

# Organisation, management and control model pursuant to Italian Legislative Decree 231/01 on administrative liability

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## 1 - OVERVIEW

This document sets out the MPS Group's principles and procedures for the implementation of the provisions of Legislative Decree 231/2001 "Regulations on administrative liability of entities, companies and associations with or without legal status". The document identifies the methods and operational principles of reference for each Group Company (the Company and/or Group Companies) for the adoption of the relevant Model pursuant to Legislative Decree 231/2001 and provides for the maintenance and update of said organization models and the Parent Bank supervision activities. The document also sets the 231 Model adopted by Banca Monte dei Paschi di Siena S.p.A., as a string of ethical and operational rules suitable for preventing any offences in compliance with the above-mentioned Decree.

## 2 - LAYOUT OF THIS DOCUMENT

The document consists of 3 parts (A, B, C), which together form the MPS Group's organisation, management and control model for the prevention of predicate offenses for the administrative liability of entities pursuant to Legislative Decree No. 231 of 8 June 2001 that sets out "Regulation on the administrative liability of legal persons, companies and associations, and of those without legal personality, pursuant to Article 11 of Law No. 300 of 29 September 2000" (hereinafter also referred to as "Legislative Decree No. 231/2001" or "Decree").

**Part A** outlines the terms of Legislative Decree 231/2001 which introduced the principle of administrative liability of the companies and other bodies as a result of certain crimes.

Specific emphasis was placed on the MPS Group Companies requirement of adopting models of organisation, management and control (hereinafter also "231 Model") in the belief that this represents not only a good instrument for persuading those who operate on behalf of the Group to behave properly and fairly, but also a more effective means of prevention of the risk of the crimes contemplated by the regulations of reference.

**Part B** provides the Group Guidelines for meeting the requirements of Legislative Decree 231/01, to be complied with by the Companies when defining their own 231 organization models.

More specifically, this section sets out the codes of conduct that form an integral part of each company's 231 Model. These rules are aimed at achieving the utmost level of integrity in corporate conduct and are applicable to all members of the corporate governing bodies, the employees, the financial advisors and external collaborators.

**Part C of this document** sets out Banca MPS' 231 Model, with specific reference to the rules adopted by Banca MPS for meeting the requirements of the Decree.

Particular emphasis is placed on the identification of sensitive activities pursuant to Legislative Decree 231/01, the establishment of the Bank supervisory board responsible for overseeing the efficiency of and compliance with the Model, the introduction of a system of disciplinary measures in the case of non-compliance with the requirements of the 231 Model, and the definition of the Control Protocols prepared for each Bank Unit.

This document, together with the Code of Ethics and the MPS Group's Anti-Corruption Policy, sets out the rules of conduct for sensitive processes pursuant to Legislative Decree 231/01 in order to ensure the highest level of integrity in the workplace.

### 3 - DEFINITONS OF TERMS USED

- **Legislative Decree 231/01:** Legislative Decree no.231 of 8 June 2001 as subsequently amended and supplemented.
- **Group:** Monte dei Paschi di Siena Group.
- **Italian Bankers' Association Guidelines:** Paper issued and circulated by the Italian Bankers' Association (2007 release) and subsequent updates.
- **231 Model:** Organization, Management and Control Model pursuant to Legislative Decree 231/2001, Article 6 paragraph 1.
- **231 Risk:** Risk of economic losses and reputational damage as a result of major (committed or attempted) crimes according to Legislative Decree 231/2001.
- **Top managers:** Individuals representing, administering or managing the companies or one of their organisational units with financial and functional autonomy, as well as individuals managing and controlling (including de facto management or control) these companies (Article 5, paragraph 1 of Legislative Decree 231/2001). These individuals are: the members of the Board of Directors (BoD), the General Manager, the Deputy General Managers, the Heads of the Parent Bank Divisions, and any person reporting directly to the Board of Directors.
- **Supervisory body pursuant to Legislative Decree 231/2001:** Multi-company or monocratic body with independent power of action and control consisting of members within and/or outside the company.

## **4 - CONTENTS OF LEGISLATIVE DECREE 231/2001 (PART A)**

### **4.1 - THE PRINCIPLE OF ADMINISTRATIVE LIABILITY, AS INTRODUCED BY LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001**

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Legislative Decree No. 231 of June 8, 2001, implementing the delegation of Law No. 300 of 29 September 2000, introduced for the first time in Italy the administrative liability of companies and other entities as a result of certain crimes.

Corporate liability (which is in addition to and not in place of the liability of the individual committing an offence) arises whenever an offence has been committed in the interest of or to the advantage of the entity itself, including attempts or in concurrence with other parties; on the other hand, it is excluded when the crime has been completed in the sole interest of its perpetrator.

In terms of sanctions, a pecuniary sanction will always be applied to all offenses committed; prohibitory measures are also applied for more serious cases, such as disqualification from exercising the activity, suspension or withdrawal of authorisations, licenses or concessions, ban from contracting with the Public Administration, the exclusion from or cancellation of financing, contributions and subsidies, and ban on advertising goods and services.

With reference to the perpetrators of the offenses, the Decree provides that corporate administrative responsibility arises when offenses are committed by:

- Top managers, for example, the legal representative, the directors, the general manager, as well as persons managing or controlling the company, including on a “de facto” basis;
- employees, but also persons outside the company that work under the direction and supervision of the top managers.

### **4.2 - LEGISLATIVE FRAMEWORK**

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As of 7 February 2022, the predicate offences for the administrative liability of entities, as set out in Legislative Decree 231/2001 and following subsequent amendments to the Decree through specific legislative measures (most recent Legislative Decree no. 184 of 8 November 2021 and Legislative Decree no. 195 of 8 November 2021) are as follows:

1. Misappropriation of funds, fraud against the State or other public body or for the purpose of obtaining public funds and computer fraud against the State, a public body or the European Union or for the purpose of obtaining public funds, computer fraud against the State or a public body and fraud in public procurement (Article 24, Legislative Decree 231/2001) [as amended by Law no. 161/2017 and Legislative Decree no. 75 of 14 July 2020]
  - Misappropriation against the State (Article 316-bis of the Italian Criminal Code)
  - Undue receipt of funds to the detriment of the State (Article 316-ter of the Italian Criminal Code) [as amended by Law no. 3/2019]
  - Fraud in public procurement (Article 356 of the Italian Criminal Code)
  - Fraud against the State or other Public Entity or the European Union (Article 640, paragraph 2 no.1 of the Italian Criminal Code)
  - Aggravated fraud for securing public funds (Article 640-bis of the Italian Criminal Code)

- Computer fraud against the State or other Public Entity (Article 640-ter of the Italian Criminal Code)
  - Fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (Article 2 of Law no. 898 of 23 December 1986)
2. Cybercrime and unlawful data processing (Article 24-bis of Legislative Decree 231/2001) [article added by Law 48/2008; as amended by Legislative Decree no. 7 and 8/2016 and by Legislative Decree no. 105 of 21 September 2019]
- Computer fraud by a digital signature services provider (Article 640-quinquies of the Italian Criminal Code)
  - Unauthorised access to an information or computer system (Article 615-ter of the Italian Criminal Code)
  - Electronic documents (Article 491-bis of the Italian Criminal Code)
  - Unauthorised possession and distribution of access codes to IT or electronic systems (Article 615-quater of the Italian Criminal Code)
  - Distribution of software with the intention of damaging or crashing an IT or electronic system (Article 615-quinquies of the Italian Criminal Code)
  - Wiretapping, blocking or illegally interrupting IT or electronic communications (Article 617-quater of the Italian Criminal Code)
  - Installation of devices to intercept, block or interrupt IT or electronic communications (Article 617-quinquies of the Italian Criminal Code)
  - Damage to information, data and software (Article 635-bis of the Italian Criminal Code)
  - Damage to information, data and software used by the State or other public body or by an entity providing public services (Article 635-ter of the Italian Criminal Code)
  - Damage to IT and electronic systems (Article 635-quater of the Italian Criminal Code)
  - Damage to IT or electronic systems providing a public service (Article 635-quinquies of the Italian Criminal Code)
  - Violation of obligations regarding the national cybernetic security perimeter (Article 1 of Decree-Law no. 105 of 21 September 2019, converted with amendments by Law no. 133 of 18 November 2019)
3. Organised crime (Article 24-ter, Legislative Decree 231/2001) [Article added by Law 94/2009 and amended by Law 69/2015]
- Criminal association (Article 416 of the Italian Criminal Code)
  - Mafia-type associations including foreign (Article 416-bis of the Italian Criminal Code) [Article amended by Law 69/2015]
  - Political-mafia vote-rigging (Article 416-ter of the Italian Criminal Code) [replaced by Article 1, paragraph 1 of Law no. 62 of 17 April 2014, with effect from 18 April 2014, pursuant to the provisions of Article 2, paragraph 1 of Law 62/2014]
  - Kidnapping for the purpose of extortion (Article 630 of the Italian Criminal Code)
  - Association for the purpose of unlawful trafficking in narcotics or psychotropic substances (Article 74 of Presidential Decree no. 309 of 9 October 1990) [paragraph 7-bis added by Legislative Decree 202/2016]

- All crimes if committed under the conditions provided for by Article 416-bis of the Italian Criminal Code to facilitate the activities of the associations provided for by the same Article (Law 203/91)
  - Illegal manufacture, importation, marketing, sale, possession and carrying in a public place of military or pseudo-military weapons or parts thereof, explosives, illegal weapons and common firearms, excluding those provided for by Article 2, paragraph 3 of Law no. 110 of 18 April 1975 (Article 407, paragraph 2, letter a), number 5) of the Italian Criminal Code)
4. Embezzlement, extortion, undue inducement to give or promise benefits, corruption and abuse of office” (Article 25 of Italian Legislative Decree 231/2001 [as amended by Law 190/2012, Law 3/2019 and Italian Legislative Decree no. 75 of 14 July 2020]
- Embezzlement (Article 314 of the Italian Criminal Code)
  - Embezzlement by profiting from third-party error (Article 316 of the Italian Criminal Code) [as amended by Italian Legislative Decree no. 75 of 14 July 2020]
  - Extortion (Article 317 of the Italian Criminal Code) [article amended by Law 69/2015]
  - Bribery to exercise an official duty (Article 318 of the Italian Criminal Code) [as amended by Law 190/2012, Law 69/2015 and Law 3/2019]
  - Bribery to commit an act contrary to official duty (Article 319 of the Italian Criminal Code) [article amended by Law 69/2015]
  - Aggravating circumstances (Article 319-bis of the Italian Criminal Code)
  - Judicial corruption (Article 319-ter of the Italian Criminal Code) [article amended by Law 69/2015]
  - Unlawful inducement to give or promise benefits (Article 319-quater) [article added by Law 190/2012 and amended by Law 69/2015 and Legislative Decree no. 75 of 14 July 2020]
  - Corruption of persons performing public service (Article 320 of the Italian Criminal Code)
  - Penalties for the corrupting party (Article 321 of the Italian Criminal Code)
  - Incitement to corruption (Article 322 of the Italian Criminal Code)
  - Corruption among private individuals (Article 2635 of the Italian Criminal Code) [added by Law 190/2012; as amended by Legislative Decree no. 38/2017 and by Law 3/2019]
  - Incitement to corruption among private individuals (Article 2635-bis) [added by Legislative Decree. 38/2017 and amended by Law 3/2019]
  - Misappropriation of public funds, unlawful inducement to give or promise benefits, bribery of and incitement to corrupt members of the international criminal courts, bodies of the European Union, international parliamentary assemblies or international organisations and officials of EU member states and non-EU countries (Article 322-bis of the Italian Criminal Code) [as amended by Law 190/2012 and by Law 3/2019]
  - Abuse of office (Article 323 of the Italian Criminal Code) [as amended by Italian Legislative Decree no. 76 of 16 July 2020]
  - Influence peddling (Article 346-bis of the Italian Criminal Code) [as amended by Law 3/2019 and Legislative Decree no. 75 of 14 July 2020]
5. Forgery of money, public credit cards, revenue stamps and distinctive signs or trademarks (Article 25-bis of Legislative Decree 231/2001) [article added by L.D. 350/2001, converted with amendments by Law 409/2001; amended by Law 99/2009; amended by Legislative Decree 125/2016]



