

PRESS RELEASE

Siena, 14th September 2016 – The Board of Directors of Banca MPS approved the terms of the resolution of employment with Mr. Fabrizio Viola, effective 15th October 2016, accepting the proposal formulated by the Remuneration Committee.

Upon Consob's request it is worth to point out that, the availability of Mr. Viola for a mutual resolution of his working relationship, and for his resignation as CEO, has been resolved following the evaluation of the institutional context according to which a step back would have favored the success of the plan announced on July 29. Such termination and such waiver are part of the framework of a complex agreement which regulates the termination of its relationship with the Bank.

These conditions have been identified, after a deep evaluation supported by a legal opinion in connection with the Bank's internal regulations, including the Group Remuneration Policy, the criteria for the determination of compensation to be awarded in the event of early termination of employment approved by the Shareholders' meeting, the National Collective Labour Agreement for Managers and with Mr. Viola's employment contract.

In particular, it is foreseen that on termination of employment the gross amount to be awarded is Euro 2.340.000 (of which Euro 1.010.000 related to notice, corresponding to 6 months' salary, and Euro 1.330.000 as severance, corresponding to approximately 11 months' salary).

This gross amount will be paid as follows:

- ☐ On the termination of employment, Euro 1.276.000 will be paid – equal to the total amount originating from notice and 20% of the severance amount and an additional Euro 266.000 through the assignment of *phantom shares*;
- ☐ Over the next 5 years, by way of equal annual installments, the remaining Euro 798.000 of severance will be awarded, of which 50% through the assignment of *phantom shares*.

The agreement also provides for the recognition, relating to the termination of the position of Chief Executive Officer, of an additional allowance which would have been due to Mr. Viola during the period until the natural termination of this appointment in April 2018, equal to the gross amount of Euro 749.096, to be awarded under the same mechanisms as the severance, that is 40% up-front and 60% deferred over 5 years, with 50% in cash and 50% in financial instruments.

In particular, the number of *phantom shares* to be assigned to Mr. Viola will be calculated according to the value of MPS shares on the date of termination of his employment contract. The shares will be then liquidated in cash on the deadlines agreed according to the market value on pay-out dates, without the adoption, in compliance with the regulatory provisions, of any corrective factors aimed at neutralizing or mitigating negative effects of potential operations on the capital of the Bank.

All payments will also be made in strict compliance with the regulations relating to malus and clawback provisions applicable to severance.

Banca Monte dei Paschi di Siena S.p.A.

Relazioni Media

Tel: +39 0577.296634

ufficio.stampa@mps.it

Investor Relations

Tel: +39 0577.293038

investor.relations@mps.it

This press release will be available on www.mps.it