

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 6) ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING**

(Drawn up pursuant to Article 125-ter of the  
Legislative Decree No. 58 of 24 February 1998, as amended and pursuant to Article  
73 of the Regulation adopted by Consob Resolution No. 19971 of 14 May 1999, as  
amended and supplemented)

**Ordinary Shareholders' Meeting of 18 April 2024**

**Explanatory report of the Board of Directors of Banco BPM S.p.A. on item 6) on the agenda of the Ordinary Shareholders' Meeting convened for 18 April 2024, in a single call, on: "Request for authorisation to purchase and dispose of treasury shares to service Banco BPM S.p.A.'s share-based compensation plans. Related and consequent resolutions".**

Members,

with reference to item 6) on the agenda of the Shareholders' Meeting, also considering the resolutions proposed with regard to the previous items on the agenda of the same Shareholders' Meeting, we propose that you authorise the Board of Directors to purchase and dispose of treasury shares of Banco BPM S.p.A. (the "**Bank**" or "**Banco BPM**") for the reasons and under the conditions indicated below.

**A) Reasons for requesting authorisation to purchase and dispose of treasury shares.**

The Board of Directors submits to the Shareholders' Meeting a request for authorisation to carry out transactions to purchase treasury shares and to dispose of them in compliance with the laws and regulations applicable in order to fulfil obligations arising from share option programmes or other allocations of shares to employees or members of the management or control bodies of the Bank or a subsidiary.

The remuneration policy adopted by the Bank provides that at least 50% of the short-term incentive paid to the Group's most relevant personnel and the entire long-term incentive should be paid through the allocation of ordinary shares of the Bank.

In particular, in any event, all purchase and disposal transactions will be carried out in compliance with the law and applicable regulations on "market abuse" (including the conditions set out in Article 5 of Regulation (EU) No. 596/2014 of 16 April 2014 on market abuse ("MAR Regulation")) and ensuring equal treatment of shareholders.

**B) Maximum number, category and nominal value of the shares to which the authorisation proposal relates.**

The authorisation that the Board of Directors requests from the Shareholders' Meeting concerns acts of purchase and disposal of the Bank's ordinary shares, without nominal value.

Without prejudice to the provisions of article 2357, paragraph 1, of the Italian Civil Code, the overall authorisation requested concerns the purchase of treasury shares, on one or more occasions, for a maximum number of Banco BPM ordinary shares corresponding to an amount not exceeding Euro 45 million, including Euro 25 million in support of the Banco BPM share-based compensation plans submitted to the Shareholders' Meeting of 18 April 2024 and Euro 20 million in support of past plans, in view of the fact that the gradual increase in the value of the share price has led to purchases of treasury shares for these past plans that are lower than the necessary amount.

The authorisation requested includes the power to subsequently dispose of the treasury shares in portfolio (purchased pursuant to the above, or otherwise held by the Bank), on one or more occasions, even before the purchases have been exhausted, and, if necessary, to repurchase the shares themselves, always in accordance with the limits and conditions set forth in the authorisation by the Shareholders' Meeting.

#### **C) Useful information for assessing compliance with Article 2357(3) of the Civil Code.**

At the date of this report, the Bank's share capital amounted to Euro 7,100,000,000, divided into 1,515,182,126 ordinary shares. As indicated above, the authorisation requested concerns the purchase of treasury shares, on one or more occasions, for a maximum number of Banco BPM ordinary shares corresponding to an amount not exceeding Euro 5 million. In any case, the number of treasury shares that may be purchased may never exceed the limit of one-fifth of the share capital set forth in article 2357, paragraph 3, of the Italian Civil Code, taking into account for this purpose also the Bank's shares already owned or that may be acquired by its subsidiaries (as of today's date, 20% of the share capital is equal to Euro 1,420,000,000, for a number of shares equal to 303,036,425).

As of the date of this Report, the Bank holds 7,863,970 treasury shares and there are no treasury shares held through subsidiaries, trusts or intermediaries.

#### **D) Duration for which authorisation is requested.**

The authorisation for the purchase, which may also be made in part and/or in instalments, is requested until the earlier of: (i) the end of the 18th (eighteenth) month from the date of the authorising resolution of the Shareholders' Meeting; and (ii) the date of the Shareholders' Meeting that will be called to approve the financial statements for the year ending 31 December 2024.

#### **E) Minimum and maximum consideration and market valuations. Purchase of own shares.**

The purchase price of each of the treasury shares shall be, including accessory purchase charges, as a minimum, not less than 15% (fifteen per cent) lower and, as a maximum, not more than 15% (fifteen per cent) higher than the official price recorded by the share on the Euronext Milan Market on the day preceding the purchase.

This range is proposed in compliance with the rules of the civil code that require the minimum and maximum consideration to be defined. In any event, then, each purchase trade made on regulated markets may not take place at a price higher than the highest price between the price of the last independent transaction and the price of the highest current independent bid on the trading venues where the purchase is made pursuant to Article 3(2) of EU Delegated Regulation No. 2016/1052 of 8 March 2016 implementing the MAR Regulation.

#### **Disposal of own shares.**

With regard to the disposal of the shares purchased, which must in any case be carried out in compliance with the applicable regulatory provisions, only the minimum price limit of the sale to third parties is defined, which must in any case not be less than 95% (ninety-five per cent) of the average of the official prices recorded by the share on the Euronext Milan Market in the three days prior to the sale. This price limit may be waived in the event of the assignment of treasury shares as part of the implementation of the remuneration policy adopted by the Bank and, in any case, the assignment of shares (or options on them) in execution of compensation plans based on financial instruments.

