



## BANCA POPOLARE DI MILANO

### PRESS RELEASE

#### **Resignation of Piero Luigi Montani, the Managing Director and CEO**

Milan, 31 October 2013 - Further to the press release concerning the resignation of Piero Luigi Montani as BPM's Managing Director & CEO, at the request of Consob pursuant to art. 114, paragraph 5, of Legislative Decree 58/1998, the Bank would like to state the following.

The reasons cited by Piero Luigi Montani as the basis of his resignation for justified cause mainly relate *"to the situation of lack of confidence"* which he says he encountered as a result of *"public statements of evident mistrust (...) made by representatives of the organisations that represent the Members/Employees and Pensioners of the Bank"*, the *"heated debate between the Management Board and the Supervisory Board, which in part is due to the current composition of the latter"*, as well as the fact that *"a large number of Supervisory Board members (with abstentions and votes against) did not approve the 2012 financial statements, for reasons that (...) were not in any way attributable to either the results or technical aspects of the financial statements"*; all of this, says Piero Luigi Montani, *"despite the undeniable results produced in favour of the Bank and the Group"*. In the light of these considerations, Piero Luigi Montani has announced that *"the situation of lack of trust that has come about in my regard is no longer acceptable for me, as it does not give me the necessary tranquillity to handle the important challenges that the Bank will have to deal with in the near future"*.

The Bank will commence as soon as possible the necessary analyses to verify the grounds on which the Managing Director & CEO has resigned, claiming justified cause, while reserving the right to come to any conclusion, given that the Bank came to know about the resignation and the reasons underlying it only yesterday in the late afternoon. The market will be informed promptly of the Bank's conclusions.

Please note that, subject to the above conclusions, the contract that governs the relationship between the Bank and Piero Luigi Montani provides for compensation of around Euro 2 million in the event that it is found that he had justified cause for resigning.

As for the appointment of a new Managing Director & CEO, in order to ensure continuity in the management of the Bank (given that there is no deputy), the Management Board has granted one of the directors, Davide Croff, the same powers and prerogatives already attributed to the previous Managing Director & CEO, Piero Luigi Montani. This is an interim appointment pending the measures that the Supervisory Board will take under arts. 34 and 53 of the Articles of Association (see below) and the subsequent and consequent decisions that will be taken by the Management Board.

In relation to the measures that the Supervisory Board will have to take in accordance with Article 34 and 53 of the Articles of Association, note that

- art. 34 of the Articles of Association provide that *"If one or more members of the Management Board can no longer serve, the Supervisory Board has to replace them without delay. The members that are appointed in this way fall from office at the same time as those that were in office when the former were appointed. If, for whatever reason, there is no longer a majority of the members originally appointed by the Supervisory Board, the entire Management Board is understood as resigning from the date that the new members just appointed take up office. The latter remain in office for the residual period that the Management Board would have had before it resigned."*;

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- art. 53 of the Articles of Association provides, in paragraph 2, that "*The Nominations Committee is responsible for selecting and proposing candidates for appointment to the Management Board and in the cases established by the Articles of Association and the Code of Conduct promoted by Borsa Italiana S.p.A., can provide indications about the appointment of the Managing Director & CEO. ...*".

As for the remuneration of the new Managing Director & CEO, Davide Croff, the Board has authorised the Chairman of the Management Board to contact the Chairman of the Supervisory Board so that he can take the relevant initiatives and decisions.

Lastly, with regard to the measures that may be taken by the Supervisory Board in the overall situation explained above, the Management Board considers it essential that the Supervisory Board should proceed without delay, and - if deemed appropriate - after discussion with the Management Board, adopt the measures for which it is responsible, thereby facilitating execution of the increase in capital and completion of the new business plan within the relevant time horizon.

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