



Qualitative and quantitative composition of the Board of Directors

20 January 2026

1. Introduction and legal framework

The Supervisory Provisions for Banks on corporate governance ⁽¹⁾ issued by the Bank of Italy require the outgoing Board of Directors to identify in advance the qualitative and quantitative composition considered optimal for the effective performance of the tasks and responsibilities entrusted to the Corporate Bodies by law, by the Supervisory Provisions and by the Articles of Association.

In this context, in order to ensure adequate governance and monitoring of the bank's lending in its various forms and of the related risks, these Provisions require the Top Management Bodies to include persons who:

- are fully aware of the powers and obligations inherent in the functions that each is called upon to perform (supervisory and management functions, executive and non-executive functions, independent members, etc.);
- have professional skills suited to the specific role, including in any internal Board Committees, and commensurate with the bank's operations and size;
- have appropriately diversified skills spread across all members, so that each member may effectively contribute, among other things, to identifying and pursuing suitable strategies and ensuring effective risk governance throughout all areas of activity of the bank and, if applicable, the banking group;
- dedicate adequate time and resources to the complexity of the duties assigned to them while in compliance with the limits on the accumulation of offices and the regulatory constraints envisaged for offices in competing companies set forth in applicable regulation;
- direct their activities to the pursuit of the overall interests of the bank, regardless of the corporate component that voted for them or the list from which they were taken, operating with independent judgement.

The Supervisory Provisions require that attention be paid to all members of the Board of Directors, including non-executive members, since they are all equally involved in the decisions taken by the entire administrative body and are called upon to carry out an important role in discussing and monitoring the choices made by the executive officers.

Moreover, the authority and professionalism of non-executive Directors must be adequate for the effective performance of their functions, which are essential for the sound and prudent management of the bank. It is therefore crucial that non-executive Directors also possess and demonstrate adequate knowledge of the banking business, of the dynamics of the economic-financial system, of banking and financial regulation and, above all, of risk-management and control methodologies. These are essential areas of knowledge for the effective execution of the duties required of them.

The selection and appointment process for candidates must therefore necessarily take these considerations into account as well.

For the sake of completeness, the sources of the applicable national and European legislation concerning the requirements for officers are summarised below:

- Art. 26 (*Corporate Officers*) of Italian Legislative Decree No. 385 ("Consolidated Banking Act");

⁽¹⁾ Circular No. 285 of 17 December 2013 of the Bank of Italy, Part One, Title IV, Chapter I (hereinafter also the "Supervisory Provisions" or the "Provisions").

- Bank of Italy Supervisory Provisions regarding the procedure of assessing the suitability of officers of banks, financial intermediaries, electronic money institutions, payment institutions and deposit guarantee schemes (5 May 2021);
- Italian Ministerial Decree No. 169/2020 setting forth the "Regulation on the requirements and eligibility criteria for the performance of the position of corporate officers of banks, financial intermediaries, credit unions, electronic money institutions, payment institutions and deposit guarantee systems" ("MEF Decree");
- Art. 36 of Italian Decree Law No. 201 of 6 December 2011 "*Urgent provisions for growth, fairness and the consolidation of public accounts*" ("Salva Italia" Decree) converted, with amendments, into Law No. 214 of 22 December 2011 (Interlocking Directorship) and the associated application criteria;
- Italian Ministerial Decree No. 162/2000 "*Regulation containing rules for establishing the integrity requirements of the members of the board of statutory auditors of listed companies to be issued on the basis of Article 148 of Italian Legislative Decree No. 58 of 24 February 1998*" ("Italian Ministerial Decree No. 162/2000");
- Bank of Italy, Supervisory Provisions for banks, Circular No. 285 of 17 December 2013, on corporate governance (Part I, Title IV, Chapter 1);
- Corporate Governance Code for listed companies approved in January 2020 (and in force from 1 January 2021) by the Corporate Governance Committee promoted by ABI, Ania, Assogestioni, Assonime, Confindustria and Borsa Italiana ("Corporate Governance Code");
- Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, as subsequently amended and supplemented, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("CRD IV") and Regulation (EU) No. 575 of the European Parliament and of the Council of 26 June 2013, as subsequently amended and supplemented, on prudential requirements for credit institutions and investment firms;
- ESMA/EBA, Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders (2 July 2021);
- EBA, Guidelines on internal governance (2 July 2021);
- ECB, Guide to fit and proper assessments of 15 May 2017, last updated in December 2021 ("ECB Guide").

