



**REPORT  
OF THE BOARD OF DIRECTORS OF BANCO BPM SPA  
ON ITEM 2 OF THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING**

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

**Ordinary Shareholders' Meeting of 7 April 2018**

**Report of the Board of Directors of Banco BPM S.p.A. on item 2 of the Shareholders' Meeting agenda pursuant to Article 125-ter of Italian Legislative Decree no. 58/98 and subsequent amendments ("CFL").**

**Supplement, based on the justified proposal of the Board of Statutory Auditors, of the consideration for the Independent Auditors PricewaterhouseCoopers S.p.A. engaged to audit the accounts for 2017-2025 Relevant and consequent resolutions.**

Dear Shareholders,

We remind you that on 15 October 2016 the Extraordinary Shareholders' Meetings of Banco Popolare and Banca Popolare di Milano, in addition to approving the Proposed Merger between Banco Popolare - Società Cooperativa and Banca Popolare di Milano S.c. a r.l., which gave life to Banco BPM Società per Azioni, also resolved to grant, for the duration set out by law, the assignment of auditing the separate financial statements and consolidated financial statements of the Banco BPM Group, the limited audit of the condensed consolidated interim financial statements and the verification of the regular keeping of the accounting records and the correct recording of operating events in the accounting records to the Independent Auditors PricewaterhouseCoopers S.p.A. ("PwC"), approving the related consideration.

The assignment granted to PwC included, *inter alia*, the possibility of revising the consideration to take account of any circumstances that were unforeseeable at that time, which could change the timescales forecast in relation to carrying out the activities included in the proposal.

In relation to the above, the Independent Auditors PricewaterhouseCoopers, with registered office in Via Monte Rosa 91, Milan, Italy, enrolled on the Register of Independent Statutory Auditors held by the Ministry for the Economy and Finance, sent Banco BPM S.p.A. a specific communication containing a proposed supplement to the timescales estimated, and to the related consideration pertaining to the auditing activities as compared to the services included in the original proposal. That proposed supplement of the consideration was thus submitted to the attention of the Board of Statutory Auditors.

That being specified, the Shareholders' Meeting of the Bank is called upon to decide on the proposal submitted - pursuant to Article 13 of Italian Legislative Decree no. 39/2010 - by the Board of Statutory Auditors, pertaining to the request to supplement the consideration of said Independent Auditors.

Verona, 27 February 2018

The Board of Directors



**JUSTIFIED PROPOSAL  
OF THE BOARD OF STATUTORY AUDITORS OF BANCO BPM S.P.A.  
ON ITEM 2 ON THE AGENDA OF THE SHAREHOLDERS' MEETING**

(Prepared pursuant to Article 13, paragraph 1 of  
Italian Legislative Decree no. 39 of 27 January 2010 and subsequent amendments)

**Ordinary Shareholders' Meeting of 7 April 2018**

**Justified Proposal of the Board of Statutory Auditors of Banco BPM S.p.A. on item 2 of the Shareholders' Meeting agenda pursuant to Article 13, paragraph 1 of Italian Legislative Decree no. 39/2010 (and subsequent amendments).**

**Supplement of the consideration due to Independent Auditors PricewaterhouseCoopers S.p.A. engaged to audit the accounts for 2017-2025**

Dear Shareholders,

We hereby inform you that the Independent Auditors PricewaterhouseCoopers S.p.A. (hereinafter, PwC) has proposed to the Bank several changes to the contractual conditions originally envisaged for carrying out the assignment of auditing the accounts of Banco BPM S.p.A., with a duration of nine years, starting from the effective date of the merger (1 January 2017) between Banco Popolare Company Cooperativa and Banca Popolare di Milano S.c.a r.l., and, thus, starting from 2017.