#### **F) Modalities through which the purchase and disposal of treasury shares will be carried out.**

Purchase transactions may be carried out pursuant to Article 132 of Legislative Decree No. 58/1998 ("TUF") and Article 144-bis of the Regulation adopted by Consob with Resolution No. 11971/99 ("Issuers' Regulations") and according to modalities that are in any case permitted in compliance with the laws and regulations in force from time to time. In particular, purchases must be made through public offerings for purchase or exchange, or on the market, in accordance with the operating procedures established by the market management company that do not allow the direct matching of trading proposals for purchase with predetermined trading proposals for sale, or through the additional procedures set forth in Article 144-bis of the Issuers' Regulation (with the exception of the provisions of

(c) of the first paragraph of that Article), or in any event permitted in accordance with the laws in force from time to time, considering the need to comply with the principle of equal treatment of shareholders.

Purchases may be made in one or more solutions.

With regard to the disposition of the shares in question, it may take place, on one or more occasions, even before having exhausted the purchases, for the purposes set forth in paragraph A) above, by way of sale on the stock exchange and, in any event, by any other means permitted in compliance with the laws and regulations, including European Union laws and regulations, in force from time to time.

**G) Information on the instrumentality of the purchase for the reduction of share capital.** Please note that the purchase of treasury shares in question is not instrumental to a reduction in share capital.

**H) Authorisations.**

The purchase of treasury shares authorised by the Shareholders in accordance with the foregoing may take place within the limits of the quantity identified on the basis of the maximum number of shares that may be allocated to the beneficiaries of the Share-Based Compensation Plans of Banco BPM S.p.A, number estimated in correspondence with the maximum result envisaged by the plans currently being approved by the Shareholders' Meeting (*Short Term Incentive Plan 2024 and Long Term Incentive Plan 2024- 2026*), the needs arising from previous plans, and subject to authorisation by the European Central Bank, pursuant to the applicable provisions of Regulation (EU) No. 575/2013 and Delegated Regulation (EU) No. 241/2014.

In light of the above, we invite you to adopt the following resolution:

*"The Ordinary Shareholders' Meeting of Banco BPM S.p.A:*

- Having acknowledged the Board of Directors' Explanatory Report and the applicable laws and regulations,*
- subject to compliance with the legislation applicable at the time,*

**DELIBERATION**

- 1) to authorise, also pursuant to article 2357 of the Italian Civil Code, the purchase of Banco BPM S.p.A. ordinary shares for a maximum total amount of Euro 45 million for the purposes, terms and conditions indicated in point 2 below;*

2) to authorise the purchase and disposal of treasury shares for the purposes and within the limits indicated in the aforementioned Illustrative Report of the Board of Directors, and always in compliance with the legislation applicable from time to time, with the following terms and conditions:

- the purchase may take place in one or more instalments, up to a maximum limit of EUR 45 million, and in any case to such an extent that - also taking into account the shares held by Banco BPM S.p.A.'s subsidiaries - the treasury shares do not exceed the legal limit;
- the authorisation to purchase treasury shares is resolved on as of the date of this Shareholders' Meeting and until the earlier of: (i) the end of the 18th (eighteenth) month from the date of the authorising resolution of the Shareholders' Meeting; and (ii) the date of the Shareholders' Meeting that will be called to approve the financial statements for the year ending 31 December 2024;
- the authorisation includes the power to subsequently dispose of the shares in the portfolio, on one or more occasions, even before the purchases have been exhausted, in accordance with the limits and conditions set out in this authorisation;
- the purchase transactions must be carried out in accordance with Article 132 of the TUF and Article 144-bis of the Issuers' Regulations: (i) by means of a public purchase or exchange offer, (ii) on the market, in accordance with the operating procedures established by the market management company, (iii) by means of the additional procedures set forth in Article 144-bis of the Issuers' Regulations (excluding the provisions of letter c) of the first paragraph of said Article), or in any case permitted in accordance with the regulations in force from time to time; in any case in compliance with all applicable regulations, including Community regulations, and taking into account the need to c) of the first paragraph of said article), or in any case permitted in accordance with the regulations in force from time to time; in any case in compliance with all applicable regulations, including EU regulations, and taking into account the need to ensure equal treatment among shareholders;
- the purchase price of each of the treasury shares must be, including accessory purchase charges, as a minimum, not 15% (fifteen per cent) lower and, as a maximum, not 15% (fifteen per cent) higher than the official price recorded by the share on the Euronext Milan Market on the day preceding the purchase;
- the price of the sale to third parties must not be less than 95% (ninety-five per cent) of the average of the official prices recorded on the Euronext Milan Market in the three days preceding the sale. This price limit may be departed from in the event of the assignment of treasury shares as part of the implementation of the remuneration policy

*adopted by Banco BPM S.p.A., and in any case of the assignment and/or sale of shares or options on them in execution of compensation plans based on financial instruments;*

*- the authorisation to dispose of treasury shares, even before the purchases, is given without time limit;*

*3) to delegate to the Board of Directors and, on its behalf, to the Chairman and to the Chief Executive Officer, severally and with the right to sub-delegate, to execute this resolution granting them the related powers, including the broadest powers necessary or appropriate to purchase treasury shares and to dispose of them, subject to the issuance of the authorisations required by law, disposition and/or use of all or part of the treasury shares held and in any case to implement the above resolutions, as well as to make any formal and non-substantial variations or additions to the shareholders' resolution that may be necessary and/or opportune in relation to any requests or recommendations of the Supervisory Authorities or the market management company."*

Verona, 12 March 2024

The Board of Directors