

Organisation, management and control model pursuant to Italian Legislative Decree 231/01 on administrative liability Banca Monte dei Paschi di Siena

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1 - OVERVIEW

1.1 - MAJOR REGULATORY ISSUES AND INFORMATION

This Organisation, Management and Control Model (hereinafter “the Model”) 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”.

This document sets the methods and operational principles of reference for each Group Company 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.

This paper 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.

1.2 - AMENDMENTS AND ADDITIONS

This document has been prepared to update Banca Monte dei Paschi’s Risk Prevention Organisational Model pursuant to Italian Legislative Decree 231/01. This update has become necessary following changes to the Bank’s organisational structure and the introduction of new predicate offences (illegal recruitment and forced labour; illegal entry and aiding and abetting of illegal immigration; xenophobia and racism; influence peddling; incitement to bribery among private individuals; fraud in sports competitions; illegal gambling or betting”). The 231 Model has also been updated through the review of the Control Protocols prepared for each Bank Unit.

1.3 - MODEL ADDRESSEES

This Model’s addressees are identified as the Parent Bank and the following Group Companies:

- MPS Capital Services;
- MPS Leasing & Factoring;
- Widiba;
- MPS Fiduciaria;
- MPS Tenimenti;
- Magazzini Generali Fiduciari di Mantova;
- Perimetro Gestione Proprietà Immobiliari.

The Group Companies shall adopt the Model by resolution of their own Board of Directors and, if applicable, shall adjust their liabilities, processes and internal rules in accordance with their characteristics and size by issuing specific regulations.

The implementation of the Model shall be notified to the following Parent Bank Units and Functions:

- Reporting H.O Unit for the company concerned;
- Compliance Division – Compliance, Governance & Support Unit compliance.ags@mps.it;
- Organization Division area.organizzazione@mps.it

1.4 - LIST OF THE CONCERNED FUNCTIONS AND POSITIONS

Reconciliation table between Functions/Positions and Organization Units.

Conventional name of the Function	Organisation Unit
Compliance	<p>BMPS: Compliance Division – Compliance, Governance & Support Unit</p> <p>Other company: Unit in charge of monitoring compliance risks</p>
Legal	<p>BMPS: Legal and Corporate Affairs – Corporate, M&A and Financial Markets Unit</p>
Organization Models	<p>BMPS: Organization Div. – Organization Regulations and KPI Unit</p>
Organization Business Partner	<p>BMPS: Organization Div. – Business Partner, Governance and Control Structure Unit – Business Partner Commercial Business Units – Business Partner Support and New Banking Units</p> <p>Other Company: Unit in charge of Organization</p>
Bank regulatory unit pursuant to Legislative Decree no.231/2001	<p>BMPS: Bank regulatory unit pursuant to Legislative Decree 231/2001</p> <p>Other Company: 231 Committee</p>
Prevention, protection and environment	<p>BMPS: Corporate Services Div. – Integrated Security Unit – Prevention, protection and environment Dept.</p> <p>Other Company: Unit in charge of monitoring the risks in relation to health, safety in the workplace and environment</p>
Internal Audit	<p>BMPS: Internal Audit Div. – Risk Audit Unit</p> <p>Other Company: Internal Auditing Unit</p>

2 - GENERAL PRINCIPLES

2.1 - LAYOUT OF THIS DOCUMENT

This document consists of 3 parts (A, B, C) and forms the MPS Group's organisation, management and control model for the prevention of predicate offenses pursuant to Legislative Decree 231/01.

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 organization, management and control 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 arranging their own 231 organization models.

In particular, this section highlights the codes conduct which are an integral part of the 231 Model of each Company. Such rules are oriented to achieving the utmost fairness in corporate conduct and concern all members of the corporate governing bodies, the employees, the financial promoters and freelance.

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

Special emphasis is placed on the identification of sensitive activities pursuant to Legislative Decree 231/01, the establishment of the Bank supervisory board in charge of monitoring the operations of and compliance with the Model, the introduction of a sanction system in case of non-compliance with the measures indicated in the 231 Model, 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 Italian Legislative Decree 231/01 in order to ensure the highest level of integrity in the workplace.

2.2 - DEFINITIONS OF THE 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 following updates.
- **231 Model:** Organization, management and control Model pursuant to Legislative Decree 231/2001 Article 6 paragraph1.
- **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 organization units which is independent from the financial and functional viewpoints, as well as individuals managing and controlling (including de facto management or control) the companies (Article5 paragraph 1 Legislative Decree 231/2001). These individuals are: the members of the Board of Directors (BoA), the CEO, the Deputy CEOs, the Heads of the Parent Bank Head Office Divisions and the Head of the BMPS Network.

Bank supervisory board 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.

3 - CONTENTS OF LEGISLATIVE DECREE 231/2001

(Part A)

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

Legislative Decree no.231 of 8 June 2001 (hereinafter referred to as “Legislative Decree 231/2001” or the “Decree”) implementing the delegation of Law no.300 of 29 September 2000 introduced administrative liability for the companies and other bodies for the first time in Italy, as a result of certain crimes.

Corporate liability (to be added to and not replacing the liability of the individual committing an offence) arises whenever an offence was committed in the interest of or in favour of the company itself, including attempts or complicity, but excluding if the offence was committed in the sole interest of its perpetrator.

From the standpoint of sanctions, a pecuniary sanction shall be always applied to all crimes committed. Inter-diction measures (e.g. disqualification from business, suspension or revocation of authorizations, licences or concessions, the prohibition of bargaining with the Public Administration, the exclusion from or revocation of loans, aid and subsidies, the prohibition of advertising commodities and services) shall apply to the most serious cases.

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

The Top managers, such as for instance the legal representative, the directors, the CEO, the General Manager as well as any individuals managing or controlling the company “de facto”;

The employees, but also individuals outside the company who work under the direction and supervision of the top managers.

3.2 - REGULATORY FRAMEWORK

Below is the “catalogue” of predicate offences envisaged in Legislative Decree 231/2001 as at 27 October 2019 (the date of the most recent Legislative Decree 124/2019), some of which have been subsequently included in the perimeter by specific legislative measures:

1. Misappropriation of funds, fraud against the State or other public body or to obtain public funds and computer fraud against the State or other public body (Article 24 of Legislative Decree 231/2001) [article amended by Law 161/2017]
 - Misappropriation of public funds (Article 316-bis of the Italian Criminal Code)
 - Embezzlement of public funds (Article 316-ter of the Italian Criminal Code) [as amended by Law 3/2019]
 - Fraud against the State, other public body or the European Union (Article 640, paragraph 2, no.1 of the Italian Criminal Code)
 - Aggravated fraud to obtain public funds (Article 640-bis of the Italian Criminal Code)
 - Computer fraud against the State or other public body (Article 640-ter of the Italian Criminal Code).

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]
 - 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-quarter 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-quarter 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-quarter of the Italian Criminal Code)
 - Damage to IT or electronic systems providing a public service (Article 635-quinquies of the Italian Criminal Code)
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 no. 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. Extortion, unlawful inducement to give or promise benefits and corruption (Article 25 of Legislative Decree 231/2001) [as amended by Law 190/2012 and by Law 3/2019]
 - 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]
 - 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]
 - Influence peddling (Article 346-bis of the Italian Criminal Code) [as amended by Law 3/2019]
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)
 - 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) [articled 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 (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)
15. 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, cinematographic 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).

16. 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 make statements or to make false statement to judicial authorities (Article 377-bis of the Italian Criminal Code).
17. 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, Article 1, Article 2, 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 (Legislative Decree 152/2006, Article 258)
 - 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)
18. 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)

19. 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]
20. 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 competitions (Article 1, Law 401/1989)
 - Unauthorised exercise of gambling and betting activities (Article 4, Law 401/1989)
21. 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)
22. 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 (Article 416-bis of the Italian Criminal Code)
23. National cybersecurity (Article 1, paragraph 11, Legislative Decree no. 105 of 21 September 2019)
 - Article 1 of Legislative Decree 105/2019 establishes reporting obligations in order to ensure a high level of security of the networks, IT systems and IT services for public administrations and public or private national entities and operators, which perform essential functions of the State or provide essential services in the civil social and economic fields and whose malfunctioning, interruption, partial interruption or improper use may cause a risk to national security.

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 "Urgent provisions on tax and non-defer-able expenditure"]

- filing a false tax return by using invoices or other documents for non-existent transactions provided for in Article 2 of Legislative Decree no. 74 of 10 March 2000.

Lastly, as a result of a prudent approach to self-laundering, the 231 Model and, in particular, the risk self-assessment activities have been based on the assumption that sensitive activities relating to self-laundering not only include the use of money, goods or other benefits deriving from the commission of the predicate offences listed above, but also activities where illicit proceeds from other intentional crimes not included under Legislative Decree 231/01, such as usury, fraud, embezzlement, privacy protection offenses and tax offenses, may be re-injected into the Bank's production cycle.

