



**REPORT
OF THE BOARD OF DIRECTORS OF BANCO BPM SPA
ON ITEM 1 OF THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS' MEETING**

(Prepared pursuant to Article 125-ter of
Italian Legislative Decree no. 58 of 24 February 1998 and subsequent amendments)

Extraordinary Shareholders' Meeting of 7 April 2018

This document is a translation into English of the document approved by Board of Directors. In case of any discrepancies or doubts between the English and the Italian version, the Italian version shall prevail.

Report of the Board of Directors of Banco BPM S.p.A., prepared pursuant to Articles 125-ter and 72 of Italian Legislative Decree no. 58/1998 and subsequent amendments, as well as Schedule no. 3 of Annex 3A of the regulation adopted with Consob Resolution no. 11971 of 14 May 1999 and subsequent amendments (Issuers' Regulation)

Proposals to amend Articles 1.5., 5.3., 8.1., 8.2., 20.1.6., 24.2.2., 30.2. and 30.3. of the Articles of Association. Relevant and consequent resolutions.

Dear Shareholders,

This report (hereinafter, the "Report"), prepared pursuant to Articles 125-ter and 72 of Italian Legislative Decree no. 58/1998 ("CFL"), as well as the Schedule no. 3 of Annex 3A of the Issuers' Regulation, provides an explanation of the proposed amendments to the Articles of Association of Banco BPM S.p.A. ("**Banco BPM**" or the "**Bank**") that the Board of Directors of your Bank submit for your approval.

1. Rationale for the proposed amendments

The current Articles of Association of the Bank are the result of the approval of the merger between Banco Popolare Soc. Coop. and Banca Popolare di Milano Scarl, of which it was an integral and essential part, which led to the creation of Banco BPM S.p.A. on 1 January 2017. Over the course of the last year, it became apparent that certain changes should be made to the text of the Articles of Association, in particular due to both the Bank's current operations and the organisational initiatives approved by the Bank during 2017.

These amendment proposals are not of a substantial nature and can be considered, in some ways, an update and, in others, a review in order to make the text more effective or better describe the meaning of certain provisions contained therein.

The amendment proposals refer to Articles 1.5., 5.3., 8.1., 8.2., 20.1.6., 24.2.2., 30.2. and 30.3. of the Articles of Association of Banco BPM.

With reference to Articles 1.5., 5.3., 24.2.2. letters c) and dd), as well as Article 30.2. letter e) of the Articles of Association - which refer to the "Network Divisions" - note that, following the launch of the new commercial network model of Banco BPM Group in January 2018, the structures previously known as "Network Divisions" are now called "Network Departments" for commercial purposes.

With reference to Article 8. of the Articles of Association - concerning "voting rights" - note that, as the time limit expired on 26 March 2017, the provision of Article 8.2 has automatically lapsed (and the related reference formulated in Article 8.1.), which excluded voting rights for a quantity of the Bank's shares exceeding 5% (five percent) of the share capital with voting rights.

The other amendment proposals, pertaining to letters o) and q) of Article 24.2.2. of the Articles of Association, relate to simplifying and optimising Bank operations, removing from

the mandatory authority of the Board of Directors: (i) the purchase and sale of non-strategic investments, while the Board of Directors' retains responsibility for the purchase/sale of investments that involve changes in the Group and/or those that have strategic relevance and, in any case, those transactions whose value exceeds certain thresholds (the proposed quantitative threshold - 5% of consolidated regulatory capital - is based on definition of "strategic investment" contained in the Supervisory Instructions for Banks, Circular 285/2013, Part One, Title IV, Chapter 1, Section III, paragraph 3.3., note 9); and (ii) more executive activities related to transactions in financial securities.

Finally, in addition to purely formal changes, aimed at making the specifics related to the independence requirement of directors clearer and more understandable (Article 20.1, Articles of Association), further changes to the text of the Articles of Association were found to be opportune to: (i) make the Board's responsibilities explicit with reference both to the remuneration of the Bank's top management (Article 24.2.2., letter h, Articles of Association), and the appointment (and related remuneration determination) of top management of the more significant companies within the Group (Article 24.2.2., letter w, Articles of Association); (ii) adopting regulatory provisions concerning compliance with the "Related Parties" procedures envisaged by Italian Legislative Decree 385/1993 (CBL) in cases of transactions decided by the Managing Directors in urgent situations (Article 30.3, Articles of Association).

