

This document is a courtesy translation into English of the Board of Directors' Report on the proposed amendments to the Bylaws. In case of any discrepancies between the English and the Italian version, the Italian version shall prevail.



**EXPLANATORY REPORT
OF THE BOARD OF DIRECTORS OF BANCO BPM S.P.A.
ON ITEM 7 OF THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING**

(Drawn up pursuant to Art. 125-ter of Legislative Decree no. 58 of 24 February 1998, as amended and supplemented, and pursuant to Article 84-ter of the Regulation adopted by Consob Resolution no. 11971 of 14 May 1999, as amended and supplemented)

Ordinary Shareholders' Meeting of 20 April 2023

Explanatory report of the Board of Directors of Banco BPM S.p.A. on item 7) on the agenda of the Ordinary Shareholders' Meeting called for 20 April 2023, in single call, concerning the: *"Appointment of the members of the Board of Directors for the financial years 2023-2024-2025, including the Chairman and the Deputy Chairman"*

1. Introduction

Dear Shareholders,

with reference to point 7) on the agenda, you have been called to the Shareholders' Meeting to resolve, among other things, on the: "Appointment of the members of the Board of Directors for the years 2023-2024-2025, including the Chairman and the Deputy Chairman".

This report is drawn up in accordance with articles 125-*ter* of Legislative Decree no. 58 of 24 February 1998 as subsequently amended and supplemented (the "**Consolidated Law on Finance**") and 84-*ter* of the Regulation adopted with CONSOB Decision no. 11971 of 14 May 1999 as subsequently amended and supplemented (the "**Issuers' Regulation**").

2. Appointment of the Board of Directors

The term of office of the Directors elected by the Bank's Shareholders' Meeting of 4 April 2020 will expire on the occasion of this Shareholders' Meeting, called to approve the financial statements for the year ended 31 December 2022.

In this regard, we remind you that, pursuant to the provisions of art. 20.1 of the Articles of Association, the Ordinary Shareholders' Meeting is called upon to elect 15 (fifteen) Directors, including non-shareholders, including a Chairman and a Deputy Chairman. The Directors elected will remain in office for three financial years and their term of office will expire on the date of the Shareholders' Meeting that will be called to approve the financial statements relating to the last year of their office (i.e. the financial statements for the year ended 31 December 2025).

Directors may be re-elected upon expiry of their term of office.

2.1 Election through lists

Please note that the election of members of the Board of Directors for the 2023-2024-2025 financial years shall be based on lists, in which the candidates are assigned progressive numbers, submitted:

- (i) by the Board of Directors (the "**Board List**");
- (ii) by one or more Shareholders who hold a stake of at least 1% (one per cent) of the share capital of the Bank with voting rights in the ordinary Shareholders' Meeting (the "**Shareholders List**");
- (iii) by one or more Shareholders who are also employees of the Bank or its subsidiaries

and who own a total shareholding of at least 0.12% (zero point twelve percent) of the share capital of the Bank (the "**Shareholders-Employees List**").

Each shareholder may submit or contribute to submitting only one Shareholders List or Shareholders-Employees List and vote for only one list of candidates, just as each candidate may be included in only one list, under penalty of ineligibility.

All the declarations, certifications or documents required by the regulations in force and by the Articles of Association must be filed together with each list, within the deadline for filing it, and therefore:

- an indication of the identity of the Shareholders who have submitted the Shareholders List or the Shareholders-Employees List and of the total percentage interest held;
- exhaustive information on the personal and professional characteristics of the candidates indicated in the list (by way of example but not limited to: *curriculum vitae*, copy of an identity document, certificate of residence or equivalent document);
- the declarations with which the candidates accept the candidacy and certify, under their own responsibility, the non-existence of causes of ineligibility and incompatibility (also pursuant to art. 36 of Law 214/2011, "*interlocking prohibition*"), the fulfilment of the requirements prescribed by the legal and regulatory provisions and by the Articles of Association to hold the office of Board Member (professionalism, competence, integrity, correctness, *time commitment*, number of offices held and, if necessary, independence), as well as communicate the list of management and control positions held in other companies, bearing in mind the limit on the number of offices held required by current legislation;
- a declaration of the Shareholders who have submitted the Shareholders List or the Shareholders-Employees List - and other than those who hold, even jointly, a controlling interest or relative majority - certifying the absence of relationships with the latter provided for by art. 144-*quinquies*, first paragraph, of the Issuers' Regulation and the legislation in force at the time;
- copy of the communication pursuant to art. 43 of the Single Provision on *post-trading* of Consob and of the Bank of Italy of 13 August 2018 (and subsequent amendments, including those approved by Consob and the Bank of Italy on 10 October 2022) and art. 83-*sexies* of the Consolidated Law on Finance and the relative implementing rules (the "**Communication**") or declaration of commitment to transmit the Communication in question within the deadline for publication of the lists.

in addition to this documentation, the shareholders-employees who submit the Shareholders-Employees List must file the documentation confirming their *status* as employees of the Bank or of its subsidiaries.