3.3 - ADOPTION OF THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL AS A POSSIBLE EXEMPTION FROM ADMINISTRATIVE LIABILITY

In compliance with the Decree, the 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 mentioned in the Decree.

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 contemplates that the models shall comply with the following requirements. They shall:

- 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 operations of and compliance with the models;
- Introduce a system sanctioning non-compliance with the measures shown in the 231 Model.

3.4 - 231 MODEL

3.4.1 - GENERAL FEATURES

The Monte dei Paschi di Siena S.p.A. Group believes that the culture of "lawfulness" represents a value to be disclosed within the Group and that the adoption of the model of organization, management and control is a good tool to persuade the staff of the fact that a proper and fair conduct should be followed in the fulfilment of one's duties, so as to prevent the risk of committing the crimes mentioned by the Decree.

The principles of the 231 Model shall contribute – on the one hand - to make the potential offender fully aware of the fact he might be committing a crime (which is strongly blamed and contrary to the Bank's interest even though the Bank might apparently take advantage thereof) and on the other hand – as a result of a steady control of the activity – to ensure a prompt prevention or reaction against the committed crime or attempted crime, and sanction the offenders, if appropriate, or report the offence to the Judicial and Administrative Authorities.

One of the purposes of the 231 Model is to inform the employees, the corporate bodies, shareholders, free-lance and third parties operating on behalf or in the interest of the Bank within the scope of the sensitive activities that – in case of a conduct not compliant with the provisions of the 231 Model (e.g. corruption) and other bank regulations and law provisions – they might commit crimes subject to considerable criminal consequences, not only for themselves, but also for the Bank, which shall take the appropriate measures to protect itself, including the possibility of addressing the Judicial Authority in accordance with D2080 "Management of criminal legal proceedings".

To this end, the Group is expected to set up a specific Supervisory Board to ensure compliance of the adopted organization system and the supervision on the operations of the addressees of the 231 Model, partly by monitoring corporate conduct and the right to steady information on the relevant activities for the purpose of the Model supervision.

3.4.2 - BASIC PRINCIPLES OF THE MODEL

The Group Companies are provided with an organization structure oriented to ensuring the proper operations of the banking/financial business and full compliance with the applicable regulatory framework.

Therefore, a specific system of internal rules was adopted including:

- Delegations of power, ensuring efficiency and fairness to the decision-making activities and the Bank representation;
- A string of procedures (e.g. function chart/corporate organization chart, guidelines, regulations, procedures, policies etc.) for governing corporate activities and the related information flows.

BMPS also promotes the following fundamental principles:

- **Transparency** of the conduct with reference to sensitive areas within BMPS and in the relationships with the external counterparts;
- **Fairness** of all Addressees, ensured by the compliance with the law provisions, the regulations and the internal organization procedures;
- Permanent **tracking** of the operations in relation to sensitive areas, oriented to ensuring the review of their consistency and compliance, partly through an appropriate document support;
- **Sharing** of responsibilities and duties in relation to the same corporate process between different business units and/or individuals, with simultaneous mutual integration and control activities required for maintaining consistency in the management of corporate processes.

The 231 Model acknowledges and adopts the whole of said internal rules of the Bank according to the specific activities performed and the associated risks as well as the above fundamental principles.

In addition, the Model refers to the following:

- **Guidelines issued by the Italian Bankers' Association;**

Requirements of decree 231/01 and in particular:

- The attribution to a Bank supervisory board of the duty of promoting the effective and proper implementation of the Model;
- Appropriate resources made available to the above board in support of its duties;
- The review of the operations of the 231 Model with the ensuing periodical updating;
- The awareness and disclosure to all corporate levels of the conduct rules and procedures set;
- Current regulations to be complied with by the Financial Intermediaries (e.g. Consolidated Financial and Banking Act and all regulations issued by the Regulatory and Market Management Authorities);
- Laws with specific reference to corporate administrative liability and in general the kind of offences mentioned in the Decree.

3.4.3 - ELEMENTS OF THE MODEL

The 231 Model consists of the following papers:

- “Risk prevention policy pursuant to Legislative Decree 231/01” with the following sections:
 - A) Contents of Legislative Decree 231/2001
 - B) Group guidelines
 - C) BMPS Model

The MPS Group Code of Ethics, 1030D01186, which illustrates the principles, models and conduct rules the Group is committed to comply with in any of its activities, internal relationships, relationships with the market and the stakeholders, and with respect to the environment. The Code of Ethics is an essential element of the 231 Model, since it supplements it from the viewpoint of expression and communication of the values, principles and rules of conduct.

“Management of prescriptive requirements regarding Italian Legislative Decree 231/2001 on administrative liability – Rules for the prevention of corruption in the Group” (1030D02330) 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.

The 231/01 Model and the Code of Ethics can be viewed on the company’s intranet and internet portals. The document (1030D02330) containing the MPS Group’s anti-corruption policy is available on the company’s intranet.

4 - GROUP GUIDELINES

(PART B)

4.1 - MODEL ADDRESSEES

The Parent Bank and Group Companies units shall comply with the following ethical and operational principles. They shall abide to the Parent Bank guidelines and arrange a model of organization, management and control of crime prevention pursuant to Legislative Decree 231, in accordance with their characteristics and size (see par.7

– Methodological principles for the project implementation of the 231 Model).

4.2 - GROUP GENERAL PRINCIPLES IN RELATION TO THE 231 MODEL

4.2.1 - INTERNAL BASIC PRINCIPLES

The Group believes that compliance with the Laws, industry regulations and corporate ethical and corporate social responsibility principles are a prerequisite for maintaining and improving corporate value over time.

The adoption of ethical principles is essential to the prevention of 231 offences; for this reason, the principles have been included in the MPS Group's Code of Ethics - 1030D01186 – which is, to all intents and purposes, an essential and integral part of the 231 Model.

In compliance with such directions, the Group set specific guidelines of reference for the development of the 231 Models of the Group Companies with the following objectives:

Ensuring fairness in the conduct of the Bank and its representatives, in full compliance with the provisions of law and the regulations also with reference to the relations with the Public Administration and the Judicial Authorities; making all individuals who are part of the governance and executive bank structure aware of the fact that any illegal behaviour might imply criminal and administrative penalties both for each individual and the bank;

Releasing the Group Companies from the administrative liability resulting from any illegal acts committed in their interest or favour by the "top managers" or their subordinates;

Consolidating the mechanisms of control, monitoring and sanctions oriented to fighting against the commission of crimes;

Emphasizing the strategies in relation to compliance, ethics, transparency, fairness and integrity adopted by the Group (see the Code of conduct of the banking and financial industry and the MPS Group Code of Ethics).

4.2.2 - GUIDELINES FOR 231 MODEL REQUIREMENTS

Legislative Decree 231/2001 states that "The organization and management models" can be adopted by ensuring the expected requirements, on the basis of the codes of conduct prepared by the associations representing the entities.

Therefore, following are the Group guidelines for compliance with the provisions of Legislative Decree 231/2001 (article 6, par.2), which the Group Companies should take into account for defining their own 231

Models. These guidelines were developed in view of the provisions of Legislative Decree 231/2001 and the instructions given by the Italian Bankers' Association guidelines for the adoption of organization models in relation to the administrative liability of the banks, and the industry regulations issued by the competent Authorities, such as the Bank of Italy, Consob, Borsa Italiana, IVASS, ... which regulate the whole banking business and set the principles and guidelines for the organization issues of the banks and banking groups.

Following are the requirements of Legislative Decree 231/2001 (article 6, par.2):

- Identifying the scope of the activities where crimes might be committed;
- Preparing specific protocols for the purpose of planning and implementing the authority's decision in relation to the crimes to be prevented;
- Identifying the terms of management of the appropriate financial resources to prevent crimes;
- Specifying disclosure obligations for the authority supervising the operations of and compliance with the models;
- Introducing an appropriate disciplinary system to sanction non-compliance with the measures indicated in the 231 Model.
- In addition, in accordance with Article 30 of Legislative Decree 81/08 (New Act in relation to the protection of the safety and health in the workplace), the 231 Model shall ensure a corporate system for the fulfilment of all legal obligations with reference to:
 - The compliance with the technical-structural law standards in relation to the equipment, plants, workplace, chemical, physical and biological agents;
 - Risk assessment and arrangement of the ensuing measures of prevention and protection;
 - Organization activities such as emergency, first aid, management of contracts, periodical safety meetings, advisory meetings with the representatives for safety;
 - Health supervision;
 - Employees' information and training;
 - The supervision with reference to compliance with the procedures and industrial safety instructions for the employees;
 - The obtainment of the mandatory and statutory documentation and certifications;
 - Periodical reviews of the application and effectiveness of the procedures adopted.
- Following are the Group specific guidelines for meeting each one of the above-mentioned requirements.