2. Illustration of the proposed amendments of the Articles of Association, comparing the current text with the proposed text, including a description of changes

The Articles of Association are provided in detail below, highlighting the proposed amendments compared to the text of the current articles.

Current text	Proposed text
Article 1 - Formation and name	Article 1 - Formation and name
1.5. The Company is organised according to Network Divisions ("Divisions") corresponding to one or more areas of its traditional community markets.	1.5. The Company is organised according to Network Departments Divisions ("Divisions"), corresponding to one or more areas of traditional community markets.
Article 5 - Support to historic community markets	Article 5 - Support to historic community markets
5.3. This total amount will be divided between initiatives related to the areas of greater presence based on the percentages indicated below: - 18.5% for initiatives to support the civil and social fabric of the Verona area and those	5.3. This total amount will be divided between initiatives related to the areas of greater presence based on the percentages indicated below: - 18.5% for initiatives to support the civil and social fabric of the Verona area and those

<p>of the reference division as well as the regional foundation whose constitution may be promoted by the Company;</p> <ul style="list-style-type: none"> - 45% for initiatives to support the civil and social fabric of the Milan area and those of the territories in which BPM operated prior to the merger, as well as the regional foundation whose constitution may be promoted by the Company; - 13.5% for initiatives to support the Bipielle Foundation in the Lodi area and the territories of the reference division; - 13.5% for initiatives to support the Banca Popolare di Novara Foundation in the Novara area and the territories of the reference division; - 1.5% for initiatives to support the Banco S.Geminiano e S.Prospero Religious Foundation; - 8% for initiatives to support the Credito Bergamasco Foundation in the Bergamo area and the territories of the reference division; 	<p>of the reference Network Division Department, the Network Department whose management structures are located in Modena, as well as the regional foundation whose constitution may be promoted by the Company;</p> <ul style="list-style-type: none"> - 45% for initiatives to support the civil and social fabric of the Milan area and those of the territories in which BPM operated prior to the merger, as well as the regional foundation whose constitution may be promoted by the Company; - 13.5% for initiatives to support the Bipielle Foundation in the Lodi area and the territories of the reference Network Division Department, as well as the Network Department whose management structures are located in Lucca; - 13.5% for initiatives to support the Bipielle Foundation in the Lodi area and the territories of the reference Network Division Department, as well as the Network Department whose management structures are located in Rome; - 1.5% for initiatives to support the Banco S.Geminiano e S.Prospero Religious Foundation; - 8% for initiatives to support the Credito Bergamasco Foundation in the Bergamo area and the territories of the reference Network Division Department.
<p>↑</p> <p>It is proposed that the term “Network Divisions” in Articles 1 and 5 of the Articles of Association, be updated to “Network Departments”, as they are now called, for commercial purposes, following the adoption of the new commercial model of Banco BMP Group</p>	

Article 8 - Voting rights	Article 8 - Voting rights
<p>8.1. Each ordinary share grants the right to one vote, notwithstanding the provisions of Article 8.2 below, as well as cases of suspension or disenfranchisement provided for by the Articles of Association or by applicable <i>pro tempore</i> regulations.</p> <p>8.2. Until 26 March 2017, no party, individually considered, may exercise, directly or indirectly, for any reason, voting rights for more than 5% (five percent) of the Company's share capital with voting rights. For purposes of determining the number of the Company's shares that are attributed to an individual party, the votes expressed in relation to the total shareholding of the parent company, individuals, legal entities, or companies, in all the direct or indirect subsidiaries are considered, as well as shares held through trust companies and/or third parties and the votes expressed, in any other case, in which the voting right is attributed, for any reason, to a party other than the owner of the shares; on the other hand, equity investments included in the portfolio of Italian or foreign mutual funds managed by subsidiaries or associates are not taken into account. Control refers to the cases envisaged in Article 23 of Italian Legislative Decree no. 385 of 1 September 1993, as applicable at a given time. In case of violation of the provisions of this Article 8.2, any Shareholders' Meeting resolution adopted may be challenged according to Article 2377 of the Italian Civil Code, if the required majority would not have been reached without this violation. However, the shares for which the voting right cannot be exercised are counted for purposes of</p>	<p>8.1. Each ordinary share grants the right to one vote, notwithstanding the provisions of Article 8.2 below, as well as cases of suspension or disenfranchisement provided for by the Articles of Association or by applicable <i>pro tempore</i> regulations.</p> <p>8.2. Until 26 March 2017, no party, individually considered, may exercise, directly or indirectly, for any reason, voting rights for more than 5% (five percent) of the Company's share capital with voting rights. For purposes of determining the number of the Company's shares that are attributed to an individual party, the votes expressed in relation to the total shareholding of the parent company, individuals, legal entities, or companies, in all the direct or indirect subsidiaries are considered, as well as shares held through trust companies and/or third parties and the votes expressed, in any other case, in which the voting right is attributed, for any reason, to a party other than the owner of the shares; on the other hand, equity investments included in the portfolio of Italian or foreign mutual funds managed by subsidiaries or associates are not taken into account. Control refers to the cases envisaged in Article 23 of Italian Legislative Decree no. 385 of 1 September 1993, as applicable at a given time. In case of violation of the provisions of this Article 8.2, any Shareholders' Meeting resolution adopted may be challenged according to Article 2377 of the Italian Civil Code, if the required majority would not have been reached without this violation. However, the shares for which the voting right cannot be exercised are counted for purposes of</p>

