



**REASONED PROPOSAL  
OF THE BOARD OF STATUTORY AUDITORS OF BANCO BPM S.P.A.  
ON ITEM 3 ON THE AGENDA OF THE MEETING**

(Drawn up pursuant to Article 13(1) of the  
Legislative Decree No. 39 of 27 January 2010 as amended)

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

## Appointment of a statutory auditor for the period from 1 January 2026 to 31 December 2034 and determination of remuneration

Members,

with the approval of the financial statements as at 31 December 2025, the engagement of PricewaterhouseCoopers S.p.A. (hereinafter referred to as "Banco BPM", the "Bank" or the "Parent Company") to audit the financial statements of Banco BPM S.p.A. (hereinafter also referred to as "PwC") for the years ending 31 December of each year in the period 2017-2025 will expire.

On the basis of the current legislation on statutory audits (European Regulation no. 537/2014, Legislative Decree no. 39/2010 supplemented by Legislative Decree no. 135/2016 that transposed Directive 2014/56/EU), this mandate is no longer renewable and the new statutory audit assignment must be entrusted by the Shareholders' Meeting on the reasoned proposal of the Board of Statutory Auditors in its capacity as the Internal Control and Audit Committee (hereinafter also "CCIRC"), pursuant to art. 19 of Legislative Decree No. 135/2016, by means of a special selection procedure in accordance with the criteria and procedures set forth in Article 16 of European Regulation No. 537/2014 (hereinafter "Regulation"). Considering that the aforesaid Regulation introduced, *inter alia*, the prohibition for the appointed audit firm and any member of the relevant *network* to provide a series of services to the company already starting from the financial year preceding the beginning of the audit mandate (the so-called the "*cooling-in period*" rule),<sup>1</sup> in line with the widespread practice among major listed companies, has been regulated by the Group's internal rules that the statutory audit engagement be granted in advance of the expiry of the existing audit engagement, in order to allow

- a successful and gradual handover between the outgoing auditor and the new one;
- compliance with time limits to safeguard the independence of the auditing firm;
- appropriate timing for the performance of a specific selection procedure (referred to *below*) that also involves the other Group Companies and such as to also ensure an orderly and consistent management of the assignment of the appointment also by the latter, in consideration of the control model based on the presence of a "Single Auditor" for the Parent Company and all the Companies controlled by it<sup>2</sup> (together "the Group").

To this end, the Bank carried out a formal selection procedure among the main auditing firms in time for the Board of Statutory Auditors to formulate the prescribed recommendation, pursuant to Article 16, paragraph 3, subsection c) of the Regulation, to the Ordinary Shareholders' Meeting called to resolve on 18 April 2024 on the appointment for the financial years ending on 31 December of each year in the period 2026-2034 as well as to approve the remuneration and related adjustment criteria. Pursuant to the provisions of the aforementioned Regulation, since it is a matter of entrusting the legal audit engagement to a Public Interest Entity (hereinafter also "PIE"), as defined by Article 16 of Legislative Decree No. 39/2010, the recommendation formulated by the Board of Statutory Auditors, submitted to you for approval, indicates two alternatives and a reasoned preference for one of them.

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<sup>1</sup> The "*cooling-in period*" rule prohibits the appointed audit firm and any member of its *network* from performing, as from the financial year immediately preceding the first year of the audit, certain non-audit services referred to in the second paragraph of Article 5(1)(e) of the Regulation, including, *inter alia*, "*design and implementation services of internal control and risk management procedures relating to the preparation and/or control of financial reporting, or design and implementation services of financial reporting technology systems*".

<sup>2</sup> The "Single Auditor" model adopted by Banco BPM is designed to ensure the uniformity of the auditing methods adopted within the Group, an adequate circulation of information and the simplification of relations between the Bank and the appointed Auditor.

## 1. *The selection procedure*

### 1.1 *Foreword*

As mentioned above, Banco BPM has adopted a rule defining the activities to be carried out in order to select the company entrusted with the statutory audit of the accounts as 'Single Auditor' for the Group, in accordance with the provisions of the applicable external and internal regulatory framework.

In particular:

- the selection procedure was formalised and shared with the Board of Auditors (responsible for the entire process for the appointment of the Auditor, initiated in July 2023 at its own instigation) as the CCIRC;
- the procedure was outlined and conducted in accordance with the provisions of Article 16 of the Regulation, with the aim of ensuring a high-quality statutory audit service, appropriate to the size, complexity and articulation of the Banco BPM Group;
- it was deemed appropriate to organize a single selection process in compliance with the requirements of the aforementioned Article 16 for each PIE within the Group, thus providing for the preparation of a single tender involving all the CCIRCs of the Group's PIEs, albeit under the coordination of the Parent Company's CCIRC.