This document is available in the 'Corporate Governance' section of the website of Banco BPM (hereinafter also the "Bank") www.bancobpm.it, so that the process of selecting candidates and appointing them to the office of Member of the Board of Directors takes account of the theoretical aspects outlined therein.

2. Governance model

Banco BPM is a joint-stock company established on 1 January 2017 as a result of the merger between Banco Popolare Soc. Coop. and Banca Popolare di Milano S.c.a.r.l. (the "Merger"), approved on 15 October 2016 by the shareholders' meetings of the two banks (with the simultaneous transformation of the two banks participating in the merger from a cooperative company to a joint-stock company).

The governance model adopted by Banco BPM is the traditional system, based on a Board of Directors, with strategic guidance and supervision functions, and a Board of Statutory Auditors to which the control function is assigned, which monitors compliance with the law and the Articles of Association, compliance with the principles of proper administration, the adequacy of the organisational, administrative and accounting structure and ensures the adequate coordination of all bodies, functions and structures involved in the internal control system.

Taking into account the results of the self-assessment process (carried out with the contribution of the Appointments Committee) and in order to enable the identification of candidates to be proposed for the renewal of the administrative body at the Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2025, the Board of Directors considers it useful to inform shareholders, at least in its essential components, of the main regulatory provisions and recommendations issued by the competent Authorities regarding the composition of the Board of Directors and its internal Committees.

All members of the Board of Directors must be suitable for the performance of their duties, in accordance with the provisions of the applicable legislation *pro tempore* and the Articles of Association. They must meet the requirements of professionalism, integrity and independence, and comply with the competence criteria, fairness criteria, dedication of time, and the specific limits on the accumulation of external positions prescribed by the applicable legislation *pro tempore* and by the Articles of Association, as more fully detailed below.

It should also be noted that:

- Quantitative composition: the Article of Association of Banco BPM (Art. 20.1.1) provide that the Board of Directors shall be composed of 15 Directors.
- Gender balance: the composition of the Board of Directors must ensure an appropriate balance between genders, in compliance with the applicable laws and regulations *pro tempore* in force.
- Independent Directors: in line with legal, regulatory and self-regulatory provisions, Art. 20.1.5 of the Article of Associations provides that, without prejudice to further requirements set out under the applicable legislation *pro tempore* in force, at least 8 Directors must meet the independence requirements set forth in Art. 20.1.6 of Article of Association.
- Chair of the Board of Directors and Chief Executive Officer: the Chairman of the Board of Directors and the Chief Executive Officer must meet the specific requirements established by the applicable legislation *pro tempore* in force.
- Prohibitions and incompatibilities: persons who fall within situations of ineligibility or forfeiture under Art. 2382 of the Italian Civil Code, or who do not meet the requirements of integrity and professionalism prescribed by the applicable legislation, including regulatory provisions, *pro tempore* in force, may not be appointed as Directors. Moreover, without prejudice to any additional causes of incompatibility provided for by the applicable legislation *pro tempore* in force, persons falling within the incompatibility situations set out in Art. 20.3.2 of the Article of Association may not be appointed as Directors.
- Internal Board committees: in larger or more complex banks, 3 (three) Committees specialised in 'appointments', 'risks' and 'remuneration' must be established within the body with strategic supervision functions. As a rule, each Committee must consist of 3-5 (three-five) members, all non-executive, with the majority being independent. The Committees must differ from each other by at least one member and, if there is a Director elected from minority lists, s/he shall sit on at least one Committee. The work of each Committee is coordinated by a Chair chosen from among the independent members.

At the level of the Board Committees, taking into account the Supervisory Provisions, the Corporate Governance Code and the results of the self-assessment process, as well as in compliance with the provisions of art. 24.4 of the Bank's Articles of Association, it is envisaged to maintain the Appointments Committee, the Remuneration Committee, the Internal Control and Risks Committee, the Sustainability Committee and the Related Parties Committee. The members of the latter must all meet the independence requirements set forth in the Articles of Association. Under applicable law, if the Board of Directors' list is submitted and results as the one that received the highest number of votes at the Shareholders' Meeting, the Board of

Directors shall appoint the Chair of the Internal Control and Risk Committee from among the independent Directors who were not drawn from that list.

