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## Shareholders' Meeting of 21 April 2021

### Report on item 6) of the agenda

**Integration of the fees paid to Deloitte & Touche S.p.A.,  
the company responsible for auditing the accounts for the period 2017-  
2025, based on a reasoned proposal by the Board of Statutory Auditors**

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**BPER Banca S.p.A.****Ordinary Shareholders' Meeting of 21 April 2021**

**Report pursuant to art. 125-ter of the Consolidated Finance Act (CFA)  
Item 6) on the agenda  
Integration of the fees paid to Deloitte & Touche S.p.A.,  
the company responsible for auditing the accounts for the period 2017-2025,  
based on a reasoned proposal by the Board of Statutory Auditors**

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Shareholders,

With reference to item 6) on the agenda of the Ordinary Shareholders' Meeting, the Board of Directors, based on the provisions of art. 11, paragraph 2, of the Articles of Association, has called this meeting to ask you to resolve, in compliance with the provisions of the law and the relevant regulatory provisions, on the integration of the fees paid to the auditing company Deloitte & Touche S.p.A. (also referred to as the "Independent Auditors"), based on a reasoned proposal by the Board of Statutory Auditors.

By resolution of 26 November 2016, the Shareholders' Meeting of BPER Banca S.p.A. (also the "Parent Company" or "Merging Company") approved, on the reasoned proposal of the Board of Statutory Auditors, the offer of the Independent Auditors of 14 October 2016, appointing the aforementioned auditing company to carry out the audit of the separate and consolidated financial statements of BPER Banca S.p.A. for the years 2017-2025.

The mandate stipulated with Deloitte & Touche S.p.A. on 3 March 2017, provides in paragraph 5 "Update of fees" that *"If circumstances arise that lead to an increase in the time compared with what is estimated in this proposal - such as, for example, a change in the structure or size of the Parent Company and/or Group companies, changes in the structures established within the internal control system, regulatory changes, accounting and/or auditing standards, the performance of complex transactions carried out by the Parent Company and/or by Group companies, additional audit procedures or additional obligations relating to the conduct of the audit, such as for example the request for meetings, information and documents by supervisory bodies, as well as any additional activities carried out in relation to the Companies examined by other auditors, we will inform you of the consequent additions to the fees."*

With resolution of 17 April 2019, the Shareholders' Meeting approved, on a reasoned proposal by the Board of Statutory Auditors, the integration of the fees for the audit of the separate and consolidated financial statements, as requested by Deloitte & Touche S.p.A. on 3 December 2018, as a consequence of (i) the application of new international financial reporting standards (IFRS) that came into force on 1 January 2018 and (ii) the expansion of the scope of the BPER Group, factors which have led to and/or will entail the performance of specific auditing and control activities on a wider scope of consolidation.

With a subsequent resolution of 22 April 2020, the Shareholders' Meeting also approved, on the motivated proposal of the Board of Statutory Auditors, the integration of the fees for

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the audit of the separate and consolidated financial statements, as requested by Deloitte & Touche S.p.A. on 17 October 2019, as a result of (i) the acquisition of Unipol Banca S.p.A. by BPER Banca S.p.A. and (ii) the subsequent absorption of Unipol Banca S.p.A. (or "Merged Company") by BPER Banca S.p.A.

Taking the provisions of this mandate into account, Deloitte & Touche S.p.A. has sent letters, the most recent of which dated 3 February 2021, asking for an integration of its fees, based on the increase in the time involved in additional audit work with respect to what was included in the initial proposal for the years 2017-2025 and on the subsequent additions already approved on 17 April 2019 and 22 April 2020 as a result of the following circumstances and events:

- 1) The merger of Cassa di Risparmio di Bra S.p.A. and Cassa di Risparmio di Saluzzo S.p.A. with BPER Banca S.p.A. (also referred to as the "Merger of the Piedmontese Banks");
- 2) The application of the IFRS 9 to Hedge Accounting;
- 3) The acquisition of two business units comprising a total of 486 Branches and 134 Operating Points ("Gemini Business") from the Intesa SanPaolo Group (hereinafter referred to as the "Gemini Project");
- 4) Change in the method of valuation of real estate assets.

In relation to the Merger of the Piedmontese Banks, which took place on 26 July 2020 with effect from 1 January 2020, for the inclusion of the merged companies' transactions in the financial statements of BPER Banca S.p.A., the Independent Auditors communicated that they would have to carry out supplementary audit procedures for 2020 only (one-off integration) in order to verify the accounting entries for the merger and the correct migration of the figures; then, for the residual period of their mandate 2020-2025 (recurring integration), they would have to perform additional audit work due to the increase in the Parent Company's balance sheet and income statement aggregates as a result of these mergers.

The Parent Company decided to apply the Hedge Accounting rules foreseen in IFRS 9 from 1 July 2020. This required a re-assessment of the hedging strategies governing the transactions in place at 30 June 2020 in order to determine whether certain relationships should be discontinued and re-designated. For 2020 only (one-off integration), the Independent Auditors carried out, audit procedures to verify the correctness of the methodological approach adopted for the transition from IAS 39 to IFRS 9, the correctness of the accounting methods used and the performance of hedge effectiveness tests as required by IFRS 9.