Specifically, PwC has submitted a request to extend the timescales envisaged and the related consideration pertaining to auditing activities in addition to the auditing services included in the initial proposal in relation to the impacts deriving from:

- the reform of auditing (Italian Legislative Decree no. 135/2016, entered into force on 5 August 2016, amending the provisions set out in Italian Legislative Decree no. 39/2010);
- the application of the new accounting standard IFRS 9.

Taking account of that set out in the contract that governs the current auditing assignment – specifically point 4.3 of Attachment A “General Conditions of Contract”, where it is established, *inter alia*, that “*If exceptional or unforeseeable circumstances should arise, including, merely by way of example, significant changes in the structure and business of the Company and/or the group the Company belongs to, going concern problems, specific situations that require technical investigations, establishment of capital allocated to a specific deal, regulatory changes, changes in accounting and/or auditing standards, or other circumstances that are currently not foreseeable, which could make it necessary to increase the amount of time committed in relation to that estimated in this proposal, PwC shall inform the Company in order to reach an agreement on the definition of the activities not set out in the Engagement Letter and in the quantification of the related fees*” – the Independent Auditors communicated that, following the changes in regulations and in the accounting standards mentioned above, additional activities are now necessary within the scope of the assignment of auditing the accounts for the years 2017 to 2025 of the separate and consolidated financial statements of Banco BPM S.p.A.

In their request for a supplement, the Independent Auditors noted the following.

### **Additional activities required due to the reform of auditing**

The main changes resulting from the reform of auditing (introduced following PwC's original proposal) that generate impacts starting with the closing of the financial statements as at 31 December 2017, are attributable to:

- the new independent auditor's report which, as its form and content have been significantly changed, results in a considerable increase in the auditing activities, specifically due to the need to launch a process of discussion, analysis and agreement on the main points regarding company risks and auditing issues with the management and the Bank's governance bodies;
- changes to the report of the Committee for Internal Control and Auditing, whose preparation and discussion with the governance bodies constitutes an integral part of the audit activities as well as an additional burden of formalisation and representation of the conclusions of the work carried out;
- regulatory changes pursuant to Article 14, paragraph 2, letter e) of Italian Legislative Decree no. 39/2010, with regard to the opinion on the compliance of the report on operations with legal regulations and the declaration of any material errors, formulated in light of the knowledge and understanding of the company and the related context acquired in auditing the financial statements.

The situation described results in an increased charge as compared to the assignments previously granted to the Independent Auditors, estimated, in terms of hours of work and additional compensation (amounts rounded up to the next euro), as follows:

<b>Reform of auditing</b>				
<b>2017 and following up to 2025</b>	<b>hours</b>	<b>fees on a yearly basis (euro)</b>	<b>reduction (euro)</b>	<b>net fees on a yearly basis (euro)</b>
of which:				
Separate financial statements	445	67,675	675	67,000
Consolidated financial statements	55	8,465	465	8,000
<b>Total</b>	<b>500</b>	<b>76,140</b>	<b>1,140</b>	<b>75,000</b>

### **Additional activities necessary following the entry into force of the new accounting standard IFRS 9**

As of 1 January 2018 a new set of international accounting standards entered into force, of which the main change concerns the first-time application of the new accounting standard IFRS 9, which replaces IAS 39. In particular, the standard introduced the following:

- new logic of classification and measurement of financial instruments, based on the characteristics of the business model and the cash flows from the instruments;

- new impairment models that significantly differ from those set out in IAS 39, as they are primarily focused on the concept of expected loss;
- new provisions on hedge accounting, with resulting changes in the accounting representation of the management of financial instruments and risks.

These changes required, on one hand, significant one-off activities to be carried out by the Independent Auditors during the financial years ending as at 31 December 2017 and 31 December 2018, which will involve analysing and understanding the approaches identified and verification of the structures of supporting procedures and systems implemented by the Bank as well as the testing of current and past balances and transactions, existing at the transition date and, on the other, the periodic conducting of new, additional auditing activities.

These activities also require the involvement of resources with high seniority and specialised skills.

