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

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

17 April 2025 (on a single call)

EXPLANATORY REPORT BY THE BOARD OF DIRECTORS

CONCERNING ITEM 4) ON THE ORDINARY SESSION OF THE AGENDA

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

APPOINTMENT OF 5 (FIVE) DIRECTORS FOR INTEGRATION OF THE BOARD OF DIRECTORS FOLLOWING THE CO-OPTATION CARRIED OUT BY THE BOARD OF DIRECTORS ON 27 DECEMBER 2024; RELATED AND CONSEQUENT RESOLUTIONS:

4.1) VOTE FOR THE APPOINTMENT OF ALESSANDRO CALTAGIRONE AS DIRECTOR OF BANCA MONTE DEI PASCHI DI SIENA S.P.A.;

4.2) VOTE FOR THE APPOINTMENT OF ELENA DE SIMONE AS DIRECTOR OF BANCA MONTE DEI PASCHI DI SIENA S.P.A.;

4.3) VOTE FOR THE APPOINTMENT OF MARCELLA PANUCCI AS DIRECTOR OF BANCA MONTE DEI PASCHI DI SIENA S.P.A.;

4.4) VOTE FOR THE APPOINTMENT OF FRANCESCA PARAMICO RENZULLI AS DIRECTOR OF BANCA MONTE DEI PASCHI DI SIENA S.P.A.;

4.5) VOTE FOR THE APPOINTMENT OF BARBARA TADOLINI AS DIRECTOR OF BANCA MONTE DEI PASCHI DI SIENA S.P.A..



**REPORT BY THE BOARD OF DIRECTORS PURSUANT TO ARTICLE 125-TER OF
LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998,
AS SUBSEQUENTLY AMENDED.**

Dear Shareholders,

you have been convened to resolve upon the following **item 4)** on the agenda of the Ordinary Shareholders' Meeting:

“Appointment of 5 (five) directors for integration of the Board of Directors following the co-optation carried out by the Board of Directors on 27 December 2024; related and consequent resolutions:

- 4.1) Vote for the appointment of Alessandro Caltagirone as Director of Banca Monte dei Paschi di Siena S.p.A.;**
- 4.2) Vote for the appointment of Elena de Simone as Director of Banca Monte dei Paschi di Siena S.p.A.;**
- 4.3) Vote for the appointment of Marcella Panucci as Director of Banca Monte dei Paschi di Siena S.p.A.;**
- 4.4) Vote for the appointment of Francesca Paramico Renzulli as Director of Banca Monte dei Paschi di Siena S.p.A.;**
- 4.5) Vote for the appointment of Barbara Tadolini as Director of Banca Monte dei Paschi di Siena S.p.A..**

Please note that, on the occasion of the appointment of the Board of Directors in office, the Shareholders' Meeting of Banca Monte dei Paschi di Siena S.p.A. (hereinafter the **“Bank”** or **“BMPS”**) held on 20 April 2023 resolved to set the number of members of the Board of Directors at 15 (fifteen).

On 17 December 2024, the following independent Directors, who had been nominated by the Ministry of Economy and Finance (**“MEF”**) in the list submitted on 27 March 2023, resigned from their office: Paolo Fabris De Fabris (member of the Related-Party Transactions Committee and the 231 Supervisory Body - *Organismo di Vigilanza 231*), Lucia Foti Belligambi (member of the Remuneration Committee and the Related-Party Transactions Committee), Laura Martiniello (member of the Nominations Committee and the Risk and Sustainability Committee), Annapaola Negri-Clementi (Chairperson of the Related-Party Transactions Committee and member of the Remuneration Committee), Donatella Visconti (member of the Nominations Committee and the Related-Party Transactions Committee).

On 27 December 2024, the Bank's Board of Directors, upon the proposal of the Nominations Committee, unanimously resolved, with the positive opinion of the Board of Statutory Auditors, pursuant to article 2386 of the Italian Civil Code, to appoint by co-optation: Alessandro Caltagirone (non-independent), Elena De Simone (non-independent), Marcella Panucci (independent), Francesca Renzulli (independent) and Barbara Tadolini (independent), who will remain in office until the next Shareholders' Meeting, in accordance with the aforementioned article 2386 of the Italian Civil Code.

As indicated in the press release of 27 December 2024, considering the changes in the Bank's shareholding structure resulting from the gradual reduction of the shareholding held by the MEF, the selection of the new Directors was carried out by the Nominations Committee following a specific process of consultation with some of the Bank's new shareholders and with the support of the Executive Search advisor Spencer Stuart.