3. Qualitative and quantitative composition of the Board of Directors

3.1 Overall suitability of the Board of Directors

The collective composition of the Board of Directors must be adequately diversified – in terms of skills and experience, age, gender and length of office of Directors – so as to:

- (i) foster discussion and internal dialogue within the bodies;
- (ii) favour the emergence of a plurality of approaches and perspectives in the analysis of issues and in the making of decisions;
- (iii) effectively support the corporate processes of developing strategies;
- (iv) oversee risks and monitor the performance of management;
- (v) take account of the multiple interests that contribute to the sound and prudent management of the bank.

In order to ensure the collective suitability of the Board, the outgoing Board of Directors recommends that candidates for the new Board of Directors of the Bank express a well-balanced mix of experience and technical expertise — in the areas outlined below — as well as senior managerial capabilities, assessed through an approach that emphasises concrete, substantive and positive elements over abstract, theoretical or merely negative ones. The presence of high-calibre professionals, including those from institutional environments, academia, consulting or the liberal professions, is encouraged. Section 3.3.2 outlines the key competencies and experiences required to ensure the overall collective suitability of the Board.

3.2 Quantitative composition

The composition of the Board of Directors is of central importance for the effective fulfilment of the crucial duties assigned to this Body by law, the Supervisory Provisions and the Articles of Association. The number of members must be proportionate to the size and complexity of the Bank's organisational structure, in order to effectively exercise management and control over all company operations.

To that end, as indicated above, the Supervisory Provisions state that, in bigger banks or those with complex operations, the number of Directors should not exceed 15 (fifteen) apart from exceptional cases that must be analytically assessed, with reasons being given. In this regard, note that Banco BPM is included among the 'significant banks' (according to the definition contained in the European regulatory legislation) and, as such, is subject to direct supervision by the European Central Bank.

In light of the above, it should be noted that, with reference to its numerical composition, the Articles of Association (art. 20.1.1) of Banco BPM state that the Board of Directors shall be composed of 15 Directors. During the self-assessment, with specific reference to the aspects related to the quantitative composition of the Body, the position of most of the Directors emerged, indicating they agreed that a total number of 15 members would be adequate to ensure the correct functioning of the Board.

3.3 Qualitative composition: individual eligibility requirements of Directors

The members of the Board of Directors must be suitable for holding the office and, in particular, must possess the requirements of professionalism, integrity and independence, and meet the criteria of competence, fairness and time commitment and specific limits on the number of offices held as provided under prevailing laws.

3.3.1 Professionalism requirements

All candidates for appointment as members of the Board of Directors must meet the professional requirements provided for under prevailing law. In this regard, please note that the Extraordinary Shareholders' Meeting of 7 April 2022 approved the elimination of the statutory definition of professionalism, insofar as it had been absorbed and superseded by the regulations introduced by MEF Decree No. 169/2020.

In particular, pursuant to Art. 7 of the MEF Decree, candidates to carry out administrative functions must meet certain professionalism requirements depending on whether they hold executive or non-executive positions. In particular:

1. Officers with executive positions shall be chosen from among persons who have exercised, for at least three years, including alternatively:
 - a) administration or control activities or managerial duties in the credit, financial, securities or insurance sectors;
 - b) administration or control activities or managerial duties at listed companies or those with a size and complexity greater than or similar (in terms of turnover, nature and complexity of the organisation or the activity carried out) to that of the bank at which the position shall be held.
2. Officers with non-executive positions shall be chosen from among persons who meet the requirements set forth in the previous point or who have exercised, for at least three years, including alternatively:
 - a) professional activities related to the credit, financial, securities and insurance sectors or, in any case, activities that are functional to the bank's activities; the professional activity must be characterised by adequate levels of complexity, including with reference to the recipients of the services provided, and must be carried out on a continuous and significant basis in the above-mentioned sectors;
 - b) university teaching activities, as a first- or second-level lecturer, in legal or economic subjects or in other subjects that are, in any case, functional to the activities of the credit, financial, securities or insurance sectors;
 - c) managerial, executive or top management functions, howsoever entitled, at public bodies or public administrations that relate to the credit, financial, securities or insurance sectors, provided that the body at which the officer carried out said functions is of a size and complexity comparable with those of the bank at which the position is to be held.
3. The Chair of the Board of Directors is a non-executive member with overall experience of at least two years more than the above requirements.
4. The Chief Executive Officer shall be chosen from among persons with specific experience in credit, financial, securities or insurance matters, gained through administration or control activities or managerial duties for a period of not less than five years in the credit, financial, securities or insurance sectors, or in listed companies or those with a size and complexity greater than or similar (in terms of turnover, nature and complexity of the organisation or the activity carried out) to that of the Bank.

