

# BPER:

Banca

## REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

Pursuant to  
art. 123-bis  
of Legislative Decree  
58/1998

Standard model  
for administration  
and control  
**YEAR 2020**

Modena, 16 March 2021

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# Glossary

## ECB

European Central Bank, registered office at Frankfurt am Main (Germany), Sonnemannstrasse 20.

## BPER Banca or BPER or Issuer or Bank or Parent Company or Company

BPER Banca S.p.A. – as resulting from the transformation of Banca popolare dell'Emilia Romagna società cooperativa into a "company limited by shares", following a resolution passed by the Shareholders' Meeting on 26 November 2016 - registered office in Via San Carlo 8/20, Modena, (Italy), Parent Company of BPER Banca Group.

## Borsa Italiana or Borsa

Borsa Italiana S.p.A., registered office at Piazza degli Affari 6, Milan (Italy)

## Italian Civil Code or Civil Code

The Italian Civil Code, Royal Decree no. 262 of 16 March 1942 and subsequent amendments and additions.

## Corporate Governance Code 2018 or Code

The Corporate Governance Code 2018 for listed companies, updated from time to time, approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, ANIA, Assonime, Confindustria and Assogestioni.

## Corporate Governance Code 2020

The Code of Conduct for listed companies, approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, ANIA, Assonime, Confindustria and Assogestioni, which replaces the Corporate Governance Code 2018 from 1 January 2021.

## Board of Statutory Auditors or Statutory Auditors

The Board of Statutory Auditors of BPER Banca.

## Board of Directors or Board or B.o.D.

The Board of Directors of BPER Banca.

## CONSOB

National Commission for Companies and the Stock Exchange with registered office in Via G.B. Martini 3, Rome (Italy).

## Executive responsible for financial reporting

The Executive responsible for financial reporting (art. 154-bis of Legislative Decree no. 58 of 24 February 1998).

## Supervisory Provisions

Supervisory Provisions for Banks issued by Banca d'Italia with Circular 285 of 17 December 2013 and subsequent amendments and additions.

## EBA

European Banking Authority with registered office in Paris (France), 20 avenue André Prothin

## ESG (Environmental, Social, Governance)

Indicates activities related to responsible investment that pursue the typical objectives of financial management by taking into consideration aspects of an environmental, social and governance nature.

## FTSE MIB

The FTSE MIB Index measures the performance of 40 Italian equities and seeks to replicate the broad sector weightings of the Italian stock market.

## BPER Banca Group or BPER Group or Group

The "BPER Banca S.p.A." banking group comprising banks and finance, property and service companies, as well as various other types of company.

## Stock Market Instructions

The Instructions accompanying the Regulations for the Markets organised and managed by Borsa Italiana S.p.A.

## MTA

Mercato Telematico Azionario, the electronic equities market organised and managed by Borsa Italiana.

## Stock Market Regulation

The Regulation for the Stock Markets organised and managed by Borsa Italiana S.p.A.

## Issuers' Regulation

The Regulation approved by CONSOB Resolution no. 11971 dated 14 May 1999 and subsequent amendments and additions.

## Market Regulation

The Regulation approved by CONSOB Resolution 20249 dated 28 December 2017 and subsequent amendments and additions.

## CONSOB Related Parties Regulation

The Related Parties Regulation issued by Consob with resolution 17221 of 12 March 2010 on related party transactions and subsequent amendments and additions.

## Report on Corporate Governance or Report

The Report on Corporate Governance and the Ownership Structure (Report on Corporate Governance) that companies are required to prepare pursuant to art. 123-bis of the Consolidated Finance Act.

## Member/s and/or Shareholder/s

In the interests of clarity, note that with respect to any reference in this Report to such parties, the terms Member/s and Shareholder/s have been used interchangeably.

## Articles of Association or Articles

BPER Banca's Articles of Association, in force at the date of this Report, are published on the website [www.bper.it](http://www.bper.it) – Institutional > Governance > Documents.

## Consolidated Banking Act or CBA

Legislative Decree no. 385 dated 1 September 1993 (Consolidated law on banking and lending matters) and subsequent amendments and additions.

## Consolidated Finance Act or CFA

Legislative Decree no. 58 dated 24 February 1998 (Consolidated law on financial intermediation) and subsequent amendments and additions.





## Letter of the Chairman of the Board of Directors

Dear shareholders,

I believe the huge complexity of the year just passed is clear to all of you, in which the health emergency quickly turned into an economic and social emergency. In such a delicate situation, the BPER Group has taken prompt and efficient steps to guarantee the continuity of its service, paying the maximum attention to the health of its employees, customers and all those who, in various capacities, have relations with the Bank.

But 2020 will also be remembered for extremely important developments on the business front: the acquisition of a significant business unit, which today allows our institution to expand into strategic areas, especially in the north-west of the country and in Lombardy, as well as in the Marche and other regions. Therefore, BPER's dimensions have increased substantially in terms of the number of branches, total funding and total assets, becoming the third banking Group in the country.

Furthermore, with reference to corporate governance, the year just passed signalled the start of a major process of change of Group governance, culminating, at the beginning of 2021, in the approval of some amendments to the Articles of Association that concern the mechanism for the election of the new Board of Directors. The objective is to attribute to the various members of the shareholding structure, representation on the company's governance body, in proportion to the number of votes achieved at the Shareholders' Meeting. This will make it possible to further increase the number of positions present in the Board of Directors, with positive effects for the Bank and for all its stakeholders.

As you know, the approval of the 2020 financial statements will mark the end of the mandate of the current Board, which, in the three-year period just ended, marked by significant changes, was able to ensure effective governance of our Group, monitoring the strategic aspects it was called to address with competence and skill. Therefore, the corporate bodies will be renewed at the next Shareholders' Meeting. From this perspective, the Board, with the support of the Appointments Committee, aimed to provide its opinion to best direct the shareholders called to elect the new Administrative Body which, in turn, will find itself operating in a difficult and constantly evolving economic and market context. Based on these premises, I am certain that the new Board will be able to rise to the task.

Lastly, a word on the annual report, which you'll find revised graphically and enriched in terms of content: the choice is proof of the Group's constant commitment to search for the best governance solutions and increasingly more effective dialogue with shareholders and stakeholders.

I'll like to finish by thanking you for your attention and wishing you all happy reading.

The Chairman  
**Pietro Ferrari**





# Introduction

This Report is drafted on the basis of the provisions of art. 123-bis of the Consolidated Finance Act to provide the market with the information outlined therein: structure and functioning of the corporate bodies, governance procedures actually applied, compliance with the code of conduct regarding corporate governance. By availing itself of the possibility set forth in paragraph 3 of said article, for many years BPER has provided said information in this special Report, separate from the "Directors' report", which is an integral part of the financial statements.

In the preparation of this Report, account has been taken of the Corporate Governance Code for listed companies, promoted by the Corporate Governance Committee, which BPER adopted on 5 September 2017 - which has remained in force until the close of 2020, then replaced by the new "Corporate Governance Code 2020", as well as, as is usual practice, of the "Format for the report on corporate governance and ownership structure" prepared by Borsa Italiana S.p.A. as a useful tool to assist companies in the provision of disclosures on the application of the recommendations of the aforementioned Code, as well as those prescribed by law.

Moreover, in the preparation of this Report, account has been taken of the indications contained in Directive 2013/34/EU<sup>1</sup> and in Recommendation 2014/208/EU<sup>2</sup> on the information to be provided in reports on corporate governance and on the quality thereof. Borsa Italiana's instructions on how to prepare the Report have been supplemented by additional information considered useful for disclosure to Shareholders and the market.

The present Report also aims at complying with public disclosure requirements as per Banca d'Italia Circular 285/2013, Part I, Title IV, Chapter 1, Section VII. In this regard, reference should be made to the table included in Chapter 1 of this Report "Profile of the Issuer" that provides, for each disclosure

requirement, a reference to the pertinent Chapter/Paragraph. In accordance with the CRR<sup>3</sup>, it should be noted that the information provided in this Report concerning "risk management" and "remuneration policies" is consistent with the same content included in the document entitled "Public disclosure at 31 December 2020 - Pillar 3", which is available, together with the financial statements<sup>4</sup>, on the website [www.bper.it](http://www.bper.it) - Institutional > Investor Relations.

The Independent Auditors' Report prepared in accordance with art. 14 of Legislative Decree 39/2010 and art. 10 of Regulation (EU) 537/2014, as attached to the 2020 separate financial statements and consolidated financial statements of BPER Banca S.p.A., also expresses an opinion on the consistency of certain specific information contained in this Report with the respective financial statements and its compliance with the provisions of art. 123-bis, paragraph 4, of the Consolidated Finance Act.

The present and previous Reports on corporate governance are available on the website [www.bper.it](http://www.bper.it) - Institutional > Governance > Documents, as well as on Borsa Italiana S.p.A.'s website [www.borsaitaliana.it](http://www.borsaitaliana.it).

## Contacts

**BPER Banca** aims to ensure active and constructive dialogue with its investors and, therefore, invites the reader to use the contacts indicated hereunder for clarifications or information requests:

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<sup>1</sup> Article 20 (Report on corporate governance) of Directive 2013/34/EU of the European Parliament and the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC.

<sup>2</sup> Section II (Quality of reports on corporate governance) of Recommendation (2014/208/EU) of the Commission of 9 April 2014 on the quality of disclosure about corporate governance («comply or explain» principle).

<sup>3</sup> Regulation 2013/575/EU of 26 June 2013 (and subsequent updates), art. 434 "Means of disclosures".

<sup>4</sup> As from 31 December 2020, the Bank has adopted the Guidelines on disclosure requirements pursuant to part eight of Regulation (EU) 575/2013 issued by the EBA on 4 August 2017. Section E of these Guidelines provides clarification regarding the timing and frequency of disclosures.



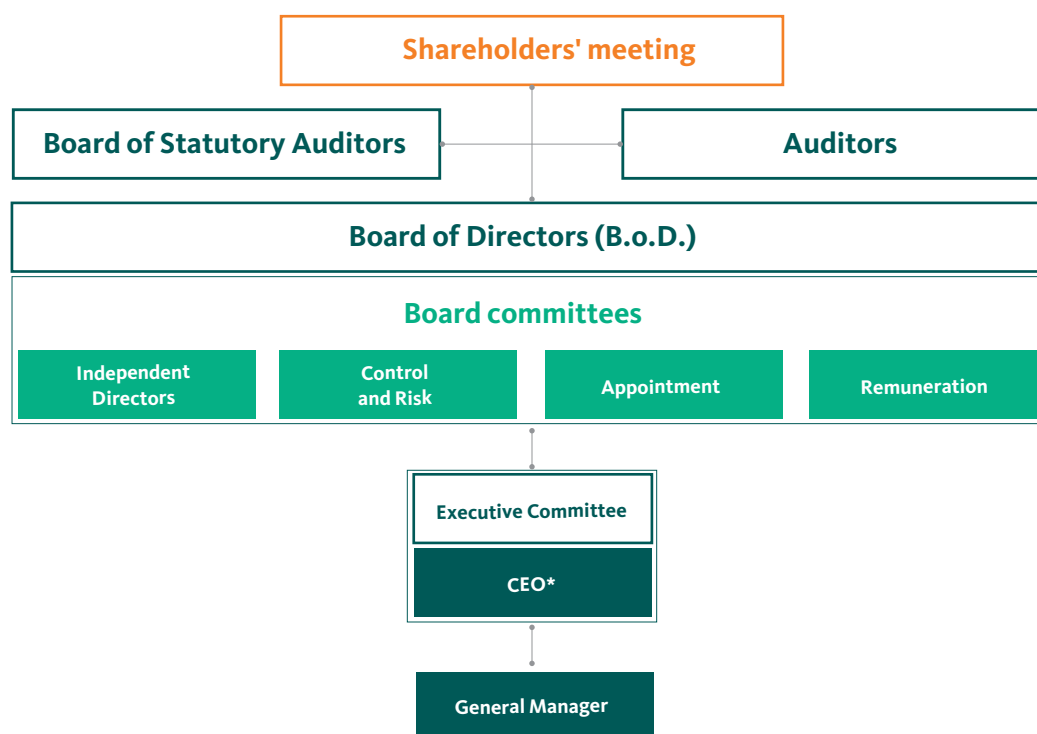
# 1. Profile of the Issuer

BPER Banca is a company limited by shares and its registered office is located at Via San Carlo 8/20, Modena (Italy). It is the issuer of shares listed on the Mercato Telematico Azionario (MTA) organised and managed by Borsa Italiana. The BPER stock is also included in the FTSE MIB index.

The Bank originated from mergers of various banks, all more than 100 years old, with the first and foremost having been Banca Popolare di Modena, which was incorporated on 12 June 1867; since its inception, the Bank has adopted the standard system of administration and control described in paras. 2, 3 and 4 of Section VI-bis, Chapter V, Title V, Book V of the Civil Code, which envisages the existence of a Board of Directors and a Board of Statutory Auditors.

## Governance and organisation

The governance structure of the Bank in December 2019 is explained below.



(\*) From 1 January 2020, the Chief Executive Officer also performs the duties of the General Manager.

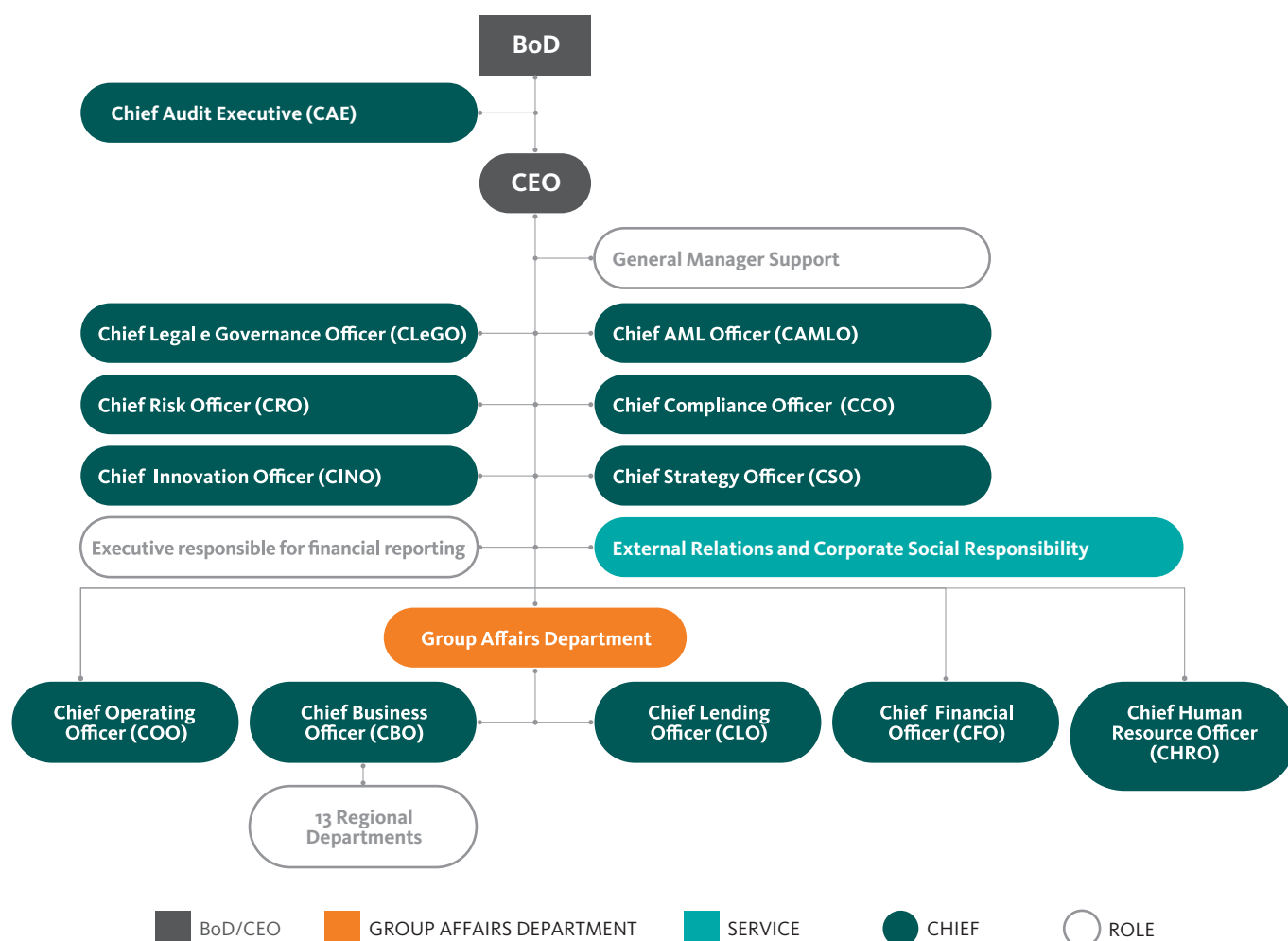
As from the date of implementation of the European Single Supervisory Mechanism (4 November 2014), BPER has been subject to prudential supervision by the European Central Bank, given that it is a "significant bank" pursuant to art. 6, para. 4 of Regulation (EU) 1024/2013<sup>5</sup>. Due to the foregoing and to the fact that it is a listed bank, BPER falls within the category of "larger and more complex banks" indicated by the Supervisory Provisions for Banks, Banca d'Italia Circular 285/2013, Part I, Title IV, Chapter 1.

<sup>5</sup> Council Regulation (EU) 1024/2013 of 15 October 2013 that assigns specific tasks to the European Central Bank concerning policies relating to the prudential supervision of credit institutions that set up the European Single Supervisory Mechanism.

In compliance with Decree Law 3/2015 ("Urgent measures for the banking system and investment") converted into Law 33/2015, following a resolution passed by the Bank's Shareholders' Meeting on 26 November 2016 - registered with the Modena Register of Companies on 28 November 2016 - the legal form was transformed from a cooperative company to a company limited by shares and the company name was changed from "Banca popolare dell'Emilia Romagna società cooperativa" to "BPER Banca S.p.A.". The Shareholders' Meeting also approved a change in the banking group's name to "BPER Banca Group".

Pursuant to art. 2 of its Articles of Association, BPER Banca S.p.A.'s corporate objects include the taking of deposits and the provision of loans in their various forms, both directly and through subsidiaries. It pays particular attention to the enhancement of local resources in the areas where it is present through its own distribution network and that of the Group. Pursuant to art. 8 of the Articles of Association, in order to achieve its corporate objects, the Bank, directly or through its subsidiaries, may in compliance with current regulations carry out all permitted banking and financial operations and services, as well as all other operations that are useful or in any case related to the achievement of its objects.

The organisation chart of the Bank at December 2020 is set out below.



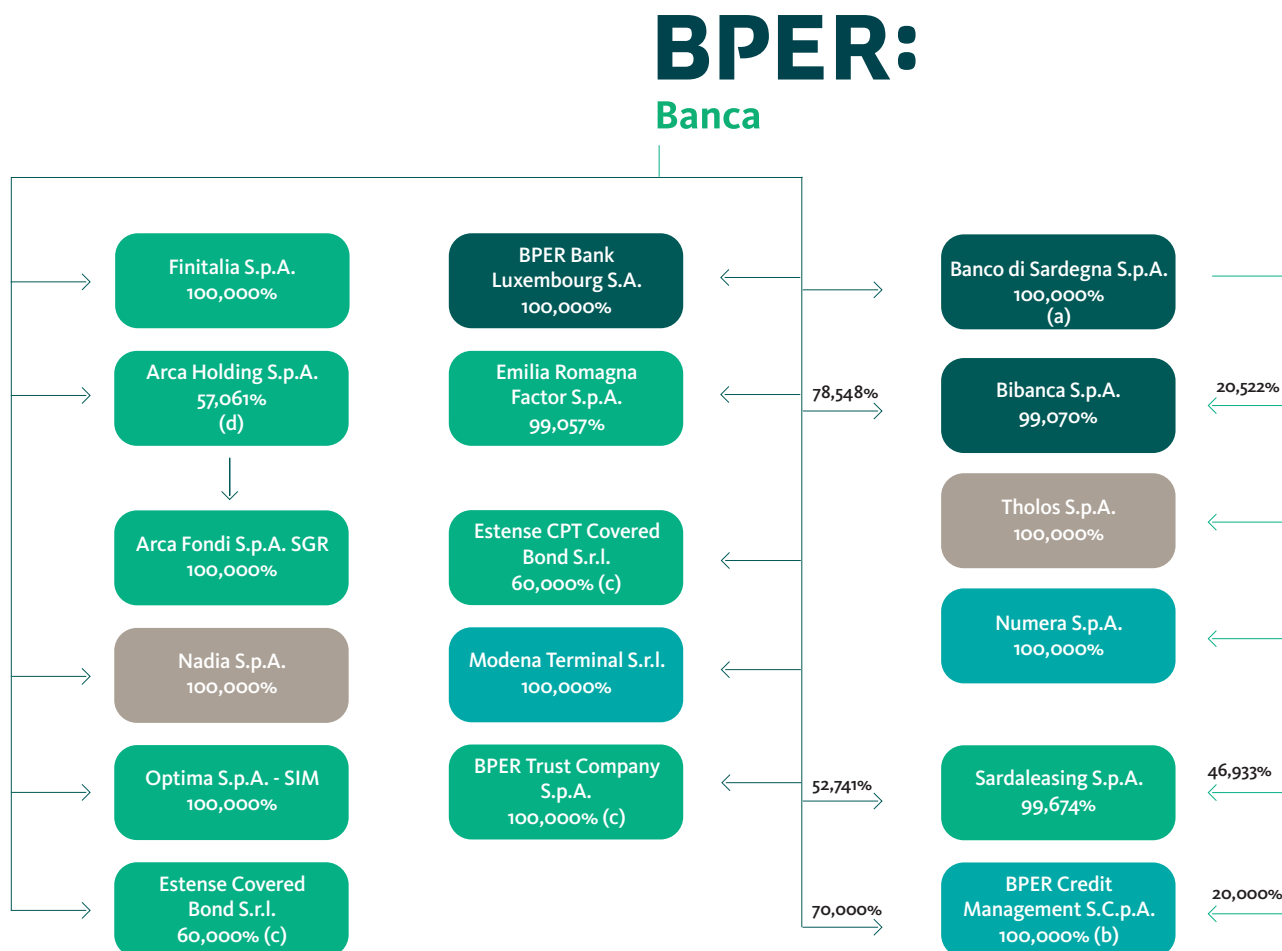
From 1 January 2020, the Chief Executive Officer, Alessandro Vandelli, also fulfils the role of General Manager (for insights see Paragraph 22.1).

In addition, a new senior management structure was created to maximise the focus on higher valued-added areas (strategy, innovation, optimisation of results), simplify hierarchical decision making and increase commitment.

BPER Banca is the parent company of the Banking Group of the same name that was formed in 1992, now called BPER Banca S.p.A. Group.

Legal Entities are subject to management control and coordination (as per art. 61 of the Consolidated Banking Act) by the Parent Company, which provides guidelines for the implementation of the instructions issued by Banca d'Italia in the interests of the Group and its stability.

The Group structure as at 31 December 2020 is set out below.



a) Corresponding to 99.124% of the entire amount of share capital comprising ordinary and preferred shares.

b) Also part of BPER Credit Management S.C.p.A.:

- Sardaleasing S.p.A. (6.000%)
- Bibanca S.p.A. (3.000%)
- Emilia Romagna Factor S.p.A. (1.000%)

c) Subsidiaries consolidated using the equity method.

d) Company not recorded as part of the Group as it lacks the necessary instrumentality requirements.

The scope of consolidation also includes subsidiaries of the Parent Company not recorded as part of the group, as they lack the necessary instrumentality requirements, consolidated with the equity method:

- Adras S.p.A. (100%)
- Italiana Valorizzazioni Immobiliari S.r.l. (100%)
- Sifà S.p.A. (100%)

## Public disclosures pursuant to the Supervisory Provisions for Banks, Banca d'Italia Circular 285/2013, Part I, Title IV, Chapter 1, Section VII<sup>6</sup>

Information required by the Supervisory Provisions for Banks	Chapters/Paragraphs of the Report in which the information is included
Disclosure on the general lines of the organisational structures and of corporate governance adopted in implementation of the provisions of Chapter 1, Title IV, Part I, Banca d'Italia Circular 285/2013.	Chapter 1 (Profile of the Issuer)
Justified indication of the category in which the Bank is included following the valuation process pursuant to Paragraph 4.1, Section I, Chapter 1, Title IV, Part I, Banca d'Italia Circular 285/2013.	Chapter 1 (Profile of the Issuer)
Overall number of members of the joint bodies and reasons, represented in detail, for any situations where the limits set in the application guidelines of Section IV, Chapter 1, Title IV, Part I, Banca d'Italia Circular 285/2013, were exceeded. Breakdown of members at least by age, gender and duration in office.	Paragraph 4.2 (Board of Directors) and Chapter 19 (Board of Statutory Auditors).
Number of directors who meet the independence requirements.	Paragraphs 4.2 (Board of Directors - Table) and 4.7 (Independent Directors).
Number of directors expressed in minority lists.	Paragraph 4.2 (Board of Directors - Table).
Number and type of engagements held by each company representative in other companies or entities.	Table 3 (Board of Directors) and Table 5 (Board of Statutory Auditors).
Number and name of internal board committees established, their functions and duties.	Paragraph 4.2 (Board of Directors - Table); Chapter 6 (Internal committees of the B.o.D.); Paragraphs 4.2 and 4.5.2 (Executive Committee); Chapter 7 (Appointments Committee); Chapter 8 (Remuneration Committee); Chapter 10 (Control and Risk Committee); Chapter 11 (Independent Directors' Committee).
Any succession policies prepared, number and types of offices concerned.	Paragraph 4.1 (Board of Directors).

<sup>6</sup> Banca d'Italia Circular 285/2013, Part I, Title IV, Chapter 1, Section VII, Public disclosure obligations: "The banks, in addition to the disclosure requirements arising from the European Union's regulatory provisions and from Banca d'Italia's supervisory provisions, shall make public in a clear and detailed manner and shall constantly update the following information: (Editor's note: see list on the left part of the table). The banks shall publish the above information on their website. The information to be published on the bank's website, inclusive of disclosure of an outline of the organisational structure and corporate governance, may also be provided via reference to other documents available on the website itself, comprising the Articles of Association, as long as the relevant information is easily consultable and accessible via a clear, working link".

## Corporate Social Responsibility

For information and details on Corporate Social Responsibility, reference should be made to the 2020 Consolidated non-financial statement (Sustainability Report) prepared according to Legislative Decree 254/2016.

The Consolidated non-financial statement is published together with the financial statements and with the same timing in accordance with the law and made available on the website [www.bper.it](http://www.bper.it) – Institutional > Sustainability.

## Reference SDGs







## 2. Information on the ownership structure (art. 123-bis, paragraph 1, Consolidated Finance Act)

This section provides information on the ownership structure as required by art. 123-bis, paragraph 1, of the Consolidated Finance Act.