Any lists submitted that do not fulfil the above-mentioned procedures will be considered not to have been submitted. However, the lack of documentation relating to the individual candidates on a list will not automatically invalidate the entire list but only the candidates

who are not in compliance.

The Shareholders Lists and the Shareholders-Employees Lists, together with the related documentation required by current legislation and by the Articles of Association, must be signed by the Shareholders and filed, under penalty of forfeiture, **by midnight on 27 March 2023** (by the 25th (twenty-fifth) day prior to the date set for the Shareholders' Meeting pursuant to art. 147-ter, paragraph 1-bis, of the Consolidated Law on Finance (1)) with the following methods (alternatives to each other):

- filing at the registered office of Banco BPM (Group Corporate Affairs function), Piazza Filippo Meda, 4, Milan, on working days from 8:15 am to 5:00 pm; or
- transmission by certified e-mail to the following address soci@pec.bancobpm.it, attaching the documents in pdf format.

The shareholder is not subject to any advertising costs, as the Bank is obliged to make available to the public the information relating to the lists duly submitted. In particular, the lists of candidates that have been duly submitted will be made available to the public **by 30 March 2023** (at least 21 days before the date of the Shareholders' Meeting pursuant to art. 147-ter, paragraph 1-bis, of the Consolidated Law on Finance), by the Bank at the registered office of Banco BPM, on the Bank's website www.bancobpm.it - Corporate governance> Shareholders' Meeting and on the website of the authorized storage mechanism, "eMarket Storage" www.emarketstorage.com and with the other methods indicated in the notice of call of the Shareholders' Meeting.

A document is also published on the Bank's website, in the section dedicated to the Shareholders' Meeting, which contains the "*Operating procedures for the presentation of lists for the appointment of the corporate bodies of Banco BPM S.p.A.*", containing indications on the procedure for appointing Directors of Banco BPM and on the procedures for submitting lists for the appointment of the Board of Directors of Banco BPM, to which reference is made with the proviso that this document cannot and must not be understood to be a substitute for the provisions contained in the legislation and regulations in force at the time and in the Articles of Association.

It should be noted that this document also reports the possible scenarios depending on the outcome of the Shareholders' Meeting votes.

2.2 Candidate Directors

All candidates must be suitable for holding the office, in accordance with the provisions of the *pro tempore* governing regulations and the Articles of Association and, in particular, they must possess the requirements of professionalism, integrity and, if applicable, independence and meet the criteria of competency, propriety and *time commitment* and specific limits on number of offices held prescribed by *pro tempore* governing regulations. Furthermore, all members of the Board of Directors of Banco BPM are required to act with independent judgement and awareness of the duties and rights associated with the office

(1) The 25th (twenty-fifth) day prior to that scheduled for the Shareholders' Meeting falls on Sunday 26 March 2023, therefore the term shall expire on Monday 27 March 2023, the first subsequent business day.

assumed.

In order to facilitate the identification of the candidates to be proposed to the Shareholders' Meeting, we invite you to take into account the document of the Board of Directors "*Qualitative and quantitative composition of the Board of Directors*", which contains indications and suggestions that the outgoing Board of Directors of Banco BPM S.p.A. makes available to Shareholders, in order to help them formulate proposals for the composition of the Bank's Board of Directors. The document is available on the Bank's website www.gruppo.bancobpm.it - *Corporate governance > Shareholders' Meeting*.

We draw your attention to the need that, in accordance with art. 147-ter, paragraph 1-ter, of the Consolidated Law on Finance, the less represented gender is reserved for six consecutive mandates a share equal to at least two fifths of the elected directors, corresponding, at present, to at least 6 (six) Directors.

For any other information regarding the presentation of the lists and the appointment of the Board of Directors, please refer to the applicable regulations and the provisions of the Articles of Association, available on the Bank's website www.gruppo.bancobpm.it - *Corporate governance > Corporate Documents*.

In light of the above, it is proposed that the Shareholders' Meeting resolve on the appointment of the members of the Board of Directors, including the Chairman and the Deputy Chairman, for the financial years 2023-2024-2025.

Verona, 7 March 2023 The Board of Directors