The situation described results in an increased charge as compared to the assignments previously granted to the Independent Auditors, estimated, in terms of hours of work and additional compensation (amounts rounded up to the next euro), as shown below:

<b>Application of the new standard IFRS 9</b>				
<b>2017</b>	<b>hours</b>	<b>fees on a yearly basis (euro)</b>	<b>reduction (euro)</b>	<b>net fees on a yearly basis (euro)</b>
of which:				
Separate financial statements	1,600	265,600	600	265,000
<b>Total</b>	<b>1,600</b>	<b>265,600</b>	<b>600</b>	<b>265,000</b>

<b>2018</b>	<b>hours</b>	<b>fees on a yearly basis (euro)</b>	<b>reduction (euro)</b>	<b>net fees on a yearly basis (euro)</b>
of which:				
Separate financial statements	1,400	188,300	300	188,000
Consolidated financial statements	100	12,190	190	12,000
Interim report *	335	40,875	875	40,000
<b>Total</b>	<b>1,835</b>	<b>241,365</b>	<b>1,365</b>	<b>240,000</b>

<b>2019 and following up to 2025</b>	<b>hours</b>	<b>fees on a yearly basis (euro)</b>	<b>reduction (euro)</b>	<b>net fees on a yearly basis (euro)</b>
of which:				
Separate financial statements	1,155	128,850	1,850	127,000
Consolidated financial statements	75	9,615	1,615	8,000

\* Increase also applicable to the limited audit of the quarterly financial statements, to determine the net income (loss) for the period to be included in the calculation of regulatory capital.

Interim report *	275	31,720	1,720	30,000
<b>Total</b>	<b>1,505</b>	<b>170,185</b>	<b>5,185</b>	<b>165,000</b>

In relation to that illustrated above, the total hours and fees (amounts rounded up to the next euro) will therefore be as follows:

2017	Current proposal without ISTAT		Proposed supplement		Updated total	
	hours	fees on a yearly basis (euro)	hours	fees on a yearly basis (euro)	hours	fees on a yearly basis (euro)
Auditing the separate financial statements of Banco BPM S.p.A. and the compliance of the report on operations with the rules of law and declaration of any material errors.	9,473	611,000	2,045	332,000	11,518	943,000
Auditing the consolidated financial statements of the Banco BPM Group	636	41,000	55	8,000	691	49,000
Verification of regular keeping of the accounting records	1,846	119,100	-	-	1,846	119,100
Limited audit of the condensed consolidated interim financial statements and the half-yearly financial statements included in the interim report of the Banco BPM Group	2,631	169,700	-	-	2,631	169,700
Verifications relating to the signing of tax returns	318	20,500	-	-	318	20,500
Verifications relating to the calculation of the contribution to the National Guarantee Fund	127	8,195	-	-	127	8,195
Verification of the translation into English of the separate and consolidated financial statements and the consolidated condensed interim financial statements	499	32,185	-	-	499	32,185
<b>Total</b>	<b>15,530</b>	<b>1,001,680</b>	<b>2,100</b>	<b>340,000</b>	<b>17,630</b>	<b>1,341,680</b>
<b>Optional activities to be carried out only on specific request</b>						
Limited audit of the quarterly financial statements, drawn up to determine the quarterly consolidated income (loss) for the period to be included in the regulatory capital	2,480	160,100	-	-	2,480	160,100
Issue of the certification to the European Central Bank (only in the event that any income for the year will be included in the	870	56,120	-	-	870	56,120

reporting of CET1 as at 31 December)						
<b>Total</b>	<b>18,880</b>	<b>1,217,900</b>	<b>2,100</b>	<b>340,000</b>	<b>20,980</b>	<b>1,557,900</b>