For the purposes of meeting the above requirements, the experience gained during the twenty years prior to taking office is taken into account; experience gained simultaneously in more than one function is counted only for the period of time in which they were carried out, with no accumulation permitted.

3.2.2 Competence criteria

In addition to the requirements of professionalism, Directors must meet the criteria of competence, including in terms of knowledge, experience and characteristics of soft skills, established by the legislation in force at the time and by the 'soft laws' (including the EBA-ESMA Guidelines and the ECB Guide) depending on the nature of the office/particular position held and the size and operating characteristics of Banco BPM. To this end, theoretical

knowledge – acquired through studies and training – and practical experience, gained in carrying out previous or ongoing work activities will be of relevance.

In this regard, candidates for the office of Director must meet the criteria of competence set forth in Art. 10 of the MEF Decree.

In this context, given the in-depth analysis conducted by the current Board of Directors, and with the aim of ensuring the overall suitability of the body, it is recommended that candidates for the role of Director preferably possess one or more of the following qualifying competencies/experiences (where the term “senior executive roles” is used, it refers to Chief Executive Officer or first-line executive roles):

- a) **Banking business:** relevant for this purpose to have gained experience over an appropriate number of years² in senior executive roles in banking institutions of comparable size and operational complexity. Experience gained as a Non-Executive Director and/or as Chair of the Board of Directors and/or as Chair/Member of a Board Committee within banks or banking groups for at least one full three-year term² is considered relevant. Experience gained in institutional setting or in consulting/academic settings is relevant only if closely related to the banking sector (i.e., Retail, Credit, Private Banking, Asset Management, Bancassurance, etc.);
- b) **Financial markets:** relevant for this purpose to have gained experience over an appropriate number of years² as Non-Executive Director or in senior executive roles in banking, financial or insurance institutions or within industrial groups and/or multinational companies operating in various sectors, comparable to the BPM Group in terms of size and operational complexity. Experience gained in institutional setting or academia setting is relevant only if closely related to the financial markets;
- c) **Internal control systems and risk management:** relevant for this purpose to have gained experience over an appropriate number of years² typically in senior executive roles in the control functions (Audit, Risk, Compliance, AML) in banking, financial or insurance institutions of comparable size and operational complexity. Experience gained as Chair of the Board and/or Chair/Member of a Risk/Audit/Control Committee or in control positions in a listed banking, financial or insurance institution for at least one full three-year term² is considered relevant. Experience gained in institutional setting or consulting/academia setting is relevant only if closely related to the internal controls and risk-related matters within the banking and/or financial sector;
- d) **Accounting and financial information:** relevant for this purpose to have gained experience over an appropriate number of years² typically in senior executive roles in relevant functions such as Finance, Accounting and Audit in banking, financial or insurance institutions and/or in listed companies of comparable size and operational complexity. Experience gained as Chair of the Board and/or Chair/Member of a Risk/Audit/Control Committee within a listed banking, financial or insurance institution for at least one full three-year term² is considered relevant. Experience gained as registered auditor and/or chartered accountant or in institutional/academic setting is relevant only if closely related to the banking and/or financial-sector matters;
- e) **Strategic direction and planning** (awareness of the company's strategic guidelines or industrial plan): relevant for this purpose to have gained experience over an appropriate number of years² in relevant functions such as Finance and Business in banking, financial or insurance institutions or in industrial groups and/or multinational companies operating in

(2) at least 3 years dating back not more than 10 years

various sectors, comparable to the BPM Group in terms of size and operational complexity. Experience gained in leading international strategic consulting firms, preferably within financial services sector, is considered relevant;

- f) **Regulation and corporate governance:** relevant for this purpose to have gained experience over an appropriate number of years² typically in senior executive roles in relevant function such as Legal, Compliance, AML in banking, financial or insurance institutions. Experience gained as Chair of the Board and/or Chair/Member of a Risk/Audit/Control Committee in a listed banking, financial or insurance institution for at least one full three-year term² is considered relevant. Experience gained in leading law firms and/or institutional setting or consulting/academia setting is relevant only if closely related to regulatory and compliance matters pertaining to the banking and financial sector;