- Counterfeiting of money, circulation and importation of counterfeit money, in conspiracy with others (Article 453 of the Italian Criminal Code)
  - Counterfeiting of money (Article 454 of the Italian Criminal Code)
  - Circulation and importation of counterfeit money, not in conspiracy with others (Article 455 of the Italian Criminal Code)
  - Circulation of counterfeit money received in good faith (Article 457 of the Italian Criminal Code)
  - Counterfeiting of revenue stamps, importation, purchase, possession or circulation of counterfeit revenue stamps (Article 459 of the Italian Criminal Code)
  - Counterfeiting of watermark paper used to produce banknotes or revenue stamps (Article 460 of the Italian Criminal Code)
  - Manufacture or possession of watermarks or tools for the counterfeiting of legal tender, revenue stamps or watermarked paper (Article 461 of the Italian Criminal Code)
  - Use of counterfeit or altered revenue stamps (Article 464 of the Italian Criminal Code)
  - Counterfeiting, alteration or use of trademarks or distinctive marks, including patents, models and designs (Article 473 of the Italian Criminal Code)
  - Importation and marketing of products with false markings (Article 474 of the Italian Criminal Code)
6. Crimes against industry and trade (Article 25-bis.1 of Legislative Decree 231/2001) [article added by Law 99/2009]
- Disruption to the freedom of industry or trade (Article 513 of the Italian Criminal Code)
  - Unlawful anti-competitive action using threat or violence (Article 513-bis of the Italian Criminal Code)
  - Fraud against national industries (Article 514 of the Italian Criminal Code)
  - Fraudulent trading (Article 515 of the Italian Criminal Code)
  - Sale of non-genuine food products as genuine (Article 516 of the Italian Criminal Code)
  - Sale of industrial products with false or misleading markings (Article 517 of the Italian Criminal Code)
  - Production and sale of goods produced by misappropriating industrial property rights (Article 517-ter of the Italian Criminal Code)
  - Counterfeiting of geographical indications or designations of origin of agricultural food products (Article 517-quater of the Italian Criminal Code)
7. Corporate crimes (Article 25-ter of Legislative Decree 231/2001) [article added by Legislative Decree no. 61/2002, amended by Law 190/2012, Law 69/2015 and by Legislative Decree no. 38/2017]
- False corporate information (Article 2621 of the Civil Code) [article amended by Law 69/2015]
  - Minor offences (Article 2621-bis of the Civil Code)
  - False corporate information of listed companies (Article 2622 of the Civil Code) [article amended by Law 69/2015]
  - Obstruction of control (Article 2625, paragraph 2 of the Civil Code)
  - Unlawful repayment of capital contributions (Article 2626 of the Civil Code)
  - Unlawful distribution of profits and reserves (Article 2627 of the Civil Code)

- Unlawful transactions in stocks or shares of a company or its parent company (Article 2628 of the Civil Code)
  - Transactions to the detriment of creditors (Article 2629 of the Civil Code)
  - Failure to disclose a conflict of interest (Article 2629-bis of the Civil Code) [added by Law 262/2005]
  - Contrived formation of capital (Article 2632 of the Civil Code)
  - Unlawful distribution of corporate assets by liquidators (Article 2633 of the Civil Code)
  - Corruption among private individuals (Article 2635 of the Civil Code) [added by Law 190/2012; amended by Legislative Decree 38/2017 and by Law 3/2019]
  - Incitement to corruption among private individuals (Article 2635-bis of the Civil Code) [added by Legislative Decree no. 38/2017 and amended by Law 3/2019]
  - Unlawful influence over shareholders' meetings (Article 2636 of the Civil Code)
  - Market rigging (Article 2637 of the Civil Code)
  - Obstructing the exercise of duties of Public Supervisory Authorities (Article 2638, paragraphs 1 and 2 of the Civil Code)
8. Crimes for the purpose of terrorism or subversion of democratic order envisaged in the Italian Criminal Code and special laws (Article 25-quater of Legislative Decree 231/2001) [article added by Law 7/2003]
- Subversive conspiracies (Article 270 of the Italian Criminal Code)
  - Aiding and abetting terrorism, including international terrorism, or subversion of democratic order (Article 270-bis of the Italian Criminal Code)
  - Aiding and abetting conspiracy (Article 270-ter of the Italian Criminal Code)
  - Recruiting for the purpose of terrorism, including international terrorism (Article 270-quater of the Italian Criminal Code)
  - Organisation of transfers having terrorist purposes (Article 270-quarter 1 of the Italian Criminal Code)
  - Training for the purpose of terrorism, including international terrorism (Article 270-quinquies of the Italian Criminal Code)
  - Terrorism financing (Law 153/2016, Article 270-quinquies.1 of the Italian Criminal Code)
  - Misappropriation of assets or money subject to seizure (Article 270-quinquies.2 of the Italian Criminal Code)
  - Terroristic conduct (Article 270-sexies of the Italian Criminal Code)
  - Terroristic or subversive attack (Article 280 of the Italian Criminal Code)
  - Acts of terrorism using lethal or explosive weapons (Article 280-bis of the Italian Criminal Code)
  - Acts of nuclear terrorism (Article 280-ter of the Italian Criminal Code)
  - Kidnapping for the purpose of terrorism or subversion (Article 289-bis of the Italian Criminal Code)
  - Kidnapping for coercion (Article 289-ter of the Italian Criminal Code) [introduced by Legislative Decree 21/2018]
  - Incitement to commit any of the crimes contained in Chapters I and II (Article 302 of the Italian Criminal Code)
  - Political conspiracy by agreement (Article 304 of the Italian Criminal Code)

- Political conspiracy by association (Article 305 of the Italian Criminal Code)
  - Armed gangs: training and participation (Article 306 of the Italian Criminal Code)
  - Aiding and abetting members of a conspiracy or armed gang (Article 307 of the Italian Criminal Code)
  - Seizure, hijacking and destruction of an aircraft (Law 342/1976, Article 1)
  - Damage to underground installations (Law 342/1976, Article 2)
  - Sanctions (Law 422/1989, Article 3)
  - Active repentance (Legislative Decree 625/1979, Article 5)
  - New York Convention of 9 December 1999 (Article 2)
9. Female genital mutilation practices (Article 25-quarter.1 of Legislative Decree 231/2001) [article added by Law 7/2006]
- Female genital mutilation practices (Article 583-bis of the Italian Criminal Code)
10. Crimes against the individual (Article 25-quinquies of Legislative Decree 231/2001) [article added by Law 228/2003; amended by Law 199/2016]
- Enslavement or holding in slavery or servitude (Article 600 of the Italian Criminal Code)
  - Child prostitution (Article 600-bis of the Italian Criminal Code)
  - Child pornography (Article 600-ter of the Italian Criminal Code)
  - Possession of pornographic material (Article 600-quater of the Italian Criminal Code)
  - Virtual pornography (Article 600-quater.1 of the Italian Criminal Code) [added by Article 10, Law no. 38 of 6 February 2006]
  - Tourism initiatives intended to exploit child prostitution (Article 600-quinquies of the Italian Criminal Code)
  - Human trafficking (Article 601 of the Italian Criminal Code) [amended by Legislative Decree 21/2018]
  - Purchase and sale of slaves (Article 602 of the Italian Criminal Code)
  - Illegal recruitment and forced labour (Article 603-bis of the Italian Criminal Code)
  - Child grooming (Article 609-undecies of the Italian Criminal Code)
11. Market abuse (Article 25-sexies of Legislative Decree 231/2001) [article added by Law 62/2005]
- Market manipulation di (Article 185 of Legislative Decree 58/1998) [amended by Legislative Decree 107/2018]
  - Insider dealing (Article 184 of Legislative Decree 58/1998)
12. Other market abuse offences (Article 187-quinquies of the Consolidated Law on Finance) [article amended by Legislative Decree 107/2018]
- Prohibition of insider dealing and of unlawful disclosure of inside information (Article 14 of EU Regulation no. 596/2014)
  - Prohibition of market manipulation (Article 15 of EU Regulation no. 596/2014)
13. Manslaughter, serious bodily harm and grievous bodily harm committed in violation of accident prevention regulations and occupational health and safety protection (Article 25-septies of Legislative Decree 231/2001) [article amended by Law 123/2007; amended by Law 3/2018]

- Involuntary manslaughter (Article 589 of the Italian Criminal Code)
  - Involuntary serious or grievous bodily harm (Article 590 of the Italian Criminal Code)
14. Receiving, laundering and use of money, goods or other assets of unlawful origin, including self-laundering (Article 25-octies of Legislative Decree 231/2001) [article added by Legislative Decree 231/2007; amended by Law 186/2014]
- Money laundering (Article 648-bis of the Criminal Code)
  - Receiving (Article 648 of the Criminal Code)
  - Use of money, goods or other assets of unlawful origin (Article 648-ter of the Criminal Code)
  - Self-laundering (Article 648-ter.1 of the Criminal Code)<sup>1</sup>.
15. Offences relating to non-cash means of payment (Article 15-octies 1, Italian Legislative Decree 231/2001 [article added by Italian Legislative Decree 184/2021])
- Unlawful use and forgery of non-cash means of payment (Article 493-ter of the Italian Criminal Code)
  - Possession and dissemination of equipment, devices or computer programs aimed at committing offences concerning non-cash means of payment (Article 493-quarter of the Italian Criminal Code)
  - Computer fraud when it involves a transfer of money, monetary value or virtual currency (Article 640-ter, paragraph 2 of the Italian Criminal Code).
  - Any other offences against public trust and against property provided in the Italian Criminal Code when having as object non-cash means of payment (Articles 453-498 and Articles 624-649-bis of the Italian Criminal Code)
16. Copyright violation crimes (Article 25-novies of Italian Legislative Decree 231/2001) [article added by Law 99/2009]
- Making available to the public, on an electronic network system and using connections of any kind, all or part of any intellectual property protected by copyright (Article 171 of Law 633/1941 paragraph 1.a-bis)
  - Offences referred to in the previous point committed on third party works not intended for publication, if resulting in damage to integrity or reputation (Article 171 of Law 633/1941 paragraph 3)
  - Software duplication for profit-making purposes; importation, distribution, sale or possession for marketing or business or leasing purposes of software held on media not bearing the SIAE marking; any means used to remove or bypass for removing or bypass software protection devices (Article 171-bis of Law 633/1941 paragraph 1)
  - Copying, transfer to another media, distribution, disclosure, presentation or demonstration in public of the contents of a database; extraction or redeployment of a database; distribution, sale or lease of databases (Article 171-bis of Law 633/1941 paragraph 2)
  - Duplication, reproduction, transmission or circulation in public, by any means, of all or part of intellectual property intended for television transmission or cinematography, the sale or rental of disks, tapes or similar media or any other media containing audio or video representations of musical, cin-

<sup>1</sup> Although the text of Article 25 octies of Legislative Decree 231 has remained unchanged, its scope of application has been indirectly extended by Legislative Decree no. 195/2021, which amended Articles 648, 648 bis, 648 ter and 648 ter 1 of the Criminal Code, in the sense that the offences referred to in those articles also include offences involving money or property deriving from offences and, in the case of money laundering and self-laundering, also culpable offences, thereby increasing the cases in which such offences can be committed and the administrative liability of the entity can be applied.

ematographic or similar audio-visual works or sequences of moving images; literary, dramatic, scientific or educational works, musical or musical-drama works or multimedia works even if part of collective or composite works or databases; Reproduction, duplication, transmission or unauthorised circulation, sale or marketing, transfer of any nature or unauthorised importation of more than fifty copies or samples of copyright-protected works and associated rights; upload to an electronic network system, using connections of any kind, of all or part of any intellectual property protected by copyright (Article 171-ter of Law 633/1941)

- Failure to inform the SIAE of the identification details of media not subject to SIAE markings or making false statements (Article 171-septies of Law 633/1941)
- Fraudulent production, sale, importation, promotion, installation, alteration or application, for personal and private use, of devices or parts of devices for decoding restricted-access audio-visual transmissions via air, satellite, cable, in analogue or digital format (Article 171-octies of Law 633/1941).

17. Inducement not to make statements or to make false statements to the judicial authorities (Article 25-decies of Legislative Decree 231/2001) [articled added by Law 116/2009]

- Inducement not to make statements or to make false statement to judicial authorities (Article 377-bis of the Italian Criminal Code).

18. Environmental offences (Article 25-undecies of Legislative Decree 231/2001) [article amended by Legislative Decree 121/2011, amended by Law 68/2015, amended by Legislative Decree 21/2018]

- Environmental pollution (Article 452-bis of the Italian Criminal Code)
- Environmental disaster (Article 452-quater of the Italian Criminal Code)
- Environmental offences due to negligence (Article 452-quinquies of the Italian Criminal Code)
- Trafficking and dumping of highly radioactive material (Article 452-sexies of the Italian Criminal Code)
- Aggravating circumstances (Article 452-octies of the Italian Criminal Code)
- Killing, destruction, capture, removal or possession of protected species of animals or wild plants (Article 727-bis of the Italian Criminal Code)
- Destruction or damage of habitats in a protected area (Article 733-bis of the Italian Criminal Code)
- Importation, exportation, possession, for-profit use, purchase, sale, display or holding for sale or for marketing purposes of protected animal species (Law 150/1992, Article1, Article2, Article 3-bis and Article 6)
- Discharge of industrial wastewater containing hazardous substances; discharge on land, in subsoil and in groundwater; offshore discharge by ships or aircrafts (Legislative Decree 152/2006, Article 137)
- Unauthorised waste management activities (Legislative Decree 152/2006, Article 256)
- Pollution of soil, subsoil, surface water and groundwater (Legislative Decree 152/2006, Article 257)
- Illegal waste trafficking (Legislative Decree 152/2006, Article 259)
- Violation of reporting obligations, obligations of maintenance of compulsory registers and forms (Article 258 of Legislative Decree 152/2006) [as amended by Legislative Decree no. 135 of 14 December 2018 and Legislative Decree no. 77 of 31 May 2021]