In relation to the Gemini Project, which will be completed in various steps during the first half of 2021, the Independent Auditors foresee, for 2020 and 2021 only (one-off integration), additional audit work to verify the correctness of the acquisition entries and recognition of the assets acquired and liabilities assumed by the Parent Company in accordance with IFRS 3 "Business Combinations", as well as of the disclosures to be made in the separate and consolidated financial statements at 31 December 2020 and 31 December 2021. The increase in the balance sheet and income statement aggregates that the Parent Company will record on completion of the acquisition of the Gemini Business also makes it necessary to review the estimated time that will be needed to carry out the audit for the rest of the audit mandate 2021-2025 (recurring integration), with particular reference to the performance of audit work on the financial statement items relating to

loans and deposits, as well as any other area of the financial statements that will be affected by the acquisition of the Gemini Business.

Lastly, with regard to the Parent Company's decision to change the method of valuing real estate assets, starting in 2021, the Independent Auditors plan, for 2021 only (one-off integration), to carry out additional audit procedures in order to verify the correctness of the impacts of changing the method of valuation, the correctness of the valuation methodology adopted for the purpose of determining the market value of the properties at the date of first-time application of the valuation method, as well as the adequacy and compliance of the disclosures to be made in the financial statements at 31 December 2021 on the transition:

- 1) for properties held for use in the business (governed by IAS 16 "Property, plant and equipment"), from the cost model to remeasurement subsequent to initial recognition;
- 2) for properties held for investment purposes (governed by IAS 40 "Investment property"), from the cost model to fair value.

Furthermore, for the rest of the 2021-2025 mandate (recurring integration), additional activities are required to verify, on a sample basis, the adequacy of the market value at the various reporting dates of the properties held for use in the business and those held for investment purposes, which will also involve an analysis of the appraisals prepared by an independent expert appraiser; additional activities will also be required to verify the correct accounting presentation of the properties at the various reporting dates, of the related impacts on the balance sheet and income statement generated from time to time by their comparison with market value, as well as the related tax effects.

Given the additional audit work considered necessary, Deloitte & Touche S.p.A. presented the following proposal for an increase in audit hours and fees:

### **BPER Banca S.p.A. - Integration of Deloitte & Touche S.p.A. fees**

					SHAREHOLDERS' MEETING - April 2021						
Year of reference of the audit fees	Audit fees (original proposal)		Audit fees (with integrations approved previously)		One-off integration of audit work		Recurring integration of audit work		Total audit fees with integration		
	Hours	Audit fees	Hours	Audit fees	Hours	Audit fees (one-off)	Hours	Audit fees (recurring)	Hours	Audit fees	
2017	16,800	588,000	19,400	728,000	-	-	-	-			
2018	16,800	588,000	19,430	733,500	-	-	-	-			
2019	16,800	588,000	20,760	756,500	-	-	-	-			
2020	16,800	588,000	20,010	722,500	1,720	82,500	70	2,500	<b>21,800</b>	<b>807,500</b>	
2021	16,800	588,000	20,010	722,500	1,575	75,000	5,450	197,500	<b>27,035</b>	<b>995,000</b>	
2022-2025	16,800	588,000	20,010	722,500	-	-	5,450	197,500	<b>25,460</b>	<b>920,000</b>	

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Taking into account the fact that the Shareholders' Meeting of 26 November 2016 did not establish specific criteria for any adjustment of the fees of the Independent Auditors, in compliance with the provisions of article 13, para. 1, of Legislative Decree 39/2010, according to which *"the Shareholders' Meeting, on a reasoned proposal by the Board of Statutory Auditors, assigns the task of auditing the accounts and determines the fees due to the independent auditor or independent auditing company for the entire duration of the assignment"*, the Board of Statutory Auditors examined the aforementioned request of Deloitte & Touche S.p.A. in order to formulate this proposal to be submitted to the Shareholders' Meeting.

For the preliminary investigation that lies within its sphere of competence, the Board of Statutory Auditors:

- examined the proposal of Deloitte & Touche S.p.A. relating to the audit work carried out and to be carried out and the quantification of the estimated hours for the professional roles involved, requesting more details about them and the distinction based on the level of seniority;
- on 10 February 2021, met with the Manager of the Administration and Reporting Department to learn more about the reasonableness of the additional audit work envisaged by Deloitte & Touche S.p.A., in terms of a description of the activities and quantification of the hours and adequacy of the related fees;
- acquired, on 4 February 2021, the positive assessment of the Manager of the Administration and Reporting Department, on the consistency and adequacy of the request for integration of the audit work with the independent audit process referred to in the current assignment and on the reasonableness of its contents, having discussed the terms of the requested integrations, including financial terms, with the managers of the Independent Auditors;
- received from Deloitte & Touche S.p.A., on 27 March 2020, confirmation of their independence referred to in paragraph 6 of EU Regulation 537/2014;
- confirmed their positive assessment of the technical and professional eligibility of Deloitte & Touche S.p.A., considering the adequacy of its organisation and level of knowledge of the Parent Company and of the BPER Group, as well as the specific features of the accounting system and the internal control system of the BPER Banca Group.