<p>determining if the Shareholders' Meeting is duly constituted. The provision referred to in this Article 8.2 will automatically expire on 26 March 2017.</p>	<p>determining if the Shareholders' Meeting is duly constituted. The provision referred to in this Article 8.2 will automatically expire on 26 March 2017.</p>
<p>↑ The proposal eliminates of the second paragraph of Article 8 of the Articles of Association, as the time limit established therein of 26 March 2017 has passed, as well as the subsequent amendment of the first paragraph of said Article.</p>	
<p align="center">Article 20 - Board of Directors</p> <p>20.1 Composition, number, and requirements</p>	<p align="center">Article 20 - Board of Directors</p> <p>20.1 Composition, number, and requirements</p>
<p>20.1.6. For purposes of these Articles of Association, Independent Directors are defined as those directors who do not engage in business, or have not recently engaged in business - directly or indirectly - with the Company or with parties connected to it through relationships of a professional, financial, personal, or other nature that would influence the autonomy of decisions, explicitly noting that a director cannot be an Independent Director even if just one of the following situations applies to him/her:</p> <p>a) if, directly or indirectly, including through subsidiaries, trust companies, or third parties, he/she controls the Company or is able to exercise significant influence over it, or participates in a shareholders' agreement through which one or more parties may exercise control or significant influence on the Company;</p> <p>b) if he/she is, or has been in the three previous years, a high-level representative (defined as: Chairman of the Board of Directors, "executive directors", and "executives with strategic responsibilities") of the Company, a strategically important subsidiary or a company subject to common</p>	<p>20.1.6. For purposes of these Articles of Association, Independent Directors are defined as those directors who do not engage in business, or have not recently engaged in business - directly or indirectly - with the Company or with parties connected to it through relationships of a professional, financial, personal, or other nature that would influence the autonomy of decisions, explicitly noting that a director cannot be an Independent Director even if just one of the following situations applies to him/her:</p> <p>a) if, directly or indirectly, including through subsidiaries, trust companies, or third parties, he/she controls the Company or is able to exercise significant influence over it, or participates in a shareholders' agreement through which one or more parties may exercise control or significant influence on the Company;</p> <p>b) if he/she is, or has been in the three previous years, a high-level representative (defined as: Chairman of the Board of Directors, "executive directors", and "executives with strategic responsibilities") of the Company, a strategically important subsidiary or a company subject to common</p>