- Organised trafficking of illegal waste (Article 452-quaterdecies of the Italian Criminal Code) [introduced by Legislative Decree 21/2018]
  - False indications of the nature, composition and chemical and physical characteristics of the waste when preparing a waste analysis certificate; false information in the waste analysis certificate used in the system for waste traceability control (SISTRi); omission or fraudulent alteration of the paper copy of the SISTRi – handling area sheet accompanying waste transport (Legislative Decree 152/2006, Article 260-bis)
  - Sanctions (Legislative Decree 152/2006, Article 279)
  - Wilful shipping pollution (Legislative Decree 202/2007, Article 8)
  - Negligent shipping pollution (Legislative Decree 202/2007, Article 9)
  - Termination and reduction of the use of substances harmful to the ozone layer (Law 549/1993 Article 3).
19. Employment of non-EU nationals without valid residence permits (Article 25-duodecies of Legislative Decree 231/2001) [article added by Legislative Decree 109/2012, amended by Law no. 161 of 17 October 2017]
- Measures against illegal immigration (Article 12, paragraphs 3, 3-bis, 3-ter and 5 of Legislative Decree 286/1998)
  - Employment of non-EU nationals without valid residence permits (Article 22, paragraph 12-bis of Legislative Decree 286/1998).
20. Racism and xenophobia (Article 25-terdecies of Legislative Decree 231/2001) [article added by Law no. 167 of 20 November 2017, amended by Legislative Decree 21/2018]
- Propaganda and incitement to commit crimes on grounds of racial, ethnic and religious discrimination (Article 604-bis of the Italian Criminal Code) [added by Legislative Decree 21/2018]
21. Sporting fraud offences, unauthorised exercise of gambling and betting activities using prohibited devices (Article 25-quaterdecies of Legislative Decree 231/2001) [article added by Law 39/2019]
- Fraud in sporting events (Article 1, Law 401/1989)
  - Unauthorised exercise of gambling and betting activities (Article 4, Law 401/1989).
22. Liability of entities for administrative offences dependent on crime (Article 12, Law 9/2013) [The following offenses envisage the administrative liability of entities operating in the virgin oil supply chain]
- Adulteration and counterfeiting of foods (Article 440 of the Italian Criminal Code)
  - Trade in adulterated or counterfeit foods (Article 442 of the Italian Criminal Code)
  - Trade in dangerous foods (Article 444 of the Italian Criminal Code)
  - Counterfeiting, alteration or use of distinctive marks of intellectual property or industrial products (Article 473 of the Italian Criminal Code)
  - Importation and marketing of products with false markings (Article 474 of the Italian Criminal Code)
  - Fraudulent trading (Article 515 of the Italian Criminal Code)
  - Sale of non-genuine food products as genuine (Article 516 of the Italian Criminal Code)
  - Sale of industrial products with false or misleading markings (Article 517 of the Italian Criminal Code)

- Counterfeiting of geographical indications or designations of origin of agricultural food products (Article 517-quater of the Italian Criminal Code).
23. Transnational offences (Law 146/2006) [The following offenses of a transnational nature envisage the administrative liability of an entity]
- Measures against illegal immigration (Article 12, paragraph 3, 3-bis, 3-ter and 5, Legislative Decree no. 286 of 25 July 1998 (consolidated text))
  - Association for the purpose of unlawful trafficking in narcotics or psychotropic substances (Article 74 of Presidential Decree no. 309 of 9 October 1990)
  - Criminal conspiracy for smuggling tobacco products processed in other countries (Article 291-quater of Presidential Decree no. 43 of 23 January 1973)
  - inducement not to make statements or to make false statements to the judicial authorities (Article 377-bis of the Italian Criminal Code)
  - Aiding and abetting (Article 378 of the Italian Criminal Code)
  - Criminal association (Article 416 of the Italian Criminal Code)
  - Mafia-type association, including foreign (Article 416-bis of the Italian Criminal Code).
24. Tax offences (Article 25- quinquiesdecies, Legislative Decree 231/2001) [article added by Article 39, paragraph 3 of Legislative Decree no. 124 of 26 October 2019 and amended by Legislative Decree no. 75 of 14 July 2020]
- Fraudulent tax return using invoices or other documents for non-existent transactions (Article 2 of Italian Legislative Decree no. 74 of 10 March 2000).
  - Fraudulent tax return through other means (Article 3 of Italian Legislative Decree no. 74 of 10 March 2000).
  - Misleading tax return (Article 4 of Legislative Decree no. 74 of 10 March 2000) [offence relevant for the administrative liability of entities if committed in the framework of cross-border fraudulent schemes and with the aim of evading value added tax for a total amount of not less than ten million euro].
  - Failure to file a tax return (Article 5 of Legislative Decree no. 74 of 10 March 2000) [offence relevant for the administrative liability of entities if committed in the framework of cross-border fraudulent schemes and with the aim of evading value added tax for a total amount of not less than ten million euro].
  - Undue compensation (Article 10-quater of Legislative Decree no. 74 of 10 March 2000) [offence relevant for the administrative liability of entities if committed in the framework of cross-border fraudulent schemes and with the aim of evading value added tax for a total amount of not less than ten million euro].
  - Issuing invoices or other documents for non-existent transactions (Article 8 of Legislative Decree no. 74 of 10 March 2000).
  - Concealing or destroying accounting documents (Article 10 of Legislative Decree no. 74 of 10 March 2000).
  - Fraudulent deduction from the payment of taxes (Article 11 of Legislative Decree no. 74 of 10 March 2000).

25. Smuggling (Article 25-sexiesdecies of Legislative Decree 231/2001 [article added by Legislative Decree no. 75 of 14 July 2020])

- Smuggling in the movement of goods across land borders and customs areas (Article 282 of Italian Presidential Decree no. 43 of 23 January 1973 – Consolidated Customs Law)
- Smuggling in the movement of goods in border lakes (Article 283 of Italian Presidential Decree no. 43 of 23 January 1973)
- Smuggling in the maritime movement of goods (Article 284 of Italian Presidential Decree no. 43 of 23 January 1973)
- Smuggling in the movement of goods by air (Article 285 of Italian Presidential Decree no. 43 of 23 January 1973)
- Smuggling in non-customs areas (Article 286 of Italian Presidential Decree no. 43 of 23 January 1973)
- Smuggling for the improper use of goods imported with special customs terms (Article 287 of Italian Presidential Decree no. 43 of 23 January 1973)
- Smuggling in customs warehouses (Article 288 of Italian Presidential Decree no. 43 of 23 January 1973)
- Smuggling in cabotage and in traffic (Article 289 of Italian Presidential Decree no. 43 of 23 January 1973)
- Smuggling in the export of goods eligible for return of dues (Article 290 of Italian Presidential Decree no. 43 of 23 January 1973)
- Smuggling in temporary imports or exports (Article 291 of Italian Presidential Decree no. 43 of 23 January 1973)
- Other cases of smuggling (Article 292 of Italian Presidential Decree no. 43 of 23 January 1973)
- Smuggling of foreign-manufactured tobacco (Article 291-bis of Italian Presidential Decree no. 43/1973)
- Criminal association for smuggling foreign-manufactured tobacco (Article 291-quater of Italian Presidential Decree no. 43 of 23 January 1973).

Lastly, as a result of the prudent approach adopted, the Group's 231 Models, and in particular the risk self-assessment activities, require an assessment of the risk of committing the offence of self money laundering (Article 648-ter.1 of the Italian Criminal Code) and of the relevant controls, not only for the corporate processes in which money, goods or other benefits deriving from the commission of the above-mentioned predicate offences may be re-used, but also for activities where illicit proceeds from other intentional crimes not included under Legislative Decree 231/01, such as usury, fraud, embezzlement and privacy-related offenses may be re-injected into the Bank's production cycle.



### **4.3 - ADOPTION OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL AS A POSSIBLE EXEMPTION FROM ADMINISTRATIVE LIABILITY**

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In compliance with the Decree, companies are expected to draft and adopt models of “organization, management and control” prepared for the specific purpose of preventing the commission of the crimes stated in the Decree itself. Any models existing before a crime is committed, provided their adequacy and effectiveness are proven, shall release the companies from any liability and avoid the application of the sanctions contemplated by the Decree.

Specifically, Article 6 of the Decree introduces the principle of administrative liability for the offences committed by the top managers (as specified by Article 5, paragraph 1.a and provides for a specific form of release from such liability, if the company can prove that:

The company governing body adopted and effectively implemented, before the commission of the crime, models of organization, management and control appropriate for preventing such crimes;

A unit within the company provided with independent powers to act and control (Bank regulatory unit) is in charge of monitoring the operations and compliance of the models and update them;

The individuals committed the crime fraudulently disregarding the models of organization, management and control;

The Bank regulatory unit’s supervision was not omitted or was insufficient.

Therefore, as a result of the adoption of the model of organization, management and control (hereinafter referred to as the “231 Model”) together with the above-mentioned additional requirements, a company shall be released from said liability.

In addition, Article 7 of Legislative Decree 231/01 states that if an offence is committed by individuals subject to the top managers’ supervision, the company shall be liable if the offence was possible due to the non-compliance with the obligations of management and supervision.

However, pursuant to the second paragraph of Article 7, non-compliance with such obligations and the company’s liability shall be excluded if – before committing the crime – such company had adopted and effectively implemented a model of organization, management and control appropriate for the prevention of these crimes.

In the case mentioned under Article 6 (offences by top managers), the company shall have the onus of proving the existing exempting situation. On the contrary, in the case mentioned under Article 7 (offences by individuals subject to someone else’s supervision), the plaintiff shall have the onus of proof in relation to the non-compliance, or the non-existence of the models or their non-eligibility.

The Decree also establishes that the models are to comply with the following:

- Find out the activities within the scope of which crimes can be committed;
- Provide for specific protocols oriented to planning and implementing the corporate decisions in relation to the crimes to be prevented;
- Find out any forms of management of the financial resources for the prevention of crimes;
- Include obligations of disclosure with respect to the authority in charge of supervising the operation of and compliance with the models;
- Introduce a system sanctioning non-compliance with the measures shown in the 231 Model.

## 4.4 - THE 231 MODEL

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### 4.4.1 - General features

The Monte dei Paschi di Siena S.p.A. Group believes that the culture of “lawfulness” is a value to be promoted within the Group and that the adoption of the organisation, management and control model is a valid tool for encouraging staff to adopt proper and fair conduct when performing their activities, so as to prevent the risk of committing the crimes specified in the Decree.

The purpose of the 231 Model is to set up a structured and organised system of procedures and controls (ex-ante and ex-post) aimed at reducing the risk of committing offenses by identifying ‘sensitive’ activities, i.e. activities within which offences relevant to the Decree may be committed.

The principles of the 231 Model are aimed, on the one hand, at making the potential perpetrator fully aware of the fact that he/she is committing a crime (a crime that is strongly condemned and contrary to the interests of the Company even when the Company may apparently benefit from it). On the other hand, thanks to the steady monitoring of sensitive activities, they also ensure the Company is able to prevent an offense from being committed or attempted or is able to react promptly to any unlawful conduct by sanctioning the perpetrators, if appropriate, or reporting the offence to the Judicial and Administrative Authorities.

One of the purposes of the 231 Model is to inform the employees, corporate bodies, shareholders, collaborators and third parties operating on behalf of or in the interest of the Bank within the scope of the sensitive activities that – in the case of any conduct that is not compliant with the provisions of the 231 Model (e.g. corruption) and other bank regulations and procedures (as well as the law) – they might be committing an offense subject to considerable consequences, including under criminal law, not only for themselves, but also for the Company, which will take the appropriate steps to protect itself, including the possibility of approaching the Judicial Authority in accordance with corporate regulations on the management of criminal proceedings.

To this end, a specific Supervisory Body (SB) has been established with the task of ensuring the effectiveness of and compliance with the 231 Model, which the SB itself is responsible for updating, including through the monitoring of corporate conduct. The Supervisory Body receives a steady stream of information so it can constantly monitor sensitive activities.

#### 4.4.2 - Basic principles of the Model

The Group companies have adopted an organisational structure aimed at ensuring the proper performance of banking/financial operations and full compliance with the applicable regulatory framework.

To this end, a structured system of internal rules has been adopted:

- delegations of power, ensuring efficiency and fairness in the decision-making activities and representation of the Bank;
- a set of procedures (e.g., corporate function/organisational chart, policies, directives, regulations, process documents, procedures, etc.) for governing corporate activities and related reporting flows.

The Group also promotes the following fundamental principles:

- **transparency** of conduct in areas considered sensitive both within the Group and in relations with external counterparties;
- **integrity** of all the Addressees of the Model, ensured by compliance with the provisions of the law, regulations and internal organisational procedures;
- **permanent traceability** of operations relating to sensitive areas, ensuring that their consistency and compliance can be verified, also through appropriate documentary support;
- **sharing** of responsibilities and tasks among the different organisational units and/or individuals involved in the same company process, while ensuring mutual integration and the necessary control activities in order to maintain consistency in the management of corporate processes.

The 231 Model incorporates the set of internal rules that the Company has in place according to the specific activities performed and the related risks, as well as the fundamental principles cited above.

