



Shareholders' Meeting of 20 April 2022
Report of the Board of Directors
on the fifth item on the agenda

Information on internal control policies in terms of risk activities and conflicts of interest with related parties, in compliance with the requirements of Bank of Italy Circular 285 dated 17 December 2013.

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BPER Banca S.p.A.**Shareholders' Meeting of 20 April 2022*****Report of the Board of Directors
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Shareholders,

With reference to the fifth item on the agenda for the Shareholders' Meeting, the Board of Directors – in compliance with the requirements of Bank of Italy Circular 285 dated 17 December 2013 on “Risk activities and conflicts of interest with related parties” (Third Part, Chapter 11, Section IV) – intends to inform the Meeting about the revision during 2021 of the Group policy for governing the risk of non-compliance with regard to conflicts of interest with related parties and risk activities with associated persons (the “Policy”), adopted by BPER Banca S.p.A. (“BPER” or the “Bank” or the “Company”) in accordance with the requirements of the above Circular and Consob Regulation 17221 dated 12 March 2010 on transactions with related parties (the “RPT Regulation”).

In this regard, it is noted that the above Policy was adopted by the Board of Directors of the Bank on 14 March 2019, to replace the related pre-existing internal regulation. At that time, in performing its duty to direct and coordinate the BPER Banca Banking Group, the Board of Directors also required the other Italian and foreign banks and companies within the Group to adopt the above document, which they did appropriately.

Following revision of the RPT Regulation by Consob resolution 21624 dated 10 December 2020, the BPER Board of Directors updated the above Policy in May 2021.

Among other matters, this Policy establishes for the entire Group:

- a) criteria for the identification and classification of related parties and associated persons, as well as operations of greater and lesser significance;
- b) exceptions to and exemptions from application of the Policy, without prejudice to any disclosure obligations. In particular, the exemptions relate to: intercompany transactions, in the absence of significant interests involving other related parties or associated persons; routine transactions carried out on market or standard terms and conditions; low value transactions, being those with a value of not more than Euro 200,000, if the counterparty is a natural person (including the professional associations of which the related party is a member), or not more than Euro 500,000, if the counterparty is not a natural person;

- c) rules for transactions involving the remuneration of exponents, *i.e.* transactions with persons deemed relevant pursuant to the RPT Regulation, including remuneration of the members of the Board of Directors and the Executive Committee, directors vested with specific responsibilities and other executives with strategic responsibilities, for whom - subject to the disclosure obligations - the authorisation process envisaged in the Policy is not applied, on condition that these transactions are consistent with the remuneration policy approved at the Shareholders' Meeting and that the policy does not allow discretion with respect to application of the criteria established therein;
- d) rules and procedures governing the processing, negotiation, decision and approval phases of each transaction, distinguishing between: (i) transactions of greater significance, approval for which is reserved solely for the Board of Directors, having received a favourable opinion from the Related-Party Transactions Committee (*i.e.* Board Committee comprising solely directors who meet the independence requirements established in the Articles of Association), after its involvement in the processing and negotiation phases of each transaction; and (ii) transactions of lesser significance, prior to which the Related-Party Transactions Committee is required to express a non-binding opinion. Consistent with the new requirements of the RPT Regulation, it is envisaged that, with regard to transactions falling within the competence of the Board of Directors, the Board shall adopt resolutions with the abstention of any directors involved in each specific transaction, *i.e.* of any Directors who have an interest in the transaction, whether personal or on behalf of third parties, that conflicts with the interests of the Bank;
- e) rules for the Transactions of Greater Significance referred to the Shareholders' Meeting, for which the Board of Directors may approve the proposed resolution for submission to the Shareholders' Meeting, even if the Related-Party Transactions Committee has expressed an adverse opinion, according to the terms and deadlines specified in the Policy;
- f) the checks to be carried out on completed transactions that result in losses, the recognition of bad loans, or settlements agreed in court or out of court;
- g) criteria for checking the independence any experts used by the Related-Party Transactions Committee;
- h) the information to be provided to the Related-Party Transactions Committee and other corporate bodies about transactions with related parties, including with reference to any transactions that are exempt;
- i) the information to be provided to Consob and the market, including in periodic financial reporting;
- j) rules for when the Parent Company examines or approves the transactions of Italian or foreign subsidiary banks and companies, and similar safeguards in relation to Italian non-banking companies and the Group's foreign banks.

Alongside the Policy, a number of additional internal regulations have been adopted to cover specific organisational and procedural matters, with a view to detailing how to manage complex processes in the various operational areas.

In accordance with the Supervisory Instructions mentioned, the Policy and the above internal regulations also govern the regulatory, organisational and procedural checks needed to ensure compliance with the prudential limits established by the Bank of Italy for risk activities with associated persons.

Lastly, it is confirmed that the updates were completed in compliance with the Group procedure for issuing internal regulations, which includes the issue of consistency and conformity opinions by the competent functions. Additionally, in accordance with specific regulatory and supervisory requirements, the Board of Statutory Auditors and the Related-Party Transactions Committee of the Parent Company expressed detailed and reasoned prior opinions, with binding effect, on the

overall suitability of the Policy for achieving the objectives established in the regulations concerned.

The complete version of the Policy is available on the Bank's website at the address <https://istituzionale.bper.it/governance/documents>.

BPER Banca S.p.A.
The Chair
Flavia Mazzarella