<p>control with the Company, a company or an entity that controls the Company or is able to exercise significant influence over it, including with others through a shareholders' agreement;</p> <p>c) if he/she holds the position of executive director in another company in which an executive director of the Company has a position as non-executive director;</p> <p>d) if he/she is a shareholder, director, or employee of a company or an entity belonging to the network of the independent auditors who have been assigned to audit the Company's accounts;</p> <p>e) if he/she receives or has received in the previous three years, from the Company or from a subsidiary or parent company, significant additional compensation (in comparison to the "fixed" salary of the Company's non-executive directors, remuneration for participating in internal committees of the Board of Directors, and any fees for meeting attendance), including from possible participation in incentive plans linked to business performance, which may be based on shares;</p> <p>f) if he/she has, or has had in the previous year, directly or indirectly (e.g., through subsidiaries or companies for which he/she is a high-level representative, or as a partner of a professional or consulting firm), a significant professional, commercial, or financial relationship:</p> <ul style="list-style-type: none"> - with the Company, one of its subsidiaries, with the respective high-level representatives; - with a party that controls the Company, including with others through a 	<p>control with the Company, a company or an entity that controls the Company or is able to exercise significant influence over it, including with others through a shareholders' agreement;</p> <p>c) if he/she holds the position of executive director in another company in which an executive director of the Company has a position as non-executive director;</p> <p>d) if he/she is a shareholder, director, or employee of a company or an entity belonging to the network of the independent auditors who have been assigned to audit the Company's accounts;</p> <p>e) if he/she receives or has received in the previous three years, from the Company or from a subsidiary or parent company, significant additional compensation (in comparison to the "fixed" salary of the Company's non-executive directors, remuneration for participating in internal committees of the Board of Directors, and any fees for meeting attendance), including from possible participation in incentive plans linked to business performance, which may be based on shares;</p> <p>f) if he/she has, or has had in the previous year, directly or indirectly (e.g., through subsidiaries or companies for which he/she is a high-level representative, or as a partner of a professional or consulting firm), a significant professional, commercial, or financial relationship:</p> <ul style="list-style-type: none"> - with the Company, one of its subsidiaries, with the respective high-level representatives; - with a party that controls the Company, including with others through a
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<p>shareholders' agreement, or - in the case of a company or an entity - with the respective high-level representatives;</p> <p>– with companies subject to common control with the Company;</p> <p>or is, or has been in the previous three years, an employee, contractor, or had an ongoing collaborative relationship with one of the aforementioned parties;</p> <p>g) if he/she is a close family member (intended as spouse, unless legally separated, relative or similar within the fourth degree, common law spouse or the children of the common law spouse, and cohabiting family members) of the Company's directors or directors of its subsidiaries, parent companies, and companies subject to common control;</p> <p>h) if he/she is a close family member of a person described in the previous points;</p> <p>i) if he/she is in any other way lacking in terms of the independence requirement envisaged in the <i>pro tempore</i> governing regulations.</p> <p>...</p>	<p>shareholders' agreement, or - in the case of a company or an entity - with the respective high-level representatives;</p> <p>– with companies subject to common control with the Company;</p> <p>or is, or has been in the previous three years, an employee, contractor, or had an ongoing collaborative relationship with one of the aforementioned parties; solely for purposes of this letter f), this includes relationships between the director and close family members, as defined below, of high-level representatives of the Company, one of its subsidiaries or a company subject to common control with the Company, or a company or an entity that controls the Company, including with others through a shareholders' agreement;</p> <p>g) if he/she is a close family member (intended as spouse, unless legally separated, relative or similar within the fourth degree, common law spouse or the children of the common law spouse, and cohabiting family members) of the Company's directors or directors of its subsidiaries, parent companies, and companies subject to common control of a person described in one of the previous points;</p> <p>h) if he/she is a close family member of a person described in one of the previous points of the Company's directors or directors of its subsidiaries, parent companies, and companies subject to common control;</p> <p>i) if he/she is in any other way lacking in terms of the independence requirement envisaged in the <i>pro tempore</i> governing regulations.</p> <p>...</p>
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<p>20.1.6. The Board of Directors determines the general quantitative and/or qualitative criteria suitable for determining the significance of the relationships indicated in letters e) and f) of the previous paragraph.</p>	<p>20.1.6. The Board of Directors determines the general quantitative and/or qualitative criteria suitable for determining the significance of the relationships indicated in letters e) and f) of the first previous paragraph of this Article 20.1.6.</p>
<p>↑ The proposal amends the text of Article 20.1.6. in order to make the cases relating to the independence requirement clearer and more understandable; for the last sentence, in the sixth point of paragraph 1 of Article 20.1.6, a formal amendment is proposed for a clearer identification of the paragraph, of this article, to which the provision refers.</p>	
<p>Article 24 - Powers and responsibilities of the Board of Directors - Board Committees</p>	<p>Article 24 - Powers and responsibilities of the Board of Directors - Board Committees</p>
<p>24.2.2. In addition to matters that are not permitted by law to be delegated and those listed in Article 23.5 of the Articles of Association, and notwithstanding the powers of the Shareholders' Meeting, the following are reserved for the exclusive responsibility of the Board of Directors:</p> <p>...</p> <p>c) business and financial planning, approval of the budgets of the Company and Group, definition of the geographic structure of the Network Divisions, as well as approval of the expansion plans of branch networks (including any general variations) of the Company and Group;</p> <p>...</p> <p>h) on the proposal of the Managing Director, after hearing the opinion of the Chairman of the Board of Directors, the appointment, revocation, and replacement of the General Manager and Co-General Managers, the determination or modification of the duties, functions, and responsibilities of the General</p>	<p>24.2.2. In addition to matters that are not permitted by law to be delegated and those listed in Article 23.5 of the Articles of Association, and notwithstanding the powers of the Shareholders' Meeting, the following are reserved for the exclusive responsibility of the Board of Directors:</p> <p>...</p> <p>c) business and financial planning, approval of the budgets of the Company and Group, definition of the geographic structure of the Network Divisions Departments, as well as approval of the expansion plans of branch networks (including any general variations) of the Company and Group;</p> <p>...</p> <p>h) on the proposal of the Managing Director, after hearing the opinion of the Chairman of the Board of Directors, the appointment, revocation, and replacement of the General Manager and Co-General Managers, the determination or modification of the duties, functions, and responsibilities of the General</p>