The 231 Model is also based on:

- **guidelines on the administrative liability of entities published by the trade associations (Italian Banking Association, Confindustria, CNDCEC, etc.);**
- **requirements set out Legislative Decree 231/2001 and, in particular:**
  - assigning the task of promoting the effective and proper implementation of the Model to the Supervisory Body;
  - providing the Supervisory Body with suitable resources to support it in its assigned duties;
  - verifying the effectiveness and efficiency of the 231 Model with ensuing regular updates;
  - raising awareness of and promoting the rules of conduct and procedures established across all levels of the Company;
- **regulations applicable to banking and financial intermediaries** (e.g., the Consolidated Law on Finance, the Consolidated Law on Banking and all regulations issued by the Supervisory and Market Management Authorities);
- **laws on the administrative liability of entities and, more generally, on the offences set out in the Decree.**

#### 4.4.3 - Elements of the Model

The 231 Model consists of:

- **company regulations on the management of prescriptive requirements pursuant to Legislative Decree 231/2001**, comprising the following sections:
  - A) Contents of Legislative Decree 231/2001
  - B) Group Guidelines
  - C) MBMPS Model
- **MPS Group Code of Ethics**, which sets out the principles, models and standards of behaviours which the Group is committed to following in all its activities, internal relationships, relations with the market and stakeholders, and in relation to the environment. The Code of Ethics is an essential element of the 231 Model as it supplements it in terms of expressing and communicating values, principles and rules of conduct.
- **company rules on the prevention of corruption**, which, with a view to reinforcing the anti-corruption policy already set out in the documents above, describes the principles and rules of conduct with which all MPS group staff are required to comply in order to prevent potential acts of corruption.

## **5 - GROUP GUIDELINES (PART B)**

### **5.1 - MODEL ADDRESSEES**

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The ethical and operational principles set out below are intended for all units of the Parent Bank and Group Companies.

The latter shall comply with the Parent Company's guidelines and establish an organisation, management and control model for preventing the offences set out in Legislative Decree No. 231/2001 in accordance with their own characteristics and size (see Section 5.6 - Methodological Principles for the Design Implementation of Model 231).

### **5.2 - GROUP'S GENERAL PRINCIPLES REGARDING THE 231 MODEL**

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#### **5.2.1 - Basic internal principles**

The Group believes that compliance with the Laws, industry regulations and the principles of business ethics and sustainability are essential for maintaining and improving corporate value over time.

The adoption of ethical principles is crucial to the prevention of 231 offences constitutes; for this reason, the principles have been included in the MPS Group's Code of Ethics which, to all intents and purposes, is an internal Group Regulation as well as an essential and integral part of the 231 Model.

Accordingly, the Group has set out specific guidelines of reference for the development of the 231 Models of the Group companies, with the objective to:

- ensure the proper conduct of the Company and of the persons representing it, in full compliance with the provisions of the law and regulations, also with reference to relations with the Public Administration and the Judicial Authority;
- make all persons belonging to the company's governance and executive units, aware that any unlawful conduct might entail criminal and administrative sanctions both for the individual and for the Company, as well as reputational damage for the latter
- exempt Group companies from administrative liability arising from any illegal acts committed in their or to their advantage by 'top managers' or their subordinates
- strengthen controls, monitoring and sanctions to counter the commission of offences;
- emphasise the Group's choices regarding compliance, ethics, transparency, fairness and integrity (see the MPS Group's Code of Ethics).

## 5.2.2 - 231 Model Requirement Guidelines

Legislative Decree No. 231/2001 states that organisation and management models may be adopted – guaranteeing that the requirements are met – based on the codes of conduct established by the associations representing the entities.

Following, therefore, are the Group's guidelines for meeting the requirements of Legislative Decree no. 231/2001 (Article 6(2)), which the Group Companies take into account when defining their 231 Models and which have been developed considering not only the provisions of the Decree, but also the indications contained

- in the "Italian Banking Association Guidelines" for the adoption of organisational models on the administrative liability of banks
- in the Confindustria "Guidelines for the construction of Organisation, Management and Control Models"
- in the "Consolidated principles for the drafting of organisational models and the activity of the Supervisory Body and prospects for revising Legislative Decree No. 231 of 8 June 2001" of the CNDCEC (National Council of Chartered Accountants)
- in the industry regulations issued by the competent Authorities, such as the Bank of Italy, Consob, the Italian Stock Exchange, IVASS, etc., which regulate corporate activities and define the principles and guidelines for the organisational aspects of companies and banking groups
- in the UNI EN ISO45001 (SGSSL) and ISO14001 (EMS) standards.

The requirements of Legislative Decree No. 231/2001 (Article 6(2)) are:

- identifying the scope of activities within which offences might be committed
- providing for specific protocols aimed at planning and implementing the entity's decisions in relation to the offences to be prevented;
- identifying methods for managing financial resources to prevent the commission of offences;
- establishing disclosure obligations for the body in charge of supervising the effectiveness of and compliance with the models;
- introducing a disciplinary system capable of sanctioning non-compliance with the measures set out in the 231 Model.

Furthermore, pursuant to Article 30 of Legislative Decree 81/08 (Consolidated Act on the protection of health and safety in the workplace), the 231 Model must ensure a corporate system for the fulfilment of all legal obligations relating to:

- compliance with the technical and structural standards of the law concerning equipment, plants, workplaces, chemical, physical and biological agents;
- risk assessment activities and preparation of the relevant prevention and protection measures;
- organisational activities, such as emergencies, first aid, contract management, regular safety meetings, consultations with safety representatives;
- health supervision;
- employee information and training;
- supervisory activities with regard to employees' compliance with safety in the workplace procedures and instructions;

- the acquisition of mandatory and statutory documentation and certifications;
- periodic checks on the application and effectiveness of the procedures adopted.

The specific Group guidelines for meeting each of these requirements are described below.

### **Requirement: Identification of sensitive activities (Article 6, paragraph 2a of Legislative Decree 231/2001)**

The identification of sensitive activities requires:

- the setting up and maintenance of supporting models and in particular the:
  - processes model (i.e. the operational management of the processes catalogue) and organisational units (i.e. the management of the Parent Company's Organisational Regulations and the organisational charts of the units) by the Organisational Models Function;
  - 231 risk model by the Compliance Unit<sup>2</sup>, which proposes it for adoption by each Company;
  - Controls model:
    - by the central "business" functions responsible for internal process controls (e.g.: line controls, regularity controls, etc.);
    - by the Internal Audit Function for audit activities.

The detailed maintenance process of the aforementioned models is set out in the regulations and/or specific internal regulatory documents of each Group company;

- periodic identification of:
  - sensitive<sup>3</sup> corporate activities, to be developed jointly by the Compliance, Tax Compliance and Legal Functions, with the support of the Business Partner Organisation for the association of the 231 risk identified to the detailed stages of corporate processes. To this end, the Organisational Models Function will be responsible for informing the Compliance Unit of any changes to the company's organisational structure approved before the change is formalised in the company regulations;
  - the organisational roles (so-called process owners) responsible for the same "sensitive" activities, by the Organisational Function of each individual company;
- the periodic "231 risk self-assessment"<sup>4</sup> (see paragraph 6.2), by the organisational roles responsible for the sensitive activities;
- the assessment of the extent of the risks associated with sensitive activities and the identification of the relevant organisational counter-measures by the process owners with the support of the relevant contact person within the Business Partner Organisation Function and in agreement with the Supervisory Body pursuant to Legislative Decree no. 231/2001 (hereinafter also referred to as "Body" or "SB"), of each Company.

<sup>2</sup> The risk model is a catalogue of the risks of committing 231 offences associated with corporate activities.

<sup>3</sup> "Sensitive" activities are those activities with a potential risk of committing one or more of the offences provided for by Legislative Decree No. 231/2001 and subsequent amendments.

<sup>4</sup> Assessment, by the Heads of the corporate operating units, of the risks of committing an offence relating to sensitive activities and of the measures to mitigate them.

The Group's periodic process of 231 risk self-assessment is supported by the Compliance Function, which takes care of its formal implementation and presentation of the results at Group level.

The Compliance Function provides methodological support to the activities falling within the responsibility of the individual companies with reference to: drafting and sending questionnaires to process managers, checking completeness of the findings, providing a quantitative summary of the results, and analysing risk mitigation solutions.

As agreed with the Supervisory Body pursuant to Legislative Decree 231/2001, the Organisation Function of each Company identifies the company Function responsible for managing the documentation relating to the risk measurement. The use of IT procedures for the storage of such information is permitted, provided that they ensure the: identification of those who entered the information; tracking and recording of amendments; possibility to track the measurement process; filing as required by law; safeguard procedures in terms of disaster recovery and business continuity, etc., as well as any other requirements specified by the Legal Function.

Moreover, in accordance with the relevant best practices, for the most sensitive operational areas, any potentially risky transaction and existing control activities are identified with the highest level of detail.

Lastly, with reference to top management, who are particularly exposed to certain types of offences due to the specific responsibilities assigned to them, during the assessment phase and/or at the specific instruction of the Compliance Function, the Group conducts activities aimed at increasing the knowledge and awareness of the contents of the Decree, with the support of the Legal Function, as well as the appropriate prevention measures. It also carries out a self-assessment and estimate of the likelihood of the offences being committed and the controls in place.

### **Requirement: Preparation of protocols for making and implementing decisions in relation to the offences to be prevented (Legislative Decree 231/2001, Article 6, paragraph 2 b)**

Each Group company manages and regularly updates its own system of internal regulations, making it available through tools (e.g., company intranet) accessible to all employees and financial advisors.

The internal regulations documents set out the procedures for the organisation and implementation of the decision-making process for all the areas of activity of the Company concerned, as well as the powers and proxies assigned to the various corporate bodies are publicised.

The internal control system provides for both a preliminary review of internal regulations in terms of compliance with industry standards and provisions, and the systematic verification of compliance with company regulations.

For '231' purposes, a reference to the internal regulations in force is identified for each sensitive activity and the degree of coverage against the ability to prevent unlawful conduct is checked. This process must be codified within specific protocols drawn up for each organisational structure.

The protocols, which are an integral part of the 231 Model, are designed to regulate the conduct that must be observed in the performance of sensitive activities, in order to ensure a system of internal controls capable of preventing the perpetration of the offences set out in Legislative Decree No. 231/2001.



### **Requirement: Identification of methods for managing financial resources to prevent the commission of offences (Legislative Decree 231/200, Article 6, paragraph 2 c)**

Through its internal regulations, each company sets out and formalises the ways in which the company's financial resources are managed. The main issues subject to regulation are as follows:

- powers of autonomy (H.O. and branch network, by decision-making body and by type of credit line) in matters of credit disbursement;
- powers of autonomy for determining lending and borrowing rates and other terms and conditions for customers (including public entities);
- criteria, responsibilities and powers of autonomy for the spending process, determined with a view to fairness, impartiality and cost-effectiveness.

The acquisition of goods and/or services as well as management of the spending process are based on the principles of fairness, impartiality and cost-effectiveness.

### **Requirement: Establishment of a body to supervise the operation of and compliance with the 231 Model (Legislative Decree No. 231/2001 Article 6, paragraph 1b)**

Legislative Decree 231/2001 requires that the task of supervising the operation of and compliance with the 231 Model and ensuring that it is updated be entrusted to 'a body of the entity having autonomous powers of initiative and control'.

Therefore, each Group company identifies its own Supervisory Body pursuant to Legislative Decree No. 231/2001 and provides it with the required autonomous powers of initiative and control. In view of the responsibilities assigned, it is deemed appropriate to assign the role of Supervisory Body to an "authoritative" multi-sector body (or monocratic in the case of certain operational realities), consisting of individuals within and/or external to the Company, having the requisites of professional experience, authority and autonomous powers of initiative and control, with the following duties:

- monitor the effectiveness of the 231 Model, checking the consistency between the behaviour adopted and the defined model (in particular, compliance with organisational procedures and control systems relating to so-called 'sensitive activities'), and report violations of the provisions contained in the 231 Model to the competent bodies; any serious violations of the 231 Model or evidence of 231 offences, including attempted offences, must be reported to the Company's Board of Directors and Board of Statutory Auditors after the necessary checks;
- assess the adequacy of the 231 Model, i.e. its actual ability to prevent non-compliant conduct; in this regard, take note of the outcome of the 231 risk self-assessment processes and, if there are any "critical" activities (i.e. sensitive activities whose 231 risk mitigation measures require improvement, adjustment or strengthening), promptly intensify the analyses of risks and mitigation opportunities (organisational/control measures) and report on these to the Board of Directors according to the methods and time-frames established;
- analyse the continued soundness and effectiveness of the 231 Model over time, with specific reference to environmental changes and new types of risk; taking due note of both legislative and judicial changes (inclusion of new offences in Legislative Decree no. 231/2001 etc.), and of developments relating to the Company's specific risk profile (access to new markets, new products, reorganisation of organisational units, management turnover, ...);

- oversee the updating of the 231 Model, submitting any proposed adjustments to the BoD and checking the implementation and actual effectiveness of the solutions adopted;
- using pre-defined formats, report on the activities carried out to the Company Board of Directors when presenting the half-yearly accounts and approving the financial statements;

Each Company shall ensure regular reporting to the Supervisory Body, so that the latter can perform the above tasks.

**Requirement: Introduction of an internal disciplinary system for sanctioning non-compliance with the measures set out in the 231 Model (Legislative Decree No. 231/2001 Article 6(2)(e))**

In order to ensure a disciplinary system capable of sanctioning any conduct and activities in breach of the measures established by the Company in the 231 Model, disciplinary sanctions have been introduced, in accordance with the relevant national collective labour agreements, for violations of the provisions of Legislative Decree 231/2001 and of the measures established in the Company's 231 Model.