In line with the aforesaid approach and also considering its role as a company exercising management and coordination activities pursuant to Article 2497 et seq. of the Italian Civil Code, Banco BPM has therefore promoted a single call for tenders, aimed at selecting an Auditor for the nine-year period 2026-2034 in line with the "Single Auditor" model adopted by the Group. The request was made by Banco BPM also in the name and on behalf of the other Group Companies, including those qualified as EIPs, both Italian and foreign, while ensuring the decision-making autonomy of their competent bodies. Upon completion of the tender, the CCIRC of each EIP is required to submit its proposal for approval to the respective Assembly.

The Board of Statutory Auditors held a regular exchange of information with the Control Bodies of the Subsidiaries from the very beginning of the selection process, taking into account the relevant requirements. In order to operationally streamline the information flows of interest, also in terms of timeliness, each CCIRC of the audited PIEs involved has appointed its own representative (namely the Statutory Auditor who is also a member of the Parent Company's Board of Statutory Auditors) to follow the process on behalf of the CCIRC itself, with the task of keeping it constantly informed on the progressive developments.

The selection procedure was initiated and coordinated by the head of the Administration and Financial Statements function (on the basis of a specific mandate conferred on him by the Parent Company's Board of Directors in September 2023 and shared, to the extent of his competence, by the similar bodies of the Group's PIEs), with the support of the Working Table set up for *this purpose* among the corporate functions involved and in constant alignment with the Corporate Affairs and Audit functions.

The Board of Statutory Auditors met on several occasions with the head of the Administration and Budget function and, when deemed appropriate, with the contacts of the other functions involved, in order to constantly monitor the progress of the entire process.

## 1.2 Identification of Audit Firms Recipient of 'Invitation Letter

In compliance with the relevant regulatory provisions and taking into account the purposes pursued as referred to above, the identification of the auditing firms to which the "Letter of Invitation" (i.e. the request for tender, as governed by the internal regulations on the management of the purchase of goods and services) was based on qualitative profiles relating to the professional skills and organisational structure required to perform the activities envisaged in the call for tenders.

More in detail, the criteria adopted for the selection of auditing companies, registered in the Register of Auditors<sup>3</sup>, to which the "Letter of Invitation" was addressed were the following *standards*:

- specific professional experience in the sectors where the Group operates, proven by the performance, in the previous year, of statutory auditing assignments in entities comparable in size and structure to those of the Group;
- Adequate sizing of the auditing company in the geographical area where the Group operates;
- belonging to an international *network of primary standing* that can guarantee adequate professional technical support.

They were excluded from the selection process:

- PricewaterhouseCoopers S.p.A., as outgoing auditor, whose appointment is not renewable;
- audit firms with a legal form other than joint-stock companies, as their business and capital risk profile is not deemed adequate;
- companies for which, on the basis of the information available on the company's websites, the statutory audit activity does not appear to be primary.

The companies included in the list of auditors and audit firms that can be consulted on Consob's *website*<sup>4</sup> were then examined and, of those that did not fall under the cases of exclusion mentioned above, the transparency reports published on their respective *websites*, where available, were examined to verify that they met the requirements potentially sufficient to take on the Banco BPM Group's audit assignment, as previously represented.

At the end of the above-mentioned selection process, the following five auditing firms were identified:

- BDO Italia S.p.A.;
- Deloitte & Touche S.p.A.;
- EY S.p.A., also Ernst & Young S.p.A. in full;
- Mazars Italia S.p.A.;
- KPMG S.p.A.

Subsequently, after approval by the Board of Directors, the Bank sent, on 29 November 2023, through a special IT platform<sup>5</sup>, to the five companies a request to participate in the tender for access to the tender request and other tender documents.

## 1.3 The 'Letter of Invitation

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<sup>3</sup> Pursuant to Legislative Decree No. 39/2010.

<sup>4</sup> The Regulation (EU) No. 537/2014 on the Statutory Audit of Public Interest Entities, which came into force on 17 June 2016, requires Supervisory Authorities to publish annually an updated list of auditors and audit firms that have recorded more than 15 per cent and less than 15 per cent of the total audit fees from Public Interest Entities in the previous calendar year in the relevant Member State.

<sup>5</sup> Banco BPM, by virtue of a specific licence, uses an *online* platform to purchase goods and services (available at the following Internet address: [www.acquisti.bancobpm.it](http://www.acquisti.bancobpm.it)), the operation of which is governed by the relevant regulations published on the platform itself.