2018	Current proposal without ISTAT		Proposed supplement		Updated total	
	hours	fees on a yearly basis (euro)	hours	fees on a yearly basis (euro)	hours	fees on a yearly basis (euro)
Auditing the separate financial statements of Banco BPM S.p.A. and the compliance of the report on operations with the rules of law and declaration of any material errors.	9,473	611,000	1,845	255,000	11,318	866,000
Auditing the consolidated financial statements of the Banco BPM Group	636	41,000	155	20,000	791	61,000
Verification of regular keeping of the accounting records	1,846	119,100	-	-	1,846	119,100
Limited audit of the condensed consolidated interim financial statements and the half-yearly financial statements included in the interim report of the Banco BPM Group	2,631	169,700	335	40,000	2,966	209,700
Verifications relating to the signing of tax returns	318	20,500	-	-	318	20,500
Verifications relating to the calculation of the contribution to the National Guarantee Fund	127	8,195	-	-	127	8,195
Verification of the translation into English of the separate and consolidated financial statements and the consolidated condensed interim financial statements	499	32,185	-	-	499	32,185
<b>Total</b>	<b>15,530</b>	<b>1,001,680</b>	<b>2,335</b>	<b>315,000</b>	<b>17,865</b>	<b>1,316,680</b>
<b>Optional activities to be carried out only on specific request</b>						
Limited audit of the quarterly financial statements, drawn up to determine the quarterly consolidated income (loss) for the period to be included in the regulatory capital	2,480	160,100	335	40,000	2,815	200,100
Issue of the certification to the European Central Bank (only in the event that any income for the year will be included in the reporting of CET1 as at 31 December)	870	56,120	-	-	870	56,120
<b>Total</b>	<b>18,880</b>	<b>1,217,900</b>	<b>2,670</b>	<b>355,000</b>	<b>21,550</b>	<b>1,572,900</b>

<b>2019 and 2020</b>	<b>Current proposal without ISTAT</b>		<b>Proposed supplement</b>		<b>Updated total</b>	
	<b>hours</b>	<b>fees on a yearly basis (euro)</b>	<b>hours</b>	<b>fees on a yearly basis (euro)</b>	<b>hours</b>	<b>fees on a yearly basis (euro)</b>
Auditing the separate financial statements of Banco BPM S.p.A. and the compliance of the report on operations with the rules of law and declaration of any material errors.	9,473	611,000	1,600	194,000	11,073	805,000
Auditing the consolidated financial statements of the Banco BPM Group	636	41,000	130	16,000	766	57,000
Verification of regular keeping of the accounting records	1,846	119,100	-	-	1,846	119,100
Limited audit of the condensed consolidated interim financial statements and the half-yearly financial statements included in the interim report of the Banco BPM Group	2,631	169,700	275	30,000	2,906	199,700
Verifications relating to the signing of tax returns	318	20,500	-	-	318	20,500
Verifications relating to the calculation of the contribution to the National Guarantee Fund	127	8,195	-	-	127	8,195
Verification of the translation into English of the separate and consolidated financial statements and the consolidated condensed interim financial statements	499	32,185	-	-	499	32,185
<b>Total</b>	<b>15,530</b>	<b>1,001,680</b>	<b>2,005</b>	<b>240,000</b>	<b>17,535</b>	<b>1,241,680</b>
<b>Optional activities to be carried out only on specific request</b>						
Limited audit of the quarterly financial statements, drawn up to determine the quarterly consolidated income (loss) for the period to be included in the regulatory capital	2,480	160,100	275	30,000	2,755	190,100
Issue of the certification to the European Central Bank (only in the event that any income for the year will be included in the reporting of CET1 as at 31 December)	870	56,120	-	-	870	56,120
<b>Total</b>	<b>18,880</b>	<b>1,217,900</b>	<b>2,280</b>	<b>270,000</b>	<b>21,160</b>	<b>1,487,900</b>