Failure to comply with the aforementioned regulatory provisions is assessed from a disciplinary perspective in different ways depending on whether it concerns "persons subject to management or supervision" (Article 5, paragraph 1b) or "top management" (Article 5, paragraph 1a).

**Requirement: provision of at least one alternative reporting channel capable of ensuring, by computerised means, the confidentiality of the whistle-blower, and introduction of an internal disciplinary system capable of sanctioning non-compliance with the measures set out in the new Whistleblowing Law No. 179/2017 (Legislative Decree 231/2001 Article 6, paragraph 2-bis, 2-ter and 2-quater).**

The Montepaschi Group has adopted an internal whistleblowing system for reporting violations in the awareness that fraudulent behaviour is harmful to the Group's tangible and intangible assets and that everyone's cooperation is necessary in order to counteract it. The system's operating methods are described in a specific internal whistleblowing policy.

Whistleblowing is a tool designed to strengthen the protection of lawfulness and transparency. It helps to control and more effectively prevent the risks that the Company may face due to any facts or actions that violate the law, regulations and its Code of Ethics. In addition, it contributes to the implementation of the Group's social responsibility policy and promotes its integrity and fairness.

Each employee is required to cooperate actively to achieve high ethical standards, both directly – by performing their duties in a fair and proper manner – and indirectly – by reporting any violations of laws, regulations and procedures that could have a negative impact on the Group, its customers, employees and the community in general.

Using a dedicated application that can be accessed independently and confidentially from the company intranet, Montepaschi Group staff can report any negligent, unlawful, irregular or improper work-related circumstances or conduct, which they suspect or become aware of in the course of their duties.

If reports relevant for the purposes of Legislative Decree No. 231/2001 are received, regardless of how they are received (e.g., paper-based and/or anonymous reports), the Supervisory Board 231 is promptly informed by the addressees and/or the Control Body and/or the control functions.

The Bank protects the person making the report in good faith from any retaliatory, discriminatory or otherwise unfair acts resulting from the report. Accordingly, the report shall not be prejudicial to the continuation of the employment relationship. In the event of a groundless report made with malice or grave negligence, the Bank reserves the right to carry out the necessary investigations against the reporting person and to take the measures deemed appropriate.

The Group guarantees the confidentiality of the report and the protection of the personal data of the reporting party and of the reported party, without prejudice to the rules governing investigations or proceedings initiated by the judicial authorities in relation to the facts reported and unless the knowledge of the identity of the reporting party is indispensable for the reported person's defence.

In compliance with the Article 6, paragraph 2-bis of Legislative Decree 231/01, the Montepaschi Group has also established a reporting channel to the 231 Supervisory Body for events that could result in the Bank's liability under Italian Legislative Decree 231/2001 or violations relating to its organisational, management and control model pursuant to Italian Legislative Decree no. 231/2001.

Every employee that is responsible for Corporate Functions or Corporate Bodies, including external persons (i.e. self-employed workers or dependent self-employed workers, professionals, consultants, agents, vendors or other similar figures) can make a written report to the 231 Supervisory Body. The report cannot be anonymous but will be treated with the strictest confidence.

Contact with the Supervisory Body can be made using any means; either by sending a letter by post (to the address: Organismo di Vigilanza 231/2001, Banca Monte dei Paschi di Siena spa, piazza Salimbeni 3, 53100 Siena), or by email addressed to the mailbox ([organismovigilanza.231-2001@mps.it](mailto:organismovigilanza.231-2001@mps.it)) specifically set up for this purpose and access to which is exclusively restricted to SB members or employees and non-employees expressly authorised by the Supervisory Body.

### **Requirement: Management of health and safety in the workplace (Article 30 of Legislative Decree 81/2008)**

The corporate system aimed at ensuring compliance with the law on health and safety in the workplace and preventing the offences of culpable injury and manslaughter resulting from violations of the health and safety regulations includes the identification of the following corporate roles as provided for by law, with the assignment of the consequent responsibilities in accordance with the law:

- Employer (in terms of "health and safety");
- Employer's representative (not compulsory);
- Executive managers in charge of the health and safety in the workplace;
- Supervisors in charge of health and safety in the workplace;
- Employees;
- Head of the Prevention, Protection and Environment Unit;
- Staff of the Prevention, Protection and Environment Unit;
- Employees' safety representatives);
- First aid and fire protection staff.

With the cooperation of the competent Functions in the various areas (Property Management, Logistics, Training, Purchasing, etc.), the Parent Company's Prevention, Protection and Environment Function sets up and updates the model for the management of specific risks relating to health and safety in workplace. The organisation and management model of reference is the International Standard UNI EN ISO 45001 (formerly OHSAS 18001 Occupational Health and Safety Assessment Series, which is compliant with the legal obligations under Article 30 of Legislative Decree 81/08). The model ensures a corporate system for complying with the legal obligations in relation to:

- compliance with the technical and structural standards of the law concerning equipment, plants, workplaces, chemical, physical and biological agents
- risk assessment activities and preparation of the relevant prevention and protection measures;
- organisational activities, such as emergencies, first aid, contract management, regular safety meetings, consultations with safety representatives;
- health supervision;
- employee communications, information and training;
- supervisory activities regarding employees' compliance with safety in the workplace procedures and instructions;
- the acquisition of mandatory and statutory documentation and certifications
- periodic checks on the application and effectiveness of the procedures adopted.

Based on the nature and size of the organisation and the type of activity performed, the model also includes a range of functions ensuring the technical skills and powers required for the review, assessment, management and control of risk, as well as a disciplinary system capable of sanctioning non-compliance with the measures set out in the model (see the Disciplinary System described below).

The Group Companies adopt and apply the model defined by the Parent Company, identifying corporate responsibilities for the roles established by law and implementing the consequent processes.

### **Requirement: Environmental management system**

The corporate system aimed at ensuring compliance with environmental obligations and preventing environmental offences pursuant to Legislative Decree 121/2011 and Law 68/2015 was defined using the model of the international standard ISO 14001 as a reference. Through the adoption of the EMS (Environmental Management System), Banca Monte dei Paschi aims to:

- define principles, strategies, lines of action, roles, responsibilities and tasks for the management of the Bank's activities in compliance with International Standard ISO 14001;
- define continuous environmental improvement goals and targets as well as suitable plans for achieving them;
- develop and implement procedures to manage and control the environmental impacts of its activities;
- monitor compliance with environmental regulations.

The Group Companies adopt and apply the model defined by the Parent Company, identifying corporate responsibilities for the roles established by law and implementing the consequent processes.

## **5.3 - CODE OF CONDUCT PURSUANT TO THE 231 DECREE**

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### **5.3.1 - General features**

With reference to the “sensitive” processes for the purposes of Legislative Decree 231/2001, the Group applies the specific rules of conduct set out below. Not only are these aimed at achieving the utmost integrity in corporate behaviour, but they also form an integral part of the 231 Model of the Group Companies - where concerned by the specific processes - and are binding for all members of the corporate bodies, all employees, financial advisors and the Bank’s collaborators.

Similar rules of conduct are required from the suppliers and external service providers with whom the Group collaborates and who, in general, are asked to sign a declaration in which they commit not to engage in conduct that may constitute any of the offences covered by Legislative Decree 231/2001, and to take note of the measures defined by the Group in its 231 Model and Code of Ethics. In addition, suppliers included in the Bank’s Register of Suppliers are also required to provide a declaration in which they commit to comply with the Bank’s 231 Model. For suppliers with registered offices outside of Italy, given that they are subject to local legislation, they must at least sign a declaration acknowledging that they have been made aware of the measures defined by the Group in Banca Monte dei Paschi’s 231 Model and Code of Ethics, and stating that they will comply with their local “anti-corruption” regulations. Foreign institutional suppliers, represented by Entities or Organisations with a non-strictly commercial purpose (e.g., stock exchanges) are not required to sign the 231 Code of Conduct.

The rules of conduct listed for the processes mentioned below:

- should not be considered exhaustive, but are representative of the general principle of “integrity and lawfulness in work and business”;
- are organised with reference to the different areas of activity and competence without distinction among the different addressees, it being understood that not all categories can refer to all parties operating on behalf of the Group companies;
- refer to the areas of activity in which the possibility of a 231 offence has been identified and can be considered as principles of reference for extending the Decree to new categories of offences.

### **5.3.2 - Management of public funding**

Persons operating on behalf of the company are required to adopt the following rules of conduct – without any distinction or exception – when managing and processing public funds of any nature and origin:

- integrity and accuracy in the handling of documentation proving eligibility requirements for participation in public calls, tenders and funding schemes;
- integrity, transparency, accuracy and completeness of information to be provided to the competent authorities;
- transparency and reliability of records and reports pertaining to the management and processing of public financing
- integrity and fairness in the use of public funds disbursed to MPS Group Companies so that they are used for the purpose and according to the terms for which they were granted

- integrity when verifying the formal and substantial legitimacy of the transactions carried out, for the cases provided for by the regulations
- compliance with corporate procedures regarding credit assessment and management and delegation of decision-making powers;
- compliance with the current regulations issued by the competent Authorities and with internal regulations.

### **5.3.3 - Disbursement of loans in general**

Persons operating in loan disbursement activities on behalf of the Company, in particular loans to foreign countries, are required to comply with the following conduct:

- compliance with anti-money laundering procedures;
- compliance with procedures countering the financing of terrorism;
- compliance with procedures on pre-qualification for a loan (e.g., checking consistency and compatibility of the transaction with the customer profile, prudence in transactions with customers having links to non-cooperative countries or customers identified as at risk by the FIU, etc.);
- caution in transactions carried out by customers on behalf of or in favour of third parties without plausible justification;
- compliance with regulations on countering organised crime in order to avoid any risk of criminal infiltration and any other contact in the context of business activity;
- compliance with budgeting of environmental investments and monitoring of their implementation;
- ban on the granting of loans to private individuals or to Public Officials (or in general to employees of the Public Administration) to promote or favour the interests of the Company.

### **5.3.4 - Management of relations with the Public Administration**

Persons operating on behalf of the Company in contact with the Public Administration and Public Institutions, including the Bank of Italy, Consob and other authorities with supervisory and guarantee functions, are required to perform their duties with integrity, independence, fairness and transparency, and must:

- not promise or give unlawful payments or goods, benefits or favours to Public Officials, or in general to Public Administration employees (even if induced by the latter), in order to promote or favour the interests of the Company;
- observe the principles of loyalty, fairness and transparency in the activities and relations involving the State, the European Union or other Public Bodies, particularly when negotiating, entering into or executing contracts, awarding contracts, concessions or tenders, carrying out inspections, audits or within the context of judicial proceedings and in cases where, carrying out activities of a public nature, the Company takes on the role of Public Service Representative;
- strictly comply with the internal procedure adopted in the handling of price-sensitive information, in order to avoid market disruption and abnormal influences on the prices of company securities, in the protection of all stakeholders;

- strictly comply with legal and internal provisions concerning “data security”; this is to prevent any unlawful acts committed against the State, the European Union or other Public Bodies through the use of IT equipment and procedures made available by the Company;
- comply with current environmental regulations in the production of the documentation required to meet environmental protection obligations.

### **5.3.5 - Management of money, non-cash means of payment and other valuables**

Persons operating on behalf of the Company are required to adopt the following rules of conduct – without any distinction or exception – when handling valuables of any kind (in particular, banknotes, coins and revenue stamps that are legal tender in the Country and abroad, or any materials used to manufacture them)

- prompt withdrawal from circulation of any valuables which are undoubtedly or suspected to be counterfeit and consequent reporting to the competent bodies and Functions;
- compliance with the specific corporate regulations on the activity related to the management of money and values;
- compliance with the law, with the regulations issued by the competent Authorities with honesty, integrity, fairness and good faith and, in particular, with the anti-money laundering regulations pursuant to Legislative Decree 231/2007.

### **5.3.6 - Management of Anti-Money Laundering obligations**

All persons operating on behalf of the Company are required to:

- fully and strictly comply with the relevant requirements and obligations, in accordance with current legislation as well as company directives and regulations;
- scrupulously apply the internal procedures for the registration of customers, management of the relevant transactions and management of reports and other obligations provided for by anti-money laundering legislation;
- comply with the purchasing and spending procedures, with specific reference to checking supplier requirements and the origin of the goods purchased.

### **5.3.7 - Management of corporate obligations**

Persons who, due to their position and role, take individual or collective decisions and resolutions pertaining to the company’s management and governance, as well as employees who collaborate in these activities for any reason, are required to adopt the following rules of conduct:

- strict compliance with the law, the By-Laws and internal regulations on the functioning of corporate bodies (in particular, of the Shareholders’ Meeting), as well as on share capital reductions, mergers or demergers;
- fairness, lawfulness and integrity, compliance with regulatory principles and internal procedural rules in the formation and processing of data, accounting documents and the Company’s financial statements and its external disclosure, also for the purpose of guaranteeing the rights of Shareholders and smooth operation of the market, as well as preventing situations of conflict of interest;

- compliance with the principles of loyalty, fairness, cooperation and transparency in activities and relations with control and audit functions and authorities;
- application of the principles of confidentiality, fairness, transparency, clarity, truthfulness and completeness in activities concerning the circulation and disclosure of news concerning the Company, both internally and externally;
- compliance with the principles of fairness, lawfulness and integrity, of regulatory principles and of internal procedural rules in the formation and processing of documents representing the Company's economic, capital or financial situation;
- clarity, truthfulness and compliance of external communications with corporate policies and programmes, limiting relations with the media to the relevant corporate functions;
- compliance with the principles of fairness, lawfulness, integrity and transparency in the management of business relations with third parties. In particular, it is forbidden to promise or give payments or goods, benefits or unlawful favours to corporate officers of third-party companies having business relations with the Bank (e.g., customers, suppliers, business partners, etc.) in order to promote or favour the interests of BMPS, but simultaneously harming the aforesaid companies.