The Shareholders' Meeting is therefore invited to proceed with the integration of the Board of Directors, appointing 5 (five) Directors to restore the number of fifteen (15) members, as resolved by the Shareholders' Meeting of 20 April 2023, in accordance with the applicable laws and regulations and Article 15, paragraphs 8 and 10 of the By-Laws and **with the majorities required by the law**. The system of voting by list does not apply in



this specific case (appointment of Directors to integrate the Board of Directors), without prejudice to compliance with the requirements established by the applicable laws and regulations and the By-Laws regarding the independence of directors and gender balance.

In this regard, please note that on 20 April 2023, the Shareholders' Meeting appointed the current Board of Directors for the financial years 2023-2024-2025, on the basis of the lists submitted by the shareholders, in compliance with the principle of the necessary representation of minorities, the minimum number of independent directors and the gender balance provided for by the applicable laws and regulations. The assessment of the requirements and suitability of the members of the Board of Directors, carried out by the Board of Directors, as the competent body, pursuant to the provisions of the Decree of the Ministry of Economy and Finance No. 169/2020 (hereinafter the "**Decree 169/2020**"), was concluded with the positive Decision by the European Central Bank on 12 October 2023.

Regarding the co-opted Directors, in this specific case, given the need and extreme urgency to replace the resigning Directors due to the simultaneous resignation of several members of the Board, and taking into account the extraordinary context that characterizes the banking sector, the Board acted promptly with the co-optation process and proceeded with the assessment of the suitability of the co-opted Directors following their appointment on 23 January 2025, as permitted for exceptional cases of urgency by the Supervisory Regulations on the Suitability Assessment Procedure for Bank Officers, issued by the Bank of Italy which has been in force since July 2021. This is without prejudice to the subsequent assessment procedure by the Supervisory Authority pursuant to applicable legal provisions. The Board of Directors verified, for each of the co-opted Directors, the fulfilment of the requirements of professionalism and reputation, as well as compliance with the applicable suitability criteria (competence and integrity) established by the applicable regulations and the Bank's By-Laws. It also confirmed that the Directors Marcella Panucci, Francesca Paramico Renzulli and Barbara Tadolini met the independence requirements set out in the By-Laws. As declared by the Directors themselves, it was confirmed that Alessandro Caltagirone and Elena De Simone meet the independence requirements of Legislative Decree No. 58/1998 ("**TUF**"), but not those of Decree 169/2020 and the Corporate Governance Code. Consequently, they are not considered independent under the Bank's By-Laws.

Following the co-optation appointments, the composition of the Board of Directors in office meets the requirements provided for by the law (including the Corporate Governance Code) and the By-Laws in terms of independent directors, gender balance and minorities representation.

Specifically, with respect to the 15 (fifteen) Directors in office, it is to be noted that:

- (i) 11 (eleven) Directors meet the independence requirements (*i.e.* at least 1/3, and thus at least 5 (five) independent directors);
- (ii) both genders are equally represented (7 - seven - female Directors and 8 - eight - male Directors are in office, thus meeting the minimum required gender quotas of at least 2/5, *i.e.* at least 6 – (six) - members of the less represented gender);
- (iii) 2 (two) Directors are taken from the minority List No. 2, submitted in March 2023.

With regard to the qualitative and quantitative composition of the Board of Directors resulting from the appointments made by co-optation, it is further noted that the current members of the Board of Directors have diverse and complementary professional and managerial qualities, experience, skills as well as technical and specialised knowledge acquired over time, which ensure the maintenance of an adequate collective composition in terms of diversification, in accordance with the applicable regulations. The composition of the Board is diversified in terms of age (ranging from 49 to 71 years), gender (as mentioned above, 8 male members and 7 female members) and tenure (1 member in his third term, 4 members in their second term and 10 members in their first term).



The newly appointed Directors have professional profiles that include knowledge and experience in legal, regulatory and economic-financial matters, suitable to replace the resigning Directors and allow the Board to maintain an adequate collective level of knowledge, skills and experience to understand the main risks and opportunities, including their impacts. In particular, the knowledge and experience of the co-opted Directors also contributes to strengthening the collective suitability of the Board by integrating additional professional profiles with practical experience gained on boards of directors, supervisory boards and other highly qualified contexts in banking and finance business, banking and financial governance, banking and financial regulation, control systems, strategic planning and accounting and financial reporting. Furthermore, regarding the management of ESG issues and related climate and environmental risks, the collective knowledge has been enhanced by the presence of Directors with practical experience gained in companies characterised by a strong focus on ESG matters, including ESG risks, as essential elements of business strategies.