As regards the information required by the above article:

- i) ("agreements between the company and the directors [...] that provide for indemnities for directors in the event of resignation or dismissal/termination without just cause or if the employment is terminated following a takeover bid"), reference should be made to Paragraph 9.1 below concerning the remuneration of Directors;
- l) ("rules applicable to the appointment and replacement of directors [...] as well as amendments to the Articles of Association, other than legislative or regulatory requirements that are applicable in a supplementary capacity") are illustrated in Paragraph 4.1 below, in the Chapter regarding the Board of Directors.

Further information is also provided, in summary form, in Table 1 attached to this Report.

### 2.1 Structure of share capital (art. 123-bis, paragraph 1.a), Consolidated Finance Act)

The share capital of the Bank (fully subscribed and paid-up) amounts to Euro 2,100,435,182.40 and consists of 1,413,263,512 registered ordinary shares, with no nominal value. See para. 2.9 for information about the capital increases carried out during the year.

On 25 July 2019, the Bank issued the "Additional Tier 1" convertible bond for a total nominal amount of Euro 150,000,000, subscribed for in full by Fondazione di Sardegna for a total price of Euro 180,000,000 (the bond conditions allow their conversion into BPER Banca shares with a maximum nominal value of Euro 150,000,000 and premium of Euro 42,857,142, via the issue of up to 35,714,286 ordinary shares at a unit price of Euro 4.2, of which Euro 3 allocated to capital and Euro 1.2 to share premium).

Within the limits established by current regulations, the Company, by resolution of the Extraordinary Shareholders' Meeting may issue categories of shares carrying different rights with respect to the ordinary shares, and may determine such rights, as well as financial instruments with equity or administrative rights. All the shares belonging to the same category carry the same rights.

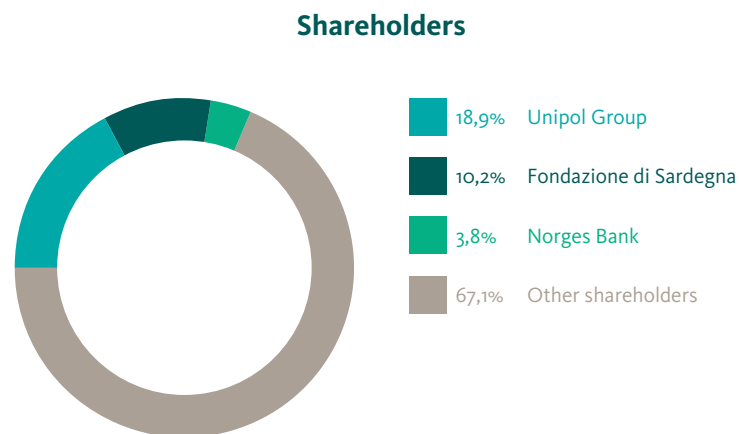
As of the date of this Report, no categories of shares had been issued other than ordinary shares.

Category of shares	No. of shares	% of share capital	Listing market	Rights and obligations
Ordinary shares	1,413,263,512	100.00	FTSE MIB	The shares are indivisible and each share gives the right to one vote. Holders of the shares can exercise shareholders' and equity rights, in respect of the limits set by the legislation in force and the Articles of Association.

It should be noted that the remuneration plans adopted, submitted each year to the Shareholders' Meeting, consisted of "phantom stock plans", which means that they did not lead to any allocation of shares that would have involved an increase in capital, bonus issues included.

The "Long-Term Incentive (LTI) Plan 2019-2021" was introduced in 2019 with a view to granting ordinary shares in BPER Banca, without charge, to those directors and employees of the Bank and its subsidiaries whose functions are recognised by the Board of Directors to be of strategic importance in achieving the objectives of the Group. Adoption of the above LTI Plan - serviced by the purchase of treasury shares authorised at the Ordinary Shareholders' Meeting (see Paragraph 2.9 below) - did not involve increasing share capital, not even by a bonus issue (the value of treasury shares purchased will be deducted from the shareholders' equity reported in the statement of financial positions for the years concerned).

For details, please refer to the "Information document on the stock-based remuneration plan - 2020 Phantom Stock" published on the website [www.bper.it](http://www.bper.it) - Institutional > Governance > Shareholders' Meeting: Ordinary Shareholders' Meeting of 22 April 2020 and "Long Term Incentive Plan 2019-2021" published on the website [www.bper.it](http://www.bper.it) - Institutional > Governance > Ordinary Shareholders' Meeting of 17 April 2019.



## 2.2 Restriction on the transfer of securities (art. 123-bis, paragraph 1.b), Consolidated Finance Act)

The Articles of Association do not provide for any limits on the possession of shares nor for any restrictions on their transfer.

Transactions in shares carried out by relevant parties and by persons closely associated with them pursuant to (i) art. 114, paragraph 7, of the Consolidated Finance Act; (ii) arts. 152 sexies, septies and octies of the Issuers' Regulation and (iii) art. 3, paragraphs 1.25 and 1.26 of Regulation (EU) no. 596/2014 (MAR), are subject to the instructions on *Internal Dealing*. For persons who perform administrative, control or management functions for the issuer, art. 19, paragraph 11, of the above Regulation (EU) no. 596/2014 has introduced a ban on transactions being conducted, on one's own behalf or on behalf of third parties, directly or indirectly, during a period of 30 calendar days prior to an annual, half-yearly or quarterly financial report announcement.

The Bank has adopted specific regulations and internal procedures for the required reporting via the adoption of the "Regolamento di Gruppo del processo di gestione dell'Internal Dealing (normativa Market Abuse)", as published on the website [www.bper.it](http://www.bper.it) - Institutional > Governance > Documents > Internal Dealing.

### **2.3 Significant holdings of share capital (art. 123-bis, paragraph 1.c), Consolidated Finance Act)**

Pursuant to art. 120 of the Consolidated Finance Act, those with a significant shareholding in a listed company must notify the investee company and CONSOB. Unless exempt pursuant to art. 119-bis of the Issuers' Regulation, shareholders are obliged to notify their equity investments in listed issuers, such as BPER, when they own more than 3% of share capital or reach or exceed the further thresholds established or subsequently fall below those thresholds. In this regard, it should be specified that, at the date of this Report, CONSOB has established a temporary minimum threshold of 1% (instead of 3%), without prejudice to the exemptions from the obligations to communicate significant shareholdings set forth in art. 119-bis of the Issuers' Regulation.

For updated information on shareholdings communicated in compliance with regulatory obligations in force, reference should be made to the websites of CONSOB ([www.consob.it](http://www.consob.it)).

### **2.4 Securities carrying special rights (art. 123-bis, paragraph 1.d), Consolidated Finance Act)**

At the time of this Report, no securities carrying special rights of control and/or other special power have been issued, nor multiple or increased voting shares.

The Articles of Association do not provide for the issue of multiple or increased voting shares.

### **2.5 Shares held by employees: mechanism for exercising voting rights (art. 123-bis, paragraph 1.e), Consolidated Finance Act)**

At the time of this Report, there are no employee share ownership plans that involve the exercise of their voting rights by appointed representatives. Accordingly, the current regulatory and legislative provisions governing voting rights also apply to employees.

### **2.6 Restrictions on voting rights (art. 123-bis, paragraph 1.f), Consolidated Finance Act)**

Each ordinary share carries the right to one vote, subject to the provisions of art. 5, paragraph 6 of the Articles of Association as indicated in Paragraph 2.2 above.

If a share becomes the property of several persons, the joint ownership rights must be exercised by a common representative.

Persons who have the right to vote are entitled to attend the Meeting if the Company has received, by the legal deadline, communication from the authorised intermediary certifying this right.

Those who have the right to vote may be represented at the Meeting in compliance with the applicable regulations. The proxy can be notified as indicated in the notice of calling. Postal voting is not allowed.

In accordance with current regulations, the Board of Directors can allow votes to be cast before and/or during the Shareholders' Meeting, without requiring the physical presence of the person or their proxy, through the use of electronic devices in ways to be communicated in the notice of calling of the Shareholders' Meeting, such as to ensure the identification of those who have the right to vote and security of communications.

Members of the Board of Directors may not vote on resolutions regarding their responsibility for actions.<sup>7</sup>

The Articles of Association do not provide for any further restrictions on voting rights.

## **2.7 Agreements between Shareholders (art. 123-bis, paragraph 1.g), Consolidated Finance Act)**

At the date of this Report, the Bank is not aware of any shareholders' agreements pursuant to art. 122 of the Consolidated Finance Act.

On 30 March 2020, the shareholders' agreement known as "Patto dei Soci storici", stipulated on 28 February 2017, was terminated by mutual consent, and is no longer relevant in accordance with art. 122 of the Consolidated Finance Act effective from 22 March 2019.

The documentation relating to the previously in force agreements of this kind is published on the website [www.bper.it](http://www.bper.it) – Institutional > Governance.

During the last Shareholders' Meetings held on 22 April and 6 July 2020, no Shareholders made any declarations pursuant to arts. 20 and 22 of the Consolidated Banking Act and arts. 120 and 122 of the Consolidated Finance Act.

## **2.8 Change of control clauses (art. 123-bis, paragraph 1.h), Consolidated Finance Act) and statutory provisions regarding takeover bids (arts. 104, paragraph 1-ter, and 104-bis, paragraph 1)**

At the time of this Report, neither BPER nor its subsidiaries have signed any agreements that would become effective, be modified or lapse in the event of a change in control over BPER or its subsidiaries.

The Bank's Articles of Association do not provide for the application of the neutralization rules contained in art. 104-bis, paragraphs 2 and 3 of the Consolidated Finance Act in respect of takeover bids, nor do they derogate from the provisions on the passivity rule provided by art. 104, paragraphs 1 and 1-bis of the Consolidated Finance Act.

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<sup>7</sup> BPER Articles of Association, art. 11, para. 9.

## 2.9 Mandates to increase share capital and authorisations to purchase treasury shares (art. 123-bis, paragraph 1.m), Consolidated Finance Act)

In order to achieve its corporate objects, the Company, directly or through its subsidiaries, may in compliance with current regulations carry out all permitted banking and financial operations and services, as well as all other operations that are useful or in any case related to the achievement of its objects.

The Company may issue bonds, including those convertible into shares, in compliance with applicable legislation.

The Extraordinary Shareholders' Meeting of 4 July 2019 resolved to grant the following powers to the Board of Directors:

- a) authorise by no later than 31 December 2019 an increase in share capital for payment, by a maximum total amount of Euro 171,708,624.00, on a non-divisible basis reserved for subscription solely by Fondazione di Sardegna, via the issue with the exclusion of option rights of 33,000,000 BPER ordinary shares, to be settled on one occasion by the contribution of 10,731,789 Banco di Sardegna S.p.A. ordinary shares;
- b) authorise, by 31 December 2019, (i) the issue of an Additional Tier 1 convertible bond for up to a maximum total nominal amount of Euro 150,000,000.00, to be offered for subscription solely to Fondazione di Sardegna and consequently (ii) to increase share capital for payment, by a maximum total amount of Euro 150,000,000.00, on one or more occasions and on a divisible basis to service solely and irrevocably the conversion of that bond, by the issue of a maximum of 35,714,286 BPER ordinary shares;
- c) authorise, by 30 June 2020, the increase in share capital by a maximum total amount of Euro 40,993,513.60, on one or more occasions and on a divisible basis, via the issue with the exclusion of option rights of a maximum of 7,883,368 BPER ordinary shares, at an issue price to be determined by the Board of Directors in compliance with the law, to service a public exchange offer of savings shares in Banco di Sardegna S.p.A.;
- d) authorise, within five years of the date of the Shareholders' Meeting, an increase in share capital for payment by a maximum total amount of Euro 13,000,000.00 on one or more occasions and on a divisible basis, via the issue with the exclusion of option rights of a maximum of 2,500,000 BPER ordinary shares, at an issue price to be determined by the Board of Directors in compliance with the law.

The Board subsequently exercised the mandates referred to in points a) and b) above and, consequently, on 25 July 2019, the share capital increase for payment was completed by issuing 33,000,000 BPER freely-transferable ordinary shares with standard dividend entitlement rights. The fully subscribed and paid-up share capital of BPER at 25 July 2019 amounted to Euro 1,542,925,305, represented by 514,308,435 shares with no par value.

On 7 November 2019, the Board of Directors exercised the mandate referred to in point c) above in order to service the voluntary public exchange offer, promoted on that date, regarding all the savings shares in Banco di Sardegna S.p.A. not held by BPER that were listed on the electronic equities market organised and managed by Borsa Italiana S.p.A.. Based on the final results of the public exchange offer, the share capital increase for payment reserved for those accepting the offer was completed

on 19 December 2019 by issuing 6,319,513 freely-transferable BPER ordinary shares with standard dividend entitlement rights. Consequently, the fully subscribed and paid-up share capital of BPER became Euro 1,561,883,844, represented by 520,627,948 shares without nominal value, being the position at year end.

In accordance with the Articles of Association, the following decisions therefore remain in effect [see points b) and d) above]:

- resolution of the Board of Directors on 11 July 2019, under the mandate granted at the Extraordinary Shareholders' Meeting held on 4 July 2019, to increase share capital for payment, by a maximum total amount of Euro 150,000,000, inclusive of a premium of Euro 42,857,142, on one or more occasions and on a divisible basis to service solely and irrevocably the conversion of the above-mentioned Additional Tier 1 convertible bond, by the issue of a maximum of 35,714,286 BPER ordinary shares, without nominal value, with standard dividend entitlement rights and the same characteristics as the other ordinary shares in the Company outstanding on the issue date;
- mandate granted to the Board of Directors at the above-mentioned Shareholders' Meeting held on 4 July 2019, for a period of five years from the date of the resolution, to increase share capital for payment, in one or more tranches and on a divisible basis, excluding the option right pursuant to Article 2441, paragraph 4, and/or Article 2441, paragraph 5, of the Italian Civil Code, by a maximum total amount of Euro 13,000,000.00, inclusive of any premium to be determined pursuant to Article 2441, paragraph 6 of the Italian Civil Code, through the issue of a maximum of 2,500,000 ordinary BPER shares, without nominal value, whose issue value may also be less than the accounting par value at the relevant issue date, with standard dividend entitlement rights and the same characteristics as the other ordinary shares in the Company outstanding on the issue date;

The Extraordinary shareholders' meeting held on 22 April 2020 granted the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power to increase the share capital for payment, by 31 March 2021, in one or more occasions and on a divisible basis, for a maximum total amount equal to Euro 1,000,000,000.00, including any premium, by issuing ordinary shares of the Company, without nominal value, whose issue value may also be less than the accounting par value, to be offered under option to entitled parties pursuant to Article 2441, paragraph 1, of the Italian Civil Code, with standard dividend entitlement rights and the same characteristics as the other ordinary shares in the Company outstanding on the issue date. At its meeting on 29 September 2020, the Board of Directors, by partially exercising said right resolved to increase the share capital for payment, on a divisible basis, limited to a total maximum amount of Euro 534,838,838.40, plus a premium of up to Euro 267,419,419.20, through the issue of a maximum number of 891,398,064 ordinary shares, without nominal value, with standard dividend entitlement rights and the same characteristics as the other ordinary shares outstanding on the issue date, to be offered under option to entitled parties, pursuant to Article 2441, paragraph 1, of the Italian Civil Code.

The final deadline for subscription of the newly issued shares was set at 31 December 2020, with it being specified that if, by said date, the resolved share capital increase is not fully subscribed, said share capital shall, nonetheless, be understood to be increased for an amount equal to the subscriptions collected.

With regard to the authorisations to purchase treasury shares, the Ordinary Shareholders' Meeting held on 17 April 2019 had approved their purchase and use, pursuant to arts. 2357 and 2357-ter of the Italian Civil Code and art. 132 of the Consolidated Finance Act, to service the "Long-Term Incentive (LTI) Plan 2019-2021" for personnel deemed strategic, as already mentioned in Paragraph 2.1 above and detailed in Chapter 9 below.

The LTI Plan envisages recognising part of the long-term variable component of the remuneration of "Personnel deemed strategic" to the Group in the form of BPER ordinary shares. The purpose of authorising the purchase treasury shares is to service the needs of the above LTI Plan.

Specifically, the Board of Directors of the Parent Company had been granted the right to make repeated purchases and sales (or other uses) of treasury shares over time, even in smaller quantities than the maximum authorised, so that, at any time, the number of treasury shares purchased and held by the Bank does not exceed the limits established by law and by the authorisation granted by the shareholders.

The authorisation concerned a maximum number of 5,000,000 ordinary BPER shares and, nonetheless, not exceeding a total value of Euro 10 million, to be purchased within the limits of the distributable profits and the available reserves as resulting from the latest set of financial statements approved at the time of completion of the purchases.

The authorisation to purchase had been issued for a period of eighteen months from the date of the Shareholders' Meeting that approved it.

By means of letter of 24 April 2019, the European Central Bank had authorised BPER Banca to purchase treasury shares, in order to acquire the necessary resources to finance the aforementioned Incentive Plan.

Therefore, the authorisation would have allowed the purchase of shares by 17 October 2020, an obligation that was not fulfilled given that, in 2020, Banca d'Italia issued a communication in which it reduced the duration of the aforementioned authorisation from 18 to 12 months, a situation which meant the securities could not be purchased by using the originally planned time-scales.

On 20 January 2021, a new application was therefore sent to the Supervisory Authority in order to acquire the prescribed authorisation pursuant to the applicable provisions of Regulation (EU) 575/2013 and Delegated Regulation (EU) 241/2014.

The maximum number of shares that can be purchased is confirmed at 5,000,000, as per the previous application in February 2019.

Pursuant to art. 2357-ter of the Italian Civil Code and Banca d'Italia Circular 262/2015, the value of the treasury shares purchased will be deducted from the shareholders' equity reported in the statement of financial positions for the years concerned.

The treasury shares will be purchased in regulated markets pursuant to art. 132 of the Consolidated Finance Act and art. 144-bis, para. 1.b), of the Issuers' Regulation, in accordance with the procedures established in the regulations for the organisation and management of the markets, in order to ensure that all Shareholders are treated equally. Accordingly, the purchases will be made solely, on several occasions, in the regulated market organised and managed by Borsa Italiana S.p.A., in accordance with the procedures established by that market operator, which do not allow proposed purchases to be matched directly with predetermined offers for sale.

Sales of treasury shares already held and those to be purchased will, on the other hand, be made in the manner deemed most appropriate in the interests of the Company, including sales and/or grants in execution of share incentive plans.

With regard to the consideration for purchase transactions, the purchase price of each treasury share, including purchase-related expenses, must not be more than 5% below or 5% above the official MTA closing price for the share on the day before the purchase. This interval has been established in com-



pliance with the provisions of the Italian Civil Code, which require the minimum and maximum consideration to be defined. In all cases, the price for each purchase made in regulated markets must not exceed the higher of the price of the last independent transaction and the current highest independent offer price in the trading rooms where the purchase is made, pursuant to art. 3, para. 2, of Commission Delegated Regulation 2016/1052 of 8 March 2016.

The authorisation to use the treasury shares already held and those to be purchased for the purposes described above is not subject to a time limit, given the absence of regulatory restrictions in this regard and the need for maximum flexibility in their use, not least in terms of timing.

With regard to use of the treasury shares held, the Board of Directors establishes criteria on a case-by-case basis for determining the related consideration and/or the basis, terms and conditions for their use, having regard for the method of disposal, movements in the share price during the period prior to the transaction and the best interests of the Company, all in compliance with current regulations.

Given the purpose of the authorisation to purchase and use treasury shares, transactions in them are included among those envisaged in art. 5 of Regulation (EU) 596/2014 ("MAR"), as well as among the practices allowed pursuant to art. 13 of that Regulation.

As of the date of this Report, the Shareholders' Meeting had not authorised any further purchases of treasury shares pursuant to art. 2357 et seq. of the Italian Civil Code. At 31 December 2020, the Bank held 455,458 treasury shares, representing 0.032% of the total number of shares making up the Bank's share capital at said date, namely 1,413,263,512 shares at 31 December 2020.

## **2.10 Management and coordination activities (art. 2497 et seq. of the Italian Civil Code)**

At the date of this Report, the Bank is not subject to management and coordination by other parties.



### 3. Adoption of Corporate Governance Codes (art. 123-bis, paragraph 2.a), Consolidated Finance Act)

On 5 September 2017, BPER Banca adopted the Corporate Governance Code for listed companies (recently amended in July 2018) promoted by the Corporate Governance Committee composed of the trade associations (ABI, ANIA, Assonime and Confindustria), professional investors (Assogestioni) and by Borsa Italiana S.p.A. and applied until 31 December 2020. The document is published on the website of the aforementioned committee at the following link:

<https://www.borsaitaliana.it/comitato-corporate-governance/codice/2018clean.pdf>.

On 1 January 2021, the Bank applied the new Corporate Governance Code 2020, promoted by said Committee, which replaces the Corporate Governance Code 2018, published on the site

<https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

In the preparation of this Report, account has been taken of the "Format for the report on corporate governance and ownership structure" prepared by Borsa Italiana S.p.A. (as recently updated in January 2019). In accordance with the comply-or-explain principle, any partial departures from the Code's recommendations have been disclosed and justified in this Report.

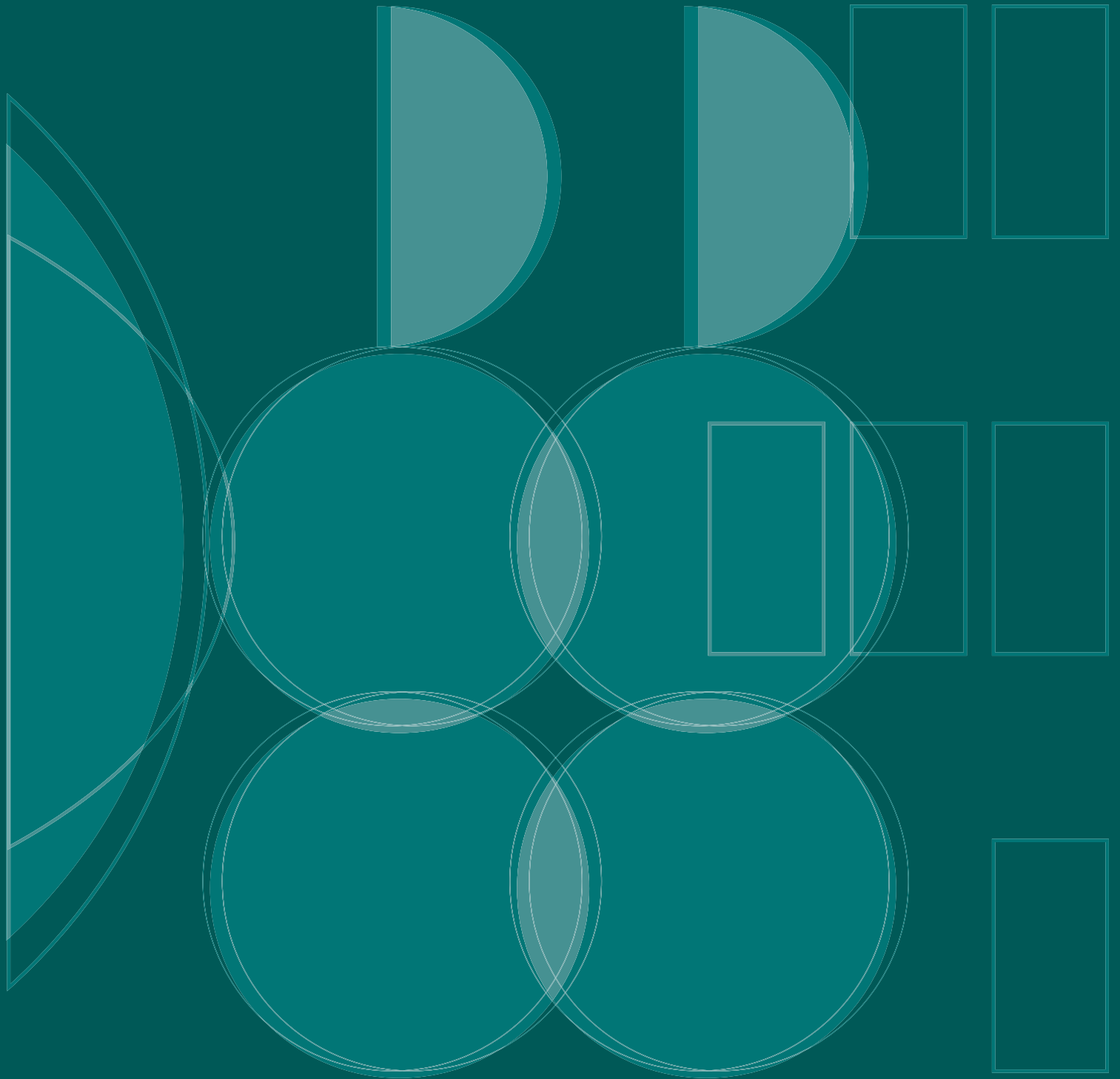
Helped by amendments made to the Articles of Association in recent years, the system of corporate governance adopted by BPER is broadly in line with the principles contained in the aforementioned Code, with the recommendations made by the Supervisory Authorities and with national best practice.

Unless otherwise indicated, the information provided in this Report refers to the date of its approval by the Board of Directors (indicated on the cover).

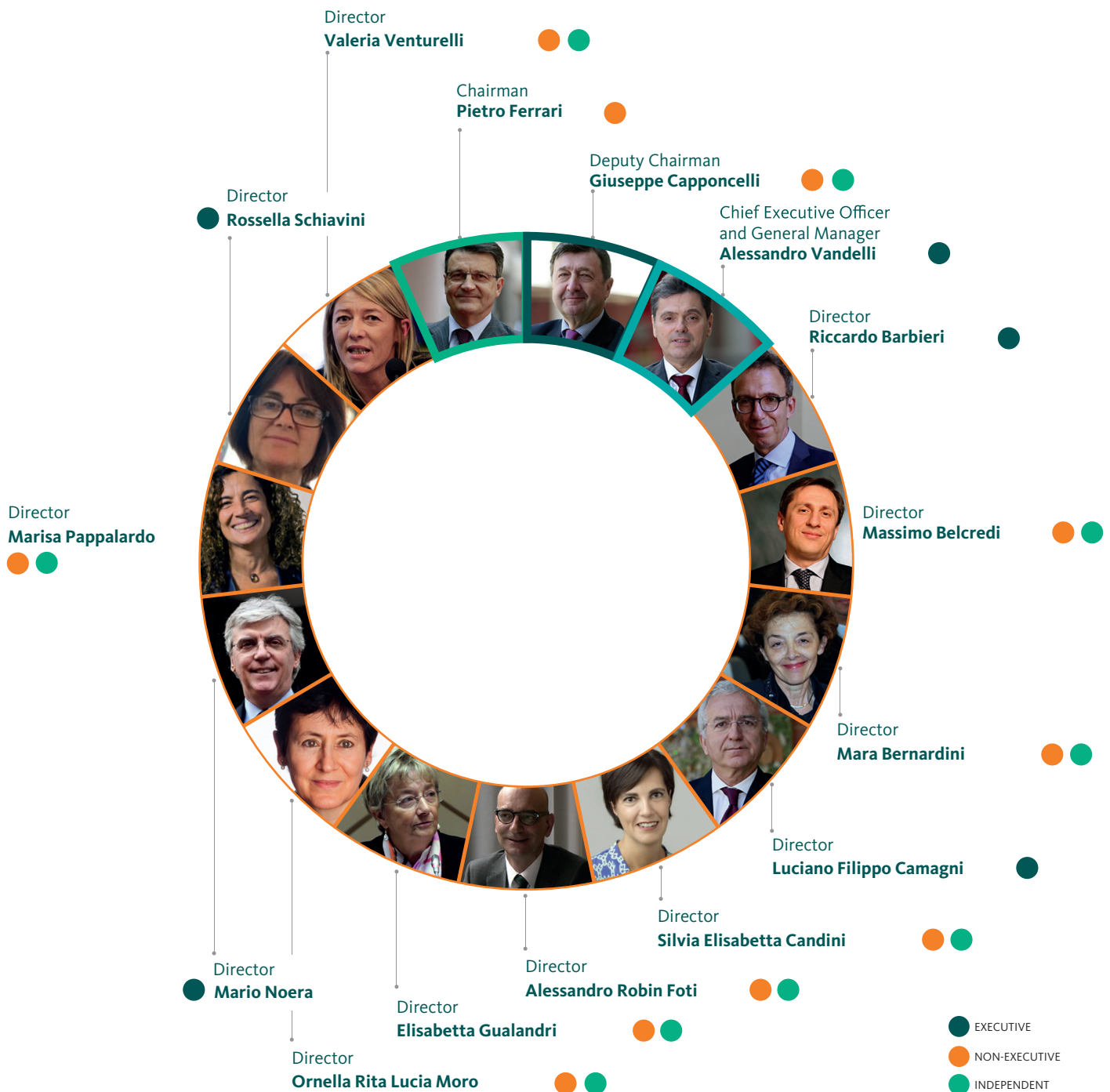
In January 2020, the Corporate Governance Committee approved the new Corporate Governance Code 2020, the principal changes to which address four key objectives: sustainability, engagement, proportionality, simplification. The new edition takes the opportunity to strengthen a number of existing recommendations, such as: evaluation of independence, quality of the information provided to the directors, role of the chairman of the board, succession plan for executive directors, gender equality in terms of treatment and opportunity within the organisation.