### **5.3.8 - Management of relations with suppliers**

Persons involved in the processes relating to the purchase of goods and/or services purchase and, in general, in the management of relations with suppliers on behalf of the Company are required to adopt the following rules of conduct:

- Objectivity, transparency, equal opportunities, professionalism, reliability, inexpensiveness in the selection of the suppliers and the determination of the contractual terms of supply, partly for the purpose of avoiding any contacts with criminal associations and criminal infiltration. To this end, the concerned individuals of the Group shall use the official available information sources, both during the selection or upon the first contact with the major suppliers, and the valuation of their conduct;
- To avoid any contact with criminal associations, suppliers are requested to provide proof that they are compliant with anti-mafia regulations, and to state, under their own responsibility, that they are acting in their own name or otherwise indicate the natural or legal person that is the beneficial owner or beneficiary of the relationship, providing suitable documentation to enable identification;
- To avoid any contact with persons convicted of corruption, suppliers are requested to provide a declaration stating that they have not been convicted of this crime;
- Compliance with the principles of loyalty, fairness and transparency in the activities and relations involving the Government, the European Union or other Public Authorities;
- No form of consideration shall be accepted from anyone, for the execution of an action in relation to their duties or conflicting with their responsibilities;
- Compliance with the law, the regulations issued by the competent Authorities and the internal procedures in relation to the management of the delegated spending authority;
- Rigorous compliance with the controls, duties and obligations provided for by the money laundering regulations pursuant to Legislative Decree 231/2007 in the relations with the suppliers;



- Strict selection of the suppliers chosen for waste transport and disposal services (specific Registration, waste disposal in authorized dumping grounds etc.);
- Review of the technical-professional eligibility in relation to works, services and supplies, specifically in the case of temporary or movable building sites, flanked by the organization skills, available labour, plants and equipment, with reference to the works to be carried out (Article 26 and Part IV of Legislative Decree 81/08).

### **5.3.9 - Personnel selection**

In order to prevent the Company or its top management and subordinates from coming into contact with criminal organisations, persons who, due to their position and role, are responsible for the selection of personnel at any level, must do so in a transparent, non-discriminatory manner and solely on the basis of the following criteria:

- a. Specific professional experience with respect to the role or duties;
- b. Equal treatment;
- c. Reliability with respect to the risk of criminal infiltration.

To participate in selection procedures, a general criminal record certificate and a statement of pending charges must be produced by the person concerned. In addition, applicants with non-EU citizenship must present a valid residence permit as part of the selection process.

### **5.3.10 - Selection of financial advisors**

In order to prevent the Company or its top management and subordinates from coming into contact with criminal associations, persons who, due to their position and role, are responsible for the selection of financial advisors, must do so in a transparent, non-discriminatory manner and on the basis solely of the following criteria:

- a. Specific professional experience with respect to the role or duties;
- b. Equal treatment;
- c. Reliability with respect to the risk of criminal infiltration.

Upon the formalisation of an agency agreement, a general criminal record certificate and statement of pending charges must be produced by the person concerned.

### **5.3.11 - Appointment of members of the top corporate bodies**

The units in charge of handling relations with the top corporate bodies must acquire the following at the time of appointment:

- the general criminal record certificate;
- statement of pending charges;
- declaration by the person concerned certifying that there are no situations pursuant to Ministerial Decree 169/20 that are relevant to the requirements of integrity and fairness.

### **5.3.12 - Handling of information**

Persons who, due to their position and role, become aware of or have access to private or confidential information must:

- observe the utmost confidentiality with regard to confidential or privileged information concerning customers, the Company or the Group to which they belong, which they are in possession of by virtue of their role;
- not use the aforementioned confidential or privileged information in their own interest or in the interest of third parties,
- not disclose the information referred to in the preceding point to third parties, inside or outside the Company, unless such disclosure is necessary for the performance of the tasks assigned;
- not disclose to third parties or exploit for their own benefit or for the benefit of the Company any relevant financial information unless such information has been made public;
- for persons entered in the register of relevant persons, report to the competent Functions any transactions involving the purchase or sale of securities subject to mandatory reporting;
- not publish or disseminate false information or engage in simulated transactions or other fraudulent or deceptive conduct based on listed or unlisted financial instruments for the purpose of significantly altering their price;
- refrain from conduct that constitutes or could potentially become market abuse;
- behave properly and transparently, in compliance with the law and internal company regulations, in order to ensure the integrity, transparency and fairness of the financial markets.

### **5.3.13 - Management and use of the IT systems**

Persons who, due to their position and role, use IT or remote distance instruments for the fulfilment of their duties are required to adopt the following rules of conduct:

- Compliance with the current regulations and internal regulations in relation to the treatment of personal data and access to the IT or remote distance systems;
- Fairness, lawfulness and integrity in the use of said instruments protected by safety measures;
- Fairness and accuracy of the information contained in the public or private IT documents exchanged with third parties;
- Compliance with the current regulations in relation to copyright, and specifically the use, reproduction and circulation of original work and parts thereof, also with reference to the software (operational systems, application programmes, etc.);
- Compliance with the environmental and sustainability procedures with specific reference to waste management procedures.

### **5.3.14 - Advertising and promotion of commercial products**

All those who operate on behalf of the Bank for advertising and promoting the activities of the bank or specific products are obliged to comply with the copyright rules, with specific reference to the criminal provisions protecting musical, multi-media, drama, cinema, audio-visual etc. original work.

### **5.3.15 - Management of the employees' safety and health system**

All those who operate on behalf of the Bank shall, with no distinction or exception, comply with the following rules of conduct:

- Compliance with the law provisions in relation to safety, health, hygiene, accident prevention and the protection of the employees' health and safety;
- Compliance with the internal regulations in relation to the employees' health and safety; fairness, transparency, accuracy, completeness and co-operation in the relations with the Authorities supervising and controlling safety in the workplace;
- Ensure staff training and disclosure of information to the employees in relation to safety, prevention and protection, first aid, fire-fighting procedures etc.
- The Prevention, Protection and Environment Unit and the other competent units shall take care of the programmatic, organization and structural aspects of the system of safety in the workplace and the related duties.

In general, the employees shall take care of their safety and health and avoid that their conduct might bring prejudice to the health and safety of other employees and any people attending the workplace.

### **5.3.16 - Environmental management**

All those who operate on behalf of the Bank shall comply with the obligations provided for by the Environmental Management System (EMS) of the Bank and the following rules of conduct:

- Constantly operate in compliance with all rules in relation to environmental protection with specific emphasis placed on the rules concerning waste management, wastewater and the management of the plants containing controlled substances;
- Limit waste production and polluting emission;
- Streamline the use of pollutants and non-pollutants.

The requirements of the Environmental Management System (EMS) shall be complied with in the case of the adoption of such a model.

### **5.3.17 - Tax management**

All those acting on behalf of the Company are required to comply with the following rules of conduct

- observance and compliance with all national and supranational laws and regulations on tax matters as well as with best practices and their correct application both in substance and in form;
- observance of and compliance with internal regulations on the management of direct, indirect and financial taxation in order to allow for the correct and timely execution of all declaratory and payment obligations;
- transparency and active cooperation with national and international tax authorities in order to enable control over the correct fulfilment of tax obligations.

### **5.4 - STAFF TRAINING AND DISCLOSURE OF INFORMATION TO EMPLOYEES**

The 231 Model shall be disclosed to all concerned parties through specific disclosure and training initiatives for the purpose of ensuring the utmost circulation of the underlying principles and the rules of conduct.

In particular, with reference to:

- new recruits and whoever joins the Bank; the Bank makes a string of information available ensuring primary information in relation to the 231 Model. Such parties shall be obliged to sign a statement proving that such string of information was made available and the commitment to acknowledge, examine the pertaining documents (including the control protocols), and comply with their requirements;
- the members of the Board of Directors and the Board of Statutory Auditors; the Company requires them, upon their appointment, to sign and accept the 231 Model. During their term of office, members are provided with appropriate training;
- external collaborators (contractors, advisors, outsourcers, suppliers, etc.), are guaranteed the opportunity to access and consult the Montepaschi Group's Code of Ethics and 231 Model on the company website. When establishing any new relationship, the Company must acquire a statement of acknowledgement of the principles of the Code of Ethics and the 231 Model from the above parties, together with their commitment not to behave in breach of such principles.

The Bank is required to implement and formalize specific training plans, with the objective of ensuring the actual disclosure of the Decree and the 231 Model to all employees.

## 5.5 - REVIEW AND UPDATE OF THE 231 MODEL

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The 231 Model 231 is approved by resolution of the Board of Directors.

Updating the 231 Model is mandatory in the following cases:

- new legislation and/or judicial law concerning the administrative liability of entities deemed to have a significant impact on the company's activity;
- inclusion of new offences within the scope of the Decree
- outcome of the checks ordered by the Supervisory Body or carried out by the corporate control functions such as to deem the existing Model 231 'not suitable' to prevent offences 231
- organisational changes of a strategic nature or of significant impact in the allocation and management of business processes, in respect of which the Compliance Function transmits to the SB its assessments of compliance of the 231 Model on the basis of the information provided by the Organisational Models Function;
- instructions in this respect coming from the Parent Company.

In the aforementioned cases, both the 231 Risk Self-Assessment - with reference both to top management and to the organisational units impacted by the new offences or by the changes that have occurred - and the 231 Model with the relevant control Protocols must be updated.

The updating of the 231 Model, even if partial, must be submitted for approval to the Company's Board of Directors and, in the case of subsidiary companies, subsequently forwarded to the Parent Company's 231 Supervisory Body for approval.

Without prejudice to the aforesaid updating obligations, in any event, the 231 Risk Self-Assessment on corporate structures and top management bodies must be carried out every two years.

If the outcome of this assessment reveals the need to update the 231 Model (weaknesses in organisation, internal regulations, controls, incorrect/incomplete risk mapping, etc.), the process described above must be carried out and be subject to the final approval of the Board of Directors.

The 231 Supervisory Body also has the power to request targeted updates to the 231 Model on specific company processes, in the event of any revision requirements deemed relevant and urgent by the SB, such as to require specific and timely interventions that do not imply an overall update of the 231 Model. Without prejudice to the above-mentioned cases of revision of the 231 Model, which require the approval of the Board of Directors, in the event of non-significant changes in the company's organisational structure (change in the name of the organisational units, transfer of activities/processes from one unit to another, establishment of new individual offices, etc.), which, nevertheless, entail the need to amend the protocols, these must in any case be updated, in accordance with the responsibilities described above, with the approval of the Supervisory Body pursuant to Legislative Decree no. 231/2001 and without the need for a Board resolution.

## **5.6 - METHODOLOGICAL PRINCIPLES FOR PROJECT IMPLEMENTATION OF THE 231 MODEL**

The Group Companies shall implement their own 231 Model for the purpose of releasing each Company from “administrative liability” pursuant to Legislative Decree 231/2001, in view of the following methodological principles:

- Set up of a working team for the management of the project, consisting of the concerned bank units (e.g. legal, compliance and related special units, audit, organization, human resources units);
- Involvement of the top managers and executive bodies (i.e. directors, and top management) through appropriate information and the registration of the sensitive activities falling within their competence;
- Involvement of the heads of the bank units through appropriate information and for the purpose of identifying the sensitive activities (see following point);
- Execution of the “231 self-assessment” with the methods set by the Parent Bank, which provides for an analysis of all bank units in relation to the existing sensitive activities and the related levels of control, and a mapping of higher risk processes (if any);
- In-depth analysis of the management system of the company’s financial resources and adjustment (if any) for compliance with the necessary levels of formalization and control;
- In-depth analysis of the disciplinary system existing in the company and adjustment (if any) for compliance with the 231 Model;
- Identification/set up of a unit which is assigned the responsibilities given by the Decree to the Supervisory Board;
- Formal documentation of the project (progress reports etc.) ensuring the completeness and tracking of the activities conducted;
- Definition of the modes of information and training of the company’s human resources for the purpose of ensuring the appropriate participation of all potentially concerned individuals, inside and outside the company.

The objective of said activities is the production of the “Organization, management and control Model pursuant to Legislative Decree 231/2001”, a document to be submitted to the competent Body for approval, prior opinion of the Parent Bank Supervisory Board pursuant to Legislative Decree 231/2001.

The document sets out:

- The regulatory and industry references used by the company;
- The modes of implementation of the 231 project (units concerned, etc.);
- The description of the existing organization, management and control model, with the characteristics for crime prevention pursuant to Legislative Decree 231/2001;
- The identification of the Supervisory Board (pursuant to Article 6, paragraph 1.b of Legislative Decree 231/2001), its duties and responsibilities;
- The integrations of the control and disciplinary mechanisms of crime prevention;
- Any other elements which are deemed to be useful for crime prevention, such as the “conduct guidelines” for particularly sensitive activities for the company.