- g) **Innovation and technology:** relevant for this purpose to have gained experience over an appropriate number of years² typically in senior executive roles in relevant functions such as Technology / Digital Transformation in financial services companies and/or in Hi-tech companies and/or in service companies with a strong technological component at their core business. Experience gained in institutional setting or consulting/academia setting is relevant only if closely related to the technology sector;

- h) **Organizational frameworks, human capital management and remuneration systems:** relevant for this purpose to have gained experience over an appropriate number of years² typically in senior executive roles in relevant functions such as HR and Organization in banking, financial or insurance institutions and/or within listed companies and/or multinational listed companies. Experience gained as Chair of the Board and/or Chair/Member of a Nomination/Remuneration Committee in a listed company for at least one full three-year term² is considered relevant. Experience gained in institutional setting or consulting/academia setting is relevant only if closely related to corporate organization-related matters;

- i) **ESG/ Social and environmental sustainability:** relevant for this purpose to have gained experience over an appropriate number of years² in companies comparable to the BPM Group in terms of size and operational complexity and characterized by a strong focus on ESG-related risk topics as core elements of their strategy. Experience gained as Chair of the Board and/or Chair/Member of a Committee responsible for Sustainability/ESG matters in a listed company for at least one full three-year term² is considered relevant. Experience gained in institutional setting or consulting/academia setting is relevant only if closely related to ESG-related topics and projects.

In formulating its recommendations for shareholders who wish to submit a list, the Board of Directors of Banco BPM has defined the optimal composition for ensuring both complementarity in terms of experience and expertise accumulated and the valuing of personal and behavioural characteristics of its members, and to represent the applicable aspects of diversity.

In this context, the importance of identifying profiles with adequate availability of time and resources was also considered so that the candidates could fulfil their roles on the Board and on the Internal Board Committees as optimally and efficiently as possible, as described below.

Specific skills are also required, for their respective areas of interest, from the members of the Internal Board Committees, with particular reference to the skills and experience referred to in point c) above (Internal control systems and risk management) of the members of the Internal Control and Risks Committee. Special attention will be paid to members who hold the role of Chair in the above-mentioned Internal Board Committees, since they will have to have built

up specific experience and specific awareness and expertise in the matters that will be dealt with by the Committees to which they belong.

The Corporate Governance Code also requires that at least one member of the:

- i. control and risk committee has adequate experience in accounting and financial matters or risk management, without prejudice to the fact that – as also stipulated in the Supervisory Provisions – this committee must have adequate expertise in the business segment in which the company operates, necessary for assessing the related risks;
- ii. remuneration committee has adequate knowledge and experience in “*financial matters or remuneration policies*”,

to be assessed by the Board of Directors upon appointment to the Committees.

Required profiles of the particularly significant roles on the Board

The outgoing Board of Directors of Banco BPM recommends that the parties holding the positions of Chair of the Board of Directors, Deputy Chair and Chief Executive Officer, will ideally reflect the following profiles, within the scope of full compliance with prevailing laws and the Articles of Association:

Chair of the Board of Directors

The Chair of the Board of Directors will ideally possess the following characteristics and personal skills which will make him/her more fully qualified for the role:

- A track record of at least two terms as Chair of the Board of Directors in listed companies comparable to the BPM Group in terms of size and operational complexity;
- High level of intellectual independence and integrity to ensure the sound and prudent management of the Bank;
- Consolidated reputation on the Italian and international markets, in full compliance with the distinctive image of the Group;
- Ability to represent the Bank before local and international regulatory bodies and significant institutions, acting as a committed ambassador of the Group's core values
- Leadership in managing the Board of Directors, combined with strong emotional intelligence, active listening and independence of thought, allowing the individual to be recognised within the Board as a genuinely impartial ('super partes') figure;
- Experience in governance matters in comparable contexts in terms of size and complexity;
- Gravitas and technical expertise that enable constructive challenge of the CEO and the first-line management team.

Deputy Chair of the Board of Directors

The Deputy Chair of the Board of Directors will ideally possess the following characteristics and personal skills which will make him/her more fully qualified for the role:

- A track record of at least two terms as Non-Executive Director in listed companies comparable to the BPM Group in terms of size and operational complexity, preferably having served as Chair of an internal Board Committee;
- Leadership in managing a team, combined with strong emotional intelligence, active listening and independence of thought, allowing the individual to be recognised within the Board as a genuinely impartial ('super partes') figure;
- Ability to facilitate dialogue within the Board of Directors;
- Ability to represent the Bank in place of the Chair in the event of his/her absence or impediment;
- Adequate availability of time to stand in for the Chair in the event of his/her absence or impediment.