The new Code approved in January 2020 will take effect from the first financial year commencing after 31 December 2020: accordingly, the related information will be included in the Report on Corporate Governance to be published in 2022.

Lastly, it should be noted that the Bank and the companies within the BPER Group, with registered offices in Italy, are not subject to non-Italian legislation that might affect the structure of their corporate governance.



## 4. Board of Directors



### 4.1 Appointments and replacements (art. 123-bis, paragraph 1.I), Consolidated Finance Act)

Members of the Board of Directors are appointed and replaced in compliance with the legislative and regulatory provisions in force, based on the list voting mechanism and in respect of the adequate composition criteria in terms of the presence of minority directors, of independence as well as membership of the less represented gender (please refer to the provisions pursuant to articles 17-20 of the Articles of Association).

It should be noted that the Articles of Association in force were amended by the Extraordinary Shareholders' Meeting on 29 January 2021, which involved, in particular, for the main purpose of enhancing the development of the shareholding structure, following the transformation of the Bank into a company limited by shares, the introduction of proportional elective system for appointing the Board in place of the majority type mechanism.

The new elective system, which will be applied for the first time at the renewal of the Board of Directors by the Shareholders' Meeting called to approve the 2020 financial statements, makes provision for, notwithstanding a fixed number of 15 Directors:

- a proportional election criterion based on "quotients", aimed at adequately representing the various members of the shareholding structure, encouraging the participation of minority equity holders;
- a "distribution access" threshold, aimed at ensuring stability and cohesion to the functioning of the Administrative Body, so that, without prejudice to the legal requirements to ensure the first minority list has the possibility to elect at least one Director, the other minority lists contribute to the appointment of the Board only if they have obtained votes at least equal to 5% of voting share capital;
- limits on the connection between lists, reinforced with respect to those applicable by law, in order to ensure the effective representation of minority equity holders in the administration board and, at the same time, prevent, as a result of the proportional system, connected minority lists from expressing a board majority;
- an exception to the aforementioned proportional system if the list ranked first in terms of the number of votes, provided it contains a number of candidates equal to or higher than the majority of Directors to be elected, has obtained the favourable vote of more than half of the voting share capital. In this case, a number of directors of between fourteen and twelve will be taken from the first list, and the possibility for the second list, which is not connected to the first in any way, to appoint between one and three Directors, based on the size of the ratio between the number of votes achieved by it and the number of votes achieved by the first list.

In line with the choice to put decisions regarding the composition of the Board of Directors within the remit of the Shareholders, the right of the outgoing Board to present a list of candidates for election of the Administrative Body was eliminated.

In line with the provisions of art. 147-ter of the Consolidated Finance Act, the lists must be filed at the Company's registered office by the twenty-fifth data prior to the date of the Shareholders' Meeting called to resolve on the appointment of members of the Board. The lists are made available to the public at the Company's registered office, on the website [www.bper.it](http://www.bper.it) - Institutional Site > Governance > Shareholders' Meetings and with the other methods set out in the legislation in force, at least twenty-one days before the date of the Shareholders' Meeting.

The list must be presented by Shareholders who, individually or collectively, hold at least 1% of the share capital represented by ordinary shares, or a lower percentage established by current regulations. Ownership of the minimum shareholding is calculated with regard to the shares registered on the day when the list is filed at the Company.

The composition of the Board of Directors must ensure gender balance and the presence of a minimum number of independent members in accordance with current regulations. Directors who meet the independence requirements established in art. 148, paragraph 3, of Legislative Decree no. 58 of 24 February

1998, as well as the regulations in force implementing art. 26 of Legislative Decree no. 385 of 1 September 1993 are considered independent. The independent members of the Board of Directors must also meet the independence requirements defined by the Corporate Governance Code for listed companies issued by Borsa Italiana S.p.A. in force. The Board of Directors defines the parameters which provides the basis for evaluating whether independence has been compromised as a result of relations held by the Directors.

If a Director no longer meets the Independence Requirements or other requirements foreseen under current law or the Articles of Association, providing they do not envisage ineligibility or forfeiture, this does not automatically lead to his forfeiture, if there is still the required minimum number of Directors who meet them.

Directors must, under penalty of ineligibility or forfeiture in the event they subsequently no longer meet them, also satisfy the requirements and suitability criteria as well as respect the limits on the maximum number of offices, set out in the legislation in force with regards to the position of member of the administration body of a bank that issues shares listed on regulated markets.

In addition, pursuant to art. 17 of the Articles of Association and without prejudice to causes of ineligibility or forfeiture set out in the legislation in force, the following persons cannot be members of the Board of Directors:

- employees of the Company, unless they are members of General Management;
- the directors, employees or members of control committees, commissions or bodies of competing banks or companies, unless the Company holds investments in such banks or companies, whether directly or via companies that are members of the Banking Group.

It should be noted that the existence of one of the aforementioned causes for incompatibility does not prevent a candidate being put forward for the office of Company director, without prejudice to the fact that the candidate concerned, by accepting his/her application, assumes the obligation to ensure this reason is removed immediately in the event of appointment.

If one of the causes of incompatibility should materialise following appointment, the director concerned must notify the Board of Directors immediately and, where said reason is not removed within 30 days of the communication or within the shorter time frame set out in the legislation in force, his/her office would lapse. The Board of Directors ensures that newly appointed Directors meet the requirements of suitability and the limits of the number of offices required by the legislation in force, as well as their compatibility to hold office pursuant to art. 36 of the Decree Law 201 of 27 December 2011 converted to Law 214/2011 (the so-called ban on interlocking).

In compliance with the Supervisory Provisions regarding corporate governance, at the time of the renewal of the Administrative Body, the outgoing Board of Directors identifies its optimal qualitative and quantitative composition and informs the Shareholders of the result of said analysis in the time needed so that they can take account of it when choosing candidates.

This is without prejudice to the possibility for Shareholders to conduct their own evaluations of the optimal composition of the Administrative Body and present candidates consistent with these, giving reasons for any differences with respect to the analyses conducted by the Board of Directors.

## **Succession plans**

In 2018 the Bank adopted succession plans<sup>8</sup> for the Chief Executive Officer and the General Manager. No succession plans have been established for the other Executive Directors since they are considered

as such, not because of individual executive powers, but as members of an executive body (the Executive Committee). Early termination of the single member of this body would not generate management gaps that might compromise corporate stability. This also complies with Banca d'Italia's Supervisory Provisions, which do not require succession plans for these positions.

Succession plans are designed to contain the risk – especially when the termination occurs unexpectedly – that management gaps might take place that could jeopardise the stability of the institution, thereby responding to the need to guarantee orderly continuity and avoid possible economic and reputational repercussions.

In order to favour an orderly and rapid succession, without prejudice to any rules and regulations that may be applicable, including the Articles of Association, succession Plans govern the methods for replacement and the process of selecting possible candidates for the change-over.

These succession Plans define different processes for the Chief Executive Officer and the General Manager, not being limited, in the case of the General Manager, to regulating only the situation of early termination from the office, but also contemplating cases of so-called "scheduled" replacement, in line with what is established by Banca d'Italia's Supervisory Provisions.

To be more specific, the following matters are laid down:

- two structured processes (one for the Chief Executive Officer, the other for the General Manager) that identify the bodies and individuals involved in each phase of the process and their timing;
- the tools used to facilitate selection of the most suitable candidate for each role. Specifically, indispensable prerequisites to allow a prompt and effective start of the change-over processes are the availability of i) a description of the ideal profile, for each of the two top positions, constantly updated in light of the strategic scenario and ii) a list of accredited executive search companies to refer to promptly whenever there is need of a replacement.

As regards the corporate bodies and individuals who are involved, a key role is assigned, particularly for the replacement of the CEO, to the Appointments Committee, which carries out the following preliminary phases of the process:

- determination of the ideal profile and accreditation of the executive search companies;
- pre-selection of a list of potential candidates for the role (long list), having checked they meet the requisites for the position, to be submitted to the Board in order to draw up a shortlist of candidates;
- conduct of one-to-one discussions and interviews with the chosen candidates aimed at gathering further insight into whether they actually correspond to the ideal profile, their consistency with the Group's value system, their willingness, commitment and expectations, as well as at forming an opinion on their behavioural approach and soft skills;
- preparation of a summary report containing key evidence of the feedback received, a calibration of the candidates, an assessment of remuneration factors (with a contribution by the Remuneration Committee) and the proposal to be submitted to the Board.

The last phase of these processes shall involve the Administrative Body in plenum, which, based on

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<sup>8</sup> In accordance with the Supervisory Provisions issued by Banca d'Italia, the recommendations of the Corporate Governance Code for listed companies and the Guidelines issued in September 2017 by the European Banking Authority.



the preliminary phases performed by the Committee, shall be responsible for selecting the final candidate, the appointment thereof and the granting of delegated powers thereto.

When preparing the Plans, particular attention was given to the timing of execution in order to ensure prompt replacement, albeit with differences between the two roles, so that on departure of the General Manager, the Bank would not suddenly be deprived of its "business leader".

On the agreed early termination of the employment relationship with Fabrizio Togni, the former General Manager, on 31 December 2019, the Board of Directors decided not to activate the structured procedure defined in the Succession Plan adopted by the Company for the selection of a new General Manager, but rather to assign this role to Alessandro Vandelli, Chief Executive Officer of the Bank, after having positively evaluated, based on prior involvement and the expression of the favourable opinion of the Appointments Committee and having consulted the Board of Statutory Auditors, the consistency of his requirements with the ideal profile of General Manager, also set forth in the Succession Plan.

Therefore, effective from 1 January 2020, Mr. Vandelli is both the Chief Executive Officer and the General Manager of the Bank

## **4.2 Composition of the Board (art. 123-bis, paragraph 2.d) and 2.d-bis), Consolidated Finance Act)**

Banca d'Italia's Supervisory Provisions regarding corporate governance (see Circular 285 of 17 December 2013, Part I, Title IV, Chapter 1) indicate, for larger and more complex banks like BPER, that the total number of directors may not exceed, except under very particular circumstances that have to be justified, 15 persons.

In accordance said provisions, art. 17 of the Articles of Association, sets forth that BPER's Board of Directors to consists of a fixed number of 15 Directors, to be appointed by the Shareholders' Meeting and that they shall remain in office for three years, and their appointments shall expire on the date of the Shareholders' Meeting called to approve the financial statements for the final year of their mandates and they may be re-elected upon the expiry of such mandates.

Pursuant to art. 21 of the Articles of Association, the Board of Directors elects from among its number, the Chairman and one or two Deputy Chairmen who remain in office until the end of their mandate as Directors (see the table below).

The Board sets up the committees provided for by law and by current Supervisory Provisions, as well as any other committees that are deemed appropriate, establishing their composition, powers and operational rules.

The Board of Directors also appoints a Secretary who meets the requirements of experience and professionalism, chosen from among its members or the managers of the Company.

The Board of Directors in office at the date of approval of this report was appointed, for the 2018-2020 three-year period, by the Shareholders' Meeting on 14 April 2018.

In view of the appointments, the outgoing Board informed the shareholders of the composition considered optimal for the correct fulfilment of its duties.

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<sup>9</sup> On 29 January 2021, the Extraordinary Shareholders' Meeting approved a project for amendments to the Articles of Association including, among other things, the provisions concerning the appointment of the Board of Directors. The amendments approved also include the elimination of the right of the outgoing Board to present its list.

<b>Date of Shareholders' Meeting</b>	<b>14/04/2018</b>
Number of lists presented	2 lists for the appointment of 15 Directors.
<b>List no. 1</b> List submitted by the Board of Directors of BPER Banca S.p.A. exercising the right granted by art. 18, paragraph 8, of the current Articles of Association.	
<b>List no. 2</b> List presented by the Trevisan & Associati Law Firm, on behalf of 11 managers of 24 funds, shareholders with the following overall percentage interest in BPER: 1.40%.	
<b>Candidates on each list</b>	
<b>List no. 1</b> 1. Mr. Alessandro Vandelli; 2. Mr. Riccardo Barbieri; 3. Mr. Massimo Belcredi (independent); 4. Ms. Mara Bernardini (independent); 5. Mr. Luciano Filippo Camagni (independent); 6. Mr. Giuseppe Capponcelli (independent); 7. Mr. Pietro Ferrari; 8. Ms. Elisabetta Gualandri (independent); 9. Ms. Ornella Rita Lucia Moro (independent); 10. Mr. Mario Noera (independent); 11. Ms. Rossella Schiavini (independent); 12. Ms. Valeria Venturelli (independent); 13. Mr. Costanzo Jannotti Pecci; 14. Ms. Valeriana Maria Masperi (independent); 15. Mr. Roberto Marotta (independent).	<b>List no. 2</b> 1. Ms. Roberta Marracino (independent); 2. Mr. Alessandro Robin Foti (independent); 3. Ms. Marisa Pappalardo (independent).
<b>List of persons elected and percentage of votes</b>	
<b>Elected from List 1: 159,685,742 votes (73.366% of the votes cast and 33.177% of total share capital)</b> • Mr. Alessandro Vandelli; • Mr. Riccardo Barbieri; • Mr. Massimo Belcredi (independent); • Ms. Mara Bernardini (independent); • Mr. Luciano Filippo Camagni (independent); • Mr. Giuseppe Capponcelli (independent); • Mr. Pietro Ferrari; • Ms. Elisabetta Gualandri (independent); • Ms. Ornella Rita Lucia Moro (independent); • Mr. Mario Noera (independent); • Ms. Rossella Schiavini (independent); • Ms. Valeria Venturelli (independent);	<b>Elected from List 2: 57,699,009 votes (26.509% of the votes cast and 11.988% of total share capital)</b> • Ms. Roberta Marracino (independent); • Mr. Alessandro Robin Foti (independent); • Ms. Marisa Pappalardo (independent).
<b>Votes against:</b> 116,144 (0.053% of the votes cast and 0.024% of total share capital) <b>Abstained:</b> 50,738 (0.023% of the votes cast and 0.010% of total share capital) <b>Absent:</b> 105,701 (0.049% of the votes cast and 0.022% of total share capital).	
Elected in accordance with art. 19, paragraph 2.1.c of the Articles of Association: "if the ratio between the total number of votes obtained by the Junior Minority List and the total number of votes obtained from the Majority List is more than 25%, 12 (twelve) directors are taken from the Majority List and 3 (three) directors are taken from the Junior Minority List.	

It also availed itself of the possibility granted by the Articles of Association in force at the time<sup>9</sup> to present its list of candidates.

On the whole, two list of candidates were presented, filed and published in accordance with the terms and methods set out in the provisions in force and the Articles of Association, for which the summary information is reported hereunder.

## Shareholders presenting list no. 2

NO.	SURNAME NAME NAME	PLACE OF BIRTH/REGI- STERED OFFICE	PROV. (COUN- TRY)	DATE OF BIRTH/ TAX CODE/ VAT NO./ EQUIVA- LENT
1	Aletti Gestielle SGR S.p.A. manager of the Gestielle Cedola Italy Opportunity fund	Milan	MI	07503720158
2	Aletti Gestielle SGR S.p.A. manager of the Gestielle Obiettivo Italia fund	Milan	MI	07503720158
3	Aletti Gestielle SGR S.p.A. manager of the Gestielle Cedola Multiasset III fund	Milan	MI	07503720158
4	Anima SGR S.p.A. manager of the Anima Crescita Italia fund	Milan	MI	07507200157
5	Anima SGR S.p.A. manager of the Anima Iniziativa Italia fund	Milan	MI	07507200157
6	Arca Fondi S.G.R. S.p.A. manager of the Arca Azioni Italia fund	Milan	MI	09164960966
7	Eurizon Capital SGR S.p.A. manager of the Eurizon Azioni Italia fund	Milan	MI	04550250015
8	Eurizon Capital SGR S.p.A. manager of the Eurizon Azioni PMI Europa fund	Milan	MI	04550250015
9	Eurizon Capital SGR S.p.A. manager of the Eurizon Progetto Italia 70 fund	Milan	MI	04550250015
10	Eurizon Capital SGR S.p.A. manager of the Eurizon PIR Italia Azioni fund	Milan	MI	04550250015
11	Eurizon Capital SGR S.p.A. manager of the Eurizon Progetto Italia 40 fund	Milan	MI	04550250015
12	Eurizon Capital SA manager of the Eurizon Investment SICAV - PB Equity EUR fund	Luxembourg	(LU)	LU19164124
13	Eurizon Capital SA manager of the Eurizon Fund - Equity Italy fund	Luxembourg	(LU)	LU19164124
14	Eurizon Capital SA manager of the Eurizon Fund - Equity Small Mid Cap Europe fund	Luxembourg	(LU)	LU19164124
15	Fideuram Asset Management (Ireland) manager of the Fideuram Fund Equity Italy fund	Dublin	(IE)	IE6369135L
16	Fideuram Asset management (Ireland) manager of the Fonditalia Equity Italy fund	Dublin	(IE)	IE6369135L
17	Fideuram Investimenti SGR S.p.A. manager of the Piano Azioni Italia fund	Milan	MI	07648370588
18	Fideuram Investimenti SGR S.p.A. manager of the Piano Bilanciato Italia 50 fund	Milan	MI	07648370588
19	Generali Investments Luxembourg SA manager of the Generali Smart Fund PIR Evoluzione Italia fund	Luxembourg	(LU)	B188432
20	Generali Investments Luxembourg SA manager of the Generali Smart Fund PIR Valore Italia fund	Luxembourg	(LU)	B188432
21	Legal & General Assurance (Pensions Management) Limited	London	(UK)	02091894
22	Mediolanum Gestione Fondi SGR S.p.A. manager of the Mediolanum Flessibile Futuro Italia fund	Milan	MI	06611990158
23	Mediolanum Gestione Fondi SGR S.p.A. manager of the Mediolanum Flessibile Sviluppo Italia fund	Milan	MI	06611990158
24	Mediolanum International Funds manager of the Challenge Funds - Challenge Italian Equity fund	Dublin	(IE)	264023

Notice is hereby given that the Shareholders presenting List no. 2 declared that they had no relationships and/or significant dealings, also pursuant to CONSOB Communication no. DEM/9017893 of 26 February 2009, with Shareholders owning<sup>10</sup>, individually or jointly, a controlling or relative majority interest as provided for in articles 147-ter, paragraph 3, of the Consolidated Finance Act and 144-quinquies of the Issuers' Regulation and, more generally, in the Bank's Articles of Association and the regulations currently in force.

<sup>10</sup> On the basis of the communications of significant investments referred to in art. 120 of the Consolidated Finance Act or the publication of the shareholders' agreements pursuant to art. 122 of the same Decree, that are identifiable at the date of signing the list on the websites of BPER and CONSOB.

<b>Date of Shareholders' Meeting</b>	<b>06/07/2020</b>
Candidates presented	Addition, for the remainder of the 2018-2020 three-year period, to the Board of Directors, through the appointment of a Director to replace the outgoing Director
<b>Director Candidate no. 1</b> replacing the Director taken from the so-called "Junior Minority List" or the second list by number of votes obtained, not connected with the list ranked first, at the Shareholders' Meeting on 14 April 2018	Ms. Silvia Elisabetta Candini (independent)
Candidature presented by the Trevisan & Associati Law Firm, on behalf of 3 managers of 3 funds holding the following total percentage interest in the capital of BPER: 0.068%.	
<b>List of persons elected and percentage of votes</b>	<p><b>Elected Director with 195,032,696 favourable votes (99.941% of votes cast and 37.461% of total share capital):</b> Ms. Silvia Elisabetta Candini (independent)</p> <p><b>Votes against:</b> 96,270 (0.049% of the votes cast and 0.018% of total share capital)</p> <p><b>Abstained:</b> 18,855 (0.009% of the votes cast and 0.003% of total share capital)</p> <p><b>Absent:</b> 0 (0.0% of the votes cast and 0.0% of total share capital).</p>

For further information, see the minutes of the Shareholders' Meeting filed at the registered office of the Issuer, available on the storage mechanism IINFO and on the website [www.bper.it](http://www.bper.it) – Institutional > Governance Section > Shareholders' Meeting.

Pursuant to the Articles of Association, the following Directors were elected: Mr Alessandro Vandelli, Mr. Riccardo Barbieri, Mr. Massimo Belcredi, Ms. Mara Bernardini, Mr. Luciano Filippo Camagni, Mr. Giuseppe Capponcelli, Mr. Pietro Ferrari, Ms. Elisabetta Gualandri, Ms. Ornella Rita Lucia Moro, Mr. Mario Noera, Ms. Rossella Schiavini, Ms. Valeria Venturelli – taken from List no. 1 – and Ms. Roberta Marracino, Mr. Alessandro Robin Foti, Ms. Marisa Pappalardo – taken from List no. 2 –.

On 17 April 2018, the newly elected Board of Directors appointed, pursuant to the Articles of Association, Mr. Pietro Ferrari as Chairman, Mr. Giuseppe Capponcelli as Deputy Chairman and Mr. Alessandro Vandelli as Chief Executive Officer.

On 8 May 2018, the Board ascertained the existence of the requirements of integrity, professionalism and independence, and verified that there were no causes of ineligibility and forfeiture set forth by the legislation in force and the Articles of Association.

In particular, the Board ascertained the existence of the independence requirements set forth in art. 147-ter, paragraph 4, and art. 148, paragraph 3 of the Consolidated Finance Act, as well as the recommendations in the Corporate Governance Code for listed companies - Application criteria - paragraph 3.C.1. - for nine Directors, a higher number than the minimum number of five established by the Articles of Association in force at the time of the verification.

Verification of the independence requirements, as regards the financial and professional relationships of the persons concerned, was carried out on the basis of parameters identified by the Board of Directors.

Lastly, the Administrative Body verified the consistency between the qualitative and quantitative composition of the Board considered optimal and the actual composition resulting from the appointment process.

Subsequently, on 23 May 2019 and 11 June 2020, the Board, also in compliance with the Joint Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU of September 2017, conducted the annual evaluation of the suitability of members of the Administrative Body, confirming at nine the number of directors meeting the independence requirements set out in art. 147-ter, paragraph 4, and art. 148, paragraph 3, of the Consolidated Finance Act, as well as the recommendations contained in the Corporate Governance Code for listed companies - Application criteria - paragraph 3.C.1.

On 6 July 2020, following the resignation of Roberta Marracino, the Shareholders' Meeting appointed Silvia Elisabetta Candini as Director for the remainder of the 2018-2020 three-year period.

The appointment was made, pursuant to the Articles of Association, based on the individual applications, without the voting method.

#### List of shareholders presenting the candidate

NO.	SURNAME NAME NAME	PLACE OF BIRTH/REGISTE- RED OFFICE	PROV. ( C O U N - TRY)	DATE OF BIRTH/TAX CODE/ VAT NO./EQUIVALENT
1	ANIMA SGR S.p.A. – Anima Iniziativa Italia	Milan	MI	07507200157
2	ARCA Fondi SGR S.p.A. – Arca Azioni Italia Fund	Milan	MI	09164960966
3	KAIROS PARTNERS SGR S.p.A. (as Management Company of Kairos International Sicav – ITALIA sub-fund)	Milan	MI	12825720159

For further information, see the minutes of the Shareholders' Meeting filed at the register office of the Issuer, available on the storage mechanism [INFORM](#) and on the website [www.bper.it](http://www.bper.it) – Institutional > Governance Section > Shareholders' Meeting.

On 5 August, the Board of Directors ascertained that the newly appointed Director was suitable for office and met the independence requirements set out in the Consolidated Finance Act and the Corporate Governance Code 2018, confirming the total number of independence directors at nine.

Each member of the Board of Directors is resident for the purposes of his/her office at the General Management, Via San Carlo, 8/20, Modena.

On 26 November 2020, the Chief Executive Officer Alessandro Vandelli was appointed, effective as of 1 December 2020, as the Secretary of the Board of Director, following the retirement of Deputy General Manager, Gian Enrico Venturini, who held said role from 26 October 2010.



## **Mr. Pietro Ferrari - Chairman**

### **NON-EXECUTIVE**

Born in Modena (MO) on 10th October 1955.

Having graduated in Civil Engineering from Bologna University in 1981, his career developed along three main lines: as a businessman at the head of a solid industrial company, as a director in the credit sector and as a member of associations which represent the business world.

In 1982 he joined the family business, Ing. Ferrari S.p.A. where he pursued a structured career which led him in a short time to become Sole Director and subsequently, in 1990, Chief Executive Officer. Alongside his entrepreneurial career he also assumed roles within Confindustria (Confederation of Italian Industry) becoming, in 2008, Chairman of Confindustria Modena.

He has been Chairman of Confindustria Emilia-Romagna since 2017; he has been a member of the Credit and Finance Technical Group of Confindustria and a member of the General Council of Confindustria since 2016.

As regards the credit sector, significant experience has been gained during more than 5 years in BPER Banca S.p.A., starting in 2013 when he became a Director and a member of the Executive Committee.

He is currently Chairman of the Board of Directors of BPER Banca S.p.A.

Other positions currently held include: Chairman of Ing. Ferrari S.p.A.



## **Giuseppe Capponcelli – Deputy Chairman**

### **NON-EXECUTIVE - INDEPENDENT**

Born in San Giovanni in Persiceto (BO) on 18th May 1957.

He graduated cum laude in Electronic Engineering from Bologna University. He started his career in IBM and continued in Olivetti with roles of increasing responsibility.