## 6 - BMPS' 231 MODEL (PART C)

### 6.1 - OBJECTIVES

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BMPS' 231 model has been defined with reference to the guidelines of the Italian Banking Association, Confindustria and CNDCEC for the adoption of the organization models in relation to the administrative liability of the Banks and in compliance with the provisions of the regulations and the Group guidelines.

The Model has the objective of arranging a system of organization elements (responsibilities, processes and rules of operations) which – through the identification of the “sensitive activities pursuant to Legislative Decree 231/2001” and the definition of protocols “suitable for preventing any offences”, is oriented to:

- Making all individuals who are part of the governance and executive bank structure aware of the fact that any illegal conduct might imply criminal and administrative sanctions both for the individuals and the bank;
- Ensuring the fair conduct of the Bank and its representatives, in compliance with the law provisions and regulations also with reference to the relationships with the Public Administration and the Judicial Authority;
- Consolidating the control, monitoring and sanctioning mechanisms for crime prevention;
- Releasing BMPS from the administrative liability resulting from any offences committed in its interest or favour by the top managers or their subordinates;
- Emphasizing the decisions in relation to compliance, ethics, transparency, fairness and honesty made by BMPS and already outlined in the “Code of conduct for the banking and financial industry (1030D00416) and in the Code of Ethics of the Montepaschi Group (1030D01186).

The 231 Model of BMPS is based on two pillars represented by:

- The organization system of BMPS (i.e. a string of responsibilities, processes and internal rules for the execution of the bank business, control and governance activities);
- The Supervisory Board (i.e. the bank supervising body in charge of overseeing the operations and the compliance of the model having the requirements as per Article 6 paragraph 1.b and updating it).

In addition, the 231 Model of BMPS ensures a corporate system which complies with the obligations provided for by Article 30 of Legislative Decree 81/2008 and subsequent amendments (New Consolidated Act in relation to the protection of the health and safety in the workplace).

## **6.2 - RULES FOR COMPLIANCE WITH THE REQUIREMENTS OF LEGISLATIVE DECREE 231/2001**

With particular reference to the requirements defined by Legislative Decree no. 231/2001 (Article 6(2)) and by Legislative Decree 81/2008 (Article 30), the rules (criteria, activities, responsibilities) adopted by BMPS for their fulfilment are as follows.

### **Requirement: Identification of Sensitive Activities and risk self-assessment (Legislative Decree 231/2001, Article 6 paragraph 2a)**

In particular, the periodic risk self-assessment process is supported by the Compliance Function, which is responsible for its formal activation and presentation of the results. In this context, the Compliance Function carries out, with the support of the Business Partner Organisation Function, the following activities

- drafting and sending questionnaires to process owners
- coordinating the compilation and verification of the completeness of the measurements.

On the other hand, it is the responsibility of the owner Functions of the processes concerned by the assessment activities - which make use of the contribution of the Business Partner Organisation Function of reference - to analyse the risk situations that have emerged and to identify countermeasures and risk mitigation solutions.

Finally, it is the responsibility of Compliance to prepare the summary of the above process and the results for the 231 Supervisory Board.

Furthermore:

- with regard to the most sensitive operational areas, individual transactions with a potential risk and existing control activities are identified at the highest level of detail, to be subject to periodic verification of compliance with the 231 requirements, as mandated by the 231 Supervisory Body;
- with regard to top management, who are particularly exposed to certain types of offences due to the specific responsibilities assigned to them, at the same time as the assessment phase and/or on the specific instructions of the Compliance Department, information and awareness-raising activities are carried out on the contents of the Decree in question and on the appropriate prevention measures, after self-assessment and estimation of the likelihood of offences and the adequacy of the safeguards/controls in place to mitigate them.

Evidence relating to BMPS's detection is managed in the following manner: the risk assessment form signed by the head of the risk-owning organisational structure is sent to Compliance by means of Sisifo. The heads of the Departments are informed of the activity.

Compliance keeps these forms and takes them into account for the purposes of the overall representation of the outcome of the risk self-assessment to the Supervisory Body.



**Requirement: Arrangement of the protocols oriented to planning training and decision-making processes in relation to the offences to be prevented (Legislative Decree 231/2001 Article 6 paragraph 2.b)**

For the preparation of specific protocols drawn up for each organisational unit of the Bank, BMPS has taken into account and applied the Guidelines set out in Part B paragraph 5.2.2 to which reference should be made.

**Requirement: Identification of the methods for managing financial resources (Legislative Decree 231/2001 Article 6, paragraph 2c.)**

BMPS has defined a method for managing financial resources, as formalised in its own internal rules, having as reference the Guidelines indicated in Part B, paragraph 5.2.2, to which reference should be made.

**Requirement: establishment of a body responsible for supervising the operation of and compliance with the 231 Model and provision of information obligations with respect to the body (Legislative Decree 231/2001, Article 6 paragraph 1b and paragraph 2d)**

The Board of Directors of BMPS has appointed a body (consisting of three members, two of whom are external professionals and one non-executive director with independent status) to act as the "Supervisory Body pursuant to Legislative Decree 231/2001" (hereinafter also referred to as the "Body" or "SB"), which is responsible for supervising the operation of and compliance with the 231 Model and ensuring that it is updated.

The Supervisory Body must have autonomous powers of initiative and control and be equipped with specialised tools and techniques to be able to perform the activities for which it is responsible, also availing itself of internal and/or external specialised collaborations.

**Term of office**

The members of the Supervisory Body remain in office for the term decided by the Board of Directors upon their appointment. Failing specification, the Supervisory Body remains in office for the whole term of office of the Board of Directors which appointed it.

At the end of the term of office, the members of the Supervisory Body can be re-elected not more than three times.

**Subjective requirements for the appointment of members of the SB**

The members of the Supervisory Body must meet the following requirements:

- **independence**, i.e. not performing operational tasks and not being in any of the conditions of ineligibility listed below;
- **professional experience**, i.e. possessing adequate specialised skills. In particular, the members of the SB must possess specific skills in the area of inspection and consulting activities, with specific reference to risk analysis and assessment techniques, interview techniques and questionnaire processing; relevant in this respect are the skills acquired in the performance of activities in the legal, economic, organisational, entrepreneurial and control areas;

- **integrity**, the members of the SB must not:
  - have received a conviction or plea-bargaining sentence, even if not final, and even if the sentence is conditionally suspended, subject to the effects of discharge for:
    - one of the offences provided for in Royal Decree no. 267 of 16 March 1942 (bankruptcy law);
    - one of the offences provided for in Title XI of Book V of the Civil Code (companies and consortia);
    - a non-culpable offence, for a period of not less than one year;
    - an offence against the public administration, against public faith, against property, against public economy, or tax offences;
    - one of the offences provided for in the rules governing banking, financial, equity and insurance activities, the rules regulation stock markets and securities as well as payment instruments;
  - be subject to an order of committal for trial for all offences provided for in Legislative Decree 231/2001;
  - have served as executive director in the three years prior to their appointment as member of the SB in companies:
    - subject to bankruptcy, forced administrative liquidation or similar proceedings;
    - operating in the credit, financial, equity and insurance industries subject to extraordinary administration proceedings;
    - have received, in Italy or abroad, a conviction or plea-bargaining sentence, even if not final, and even if the sentence is conditionally suspended, subject to the effects of discharge for violations relevant to the administrative liability of entities pursuant to Legislative Decree 231/2001.

All members of the Supervisory Body are required to be free from any of the following conditions of ineligibility and/or incompatibility:

- to be holders, directly or indirectly, of equity investments of a size that allows them to exercise significant influence over the Bank or its subsidiaries;
  - to directly or indirectly maintain business relationships (for example, in addition to the aforementioned relationships, also professional services in the current and previous year; business relationships in the current and previous year) with the Bank, its subsidiaries, executive directors, shareholders or the group of shareholders that controls the Bank, such as to affect their independent judgement, also assessed in relation to the subjective asset situations of the natural person in question;
  - to be a close family member of an executive director of the bank or of persons in the situations identified in the preceding point;
- to be temporarily disqualified or suspended from managerial duties in corporate bodies and companies;
- to be in one of the conditions of ineligibility or disqualification provided for in Article 2382 of the Italian Code.

Prior to the appointment of members to the Supervisory Body and - subsequently - at appropriate intervals, the Board of Directors assesses the existence of the subjective requirements of professional experience requested from the members of the Supervisory Body.

The members of the Supervisory Body certify the existence of the requirements of professional experience and integrity as well as the absence of any causes of ineligibility, as listed above, by means of a specific declaration, at the time of appointment and at the time of the periodic checks carried out by the Board of Directors.

### **Dismissal**

No member of the SB may be dismissed without just cause and the specific resolution of the Bank's Board of Directors and with the approval of the Board of Statutory Auditors.

To this end, "just cause for dismissal" shall mean:

- the assignment of operational duties and responsibilities to the members of the Supervisory Body, or the occurrence of events not compliant with the requirement of independence;
- the failure of the requested requirements of integrity and professional experience;
- a serious breach of the duties of the Supervisory Body;
- a conviction of the Bank pursuant to Legislative Decree 231/2001 (even if not final) or criminal proceedings with plea bargaining, where the records show that the Supervisory Body failed to carry out or insufficiently carried out its duties, in accordance with Article 6 of Legislative Decree 231/2001,
- a conviction, even if not final, or criminal proceedings with plea bargaining, in Italy or abroad, against a member for the offences referred to in Legislative Decree 231/2001, or similar offences;
- sickness or injury lasting more than 6 months and preventing the member from attending the meetings of the Supervisory Body.

### **Withdrawal and Replacement**

Members of the Supervisory Body may withdraw from their appointment at any time. In this case, they must notify the Bank's Board of Directors by registered letter with return receipt, stating the reasons for their resignation. The resignation shall be effective from the date of appointment of the new member.

In the event of withdrawal, resignation or death of a member of the Supervisory Body, the Board of Directors shall promptly appoint a new member.

In the event of the replacement of a single member, the newly appointed member's term of office shall expire together with the other members of the SB.

### **Duties of the Supervisory Body on the Operation, Compliance and Updating of the Bank's 231 Model**

The Supervisory Board is assigned specific tasks and responsibilities, deriving from current legislation as well as from the provisions of the Regulation adopted by the Supervisory Body. The main tasks of the SB include the following:

- provide the guidelines for planning and implementing - through the support of the Units within the Bank's Internal Control System - checks on the application of the 231 Model, according to a frequency and priority that is commensurate with the riskiness of activities. Initiatives are planned in agreement with Head Office, in compliance with technical deadlines and within the framework of more general control programmes;
- monitor, with the involvement of the competent corporate structures, the effectiveness of the 231 Model, checking compliance between the actual conduct and the established model (in particular, compliance with organisational procedures and control systems relating to the 'sensitive activities') and report any violations of the provisions of the 231 Model to the competent bodies; serious violations of the 231 Model or evidence of 231 offences, even if only attempted, must be reported - following the necessary checks - to the Board of Directors and the Board of Statutory Auditors;
- assess the adequacy of the 231 Model, i.e. its actual ability to prevent, in principle, any non-compliant conduct; take note of the outcome of the 231 risk self-assessment processes and, if there are any critical activities (risk/control) issues that need improving, promptly adjust, reinforce and expand the analysis of risks and mitigation opportunities, indicating the appropriate organisational and control measures to be adopted and reporting on this to the BoD in the manner and frequency established;
- analyse the maintenance of the 231 Model's effectiveness over time, with specific reference to organisational changes and new types of risk. Take due note of both legislative and judicial changes (inclusion of new offences in Legislative Decree no. 231/2001, etc.), and any developments regarding BMPS's specific risk profile (access to new markets, new products, reorganisation of organisational units, management turnover, etc.);
- oversee the updating of the 231 Model, submitting any proposed adjustments to the BoD and checking the implementation and actual effectiveness of the solutions adopted;
- using pre-defined formats, report on the activities carried out to the Board of Directors when presenting the half-yearly accounts and approving the financial statements;
- be subject to disclosure obligations pursuant to Article 6, paragraph 2d of Legislative Decree 231/2001. To this end, analyse reports from staff or other persons concerning the infringement, or attempted infringement, of the 231 Model and of internal procedures, or concerning facts that are in any event relevant for the purposes of Legislative Decree 231/2001, reporting them to the Board of Directors;

- perform coordination and guidance functions for the similar Bodies of the Group Companies, and in this context, task include the following:
  - liaise with the Supervisory Bodies pursuant to Legislative Decree 231/2001 of the Group Companies, providing opinions<sup>5</sup> on the 231 Models adopted by the same Companies and regularly providing the operating procedures to be followed and the reporting standards to be used;
  - receive and examine the periodic reports prepared by the above-mentioned Bodies for their Boards of Directors on the activities conducted in terms of ascertaining the compliance with, application and effectiveness of the 231 Models, and express an opinion on compliance with the Parent Company's guidelines.

In carrying out the activities assigned to it, the Supervisory Body avails itself of the operational support of the Compliance and Internal Audit Functions and of the other corporate Functions responsible for specific matters (e.g. the Legal and Corporate Affairs Function for changes in legislation and judicial law, the Judicial Proceedings and Claims Function for communications/updates concerning legal proceedings relevant to Legislative Decree 231 /2001, other corporate Functions for organisational adjustments aimed at guaranteeing conformity of behaviour, the Prevention, Protection and Environment Unit for health and safety at work, etc.).