<b>2021 to 2025</b>	<b>Current proposal without ISTAT</b>		<b>Proposed supplement</b>		<b>Updated total</b>	
	<b>hours</b>	<b>fees on a yearly basis (Euro)</b>	<b>hours</b>	<b>fees on a yearly basis (euro)</b>	<b>hours</b>	<b>fees on a yearly basis (euro)</b>
Auditing the separate financial statements of Banco BPM S.p.A. and the compliance of the report on operations with the rules of law and declaration of any material errors.	8,160	526,300	1,600	194,000	9,760	720,300
Auditing the consolidated financial statements of the Banco BPM Group	560	36,120	130	16,000	690	52,120
Verification of regular keeping of the accounting records	1,846	119,100	-	-	1,846	119,100
Limited audit of the condensed consolidated interim financial statements and the half-yearly financial statements included in the interim report of the Banco BPM Group	2,520	162,550	275	30,000	2,795	192,550
Verifications relating to the signing of tax returns	318	20,500	-	-	318	20,500
Verifications relating to the calculation of the contribution to the National Guarantee Fund	127	8,195	-	-	127	8,195
Verification of the translation into English of the separate and consolidated financial statements and the consolidated condensed interim financial statements	499	32,185	-	-	499	32,185
<b>Total</b>	<b>14,030</b>	<b>904,950</b>	<b>2,005</b>	<b>240,000</b>	<b>16,035</b>	<b>1,144,950</b>
<b>Optional activities to be carried out only on specific request</b>						
Limited audit of the quarterly financial statements, drawn up to determine the quarterly consolidated income (loss) for the period to be included in the regulatory capital	2,375	153,189	275	30,000	2,650	183,189
Issue of the certification to the European Central Bank (only in the event that any income for the year will be included in the reporting of CET1 as at 31 December)	870	56,120	-	-	870	56,120
<b>Total</b>	<b>17,275</b>	<b>1,114,259</b>	<b>2,280</b>	<b>270,000</b>	<b>19,555</b>	<b>1,384,259</b>

The request for supplement formulated by the Independent Auditors:

- confirms, in any event, that all the other clauses envisaged in the original proposal shall apply, specifying that the fees indicated do not include VAT or the supervisory contribution in favour of CONSOB (if and to the extent applicable) and were calculated applying the rates for the professional category contained in the original offer;
- is accompanied by the details of the mix of professionals attributable to the estimated additional fees (hours and compensation).

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In compliance with that set out in Article 13, paragraph 1 of Italian Legislative Decree no. 39/2010, which states that "*the shareholders' meeting, on justified proposal of the control body, shall grant the assignment to audit the accounts and determine the fees due to the auditor or independent auditors for the entire duration of the assignment and any criteria for adjusting that consideration during the assignment*", the Board of Statutory Auditors has examined said request of the Independent Auditors for the purpose of formulating the proposal to submit to the Shareholders' Meeting.

In that regard, the Board of Statutory Auditors has requested certain information (provided by PwC) and conducted the examination under its responsibility of the additional detailed elements acquired (specifically of the hourly fees), also through in-depth analyses conducted individually by each member, with the cooperation of the structures of the Bank, verifying and/or analysing the following, *inter alia*,

- the reasons supporting the request for supplement;
- the details of the impact (in terms of quantification of hours and the related costs) resulting from the regulatory changes as compared to the original proposal;
- the specifics regarding the professionals engaged to carry out the supplementary activities and the related hourly cost.

On conclusion of the above analysis and the verifications directly carried out, also with the Independent Auditors, the Board of Statutory Auditors decided to submit to the Shareholders' Meeting the proposal to supplement the economic conditions of the auditing assignment granted to PwC, having assessed the formulated requests as being suitable on the whole in relation to the additional auditing activities as compared to that originally estimated.