<p>Manager, as well as, on the proposal of the Managing Director, the appointment of the Company's top operational and managerial positions and the determination of the relative powers and compensation;</p> <p>...</p> <p>o) the acquisition and sale of investments held by the Company for any amount, including the acquisition and sale of investments that involve changes in the Group and/or those that are of strategic importance;</p> <p>...</p> <p>q) the approval of: (i) individual issues and issue programmes for bonds and other financial instruments, including settlements, defining their characteristics, conditions, and amounts; (ii) in compliance with supervisory instructions, transactions to purchase and sell securities for investment, for liquidity portfolios, and to satisfy customer needs; (iii) individual investment transactions by the Company in guarantee and placement consortia for securities and bonds; (iv) transactions in derivative products, all of the above in compliance with the relevant internal regulations;</p> <p>...</p> <p>w) the appointment of candidates for business representatives of the Group's banking subsidiaries and main non-banking subsidiaries;</p> <p>...</p>	<p>Manager and Co-General Managers and related compensation, as well as, on the proposal of the Managing Director, the appointment of the Company's top operational and managerial positions and the determination of the relative powers and compensation;</p> <p>...</p> <p>o) the acquisition and sale of investments held by the Company for any amount, including the acquisition and sale of investments that involve changes in the Group and/or those that are of strategic importance and have a value equivalent to at least 5% of the Group's consolidated regulatory capital;</p> <p>...</p> <p>q) the approval of: (i) individual issues and issue programmes for bonds and other financial instruments, including settlements, defining their characteristics, conditions, and amounts; (ii) in compliance with supervisory instructions, transactions to purchase and sell securities for investment, for liquidity portfolios, and to satisfy customer needs; (iii) individual investment transactions by the Company in guarantee and placement consortia for securities and bonds; (iv) transactions in derivative products, all of the above in compliance with the relevant internal regulations;</p> <p>...</p> <p>w) the appointment of candidates for business representatives (including members of general management) of the Group's banking subsidiaries and main non-banking subsidiaries as well as the determination of their compensation;</p> <p>...</p>
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<p>dd) the regulation of the recruitment processes for members of the network consultation committees, which, if established, will have merely advisory functions, either along with or within each Network Division;</p> <p>...</p>	<p>dd) the regulation of the recruitment processes for members of the network consultation committees, which, if established, will have merely advisory functions, either along with or within each Network Division Department;</p> <p>...</p>
<p>↑</p> <p>For the proposed amendments to the text for letters “c” and “dd” of Article 24.2.2., please refer to the comment on Articles 1 and 5 relating to the change in the term “Network Divisions”.</p> <p>The proposal (letters “h” and “w”) makes the responsibilities of the Board of Directors explicit with reference to the remuneration of the Bank's top management and the appointment (and related remuneration determination) of top management of the more significant companies within the Group.</p> <p>The other proposed amendments (letters “o” and “q”) are part of the approach to simplify and optimise the Bank’s operations. Specifically, (i) with reference to the purchase and sale of investments, it is proposed that the Board of Directors continues to be responsible for the purchase/sale of investments that involve changes in the Group and/or those that have strategic relevance and, in any case, those transactions whose value exceeds certain thresholds (the proposed quantitative threshold - 5% of consolidated regulatory capital - is based on definition of “strategic investment” contained in the Supervisory Instructions for Banks, Circular 285/2013, Part One, Title IV, Chapter 1, Section III, paragraph 3.3., note 9), while the purchase and sale of investments other than the above may be delegated; (ii) it is proposed that the Board be permitted to delegate more executive activities related to transactions in financial securities.</p>	
<p>Article 30 - Managing Director</p>	<p>Article 30 - Managing Director</p>
<p>30.2. Notwithstanding the provisions of Article 24.2 above and the powers and delegations conferred by the Board of Directors, the Managing Director:</p> <p>...</p> <p>(e) formulates proposals to the Board of Directors regarding the geographic structure of the Group's Network Divisions and banks, as well as the related plans to expand and reorganise the branch networks of Group</p>	<p>30.2. Notwithstanding the provisions of Article 24.2 above and the powers and delegations conferred by the Board of Directors, the Managing Director:</p> <p>...</p> <p>(e) formulates proposals to the Board of Directors regarding the geographic structure of the Group's Network Divisions Departments and banks, as well as the related plans to expand and reorganise the</p>

