associate, involving the purchase, sale, subscription or exchange of shares or of financial instruments connected to such shares (Article 152-*septies*, paragraph 2, I.R.) and regarding:

- a. shares issued by BMPS;
- b. other financial instruments connected to shares issued by BMPS, as defined in section 3 of this Regulation.

There is no duty to report (Article 152-*septies*, paragraph 3 of the I.R.):

- (a) transactions whose total amount is under Euro five thousand by the end of the calendar year; subsequent to each communication, transactions whose total amount does not reach a further Euro five thousand by the end of the year; in the case of derivative financial instruments the amount is calculated with reference to the underlying shares;
- (b) transactions executed between Relevant Persons and Close associates;
- (c) transactions executed by the listed issuer and its subsidiaries.

The above-stated annual amount of Euro five thousand - over which the reporting obligation becomes applicable - is calculated by summing the transactions in shares and financial instruments connected to the shares carried out on behalf of each Relevant Person with those carried out on behalf of Close associates (Article 152-*septies*, paragraph 4 of I.R.). In the case of derivative financial instruments the amount is calculated with reference to the underlying shares. For calculating the value of transactions carried out in foreign currency other than Euro, the exchange rate on the day of the transaction shall be applied.

Since they are not “transactions” falling under the reporting obligations set forth in this Regulation, there is no duty to report free allocations, inheritances and donations. Likewise, the reporting obligation does not apply for securities lending, pledges, usufruct and the assignment of share subscription rights, including stock options, for which the reporting obligation is applied where the option is exercised.

Relevant Persons must, however, report operations involving management of individual investment portfolios, even when not the result of instructions received from Client; in this case, the disclosure obligation starts from the date the Relevant Person receives notification of the transaction carried out from the intermediary.

## 7 - Notifications by Relevant Persons

Under Article 152-*octies*, paragraph 6 of the I.R., BMPS - in the manner detailed in the paragraphs below - shall inform the market and, if required by the Relevant Person, CONSOB of the information received from the Relevant Person.

Where there is no prior agreement, the Relevant Persons referred to in letter c) Section 5 shall directly notify to CONSOB and publicly disclose - in the manner detailed in Article 66, paragraph 2 of the I.R. - the information on the transactions referred to in section 6 not later than the fifteenth day of the month following the one in which the transaction was executed.

## 8 - Register of Relevant Persons

Through the Appointed Party responsible for fulfilling the disclosure obligations referred to in Section 11 below, BMPS keeps a register of Relevant Persons required to comply with the disclosure obligations. In particular, it:

- updates the register of Relevant Persons;
- informs Relevant Persons of their inclusion in the register and the obligations they are subject to under the legislative and regulatory provisions on Internal Dealing;
- has the Relevant Person sign the form stating to have received this Regulation and, where applicable, mandating BMPS to send the notifications to CONSOB.

## 9 - Terms and procedures for notifications

Relevant Persons referred to in letters a) and b), Section 5 of this Regulation shall provide BMPS with notification of the “relevant transactions” concluded directly by them and by persons closely associated with them within five trading days of the transaction date. Notifications shall be submitted in one of the following ways:

-by e-mail: [bancamps.settoreaffarisocietari@postacert.gruppo.mps.it](mailto:bancamps.settoreaffarisocietari@postacert.gruppo.mps.it)

- by fax to the number: +39 0577 296396

The Relevant Person must use the form provided for all notifications.

## 10 - Black-out periods

Relevant persons are prohibited from executing transactions, also through third parties, on financial instruments as described in section 6 during the following periods:

- a) in the 30 days prior to the approval of BMPS’s draft yearly financial statements and half-year report by the Board of Directors;
- b) in the 15 days prior to the approval of BMPS’s quarterly results by the Board of Directors.

However, it is without prejudice to the Board of Directors to grant any exceptions to the above limitations, for any valid reason, as well as to identify further periods or circumstances in which the execution of transactions is subject to limits and conditions, promptly notifying the Appointed Party referred to in section 11 of this Regulation, identified as BMPS’s Legal and Corporate Area.

## 11. - Appointed Party responsible for disclosure

BMPS’s Legal and Corporate Area (hereinafter “Appointed Party”) is the party appointed to receive, manage and disclose the notifications sent by the Relevant Person to the market and to CONSOB, if delegated by the Relevant Person.

In performing the duties assigned to it, the Appointed Party shall adhere to the provisions of this Regulation, to all applicable regulations in force and to any operating rules issued by BMPS.

## 12. - Management of notifications by Relevant Persons

The Appointed Party shall provide the Relevant Person with acknowledgement of having received the notification by email or fax, the identification details of which shall be provided by the Relevant Person in the disclosure form.

### 13. - Fulfilment of disclosure obligations: terms and procedures

The Appointed Party shall disclose the information to the market by the end of the trading day after receiving the notification by the Relevant Person in accordance with all applicable laws and regulations.

Where the Relevant Person referred to in letters a) and b) of Section 5 has requested BMPS to send the notifications to CONSOB, the Appointed Party shall perform the task under the same terms described above and according to the procedures applied for such notifications.

### 14. -Personal data processing

By undersigning the consent form referred to in section 8, each Relevant Party irrevocably agrees - until termination of the status or function requiring their inclusion within the category of Relevant Persons - to the processing of data required under this Regulation, even if performed through third parties, for the sole purpose of complying with the regulations issued by CONSOB and to meet CONSOB requirements pursuant to Article 115 of the Consolidated Finance Act. The Relevant Person also accepts that the same information be included in summary or complete form in BMPS's Annual Financial Statements and Half-Year and Quarterly Reports, as well as published on the BMPS website.

Finally, the persons referred to in letters a) and b), section 5 of this Regulation acknowledge that, pursuant to their Relevant Person status, they are included in the Register of persons having access to privileged information, under Article 115-*bis* of the Consolidated Finance Act; the Bank will notify all Relevant Persons of their registration in the Register.

### 15. - Sanctions

The failure to comply with reporting obligations or the restrictions set forth in this Regulation will lead to consequent liability resulting from the breach of legal obligations (see Article 193 of the Consolidated Finance Act) and, for employees, will result in the application of disciplinary sanctions, as provided for by current contractual regulations. Moreover, all of the aforementioned persons will be liable for any damages suffered by the Bank for their failure to comply with the rules of this Regulation.

### 16. - Effective Date

This Regulation came into effect on 25 November 2015 and is published on the website [www.mps.it](http://www.mps.it).

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