The 'Invitation Letter' (together with its annexes, constituting the tender documents for the auditing firms invited to the selection procedure) was prepared by the Integrated Procurement Management function, in coordination with the Administration and Budget function.

In it, reference is made to attached documentation or to references to documentation that can be consulted on the company *website*:

- the information needed to understand the activities carried out by Banco BPM and the companies belonging to the Banco BPM Group;
- the list of audit and attestation services to be performed;
- the selection criteria adopted (transparent and non-discriminatory);
- information on how and when to participate in the selection procedure;

and included:

- the hours devoted to the performance of the task by the current Auditor for Banco BPM and its subsidiaries;
- the list of Corporate Bodies and Management of Banco BPM and Group Companies;
- the list of qualitative elements to be assessed;
- details of the planned commitment by type of assignment and professional figure to be filled in by the tenderer;
- a summary of the economic conditions to be completed by the tenderer.

#### **1.4 The subject of the request for tender**

The 'Letter of Invitation' indicated the following services, which were subject to quotation:

- engagement to audit Banco BPM's annual financial statements and the Banco BPM Group's consolidated financial statements, as well as to verify that the report on operations and the report on corporate governance and ownership structure comply with the law and that they are consistent/conforming with the financial statements;
- engagement for the limited audit of Banco BPM's condensed interim consolidated financial statements as at 30 June;
- engagement to perform a limited audit of the consolidated quarterly financial statements as at 31 March, 30 June, 30 September and 31 December, for the purpose of verifying interim or year-end profits for inclusion in primary tier 1 capital, and issue attestations to the European Central Bank in accordance with the relevant provisions;
- verification of the proper keeping of accounts;
- verifications in connection with the signing of tax returns;
- Issuance of attestations as appointed auditor concerning the reference aggregates determined for the purpose of calculating the contribution to be paid to the National Guarantee Fund;
- audits concerning the English translation of the annual and consolidated financial statements and the condensed interim consolidated financial statements for the purpose of issuing the English translation of the relevant audit report;
- Appointment for the preparation of the Annual Report *pursuant to* Article 23(7) of the Bank of Italy Regulation of 5 December 2019;
- *limited assurance engagement* of the Group's 'Basel III Pillar 3 - Public Disclosures' as at 31 December.

The auditing firms wishing to participate in the tender were invited, when formulating their bids for the above-mentioned assignments, to also include:

- audit activities aimed at expressing an opinion on the conformity of the annual financial statements and consolidated financial statements with the provisions of the ESEF Regulation;
- audit activities for the purpose of issuing certificates of conformity concerning the sustainability reports required by the *Corporate Sustainability Reporting Directive* (EU) 2022/2464 of 14 December 2022 (hereinafter also 'CSRD').

In addition to the aforementioned activities referred to Banco BPM, the auditing firms, in formulating their offer, were asked to provide a summary of the activities to be performed with reference to Banco BPM's Subsidiaries, with a separate indication of the hours and fees relating to each Company and services provided.

The bidders therefore undertook to prepare offers for the services to be provided to the Subsidiaries consistent with the offer addressed to Banco BPM.

In the tender, reference was therefore made to the time horizon of the individual services required<sup>6</sup>.

### 1.5 Evaluation Criteria

The proposals made by the auditing firms were evaluated on the basis of the criteria defined in the tender documents through a comparative evaluation.

Banco BPM considers the statutory audit to be a fundamental component of the system of controls and overall *governance*, both its own and that of the Group. Therefore, the qualitative elements listed below were prioritised for assessment, and were given an overall weight of 80 points out of a total of 100 points. Against each element, the weight attributed to the individual elements subject to assessment is indicated.

#### Qualitative elements

- a) **"General" section (10 points)**: general characteristics of the bidding company and of the *network* to which it belongs; degree of knowledge of the Banco BPM Group on the part of the bidding company, based on past experience and professional contacts that the bidder has had and/or has with the Group, with a list of the appointments completed and those in place with the Parent Company and Subsidiaries.
- b) **"Quality" section (points 15)**: any sanctions received by the bidder in the last five years from the Supervisory Authorities in Italy and in Europe concerning the statutory audit activity, as well as any appeals lodged against the bidder before the Supervisory Authorities having the same content and any inspections still in progress at the date of submission of the bid.
- c) **"Professional experience" section (15 points)**: indication of the financial intermediaries belonging to the PIE category, other than the Companies belonging to the Banco BPM Group, audited by the bidder in the last five years; experience gained by the bidder on clients operating in Italy subject to the *"Single Supervisory Mechanism"*; auditing assignments of listed companies operating in Italy currently being carried out by the bidder.
- d) **"work teams" section (points 10)**: information regarding the *work teams* assigned to audit activities relating to Banco BPM and its Subsidiaries; *curricula* and professional references of the *Partners in charge* of the statutory audit, of the *Engagement Quality Reviewers*, of the *Managers* and of the *Partners* and *Specialist Managers*