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That being said, the Board of Statutory Auditors submits to the approval of the Shareholders' Meeting its proposal to update, in line with the terms of the request for a supplement formulated by the Independent Auditors, the economic conditions currently set out for the auditing assignment

granted to PricewaterhouseCoopers S.p.A. according to the terms indicated in the following proposed resolution:

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

- acknowledging that, in relation to the impacts of the reform of auditing (Italian Legislative Decree no. 135/2016, amending the provisions of Italian Legislative Decree no. 39/2010) as well as the application of the new accounting standard IFRS 9, the Independent Auditors PricewaterhouseCoopers S.p.A., assigned to audit the accounts for the years 2017 to 2025, submitted - on 15 December 2017 - a request to extend the timescales envisaged and the related consideration pertaining to auditing activities in addition to the auditing services included in the initial proposal;*
- having examined the justified proposal of the Board of Statutory Auditors containing the terms of the requests from the Independent Auditors, formulated on conclusion of the analysis and the verifications under their responsibility carried out also in collaboration with the structures of Banco BPM S.p.A and the Independent Auditors, having assessed the formulated requests as being suitable on the whole in relation to the additional auditing activities as compared to that originally estimated;*

**RESOLVES**

1) to update the economic conditions set out in relation to the auditing assignment previously granted to PricewaterhouseCoopers S.p.A. according to the terms indicated in the request for supplement formulated by said Independent Auditors. The following consideration (amounts rounded up to the next euro) shall be classified as specified below:

- for the year ended as at 31 December 2017, euro 1,341,680, of which euro 943,000 (equal to 11,518 hours of work) for auditing the separate financial statements of Banco BPM S.p.A. and compliance of the report on operations with the rules of law and declaration of any material errors, euro 49,000 (equal to 691 hours of work) for auditing the consolidated financial statements of the Banco BPM Group, euro 119,100 (equal to 1,846 hours of work) for the verification of regular keeping of the accounting records, euro 169,700 (equal to 2,631 hours of work) for the limited audit of the condensed consolidated interim financial statements and the half-yearly financial statements included in the interim report of the Banco BPM Group, euro 20,500 (equal to 318 hours of work) for verifications relating to the signing of tax returns, euro 8,195 (equal to 127 hours of work) for verifications relating to the calculation of the contribution to the National Guarantee Fund, euro 32,185 (equal to 499 hours of work) for verification of the translation into English of the separate and consolidated financial statements and the consolidated condensed interim financial statements;*

specifying that the following charges for optional activities to be carried out only on specific request could be added to that consideration: Euro 160,100 (equal to 2,480 hours of work) for the limited audit of the quarterly financial statements, drawn up to determine the quarterly consolidated income (loss) for the period to be included in the regulatory capital and euro 56,120 (equal to 870 hours of work) for the issue of the certification to the European Central Bank (only in the event that any income for the year will be included in the reporting of CET1 as at 31 December);

- for the year ended as at 31 December 2018, euro 1,316,680, of which euro 866,000 (equal to 11,318 hours of work) for auditing the separate financial statements of Banco BPM S.p.A. and compliance of the report on operations with the rules of law and declaration of any material errors, euro 61,000 (equal to 791 hours of work) for auditing the consolidated financial statements of the Banco BPM Group, euro 119,100 (equal to 1,846 hours of work) for the verification of regular keeping of the accounting records, euro 209,700 (equal to 2,966 hours of work) for the limited audit of the condensed consolidated interim financial statements and the half-yearly financial statements included in the interim report of the Banco BPM Group, euro 20,500 (equal to 318 hours of work) for verifications relating to the signing of tax returns, euro 8,195 (equal to 127 hours of work) for verifications relating to the calculation of the contribution to the National Guarantee Fund, euro 32,185 (equal to 499 hours of work) for verification of the translation into English of the separate and consolidated financial statements and the consolidated condensed interim financial statements; specifying that the following charges for optional activities to be carried out only on specific request could be added to that consideration: Euro 200,100 (equal to 2,815 hours of work) for the limited audit of the quarterly financial statements, drawn up to determine the quarterly consolidated income (loss) for the period to be included in the regulatory capital and euro 56,120 (equal to 870 hours of work) for the issue of the certification to the European Central Bank (only in the event that any income for the year will be included in the reporting of CET1 as at 31 December);
- for the years ended as at 31 December 2019 and 31 December 2020, 1,241,680 per year, of which euro 805,000 (equal to 11,073 hours of work) for auditing the separate financial statements of Banco BPM S.p.A. and compliance of the report on operations with the rules of law and declaration of any material errors, euro 57,000 (equal to 766 hours of work) for auditing the consolidated financial statements of the Banco BPM Group, euro 119,100 (equal to 1,846 hours of work) for the verification of regular keeping of the accounting records, euro 199,700 (equal to 2,906 hours of work) for the limited audit of the condensed consolidated interim financial statements and the half-yearly financial statements included in the interim report of the Banco BPM Group, euro 20,500 (equal to 318 hours of work) for verifications relating to the signing of tax returns, euro 8,195 (equal to 127 hours of work) for verifications relating to the calculation of the contribution to the National Guarantee Fund,