He was Chief Executive Officer and General Manager of the ICBPI Group (Istituto Centrale delle Banche Popolari Italiane) from July 2008 to July 2016 and General Manager of Seceti SpA (ICBPI Group) from 1999 to 2008.

He has also covered the following roles: Director and Chief Executive Officer of Cartasì S.p.A.; Deputy Chairman of Hi-Mtf Sim SpA; Director of Unione Fiduciaria S.p.A, Oasi S.p.A., Centrosim S.p.A., Key Client Cards & Solutions S.p.A. and CIM Italia S.p.A.; Chief Executive Officer of Multitel S.p.A. and Equens Italia S.p.A.; member of the Supervisory Board and of the Auditing and Accounting Committee of Equens SE; member of the Board of Directors of VISA Europe; member of the Management Committee of CIPA (Banca d'Italia's Interbank Automation Committee); member of the Executive Committee of Gruppo Swift Italia; member of the Technical Committee for the Payment Services of ABI (Italian Banking Association) and of the Executive Committee of the Patti Chiari Consortium.

Currently holds the position of Deputy Chairman of the Board of Directors of BPER Banca S.p.A.. He is Deputy Chairman and member of the Strategic Committee of Nexi SpA (former ICBPI - Istituto Centrale delle Banche Popolari Italiane). He is also an advisor to Advent International, Bain Capital and Clessidra funds.



## **Mr. Alessandro Vandelli - Chief Executive Officer and General Manager**

### **EXECUTIVE**

Born in Modena on 23rd February 1959.

He graduated with honours in Economics and Business Studies from Modena University in 1984. He subsequently attended various management training courses. He has collaborated with business associations in the publication of various research papers and has lectured at universities.

He has been employed by the Bank since 1984 where he has, over the years, held numerous top management positions: in 1992 he was Head of Budgetary Analysis in the Lending Decision Department; after gaining experience in the branch network, in 1996 he was called upon to start up the Corporate Finance unit; in 2005 he was Head of the Equity Investments and Special Projects Service; in 2007 he took on the role of Central Manager with responsibility for the Group Strategy and Management Department; in 2008 he was appointed Deputy General Manager; in 2010 he moved to Banco di Sardegna where he served as General Manager. On 1 July 2012 he returned to Banca popolare dell'Emilia Romagna as Deputy General Manager and Chief Financial Officer. Since 17 December 2013 he has been a member of the Board of Directors.

Since 16 April 2014, he has held the position of BPER Chief Executive Officer.

From 1 January 2020, he has also held the position of Bank General Manager.

He is the acting Deputy Chairman and member of the Executive Committee of ABI - Italian Banking Association; he is member of the Governing Council of FeBAF – Federazione delle Banche, delle Assicurazioni e della Finanza (Italian Banking, Insurance and Finance Federation).

He has been a Board Director in BPER Legal Entities such as BPER Services S.C.p.A., BPER Credit Management S.C.p.A., Meliorbanca S.p.A., Banca della Campania S.p.A. and Em.Ro. Popolare S.p.A. He has been Deputy Chairman of Arca S.G.R. S.p.A. and Unione Fiduciaria S.p.A., as well as Board Director of some investees including Arca Merchant S.p.A. and Alba Leasing S.p.A.

He has also been a Director of FITD - Fondo Interbancario di Tutela dei Depositi (Interbank Deposit Protection Fund).

He has been part of the Investment Committee of private equity funds.



## **Mr. Riccardo Barbieri**

### **EXECUTIVE**

Born in Cagliari on 31st January 1964.

He holds a degree in Economics and Business Studies from Cagliari University.

He is a qualified Chartered Accountant and is a Registered Auditor. He works in the corporate finance field and is specialised in co-operative entities. He is General Manager of Fidicoop Sardegna scpa and has been involved for twenty years with the guarantees system and in particular with Confidi (credit guarantee organisations), as a member of the Technical Committee of Assoconfidi. He is currently a member of Anfir (National association of regional finance companies) where he co-ordinates the work group on corporate finance dedicated to innovative financial instruments for small and medium-sized companies.

He has held the position of Director and, subsequently, Deputy Chairman of Banca di Credito Cooperativo di Cagliari.

More recently he has been a Director and member of the Control and Risk Committee of Banco di Sardegna SpA (BPER Group) and Director of Sfir SpA, a finance company of the Sardinia Region.

He is currently a Director and member of the Executive Committee of BPER Banca S.p.A.



## **Mr. Massimo Belcredi**

**NON-EXECUTIVE - INDEPENDENT**

Born in Brindisi, on 24th February 1962.

He holds a degree in Economics and Business Studies from Università Cattolica del S. Cuore, Milan and is a qualified Chartered Accountant.

Full Professor of Corporate Finance at the Università Cattolica del S. Cuore, he is the author of works on company crises, corporate governance, the economic analysis of company law and financial markets and has been a speaker at national and international scientific conferences and at seminars promoted by national and international supervisory authorities (including Banca d'Italia, Consob, Esma).

He has also lectured at the Piacenza campus of Università Cattolica, at Università della Svizzera Italiana and at Bologna University.

He is currently a Director of BPER Banca S.p.A.

He is also the Chairman of the Bank's Appointments Committee.

He is currently Director and Member of the Control and Risk Committee of Erg S.p.A.

He has held the following positions: Director and member of the Control and Risk Committee and of the Committee for Related Party Transactions of Gedi S.p.A, from 2015 to 2018; Director and Chairman of the Internal Control Committee and member of the Remuneration Committee of Arca SGR S.p.A. from 2002 to 2014; Director and member of the Internal Control Committee, of the Remuneration Committee and of the Supervisory Board pursuant to Legislative Decree 231/01 of Banca Italease S.p.A. from 2007 to 2009; Chairman of the Control and Risk Committee of Erg S.p.A. from 2015 to 2018; Director of Pirelli Tyre S.p.A. in 2006.



## **Ms. Mara Bernardini**

**NON-EXECUTIVE - INDEPENDENT**

Born in Modena (MO) on 9th October 1957.

She graduated cum laude in Law from Modena University.

She is currently a Director of BPER Banca S.p.A.

She is also Chairwoman of the Remuneration Committee and a Member of the Appointments Committee of the Bank.

She is Sole Shareholder of Way@ S.r.l. providing consultancy and assistance in relation to matters pertaining to public transport, local public services, urban renewal, redevelopment of assets, complex urban development programmes, social housing, real estate funds and ethical funds, land federalism, organisation, processes for the planning and assessment of human resources.

She is also the Chairwoman of the Board of Directors of Atrikè S.p.A.

She has held the following positions: General Manager of the Modena City Council, General Manager of Consorzio ATCM, Head of the General Medicine Department of the Emilia Romagna Region, Special Administrator and Special Commissioner of USL no. 21 (Local Health Units), General Secretary of the Comunità Montana del Frignano – USL no. 18, Chairman of the Fondazione Museo Casa Natale Enzo Ferrari (Foundation of the House Museum of Enzo Ferrari's Birthplace).

She has served on the Board of Directors of HERA Comm S.r.l. and has also covered the position of Chairwoman. She has furthermore served on the Board of Directors of Hera S.p.A., Acantho S.p.A., Uniflotte S.r.l., Hera Trading S.r.l., Meta Service S.r.l., Meta S.p.A., Carpi Formazione S.r.l., as well as on the Remuneration Committee of Hera S.p.A., the Internal Control Committee and Appointments Committee of Meta S.p.A.





## Mr. Luciano Filippo Camagni

### EXECUTIVE

Born in Erba (CO) on 31st August 1955.

He holds a degree in Business Economics from the Luigi Bocconi University of Milan.

He is a *Manager* in the banking field and began his career at Banca Popolare Commercio e Industria before continuing at Banco Lariano where he covered the role of Secretary of the Board of Directors. The roles of greater responsibility were assigned at Credito Valtellinese, where he initially held the position of Chief of the Business Department and Joint General Manager, as well as Deputy General Manager and then General Manager of the subsidiary Credito Artigiano in Milan. He has also been Deputy Chairman (from 1998 to 2006) and Chairman (from 2006 to 2013) of Deltas S.p.A. More recently he has also covered the position of General Manager of Banco di Desio e della Brianza, up to 2017.

He is currently a Director and member of the Executive Committee of BPER Banca S.p.A.

In addition to these positions, he is also a Director of QC Terme S.r.l., of Finchimica S.p.A. and of Omnisyst S.p.A.

During his extensive professional career has held numerous positions including: Deputy General Manager (from 1997 to 1998), General Manager (from 1998 to 2010) and Director (from 2007 to 2012) of Credito Artigiano S.p.A.; Director (from 2000 to 2008), Deputy Chairman and Chief Executive Officer (from 2004 to 2006) of Banca dell'Artigianato e dell'Industria S.p.A.; Joint General Manager of Credito Valtellinese S.p.A. from 2010 to 2016; Director (from 2010 to 2013) and Chief Executive Officer (from 2013 to 2014) of Mediocreval S.p.A.; General Manager of Banco di Desio e della Brianza S.p.A. from 2016 to 2017; Deputy Chairman of Banca Popolare di Spoleto from 2016 to 2017; Director of Global Assicurazioni S.p.A. from 2002 to 2014.

Other positions previously held also include: Director of the Interbank Deposit Protection Fund, ABI (Italian Banking Association), Association for the Development of Bank and Stock Exchange Studies, Italian Corporate & Investment Banking Association; Member of the Governing Council of the National Association of Private Banks, Member of the Patti Chiari consortium; Member of the Technical Committee of the Italian Investment Fund; Director and Secretary of the Board of Directors of the non-profit association Cancro Primo Aiuto Onlus from 2014 to 2016.



## Ms. Silvia Elisabetta Candini (in office from 6 July 2020)

### NON-EXECUTIVE - INDEPENDENT

Born in Milan on 2nd July 1970.

She graduated cum laude in Political Economics from the L. Bocconi University of Milan.

After initially working at Lehman Brothers' London office in the "Mergers & Acquisitions", "Equity" and "Fixed Income Origination" teams, in September 1996, she joined J.P. Morgan as an Associate in the "Fixed Income Origination" group, dedicated to structuring new bond issues for Italian banks and local entities. In October 1998, she was promoted to Vice President of the group dedicated to the sale of bond products to Italian banks and their foreign branches, specialising in the distribution of credit products and their derivatives.

Between October 2001 and December 2004, as Executive Director, she headed a group of four people dedicated to the distribution of bond credit products and their derivatives to institutional customers in Italy.

From 2007 to 2008, she also handled the development and distribution of fixed income and credit products to domestic corporate customers.

Since January 2009, she has provided independent financial advice and family office solutions through Studio C&C, of which she is a founding partner. The services offered include consultancy for strategic operations, analysis of specific products (for example in terms of risks and returns) and financial matters in general, analysis of financial insurance products, reconciliation and simplification of bank reporting and relative accounting, management of financial portfolio performance, and optimisation of Wealth Management practices relating to the protection and transfer of assets. Between April 2016 and April 2019, she was an Independent Director of Unipol S.p.A., as well as a Member of the Appointments and Corporate Governance Committee and of the Remuneration Committee.

She is currently an Independent Director of BPER Banca S.p.A., and is also a member of the Appointments Committee and the Remuneration Committee.

She is also an Independent Director of Recordati S.p.A., as well as a Member of the Control, Risk and Sustainability Committee and the Remuneration Committee of the company.



## **Mr. Alessandro Robin Foti**

### **NON-EXECUTIVE - INDEPENDENT**

Born in London (UK) on 26th March 1963.

He holds a degree in Economic and Social Sciences from the L. Bocconi University of Milan.

After his initial experience in the Equity Investments and Special Affairs Department of Mediobanca S.p.A. he worked in London at Lehman Brothers International (Europe) where, as Managing Director, he was at first responsible for Mergers and Acquisitions related to the Italian market and then active in the Media & Telecommunications sector at a European level.

From October 2002 to April 2007 he covered the role of Managing Director and subsequently Deputy Chairman of the Board of Directors of UBS Corporate Finance (Italy).

From May 2007 to October 2008 he was General Manager and Chief Executive Officer of Euraleo, an equal-share joint-venture between Banca Leonardo Group and Eurazeo, a French publicly-listed group, for private equity investments on the Italian market.

Since the end of 2008 he has been an independent consultant in the financial field and co-invests in business initiatives.

He is currently a Director and member of the Control and Risk Committee of BPER Banca S.p.A.

He has previously held the following positions: Director of Yoox-Net a Porter S.p.A. (from 2015 to 2018), of Burgo S.p.A. (from 2015 to 2020), of Intercos and Sirti (from 2007 to 2008); Dada S.p.A. and Camfin S.p.A. (from 2009 to 2013); Inwit S.p.A. until 2018; Deputy Chairman of Ferretti S.p.A. from mid-2009 to July 2012.

From October 2011 to January 2014 he was a member of the Management Board of Banca Popolare di Milano S.c.a.r.l. and Chairman of Pro Family S.p.A., BPM group's consumer credit company.



## **Ms. Elisabetta Gualandri**

**NON-EXECUTIVE - INDEPENDENT**

Born in Modena on 12th June 1955.

Graduated in Economics and Business Studies from Modena University, master in Financial Economics gained at the University College of North Wales and enrolled in the Register of Auditors.

She is Full Professor of Financial Intermediaries, Department of Economics Marco Biagi, University of Modena and Reggio Emilia - UNIMORE, where she held the positions of Chief of Department, member of the BoD and of the Academic Senate and carries out research and consulting activities for the Centro Studi Banca e Finanza (Bank and Finance Studies Centre) – CEFIN and for Artificial Intelligence Research and Innovation Center – AIRI (previously Softech-ICT).

She is the author of a number of studies and publications on the subjects of management and regulation of financial intermediaries, including with S. Cosma: The Italian Banking System and the Financial Crisis, Palgrave Macmillan, 2012.

She is currently a Director of BPER Banca S.p.A.

He is also Chairwoman of the Control and Risk Committee, Member of the Remuneration Committee and of the Independent Directors' Committee of the Bank.

Currently she is a member of the Board of Directors of IGD SIIQ S.p.A. - Immobiliare Grande Distribuzione, ABI Servizi S.p.A. and MAT3D S.r.l. Spin-off of UNIMORE.

She has held the position of standing auditor of Banca d'Italia from 2007 until her co-optation to the Board of Directors of BPER Banca on 28 August 2012.



## **Ms. Ornella Rita Lucia Moro**

**NON-EXECUTIVE - INDEPENDENT**

Born in Somma Lombardo (VA) on 4th July 1961.

She graduated cum laude in Economics and Business Studies from the L. Bocconi University of Milan, is Full Professor of Economics of Financial Intermediaries at DISEA - Department of economic and business studies, at Sassari University.

She participated in various research projects with public and private loans.

She took part in scientific collaborations with Prometeia S.p.A. for the construction of the database and the valuation models for listed insurance companies and for the analysis of the insurance savings market, as well as with the Newfin Observatory - Financial Innovation Centre of the L. Bocconi University.

She collaborated in establishing the internship department and in external orientation activities for DISEA students.

She has published extensively on banking management and insurance company management.

She has participated in international conferences as speaker.

He is currently a Director and member of the Control and Risk Committee of BPER Banca S.p.A.



## **Mr. Mario Noera**

### **EXECUTIVE**

Born in Somma Lombardo (VA) on 30th March 1952.

Graduated with honours at Modena University, completed advanced studies in the United States at the Massachusetts Institute of Technology and the University of Yale. In 1982 he began his career as an economist at the Research Department of Banca Commerciale Italiana. He boasts many years' experience as bank manager, specialised in the asset management sector.

He is now a lecturer of Finance and Economics of Financial Intermediaries at the L. Bocconi University of Milan and business consultant.

Previously he taught monetary economics at the Università Cattolica del S. Cuore.

He is currently a Director and member of the Executive Committee of BPER Banca S.p.A.

He was the President of the Italian Association of Financial Analysts (from 2010 to 2011) and Vice President of UniCredit Private Banking (from 2009 to 2010), as well as independent director of IWBank (from 2009 to 2012) and of Unicredit Credit Management S.p.A. (2013-2015). Until 2005, he was the Head of Asset Management of Sanpaolo Wealth Management (then Eurizon S.p.A., holding company controlling all the asset management and insurance Legal Entities), General Manager of Sanpaolo Asset Management SGR, Chief Executive Officer of Sanpaolo Institutional Asset Management SGR and of Sanpaolo Alternative Investments Sgr (then merged in Eurizon Capital SGR). Previously he held similar posts in the Mediolanum Group, where he was Chief of the Asset Management and Product Technical Development Department (2000-2001), and in the Deutsche Bank Group, where he was Chief Executive Officer of Deutsche Bank Fondi SGR (then DWS SGR) and of Deutsche Asset Management SGR (from 1998 to 2000)



## **Ms. Marisa Pappalardo**

### **NON-EXECUTIVE - INDEPENDENT**

Born in Palermo on 25th January 1960.

She graduated cum laude in Law from Florence University.

She is the founding partner of the law firm Caiazza Donnini Pappalardo & Associati.

She specialises in corporate law and provides legal assistance to controlling companies and groups with reference to ownership structure and corporate governance, matters pertaining to corporate, commercial, financial, banking and bankruptcy law.

She has dealt with extraordinary corporate transactions (mergers, acquisitions, takeover bids, privatisations).

She has gained considerable experience in litigation activities before the Courts. She has been involved in arbitration proceedings both as a lawyer and an arbitrator.

She is currently a Director and member of Independent Directors' Committee of BPER Banca S.p.A.

She is a Director and Chairwoman of the Related Parties Committee; Member of the Control, Risks, Sustainability and Corporate Governance Committee and of the Remuneration Committee of Pirelli & C. S.p.A.

She has previously held the following positions, among others: Common Representative for Bondholders Generali S.p.A. (formerly INA S.p.A.).



## **Ms. Rossella Schiavini**

### **EXECUTIVE**

Born in Gallarate (VA) on 8th May 1966.

She graduated cum laude in Political Sciences from L.U.I.S.S. Guido Carli University in Rome and a Master's degree in Science of Economics from the London School of Economics and Political Science. She has extensive professional experience in the Italian and international banking and financial sectors, which started in Banca Commerciale Italiana and which continued in Royal Bank of Scotland (RBS) and, then, in Rabobank, where she became the first country manager for Italy, and subsequently, head of the Corporate Division for Europe.

She provides consultancy to corporates on business strategy, governance and risk management.

She is currently a Director and Chairwoman of the Executive Committee of BPER Banca S.p.A.

She is also an independent Director and a Member of the Control and Risk Committee of Marr S.p.A.

She has held the role of executive member of the Administrative Body of Rabobank Turkey, as well as member of the bank's Risk, Credit and AML Europe Committee.



## **Ms. Valeria Venturelli**

### **NON-EXECUTIVE - INDEPENDENT**

Born in Castelfranco Emilia (MO) on 8th September 1969.

She graduated cum laude in Business Economics from Modena University, continued her studies in Economics and Finance at Universitat Pompeu Fabra di Barcellona (Spain) and obtained a PhD in "Markets and Financial Intermediaries", at Università Cattolica del Sacro Cuore in Milan. She is an associate Professor of Economics of Financial Intermediaries at the University of Modena and Reggio Emilia, with a national scientific qualification to act as a full professor in Italian universities and teaches Securities Markets Economics (three-year degree course in Business Economics) and Financial Management – Advanced Bank Management Module (master's degree in Financial Management and Analysis Consulting- ACGF) at the "Marco Biagi" Department of Economics of the University of Modena and Reggio Emilia.

Within her educational activities she also lectures in specialist master's courses.

Her research activities are focused on the study of intermediaries and financial instruments through individual research and with the participation and co-operation of research groups and centres. The main research topics of her numerous publications and participations in national and international conferences are: business banking models, morphology of financial systems, the relationship between the development of the financial system and economic growth, financing of SMEs and innovative start-ups.

Currently she works at the Marco Biagi Department of Economics, the CEFIN Banking and Finance Research Centre and the Softech-ICT inter-departmental industrial research centre. Since August 2013 she has been a member of the Academic Board of the PhD in "Labour, Development and Innovation" of the University of Modena and Reggio Emilia. She has also collaborated, among others, with the Emilia Romagna Region, the Luigi Einaudi institute for monetary, banking and financial studies, the Italian Banking Association, Confindustria Modena and Fondazione Democenter-Sipe. She is currently a Director of BPER Banca S.p.A.

She is also Chairwoman of the Independent Directors' Committee and a Member of the Control and Risk Committee of the Bank.

## Board Secretary



### **Mr. Gian Enrico Venturini** (in office until 30 November 2020)

Born in Forlimpopoli (FC) on 7th November 1957

He graduated in Law from Bologna University.

After a short period of apprenticeship in legal firms, he joined Banca Popolare di Cesena, where he became attorney-in-fact responsible for legal affairs.

He moved to Modena in 1996, when Banca Popolare di Cesena was merged into Banca Popolare dell'Emilia (renamed Banca popolare dell'Emilia Romagna). He held roles of increasing responsibility: first of all as Chief of the Legal Affairs Office, then of the General Management Secretary Office and, since January 2009, of the Chief Legal & Governance Officer.

In November 2010 he became General Secretary and Secretary of the Board of Directors in compliance with art. 35 of the current Articles of Association.

From 1 April 2014 to 30 November 2020 he has been Deputy General Manager of BPER Banca.

Positions held in the BPER Group include: Chairman of BPER Bank Luxembourg S.A.; Director of Modena Terminal S.r.l. and BPER Credit Management S.c.p.A.

In the BPER Group he has been Deputy Chairman of Unipol Banca S.p.A., Deputy Chairman of BPER Bank Luxembourg S.A.; Director of CARISPQ – Cassa di Risparmio della Provincia dell'Aquila, of Banca della Campania S.p.A., Mutina S.r.l., Nettuno Gestione Crediti S.p.A., Nadia S.p.A. and EM.RO. Finance Ireland Limited.

Outside the BPER Group, he is director of Ospedale di Sassuolo S.p.A.

He has represented the Bank and the BPER Group in the Technical Legal Committee for corporate law, promoted by ABI.

## Diversity policy<sup>11</sup>

The Bank recognises the importance of corporate bodies having a sufficiently diversified composition - in terms of age, gender, geographical origin, training and professional background, as well as personal qualities and skills - with a view to encouraging the independence of opinion and critical thinking of the members, contributing to more effective governance.<sup>12</sup>

As regards gender diversification in particular, it is worth remembering that BPER Banca's Articles of Association require compliance with composition criteria for corporate bodies that ensure gender balance in compliance with

<sup>11</sup>Articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis, of the Consolidated Finance Act require at least 2/5 of the members of the Board of Directors and the Board of Statutory Auditors to belong to the less represented gender and said criterion to be applied for six consecutive mandates.

Law no. 160 of 27 December 2019 (Budget Law), which entered into force on 1 January 2020, amended the regulation governing gender balance in the bodies of listed companies, raising the quota to be selected from the less represented gender from at least 1/3 to at least 2/5, both for the Administrative and Control Bodies, and extended the period of validity of the distribution criterion from 3 to 6 consecutive mandates. The new regulation applies from the first renewals of corporate bodies subsequent to 1 January 2020. As regards BPER, it should be noted that the current composition of the Board of Directors and the Board of Statutory Auditors already complies with these new provisions.

<sup>12</sup>In this regard, reference should be made to Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (so-called CRD IV) and the Joint Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU issued jointly by the European Banking Authority

current legislation<sup>13</sup>. Compliance with this criteria is ensured by provisions governing the composition of the lists of candidates <sup>14</sup>and the election of officers, inclusive of via the application of a sliding mechanism<sup>15</sup>.

As envisaged in arts. 17 and 30 of the Articles of Association, current regulations and the Corporate Governance Code 2018, the composition of the Board of Directors and the Board of Statutory Auditors complies with the gender balance requirements. At present, out of 15 members, 7 are female (the less represented gender) and 8 are male. With regard to the Board of Statutory Auditors, 2 of the 5 members are male, which is currently the least represented gender.

BPER has adopted a document containing general guidelines for the composition of corporate bodies of subsidiaries which approves the use of designation processes based on the protection of diversity to encourage debate and interactive dynamics among the members, promoting diversified approaches and perspectives, to the benefit of more effective management of the business.

Diversity is ensured, not only by complying with the provisions of law in force from time to time, promoting a culture of inclusion, but also by enhancing the various contributions that may result from the combination of gender, geographical origin, training and professional background, as well as the age of members.

Information on the composition of the Board of Directors is provided in Table 2 attached to this Report.

No changes in the composition of the Board took place between the end of 2020 and the date of approval of this report.

It should be noted that the Bank deems "non-executive" those Directors who do not have mandates or perform functions, formally or in practice, relating to the operations of the Bank. At that time of approving this Report, there are no executive Directors other than the Chief Executive Officer and the members of the Executive Committee. For further information, see Paragraphs 4.5 and 4.6 below.

As regards the independent Directors, see Paragraph 4.7.

The summary of the personal and professional characteristics of each appointed Director, identifying their professional experience and skills, is published on the website [www.bper.it](http://www.bper.it) – Institutional > Governance > Board of Directors.

The appointments held by each member of the Board of Directors, as stated in the latest reports to the Bank, are listed in Table 3, attached to this Report.

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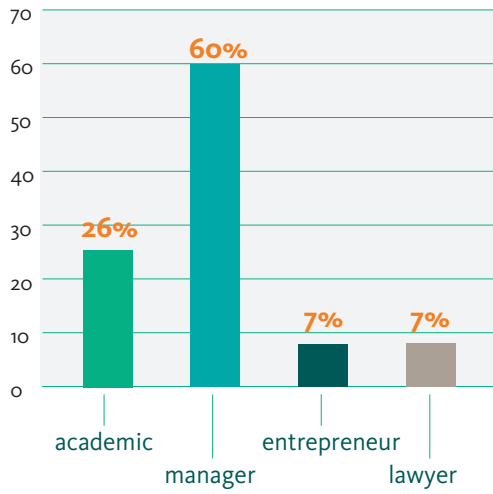
(EBA) and European Securities and Markets Authority (ESMA) on 26 September 2017.

<sup>13</sup> See art. 17, paragraph 3, regarding the Board of Directors and art. 30, paragraph 6, regarding the Board of Statutory Auditors.

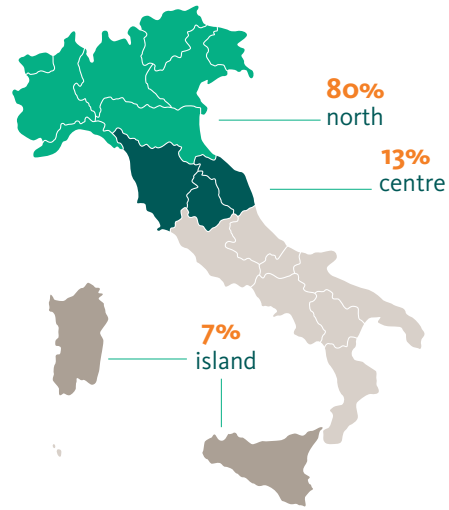
<sup>14</sup> Art. 18, paragraph 2, of the Articles of Association states that the list that contains a number of candidates equal to three, must present at least one candidate belonging to the less represented gender; the list that contains a number of candidates higher than three must present a number of candidates belonging to the less represented gender that ensures, within said list, respect for the gender balance at least to the minimum extent required by law, rounding up to the next unit in the event of a fractional number. Except for the specific circumstances arising from the different structure of the lists, similar provisions for the Board of Statutory Auditors are contained in art. 31, paragraph 3, of the Articles of Association.