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<sup>6</sup> The following are envisaged: (i) statutory and voluntary audit services of EIPs and ERIs ("Entities subject to Intermediate Regime" pursuant to Article 19-bis of Legislative Decree No. 135/2016): assignment from 2026 to 2034; (ii) statutory and voluntary audit services of other companies: assignments from 2026 to 2028 or annual (renewable); (iii) other professional services related to the statutory audit assignment: a request was made for the service to be quoted with a possible duration aligned to that of the audit assignment.

supporting the audit *teams*; in particular, experience in the banking, financial and insurance fields of the *Partners, Managers* and *Specialists*, with a particular *focus* on banks operating in Italy subject to the "*Single Supervisory Mechanism*", as well as their knowledge of the Banco BPM Group; actual availability of the resources involved in the audit of the Banco BBPM Group and the bidding company's commitment to devote the resources assigned to the engagement to the Group on an essentially exclusive basis.

e) '**Commitment**' section (10 points): total number of working hours planned, as well as *mix* of professional figures used (*Partners, Managers* and *Specialists*).

f) **Audit Approach Section (item 10)**: audit approach to be adopted in the performance of the statutory audit engagement; in particular, Audit Plan, tools used to support the audit process, internal quality control process and transition management process with the outgoing auditor.

g) **Section " management of independence and existing engagements in conflict with the role of auditor"** (points 10): internal *policy* aimed at guaranteeing independence in the performance of audit engagements; detailed list of the contracts that the companies belonging to the *network* have with the Banco BPM Group and which, having characteristics such as to be in conflict with the role of auditor on the basis of their own *policies*, must necessarily be terminated (with an indication of the timing and methods of the proposed termination ).

The comparative evaluation of the offers received from a qualitative point of view was conducted by the competent corporate functions that are members of the aforementioned Working-Table.

For each tender, the documentary evidence received from the tenderer was evaluated for each information element requested within each section.

The summary of the evaluation of the qualitative elements concerning all offers received was then forwarded to the Integrated Procurement Management function for the subsequent evaluation of the quantitative elements.

#### Quantitative Elements

The elements of a quantitative nature are the requested fees, which were given an overall weight of 20 points out of a total of 100 points.

The comparative evaluation of the bids from a quantitative point of view was conducted by the Integrated Procurement Management function, separately from the qualitative evaluation, and covered all the bids received, excluding those classified as 'anomalous' according to the criteria set out below:

- bids whose total fees<sup>7</sup> deviate by more or less than 20% from the average value of the total fees contained in the bids received;
- subject to subsequent revision of the fees unless this is justified by a change in the services required by Banco BPM notified to all bidders via the *online* platform;
- bids whose fees are subject to adjustment after the assignment has been made:
  - changes in the cost of living as measured by the change in the ISTAT index (consumer price index for blue- and white-collar households);
  - changes in the Group's scope as a result of mergers, spin-offs, transfers of companies or business units;

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<sup>7</sup> Total fees" means the sum of the fees charged for the performance of all the services requested from the auditing firm by Banco BPM and all the Subsidiaries. The list of Subsidiaries and the relative services required for each of them constituted one of the annexes to the "Letter of Invitation".

- changes in the IAS/IFRS and/or *European Sustainability Reporting Standards* (ESRS) and/or national and international regulations that entail additional audit activities for the auditor.

On the other hand, requests for fee variations justified by the use of more time than indicated in the proposal and motivated by circumstances other than those indicated above, including variations in auditing standards, were not considered.

The summary of the evaluation of the quantitative elements complemented that of the qualitative elements, contributing to the final ranking of the evaluated bids.

### **1.6 Running of the competition**

By the date of 28 December 2023 (deadline extended from the original 18 December 2023), the Bank received - through the aforementioned *online* platform - the offers from Deloitte & Touche S.p.A., Ernst & Young S.p.A., Mazars Italia S.p.A. and KPMG S.p.A., supplemented by the required information and documentation.

On the basis of the documentation received and bearing in mind the evaluation criteria (as defined above), the offers were evaluated in detail by analysing, for each criterion, the individual distinctive and qualifying aspects of the bidding companies.