Therefore, the professional profiles and experience of the co-opted Directors appear to be in line with the criteria for adequate composition and collective diversification of the Board, as set out in the Bank of Italy's supervisory regulations on corporate governance of banks, contained in Bank of Italy Circular No. 285/2013 (Part One, Title IV, Chapter 1), Decree 169/2020 and the "*Guidelines on the assessment of the suitability of members of the management body and key function holders*" issued by the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA) (EBA/GL/2021/06 - ESMA35-36-2319 - 2 July 2021) (the "**EBA-ESMA Guidelines**").

Their inclusion in the Strategic Supervisory Body of BMPS will provide a valuable contribution to both its composition and effectiveness. For the sake of completeness, as indicated in the press release of 6 February 2025, the same Directors have also been appointed as members of the Internal Board Committees, as follows: Alessandro Caltagirone: Nominations Committee and Remuneration Committee; Elena De Simone: Remuneration Committee and IT and Digitalisation Committee; Marcella Panucci: Remuneration Committee and Chairperson of the Related-Party Transactions Committee; Francesca Paramico Renzulli: Nominations Committee and IT and Digitalisation Committee; Barbara Tadolini: Risk and Sustainability Committee and Related-Party Transactions Committee.

Proposal of the Board of Directors

Based on the assessments of the characteristics, requirements, practical experience and theoretical knowledge of the co-opted Directors, already made during the co-optation process and assessment of the requirements, and considering the qualitative and quantitative composition of the Board of Directors following these appointments, as illustrated above, the Board of Directors considers that the co-opted Directors are suitable to hold the office of Director of BMPS and, therefore, proposes to the Shareholders' Meeting to integrate the Board of Directors by confirming and appointing the co-opted Directors: Alessandro Caltagirone (non-independent), Elena De Simone (non-independent), Marcella Panucci (independent), Francesca Renzulli (independent) and Barbara Tadolini (independent), as Directors of the Bank. The *curriculum vitae* of each co-opted Director is available to shareholders on the Bank's website, together with the Shareholders' Meeting documentation.

Shareholders retain the right to propose any additional candidates, which may be submitted in accordance with the conditions, criteria and procedures indicated below.

Modalities and deadlines for the submission of candidatures

Shareholders are invited to take into account the guidelines contained in the document "*Orientamenti per gli Azionisti relativi alla composizione quali-quantitativa del Consiglio di Amministrazione di Banca Monte dei Paschi di Siena S.p.A.*" ("*Shareholders Guidelines on the qualitative and quantitative composition of the Board of Directors of Banca Monte dei Paschi di Siena S.p.A.*", hereinafter the "**Guidelines**") prepared by the current Board of Directors and made available to Shareholders on the Bank's website www.gruppompis.it – section *Corporate Governance - Shareholders' Meetings and BoDs* in the relevant Shareholders' Meeting documentation and filed at the Bank's registered office and with the market management company. The Guidelines provide information on the size and composition of the Board of Directors, the required managerial and professional profiles and the theoretical profile of the candidates deemed



suitable, so that the choice of candidates to be submitted takes into account the necessary expertise and requirements, with the obligation to justify any deviation from the assessments made by the Board of Directors.

As stated in the Guidelines, attention is also drawn to the necessity that candidates meet the **suitability requirements** for bank officers (and, in particular, members of the Board of Directors) established by the legal and regulatory provisions and the By-Laws. In the event of appointment by the Shareholders' Meeting, the Board of Directors shall verify and assess such requirements in accordance with: *i*) the applicable legislation on suitability requirements and criteria, as well as *ii*) the so called ban on interlocking, without prejudice to the subsequent assessment procedure conducted by the Supervisory Authority.

Please note that for the purposes of "suitability", in addition to the **requirements of reputation** (uniform for all bank officers), **professionalism** (graded according to the principle of proportionality, based on the role held, e.g. executive or non-executive member) and, **to the extent necessary, independence**, bank officers must also: *i*) meet criteria of **competence and integrity**; *ii*) be able to act with **independence of mind** and awareness of the duties and rights associated with the position; *iii*) have **sufficient time to commit to the role** (for the estimation of time commitment to the office, reference should be made to the Guidelines), in compliance with the **limit on the number of directorships** established by applicable laws and regulations.

Further details on the applicable regulatory framework are provided in the Guidelines made available to Shareholders.