<sup>15</sup> See arts. 19 and 32 of the Articles of association.

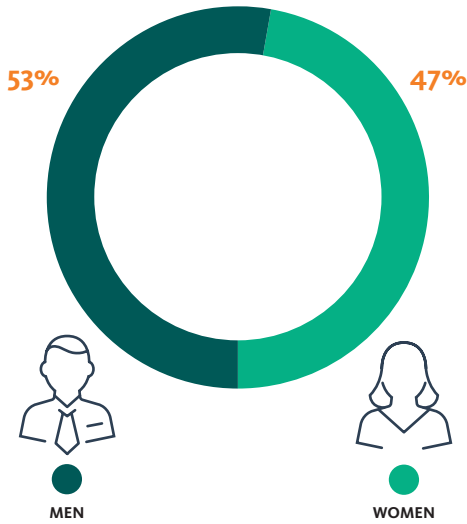
### Professional activities



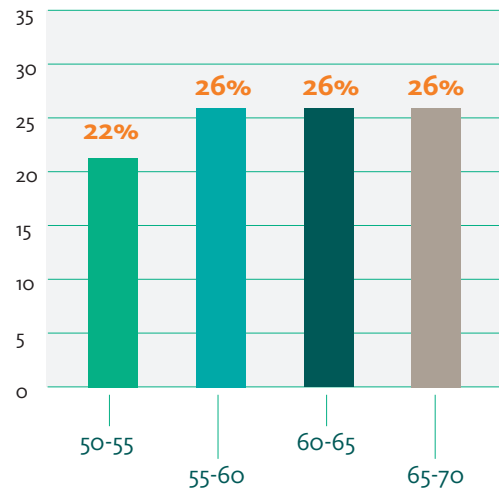
### Geographic origin



### Gender diversity



### Age bracket



## 4.2.1 Maximum accumulation of offices that can be held in other companies

The Supervisory Instructions require, among the general principles for the proper performance of their functions by bodies with strategic supervision and management functions, members of the Board of Directors to dedicate appropriate time and resources to the complexity of their duties, without prej-

<sup>16</sup> Officers of larger or more complex banks cannot take on a total number of positions in banks or other commercial companies exceeding one of the following alternative combinations, including the position held in the Bank:

- 1 executive appointment and 2 non-executive appointments;
- 4 non-executive appointments.

For the purpose of the above calculation, the following positions are deemed to be one position: i) within the same group; ii) in banks pertaining to the same institutional protection system; iii) in non-group companies in which the bank has a qualifying holding as defined by Regulation (EU) 575/2013, article 4(1), point 36. The competent authorities can authorise members of the management body to hold an additional position of non-executive director, and periodically inform the European Banking Authority of said authorisations.



udice to the limits on the accumulation of offices envisaged in art. 91 of the CRD IV Directive.<sup>16</sup> These limits were adopted into Italian legislation by the Decree of the Ministry of Economy and Finance no. 169 of 23 November 2020, implementing art. 26 of the Consolidated Banking Act, as amended by Legislative Decree 72 of 12 May 2015, adopting Directive 2013/36/EU on the prudential supervision of banks.

At the time of their appointment and any time thereafter that there is a change, the Directors must provide the Board with an updated list of their directorships, management and audit appointments; they are also required to make a declaration, in compliance with art. 36 of Legislative Decree 201/2011 converted with amendments to Law 214/2011, concerning the ban on interlocking.

When assessing the overall requirements for office according to current regulations and the Supervisory Provisions, the Board verifies the time that each member can dedicate to their functions (the so-called "time commitment"), taking into account the positions held in companies, firms or bodies, their other professional activities, as well as any situations and/or facts pertaining to the professional sphere.

The Board considers appropriate the time available to each member of the Board of Directors and the Board of Statutory Auditors to perform their functions adequately. This determination was made following the annual review of their suitability carried out in May 2019, in compliance with the Joint Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU of September 2017.

## Board training

The promotion of training initiatives designed for corporate officers is a topic that is increasingly important in the corporate sphere and, particularly, in the banking sector, as demonstrated by the issue of various regulatory provisions addressing the topic.<sup>17</sup>

Within BPER, training for the members of the Board has always been carefully and continuously addressed.

The Chairman of the Board of Directors ensures that the Bank prepares and implements the training activities; he oversees their implementation, also with reference to execution times and the use of the financial resources that have been allocated; promotes the participation of the members in planned initiatives; supervises the verification of training interventions and evaluation of their effectiveness.

On 26 September 2018, the Board of Directors approved the *Politica sugli interventi formativi per gli Amministratori* and the 2018-2020 Training Plan by allocating an appropriate budget.

In particular, this Plan provides for two types of training activities:

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<sup>17</sup> Banca d'Italia, with its Circular 285/2013, Supervisory Provisions for banks, requires banks to adopt appropriate training plans to ensure that the technical expertise of the members of the administrative and control bodies, as well as those responsible for the main corporate functions, is preserved over time; specific training programmes must be offered to help prepare new appointees for their role. In addition:

- Directive 2013/36/EU dated 26 June 2013, so-called (CRD IV - Capital Requirements Directive), art. 91, paragraph 9, establishes that banks must dedicate adequate human and financial resources to the preparation and training of members of the management body;
- guidance published jointly by the European Banking Authority and the European Securities and Markets Authority dedicates ample space to the topic of training, which has been identified as an indispensable tool to ensure the suitability of the members of the Board ("Induction and training are key to ensure the initial and ongoing suitability of members of the management body; institutions are therefore required to establish training policies and to provide for appropriate financial and human resources to be devoted to induction and training") as well as to address any shortcomings concerning the failure to meet experience requirements;
- art. 2.C.2 of Borsa Italiana's Corporate Governance Code, states that "... The Chairman of the Board of Directors shall use his best efforts to allow the directors and the statutory auditors, after the election and during their mandate, to participate, in the ways deemed more appropriate, in initiatives aimed at providing them with an adequate knowledge of the business sector where the issuer operates, of the corporate dynamics and the relevant evolutions, of the principles of proper risk-management as well as the relevant regulatory and self-regulatory framework".

- induction, intended for newly elected directors in order to acquire, within a limited period of time, adequate basic knowledge of the key governance areas of the Bank and the Group through a series of training sessions provided by the Bank's top management with the assistance of the heads of functions concerned;
- training, to allow all directors currently in office to preserve, consolidate and develop their knowledge and skills over time, with the aim of: (i) increasing their basic knowledge, (ii) facilitating refresher courses that take into account the evolution of the regulatory and/or self-regulatory framework, and (iii) gaining in-depth knowledge on individual issues of particular strategic importance.

In addition, each Board member is able to participate in workshops and other training events covering specific topics of interest and relevance to their individual roles.

As regards the induction course, during 2018, five events were organised (concentrated in the first three months after the appointment of the B.o.D., of which the first three held in the week following their appointment) on the system of governance, the organisational structures, an overview of the areas of Business, Operational Governance and IT, risk management, internal controls, remuneration policies and the Management by Objectives (MBO) model.

With regard to training activities, 2 days during 2018 were dedicated to: (i) awareness of macroeconomic scenarios and management of the financial portfolio; (ii) prevention, management and resolution of crises in the European Union and the MREL (Minimum Requirement for own funds and Eligible Liabilities).

Training continued in 2019 with 3 training sessions on: (i) IFRS 9 and IFRS 16 Leases; (ii) the 2019 materiality matrix and the foundations of the BPER Banca Sustainability Plan in the context of the Corporate Social Responsibility programme; (iii) digital innovation and cyber risks; (iv) the so-called "regulatory map", in other words, how to pro-actively manage regulatory requests on the basis of clear internal governance, leading to the identification of potential business opportunities.

In 2020, 3 training sessions were held which concerned the following themes:

- (i) functional synergies for strategic supervision, management and control bodies and forms of responsibility in the regulatory framework, including evolutionary, of European and national supervision;
- (ii) markets getting to grips with the decisions of central banks, regulators and stimulus plans;
- (iii) evolution of lending standards in light of the new regulatory context (accounting and prudential), as well as the centrality of the risk of money laundering and financing of terrorism in the ECB supervisory actions and in the new Covid-19 reference context.

In conjunction with the event referred to in point (ii) the annual training event regarding Legislative Decree 231/2001 was held, concerning the introduction of tax offences to the aforementioned decree and the subsequent updating of the Organisational Models.

The members of the Board of Statutory Auditors were also invited to attend the training events organised as part of the 2018-2020 Training plan.

Lastly, it should be noted that the Directors also constantly receive alerts prepared by the competent internal functions of BPER in order to provide information and input useful for the performance of their duties, as well as legislative updates applicable to the sector.

### 4.3 Role of the Board of Directors (art. 123-bis, paragraph 2.d), Consolidated Finance Act)

In compliance with the law, the functioning of the Board of Directors is governed by the Articles of Association and the Operational Rules approved by the Board, which checks the adequacy over time, at least on a three-year basis, and makes the appropriate amendments and additions thereto.

The ordinary Board of Directors is normally called once per month. Exceptionally, a Board meeting can be called every time considered necessary by the Chairman, as well as when requested at least by one third of the Directors or by the Chief Executive Officer. The Board of Directors can also be convened by the Board of Statutory Auditors, or individually by one or more of the acting auditors, upon written communication to the Chairman of the Board of Directors.

Board meetings may be held using remote communication systems, provided that all of the participants in the meeting can be identified and that they are able to follow the debate and to intervene in real time in discussions about matters on the agenda, as well as being able to see, receive and transmit documents. It is the Chairman's responsibility to verify that the conditions have been met for the meetings to be held using remote communication systems. At least the Chairman and the Secretary must be present in the place where the Board of Directors is called, except in the case in which the meeting takes place using distance communication systems.

The Chairman performs the functions required by current law, promoting the effective functioning of the system of corporate governance, as well as the efficient and constant link between the functions of direction and strategic supervision and those of management; he is the principal point of reference for the bodies, departments and organisations within the Bank responsible for control activities and for the committees established within the Board of Directors. He coordinates the activities of the Board of Directors, he chairs the meetings, directs and moderates discussions, guarantees the effectiveness of Board discussions and ensures that motions passed by the Board are the result of adequate argumentation and an informed and reasoned contribution by all the members.

In leading Board discussions, the Chairman ensures that priority is given to strategic issues and makes sure that all the time that is needed is dedicated thereto.

The Chairman works to ensure that the Directors receive proper and timely information. To this end, in collaboration with the Chief Executive Officer and assisted by the Secretary, the Chairman identifies the supporting documentation for motions submitted, to ensure that it is adequate, in both quantitative and qualitative terms, to address matters on the agenda. Again to this end, he ensures, by issuing appropriate instructions to the corporate functions, that the documentation highlights, for each topic on the agenda, the most significant and relevant elements for the motions to be passed.

This documentation is made available to Directors, Acting Auditors and the General Manager and is filed with an appropriate corporate organisational unit, normally within the fifth day prior to each session, as set out in the Operational Rules.

If, for organisational reasons or for reasons of confidentiality, the documentation made available within this deadline is not exhaustive, subsequent additions are provided no later than the day of the meeting, based on prior authorisation of the Chairman.

This aforementioned deadline was generally met during 2020, except in special cases due to the nature of the resolution to be taken.

Where, for the aforementioned organisational reasons or for reasons of confidentiality, it has not been possible to provide the necessary disclosure/documentation in accordance with the deadline or in an exhaustive manner, the Chairman ensures that adequate and accurate in-depth analyses are conducted during the meeting. This is without prejudice to the Board's right to request the production of additional documentation during the meeting.

Lastly, note that the aforementioned Operational Rules require that, outside the Bank's premises, mate-

rials provided in advance shall be made available by means of an IT procedure, which, due to the security features thereof, constitutes the preferred tool for the management, based on appropriate confidentiality standards, of meetings of corporate bodies and of the documents and information pertinent thereto. The Directors fulfil their duties in compliance with the obligation of confidentiality regarding the documents and information acquired in the performance of their mandate, also outside of board meetings, and comply with the controls adopted by the Bank for this purpose, particularly with the IT procedure mentioned above.

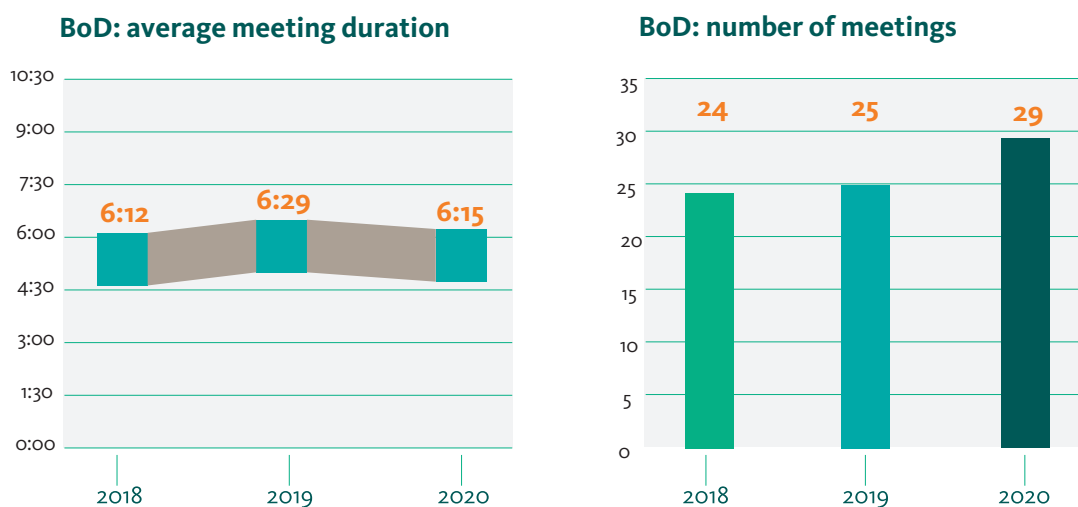
The Directors perform their functions in an informed manner, with independence of mind and autonomously, in compliance with the principles set out in the Code of Ethics adopted by the Bank.

The non-executive Directors bring their specific skills to Board discussions, particularly as regards to the control and internal audit functions and to those where there could be potential conflicts of interest. They also participate in the appointment and dismissal of the heads of corporate control functions.

Minutes of meetings are prepared by the Secretary in a manner governed by the Board of Directors' Operational Rules.

The minutes, signed by the Chairman and the Secretary, are kept in the Board of Directors' Minute Book.

The Board of Directors met 29 times during 2020 and the average duration of each meeting was about 6:15 hours. This number was supplemented by one informal meeting by the Directors outside the Board, partly in compliance with a specific recommendation contained in Banca d'Italia's Supervisory Instructions (Circular 285/2013). This, more specifically, was a meeting to analyse corporate governance matters in depth.



Board meetings were attended by the following persons who are not members of the Board:

- the Deputy General Manager acting as Secretary to the Board of Directors (in accordance with the relevant provisions of the Articles of Association);
- at the invitation of the Chairman of the Board of Directors, from time to time and in relation to individual issues being addressed, meetings were attended by the Deputy General Managers and the managers of the main corporate functions to provide the appropriate detailed information on topics on the agenda (on average, more than 8 functions were invited to each meeting).

21 meetings have been scheduled for 2021; at the date of this Report, the Board of Directors has met 6 times, including the meeting for the approval of this document.

Pursuant to art. 25 of the Articles of Association, the Board exercises all powers of ordinary and extraordinary administration of the Company, except for those reserved for the Shareholders' Meeting,

and performs the functions of strategic supervision and high-level administration.

Without prejudice to the powers that cannot be delegated by law, the Board of Directors has exclusive responsibility for decisions concerning:

- determining general operating guidelines and criteria for the coordination and management of Legal Entities, as well as for the implementation of instructions received from Banca d'Italia and other Supervisory Authorities in the interests of the Group's stability;
- definition of general guidelines, strategies, policies, processes, models, plans and programmes that the provisions of Banca d'Italia and the other Supervisory Authorities assign to the body that has the function of strategic supervision; the strategic direction, strategic transactions and financial and business plans;
- the purchase and disposal of equity investments that represent a controlling and/or significant interest;
- the approval and modification of its Operational Rules;
- the approval and amendment of the deed governing the process of adopting and distributing internal regulations and other internal regulatory documents that this deed qualifies as particularly important;
- the appointment and dismissal of the Chairman and Deputy Chairman/Chairmen;
- the appointment, in its area, of the Executive Committee and the other Committees specialised in the subjects and with the functions set forth in the legislation in force and the provisions of Banca d'Italia and the other Supervisory Authorities, determining their composition, powers and operating methods;
- the possibility, within the limits of the legislation in force, of amalgamating the functions of one or more Committees and to attribute additional responsibilities to them, as well as to establish internally, additional committees considered necessary, determining their composition, powers and operating methods;
- the appointment of the Chief Executive Officer, granting, modifying and/or revoking the powers granted to him;
- the appointment and dismissal of the General Manager and of the Deputy General Manager/Managers;
- the appointment and dismissal of the heads of the functions that the provisions of Banca d'Italia and the other Supervisory Authorities assign to the body that has the function of strategic supervision, and the appointment and dismissal of the Executive responsible for financial reporting;
- mergers in the situations envisaged by arts. 2505 and 2505-bis of the Italian Civil Code;
- any alignment of the Articles of Association with regulatory requirements.

The Board of Directors is also responsible for other transactions deemed to be strategically significant in economic or financial terms, such as:

- the purchase and sale of property;
- the formation of companies or the definition of strategic alliances;
- plans for the issue of certain financial instruments (shares in the Bank, convertible bonds);

- the granting of credit lines, both directly and as guarantees, that exceed the thresholds assigned to other corporate bodies;
- mergers and spin-off transactions, the purchase/sale of businesses or lines of business, contributions in kind and, more generally, transactions that involve publishing a prospectus in accordance with CONSOB's instructions.

The shareholders have not adopted any resolutions that provide general and advance authorisation for exceptions to the no-competition requirement established in art. 2390 of the Italian Civil Code. In any case, none of the Directors are currently in the position envisaged by this article of the Civil Code. As part of its duties, in 2020, the Board of Directors assessed, among other things:

- the adequacy of the Bank's organisational, administrative and accounting structure, also on the basis of information received from the delegated bodies, as well as of the internal control and risk management system, with regard to:
  - the transactions carried out with related parties and, more in general, those involving conflicts of interest;
  - the outcome of the checks performed by the second and third level control functions;
  - the exercise of the mandates granted to the appointed persons;
  - the economic-financial results of the various business areas covering the entire operations of the Bank;
- the adequacy, also on the basis of the documentation provided by the Legal Entities and by the control functions, of the organisational, administrative and accounting structure, as well as of the internal control and risk management system, of strategic subsidiaries with regard to:
  - the outcome of the checks performed by the second and third level control functions;
  - the reports on the consents granted to Legal Entities by bodies appointed by the Parent Company;
  - the economic-financial results of the various companies and of the Group as a whole;
- on an ongoing basis, the general results of operations, via the periodic analysis of the principal economic and financial aggregates of the Bank and the Group supplied by the delegated bodies, comparing them with the budget objectives and the Business Plan, as well as with the approved annual and interim reports.

The Board of Directors carries out an annual evaluation of its own functionality, as well as that of Board Committees on the basis of Rules approved by the Board that, in compliance with the requirements of the regulations in force, indicate the guidelines of the associated process, identifying the methods and tools with which to carry out the various stages of the process.

The Board also possesses a methodological document aimed at regulating the practical implementation of the above process.

It is structured in the following three components:

- functioning: considers aspects relating to how meetings are run and the frequency, duration, degree and methods of participation, the availability of time dedicated to the assignment, the relationship of trust, collaboration and interaction between the members of the Board, awareness of the role held, and the quality of Board discussion;

- qualitative composition: in particular, as regards the degree of diffusion among its members of the skills considered necessary to ensure proper functioning and management of its powers, with the ultimate aim of safeguarding the sound and prudent management of the Bank;
- quantitative composition: it concerns aspects such as the size, degree of diversity and professional skills and experience, a balance that is ensured by the independent members.

The self-assessment of the Board of Directors was conducted in 2020 without the support of an external professional, considering that the help of Egon Zehnder was enlisted to support the one carried out in 2019. The Supervisory Provisions state that it is good practice for larger banks to make use of an external professional at least once every 3 years. The process commenced at the end of 2019 and terminated in early 2020, with a review of the final report and the identification of suitable corrective actions to address the weaknesses identified during the process.

Specifically, the 2020 process involved the following phases:

- completion by all Board members of a questionnaire customised to reflect the characteristics of BPER and designed to collect opinions on the functioning of the Board and its Committees; collation of the data obtained from compilation of the questionnaires and processing of the results in an anonymous and aggregated form;
- preparation of a report that encapsulates the results of the self-assessment process and summarises the main data, with particular reference to the results obtained, with an indication of the main strengths and weaknesses, as well as the corrective actions identified after the process.

The main results of the 2020 self-assessment highlighted the following:

- the high level of participation in meetings of the board and appropriate amount of time dedicated by Directors to the objective of ensuring the effective and adequate fulfilment of their duties;
- the role performed by the Chairman in promoting adequate functioning of the Body, also in terms of the circulation of information, effectiveness of meetings and stimulation of internal dialogue;
- the quality of said dialogue and meetings between the Directors, also where opinions are not in complete harmony;
- the awareness of the role and authoritativeness of the independent directors and non-executive directors;
- the accessibility of the information provided to support the discussion of the items on the agenda; the aim is to continue with the activity of further improvement of the quality of the information material made available to corporate officers, as well as the timing of prior disclosure;
- the attention paid to the risk profile and capital adequacy of the Bank, as well as the processes of evaluation of company activities;
- the overall adequacy, in terms of the role, functioning, composition and size of internal Board committees;
- the regular involvement of the Board in the discussion of matters regarding the direction and control of the information system;
- the importance of concentrating Board activity on issues that allow the full performance of the role of strategic supervision body assigned to it by the industry legislation, as well as for the full benefit of a better and more comprehensive discussion of the matters under review.

In November 2020, the Board of Directors started the 2021 self-assessment process (relating to 2020), with the help of an external professional.

At the date of approval of this report, the 2021 process was, however, concluded in consideration of the imminent renewal of the Administrative Body by the Shareholders' Meeting called to approve the 2020 financial statements.

The main results of the 2021 self-assessment highlighted the overall adequacy of the governance of the Bank with the provisions of the Corporate Governance Code 2018, with the Supervisory Provisions for banks of Banca d'Italia and with the best practices.

In particular, as regards the qualitative and quantitative composition:

- the number of 15 directors was judged to be adequate for the Bank's governance needs;
- the diversity as regards age, seniority of office and gender, ensure a balanced combination and were judged to be more than adequate;
- the structuring of the composition of the Board as a whole is essentially appropriate in terms of the adequately diversified knowledge, expertise and professional experience of the members

As regards the functioning:

- extremely positive and excellent judgements emerged, albeit with areas of improvement relating to meeting times and the promptness and usability of the documents in support of the discussions;
- the quality of dialogue and the depth and scope of the debate were highly appreciated, always well-structured, enabling proactive agreement to be reached. The participation and involvement of the Directors was also deemed to be excellent;
- extremely positive opinions and agreements were collected on the role and the work of the Chairman of the Board, who is recognised to possess a wealth of experience, leadership and a strategic vision, and constant attention and care for involving all Directors in the debate and when taking corporate governance decisions;
- unanimous agreements and highly positive judgements of the Directors on the interpretation of the role and work of the Chief Executive Officer, who is recognised to possess great authoritative-ness and leadership and excellent communication with the Board, in addition to a strong capacity for vision and a determined analytical and constructive approach to board debate;
- generally very positive judgements emerged and, in many cases excellent, on the role and functioning of the internal board Committees. The quality and depth of the preliminary analyses and evaluations was appreciated, as well the significant commitment and presence of all members, suggesting, at the same time, with a view to further improvement, some initiatives in relation to the duties attributed to the Executive Committee and the quantitative composition of the Control and Risk Committee.

The evaluations and the positions that came to light were therefore included in the document "Guidelines for Shareholders on the Qualitative and Quantitative Composition of the Board of Directors", approved by the Board of Directors and published on the website [www.bper.it](http://www.bper.it) - Institutional > Governance > Shareholders' Meeting, to notify shareholders of them in time so that they can take account of them when choosing candidates to be elected to the Board of Directors at the time of the next Shareholders' Meeting.



## 4.4 Chairman of the Board of Directors

The Chairman is elected by the Board of Directors and remains in office until the expiry of his mandate as a Director.

This position is held by Pietro Ferrari, who was appointed at the Board meeting held on 17 April 2018 following renewal of the Administrative Body for the three-year period 2018-2020 at the Shareholders' Meeting held on 14 April 2018.

The Chairman of the Board of Directors:

- a) performs the functions required by current regulations, facilitating the governance of the Bank and promoting the effective and balanced functioning of the powers allocated to the various corporate bodies, as well as acting as point of reference for the Board of Statutory Auditors, for the heads of the internal control functions and for internal committees;
- b) represents the Company in dealings with third parties and in legal proceedings, both in the courts and in administrative matters, including appeals and revocations, and has single signature powers.

The Chairman does not have executive powers and is neither the “principal party responsible for managing the Issuer” – as, pursuant to the Articles of Association, this is the responsibility of the Executive Committee and the Chief Executive Officer/General Manager – and, at the date of this report, is not the controlling shareholder of the Issuer.

## 4.5 Delegated bodies

In compliance with the Articles of Association and legal requirements, the Board of Directors delegates its powers to the Executive Committee and to the Chief Executive Officer, establishing limits for each mandate granted.

By means of the amendment to the Articles of Association approved by the Extraordinary Shareholders' Meeting on 29 January 2021, the establishment of the Executive Committee was rendered optional, putting it within the remit of the evaluation of the Board of Directors, in line with the best practice that attributes, to the Administrative Body, the definition of the more functional corporate governance system for the performance of company activities and the pursuit of its strategies.

The document entitled "Attribution of senior management bodies - System of delegated powers " reports the powers delegated from time to time by the Board of Directors to the Bank's Corporate bodies (Executive Committee, Chief Executive Officer, General Manager, Deputy General Managers). The Delegated bodies exercise their powers in compliance with the internally regulations currently in force.

With regard to the granting of credit and current operations, the related decision-making powers have been further delegated - within established limits, based on the functions performed and hierarchical level – to the employees responsible for particular functions and to branch managers.

### 4.5.1 Chief Executive Officer

The CEO supervises the Company's management, in accordance with the general strategic guidelines established by the Board of Directors, makes sure that resolutions of the Board and of the Executive Committee are implemented; the CEO also makes sure that the organisational, administrative and accounting structure and internal control system are appropriate for the size and nature of the Company and suitable to provide a true and fair view of its operating performance.

The Board of Directors' meeting of 17 April 2018 confirmed Mr. Vandelli as Chief Executive Officer, a role that he has held since 15 April 2014.