<p>companies; ...</p> <p>30.3. In the event of exceptional urgency, the Managing Director, after consulting with the Chairman of the Board of Directors, may take decisions regarding any transaction that is the responsibility of the Board of Directors or the Executive Committee, provided it is not designated by mandatory legal provisions or provisions of the Articles of Association as the responsibility of the Board of Directors and the Executive Committee and even if these are transactions governed by the procedures adopted pursuant to Article 2391-bis of the Italian Civil Code, however, with the understanding that the special instructions prescribed by said procedures for urgent transactions are observed. In any event, the decisions taken in this manner must be brought to the attention of the Board of Directors and the Executive Committee at the first subsequent meeting.</p>	<p>branch networks of Group companies; ...</p> <p>30.3. In the event of exceptional urgency, the Managing Director, after consulting with the Chairman of the Board of Directors, may take decisions regarding any transaction that is the responsibility of the Board of Directors or the Executive Committee, provided it is not designated by mandatory legal provisions or provisions of the Articles of Association as the responsibility of the Board of Directors and the Executive Committee and even if these are transactions governed by the procedures adopted pursuant to Article 2391-bis of the Italian Civil Code and Article 53 of Italian Legislative Decree no. 385 of 1 September 1993, however, with the understanding that the special instructions prescribed by said procedures for urgent transactions are observed. In any event, the decisions taken in this manner must be brought to the attention of the Board of Directors and the Executive Committee at the first subsequent meeting.</p>
<p>↑</p> <p>The proposed amendment supplements the Articles of Association text that governs the transactions that may be decided by the Managing Director in urgent situations with the reference regulations regarding compliance with the “Related Parties” procedures envisaged in Italian Legislative Decree no. 385/1993 (Consolidated Banking Law or CBL). For the changes to the text of letter “e”, please refer to the comment on the proposed amendments to Articles 1 and 5 concerning the change in the term “Network Divisions”.</p>	

3. Information on the right of withdrawal: no cases for withdrawal in relation to the proposed statutory changes

Pursuant to Article 72, paragraph 1, of the Issuers' Regulation and as indicated in Schedule 3 of Annex 3A of said Issuers' Regulation, note that the proposed amendments to Articles 1.5., 5.3., 8.1, 8.2., 20.1.6., 24.2.2., 30.2. and 30.3. of the Bank's Articles of Association do not entail the right of withdrawal pursuant to Article 2437 of the Italian Civil Code.

4. Authorisations

The proposed amendments to the Articles of Association must be authorised by the Supervisory Authority pursuant to Articles 56 and 61 of the Consolidated Banking Law.

5. Resolution proposed to the Extraordinary Shareholders' Meeting

In light of the above, the Board of Directors of Banco BPM S.p.A. submits the following resolution proposal to the Extraordinary Shareholders' Meeting:

"Subject to obtaining the prescribed legal authorisations, the Extraordinary Shareholders' Meeting of Banco BPM S.p.A., having acknowledged the Report of the Board of Directors on the proposed amendments to the Article of Association and the proposals formulated herein,

RESOLVES

- 1) to amend Articles 1.5., 5.3., 8.1., 8.2., 20.1.6., 24.2.2., 30.2. and 30.3. of the Articles of Association, approving the changes in the text contained in this Report, based on the rationale described therein;*
- 2) to grant the Board of Directors, and through it the Chairman and the Managing Director, including separately, within the limits of the law, any and all broader powers necessary to implement and fully execute this resolution, with any and all powers requisite and appropriate for this purpose, none excluded and excepted, including that of making non-substantial modifications, supplements, or deletions necessary for registration in the Companies' Register, including any modification necessary or opportune for technical-judicial reasons or requested by the competent authorities, declaring that this resolution is valid from this point on."*

Verona, 23 January 2018

The Board of Directors