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

The identification of sensitive activities incorporates:

- The layout and maintenance of the supporting models, and specifically:
 - The model of the processes (i.e. the operational management of the process catalogue) and of the business units (i.e. the management of the Parent Bank Organization Regulation and of the unit organization charts), by the Organization Model Unit;
 - The 231 risk model, by the Parent Bank Compliance Unit¹ which submits such model for adoption to the Compliance units of each company;
 - The control model (Group Directive in relation to the "Internal Control System" – Paper 1030D00793 and Guidelines in relation to the Internal Control System – D1635):
- by the competent H.O. business units with reference to the internal process controls (e.g.: line controls, regularity controls etc.);
- by the Internal Audit Unit with respect to audit activities.

The detailed process of maintenance of the above-mentioned models is illustrated in the regulations and/or specific papers of internal regulation of each Group Company;

- the periodical identification:
 - of the "sensitive"² corporate activities to be developed jointly by the Compliance and Legal Functions, with the support of the Business Partner Organization for the association of the 231 risk measured during the detail stage of the corporate processes. To this end, the Organization Model Function shall notify the Compliance Unit of any change in the bank organization structure approved before the change is formalized in the bank regulations;
 - of the organization roles (so-called process owner) in charge of such "sensitive" activities, by the Organization Unit of each Company;
- the periodical "231 self-assessment"³ (see par. 6), by the organization positions in charge of sensitive activities;
- the valuation of the extent of the risks associated with sensitive activities and the identification of the related organization countermeasures by the process owners with the support of a contact within the Business Partner Organization Function and as agreed with the Supervisory Board pursuant to Legislative Decree 231/2001 (hereinafter referred to as the "Board"), of each Company.

The Group periodical "231 self-assessment" process is supported by the Parent Bank Compliance Unit which formally activates it and illustrates the results at the Group level.

The process can be also carried out within each company by the local Compliance Unit which will update the Parent Bank Compliance Unit on the outcome of the activities performed.

The Parent Bank Compliance Unit provides methodological support to the activities falling within the competence of each Company with reference to: the drafting and forwarding of the questionnaires to the process owners, the review of the completeness of the measurements, the quantitative summary of the results, the analysis of the solutions of risk mitigation.

¹ Directly responsible for the 231 risk model of Banca MPS. The risk model is the catalogue of the risks of committing 231 offences associated with corporate activities.

² "Sensitive" activities: i.e. any activities implying the potential risk of committing one or several crimes as provided for by Legislative Decree 231/2001 as subsequently updated.

³ Measurement of the information (e.g.: probability of crime occurrence, any involvement of public entities, role of the external companies or individuals involved in the process, existing internal and external controls...) associated with the sensitive activities.

As agreed with the Supervisory Board pursuant to Legislative Decree 231/2001, the Organization Unit of each Company identifies the bank unit in charge of managing the documents in relation to the measurement. The use of IT procedures for the maintenance of such information is allowed, provided that these procedures ensure the identification of the individuals who entered the information, the tracking and historical records of the amendments, the possibility to track the measurement process, the filing as required by law, the protection mechanisms in terms of disaster recovery and business continuity etc., and any other requirements specified by the Legal Unit.

In addition, in compliance with the Italian Bankers' Association guidelines, with reference to the most sensitive operational areas, any potential risk transactions and existing control activities are identified with as many details as possible.

Finally, with reference to the top managers, who are particularly subject to some kinds of crimes due to their specific responsibilities, simultaneously with the stage of assessment and/or upon specific instructions from the Compliance Unit of the Parent Bank and/or each Company, the Group conducts activities oriented to increasing the knowledge and awareness of the contents of the Decree, with the support of the Legal Unit, and the appropriate prevention measures, prior self-assessment and evaluation of the crime probability.

Requirement: Preparation of the protocols oriented to planning decision-making and the implementation of such decisions in relation to the offences to be prevented (Article 6 paragraph 2.b of Legislative Decree 231/2001)

Each Group Company manages and steadily updates its internal regulatory system and makes the instruments (e.g. corporate intranet) available to all employees and financial promoters.

The papers of the internal regulations set the terms of organization and implementation of the decision-making process of all the areas of activity of the concerned Company and disclose the powers and delegated powers assigned to the corporate bodies.

The internal control system incorporates both the preliminary review of the internal regulations in a logic of compliance with the industry rules and provisions, and the systematic review of compliance with the company's rules.

For "231" purposes, a reference to the internal regulations in force is identified for each sensitive activity, and the degree of coverage is checked with respect to the capacity of prevention of illegal behaviour. Such a process shall be regulated by specific processes prepared for each organization unit.

The protocols which are integral part of the 231 Model are oriented to regulate the conduct to be complied with in the execution of sensitive activities, for the purpose of ensuring an internal control system appropriate for preventing any crimes contemplated by Legislative Decree 231/2001.

Requirement: Identification of the terms of management of the financial resources (Article 6 paragraph 2.c of Legislative Decree 231/2001)

The internal regulations of each Company set and formalize the terms of management of its financial resources. Following are the major issues subject to regulation:

- Discretionary powers (H.O. and branches, by decision-making body and by kind of loan) in relation to loan disbursements;
- Discretionary powers for the determination of payable and receivable interest rates and other terms and conditions for the customers (including the public entities);
- Principles, responsibilities and discretionary powers in terms of expenditure, in a logic of fairness, equity and inexpensiveness.

Any purchase of commodities and/or services is based on the principles of fairness, equity and inexpensiveness.

Requirement: Set-up of a board supervising the operations of and compliance with the 231 Model (Article 6 paragraph 1.b of Legislative Decree 231/2001)

Legislative Decree 231/2001 requires that “a unit of the company provided with independent powers of initiative and control” should be in charge of supervising the operations and compliance with the 231 Model and its update.

Therefore, each Group Company identifies its own Supervisory Board pursuant to Legislative Decree 231/2001 and provides it with the expected independence requirements in relation to the powers of initiative and control. In view of the responsibilities assigned, it is deemed appropriate to assign the role of Supervisory Board to an “authoritative” committee (or monocratic body in case of specific operational units) consisting of individuals within and/or outside the Bank with the requirements of eligibility, professionalism, authoritativeness and independent powers of initiative and control, with the following duties:

- Supervising the effectiveness of the 231 Model, checking the compliance of the material conduct with the established model (compliance with the organization procedures and the control systems in relation to the “sensitive” activities) and reporting any breaches of the provisions of the 231 Model to the competent authorities. Any serious breaches of the 231 Model or any evidence of 231 crimes (including attempted crimes) shall be reported to the Board of Directors and the Board of Statutory Auditors of the Company, after the necessary checks;
- Valuating the adequacy of the 231 Model, i.e. its actual capacity of prevention – in principle – of undesired conduct; taking due note of the outcome of the “231 self-assessment” processes and, in light of any “critical” activities (risk/control issues), promptly intensifying risk analyses and the analyses on the opportunities of mitigation (organization/control measures), and reporting to the Board of Directors according to the expected terms and timing;
- Analysing the maintenance of the requirements of solidity and functionality of the 231 Model in the course of time, with specific reference to the environmental changes and new kinds of risks; taking due note of the related legal innovations (addition of new crimes to Legislative Decree 231/2001, ...), of the development of the company’s specific risk profile (access to new markets, new products, reorganization of business units, manager turnover ...);
- Updating the 231 Model, submitting any proposals of adjustment to the Board of Directors and checking the implementation and actual functionality of the solutions adopted;
- Reporting in relation to the activity carried out to the Company Board of Directors, upon the presentation of the half-year accounting data and the approval of the financial statements, according to pre-established schemes;
- Comply, together with the Board of Auditors, with the obligations of Article 52 of Legislative Decree 231/2007 (Money Laundering).

Each Company shall provide periodical information flows to the Supervisory Board for the fulfilment of the above duties.

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

For the purpose of ensuring an appropriate disciplinary system to sanction any conduct and activities clashing with the measures indicated by the bank in the 231 Model, a few disciplinary sanctions have been introduced, in compliance with the Italian Bankers' Association instructions, for the cases of breach of the provisions pursuant to Legislative Decree 231/2001 and the measures provided for by the Bank 231 Model.

Non-compliance with the above-mentioned regulations shall be assessed from the disciplinary viewpoint in accordance with different modes on the basis of the concerned individuals ("individuals subject to manage or supervision (Article 5, paragraph 1.b or "top managers" (Article 5, paragraph 1.a).