### **Reporting obligations towards the Supervisory Body**

In order to supervise the operation of and compliance with the 231 Model 231 and provide for its updating, the Supervisory Body pursuant to Legislative Decree 231/2001 receives reports from the corporate functions, as defined in the internal regulations.

### **Requirement: Introduction of an internal disciplinary system for sanctioning non-compliance with the measures of the 231 Model (Legislative Decree 231/2001, Article 6, paragraph 2e)**

The effectiveness of the 231 Model is also linked to the adequacy of the sanctioning system in place in the event of any breaches of the rules of conduct and, in general, of internal procedures and regulations; employees who violate the obligations laid down therein are subject to disciplinary sanctions - objectively and subjectively correlated to the seriousness of the breach - pursuant to laws, regulations and contractual provisions, the Company's Code of Ethics and in compliance with the criteria of proportionality set out in the disciplinary code.

Any acts or omissions unambiguously aimed at violating the rules established by BMPS are also sanctioned, even if the action is not performed or the event does not occur.

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<sup>5</sup> Opinions

- are prior to the presentation of the new models to the Boards of Directors of the companies concerned, and concern the compliance of the models with external regulations and Group guidelines;
- validate updates to existing models already approved by the Boards of Directors of the companies concerned.

### **Disciplinary actions against employees**

BMPS provides employees with executive positions with a written notice – either attached to their letter of employment or when the employee is promoted from the professional category of Middle Manager (Quadro Direttivo) to Executive (Dirigente) – in which the Bank states that the employee may be subject to disciplinary actions as a result of conduct in breach of the rules set out in Legislative Decree 231/2001 and the 231 Model).

Sanctions are applied based on the relevance of each case considered and are proportionate to their severity.

In compliance with the limits set by the laws and regulations in force, the following types of sanctions are applied within the principles of proportionality and severity indicated:

Scope of application	Type of sanction	Example of violation identified
Clerical Staff and Junior/ Senior Managers	VERBAL WARNING	<ul style="list-style-type: none"> <li>▪ Minor non-compliance with the internal procedures provided for by the 231 Model or repeated conduct non-compliant with the provisions of the Model);</li> <li>▪ Tolerance or omitted reporting by the supervising managers of minor irregularities committed by the employees subject to the 231 Model.</li> </ul>
Clerical Staff and Junior/ Senior Managers	WRITTEN WARNING	<ul style="list-style-type: none"> <li>▪ Faults which can be punished with a verbal reproach but, due to specific consequences or recidivism, are more relevant (repeated breach of the internal procedures provided for by the 231 Model or repeated conduct non-compliant with the provisions of the Model);</li> <li>▪ Omitted reporting or tolerance by the supervising managers of non-serious irregularities committed by the employees subject to the 231 Model.</li> </ul>
Clerical Staff and Junior/ Senior Managers	SUSPENSION FROM DUTIES AND SALARY FOR A PERIOD NOT EXCEEDING 10 DAYS	<ul style="list-style-type: none"> <li>▪ Non-compliance with the internal rules contemplated by the 231 Model or negligence with respect to the provisions of the Model;</li> <li>▪ Omitted reporting or tolerance by the supervising managers of serious irregularities committed by the employees subject to the 231 Model, which imply an objective danger for the Bank or cause negative repercussions to the Bank.</li> </ul>
Clerical Staff and Junior/ Senior Managers	DISMISSAL FOR JUST REASON	<ul style="list-style-type: none"> <li>▪ Breach of the provisions of the 231 Model which, due to the specific nature of the breach or its recidivism, represents a “considerable” default which can be considered as one of the crimes mentioned and sanctioned by Legislative Decree 231/2001.</li> </ul>
Clerical Staff and Junior/ Senior Managers and Executives	DISMISSAL FOR JUST CAUSE	<ul style="list-style-type: none"> <li>▪ A conduct clearly and consciously breaching the provisions, procedures and/or internal rules of the 231 Model which, even though only potentially representing one of the crimes subject to the enforcement of the Decree, might cause a lack of trust or be so serious as to prevent its continuation (including temporary prosecution).</li> </ul>

Pursuant to Article 6 of Legislative Decree 231 of 8 June 2001, similar sanctions will be applied for conduct that is not compliant with the whistleblowing regulations established by Legislative Decree 231/01, i.e.: (i) in the event of failure to comply with the measures established by the Model to protect the confidentiality of the whistle-blower; (ii) against those who commit acts of retaliation or discrimination against the latter, and (iii) against those who make intentional or grossly negligent reports that prove to be unfounded.

This is without prejudice to any claim for damages, should the conduct result in material damage to the Bank.

### **Proceedings**

Depending on the seriousness of the breaches it becomes aware of, the Supervisory Body informs the Bank's Board of Directors - either periodically or on a case-by-case basis - of the 231 Model violations committed by employees and managers, and proposes the application of any disciplinary measures.

Disciplinary and sanctioning measures are taken by the Board of Directors or by another delegated unctioin, in compliance with the procedures laid down in Article 7 of Law No. 300 of 1970, any applicable special regulations and the applicable collective bargaining agreement.

### **Measures against the members of the Board of Directors**

If any member of the Board of Directors violates the provisions of the 231 Model, the Supervisory Body informs the Board of Statutory Auditors as well as the entire Board of Directors, so that they may take the appropriate measures, which, in the event of repeated or particularly serious violations, includes convening the Shareholders' Meeting to resolve on the removal of the director from office.

### **Measures against the members of the Board of Statutory Auditors**

If any member of the Board of Statutory Auditors violates the provisions of the 231 Model 231, the Supervisory Body promptly informs the entire Board of Statutory Auditors and the Board of Directors.

The Board of Statutory Auditors shall take appropriate action against any auditor who has committed the violation, in accordance with the provisions of the applicable rules, including the possible convening of the Shareholders' Meeting to resolve on the removal of the auditor from office.

### **Measures against financial advisors**

With regard to financial advisors, who are required to apply and comply with the Bank's 231 Model, any violations of the Model and of the ethical-behavioural principles adopted by BMPS are sanctioned in accordance with the specific clauses included in the relevant contracts as well as with BMPS' internal rules applicable to financial advisors.

This is without prejudice to any claim for damages if such conduct results in material damage to the Bank.

### **Measures against external collaborators**

With regard to collaborators and, in any case, to natural or legal persons with whom BMPS enters into any form of contractual agreement, if they cooperate with the Bank on activities where there is a risk of committing any Offence or any violation of the 231 Model or the ethical-behavioural principles adopted by the Bank and applicable to them, these will be sanctioned in accordance with the provisions of the specific clauses included in the relevant contracts, which may also include the termination of the business relationship established.

This is without prejudice to any claim for damages if such conduct results in material damage to the Bank.

### **Requirement: Management of Health and Safety in the Workplace**

BMPS has adopted a system for the management of health and safety in the workplace, compliant with the relevant legislation in force and the International Standard UNI EN ISO45001<sup>6</sup>; the organisational structure, safety management methods, rules and measures adopted by Banca Monte dei Paschi di Siena S.p.A. to protect the health and safety of workers are regulated by specific internal regulations.

A specific Prevention, Protection and Environment Unit was also set up to monitor these issues, in accordance with the law.

Moreover, in the area of health and safety in the workplace, the detection of risks is carried out and documented, in accordance with Legislative Decree 81/2008 (formerly 626/94), in the 'Risk Assessment Document' where risk evaluation is based on the identification of the possible factors of danger for the safety and health of employees and on the subsequent planning of measures and initiatives aimed at eliminating or reducing the risks identified, with the objective of directing company choices towards the constant improvement of working conditions, taking into account the gradual technical progress.

The assessment identifies specific or distinctive employees operating in similar work environments, representative of all the categories of employees considered as a whole and takes account of the Company's work environments and the activities carried out, the safety risks (industrial accidents), health risks (hygiene and environmental risks), health and safety risks (organisational and management aspects), as well as risks relating to specific jobs (organisational and management aspects).

The document includes the prevention and protection measures to be adopted and the plan of improvements to the working environment, to be taken into account in the ordinary maintenance activities and restructuring plans of the Bank's production units.

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<sup>6</sup>BMPS' System for Managing Health and Safety in the Workplace, already certified on 31 January 2008 according to Standard OHSAS 18001 by the certification authority R.I.N.A. Services S.p.A, was certified with the new Standard UNI EN ISO45001 in May 2021. Checks for maintaining the certificate are conducted annually, and the certificate must be renewed every three years.



According to BMPS' system for managing health and safety in the workplace and to Standard UNI EN ISO 45001, Banca MPS appoints:

- the Senior Management Representative for the System of management of health and safety in the workplace, identified in the "Employer for the purpose of Health and Safety in the Workplace", who oversees the maintenance and improvement of System itself;
- the Head of the System of management of health and safety in the workplace, identified in the Head of the Prevention, Protection and Environment Unit (pursuant to Legislative Decree 81/08) in charge of systematically planning and implementing all the actions necessary to ensure that the System's requirements are established, applied and maintained in compliance with UNI EN ISO45001.

### **Requirement: Environmental Management System**

BMPS has adopted an environmental management system (EMS) as an organisational tool for implementing the Montepaschi Group's environmental Policy, which commits the Bank to:

- pursuing ongoing improvement in environmental performance and compliance with the applicable environmental regulations;
- developing credit and investment policies that reward processes and products with a positive impact on the environment;
- ensuring steady information about the Bank's environmental policy and objectives to employees and other stakeholders.

The EMS is applied to all units of Banca Monte dei Paschi (H.O headquarters and all Branches of the domestic network). All personnel are made aware of the need to behave in a responsible manner, in compliance with the principles of the environmental policy and, therefore, with the Bank's goal to continuously improve its environmental performance.

According to the EMS, Banca MPS appoints:

- the Senior Management Representative of the EMS, identified in the Employer pursuant to Legislative Decree 81/08), who oversees the maintenance and improvement of the System itself;
- the Head of the EMS, identified in the Head of the Prevention, Protection and Environment Unit, who systematically monitors the activities of the Bank Units involved in the EMS, in order to support the heads of the Functions in achieving the objectives for the period, and is a point of reference for the bank's stakeholders on environmental issues.

### **6.3 - RULES OF CONDUCT PURSUANT TO THE 231 DECREE**

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In line with the Group's principles, BMPS:

- considers compliance with laws, industry regulations, the principles of business ethics and sustainability as a prerequisite for maintaining and improving corporate value over time;
- has adopted a Code of Ethics, which constitutes an essential element of the 231 Model and indicates the principles, models and rules of conduct that the Group undertakes to follow in all of its activities, internal relations, relations with the market and stakeholders, and with regard to the environment;

The codes of conduct for processes considered "sensitive under Legislative Decree No. 231/2001" are defined in order to ensure the utmost integrity in corporate conduct.

These codes of conduct:

- form an integral part of the 231 Model since they refer to and specify certain principles of conduct which the persons representing and acting on behalf of the Bank are required to comply with;
- constitute the formalisation of the principles, criteria and rules of conduct that have always been in place and respected at BMPS and are an expression of the Bank's spirit and culture;
- are binding for all the members of the corporate bodies and for all the Bank's employees, financial advisors and collaborators;
- are binding for external suppliers or service providers. For suppliers with registered offices located outside of Italy, given that they are subject to local legislation, they must at least sign a declaration in which they state that they have been made aware of Banca Monte dei Paschi's 231 principles and Code of Ethics and state that they will comply with their local anti-corruption regulations. Foreign institutional suppliers, represented by Entities or Organisations with a non-strictly commercial purpose (e.g. stock exchanges) are not required to sign the 231 Rules of Conduct.
- are not to be considered exhaustive, but are representative of the general principle of "integrity and lawfulness in work and business";
- are organised with reference to the different areas of activity and competence without distinction among the different addressees, it being understood that not all categories can refer to all parties operating on behalf of the Group companies;
- refer to the areas of activity in which the possibility of a 231 offence has been identified and can be considered as principles of reference for extending the Decree to new categories of offences.

Details of the rules of conduct pursuant to the 231 Decree are contained in Part B, paragraph 5.3 above.

#### **6.4 - TRAINING AND INFORMATION ON THE BANK'S 231 MODEL**

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BMPS' 231 Model is disclosed to all interested parties through specific communication and training measures in order to ensure maximum disclosure of the underlying principles and rules of conduct.

In particular, a specific training course is available online and must be carried out by all employees. Adherence is duly monitored by the Training Function with a final assessment that requires a good command of the subject.

The training, information and communication system is subject to the supervision of the Supervisory Body. In particular, the Supervisory Body coordinates the procedures for distributing information on Legislative Decree n0231/2001 and BMPS' 231 Model to all interested parties, through a specially dedicated area on the company intranet and the Bank's website.

#### **6.5 - CONTROL PROTOCOLS UNDER BMPS' ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001**

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A Control Protocol for each of the Bank's units has been drawn up in relation to the activity performed and the responsibilities exercised - with specific reference to the relevant risks/offences pursuant to Legislative Decree 231/01 of relevance – and has been submitted to each Manager.

The Control Protocols can be accessed through the corporate regulations or the company Intranet.