More specifically, all the bids received were subject to a qualitative assessment, as no deviations in fees of more than 20% of the average value of the overall fees, as governed by internal regulations, were detected. On the quantitative component, analyses were conducted with the aim of verifying the fees in relation to the scope of activities envisaged and in order to make the proposals received comparable. In addition, at the request of the Board of Statutory Auditors, in-depth analyses were carried out in relation to the activities of greater impact connected with the contracts that the bidding companies or the entities belonging to their respective *networks* have in place with the Banco BPM Group and which, having characteristics such as to be in conflict with the role of auditor on the basis of their own *policies*, must necessarily be terminated (with an indication of the timing and methods of the proposed termination).

## **2. Results of the selection procedure**

The documentation collected and the analyses conducted revealed the high *standing* of the bidding companies and the audit *teams* presented. The evaluations carried out led to the following ranking:

- 1 - Deloitte & Touche S.p.A.;
- 2 - Ernst & Young S.p.A.;
- 3 - KPMG S.p.A.;
- 4 - Mazars Italia S.p.A.



With regard to the first two companies mentioned, details of the final scores are given:

Auditing companies	Qualitative elements	Quantitative Elements	Total score
Deloitte & Touche S.p.A.	68,0	12,1	80,1
Ernst & Young S.p.A.	66,0	6,2	72,2

### 3. Validation of the tender outcome

The process was concluded in time for the Board of Statutory Auditors, in its capacity as CCIRC pursuant to Article 19 of Legislative Decree No. 135/2016, to submit its reasoned proposal to the Ordinary Shareholders' Meeting of Banco BPM convened for 18 April 2024.

Following the closure of the tender and the evaluation activities described above, the Administration and Budget function prepared a report on the outcome of the selection procedure to be submitted to the CCIRC for validation.

On the basis of the aforementioned report and related documentation, the parent company's CCIRC carried out its evaluations in order to identify two alternative offers and express its preference for one of them.

### 4. Recommendation of the Board of Auditors

In light of the foregoing, the Board of Statutory Auditors of Banco BPM, in relation to the assignment for the nine-year period 2026-2034 of the engagement for the statutory audit of the accounts, other audit services of a voluntary nature and additional services of a nature other than *audit* services but recurring and/or required by specific regulatory obligations, set out below:

- statutory audit of Banco BPM's annual financial statements and the Banco BPM Group's consolidated financial statements, as well as verification that the management report and the report on corporate governance and ownership structure comply with the law and that they are consistent/conforming with the financial statements;
- limited audit of Banco BPM's condensed interim consolidated financial statements as at 30 June;
- limited audit of the consolidated quarterly financial statements as at 31 March, 30 June, 30 September and 31 December, for the purpose of verifying interim or year-end profits for inclusion in primary tier 1 capital, and issue of attestations to the European Central Bank;
- verification of the proper keeping of accounts;
- verifications in connection with the signing of tax returns;
- Issuance of attestations as appointed auditor concerning the reference aggregates determined for the purpose of calculating the contribution to be paid to the National Guarantee Fund;
- audits concerning the translation into English of the annual and consolidated financial statements and the condensed half-yearly consolidated financial statements;
- drafting of the Annual Report pursuant to Article 23(7) of the Bank of Italy Regulation of 5 December 2019;
- *limited assurance engagement* of the Group's 'Basel III Pillar 3 - Public Disclosures' as at 31 December;

in addition to finalised review activities:

- to express an opinion on the conformity of the annual financial statements and consolidated financial statements with the provisions of the ESEF Regulation;

- the issuance of certificates of compliance with the sustainability reports required by Directive (EU) 2022/2464 of 14 December 2022 (CSRD);

on the basis of the procedure carried out, the offers received, the evaluations carried out and the results thereof, and taking into account that Article 16(2) of the Regulation provides that the reasoned recommendation of the Board of Statutory Auditors must contain at least two possible award alternatives in order to allow for the faculty of choice;

WHEREAS

- that the same Article 16(2) requires the Board of Auditors to express a duly justified preference;
- that, in any event, both Deloitte & Touche S.p.A. and EY S.p.A. have shown adequate technical suitability to hold the office;

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to the Shareholders' Meeting of Banco BPM S.p.A, pursuant to article 16, paragraph 2, of European Regulation no. 537/2014 as well as article 13, paragraph 1, and article 17, paragraph 1, of Legislative Decree no. 39/2010, alternatively, the proposals relating to the mandate for the statutory audit of Banco BPM S.p.A. for the financial years 2026-2034, formulated by Deloitte & Touche S.p.A. and EY S.p.A.<sup>8</sup>, whose economic, *effort* (hours) and average *rate* components referring to the first financial year (taken as the basis for comparison) are summarised below:

Statutory audit services	Deloitte & Touche S.p.A.			Ernst & Young S.p.A.		
	Fees in Euro	Hours	Average rates	Fees	Hours	Average rates
Mandate for the legal audit of Banco BPM's annual financial statements and consolidated financial statements of Banco BPM Group, as well as verification of the compliance of the management report and the report on corporate governance and ownership structure with the law and their consistency/conformity with the financial statements	1.247.644	17.263	72,27	1.571.500	18.260	86,06
Limited audit engagement for the condensed interim consolidated financial statements of Banco BPM	313.664	4.344	72,21	353.000	4.100	86,10
Limited audit engagement of the consolidated quarterly financial statements	348.004	4.820	72,20	301.000	3.500	86,00

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	Deloitte	EY
Company name	Deloitte & Touche S.p.A.	EY S.p.A., in full also Ernst & Young S.p.A.
Registered office	Milan - Via Tortona 25	Milan - Via Meravigli, 12
CF/VAT and Company Register No.	03049560166	00891231003
Consob registration no.	132587 of 07/06/2004	70945 of 27/01/1998

Verification of proper book-keeping	198.153	2.766	71,64	157.000	2.200	71,36
Audits concerning the translation into English of the annual and consolidated financial statements and the half-yearly condensed financial statements	36.100	500	72,20	37.000	520	71,15
Audit activities for the purpose of expressing an opinion on the conformity of the annual financial statements and consolidated financial statements with the provisions of the ESEF Regulation	29.771	412	72,26	35.500	500	71,00
<b>TOTAL PROPOSAL STATUTORY AUDIT SERVICES BANCO BPM SPA</b>	<b>2.173.336</b>	<b>30.105</b>	<b>72,19</b>	<b>2.455.000</b>	<b>29.080</b>	<b>84,42</b>

<b>Other audit-related services</b>						
Audits related to the signing of tax returns	27.752	384	72,27	17.000	240	70,83
Issuing of certificates as auditor in charge of the reference aggregates determined for the purpose of calculating the contribution to be paid to the National Guarantee Fund	11.728	163	71,95	8.500	120	70,83
Auditing activities for the purpose of issuing compliance statements on sustainability reporting under the <i>Corporate Sustainability Reporting Directive</i> (EU) 2022/2464 of 14 December 2022 (CSRD)	296.512	4.107	72,20	249.500	3.500	71,29
<b>TOTAL OTHER AUDIT-RELATED SERVICES BANCO BPM SPA</b>	<b>335.992</b>	<b>4.654</b>	<b>72,19</b>	<b>275.000</b>	<b>3.860</b>	<b>71,24</b>

<b>Other services</b>						
<i>Limited assurance engagement of the Group's 'Basel III Pillar 3 - Disclosures' as at 31 December</i>	56.316	780	72,20	86.000	1.200	71,67
Mandate relating to the drafting of the Annual Report pursuant to Article 23(7) of the Bank of Italy Regulation of 5 December 2019	112.632	1.560	72,20	114.000	1.600	71,25
<b>TOTAL OTHER SERVICES BANCO BPM SPA</b>	<b>168.948</b>	<b>2.340</b>	<b>72,20</b>	<b>200.000</b>	<b>2.800</b>	<b>71,43</b>

TOTAL BANCO BPM SPA	2.678.276	37.099	72,19	2.930.000	35.740	81,98
OTHER GROUP COMPANIES	1.312.138	17.916	73,24	1.624.300	19.260	84,34
TOTAL GROUP BANCO BPM SPA	3.990.414	55.015	72,53	4.554.300	55.000	82,81

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its preference in favour of the company Deloitte & Touche S.p.A. whose offer was preferred due to both technical-qualitative and quantitative contents.

In this regard, the Board of Statutory Auditors points out that, as noted in the report on the results of the selection procedure, the two aforementioned companies (i) both represented, in their proposals, audit approaches suitable to support the Group and made available valid *teams* familiar with the Banco BPM reality and (ii) also boast experience in auditing complex banking groups.

It therefore considers, in agreement with the concluding considerations expressed by the Working Table, that the minimal difference in score between the total evaluations of EY S.p.A. and Deloitte & Touche S.p.A. (in favour of the latter) does not represent, from the point of view of the qualitative evaluation, any significant difference in the choice between the two companies.