Requirement: provision of at least one alternative reporting channel which, through IT-based methods, ensures that the whistleblower's identity remains confidential as well as the introduction of a disciplinary system that applies sanctions against those who violate the measures laid down in the new Whistleblowing Law 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. The operating procedures are set out in a specific Whistleblowing Policy (1030D02064) that describes the internal whistleblowing system, which recognises that fraudulent behaviour is harmful to the Group's tangible and intangible assets and that everyone's cooperation is necessary to counteract it.

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 during the course of their duties.

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 Bank 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) 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 system for the health and safety in the workplace (Article 30, Legislative Decree 81/2008)

The corporate system ensuring compliance with the law in relation to the health and safety in the workplace, and preventing the crimes of unintentional injuries and manslaughter resulting from any infringement of accident prevention rules includes the identification of the following corporate positions as provided for by the law, with the assignment of the ensuing responsibilities according to the law:

- Employer,
- Employer's representative (not mandatory);
- Managers in charge of the health and safety in the workplace;
- Junior managers in charge of the health and safety in the workplace;
- Employees;
- head of the prevention and protection unit,
- clerks of the prevention and protection unit,
- employees' representatives for safety.

In cooperation with the competent Functions in different areas (Property Management, Logistics, Training, Purchasing etc.), the Prevention, Protection and Environment Unit of the Parent Bank prepares and updates the model for the management of the specific risks associated with the health and safety in the workplace. The organization and management model of reference is the OHSAS 18001 International Standard "Occupational Health and Safety Assessment Series" which is allegedly compliant with law obligations in compliance with Article 30 of Legislative Decree 81/08. This model ensures a corporate system for the compliance with the law obligations in relation to:

- compliance with the technical-structural law standards in relation to the equipment, plants, workplaces, chemical, physical and biological agents;
- risk assessment and preparation of the ensuing measures of prevention and protection;
- organization activities, such as emergency, first aid, management of contracts, periodical safety meetings, advisory meetings with the representatives for safety;
- health supervision;
- employees' communication, information and training;
- supervision with reference to the employees' compliance with the safety procedures and instructions in the workplace;
- obtainment of mandatory and statutory papers and certifications;
- periodical reviews of the application and effectiveness of the procedures adopted.

In addition, on the basis of the nature and size of the organization and the kind of business conducted, the model incorporates a range of functions ensuring the technical skills and the powers required for risk review, assessment, management and control, as well as an appropriate disciplinary system for sanctioning non-compliance with the measures indicated in the model (see the Disciplinary System as outlined hereunder).

The Group Companies shall adopt and apply the model set by the Parent Bank, identify corporate responsibilities with respect to the roles provided for by law, and make the ensuing processes operational.

Requirement: environmental management system

The bank system oriented to ensuring compliance with environmental obligations and preventing environmental offences pursuant to Legislative Decree 121/2011 and Law 68/2015 was established with reference to the ISO 14001 international standard model.

Through the adoption of the Environmental Management System (EMS), Banca Monte dei Paschi aims at:

- the definition of principles, strategies, guidelines, roles, responsibilities and duties for the management of the Bank business in compliance with the principles of the ISO 14001 International Standard;
- the definition of objectives and targets of steady environmental improvement and appropriate plans for their achievement;
- processing and application of the procedures of management and control of the environmental impact of the bank business;
- monitoring of compliance with the environmental rules.

The Group Companies shall adopt and apply the model set by the Parent Bank, identify corporate responsibilities with respect to the roles provided for by law, and make the ensuing processes operational.

4.3 - CONDUCT GUIDELINES PURSUANT TO THE 231 DECREE

4.3.1 - GENERAL FEATURES

With reference to the “sensitive” processes for the purpose of Legislative Decree 231/2001, the Group applies the conduct guidelines outlined below, which are not only oriented to achieving the utmost fairness of corporate behaviour, but are an integral part of the 231 Model of the Group Companies – if concerned by the specific processes – and are binding on all members of the Bank’s bodies, all employees, financial promoters and freelance.

Similar rules of conduct are required from the suppliers and service providers with which the Group collaborates and which, in general, are required to sign a declaration in which they commit not to engage in conduct that may constitute any of the offences covered by Legislative decree 231/01, and to read the measures established by the Group in its 231 Model and Code of Ethics. Furthermore, suppliers listed 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 established by the Group in the 231 Model and Code of Ethics of Banca Monte dei Paschi and state that they will comply with their local anti-corruption regulations (see 1030D01751 – Vendor Management). Foreign institutional suppliers, represented by Entities or Organisations whose purpose is not strictly commercial (e.g. stock exchanges) are not required to sign the 231 rules of conduct.

The rules of conduct listed for the processes mentioned below:

Shall not be deemed exhaustive, but are representative of the general principle of “fairness and lawfulness on the job and in business”;

Are arranged with reference to the different scopes of business and competence with no distinction between the addressees, being it understood that not all the categories can be linked with all parties operating on behalf of the Group Companies;

Make reference to the scopes of business with likely occurrence of the offences mentioned by the Decree and can be considered as the principles of reference for extending the Decree to new categories of crimes.

4.3.2 - MANAGEMENT OF PUBLIC FUNDING

The individuals who operate on behalf of the bank shall adopt the following rules of conduct, with no distinction or exception, in the management and treatment of public funding of any nature and origin whatsoever:

- Fairness and “accuracy” in the processing of the papers proving the requirements of eligibility for participation in tender calls, bids and syndicates of public funding;
- Fairness, transparency, accuracy and completeness of the information to be provided to the competent authorities;
- Transparency and reliability of the entries and reports in relation to the management and treatment of public funding;
- Integrity and fairness in the use of public funds disbursed to the MPS Group companies in order to allocate them for the purpose and according to the terms they were disbursed for;
- Fairness in the conduct of the specific reviews of the formal and substantial regularity of the transactions, in relation to the cases provided for by the regulations;
- Compliance with the bank procedures in relation to loan assessment and management and delegation of the decision-making powers;
- Compliance with the current regulations issued by the competent Authorities and the internal regulations.

4.3.3 - DISBURSEMENT OF LOANS IN GENERAL

The individuals who operate on behalf of the bank in loan disbursement, with specific reference to the loans granted to foreign countries, shall comply with the following rules of conduct:

- Compliance with money-laundering regulations;
- Compliance with the procedures against terrorism financing;
- Compliance with the procedures on loan inquiry (e.g. control of the consistency and compliance of the transaction with the customer profile, prudence in the transactions of the customers having relations with non-cooperative countries or risk customers as reported by the FIU, ...);
- Utmost care in the customers’ transactions on behalf or in favour of third parties with no plausible reasons;
- Utmost compliance with the regulations against organized crime for the purpose of avoiding any risks of criminal infiltration and any other contact with the bank business;
- Compliance with the environmental investment budget and review of the implementation of such investments;
- Prohibition of disbursing loans to individuals or Public Officials (or in general Civil Servants) to promote or favour the Bank’s interest.

4.3.4 - MANAGEMENT OF THE RELATIONS WITH THE PUBLIC ADMINISTRATION

The individuals who operate on behalf of the bank and get in touch with the Public Administration and the Public Institutions, including the Bank of Italy, Consob and other authorities of guarantee, are obliged to fulfil their duties with integrity, independence, fairness and transparency by adopting the following rules of conduct:

- No payments or goods, benefits or illegal support promised or given to Public Officials, or in general civil servants (including as solicited by them), in order to promote or favour the bank’s interest;
- Compliance with the principles of loyalty, fairness and transparency in the activities and relations involving

the Government, the European Union or other Public Entities – in particular during the negotiation or execution of contracts, the award of contracts, contract authorizations or contracts, inspections, controls or within legal proceedings and in the cases where the bank, which carries out activities of a public-law nature, acts as the Agent in charge of Public utility Services;

- Strict compliance with the internal procedure adopted in the treatment of price sensitive information for the purpose of avoiding market disruption and anomalous influence on the quotations of the bank shares, in the interest of all stakeholders;
- Strict compliance with the law provisions and internal regulations in relation to “data security”; this is done to prevent any crimes against the Government, the European Union or other Public Entities through the use of IT equipment and procedures made available by the bank;
- Compliance with the environmental regulations in force in relation to the production of the papers required for the fulfilment of the duties of waste disposal and treatment of wastewater.

4.3.5 - MANAGEMENT OF MONEY AND OTHER VALUABLES

The individuals who operate on behalf of the bank shall adopt the following rules of conduct, with no distinction or exception, in the treatment of valuables of any nature (in particular, banknotes, coins and tax stamps which are legal tender in the Country and abroad, or any materials used for their production):

- Prompt withdrawal from circulation of any valuables which are undoubtedly or allegedly counterfeited and ensuing reporting to the competent authorities;
- Compliance with the specific bank regulation in relation to the activity associated with the management of money and valuables;
- Compliance with the law, the regulations issued by the competent Authorities with honesty, integrity, fairness and good faith, and specifically money-laundering regulations pursuant to Legislative Decree 231/2007.

