

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 8 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 8) on the agenda of the Ordinary Shareholders' Meeting called for 20 April 2023, in single call, concerning the: "Appointment of Statutory Auditors and of the Chairman of the Board of Standing Auditors for the financial years 2023-2024-2025"

1. Introduction

Dear Shareholders,

with reference to item 8) on the agenda, you have been called to the Shareholders' Meeting to resolve, among other things, on the: "Appointment of Statutory Auditors and of the Chairman of the Board of Statutory Auditors for the years 2023-2024-2025".

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 Statutory Auditors

The term of office of the current Statutory Auditors 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 Articles 33, 34 and 35 of the Articles of Association, the Ordinary Shareholders' Meeting is required to elect 5 (five) Standing Auditors, including the Chairman, and 3 (three) Alternate Auditors. The Statutory Auditors 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).

The Statutory Auditors may be re-elected upon expiry of their term of office mandate.

2.1 Election through lists

It should be recalled that the election of the members of the Board of Statutory Auditors for the financial years 2023-2024-2025 will proceed on the basis of lists submitted 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. Each shareholder may submit or contribute to submitting only one list of candidates, just as each candidate may be included in only one list, under penalty of ineligibility.

The lists must be divided into two sections, containing respectively up to 5 (five) candidates for the office of Standing Auditor and up to 3 (three) candidates for the office of Alternate Auditor, listed with progressive numbering.

The lists that, considering both sections, present a number of candidates equal to or higher than 3 (three) must also include, in both the section relative to the list of Standing Auditors

and to that relative to Alternate Auditors, candidates of different genders in order to ensure that the composition of the Board of Statutory Auditors complies with prevailing laws on gender balance.

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 list and the total percentage of shareholding held;
- an exhaustive disclosure on the personal and professional characteristics of candidates included in the list (including but not limited to: *curriculum vitae*, copy of ID, residence certificate or equivalent document and any certificates of registration with the Register of Auditors), noting the positions of administration and control held in other companies (also for the purposes of the disclosure pursuant to article 2400, paragraph 4, Italian Civil Code, and considering the cumulative limit of positions provided for under prevailing laws).
- the declarations with which the individual candidates accept the candidacy and certify, under their own responsibility, the non-existence of causes of ineligibility or incompatibility (also pursuant to art. 36 of Law 214/2011, " *interlocking prohibition*"), as well as the fulfilment of the requirements prescribed by the legal and regulatory provisions and by the Articles of Association to hold the office of Statutory Auditor (professionalism, competence, integrity, correctness, *time commitment*, number of offices and independence);
- a declaration of the Shareholders who have submitted the 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.

It should be noted that Consob, by means of communication DEM/9017893 of 26 February 2009, recommended that shareholders who submit a "minority list" provide further information on any existing relationships, if significant, with the shareholders who hold, including jointly, a controlling interest or relative majority interest, indicating the reasons for why these relationships were not considered to determine the existence of association relationships pursuant to art. 148, paragraph 2, of the Consolidated Law on Finance and art. 144-*quinquies* of the Issuers' Regulation.

The lists of candidates, together with the related documentation required by current legislation and by the Articles of Association, must be signed by the Shareholders 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, as recalled by art. 148, paragraph 2, of the Consolidated Law on Finance), by the Bank at the registered office of Banco BPM, on the Bank's website www.gruppobancobpm.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 members of the Board of Statutory Auditors of Banco BPM and on the procedures for submitting lists for the appointment of the Board of Statutory Auditors 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 Statutory Auditors

All candidates must be suitable for the performance of the office in accordance with the provisions of the legislation in force at the time and the Articles of Association and, in particular, they must meet the requirements of professionalism, integrity and independence, as well as respect the criteria of competence and fairness and they must not find themselves in situations of ineligibility, forfeiture and incompatibility. They must comply with the *time commitment* requirement and the specific limits on the number of offices held established by the pro tempore regulations in force.

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 "*Qualitative and quantitative composition of the Board of Statutory Auditors*", which contains indications and suggestions

(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.



that the outgoing Board of Statutory Auditors of Banco BPM makes available to Shareholders, in order to help them formulate proposals for the composition of the Bank's Board of Statutory Auditors. 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, pursuant to art. 148, paragraph 1-*bis*, 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 Standing Auditors elected, corresponding, at present, to at least 2 (two) standing members of the Board of Statutory Auditors.

For any other information regarding the presentation of the lists and the appointment of the Board of Statutory Auditors, 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 to the Shareholders' Meeting to resolve on the appointment of the Statutory Auditors and of the Chairman of the Board of Statutory Auditors for the years 2023-2024-2025.

Verona, 7 March 2023

The Board of Directors