The main elements of the offer of Deloitte & Touche S.p.A. considered qualifying and such as to motivate the preference expressed in favour of this bidder are therefore mainly attributable to the economic aspects and namely

- The distribution of *effort* by role shows, for Deloitte & Touche S.p.A., Deloitte & Touche S.p.A. shows a significant involvement of high *seniority* figures (about 40% of *Partners* and *Managers* compared to about 20% for EY S.p.A.) and the provision of an estimated 37,099 hours (*compared to* 35,740 hours for EY S.p.A.) for the Banco BPM perimeter (year 2026), considering a total number of hours as an investment in the first year of the audit of 3,000 hours/u (*compared to* 1,500 hours/u for EY S.p.A.);
- the average fees per role are generally lower for Deloitte & Touche S.p.A. than for EY S.p.A., as shown in the table above;
- the estimated total request for the period 2026-2034 is approximately Euro 37.6 million for Deloitte & Touche S.p.A., which is more than 12% lower than the amount quoted by EY S.p.A.;
- Only Deloitte & Touche S.p.A. plans to reduce the fees over the years (from 2029 onwards) by reducing the number of hours.

The overall picture of the *effort* and the related fees presented in the offer, in relation also to the legal audit services that may be conferred by the Group Companies and the potential voluntary assignments that may be conferred by both Banco BPM S.p.A. and by the other Group Companies, would result - for the year 2026 - for the offer of Deloitte & Touche S.p.A. equal to a total of €3.99 million, to be compared with a total charge of EY S.p.A. equal to €4.55 million and a cost for the appointments conferred on the current Auditor - referred to the year 2023 - equal to approximately €4.9 million<sup>9</sup>.

<sup>9</sup> Perimeters not perfectly overlapping due to the evolutions of the Group's EIP companies, which resulted in a broadening of the activities to be audited.

As requested in the tender documents, each bidder then indicated in its offer the main economic contents that will be applicable for the entire duration of the audit assignment to all current and future Group Companies and for all statutory and voluntary audit services, as well as for other services strictly related to the audit assignment that will be assigned from time to time.

In particular, the main cases proposed by Deloitte & Touche S.p.A. and by EY S.p.A. applicable to future assignments conferred by Banco BPM S.p.A. and the Group Companies are set out below:

- the reimbursement of expenses incurred in the performance of the work, such as out-of-office expenses and transfers and expenses relating to technology and secretarial services, is quantified in both bids on the basis of the costs actually incurred and in any case within the limit of 6% of the total fees for Deloitte & Touche S.p.A. and 3% of the total fees for EY S.p.A.;
- the annual fee adjustment is foreseen, in both offers, on the basis of the change in the ISTAT index (in the case of Italian companies and products relating to third party assets managed in Italy) and the corresponding local cost of living indexes in the case of foreign branches and subsidiaries. The adjustment will be effective as of 1 July 2026 (base month April 2024) for Deloitte & Touche S.p.A. and as of 1 July 2025 (base month 2023) for EY S.p.A.;
- After the appointment, the fees may be adjusted only and exclusively for the following reasons:
  - annual change in the cost of living measured as the change in the ISTAT index (consumer price index for blue- and white-collar households);
  - changes in the Group's scope as a result of business combinations, the sale of companies or business units, mergers, demergers, contributions of companies and business units;
  - changes in international accounting standards and/or regulations that entail additional audit activities for the auditor;
- the quotation of any other services not included among those listed in the request for offer, or of services of the types already indicated but to be carried out in favour of Companies newly entering the Group's perimeter, shall take place - for both bidders - by applying the same hourly rates per professional figure provided for in the offer, inclusive of the annual adjustments from time to time. Deloitte & Touche S.p.A. has also provided for the use of three professional mixes differentiated according to the complexity of the assignments and the related professional risks, while EY S.p.A. declares that it has applied the same hourly mix used on its main banking clients subject to ECB supervision.

As a result of all the foregoing, the Board of Statutory Auditors validated the report prepared by Banco BPM S.p.A. as audited entity pursuant to Article 16, paragraph 3, letter e) of the Regulation on the conclusions of the selection procedure for the appointment of the statutory auditors for the period 2026-2034.

## 5. Statements

The Board of Statutory Auditors, pursuant to Article 16, paragraph 2, of Regulation (EU) 537/2014, declares that this Recommendation has not been influenced by third parties and that none of the type clauses referred to in paragraph 6 of the aforementioned Article 16 of the Regulation have been applied.

