



English translation for courtesy purposes only. In case of discrepancies between the Italian version and the English version, the Italian version shall prevail

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

SHAREHOLDERS' MEETING

18 May 2020 (on a single call)

EXPLANATORY REPORT BY THE BOARD OF DIRECTORS

CONCERNING ITEM 5) ON THE AGENDA

pursuant to Article 125-*ter* of Legislative Decree no. 58 of 24 February 1998,
as subsequently amended and supplemented.

**DETERMINATION OF THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS
FOR FINANCIAL YEARS 2020-2021-2022**



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

Dear Shareholders,

you were convened to resolve upon the following **item 5)** on the agenda of the Shareholders' Meeting:

Determination of the number of members of the Board of Directors for financial years 2020-2021-2022.

At the date of the Shareholders' Meeting convened to approve the 2019 financial statements, the term of office of the Board of Directors will expire and the Shareholders' Meeting will be called to appoint the new Board of Directors for financial years 2020-2021-2022.

In compliance with the provisions of Article 15, paragraph 1, of the By-Laws, the Shareholders' Meeting is called upon to determine, in preparation for the renewal of the Board of Directors, the number of Directors taking into account that *"The Board of Directors is composed of a number of members established by the Ordinary Shareholders' Meeting which cannot be less than nine (9) or more than fifteen (15)"*.

It should be noted that, as resolved by the Shareholders' Meeting of 18 December 2017, the current Board of Directors is composed of fourteen (14) members.

Finally, it should be noted that the document *"Guidelines of the Board of Directors of Banca Monte dei Paschi di Siena S.p.A. to Shareholders on the size and composition of the new Board of Directors"*, dated 25 February 2020, available on the website of Banca Monte dei Paschi di Siena S.p.A. www.gruppompis.en - Corporate Governance section - Shareholders' Meetings and Board of Directors, in the Shareholders' Meeting documentation, filed at the registered office and at the market management company, the Board of Directors deemed the current number of 14 Directors - between the minimum (9) and maximum (15) provided for by the current By-Laws – appropriate to ensure an adequate balance of skills and experiences required by the complexity of the Bank's and the Group's business, also considering that the current size allows the presence of a number of Independent Directors which is adequate to ensure a proper composition of the Committees, deeming also adequate the current relationship between Executive Directors (1), Non-Executive Directors (13) and Independent Directors (10), since it is suitable to ensure the effective functioning of the Board of Directors itself.

Dear Shareholders, you are therefore invited to adopt the relevant resolutions.

Siena, 25 February 2020



For the Board of Directors
Prof. Avv. Stefania Bariatti
Chairperson of the Board of Directors