Chief Executive Officer (CEO)

The Chief Executive Officer will ideally possess the following characteristics and personal skills which will make him/her more fully qualified for the role:

- Ten years of recent professional experience gained in sectors related to banking or financial services. Such experience shall have been gained in senior executive roles (Chief Executive Officer and C-1 level executives) in listed banks or financial institutions comparable to the BPM Group in terms of size and operational complexity;
- High level of intellectual independence, integrity and reputation with respect to regulators and investors, in full compliance with the distinctive image of the Group;
- Credibility and visibility across the Italian and European business community;
- Leadership in people management, combined with the ability to build and lead high-level and senior teams within a complex organisation;
- Strategic vision and a holistic mindset, enabling the individual to anticipate and navigate transformative market trends;
- Deep knowledge of regulatory matters, risk topics, and all aspects of capital management;
- Strong commercial leadership and business-development capabilities in the banking sector, particularly in Retail, but also in Private Banking, Asset Management, Banking, Bancassurance, etc.;
- Solid understanding and fit with Banco BPM's culture and business model;
- Proven ability to remain resilient under significant pressure.

Chairs of the Internal Board Committees

The Committee Chairs should ideally possess the following characteristics and personal skills making them more fully qualified for the role:

- Knowledge and experience in the areas of competence of the specific Committee;

- Leadership in managing a team, combined with strong emotional intelligence, active listening and independence of thought, allowing the individual to be recognised within the Committee as a genuinely impartial ('super partes') figure;
- Ability to facilitate dialogue within the Committee.

3.3.3 Attitudinal requirements

In addition to the professional competence requirements referred to above, the outgoing Board recommends that the characteristics and personal skills of the officer (i.e. soft skills) shall be duly considered in the selection of the candidates, as indicated by the EBA/ESMA Guidelines.

With a view to defining the expected profile of the future Director of Banco BPM, the outgoing Board has identified the following attributes as particularly relevant:

- **Independent mindedness:** Objective, evidence-based approach coupled with the ability to challenge management constructively; confidence in articulating one's views and in taking an independent, well-founded position
- **Gravitas:** Authority, ability to earn respect and build trusting relationships with key stakeholders; a balanced blend of technical competence and empathy
- **Credibility:** Strong reputation and recognition among key stakeholders in the Italian and European business community, including institutions
- **Dedication and commitment:** Clear understanding of the responsibilities inherent to the role and of the commitment required; willingness to devote time and energy with consistency
- **Teamwork:** Natural inclination to collaborate effectively, adapting to contexts and stakeholders with diverse backgrounds, seniority levels and roles; listening skills; ability to build consensus in support of strategic decisions; ability to manage conflict while maintaining constructive relationships

3.3.4 Integrity requirements

All candidates for appointment as Members of the Board of Directors must ensure compliance with the integrity requirements set forth in Art. 3 of the MEF Decree and Art. 2 of Italian Ministerial Decree 162/2000.

A newly appointed Director will be understood to fulfil the integrity requirements if there are no elements that would suggest the contrary or if there are no grounded doubts as to his/her integrity.

Failure to comply with the integrity requirements will make it impossible to take on the office or will lead to loss thereof.

3.3.5 Fairness criteria

In addition to the integrity requirements, Directors must fulfil the criteria of fairness in previous personal and professional conduct, understood as good reputation, honesty, integrity and

financial soundness, established by the prevailing legislation and the 'soft laws' (including the EBA-ESMA Guidelines and the ECB Guide), pursuant to the provisions of Art. 4 of the MEF Decree.

With reference to the criteria of fairness, it should be noted that the occurrence of one or more of the situations indicated by the aforementioned Art. 4 of the MEF Decree does not automatically imply the unsuitability of the officer, but requires assessment by the Board of Directors, conducted with regard to the principles of sound and prudent management as well as the protection of the bank's reputation and public trust.