In light of the foregoing, the Board of Statutory Auditors submits to the Shareholders' Meeting for approval its proposal to appoint Deloitte & Touche S.p.A. as the legal auditor of Banco BPM S.p.A. under the terms indicated in the following proposed resolution:

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

- having acknowledged the advisability of appointing the independent auditors for the period 1 January 2026 - 31 December 2034 in advance of the expiry of the current audit assignment (and specifically on the occasion of the present shareholders' meeting to approve the financial statements as of 31 December 2023), in line with the practice adopted by the main listed companies and in compliance with the provisions of the Group's internal regulations on the matter*
- having examined the reasoned proposal of the Board of Statutory Auditors, formulated pursuant to Article 16, paragraph 3, sub-paragraph c) of European Regulation No. 537/2014, indicating, alternatively, the offers relating to the mandate for the legal audit of the accounts of Banco BPM S.p.A. for the financial years 2026-2034, received from Deloitte & Touche S.p.A. and EY S.p.A, and expresses its preference in favour of the company Deloitte & Touche S.p.A. , whose offer was preferred on account of its technical-qualitative and quantitative contents;*

*resolution*

*to grant Deloitte & Touche S.p.A. the engagement for the provision of statutory auditing and related services, as defined in the narrative, for the financial years 2026-2034 in accordance with the contents, terms (including the criteria for the adjustment of fees) and procedures proposed by the Board of Statutory Auditors, for an annual fee (net of ISTAT increases, out-of-pocket expenses, VAT and supervisory fee), as follows ( amounts rounded to the nearest Euro unit )*

- for the legal audit of Banco BPM's annual financial statements and consolidated financial statements of Banco BPM Group, as well as verification that the report on operations and the report on corporate governance and ownership structure comply with the law and that they are consistent with the financial statements Euro 1,247,644 on an annual basis (corresponding to no. 17,263 working hours) for the financial years 2026, 2027 and 2028; Euro 1,226,503 on an annual basis (corresponding to no. 16.770 working hours) for the financial year 2029; Euro 1,205,455 on an annual basis (corresponding to no. 16,279 working hours) for the financial year 2030; Euro 1,184,314 on an annual basis (corresponding to no. 15,786 working hours) for the financial year 2031; Euro 1,163.266 on an annual basis (corresponding to 15,295 working hours) for the financial year 2032; Euro 1,142,125 on an annual basis (corresponding to 14,802 working hours) for the financial year 2033; Euro 1,121,077 on an annual basis (corresponding to 14,311 working hours) for the financial year 2034;*
- for a limited audit of Banco BPM's condensed consolidated half-yearly financial statements as at 30 June Euro 313,664 on an annual basis (corresponding to 4,344 man-hours) for all financial years from 2026-2034*
- for a limited audit of the consolidated quarterly financial statements as at 31 March, 30 June, 30 September and 31 December, for the purpose of verifying interim or year-end profits for inclusion in primary tier 1 capital and issuance of attestations to the European Central Bank Euro 348,004 on an annual basis (corresponding to 4,820 man-hours) for all financial years from 2026 to 2034;*

- for verification of proper bookkeeping Euro 198,153 on an annual basis (corresponding to 2,766 working hours) for all financial years in the period 2026-2034;
- for audits related to the signing of tax returns EUR 27,752 on an annual basis (corresponding to 384 working hours) for all financial years in the period 2026-2034;
- for issuance of attestations as auditor-in-charge concerning the reference aggregates determined for the purpose of calculating the contribution to be paid to the National Guarantee Fund EUR 11,728 on an annual basis (corresponding to no. 163 working hours) for all financial years from 2026 to 2034;
- for audits concerning the translation into English of the annual and consolidated financial statements and the half-yearly condensed consolidated financial statements Euro 36,100 on an annual basis (corresponding to no. 500 working hours) for all financial years in the period 2026-2034;
- for drafting the Annual Report pursuant to Article 23, paragraph 7, of the Bank of Italy Regulation of 5 December 2019 Euro 112,632 on an annual basis (corresponding to no. 1,560 working hours) for all the financial years of the period 2026-2034;
- for limited assurance engagement of the Group's "Third Pillar of Basel III - Public Disclosures" as at 31 December Euro 56,316 on an annual basis (corresponding to 780 working hours) for all financial years in the period 2026-2034;
- for an opinion on the conformity of the annual financial statements and consolidated financial statements with the provisions of the ESEF Regulation Euro 29,771 on an annual basis (corresponding to 412 working hours) for all financial years in the period 2026-2034;
- for the issuance of certificates of compliance with the sustainability reports required by the Sustainability Reporting Directive (EU) 2022/2464 of 14 December 2022 ("CSRD") Euro 296,512 on an annual basis (corresponding to 4,107 man-hours) for all financial years in the period 2026-2034".

In the event such proposal does not obtain the majority of votes required for its approval, the proposal to entrust the same assignment to EY S.p.A. for annual fees amounting to Euro 2,930,000 (amounts rounded to the unit of Euro) corresponding to 35,740 working hours shall be put to the vote.

Milan, 11 March 2024

The Board of Statutory Auditors