Pursuant to art. 29 of the Articles of Association, the Chief Executive Officer is primarily responsible for making recommendations to the Board of Directors and the Executive Committee regarding the adoption of resolutions for which they are responsible, without prejudice to the right of each member of those bodies to propose resolutions in accordance with the related Operational Rules.

In particular, the Chief Executive Officer submits proposals to the Board concerning:

- strategic policies, business plans and annual budgets of the Bank and of the Group;
- the general organisational structure of the Bank and the Group;
- candidates proposed as potential members of the Administrative and Control Bodies of subsidiaries of the Group, inclusive of the proposals as members of the Executive Committee (if any) and for other positions as Directors vested with special powers, as well as proposals relating to the associated fees, after having consulted with the Chairman of the Board of Directors;
- the appointment of members of General Management of the Parent Company and the nomination of members of general managements or similar positions within the Group's subsidiaries, including the related remuneration, after having consulted with the Chairman of the Board of Directors.
- the designations of candidates for the Administrative and Control Bodies of investee companies, having consulted the Chairman of the Board of Directors.

The Chief Executive Officer is also responsible for:

- the execution of motions passed by corporate bodies and the coordination of the Bank's activities to ensure its operations comply with the policies laid down by the Board of Directors;
- supervising the implementation of plans, projects and budgets approved by the Board, as well as any consequent resolutions adopted by the Executive Committee, and reporting periodically to the competent bodies on the related progress made and the general performance of the Bank and the Group;
- the determinations regarding the management of the Group's project portfolio, according to the requirements of the internal regulations in force from time to time;
- the application of rules concerning corporate governance applicable to the Bank and the Group;
- performing the duties envisaged in the various regulations adopted by the Group, including those related to:
  - internal control system;
  - IT system;
  - outsourcing of corporate functions;
  - Recovery Plan;
  - system of internal reporting (whistleblowing) by employees;
  - business continuity;
- presentation to the Board of Directors of periodic reports on the work performed in exercise of the mandates granted, as well as all other reports envisaged by current internal and external regulations.

Pursuant to the Articles of Association, in urgent cases, the Chief Executive Officer, after having

consulted with the Chairman of the Board, may take decisions on any transaction normally within the competence of the Administrative Body, except for those reserved by law or the Articles of Association exclusively to the collegial competence of the Board. The decisions taken under these circumstances have to be reported to the Board of Directors at the next meeting.

In particular, the Chief Executive Officer has been granted powers to take decisions, in compliance with the provisions of the Articles of Association and with any limits established thereby, concerning the following:

- 1 - group management and coordination;
- 2 - equity investments and investments in risk capital;
- 3 - financial reporting and investor relations, rating agencies;
- 4 - finance and treasury;
- 5 - products and services to customers;
- 6 - lending;
- 7 - loans classified as bad;
- 8 - organisational structure and distribution network;
- 9 - human resources;
- 10 - property, plant and equipment and intangible assets; other administrative expenses and other operating charges;
- 11 - lease arrangements entered into as lessor or lessee;
- 12 - disputes;
- 13 - internal regulatory documents;

As the Controller of processing, the Chief Executive Officer also performs the duties assigned by the Board of Directors with regard to definition of the Privacy Organisational Model.

The Chief Executive Officer has the right to grant to members of General Management and to employees with specific duties, general and special mandates for the conduct of business that falls within their sphere of competence, with a duty to set in advance the limits of the delegated powers and the reporting requirements, without prejudice to the right to take on the delegated functions himself.

The Chief Executive Officer is main person responsible for managing the business and in order to avoid situations that could generate potential conflicts of interest, he does not act as a Director of any issuers not of the BPER Group where a BPER Board member acts as the Chief Executive Officer.

## 4.5.2 Executive Committee (art. 123-bis, paragraph 2.d), Consolidated Finance Act)



The Board of Directors can appoint an Executive Committee made up of a minimum of three and a maximum of five Directors.

Pursuant to art. 27 of the Articles of Association, the Executive Committee, together with the Chief Executive Officer and members of General Management, participates in the management of the Bank to the extent of the powers assigned to it by the Board of Directors.

In compliance with the law, the functioning of the Executive Committee is governed by the Articles of Association and the Operational Rules of the Executive Committee approved by the Board of Directors.

The Committee checks over time the adequacy, at least on a three-year basis, of the foregoing Rules and submits to the Board of Directors any amendments and additions thereto.

Committee meetings, called by the Chairman, are usually held once a month and, in any case, whenever decisions are needed on matters for which it is responsible. The Committee can also be convened by the Board of Statutory Auditors, or individually by one or more of the acting auditors, upon written communication to the Chairman and to the Chairman of the Board of Directors.

Committee meetings may be held using remote communication systems, provided that all of the participants in the meeting can be identified and that they are able to follow the debate and to intervene in real time in discussions about matters on the agenda, as well as being able to see, receive and transmit documents. It is the Chairman's responsibility to verify that the conditions have been met for the meetings to be held using remote communication systems. At least the Chairman and the Secretary must be present in the place where the Executive Committee is called, except in the case in which the meeting takes place using distance communication systems.

The Chairman of the Executive Committee coordinates the activities of the Committee, calls its meetings, and sets the agenda, assisted by the Chief Executive Officer. He chairs the meetings, directs and moderates discussions, guarantees the effectiveness of Board discussions and ensures that motions passed by the Committee are the result of adequate dialogue and an informed and reasoned contribution by all the members. He/she represents the Committee at meetings of the Board of Directors. The rules governing the procedures for the identification of the supporting documentation for motions submitted, the provision thereof prior to the meeting have been extended by the Board to the Executive Committee, in full analogy to the provisions envisaged for the Administrative Body as set out in Paragraph 4.3 above. In particular, also for the Executive Committee, the deadline for making available the documentation to support resolutions was set at five days before the meeting. This deadline was generally complied with during 2020, except in special cases due to the nature of the resolution to be taken.

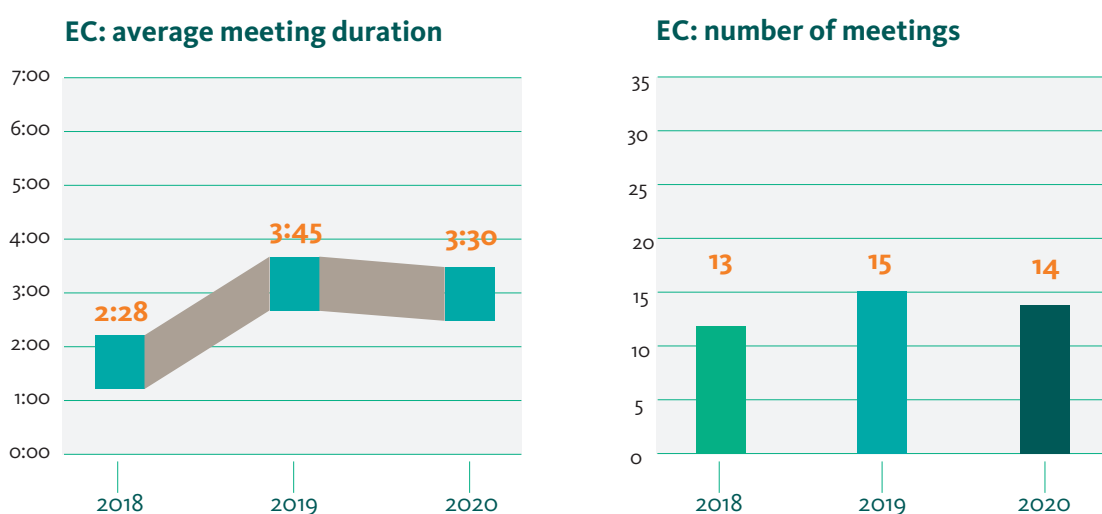
The members perform their functions in an informed manner, with independence of mind and autonomously, in compliance with the principles set out in the Code of Ethics adopted by the Bank.

Committee meetings may be attended by the Chairman of the Board of Directors, but without any right to make proposals or vote.

Minutes of meetings are prepared by the Secretary in a manner governed by the Executive Committee's Operational Rules.

The minutes, signed by the Chairman and the Secretary, are kept in the Executive Committee' Minute Book. At the date of the close of 2020 and at the date of this Report, the Executive Committee is composed of five Directors, Rossella Schiavini (Chairwoman), Alessandro Vandelli (by law as Chief Executive Officer), Riccardo Barbieri Luciano Filippo Camagni and Mario Noera.

Effective from 1 December 2020, following the retirement of the Deputy General Manager, Gian Enrico Venturini, the Secretary of the Committee is the Chief Executive Officer Alessandro Vandelli. The Committee met 14 times in 2020 and the average duration of each meeting was approximately 3 hour and 30 minutes.



At the invitation of the Committee, meetings were attended by the following persons who are not members of the Committee:

- the Deputy General Manager acting as Secretary to the Committee, as per a Board resolution of 26 October 2010 and recently reconfirmed on 19 April 2016, until 1 December 2020;
- the Deputy Vice General Manager, if invited by the Chairman of the Executive Committee;

at the invitation of the Chairman of the Executive Committee, from time to time and in relation to individual issues being addressed, meetings were attended by the other Deputy General Managers and the heads of the main corporate functions and the top management of the Group's main legal entities, to provide the appropriate detailed information on topics on the agenda (on average, more than 3 functions were invited to each meeting).

In addition, in 2020, 3 meetings were held between the Members of the Committee regarding governance themes relating to the revision of the perimeter of powers/responsibilities of the Body.

Thirteen meetings have been scheduled for 2021. The Committee has met 4 times as of the date of approval of this Report by the Board.

Information on the composition of the Committee is provided in Table 2 attached to this Report.

In compliance with the aforementioned document "Attribution of senior management bodies - System of delegated powers", the Executive Committee is granted the powers to take decisions, in compliance with the provisions of the Articles of Association, concerning the following:

- 1 - implementation and monitoring of strategic planning and of subsequent project activities;
- 2 - exercise of management and coordination over other Group entities;
- 3 - equity investments and investments in risk capital;
- 4 - approval, amendment and repeal of company and Group regulatory sources;
- 5 - credit disbursement and management;
- 6 - management and disposal of loans classified as bad;
- 7 - finance and treasury;
- 8 - products and services to customers;
- 9 - monitoring of overall organisational system;
- 10 - human resources management;
- 11 - property, plant and equipment and intangible assets, other administrative expenses and other operating charges;
- 12 - the Group's property and art portfolio;
- 13 - monitoring of the Group's disbursements regarding sponsorships, charity and public utility;
- 14 - disputes.

The Committee also exercises any powers assigned under the Group regulations governing, non-exhaustively, the IT system, as well as those regarding the outsourcing of corporate functions.

It has decision-making authority in all matters of an operational nature, which fall outside the exclusive competence - by law, pursuant to the Articles of Associations or regulatory provisions - of the Board of Directors not falling within the functions assigned to other executive bodies.

In addition, the Committee examines the periodic information flows received in accordance with internal regulations, as well as reports on:

- the operational performance of the Bank;
- the competitive position of the Bank and the Group;
- the activities carried out by BPER Credit Management under the operational mandate granted to that subsidiary consortium.

The Executive Committee also has the right to grant to its members and, in particular, to the Chief Executive Officer, as well as to members of General Management and to employees with specific duties, general and special mandates for the conduct of business that falls within the Committee's sphere of competence, with a duty to set in advance the limits of the delegated powers and the reporting requirements, without prejudice to the right to take on the delegated functions itself.

### 4.5.3 Information for the Board of Directors

Pursuant to article 29, paragraph 4, of the Articles of Association, the Chief Executive Officer normally reports on a monthly basis to the Board of Directors, on the general operating performance and, on a quarterly basis, on the exercise of the powers assigned to him, as well as, during the first subsequent meeting, on the urgent assumption of resolutions within the competence of the board, with the exception of those reserved by the legislation in force or by the Articles of Association to the exclusive competence of the Board itself. Moreover, he promptly reports, having previously consulted the Control and Risk Committee, on problems and critical issues pertaining to the internal control and risk management system, which have arisen in the performance of the functions attributed to him by relevant legislation or have been notified to him.

Pursuant to art. 35, paragraph 3, of the Articles of Association, the members of General Management report to the Board of Directors at least on a quarterly basis.

As far as the Executive Committee is concerned, the Chairman is primarily responsible for the provision of a detailed report to the Board of Directors normally during the course of the first subsequent Board meeting. Furthermore, a digital document archive containing all the Committee's documents (documentation supporting the resolutions and minutes of the meetings) is made available to all the directors, by means of the IT platform used to make the documentation relating to the meetings of the Corporate Bodies available, in a logic based on maximum transparency; the foregoing is aimed, as much as possible, at limiting the risk of asymmetric information flows between executive and non-executive directors.

### 4.6 Other Executive Directors

Directors classed as "executive" by the Bank are those who, in BPER or in any legal entity:

- a) are members of the Executive Committee or have been granted individual executive powers or perform management functions (even de facto);
- b) hold managerial positions, that is, entrusted with the supervision of certain areas of the business's operations.

Those who are not in such conditions are defined as "non-executive".

As specified in the Board's Operational Rules, the attribution of urgent powers, including as a deputy, to Directors who do not have executive powers does not qualify them as "executive", unless such powers are in fact exercised with notable frequency.

At that time of approving this Report, there are no executive Directors other than the Chief Executive Officer and the members of the Executive Committee (a total of 5 Directors, including the CEO).

### 4.7 Independent directors

Pursuant to art. 17, paragraph 4 of the Articles of Association, Directors who meet the independence requirements established in art. 148, paragraph 3, of Legislative Decree no. 58 of 24 February 1998, as well as the Decree of the Ministry of Economy and Finance no. 169 of 23 November 2020, implementing art. 26 of Legislative Decree no. 385 of 1 September 1993 are considered independent. The independent members of the Board of Directors must also meet the independence requirements defined by the Corporate Governance Code for listed companies issued by Borsa Italiana S.p.A. in force. The Board of Directors defines the parameters which provides the basis for evaluating whether

independence has been compromised as a result of relations held by the Directors.

Verification of the independence requirements, as regards the financial and professional relationships of the persons concerned, is carried out on the basis of parameters identified by the Board of Directors.

Specifically, the Board has established that:

- with reference to loans and guarantees obtained from the BPER Group, regardless of their technical form, the independence requirements are not considered to be satisfied if any one of the following conditions exist:
  - (i) when the absolute amount of all facilities granted by the Group – to a Director deemed independent – is Euro 400,000.00 or more;
  - (ii) when the absolute amount of all facilities granted by the Group – to a Director deemed independent – is at least Euro 200,000.00 and represents 50% or more of the total facilities granted to that person by the entire banking system, as reported by the Centrale dei Rischi database maintained by Banca d'Italia;
  - (iii) when the exposure of the Group to a Director deemed independent must be reported in the category of “non-performing loans” for supervisory purposes;
- with reference to freelance or professional relationships and all other financial relations, when the total annual amount received by the Director deemed independent from the BPER Group and/or the Directors of the BPER Group and/or the spouse, blood relation or relation by marriage to the fourth degree of a Director of the BPER Group, represents at least 30% of the total annual income of the person concerned. The above amounts do not include all remuneration and expense reimbursements received for work as a director within the Group, as well as any income from ordinary banking and/or corporate relations carried out on market or standard terms and conditions.

The above parameters also apply to all relations maintained indirectly, via companies, bodies or subsidiaries or associates of the Director deemed independent, as well as those with any professional associations of which the Director is a member.

The Board of Directors may adopt a reasoned resolution confirming, despite the existence of financial or professional relations reflecting the circumstances described above, that a Director is still independent when, having considered all relevant circumstances, the specific situations identified do not in practice compromise the independence of that person. Similarly, the Board can adopt a reasoned resolution that, even without any financial or professional relationships of the type mentioned above, a Director does not meet the independence requirements when, in light of the circumstances, it is obvious that there are other relevant circumstances that are sufficient to jeopardise the independence of that person.

The Board of Directors checks satisfaction of the independence requirements by the relevant Directors and ensures that the minimum number of independent Directors required by the Articles of Association and the Supervisory Provisions is maintained over time.

Verification as to whether independence requirements are met takes place after the appointment of the Directors, within the time-scale prescribed by applicable regulations and is repeated, subsequently, should a change in circumstances arise that could impact independence and, however, at least once a year.

Art. 17, paragraph 8 of the Articles of Association states that a Director does not cease to serve on the Board if the relevant independence requirements are no longer satisfied, if the requirements are met by the minimum number of independent Directors who must satisfy them.



Following the appointment of Directors for the three-year period 2018-2020 at the Shareholders' Meeting held on 14 April 2018, the Market was notified in a press release about which Directors had confirmed their satisfaction of the independence requirements.

Subsequently, in May 2018, the Board checked that each Director and Statutory Auditor appointed at the Shareholders' Meeting actually satisfied the independence requirements and informed the Market in a press release.

In 2019, as also in June 2020, the Board of Directors carried out the annual reassessment of the suitability of the members of the Board of Directors and Board of Statutory Auditors, in compliance with the Joint Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU of September 2017.

In particular, in the reassessment carried out in 2020, the Board checked satisfaction of the independence requirements envisaged in the Consolidated Finance Act and the Corporate Governance Code for listed companies in relation to the following Directors:

- Mr. Massimo Belcredi;
- Ms. Mara Bernardini;
- Mr. Giuseppe Capponcelli;
- Mr. Alessandro Robin Foti
- Ms. Elisabetta Gualandri;
- Ms. Roberta Marracino
- Ms. Ornella Rita Lucia Moro
- Ms. Marisa Pappalardo;
- Ms. Valeria Venturelli.

Therefore, a total of nine Directors satisfy the independence requirements envisaged in the Consolidated Finance Act, which exceeds the minimum requirement of the legislation in force. Verification of the independence requirements, as regards the financial and professional relationships of the persons concerned, was carried out on the basis of parameters identified by the Board of Directors, pursuant to art. 17, paragraph 4, of the Articles of Association (art. 21, paragraph 2, in the text in force at the date on which the check was performed).

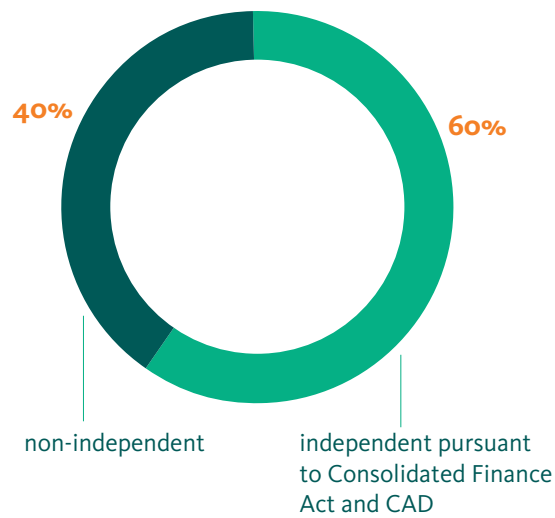
The results of this annual reassessment were disclosed to the Market in a press release.

Subsequently, on 5 August 2020, the Board of Directors ascertained the satisfaction of the independence requirements by Silvia Elisabetta Candini, appointed as Director by the Shareholders' Meeting on 6 July 2020, replacing Roberta Marracino, who resigned effective from 30 June 2020.

Also for the purpose of ascertaining fairness in the application of the criteria and procedures adopted by the Board in assessing the independence of its members, all of the Statutory Auditors attended the meetings in June 2020 and August 2020, during which the results of this evaluation were explained and the Auditors took note, without making any observations; this will be mentioned in the Statutory Auditors' report to the Shareholders' Meeting called to approve the 2020 financial statements.

The independent Directors met on 8 January and 20 July 2020, without the other Directors and outside the meetings of the Committees on which they sit; both meetings concerned the discussion of corporate governance matters.

## Percentage of directors who meet the independence requirement

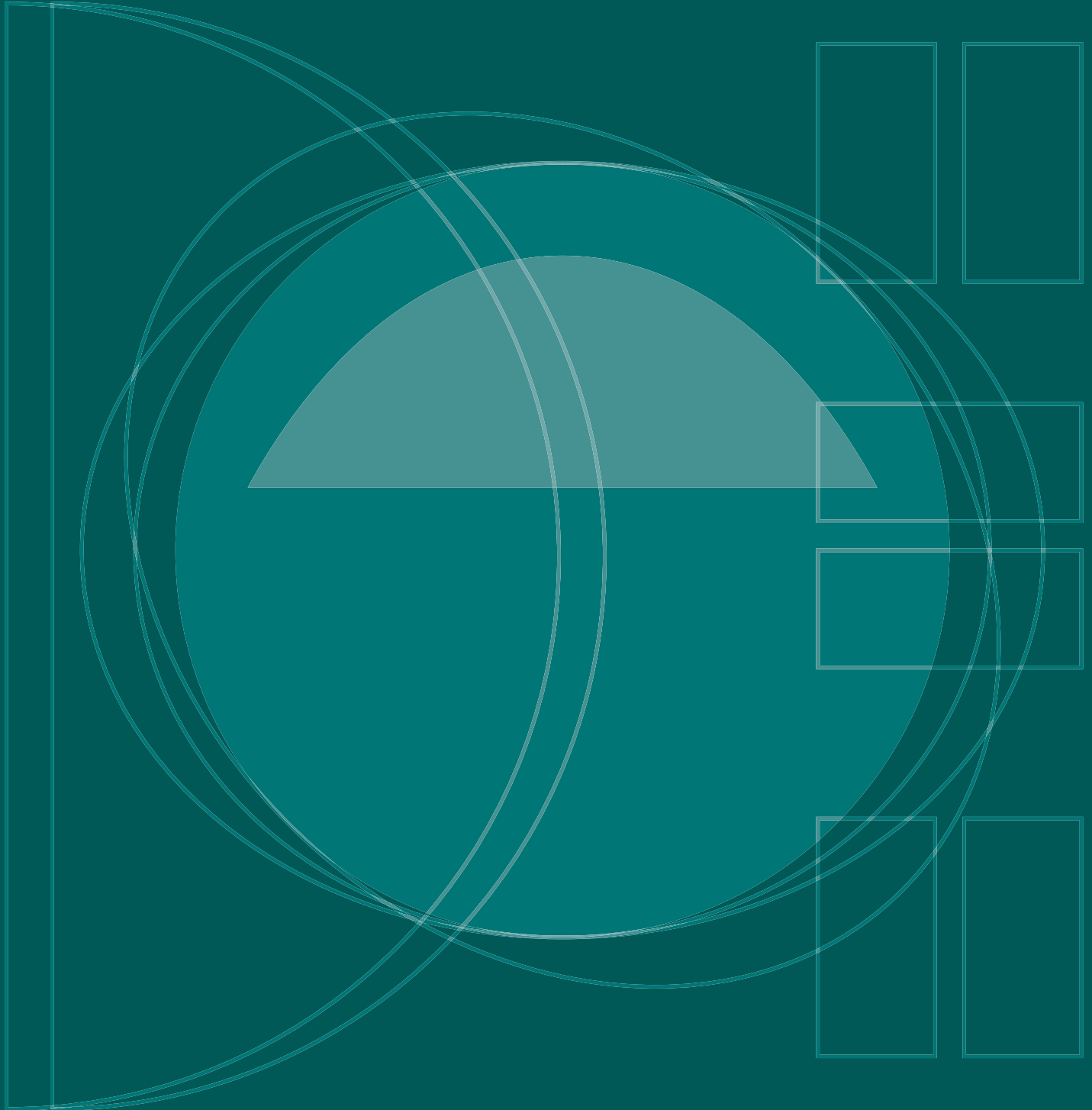


### 4.8 Lead Independent Director

The appointment of an independent director as the Lead Independent Director is recommended by the Corporate Governance Code 2018 in cases where the Chairman of the Board of Directors is also the main person responsible for managing the business, also being the Company's Chief Executive Officer, or if the office of Chairman is held by the person who controls the issuer. In such cases, the Lead Independent Director acts as a point of reference and coordination for the requests and contributions of non-executive directors, especially the independent ones, possibly by means of special meetings attended by just the independent directors (independent directors' committee).

If appointed, it is up to the Lead Independent Director to call meetings, also at the request of other independent Directors, in a separate form with respect to Board Committee meetings, to discuss issues deemed to be of interest, particularly in relation to the functioning of the Board of Directors, the organisational and corporate governance structures and the way in which the Bank and the Group are being run.

In the case of BPER, given that the Chairman of the Board is not the main person responsible for managing the Issuer, nor, at the date of this report, is he the Issuer's majority shareholder, the Board has not appointed an independent Director as the Lead Independent Director.



## 5. Processing of corporate information

The procedures for the communication and internal and external management of documents and information of the Bank are largely regulated in the individual documents of the corporate processes involved. These are traced in the BPER Group's process flowchart, in line with the method laid down in the Group Regulations for mapping processes from end to end. With regard to "privileged information", the Bank has approved the organisational and behavioural guidelines for the management of such information and any communication to the public, by adopting a "Regolamento di Gruppo del processo di gestione delle informazioni privilegiate e dell'Insider List (normativa Market Abuse)" which provides for:

- the process of evaluation of the privileged nature of information;
- the methods of communicating "privileged information" to the public and to CONSOB;
- any management of the delay in communicating privileged information to the public and to CONSOB;
- handling lists of persons with access to privileged information.

The Bank complies with the public disclosure requirements of privileged information provided for by the regulatory provisions, in particular by art. 17 of the MAR Regulation<sup>18</sup>, of art. 114 of the Consolidated Finance Act and by art. 66 of the Issuers' Regulation, by means of a press release:

- issued through the "System of Disclosure of Relevant Information" (e-Market SDIR), an electronic system run by Spafid Connect S.p.A., a subsidiary of Mediobanca Group, which has its registered office at Foro Bonaparte 10, Milan, and in the Info storage device run by Computershare S.p.A., a Computershare Ltd Group company, which has its registered office at Via Mascheroni 19, Milan;
- published on the Bank's website ***www.bper.it – Institutional, ensuring that the published privileged information clearly indicates the date and time of the disclosure thereof and that it is presented in chronological order;***
- published in national newspapers (in prescribed cases, as well as at the Bank's discretion).

The e-Market SDIR system run by Spafid Connect S.p.A. distributes to the public the press releases sent in by issuers belonging to the circuit by sending them to the press agencies connected to the system, as well as by publishing a notice on the website of Borsa Italiana S.p.A. The transmission of press releases through the e-Market SDIR system also ensures compliance with the regulatory and disclosure requirements vis-à-vis CONSOB.

In particular, the public is given appropriate and essential information not only about any special and/or strategic transactions, but also about the accounts, resolutions approving the financial statements, the amount of dividends to be paid to Shareholders and financial reports, including interim reports.

In accordance with the regulations, the Bank has also set up a "Register of persons with access to privileged information", managed online by means of a special procedure called "Insider List".