Given the importance that these criteria play in terms of reputation, the Board expresses the recommendation that the candidates for the office of member of the Board of Directors, in addition to possessing the requirements of integrity set forth by the applicable regulations:

- (i) shall not have behaved in a way that, although not necessarily a criminal offence, is not in line with their position as member of the Board of Directors of the Bank or that could result in consequences that are seriously prejudicial to the Bank's reputation;
- (ii) shall not – and have not in the past – find themselves in situations which, with regard to the economic activities and financial conditions of the candidates (or the companies controlled or directed by them or in which they hold significant stakes), are – or were – including on a potential basis, capable of affecting their reputation.

3.3.6 Availability of time and commitment required of the Directors

The availability of time and resources to dedicate to the performance of the position of Director, due to its nature and quality, is a basic requirement that candidates must guarantee, including in relation to activities resulting from participation in the work of the internal board committees of which they are members.

For illustrative purposes, with regard to the specific situation of Banco BPM, 20 meetings of the Board of Directors, 20 meetings of the Internal Control and Risks Committee, 22 meetings of the Appointments Committee, 19 meetings of the Remuneration Committee, 14 meetings of the Sustainability Committee and 6 meetings of the Related Parties Committee were held during 2023-2025.

In addition to the above, there shall be a commitment to take part in Induction meetings and ongoing training, in addition to any off-site training and anything resulting from the Directors' participation as guests in the meetings of Committees to which they do not belong. In addition to the time dedicated to meetings, each Director shall also set aside time for travel and preparation, taking into account the multiplicity of topics to be examined and the volume of supporting documentation.

In view of the above, the Board recommends that candidates should accept the position if they believe they can dedicate the necessary time and energy, in consideration of the amount of time needed for other work or professional activities, in addition to the performance of duties for positions held in other companies.

To that end, and with specific reference to the proper functioning of the Board and the contribution of each member to its internal discussions, an estimate was made to be taken as a reference for evaluating the minimum time considered necessary for effective participation in meetings, as summarised in the table below, noting that the estimation of the time commitment needed to be a member of the Committees must be understood to include the time commitment involved in being a mere Director:

Position	Estimated commitment (days/year)
<i>Chair</i>	<i>200 days</i>
<i>Chief Executive Officer</i>	<i>Full time</i>
<i>Deputy Chair</i>	<i>100 days</i>
<i>Non-Executive Director</i>	<i>40 days</i>
Commitment for Committees	
Position	Estimated commitment (BoD + Committee) (days/year)
<i>Chair of the Internal Control and Risks Committee</i>	<i>75 days</i>
<i>Member of the Internal Control and Risks Committee</i>	<i>57 days</i>
<i>Chair of the Appointments Committee</i>	<i>52 days</i>
<i>Member of the Appointments Committee</i>	<i>46 days</i>
<i>Chair of the Remuneration Committee</i>	<i>52 days</i>
<i>Member of the Remuneration Committee</i>	<i>46 days</i>
<i>Chair of the Sustainability Committee</i>	<i>52 days</i>
<i>Member of the Sustainability Committee</i>	<i>46 days</i>
<i>Chair of the Related Parties Committee</i>	<i>48 days</i>
<i>Member of the Related Parties Committee</i>	<i>44 days</i>

3.3.7 Limit on the accumulation of external positions

Board Directors shall comply with prevailing laws (Art. 91 of CRD IV, Arts. 17, 18 and 19 of the MEF Decree, Art. 36 of Italian Decree Law No. 201/2011, converted into Italian law No. 214/2011; Art. 2390 of the Italian Civil Code) and the articles of association (Arts. 20.1.3., 20.3.2. and 20.3.3.) regarding the taking up of positions in companies other than the Bank.

On the basis of Art. 91 of the CRD IV, Art. 17 of the MEF Decree and Art. 31 of the "Limits on the accumulation of positions" Regulation of the Bank, referred to by Art. 20.3.3. of the Articles of Association, members of the Board of Directors of the Bank cannot hold an overall number of positions in banks or other commercial companies that exceeds one of the following alternative combinations:

- a) 1 executive position with 2 non-executive positions;
or
b) 4 non-executive positions,

The above is set out in Art. 3.1 of the above-mentioned Regulation, on the basis of which the following limits on the holding of posts are stipulated for Board Directors of Group Banks:

- a) those who carry out roles with executive functions in Group Banks cannot take on executive positions in companies that do not belong to the Group, while they may take on 2 non-executive positions in companies that do not belong to the Group;
- b) those who hold positions with non-executive functions in Group Banks may hold the following combinations of offices:
- 1 executive position in companies not belonging to the Group and 1 non-executive position in companies not belonging to the Group;
alternatively,
 - 3 non-executive positions in companies that do not belong to the Group.