4.3.6 - MANAGEMENT OF MONEY LAUNDERING DUTIES

All the individuals who operate on behalf of the bank are required to:

- Fully and strictly comply with money laundering duties and obligations, in accordance with the current regulations and the bank instructions and regulations;
- Scrupulously apply the internal procedures for customers’ registration, management of the associated operations, and management of the reports and the other duties provided for by the money laundering regulations;
- Comply with the purchasing and overhead expenses procedures, with specific reference to the control of the suppliers’ requirements and the origin of the purchased goods.

4.3.7 - MANAGEMENT OF CORPORATE OBLIGATIONS

The individuals who make decisions and resolutions, on the basis of their position, separately or jointly, in relation to the corporate management and governance, in addition to the employees cooperating for any reason whatsoever in such activities, shall adopt the following rules of conduct:

- Scrupulous compliance with the law provisions, the Bank’s Articles of Association and the internal regulations in relation to the operations of the bank bodies (specifically, the Shareholders’ Meeting), as well as the transactions of reduction of the share capital, corporate merger or split up;
- Fairness, lawfulness and integrity, compliance with the statutory principles and internal procedural rules in the composition and treatment of the data, accounting papers and the Bank Financial Statements and

its representation and disclosure, also for the purpose of guaranteeing the Shareholders' rights and the smooth operations of the market, and preventing any conflicts of interest;

- Compliance with the principles of loyalty, fairness, co-operation and transparency in the activities and relations with the supervisory and regulatory authorities;
- Application of the principles of confidentiality, fairness, transparency, clarity, accuracy and completeness in the activities associated with the circulation and disclosure of the news concerning the Bank, both inside and outside the Bank;
- Compliance with the principles of fairness, lawfulness and integrity, of the regulatory principles and internal procedural rules in the composition and treatment of the papers representing the economic, capital or financial situation of the Bank;
- Clarity, accuracy and compliance of the external communications with the Bank policies and programmes, with the competent bank units in charge of maintaining the relations with the media;
- Compliance with the principles of fairness, lawfulness, integrity and transparency in the management of the business relationships with third parties. It is forbidden to promise or give any payments or assets, benefits or illegal advantages to the representatives of third companies having business relationships with the Bank (e.g. customers, suppliers, business partners etc.) in order to promote or encourage the interest of BMPS, but simultaneously damaging said Companies.

4.3.8 - MANAGEMENT OF THE RELATIONSHIPS WITH THE SUPPLIERS

The individuals involved in the processes of goods and/or services purchase and, in general, in the management of suppliers' relations on behalf of the Bank shall follow these 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).

4.3.9 - PERSONNEL SELECTION

For the purpose of avoiding that the bank or its top managers and subordinates get in touch with criminal associations, the individuals who, on the basis of the position filled, select the personnel at any level, for the purpose of avoiding that the bank or its top managers and subordinates get in touch with criminal association, shall recruit the personnel transparently and only on the basis of:

- Specific professionalism with respect to the role or duties;
- Equal treatment;
- Reliability with respect to the risk of criminal infiltration.

The concerned individuals shall produce their general penal record certificate and statement of charges pending, for participating in staff selection procedures. Alternatively, the concerned individuals can issue a self-certification stating that they were not convicted for crimes pursuant to articles 416, 416-bis, 416-ter and crimes committed under the terms provided for by Article 416-bis, or for the purpose of encouraging the activities indicated by said article, as well as the crimes mentioned by Article 74 as per Decree no. 309 of the President of the Republic dated 9 October 1990.

In addition, the job applicants who are non-EU nationals shall produce a regular residence permit within the selection process.

4.3.10 - SELECTION OF FINANCIAL PROMOTERS

For the purpose of avoiding that the bank or its top managers and subordinates get in touch with criminal associations, the individuals who, on the basis of their position, select the financial promoters, for the purpose of avoiding that the bank or its top managers and subordinates get in touch with criminal association, shall recruit the personnel transparently and only on the basis of:

- Specific professionalism with respect to the role or duties;
- Equal treatment;
- Reliability with respect to the risk of criminal infiltration.

Upon the execution of an agency agreement, the concerned parties shall produce their general penal record certificate and the statement of charges pending.

4.3.11 - APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS/COMMITTEES

The units in charge of the relations with the above-mentioned bodies shall obtain the following certificates upon the appointment of their members:

- The general certificate of the court records
- The statement of charges pending
- A statement of the Prefecture certifying the non-existence of the measures of prevention as per Article 10, Law 575/65 as subsequently amended and supplemented, or the certificate of the Registrar of Companies with the anti-mafia wording, issued by the Chamber of Commerce;
- A declaration from the concerned individual stating the non-existence of one of the situations pursuant to Article 5, par. 2 of Regulation 161/98;
- A declaration from the concerned individual stating the non-existence of one of the conditions pursuant to Article 5, paragraph 1.a of Regulation 161/98.

4.3.12 - INFORMATION TREATMENT

The individuals who, on the basis of their position, are aware of or have privileged or confidential information shall adopt the following rules of conduct:

- Compliance with the utmost confidentiality with reference to confidential or privileged information concerning the customers, the Bank or the Group of origin, obtained due to the position covered;
- No use, in their own interest or in the interest of third parties, of the above confidential or privileged information;
- Non-disclosure of the foregoing information to third parties, inside or outside the bank, unless such disclosure is necessary for the fulfilment of the assigned duties;
- Non-disclosure to third parties or personal use or use in the interest of the bank of relevant financial information, unless such information has been made public;
- Obligation for the individuals listed in the register of the relevant individuals to report any sale/purchase of securities subject to mandatory reporting, to the competent authorities;
- Prohibition of issuing or disclosing any false information or executing simulated transactions or other fraudulent or deceptive conduct, based on listed or unlisted financial instruments for the purpose of considerably altering the price;
- Obligation of avoiding any conduct which might supplement the cases provided for by market abuse or which are likely to become a market abuse;
- Obligation of behaving properly and transparently, in compliance with the law provisions and corporate internal rules, for the purpose of ensuring integrity, transparency and fairness of the financial markets.

4.3.13 - MANAGEMENT AND USE OF THE IT SYSTEMS

The individuals who, on the basis of their position, use IT or remote distance instruments for the fulfilment of their duties shall 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 procedures with specific reference to waste management procedures.

4.3.14 - 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.

4.3.15 - 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.

4.3.16 - 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.

4.4 - STAFF TRAINING AND DISCLOSURE OF INFORMATION TO THE 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:

- The 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 Bank shall request the execution and acceptance of the 231 Model from the members of the Board of Directors and the Board of Statutory Auditors upon their appointment;
- The freelance, advisors, outsourcers, suppliers etc. can access the Bank website and view the Code of Ethics of the Montepaschi Group and the 231 Model. When establishing any new relationships, the Bank shall secure 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 shall implement and formalize specific training plans, with the objective of ensuring the actual disclosure of the Decree and the 231 Model to all employees.

4.5 - REVIEW AND UPDATE OF THE 231 MODEL

The 231 Model is periodically reviewed by the Bank Supervisory Board pursuant to Legislative Decree 231/2001, for the purpose of checking the effectiveness, adequacy and maintenance in the course of time of the requirements of effectiveness and functionality. The Board is in charge of updating the Model and checking the implementation and actual functionality of the solutions adopted.

The 231 Model is approved by resolution of the Board of Directors. The 231 Model shall be updated mandatorily in the following cases:

- Addition of new crimes to the scope of application of the Decree;
- Outcome of the reviews requested by the Supervisory Board or conducted by the bank control units indicating that the existing 231 Model is "not appropriate" to prevent 231 crimes;
- Major changes in the organization structure or processes;
- Instructions coming from the Parent Bank.

Both the "231 self-assessment", with specific reference to the top managers and the organization units concerned by the new crimes or the amendments occurred, and the 231 Model with the respective control Protocols shall be updated in these cases.

The update of the 231 Model shall be submitted to the Bank Board of Directors for approval and, with respect to the subsidiaries, subsequently sent to the 231 Supervisory Board of the Parent Bank for approval.

Subject to the above-mentioned updating obligations, in any case the "231 self-assessment" in relation to the bank units and the top managers shall be made on a two-year basis.

If, as a result of such self-assessment, the update of the 231 Model is required (e.g. organization weaknesses, weaknesses in the international regulations, in the controls, wrong/incomplete risk mapping etc.), the above-mentioned process shall be performed, subject to the final approval of the Board of Directors.