The Company has also adopted "Regolamento di Gruppo del processo di gestione dell'Internal Dealing (normativa Market Abuse)" as approved by the Bank's Board and as published on the website ***www.bper.it – Institutional > Governance > Documents > Internal Dealing.***

This regulation:

- describes the internal rules and procedures in place for the identification and management of

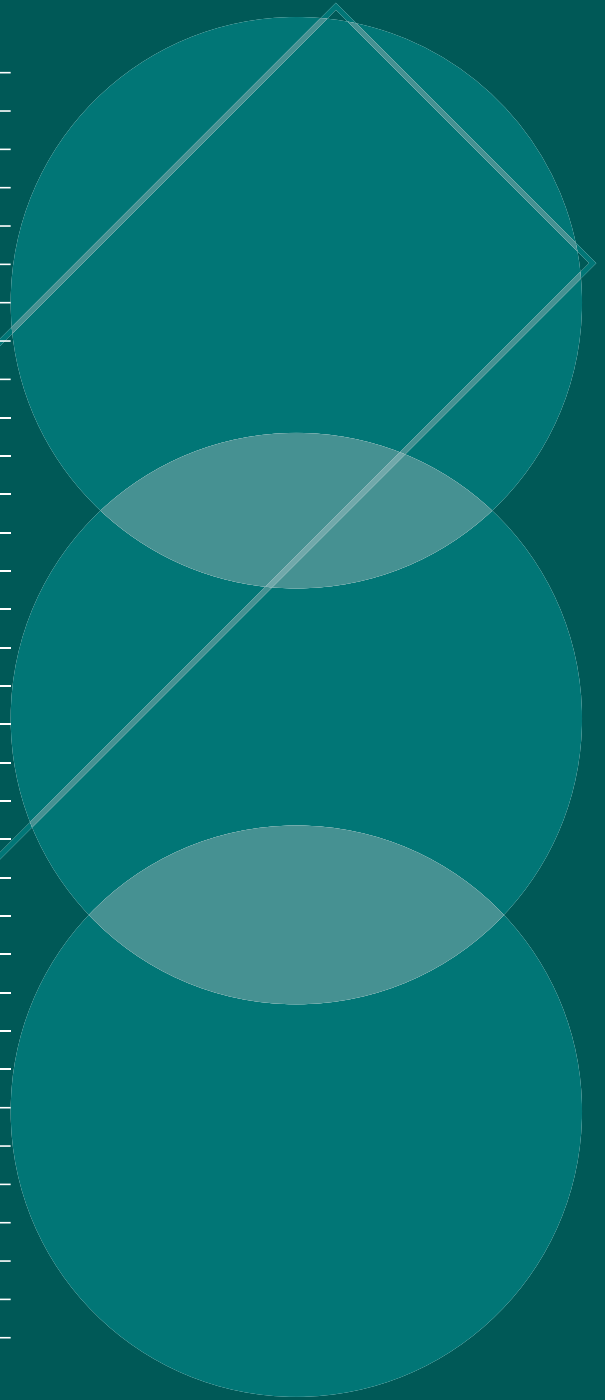
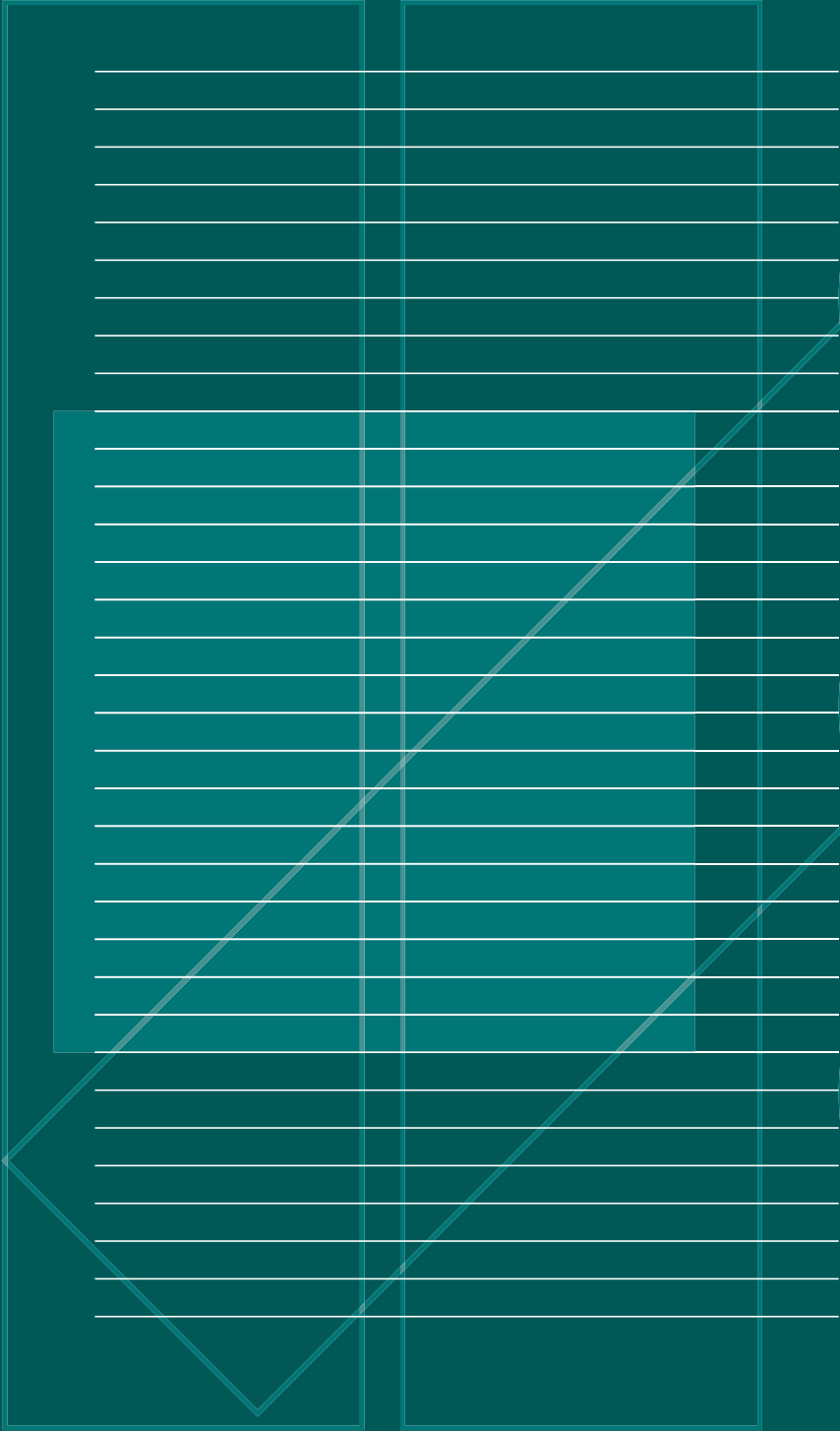
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<sup>18</sup>Regulation (EU) 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse.

persons who perform administrative, management or control functions (relevant persons) and persons closely associated therewith, as well as for the identification of transactions classed as internal dealing;

- governs the disclosures envisaged for transactions carried out by relevant persons and those closely related to them;
- states the internal rules and procedures for closed periods, being periods of 30 calendar days prior to annual, half-yearly or quarterly financial report announcements that the issuer must disclose to the public, during which relevant persons may not conduct directly or indirectly transactions on their own behalf or on behalf of third parties, relating to shares or debt instruments of the issuer, or derivatives or other financial instruments associated therewith.

These reports, which are delivered to CONSOB by means of the aforementioned e-Market SDIR system, are published on the website [www.bper.it](http://www.bper.it) – Institutional > Governance.

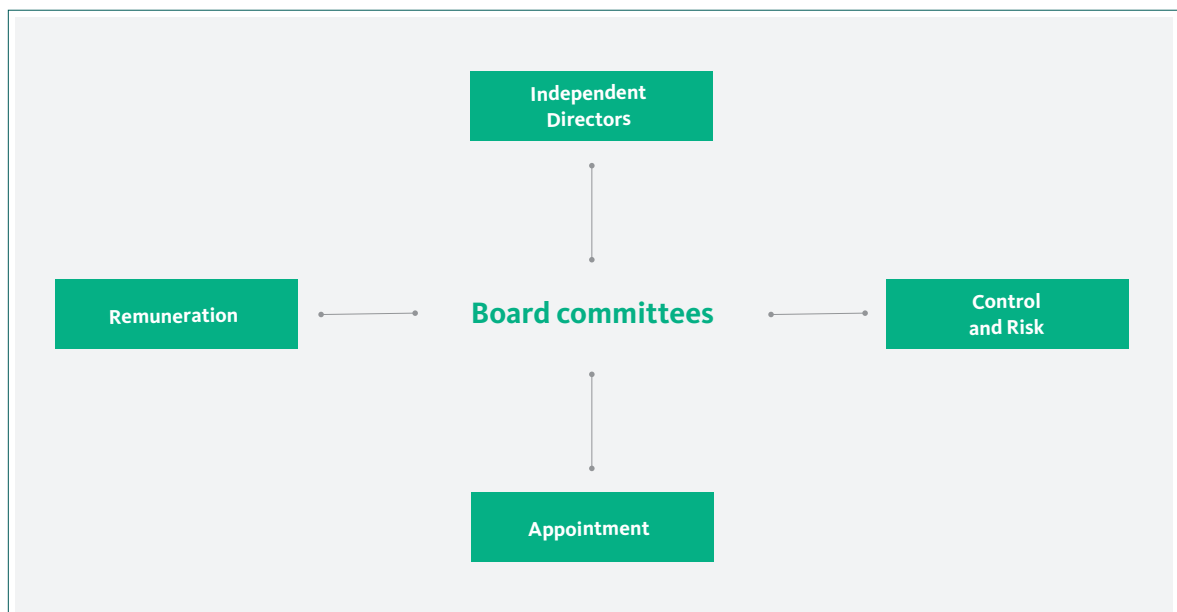


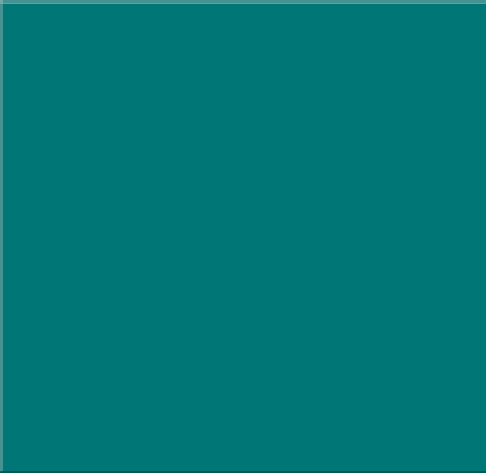
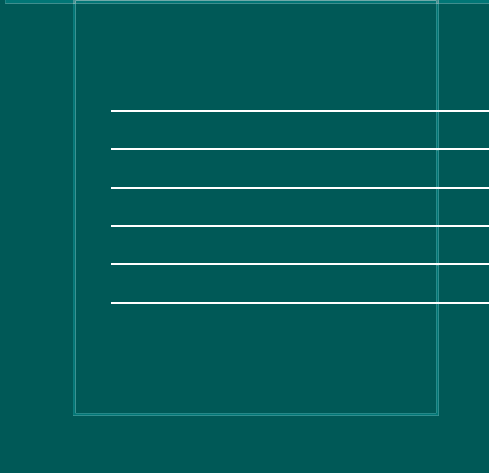
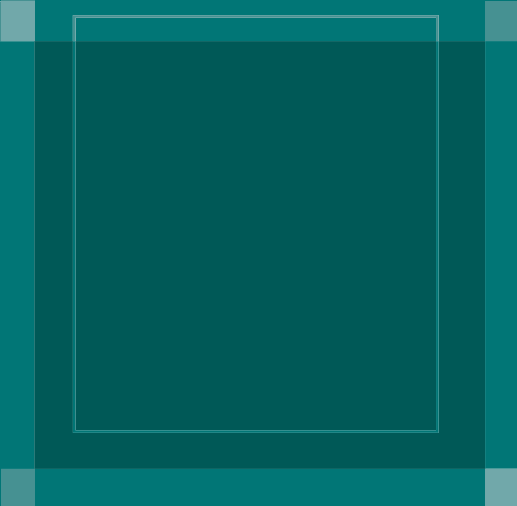
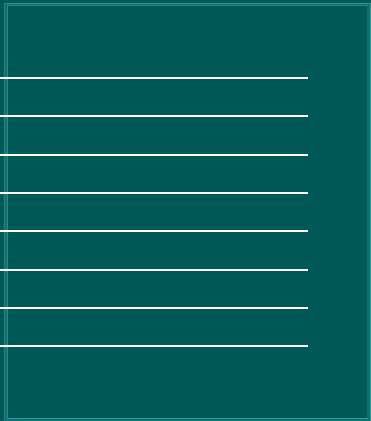
## 6. Board Committees; (art. 123-bis, paragraph 2.d), Consolidated Finance Act)

At the date of this Report, in addition to the Executive Committee (see Paragraph 4.5.2.), the Board of Directors has established as sub-committees the Appointments Committee, the Remuneration Committee, the Control and Risk Committee (which also acts as the Sustainability Committee) and the Independent Directors' Committee.

The composition, responsibilities and methods of functioning of these committees are governed by specific instructions approved by the Board of Directors, as described in the following Chapters.

In addition to the Committees recommended by the Corporate Governance Code for listed companies, the Bank established the Independent Directors' Committee, in accordance with CONSOB Related Parties Regulations and Banca d'Italia Circular 263 of 27 December 2006, as well as with the "Policy di Gruppo per il governo del rischio di non conformità in materia di conflitti di interesse nei confronti di parti correlate e di attività di rischio nei confronti di soggetti collegati" (see Chapter 11).



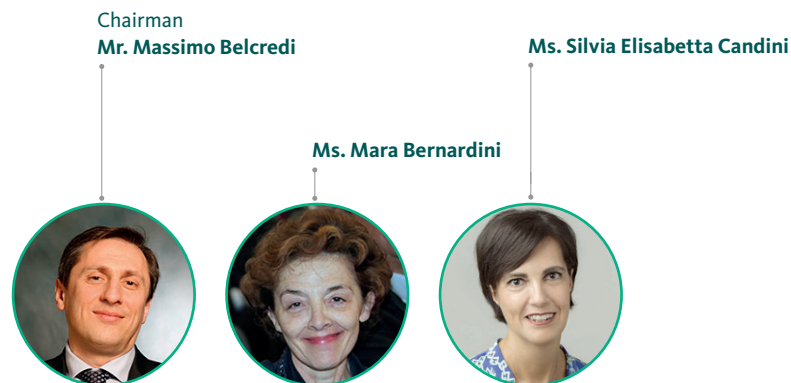




## 7. Appointments Committee

In April 2015, the Board of Directors established the Appointments Committee and simultaneously disbanded the previously existing Appointments and Remuneration Committee (set up in January 2009).

The functioning of the Committee is governed by specific Operational Rules, most recently updated to January 2018.



### 7.1 Composition and functioning of the Appointments Committee (art. 123-bis, paragraph 2.d), Consolidated Finance Act)

Pursuant to the Operational Rules, the Committee is made up of 3 non-executive directors, the majority of whom meet the independence requirements set forth in art. 147-ter, paragraph 4 of the Consolidated Finance Act which refers to art. 148, paragraph 3, of the Consolidated Finance Act, as well as being foreseen in the recommendations contained in the Corporate Governance Code for listed companies.

The Chairman of the Board of Directors may not be a member of the Committee, though he can attend its meetings, but without the right to vote.

Similarly, the Chief Executive Officer may attend the meetings of the Committee, but without the right to vote.

The members of the Appointments Committee are appointed by the Board of Directors and their term of office expires when they cease to be a member of the Board of Directors. Early termination of the Board of Directors, for whatever reason, leads to immediate revocation of the Committee. Any member of the Committee who no longer meets the requirements has to communicate this fact as soon as possible to the Committee and to the Board of Directors. If one or more of the committee members can no longer attend, for whatever reason, the Board of Directors replaces them with Directors who meet the necessary requirements.

The Chairman of the Appointments Committee is appointed by the Board of Directors from among the members of the Committee that meet the independence requirements under art. 147-ter, paragraph 4, of the Consolidated Finance Act, which makes reference to art. 148, paragraph 3 of the same act. If the Chairman is absent or unavailable, he is replaced in all his functions by the longest serving member of the Committee and, in the event of equal length of service, the oldest, as long as the member in question meets the independence requirements.

On the Chairman's proposal, the Committee appoints a Secretary, who need not be one of its mem-

bers, and who remains in office until the date of the Shareholders' Meeting called to approve the financial statements of the year in progress at the time of the Secretary's appointment. If the Secretary is absent or unavailable, the Committee decides who replaces him/her.

The Chairman:

- a) coordinates the activities of the Committee, convenes meetings thereof and, assisted by the Secretary, sets the agenda, while working to ensure that the Committee members receive proper and timely information;
- b) chairs the Committee meetings, directs and moderates discussions, guarantees the effectiveness of discussions and ensures that the conclusions reached by the Committee are the result of adequate argumentation and an informed and reasoned contribution by all its members.

The Chairman represents the Committee and endorses the documents to be submitted to the Board of Directors.

The Chairman, assisted by the Secretary and the competent corporate functions, verifies the supporting documentation to be provided to the Committee to ensure that it is adequate, in both quantitative and qualitative terms, to address matters on the agenda. This documentation is generally made available to Committee members and ex-officio participants<sup>19</sup> 5 days prior to each meeting. If, for particular organisational reasons or for reasons of confidentiality, the documentation made available within this deadline is not exhaustive, subsequent additions are provided no later than the day of the meeting.

Where, for the aforementioned organisational reasons or for reasons of confidentiality, it has not been possible to provide the necessary disclosure/documentation in accordance with the deadline or in an exhaustive manner, the Chairman ensures that adequate and accurate in-depth analyses are conducted during the meeting. This is without prejudice to the Committee's right to request the production of additional documentation during the meeting.

The Appointments Committee meets, on convocation by the Chairman of the Committee, at least once every quarter and, in any case, whenever necessary to discuss matters within its mandate.

Committee meetings can be held remotely by means of suitable telecommunications<sup>20</sup>.

Meetings of the Appointments Committee are valid if attended by a majority of its current members. In the exercise of its functions, the Committee's resolutions are adopted by an absolute majority of the votes of the members attending the meeting. In the event of a tie, the Chairman of the Committee has a casting vote.

From time to time, the Chairman may invite to Appointments Committee meetings other members of the Board of Directors, the General Manager or other persons whose presence may help to improve the performance of the Committee's functions.

Minutes of meetings are prepared by the Secretary in a manner governed by the Committee's Operational Rules. The minutes, signed by all the Committee members and the Secretary, are kept in the Minute Book.

The Committee reports at least annually to the Board of Directors on the overall work that it has performed, as well as when discussing issues submitted for its prior review.

The Appointments Committee currently consists of 3 non-executive Independent Directors: Massimo Belcredi (Chairman of the Committee), Mara Bernardini and Silvia Elisabetta Candini (see Table 2). Effective from 1 December 2020, the Secretary is the Deputy General Manager Eugenio Garavini, replacing Mr. Gian Enrico Venturini.

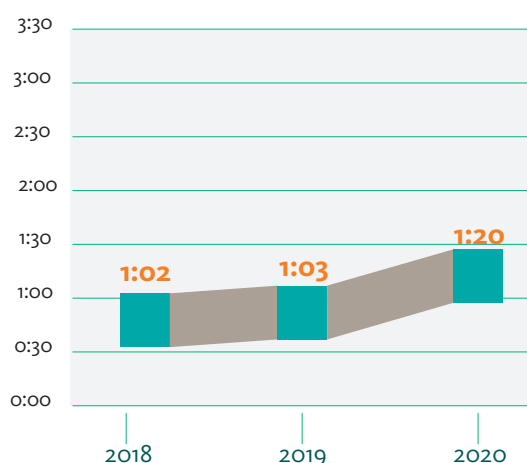
The Committee met 11 times during 2020 and the average duration of each meeting was about 1 hour and 20 minutes.

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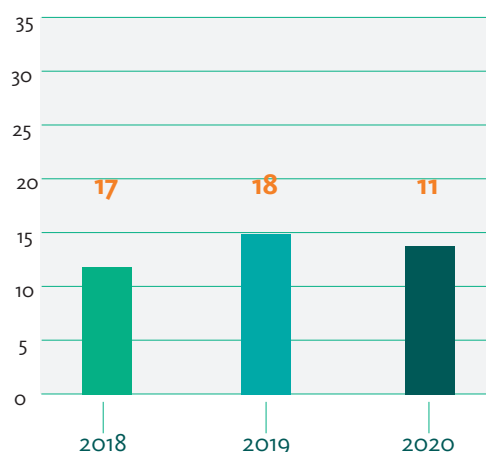
<sup>19</sup> Pursuant to art. 8.6. of the Committee's Operational Rules, ex-officio participants are the Chairman of the Board of Directors and the Chief Executive Officer, but without the right to vote.

<sup>20</sup> Providing that all participants can be identified and that this identification is recorded in the minutes; they should also be able to follow and take part in the debate in real time.

**AC: average meeting duration**



**AC: average meeting duration**



At least one Statutory Auditor always attended each Committee meeting, at the invitation of the Chairman.

In addition, on certain occasions, the Committee has also invited the heads of relevant corporate functions to attend in order to provide appropriate details about specific matters on the agenda.

In 2020, joint meetings were held with the Remuneration Committee to facilitate discussion of matters of common interest.

In 2021, the Committee has met 5 times as of the date of approval of this Report by the Board.

## 7.2 Functions of the Appointments Committee

In compliance with the principles laid down by the Supervisory Provisions and with art. 5 of its Operational Rules, the Appointments Committee performs advisory, preliminary and proposal-making functions to support the activities of the Board of Directors and, to the extent of its sphere of competence, to those of the Executive Committee, without prejudice to the autonomy of its decision-making and the responsibility of these bodies to pass motions within their respective spheres of competence. As regards the Bank, the Appointments Committee:

- for the purpose of shareholder elections and/or the co-option of one or more Directors, provides support to the Board of Directors, in the prior identification of the optimal qualitative and quantitative composition of the latter and in the subsequent verification of the extent to which the optimal composition matches the actual one resulting from the appointment process;
- in the case of the co-option of one or more Directors, it provides an advisory opinion – to be provided to the Shareholders in general meeting at the earliest opportunity and to be transmitted to the competent Supervisory Authority – on the suitability of the candidate(s) that the Board of Directors has identified to hold office;
- performs preparatory investigations to verify that the members of the Board of Directors satisfy the requirements laid down by current regulations and supervisory provisions;
- for the purpose of the appointment or the integration of the Executive Committee, it provides support to the Board of Directors and, if needed, to the Executive Committee, in the prior identi-

cation of the optimal qualitative and quantitative composition of the latter and in the subsequent verification of the extent to which the optimal composition matches the actual one resulting from the appointment process;

- it provides an advisory opinion on proposed candidates for appointment to the Executive Committee;
- it provides an advisory opinion on proposed candidates for the positions of Chief Executive Officer and of General Manager and to other General Management positions, as identified in accordance with art. 35, paragraph 1 of the Articles of Association;
- it provides support to the Board of Directors for the purpose of the approval of plans to ensure an orderly Chief Executive Officer and General Manager succession, in the event of termination due to expiry of the mandate or for any other reason;
- it assists the Control and Risk Committee in the identification of candidates to be submitted to the Board of Directors for the appointment of heads of corporate control functions.

As regards companies belonging to the Group, the Committee presents opinions to the Board of Directors regarding proposals for the nomination of candidates for the positions of:

- Director, including co-optation;
- member(s) of the Executive Committee, where envisaged by the Articles of Association in question;
- Chief Executive Officer or Director, where envisaged by the Articles of Association in question;
- General Manager, Deputy General Manager, where envisaged by the Articles of Association in question.

As part of the processes for the self-assessment of the composition and functionality of the Board of Directors and of the Executive Committee, the Committee provides support to these bodies in compliance with relevant internal policy and submits to the Chairman of the Board of Directors a proposal concerning the corporate functions to be entrusted thereto.

In order to carry out its functions, the Appointments Committee:

- collaborates with other Board committees, especially with the Remuneration Committee;
- is supported by the competent corporate functions;
- has, through its Chairman, the right to access the corporate information needed;
- has access to adequate resources as determined by the Board of Directors;
- may use the services of experts, inclusive of external experts.

In 2020, the Appointments Committee:

- carried out activities as part of the 2020 Board self-assessment process (relating to 2019). This work was performed without the assistance of an external professional, and was completed in early 2020 with examination of the final report. Similar supporting activities were also carried out as part of the Executive Committee self-assessment process. In November 2020, the Committee commenced the 2021 Board self-assessment process (relating to 2020). The process, which was carried out with the support of an external advisor, was concluded in the first quarter of 2021;

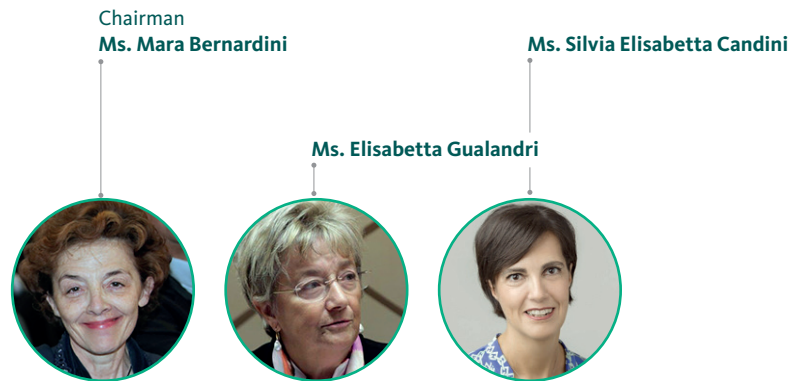
- carried out preliminary activities for the assessment of the satisfaction of the requirements set forth for office, the legislation in force and the Supervisory Provisions, for the newly appointed Director Ms. Silvia Elisabetta Candini;
- carried out preliminary activities for the assessment of the satisfaction of the requirements set forth for office, the legislation in force and the Supervisory Provisions, for the purposes of the annual Board reassessment of the suitability of the members of Corporate bodies, also in compliance with the Joint Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU of September 2017, as well as at the time of specific changes to the positions of individual members;
- promoted and guided, together with the Remuneration Committee, an update to the document that defines and details the process of nominating and appointing the members of the administrative and management bodies of banks and legal entities within the Group, in order to set down the remuneration principles to be applied when personnel are assigned to top management roles within subsidiaries. The Committee also provided guidelines for both total and partial renewals of the administrative and management bodies;

In accordance with the provisions of the aforementioned Operational Rules, the Appointments Committee has prepared and approved an annual report on the activities carried out thereby, subsequently submitted to the Board of Directors to report on the activity performed.



## 8. Remuneration Committee

In April 2015, the Board of Directors established the Remuneration Committee and simultaneously disbanded the previously existing Appointments and Remuneration Committee (set up in January 2009). The functioning of the Committee is governed by specific Operational Rules, most recently updated to January 2018.



### 8.1 Composition and functioning of the Remuneration Committee (art. 123-bis, paragraph 2.d), Consolidated Finance Act)

Pursuant to the Operational Rules, the Committee is made up of 3 non-executive directors, the majority of whom meet the independence requirements set forth in art. 147-ter, paragraph 4 of the Consolidated Finance Act which refers to art. 148, paragraph 3, of the Consolidated Finance Act, as well as being foreseen in the recommendations contained in the Corporate Governance Code for listed companies.