For the purposes of calculating the above limits:

- (i) the office held in the Bank is included;

- (ii) the following specification mechanism is applied: the set of offices held (a) within the same group (including Banco BPM Group), (b) in entities belonging to the same system of institutional protection and (c) in companies in which the Bank holds a qualified equity investment as defined by Regulation (EU) No. 575/2013, Art. 4(1)(36), is considered a single position.

The set of offices counted as a single entity is considered executive if at least one of the offices held is executive, while in the other cases it is considered non-executive.

Where more than one of the cases set out in this point (ii) apply, the offices are added together;

- (iii) consideration is not taken of roles held (aa) at companies other than commercial companies or at entities whose sole purpose consists in managing the private interests of an officer or their non-legally separated spouse, partner in civil unions or cohabiting partners, relatives or in-laws up to the 4th degree, which do not require any type of daily management by the officer; (bb) as a professional in a partnership; (cc) as an alternate auditor;

Additionally, subject to any other incompatibility stipulated by prevailing laws (including the prohibition on interlocking Directorships in accordance with Italian Law No. 214 of 22 December 2011, the prohibition laid down by Art. 4, paragraph 2-bis, of Italian Legislative Decree No. 153/1999, etc.), the position of Director is not compatible with offices of a political nature, meaning national parliamentary duties or as a member of the government. It is also recommended that the position of Director not be carried out by persons who hold European parliamentary office, or who are members of regional, provincial or municipal councils (limited to the municipal provincial capitals).

For further details and specifications regarding the limits on the accumulation of positions, please refer to the 'Position accumulation limits' Regulation available on the Bank's website (www.bancobpm.it – [Corporate Governance section](#)).

3.3.8 Independence pursuant to the Articles of Association and Independence of judgement

In accordance with the Articles of Association, at least 8 Directors must possess the independence requirements established by article 20.1.6. of the Articles of Association in effect.

It should be understood that, pursuant to Art. 15 of the MEF Decree, all Directors shall act with full independence of judgement and awareness of their duties and rights in relation to their position, in the interests of the sound and prudent management of the Bank and in compliance with the law and any other applicable regulation. All Directors are also required to provide the information requested pursuant to Art. 15(2) of the MEF Decree and the reasons why any relevant cases pursuant to this provision do not concretely affect their independence of judgement.

The outgoing Board of Directors therefore recommends that, in the selection of the candidates, attention should be paid to identifying the parties able to make decisions with maximum independence of judgement and who do not have any conflicts of interest that could pose a potential risk for the Bank, including to its reputation.

3.3.9 Guidelines regarding diversity

In accordance with the provisions of prevailing laws and regulations, and best practices, it is considered necessary to ensure adequate diversification of the members of the Board of Directors with regard to both gender and skills, and also to adopt an age policy.

More specifically, subject to the provisions of the regulations in force at any given time, in order to ensure adequate discussion within the governing body, it is important for the composition of the body to reflect an adequate degree of diversification in terms of gender.

In compliance with the legal (Art. 147-ter of the "TUF" – Consolidated Law on Finance) and regulatory provisions which govern equal access to the administrative bodies of companies listed on regulated markets, at least two fifths of the elected Directors must be reserved for the gender less represented for six consecutive mandates.

In light of the current regulatory context, at least 6 (six) members of the Board of Directors must belong to the less represented gender.

Additionally, subject to the legislative provisions in force at any given time, to ensure that the governing body, as a collective body, can pursue suitable strategies and ensure the effective governance of risk in all areas of operations, it is important that the composition of the governing body provides for the balanced and diversified presence of Directors who, individually, have accrued expertise and experience in the banking and financial sectors and in financial services as indicated in paragraph 3.3.2 above.

Lastly, the Board of Directors also approved an age policy for the Directors, establishing that the candidates who fill the roles of Directors in Banco BPM cannot be, inter alia, older than 75, subject to the Board's right to make exceptions to said criteria due to justified and grounded reasons.

The Board of Directors also recommends that the new Board be able to demonstrate a genuine openness to the further changes required by the rapid evolution of the broader context, while at the same time preserving the spirit of integration and its distinctive aspirations.

To this end, a summary matrix will be prepared to support the assessment process, both from an individual and a collective standpoint.