euro 32,185 (equal to 499 hours of work) for verification of the translation into English of the separate and consolidated financial statements and the consolidated condensed interim financial statements;

specifying that the following (annual) charges for optional activities to be carried out only on specific request could be added to that consideration: Euro 190,100 (equal to 2,755 hours of work) for the limited audit of the quarterly financial statements, drawn up to determine the quarterly consolidated income (loss) for the period to be included in the regulatory capital and euro 56,120 (equal to 870 hours of work) for the issue of the certification to the European Central Bank (only in the event that any income for the year will be included in the reporting of CET1 as at 31 December);

- for the years ended as at 31 December 2021, as at 31 December 2022, as at 31 December 2023, as at 31 December 2024 and as at 31 December 2025, euro 1,144,950, annually, of which euro 720,300 (equal to 9,760 hours of work) for auditing the separate financial statements of Banco BPM S.p.A. and compliance of the report on operations with the rules of law and declaration of any material errors, euro 52,120 (equal to 690 hours of work) for auditing the consolidated financial statements of the Banco BPM Group, euro 119,100 (equal to 1,846 hours of work) for the verification of regular keeping of the accounting records, euro 192,550 (equal to 2,795 hours of work) for the limited audit of the condensed consolidated interim financial statements and the half-yearly financial statements included in the interim report of the Banco BPM Group, euro 20,500 (equal to 318 hours of work) for verifications relating to the signing of tax returns, euro 8,195 (equal to 127 hours of work) for verifications relating to the calculation of the contribution to the National Guarantee Fund, euro 32,185 (equal to 499 hours of work) for verification of the translation into English of the separate and consolidated financial statements and the consolidated condensed interim financial statements;

specifying that the following (annual) charges for optional activities to be carried out only on specific request could be added to that consideration: Euro 183,189 (equal to 2,650 hours of work) for the limited audit of the quarterly financial statements, drawn up to determine the quarterly consolidated income (loss) for the period to be included in the regulatory capital and euro 56,120 (equal to 870 hours of work) for the issue of the certification to the European Central Bank (only in the event that any income for the year will be included in the reporting of CET1 as at 31 December);

in addition to VAT (where applicable) and the charging of expenses and the supervisory contribution required by CONSOB according to the terms and conditions agreed in the assignment in force, with the rest of the conditions of the latter remaining unchanged;

- 2) to delegate to the Board of Directors, and through it the Chairman and the Managing Director, separately, any and all broader powers, in compliance with the law, to fully execute the above resolution, with any and all powers requisite and appropriate for this purpose, none excluded

*and excepted, including that of making non-substantial modifications to the resolutions, deemed necessary and/or opportune to fulfil all the obligations and formalities related and/or resulting therefrom, pursuant to the applicable regulations or required by the Supervisory Authorities."*

Milan, 20 February 2018

The Board of Statutory Auditors