



**REPORT
OF THE BOARD OF DIRECTORS OF BANCO BPM S.P.A. ON POINT
9 OF THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING**

(Drawn up pursuant to Article 125 *ter* of Italian Legislative Decree No. 58 dated 24 February 1998, as subsequently amended and supplemented, and pursuant to Article 84 *ter* of the Regulation adopted by means of Consob Resolution No. 11971 dated 14 May 1999, as subsequently amended and supplemented)

**Ordinary and Extraordinary Shareholders' Meeting
held on 4 April 2020**

Report of the Board of Directors of Banco BPM S.p.A. on point 9) of the agenda of the Ordinary Shareholders' Meeting called for 4 April 2020, in sole session, with regard to: "Determination of the remuneration of the members of the Board of Directors"

Dear Shareholders,

In addition to the appointment of the members of the Board of Directors, for the years 2020-2021-2022, today's Shareholders' Meeting is called to resolve on the determination of the annual remuneration due to the Board Directors for the entire period of duration of the related mandate and in other words until the date of the Shareholders' Meeting called to approve the Financial Statements for the year ended as at 31 December 2022.

In this connection you are hereby reminded that, in accordance with the matters envisaged by Article 21 of the Bylaws, all members of the Board of Directors are entitled – in addition to reimbursement of expenses incurred due to their office – to an annual amount that is determined by the Shareholders' Meeting at the time of their appointment, to a fixed extent for the entire duration of their office. The distribution of remuneration approved by the Shareholders' Meeting, where not specified thereby, is established by the Board of Directors.

You are hereby reminded that within the sphere of the approval of the merger transaction between the former Banco Popolare Soc. Coop. and the former Banca Popolare di Milano S.c.a r.l., which led to the establishment of Banco BPM S.p.A. (hereinafter the "**Merger**") and the appointment of the Board of Directors whose mandate is expiring, the respective Shareholders' Meetings held on 15 October 2016 had resolved to acknowledge fixed gross annual remuneration of Euro 110,000.00, to each member of the Board of Directors of Banco BPM, for the entire duration of the office (financial years 2017-2018-2019), to be paid *pro rata temporis* relating to the effective length of their office, along with the costs for the third-party insurance coverage for the members of the Board of Directors.

A third-party insurance policy and cumulative occupational accidents policy are envisaged for members of the Board of Directors. To supplement the information supplied, it is also noted that a life insurance policy in favour of the current Chairman of the Board of Directors is in effect.

In conclusion, you are hereby reminded that, for directors assigned particular offices, according to Article 22 of the Bylaws, the Board of Directors, on the basis of proposals formulated by the Remuneration Committee and having obtained the opinion of the Board of Statutory Auditors, will determine the extent of the emoluments to be paid, pursuant to Article 2389.3 of the Italian Civil Code.

In this respect, it is proposed that each member of the Board of Directors, who will be appointed for the years 2020-2021-2022, be acknowledged remuneration essentially in line with that resolved at the time of Merger - in addition to the reimbursement of the costs incurred for their office, the third-party insurance coverage and a cumulative occupational accidents policy - to be paid *pro rata temporis* in relation to the effective duration of the office held. The exact amount of the remuneration to be proposed to the Shareholders' Meeting will be determined at the time and on a consistent basis with the approval, by the management body, of the remuneration policy pursuant to Article 123 *ter* of Italian Legislative Decree No. 58/1998 and the related proposal will be made available to the Shareholders at the time of publication of said policy by the legal deadlines.

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In light of the above, it is proposed to the Shareholders' Meeting that it resolve with regard to the determination of the remuneration to be assigned to each member of the Board of Directors for the years 2020-2021-2022 - in addition to the reimbursement of the costs incurred for their office, the third-party insurance coverage and a cumulative occupational accidents policy - to be paid *pro rata temporis* in relation to the effective duration of the office held.

18 February 2020

The Board of Directors