Moreover, under penalty of disqualification from their office, no Director of BMPS may simultaneously hold a position as a member of the board of directors, management board or supervisory board of competing banks, not belonging to the BMPS Group, which hold a banking license issued by the Supervisory Authority and operate in the markets of banking funding or ordinary credit in Italy.. Any BMPS Director who accepts one of the above offices must immediately notify the Board of Directors of BMPS, which will declare his/her immediate disqualification from the office.

Proposals containing the candidatures shall be submitted together with the following documents: *(i)* a declaration by which the candidate accepts his/her candidacy and certifies, under his/her own responsibility, the absence of causes of ineligibility and incompatibility, including the non-existence of material situations pursuant to article 36 "Protection of competition and personal cross-shareholdings in the credit and financial markets" of Decree Law No. 201/2011 – Law No. 214/2011, as well as compliance with the requirements and eligibility criteria prescribed for the office by applicable laws, regulations and the By-Laws, providing additional information on relevant experience and expertise as encouraged in the Guidelines; *(ii)* a declaration by the candidate indicated as independent, certifying that he/she meets the independence requirements set forth in the applicable laws and regulations, the By-Laws and the further independence requirements set forth in the Corporate Governance Code; *(iii)* a *curriculum vitae* (both in Italian and English) containing the candidate's personal and professional skills, specific expertise, and a list of the management and control positions held in other companies; in particular the candidate must declare that he/she does not hold the office of member of the board of directors, management board ("*consiglio di gestione*") or supervisory board ("*consiglio di sorveglianza*") of competitor banks, not belonging to the Monte dei Paschi di Siena Banking Group, which hold a banking license issued by the Supervisory Authority and operate in the markets of bank funding or ordinary credit in Italy; *(iv)* information concerning the identity of the shareholder(s) submitting the candidacy, including the overall share capital percentage held, by means of a certification attesting to the ownership of said share capital percentage, and *(v)* the privacy statement.

The declaration formats mentioned above are available in the sample candidate acceptance form provided in the Guidelines (Italian version), available on the Bank's website www.grupppomps.it under the section *Corporate Governance – Shareholders' Meetings and BoD*, in the Shareholders' Meeting documentation.

Shareholders are invited to submit any candidacies and resolution proposals for the integration of the Board of Directors with sufficient advance notice before the date of the Shareholders' Meeting. Such submissions should be



sent - together with a certificate of share ownership and a copy of a valid identity document (for natural persons) or the documents proving the relevant powers (for legal entities) - from their own certified email (PEC) address to bancamps.settoreaffarisocietari@postacert.gruppo.mps.it and, for information, to settore.societario@mps.it

Candidature proposals - subject to verification of their accuracy and completeness in accordance with applicable regulations - will be published on the Bank's website, allowing Shareholders entitled to vote to issue their voting instructions and enabling the Appointed Representative to receive any related voting instructions.

Voting procedure

As set out in the Agenda, the proposal of the Board of Directors to confirm the five co-opted Directors will be put to separate votes, also in order to facilitate Shareholders in the possible delegation of their voting rights.

Should the Shareholders' Meeting not fully or partially approve the proposals for the appointment of the co-opted Directors submitted by the Board of Directors, any additional candidacies will be put to vote in accordance with the applicable Shareholders' Meeting Regulation. In any event, once the appointments have been made, the Board of Directors will be required to conduct its checks to ensure compliance with the applicable regulations, including those set forth in the By-Laws regarding requirements for bank officers and the ban on interlocking.

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Dear Shareholders,

In light of the above, we invite you to approve the following resolution proposals for the integration of the Board of Directors:

"The Ordinary Shareholders' Meeting, having reviewed the proposal submitted by the Board of Directors for the integration of the Board of Directors,

RESOLVES TO

- 1) appoint Alessandro Caltagirone as Director of Banca Monte dei Paschi di Siena S.p.A.;
- 2) appoint Elena De Simone as Director of Banca Monte dei Paschi di Siena S.p.A.;
- 3) appoint Marcella Panucci as Director of Banca Banca Monte dei Paschi di Siena S.p.A.;
- 4) appoint Francesca Paramico Denzulli as Director of Banca Banca Monte dei Paschi di Siena S.p.A.;
- 5) appoint Barbara Tadolini as Director of Banca Banca Monte dei Paschi di Siena S.p.A."

The appointed Directors will remain in office for the remaining period of the current term of office and, therefore, until the date of the Shareholders' Meeting for the approval of the 2025 financial statements. The appointed Directors will be entitled to the annual remuneration (in the *pro-tempore* due amount), determined by the Shareholders' Meeting of 20 April 2023 for the members of the Board of Directors.

Siena, 18 March 2025

On behalf of the Board of Directors
Nicola Maione
Chairperson of the Board of Directors