Subject to the above cases of review of the 231 Model which require the approval of the Board of Directors, upon the occurrence of any changes in the bank organization structure which are not deemed to be relevant (i.e. change in the name of the units, transfer of business/processes from one unit to another, establishment of new offices etc.), but imply the need of changing the protocols, the protocols shall be updated in accordance with the competences already outlined, with the approval of the Supervisory Board pursuant to Legislative Decree 231/2001 and no resolution from the Board of Directors shall be required.

4.6 - METHODOLOGICAL PRINCIPLES FOR THE 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, 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 paper to be submitted to the competent Body for approval, prior opinion of the Parent Bank Supervisory Board pursuant to Legislative Decree 231/2001.

Such paper indicates:

- 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.

5 - BMPS MODEL

(PART C)

5.1 - OBJECTIVES

The 231 Model of BMPS refers to the instructions of the "Italian Bankers' Association Guidelines" 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 (New Consolidated Act in relation to the protection of the health and safety in the workplace).

5.2 - RULES FOR COMPLIANCE WITH THE REQUIREMENTS OF LEGISLATIVE DECREE 231/2001

Following are the rules (principles, activities, responsibilities) adopted by BMPS for compliance, with specific reference to the requirements of Legislative Decree 231/2001 (Article 6 par.2) and Legislative Decree 81/2008 (Article 30),

Requirement: Identification of sensitive activities and risk self-assessment (Legislative Decree 231/2001 Article 6 paragraph 2.a)

For the purpose of identifying the sensitive activities pursuant to Legislative Decree 231/2001, BMPS takes account of and applies the Guidelines listed under Part B par.4.2.2.

The periodical "BMPS 231 self-assessment" process shall be supported by the Compliance Unit which formally starts the process and presents the results. In this framework, the Compliance Unit carries out, with the support of the Business Partner Organization Unit, the following activities:

- Drafting and forwarding the questionnaires to the process owners;
- Coordination of the drafting and review of the completeness of the measurements.

The owner functions of the concerned processes subject to assessment - which cooperate with the Business Partner Organization function of reference - shall analyse any risk situations and take the appropriate measures and solutions of risk mitigation.

Finally, the Compliance Unit shall summarize the above process and its outcome for the 231 Supervisory Board.

Besides:

- any existing potential risk transactions and control activities shall be identified with respect to the most sensitive operational areas with as many details as possible, and shall be submitted to periodical checks of compliance with the 231 requirements, as requested by the 231 Supervisory Board;
- The Bank shall disclose to and inform the top managers, who are particularly subject to a few kinds of offences due to their specific responsibilities, simultaneously to the assessment stage and/or as specifically suggested by the Compliance unit, the Bank shall disclose and inform about the contents of the Decree and the appropriate measures of prevention, prior self-assessment and evaluation of the offence probability and the adequacy of the controls mitigating such offences.
- Any evidence of the BMPS measurement is managed as follows: each Division shall keep the original risk assessment sheet, duly signed and validated; such document shall be scanned and forwarded to the Compliance Division which shall collect and store all scanned sheets.
- The paper sheets in relation to the self-assessment of the BMPS corporate bodies - which are not processed by the application - shall be kept by the Compliance Div. and taken into account for the purpose of the overall representation of the outcome of the self-assessment to the 231 Supervisory Board.

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 purpose of preparing specific protocols for each organization unit of the Bank, BMPS took account of and applied the Guidelines shown under Part B par.4.2.2..

Requirement: Identification of the terms of management of the financial resources (Legislative Decree 231/2001 Article 6 paragraph 2.c)

BMPS set the terms of management of the financial resources, as formalized and detailed in its internal regulation, with reference to the Guidelines shown under Part B par.4.2.2. for ease of reference.

Requirement: Set-up of a board in charge of overseeing the operations and compliance of the 231 Model and disclosure obligations with respect to such board (Legislative Decree 231/2001 Article 6 paragraph 1.b and paragraph 2.d)

The Board of Directors of BMPS appointed a board consisting of three members (including two external members and a non-executive independent director) to act as the "Supervisory Board pursuant to Legislative Decree 231/2001" (hereinafter referred to as the "Supervisory Board"), in charge of supervising the operations and compliance of the 231 Model and updating it.

Term of office

The members of the Supervisory Board shall be in office for the term decided by the Board of Directors upon their appointment. Failing a specific determination, the Supervisory Board shall be 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 Board can be re-elected for not more than three times.

Subjective eligibility requirements for appointment

The members of the Supervisory Board shall have the following eligibility requirements:

- Independence of the Supervisory Board i.e.:
 - Independent powers of initiative and control;
 - No operational duties;
- Professional skills of the Supervisory Board, i.e.:
 - Appropriate specialists' skills. The members of the Supervisory Board shall have specific skills in relation to inspection and advisory activities, with specific reference to the techniques of analysis and risk evaluation, interview techniques and questionnaire processing;
 - Specialists' tools and techniques for the execution of this activity, partly supported by in house and/or external specialized staff;
- Reliability. All members of the Supervisory Board are preliminarily required not to be ineligible and/or non-compliant, due to one of the following conditions:
 - They own, directly or indirectly, equity investments to an extent which determines a considerable influence over the Bank or its subsidiaries;
 - They maintain, directly or indirectly, business relationships (such as, for instance, in addition to the above-mentioned relationships, professional advice during the current year and prior year; business relationships during the current year and prior year) with the Bank, the subsidiaries, the executive directors, the shareholder or the group of shareholders controlling the Bank, to such an extent which influences their independent judgement, also in view of the individual wealth position;
 - They are close relatives of executive directors of the bank or of individuals subject to one of the above situations;
 - They are temporarily banned or suspended from the managerial duties in corporate bodies and companies;
 - They cannot be elected, or their office terminates as provided for by Article 2382 of the Civil Code;
 - They are subject, in Italy or abroad, to a passed sentence or plea bargaining (although not final judgments), even though the sentence is conditionally suspended, subject to the effects of discharge, for the breaches relevant for the purpose of corporate administrative liability pursuant to Legislative Decree 231/2001;
 - They are subject to a passed sentence or plea bargaining (although not final judgments), even though the sentence is still conditionally suspended, subject to the effects of discharge:
 - › for one of the offences provided for by royal decree no.267 of 16 March 1942 (bankruptcy law);
 - › for one of the offences provided for by chapter XI of Book V of the Civil Code (companies and consortiums);
 - › for an unintentional crime, for not less than one year;
 - › for a crime against the Public Administration, against public faith, crimes against property, against public economy, or tax offences;

- › for one of the crimes provided for by the rules governing banking, financial, equity and insurance business, the rules regulating stock markets and shares, and payment instruments;
- they are subject to an order of committal for trial for all offences provided for by Legislative Decree 231/2001;
- they served as executive directors during the three years prior to their appointment as members of the Supervisory Board, in companies:
 - › in bankruptcy, forced administrative liquidation or similar proceedings;
 - › operating in the credit, financial, equity and insurance industries subject to extraordinary administration proceedings.

Before the appointment of the members of the Supervisory Board and - later - at periodical intervals, the Board of Directors shall assess the existence of the subjective requirements of professionalism requested from the members of the Supervisory Board.

The members of the Supervisory Board shall certify the existence of the requirement of independence and reliability as well as the absence of any causes of ineligibility through a specific statement, upon their appointment.

Revocation

No one of the members of the Supervisory Board can be revoked unless for a just cause by specific resolution of the Board of Directors of the Bank and prior approval of the Board of Statutory Auditors.

To this end, "just cause for revocation" means:

- the assignment to the members of the Supervisory Board of operational duties and responsibilities, or the occurrence of events not compliant with the requirement of independence;
- the failure of the requested requirements of reliability and professionalism;
- a serious non-fulfilment of the duties of the Supervisory Board;
- a sentence condemning the Bank pursuant to Legislative Decree 231/2001 (including a non-final sentence) or a criminal proceeding with plea bargaining, if according to the records it is proven that the Supervisory Board omitted or made insufficient controls, in accordance with the provisions of Article 6 of Legislative Decree 231/2001,
- a sentence (including a non-final sentence), or a criminal proceeding with plea bargaining, in Italy or abroad, concerning a member for the offences indicated by Legislative Decree 231/2001, or similar crimes;
- the loss during the term of office of one of the subjective requirements provided for by Article 4 of the regulation;
- sickness or accident for more than 6 months preventing the member from attending the meetings of the Supervisory Board.

Waiver and Replacement

The members of the Supervisory Board shall be entitled to waive their office at any time. In this case, they shall notify the Board of Directors of the Bank by registered letter with return receipt and specify the reasons for their waiver. The waiver shall be effective as of the date of appointment of a new member.

In case of revocation, waiver, death of a member of the Supervisory Board, the Board of Directors shall promptly appoint a new member.