During this process, the Board of Statutory Auditors carried out an analysis of the request from Deloitte & Touche S.p.A. and, in particular, of the estimated hours and the related professional mix (the so-called "seniority pyramid"), also by comparison with those envisaged for the current audit of the separate and consolidated financial statements of BPER Banca S.p.A. for the years 2017-2025, including the integrations approved by the Shareholders' Meetings of 17 April 2019 and 22 April 2020.

They also took steps to request additional information to help in ascertaining the reasonableness of the assumptions underlying the request for additional fees, such as:

- whether the additional work - and hence the need for additional audit hours - was justified:
  - as regards the part relating to the recurring integration, by the substantial increase in the balance sheet and income statement aggregates of BPER Banca S.p.A. on completion of the Merger of the Piedmontese Banks and the acquisition of the Gemini Business, and, to a lesser extent, by the additional audit work linked to the change in the method of valuing real estate assets

- and the consequent need to develop an adequate control system to oversee the process;
- with regard to the part relating to the one-off integration for the years 2020 and 2021, (i) by the audit work on required following the execution of complex transactions, to verify correct recognition of the assets acquired and the liabilities assumed following the Merger of the Piedmontese Banks and the acquisition of the Gemini Business and, consequently, to verify the disclosures to be made in the separate and consolidated financial statements at 31 December 2020 and 31 December 2021, (ii) audit work to verify correct first-time application of IFRS 9 to Hedge Accounting and the change in the method of valuing real estate assets;
  - substantially no change in the mix of professionals used to carry out the recurring supplementary activities;
  - greater involvement of more senior members of staff, as well as specialists, to perform the additional one-off activities considered more complex, for the years 2020 and 2021;
  - these additional hours were then valued at the same conditions as the original audit proposal, as regards the performance of additional recurring activities, given that there was no real change in the seniority pyramid;
  - an increase in the average hourly rate for the additional one-off activities for the years 2020 and 2021, given the higher seniority of the professionals involved.

As a result of these assessments and the checks that we have carried out, we as the Board of Statutory Auditors believe, also in light of the attestations made by the relevant corporate functions, that the request for integration of the audit work and related economic conditions is consistent with the independent audit process referred to the current assignment, adequate in consideration of the additional audit work imposed by the change in the scope of operations of the BPER Group, and fair in relation to the professional commitment required, also with respect to what was originally estimated and already integrated with the Shareholders' Resolutions of 17 April 2019 and 22 April 2020 referred to previously.

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### **Resolution proposed to the Shareholders' Meeting**

Accordingly, the Board of Statutory Auditors submits the following proposal to the Shareholders' Meeting for its approval:

*"The Ordinary Shareholders' Meeting of BPER Banca S.p.A.,*

- *having taken note that on 3 February 2021 Deloitte & Touche S.p.A. made a request for the integration of the estimated audit hours and fees for the additional work required compared with the initial audit proposal and subsequent integrations already approved;*
- *having examined the reasoned proposal of the Board of Statutory Auditors containing the terms of the requests of the Independent Auditors, formulated at the outcome of the analyses and verifications of competence carried out, also in collaboration with the corporate functions of BPER Banca S.p.A. and with the*

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*Independent Auditors, having assessed the overall requests advanced in relation to the additional work compared with what was originally estimated and subsequent integrations already approved,*

*resolves*

1. *to update, in line with the terms and integration requests formulated by Deloitte & Touche S.p.A. on 3 February 2021, the fees for the audit of the separate and consolidated financial statements of BPER Banca S.p.A. approved by the Shareholders' Meeting of BPER Banca S.p.A. on 26 November 2016 for the years 2017-2025, as follows:*

- integration of fees for work that refers to 2020: Euro 85,000, of which Euro 82,500 for one-off audit work and Euro 2,500 for recurring audit work;*
- integration of fees for work that refers to 2021: Euro 272,500, of which Euro 75,000 for one-off audit work and Euro 197,500 for recurring audit work;*
- integration of fees for each year from 2022 to 2025: Euro 197,500, exclusively for recurring audit work.*

*with the consequent integration of the fees for each year from 2020 to 2025, previously approved at Euro 756,500 per year, raising them to Euro 807,500 for 2020, Euro 995,000 for 2021 and Euro 920,000 for each of the years from 2022 to 2025.*

2. *to grant a mandate separately to the Chairman of the Board of Directors and the Chief Executive Officer to carry out - also through others delegated by them - anything that may be required, necessary or useful for the execution of the matters that have been resolved, as well as to fulfil the relevant formalities, as necessary, at the competent bodies and/or offices, with the right to introduce any non-substantial changes that may be required for the purpose, and in general everything that is necessary for their complete execution, with all the necessary and appropriate powers, in compliance with the current regulatory provisions".*

Modena, 3 March 2021

The Board of Statutory Auditors

Paolo De Mitri (Chairman)  
Cristina Calandra Buonauro  
Diana Rizzo  
Francesca Sandrolini  
Vincenzo Tardini