In case of replacement of one member, the office of the newly appointed member shall terminate together with the office of the other members of the Supervisory Board.

Duties of the Supervisory Board in relation to the operations, the compliance and update of the Bank 231 Model

The Supervisory Board is assigned specific tasks and responsibilities resulting from the current regulations in force and from the provisions of the Regulation adopted by the Supervisory Board. The major tasks of the Supervisory Board incorporate the following duties:

- provide the guidelines for planning and implementing, through the support of the Units within the Internal Control System of the Bank, the controls on the application of the 231 Model according to a frequency and a priority in proportion to the risk of business. Any initiatives are planned and agreed with the Head Office, in compliance with the technical deadlines and within more general control programs;
- prior involvement of the competent bank units, monitor the effectiveness of the 231 Model, check the compliance of material conduct with the established model (with specific reference to the compliance of the organization procedures and the control systems in relation to the so-called "sensitive activities") and report any infringement of the provisions of the 231 Model to the competent bodies. Any serious breaches of the 231 Model or evidence of 231 offences (including only attempted offences) shall be reported – after the necessary reviews – to the Board of Directors and the Board of Statutory Auditors;
- assess the adequacy of the 231 Model, i.e. its actual capacity of preventing, in principle, any undesirable conduct; to this end, acknowledge the outcome of the "231 self-assessment" processes and, in light of any "critical" activities (risk/control issues), promptly analyse the risks and the mitigation opportunities, and point out the appropriate measures to be adopted (organization/control measures) and report to the Board of Directors according to the expected terms and frequency;
- analyse the maintenance of the requirements of soundness and functionality of the 231 Model over time, with specific reference to the environmental changes and newly emerging risks; to this end, acknowledge the legal innovations (addition of new offences to Legislative Decree 231/2001, ...), the development of the specific risk profile of BMPS (access to new markets, new products, unit reorganization, managerial turnover, ...);
- update the 231 Model and submit any proposals of adjustment to the Board of Directors, and check the implementation and actual functionality of the solutions chosen;
- report the activities conducted, in accordance with pre-established schemes, to the Board of Directors upon the presentation of the half-year accounting results and the approval of the financial statements;
- be subject to the disclosure obligations pursuant to Article 6 paragraph 2.d of Legislative Decree 231/2001. In this framework, the Board shall analyse any reports coming from the staff or other parties in relation to any infringement or attempted infringements of the 231 Model and the internal procedures, or any relevant events for the purpose of Legislative Decree 231/2001, and report to the Board of Directors;
- together with the Board of Statutory Auditors, comply with the obligations of Article 52 of Legislative Decree 231/2007
- in relation to Money Laundering;

coordinate and guide the Supervisory Boards of the Group Companies. In so doing, the Board shall:

- report to the Supervisory Boards pursuant to Legislative Decree 231/2001 of the Group Companies, give opinions⁴ on the 231 Models adopted by such Companies and periodically suggest the operational procedures to be followed and the reporting standards to be used;
- receive and re-examine the periodical reports prepared by the Supervisory Boards for their own Boards of Directors in relation to the activities conducted in terms of controls of the compliance, application and operations of the 231 Models, and express an opinion about the compliance with the Parent Bank guidelines.

⁴Such opinions can:

- Be preliminary to the submission of the new models to the Boards of Directors of the concerned companies, and concern the compliance of such models with the external regulations and the compliance with the Group guidelines;
- validate the updates of the existing models, already resolved by the Boards of Directors of the concerned companies.

The Supervisory Board shall be supported in the fulfilment of its duties by the Compliance Div., the Internal Audit Div. and the other competent bank units for specific issues (e.g. Legal Division in relation to the development of the provisions of law and regulations, other bank units in relation to the organization adjustments oriented to ensuring conduct compliance, the Prevention, Protection and Environment Unit in relation to the health and safety in the workplace, etc.).

Reporting obligations towards the Supervisory Board

For the purpose of supervising the operations and compliance of the 231 Model and updating it, the Supervisory Board pursuant to Legislative Decree 231/2001:

- shall be entitled to access all data and view the documents in relation to BMPS with no need of additional authorizations, subject to the obligation of confidentiality and compliance with the privacy law for the members of the Board;
- can convene meetings with the participation of the bank organization units or request reports from them for the purpose of securing the information in relation to specific sensitive activities pursuant to Legislative Decree 231/2001;
- shall receive a report from the Compliance Div. containing the outcome of the “231 self-assessment” activities conducted by the bank units;
- shall receive a report in relation to the activities conducted and the implementation initiatives concerning the control/update of the 231 Model, also linked with the “231 self-assessment” outcome, from the Compliance Div. on an annual basis;
- shall receive a summary of the audit results in relation to the current operations subject to the risk of 231 offences and the evidence of any infringements of the 231 Model which might originate the required update of the Model, from the Internal Audit function – on a yearly basis – as part of the report produced to the Top Management.
- Shall receive the updates in relation to Legislative Decree 231/2001 and the related regulations from the Legal Div., together with any notices in relation to the start of an inquiry/legal proceedings against the bank due to any 231/01 offences;
- Shall receive notification from the relevant units of the Human Resources and Internal Communications Division regarding the initiation of any investigations/judicial proceedings against an employee for the offences pursuant to 231/01 as well as communications imposing disciplinary sanctions on employees for circumstances pursuant to 231/01 including violations to the whistleblowing system implementation of the provisions of paragraph 5.2.5 below;
- Shall receive the information flows in relation to the staff attendance at the training classes for 231/01 purposes and/or relevant for 231/01 purposes on a yearly basis, from the H.R. Development & Training Unit, on a yearly basis;
- Shall receive a report from the Prevention, Protection and Environment Unit, on a yearly basis;
- Shall receive the information flows in relation to the obligations resulting from Legislative Decree 231/07 from the competent Bank Units, should any circumstances impacting on the 231 Model arise (see Group Directive in relation to Money Laundering and Terrorism Fighting D01289);
- Shall receive any news in relation to any committed or attempted crimes, in addition to any infringements of the rules provided for by this 231 Model, including any additional fact or event which might imply the danger of criminal infiltration in the corporate business, also through a specific application available under said section of the Bank Intranet, from all parties who become aware of such events.

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

The effectiveness of the 231 Model is also linked with the adequacy of the sanctioning system in case of any breaches of the rules of conduct and, in general, of the internal procedures and regulations. The employees breaching the obligations contemplated therein shall be subject to disciplinary sanctions – objectively and subjectively correlated with the seriousness of such breach – in accordance with the provisions of law, regulations and contracts, the Bank code of ethics and in compliance with the principles of proportionality established by the disciplinary code. Besides, any acts or omissions oriented to clearly breaching the rules set by BMPS are also sanctioned, even though the act is not completed or the event does not occur.

Disciplinary actions against the employees

BMPS shall provide employees holding executive positions with a written notice – either attached to their letter of recruitment or when the employee is promoted from the professional category of Middle Management (Quadro Direttivo) to Executive (Dirigente) – in which the Bank states that any employee may be subject to disciplinary actions as a result of a conduct that is not compliant with the rules of Legislative Decree 231/2001 and the 231 Model (Italian Bankers' Association Circular 40/2003). The sanctions are applied on the basis of the importance of each case taken into account and are proportional to their seriousness. In compliance with the limits set by the current laws and regulations, the following kinds of sanctions can be applied within the principles of proportionality and seriousness mentioned below:

Scope of application	Kind of sanction	Example of breach
Clerical Staff and Junior/ Senior Managers	VERBAL REPROACH	<ul style="list-style-type: none"> Minor non-compliance with the internal procedures provided for by the 231 Model or repeated conduct non-compliant with the provisions of the Model); Tolerance or omitted reporting by the supervising managers of minor irregularities committed by the employees subject to the 231 Model.
Clerical Staff and Junior/ Senior Managers	WRITTEN REPROACH	<ul style="list-style-type: none"> 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); Omitted reporting or tolerance by the supervising managers of non-serious irregularities committed by the employees subject to the 231 Model.
Clerical Staff and Junior/ Senior Managers	SUSPENSION FROM DUTIES AND SALARY FOR A PERIOD NOT LONGER THAN 10 DAYS	<ul style="list-style-type: none"> Non-compliance with the internal rules contemplated by the 231 Model or negligence with respect to the provisions of the Model; 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.
Clerical Staff and Junior/ Senior Managers	DISMISSAL FOR JUST REASON	A 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.
Clerical Staff, Junior/ Senior Managers and Executives	DISMISSAL FOR JUST CAUSE	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).

Pursuant to Article 2 of Law no. 179 of 2017, 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 whistleblower; (ii) against those who commit acts of retaliation or discrimination, and (iii) against those who make intentional or grossly negligent reports that prove to be unfounded.

The above shall be subject to compensation for damage (if any), should this conduct result into material damage to the Bank.

Procedure

The Supervisory Board shall report the infringements of the 231 Model, committed by the employees and executives, periodically or ad hoc, according to the seriousness of the breaches it became aware of, to the Board of Directors of the Bank, and shall suggest the adoption of any sanctions.

The disciplinary and sanctioning measures shall be decided by the Board of Directors or other delegated body, in compliance with the procedures provided for by Article 7 of Law no. 300 of 1970, or any applicable special regulations or the applicable national bargaining agreement.

Actions against the directors

With reference to the Directors, in case of any breaches of the provisions of this 231 Model, the Supervisory Board shall inform the Board of Statutory Auditors and the Board of Directors which shall take the appropriate measures, including the call of the Shareholders' Meeting for the purpose of resolving the revocation of the directors' office, in case of repeated or particularly serious breaches.

Actions against the Statutory Auditors

With reference to the Statutory Auditors, any breaches of the provisions of this 231 Model shall be promptly reported by the Supervisory Board to the Board of Statutory Auditors and the Board of Directors.

The Board of Statutory Auditors shall take the appropriate measures with respect to the auditors breaching the rules, in compliance with the applicable rules, including the call of the Shareholders' Meeting for the purpose of resolving the revocation of their office.

Actions against the financial promoters

With reference to the financial promoters, who are required to apply and strictly comply with the Bank 231 Model, any breaches of the Model and the ethical principles adopted by BMPS shall be punished in accordance with the specific clauses of their agency agreements and the internal regulations of BMPS applicable to the financial promoters.

The above shall be subject to compensation for damage (if any), should this conduct result into material damage to the Bank.

Actions against the freelancers

With reference to the freelancers and the individuals or corporate bodies cooperating with BMPS under a contractual agreement, if they cooperate with the Bank in relation to activities characterized by the risk of committing any offences, any breaches of the 231 Model and the ethical principles adopted by BMPS shall be punished in accordance with the specific clauses of the respective cooperation agreements, which might also include the termination of the agreement.

The above shall be subject to compensation for damage (if any), should this conduct result into material damage to the Bank.

Requirement: Management System for the Health and Safety in the Workplace (MSHWS)

BMPS adopted a management system for the health and safety in the workplace in compliance with the current regulations and the International Standard OHSAS18001⁵. The organization structure, the terms of management of safety, the rules and provisions adopted by Banca Monte dei Paschi di Siena S.p.A. to protect the health and safety of the employees are governed by specific internal regulations (Group Directive 1030D01325; documents 1030D00505 and 1030D00506).

In addition, the Bank set up the Prevention and Protection Unit which specifically monitors these issues pursuant to the law.

Besides, with reference to the safety in the workplace, risks are measured and proven by documentary evidence, in compliance with Legislative Decree 81/2008 (formerly 626/94), in the "Risk Evaluation Paper" where risk evaluation is based on the identification of the possible factors of danger for the safety and health of the employees and the ensuing planning of the measures and initiatives oriented to eliminate or reduce the risks detected, with the objective of orienting the bank strategies to the steady improvement of working conditions, in view of the gradual technical progress.

The Bank evaluation identifies specific or distinctive employees operating in similar working environments, representative of all the categories of workers and estimates and takes account of the safety risks (industrial accidents), health risks (hygiene-environmental risks), safety and health risks (organization and management issues), risks in relation to specific jobs (organization and management issues) with reference to the Bank workplaces and activities.

The paper incorporates the measures of prevention and protection to be taken and the programmes of improvement in the workplace, to be taken into account in the ordinary maintenance and the reorganization plans of the Bank production units.

According to the Management System for the Health and Safety in the Workplace (MSHSW), Banca MPS shall appoint:

- The Representative of the Top Management for the MSHSW, namely the Employer's Representative (pursuant to Legislative Decree 81/08) who oversees the maintenance and enhancement of the System itself;
- The Representative of the MSHSW, namely the Head of the Prevention and Protection Unit (pursuant to Legislative Decree 81/08) in charge of planning and systematically implementing all actions required for arranging, applying and maintaining the System requirements in compliance with the OHSAS 18001 Rule.

⁵The Management System for the Health and Safety in the Workplace of BMPS was certified on 31 January 2008 in accordance with the OHSAS 18001 Standard by the Certification Authority R.I.N.A. Services S.p.A. The reviews for maintaining the certificate – to be renewed every 3 years - are conducted on a yearly basis.

Requirement: Environmental Management System

BMPS adopted an environmental management system (EMS) as the organization tool for the implementation of the environmental Policy adopted by the Montepaschi Group which implies the Bank's commitment to:

- Pursuing the ongoing improvement of environmental performances and compliance with the applicable environmental regulations;
- Developing credit and investment policies rewarding the processes and products with a positive impact on the environment;
- Ensuring steady information about the Bank environmental policy and objectives to the personnel and the other stakeholders.

The EMS is applied to all units of Banca Monte dei Paschi (H.O headquarters and all Branches of the domestic network). Personnel are made aware of the need of behaving in a responsible manner, in compliance with the principles of the environmental Policy and, therefore, with the Bank will of steadily improving its environmental performance.

According to the Management System for the Health and Safety in the Workplace (MSHSW), Banca MPS shall appoint:

- The Representative of the Top Management for the EMS, namely the Employer's Representative (pursuant to Legislative Decree 81/08) who oversees the maintenance and enhancement of the System itself;
- The Representative of the EMS, namely the Head of the Prevention and Protection Unit (pursuant to Legislative Decree 81/08) who systematically monitors the activity of the Units of the Bank involved in the EMS, in order to support the heads of the units in the implementation of term objectives and is a point of reference for the bank stakeholders in relation to environmental issues.

5.3 - RULES OF CONDUCT PURSUANT TO THE 231 DECREE

In line with the Group's principles, BMPS

- considers compliance with the laws, the industry regulations, the principles of bank ethics and corporate social responsibility as a prerequisite for the maintenance and improvement over time of corporate value;
- acknowledges and complies with social responsibility commitments as stated in the "Charter of Values", which is hinged on the "ethics of responsibility", that is the employees' orientation to serve, integrity and transparency, business fairness, the protection of the environment and respect for the people;
- has adopted a Code of Ethics which represents the core of the 231 Model and states the principles, models and rules of conduct the Group is committed to following in all its activities, internal relationships, relations with the market and its stakeholders, and in relation to the environment;

The codes of conduct for the "sensitive processes pursuant to Legislative Decree 231/2001" are to be defined for the purpose of ensuring the utmost fairness in corporate behaviour.

Such codes of conduct:

- Are an integral part of the 231 Model, since they make reference to and specify a few principles of conduct the people representing the Bank and operating on its behalf are required to comply with;
- Materialize "de facto" behavioural principles and rules which have been always operating and have been always complied with at BMPS, as the expression of the Bank's spirit and culture;
- Are binding for all members of the Bank governing bodies and employees, the financial promoters and freelancers of the Bank;
- Are binding for the suppliers or external service providers. 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 established by the Group in the 231 Model and Code of Ethics of Banca Monte dei Paschi and state that they will comply with their local anti-corruption regulations. Foreign institutional suppliers, represented by Entities or Organisations whose purpose is not strictly commercial (e.g. stock exchanges) are not required to sign the 231 rules of conduct;

- shall not be deemed to be exhaustive, but are representative of the general principle of “fairness and lawfulness in work and business”;
- are organized with reference to the different scopes of business and competence with no distinction between the addressees, being it understood that not all the categories can be referred to all parties operating on behalf of BMPS;
- make reference to the scopes of activity showing a possibility of occurrence of the offences mentioned in the Decree and can be considered as the principles of reference for the extension of the Decree to new categories of offences.

The detailed rules of conduct for “231” purposes are included in Part B, par.4.3.

5.4 - TRAINING AND INFORMATION

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

In particular, a specific training course is available online to all employees. The trend of the employees' applications is properly monitored by the H.R. Selection, Development and Training Unit with a final score which requires a good command of these issues.

The system of training, information and disclosure is subject to the supervision of the Regulatory Authority. In particular, the Regulatory Authority coordinates the terms of disclosure to all concerned parties of the information in relation to Legislative Decree 231/2001 and the 231 Model of BMPS, through a section specifically dedicated to the bank Intranet and the Bank website.

5.5 - CONTROL PROTOCOLS IN COMPLIANCE WITH THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL OF BMPS PURSUANT TO LEGISLATIVE DECREE 231/2001

A Protocol of Control was prepared for each unit of the Bank – in relation to the activity carried out and the responsibilities taken on, with specific reference to the risks/offences pursuant to Legislative Decree 231/01 – and notified to the Head of each Unit.