At least one member of the Committee must have adequate knowledge of and experience in finance or remuneration policies, to be assessed by the Board of Directors at the time of appointment.

The Chairman of the Board of Directors may not be a member of the Committee, though he can attend its meetings, but without the right to vote.

Similarly, the Chief Executive Officer may attend the meetings of the Committee, but without the right to vote.

The Chairman of the Board of Statutory Auditors, or another Statutory Auditor designated by him, has the right to participate in meetings, without prejudice to the right of all acting auditors to take part therein.

The members of the Remuneration Committee are appointed by the Board of Directors and their term of office expires when they cease to be a member of the Board of Directors. Early termination of the Board of Directors, for whatever reason, leads to immediate revocation of the Committee. Any member of the Committee who no longer meets the requirements has to communicate this fact as soon as possible to the Committee and to the Board of Directors. If one or more of the committee members can no longer attend, for whatever reason, the Board of Directors replaces them with Directors who meet the necessary requirements.

The Chairman of the Remuneration Committee is appointed by the Board of Directors from among the members of the Committee that meet the independence requirements under art. 147-ter, paragraph 4,

of the Consolidated Finance Act, which makes reference to art. 148, paragraph 3 of the same act. If the Chairman is absent or unavailable, he is replaced in all his functions by the longest serving member of the Committee and, in the event of equal length of service, the oldest, as long as the member in question meets the independence requirements.

On the Chairman's proposal, the Committee appoints a Secretary, who need not be one of its members, and who remains in office until the date of the Shareholders' Meeting called to approve the financial statements of the year in progress at the time of the Secretary's appointment. If the Secretary is absent or unavailable, the Committee decides who replaces him/her.

The Chairman:

- a) coordinates the activities of the Committee, convenes meetings thereof and, assisted by the Secretary, sets the agenda, while working to ensure that the Committee members receive proper and timely information;
- b) chairs the Committee meetings, directs and moderates discussions, guarantees the effectiveness of discussions and ensures that the conclusions reached by the Committee are the result of adequate argumentation and an informed and reasoned contribution by all its members.

The Chairman represents the Committee and endorses the documents to be submitted to the Board of Directors.

The Chairman, assisted by the Secretary and the competent corporate functions, verifies the supporting documentation to be provided to the Committee to ensure that it is adequate, in both quantitative and qualitative terms, to address matters on the agenda. This documentation is generally made available to Committee members, rightful participants<sup>21</sup> and all acting auditors 5 days prior to each meeting. If, for particular organisational reasons or for reasons of confidentiality, the documentation made available within this deadline is not exhaustive, subsequent additions are provided no later than the day of the meeting.

Where, for the aforementioned organisational reasons or for reasons of confidentiality, it has not been possible to provide the necessary disclosure/documentation in accordance with the deadline or in an exhaustive manner, the Chairman ensures that adequate and accurate in-depth analyses are conducted during the meeting. This is without prejudice to the Committee's right to request the production of additional documentation during the meeting.

The Remuneration Committee meets, on convocation by the Chairman of the Committee, at least once every quarter and, in any case, whenever necessary to discuss matters within its mandate.

The Remuneration Committee meetings can be held remotely by means of suitable telecommunications<sup>22</sup>.

Meetings of the Remuneration Committee are valid if attended by a majority of its current members. In the exercise of its functions, the Committee's resolutions are adopted by an absolute majority of the votes of the members attending the meeting. In the event of a tie, the Chairman of the Committee has a casting vote.

From time to time, the Chairman may invite to Remuneration Committee meetings other members of the Board of Directors, the General Manager or other persons whose presence may help to improve the performance of the Committee's functions. In particular, the Chairman invites the Chief Risk Officer to attend meetings at which incentive systems are discussed in order to ensure that these

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<sup>21</sup>Pursuant to art. 8.6. of the Committee's Operational Rules, rightful participants are the Chairman of the Board of Directors, the Chairman of the Board of Statutory Auditors (or another Statutory Auditor designated by him) and the Chief Executive Officer, but without the right to vote.

<sup>22</sup> Providing that all participants can be identified and that this identification is recorded in the minutes; they should also be able to follow and take part in the debate in real time.



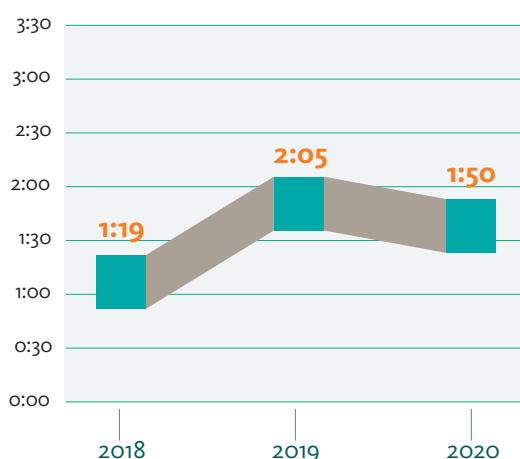
systems take into account all of the risks assumed by the Company, using methods that are consistent with those used in managing risk for internal and supervisory purposes.

Minutes of meetings are prepared by the Secretary in a manner governed by the Committee's Operational Rules. The minutes, signed by all the Committee members and the Secretary, are kept in the Minute Book.

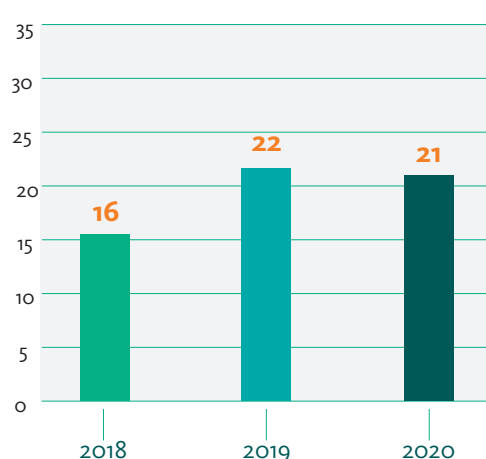
The Committee reports at least annually to the Board of Directors on the overall work that it has performed, as well as when discussing issues submitted for its prior review. The Committee also responds to the Shareholders' Meeting in circumstances established by applicable law.

The Remuneration Committee currently consists of 3 non-executive Independent Directors: Mara Bernardini (Chairwoman of the Committee), Elisabetta Gualandri and Silvia Elisabetta Candini (see Table 2). In addition, pursuant to art. 1.1 of the Committee's Operational Rules, all members possess adequate knowledge and experience with regard to financial matters or remuneration policies. Effective from 1 December 2020, the Secretary is the Deputy General Manager Eugenio Garavini, replacing Mr. Gian Enrico Venturini. The Committee met 21 times during 2020 and the average duration of each meeting was about 1 hour and 50 minutes.

**RC: average meeting duration**



**RC: number of meetings**



Committee meetings were always attended by at least one member of the Board of Statutory Auditors. From time to time, at the invitation of the Committee, depending on the individual issues being addressed, meetings were attended by the heads of the competent functions to provide detailed information, as needed, on topics on the agenda falling under their responsibility (3 functions on average were invited to each meeting).

In 2020, joint meetings were held with the Appointments Committee to facilitate discussion of matters of common interest.

In 2021, the Committee has met 9 times as of the date of approval of this Report by the Board.

## 8.2 Functions of the Remuneration Committee

In compliance with the principles laid down by the Supervisory Provisions and with art. 5 of its Operational Rules, the Remuneration Committee performs advisory, preliminary and proposal-making functions to support the activities of the Board of Directors and, to the extent of its sphere of competence, to those of the Executive Committee, without prejudice to the autonomy of its decision-making and the responsibility of these bodies to pass motions within their respective spheres of competence.

As regards the Bank, the Remuneration Committee presents to the Board of Directors and, to the extent of its sphere of competence, to the Executive Committee, suggestions and proposals concerning:

- the remuneration to be awarded to the Board itself and to the Board of Statutory Auditors to be submitted for the approval of the Shareholders' Meeting and how the remuneration approved thereby should be split among the various Directors;
- the remuneration to be awarded to Directors with specific responsibilities;
- the remuneration to be awarded to the members of General Management of the Bank, as identified in accordance with art. 35, paragraph 1 of the Articles of Association;
- the remuneration to be awarded to the heads of the Bank's corporate control functions, as well as to the Executive responsible for financial reporting;
- the determination of the remuneration to be awarded to other "Material Risk Takers" of the Bank, as identified according to the instructions issued by the Supervisory Authority.

The Remuneration Committee provides support to the Board of Directors on matters concerning remuneration and incentive policies, with particular regard to the determination of the remuneration of the Group's Material Risk Takers. It also provides support to the Board of Directors, by expressing itself on the achievement of performance goals to which the incentive plans are linked and on checks to ensure that other conditions for the payment of remuneration have been met; to this end, it makes use of information received from the competent corporate functions.

The Committee also checks the consistency of Board decisions with the remuneration and incentive policies approved at the Shareholders' Meeting.

As regards companies belonging to the Group, the Remuneration Committee presents opinions to the Board of Directors regarding proposals for:

- remuneration to be awarded to members of the Board of Directors, to members of the Executive Committee, where envisaged by the Articles of Association and to Directors with specific responsibilities;
- remuneration to be awarded to General Managers, to Deputy General Managers or to holders of similar positions, where envisaged by the Articles of Association.

As regards matters within its competence, the Committee prepares the documentation to be submitted to the Board for its decisions.

In order to carry out its functions, the Remuneration Committee:

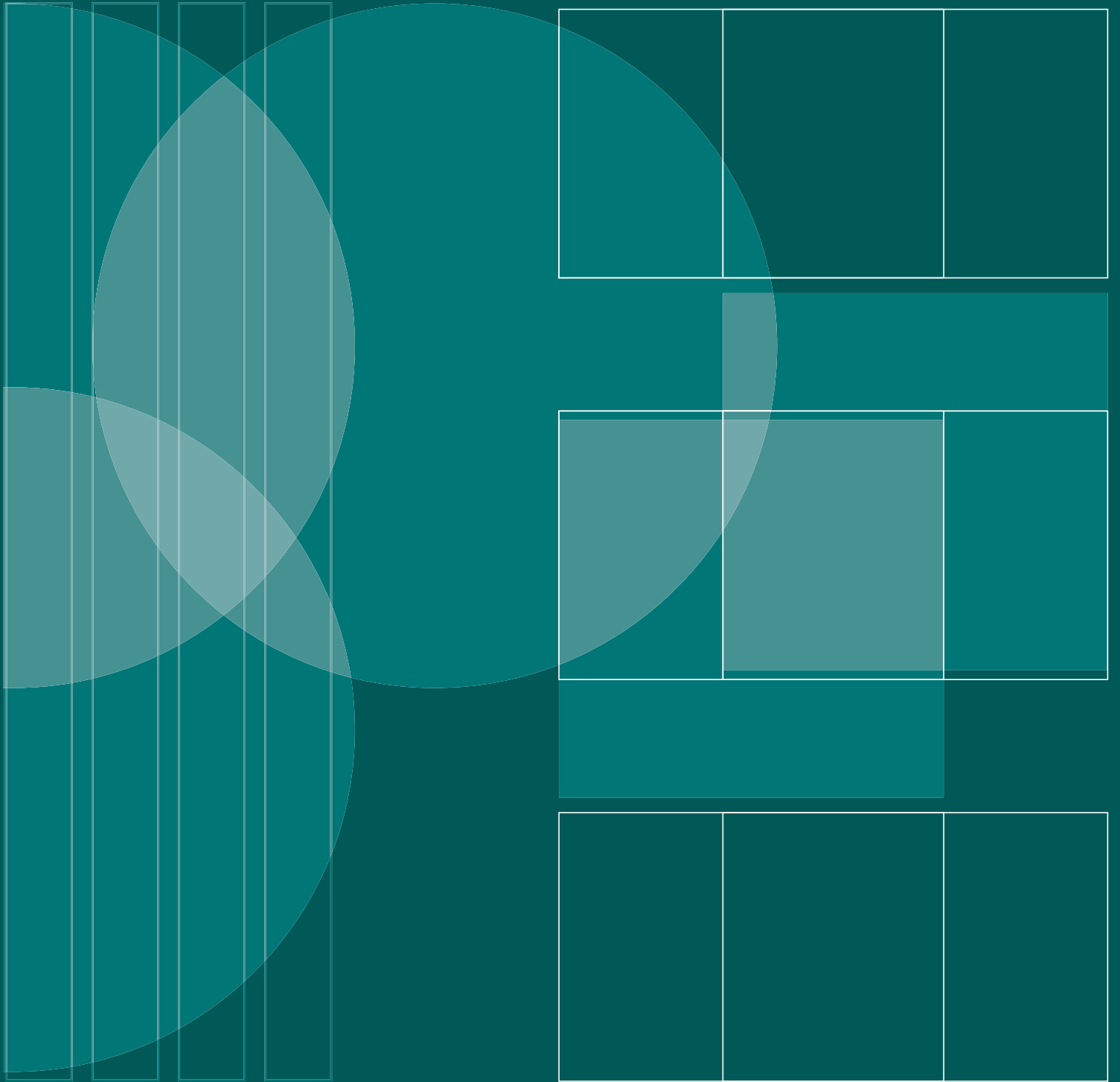
- collaborates with other Board committees, especially with the Appointments Committee and the Control and Risk Committee;
- ensures the involvement of the relevant corporate functions in the process of drawing up and monitoring remuneration policies and practices;
- has the right to access the corporate information needed;
- has access to adequate resources as determined by the Board of Directors;
- may use the services of experts, inclusive of external experts, to ensure that the incentives under the remuneration and incentive scheme are consistent with the Bank's management of its risk, capital and liquidity profiles.

During 2020, the activities of the Remuneration Committee involved:

- identification of the guidelines for the development of the overall system of Group Remuneration Policies for 2020 and the definition of the characteristics of the connected short-term incentive system for the determination of the variable part of personnel remuneration, summarised in the relevant guidance document;
- the performance of advisory and preliminary activities concerning the annual process of identifying the perimeter of the Material Risk Takers, which - during the year under review - was supported by the analysis of the specific request for exclusion from said group of resources of certain names addressed to the Supervisory Authority and justified by the application of specific qualitative criteria, as well as by a prudential evaluation and reports received from the Compliance Function and the Finance and Planning Department;
- the in-depth analysis of the contents of the specific request to be sent to the European Central Bank to obtain the authorisation to repurchase treasury shares to be used to generate the necessary funding to pay the bonuses accrued in application of the LTI Plan 2019-2021 and the MBO system 2021;
- the updating of the perimeter of recipients of the long-term incentive plan (LTI) intended for the determination of the long-term variable part of remuneration of a selected portion of the top management operating at the Group;
- examination of proposals for the recognition of specific remuneration to individual "Material Risk Takers";
- verification of proper application of the 2019 Remuneration policies and their alignments with the practices adopted by the Group, with constant benchmarking against peers in the sector;
- gap analyses to check alignment of the Remuneration Policies of the Bank with the latest legislative and regulatory updates introduced on the subject.

At the end of 2020, the Committee also started working on the 2021 remuneration policies of BPER Group.

In accordance with the provisions of the aforementioned Operational Rules, the Remuneration Committee has prepared and approved an annual report on the activities carried out thereby, subsequently submitted to the Board of Directors to report on the activity performed.



## 9. Remuneration of Directors

Information concerning remuneration policies is presented in the Remuneration Report prepared in accordance with art. 123-ter of the Consolidated Finance Act to which reference should be made for further details. This is published on the website [www.bper.it](http://www.bper.it) – Institutional > Governance > Shareholders' Meeting.

The remuneration of Directors is designed to reward the skills and responsibilities entrusted to those who hold that position.

In particular, the remuneration of the Directors and Executives with strategic responsibilities of BPER Banca is set at a level sufficient to attract, retain and motivate personnel with the professional qualities needed to manage the Bank successfully.

The aim of the Remuneration and Incentive Policy is to reward the achievement of company objectives, with a view to creating value for the shareholders. At the same time, it is based on clear and defined indicators that uniquely and objectively regulate the disbursement of variable incentives, subjecting the payment of these, in particular for the so-called Material Risk Takers<sup>23</sup>, to the presence of risk-adjusted capital strength, liquidity and return requirements, also in compliance with the provisions of Banca d'Italia's regulations.

Notwithstanding the Board's responsibility to determine the remuneration of the Chief Executive Officer and the Directors with special duties under the Articles of Association, pursuant to art. 2389 of the Italian Civil Code and art. 11 of the Articles of Association, the Board of Directors makes provision to distribute, among its members, the total compensation determined by the Shareholders' Meeting. The principal Group remuneration policies set out below were approved at the Shareholders' Meeting held on 22 April 2020 and are published on the website [www.bper.it](http://www.bper.it) – Institutional > Governance > Shareholders' Meeting.

The remuneration of the Directors comprises a fixed component, plus an attendance fee for each Board meeting. Additional fixed remuneration is also recognised to those Directors tasked with specific duties: Chairman, Deputy Chairmen and Chief Executive Officer and General Manager (any expenses connected with the fulfilment of office are incurred directly by the bank/company or reimbursed to the Director). Accordingly, the Directors do not have any incentives linked to the achievement of quantitative performance objectives, or any forms of remuneration based on financial instruments, except as discussed below in relation to the Chief Executive Officer or General Manager.

In compliance with Banca d'Italia Circular 285/2013, the remuneration of the Chief Executive Officer and General Manager is divided into a fixed portion and two variable portions, short and long term, that are determined in a manner consistent with the maximum variable-fixed ratio of 2:1 authorised

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<sup>23</sup> Material Risk Takers: Group personnel whose professional activities have or may have a significant impact on the risk profile of the Bank, as defined in the Remuneration Policies of the BPER Group.

<sup>24</sup> With the exception of personnel belonging to the Group's asset management companies for which the regulations provide the possibility of applying different limits, for the remaining personnel the 1:1 ratio of fixed to variable remuneration is normally adopted; however, the ratio may reach a maximum of 2:1 in the limited circumstances described below: a) to disburse any payments in view of or upon early termination of employment or office, provided within the maximum limits already defined in the policies in limited and specific circumstances; b) to employ the most appropriate tools to adequately manage the competitive pressures which are a hallmark of some job markets relating to high-profitability business segments and specific professional families (Wealth Management and Corporate Banking), for which the 1:1 ratio can only be exceeded for a very small amount.

at the Shareholders' Meeting for Material Risk Takers, excluding those with control and similar functions<sup>24</sup>, for whom the regulatory limits apply.

The short-term variable component is determined on the basis of clear and measurable performance targets, through a weighted assessment of two areas:

- a "quantitative" area involving economic/financial results and risk management;
- a "qualitative" area involving functional objectives, the handling of planned projects, the management skills shown and CSR objectives (social and environmental sustainability) shown by the individual.

The correlation between the amount of variable remuneration actually paid and the company's medium/long-term results is sustained by applying ex-post correction mechanisms over a multi-year time horizon, after checking that adequate levels of capital, liquidity and risk-adjusted profitability are retained. The adoption of qualitative performance parameters ensures that the remuneration system is aligned to the Group's mission and values, supporting its orientation towards the construction of long-term value.

The long-term variable component (Long-Term Incentive (LTI) Plan 2019-2021 - "LTI Plan") is also based on clear and measurable performance parameters, involving a weighted assessment of three areas. This determination is carried out after checking that the access conditions have been achieved for all Material Risk Takers. The areas identified are:

- the economic/financial results and risk management area, with KPIs concerning operational efficiency (C/I-cost/income), profitability (PPP-post provisions profit) and credit quality (NPE ratio);
- the "Creation of shareholder value" area with a relative Total Shareholder Return (TSRr) target;
- the "Sustainability" area with CSR objectives (social and environmental sustainability, in terms of gender diversity, financial education and sustainability of the value chain).

The LTI Plan envisages the assignment of an individual bonus in the form of BPER Banca ordinary shares. At the end of the three-year vesting period, 45% is assigned at the bonus assignment date (up-front portion), but subject to a retention period of 1 year. The remaining 55% is deferred over 5 years in equal annual instalments, each also subject to a retention period of 1 year. The overall duration of the LTI Plan is therefore 9 years.

The payment of the short- and long-term variable component of the remuneration of the Chief Executive Officer and General Manager is structured in the manner described in Chapter 7.1 of the 2020 Remuneration Report, subject to achieving certain entry-gate parameters and a five-year deferral period. All incentives paid are subject to claw-back clauses, whose effective application depends on occurrence of the predetermined circumstances described in Chapter 7.1 of the 2020 Remuneration Report. The deferred instalments are subject to malus rules that can reduce the instalment to zero in the event of failure to achieve the entry gates for the financial year preceding the year of payment of each deferred instalment.

The remuneration of the Material Risk Takers is represented by a fixed component, with the amount diversified on the basis of responsibility assigned, which is augmented by a variable short-term part, and long-term for some, also differentiated based on the role held. The table below shows the levels of short-term and long-term variable target and maximum incentives defined. It should be noted that these limits apply ordinarily and are without prejudice to specific situations in which it is possible for the Bank to use the entire regulatory limit (e.g. payment of an entry bonus or incentive packages dedicated to promoting the acquisition of personnel the company considers necessary to attain significant targets). Material Risk Takers therefore benefit from a variable MBO bonus scheme and, for certain persons in this group (excluding those with control and similar functions), a variable long-term

bonus scheme (LTI Plan); both the short- and long-term incentives are designed to align the interests of management with the creation of value for the shareholders.

	Short-term bonus target		Long-term bonus target calculated over 8 years <sup>25</sup>		Long-term bonus target calculated over three-year vesting	
	Target bonus (% Annual gross income)	Maximum bonus (% Annual gross income)	Target bonus (% Annual gross income)	Maximum bonus (% Annual gross income)	Target bonus (% Annual gross income)	Maximum bonus (% Annual gross income)
<b>CEO and General Manager</b>	<b>35%</b>	<b>45%</b>	<b>15%</b>	<b>21%</b>	<b>40%</b>	<b>55%</b>
<b>Material risk takers</b>	<b>35%</b>	<b>45%</b>	<b>12%</b>	<b>16%</b>	<b>32%</b>	<b>45%</b>
<b>Control Functions</b>	<b>33%<sup>26</sup> (25%)</b>	<b>33%</b>				

### Variable bonus scheme - Management by objectives (MBO)

In order to discourage excessive risk assumption that can lead to a deterioration in the Group's "health", also in compliance with Banca d'Italia's regulatory requirements, disbursement of the bonus pool, whatever the amount, is without exception subject to compliance with certain indicators, called "entry gates", which are related to the capital, liquidity and risk-adjusted profitability ratios.

After checking the entry gates have been passed, the actual assignment of the bonus and subsequent size of the variable remuneration are defined through a process of evaluation of individual performances, which involves an analysis of a number of quantitative and qualitative indicators.

The MBO plan envisages the payment of accrued bonuses that differ based on the size of the bonus and whether or not the recipient is an MRT (i.e. the Chief Executive Officer, the General Managers, the Deputy General Managers of Group banks and companies and certain Chiefs of Departments of banks); for the specific details, please refer to Chapter 7.2 of the 2020 Remuneration Report, which contains details on retention and deferrals.

The total bonus pool defined on the basis of the new targets approved in July 2020 at the time of the revised budget, as a result of the impact of the Covid-19 pandemic on the business forecasts for 2020 and, in the wake of the recommendations of the Supervisory Authorities, is reduced by 25% with respect to the total bonus pool relating to previous targets, with variable deductions depending on the relevant cluster.

The bonus pool of the MRTs, in the event the new targets are hit, is equal to 50% of the bonus pool originally defined in relation to the original targets.

### Variable long-term incentive system – 2019-2021 LTI Plan

<sup>25</sup> For the purposes of calculating the limit on the variable/fixed ratio, the amount of the long-term incentive plan is calculated for the entire year in which it is recognised; however, the possibility of calculating said amount is permitted, according to a linear pro-rata criterion, within the limit relating to each year of duration of the long-term incentive plan (also considering the deferment period), given this exceeds 6 years. In absolute terms, the value is therefore to be multiplied by 8 years.

<sup>26</sup> Limit set by the regulations.

The Group has defined a variable long-term incentive system based on a long-term period of performance assessment (2019-2021), consistent with the objectives and duration of the Group's Strategic Plan. Details are provided in the prospectus for the "Long Term Incentive Plan (LTI) 2019-2021, destinato al personale considerato strategico". Both documents are published on the website [www.bper.it](http://www.bper.it) – Institutional > Governance > Shareholders' Meeting > Ordinary Shareholders' Meeting of 17 April 2019. Under the LTI Plan, ordinary shares in BPER Banca are granted, without charge, to persons responsible for functions of strategic importance.

The LTI Plan provides clear and predetermined performance conditions, verified during and at the end of the plan, so that the variable remuneration cannot, in any case, be paid before the end of the Plan. The bonus is recognised at the end of the performance evaluation period.

The incentive scheme envisages the identification of a bonus pool, which is the maximum amount of bonuses payable. The amount of the bonus pool is related to the results achieved and constitutes a maximum limit; its distribution is entirely subject to compliance with certain entry gates, based on indicators of capital strength, liquidity and risk-adjusted profitability. If all of these entry gates are achieved, the plan provides for an assessment of the Group's key performance indicators (KPIs) at the end of the three-year vesting period (2021). Continuous monitoring of the indicators is carried out during the three-year period to verify compliance with the objectives of the aforementioned Strategic Plan.

After checking that the entry gates have been exceeded and calculating the target bonus, the actual allocation of the bonus and its size, within the maximum limits<sup>27</sup> set for the variable remuneration, are defined through a process of corporate performance evaluation that includes an analysis of three KPIs linked to operational efficiency, credit quality and quantitative profitability objectives.

Following measurement of the KPIs, the effective quantification of the bonus accrued in 2021 is subjected to two other parameters: a relative indicator based on total shareholder return (TSRr) and a synthetic indicator based on sustainability.

The shares thus recognised are to be divided into 6 tranches, of which one will be up-front and 5 equal tranches, to be allocated during the deferral period.

All incentives paid for this category of personnel are also subject to claw-back clauses, whose effective application depends on occurrence of the predetermined circumstances described in Chapter 7.1 of the 2020 Remuneration Report.

The deferred instalments are subject to malus rules that can reduce the instalment to zero in the event of failure to achieve the access thresholds ("entry gates") for the financial year preceding the year of payment of each deferred instalment.

The remuneration of the Executive responsible for financial reporting and the personnel in charge of control functions (including the Chief Audit Executive) is composed of a fixed element supplemented by a specific function indemnity, where applicable, and a variable element that cannot exceed 33% of the fixed element. The latter does not depend on meeting economic/financial targets, but is related to the specific objectives of the function, in order to safeguard the independence required from the functions.

Unlike what applies for other Material Risk Takers, the payment of bonuses for the control functions is subject only to the entry gates based on capital and liquidity ratios.

Once the entry gates have been passed, the amount of the annual bonus is linked to role-related objectives, both quantitative and/or qualitative. People in this category have applied to them entry gates and the rules for deferment of the variable portion, use of financial instruments and the malus and clawback clauses defined for the other Material Risk Takers.

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<sup>27</sup>The bonus pool, i.e. the theoretical maximum amount of bonus that can be paid, is the sum of the maximum bonuses that can be received at an individual level.



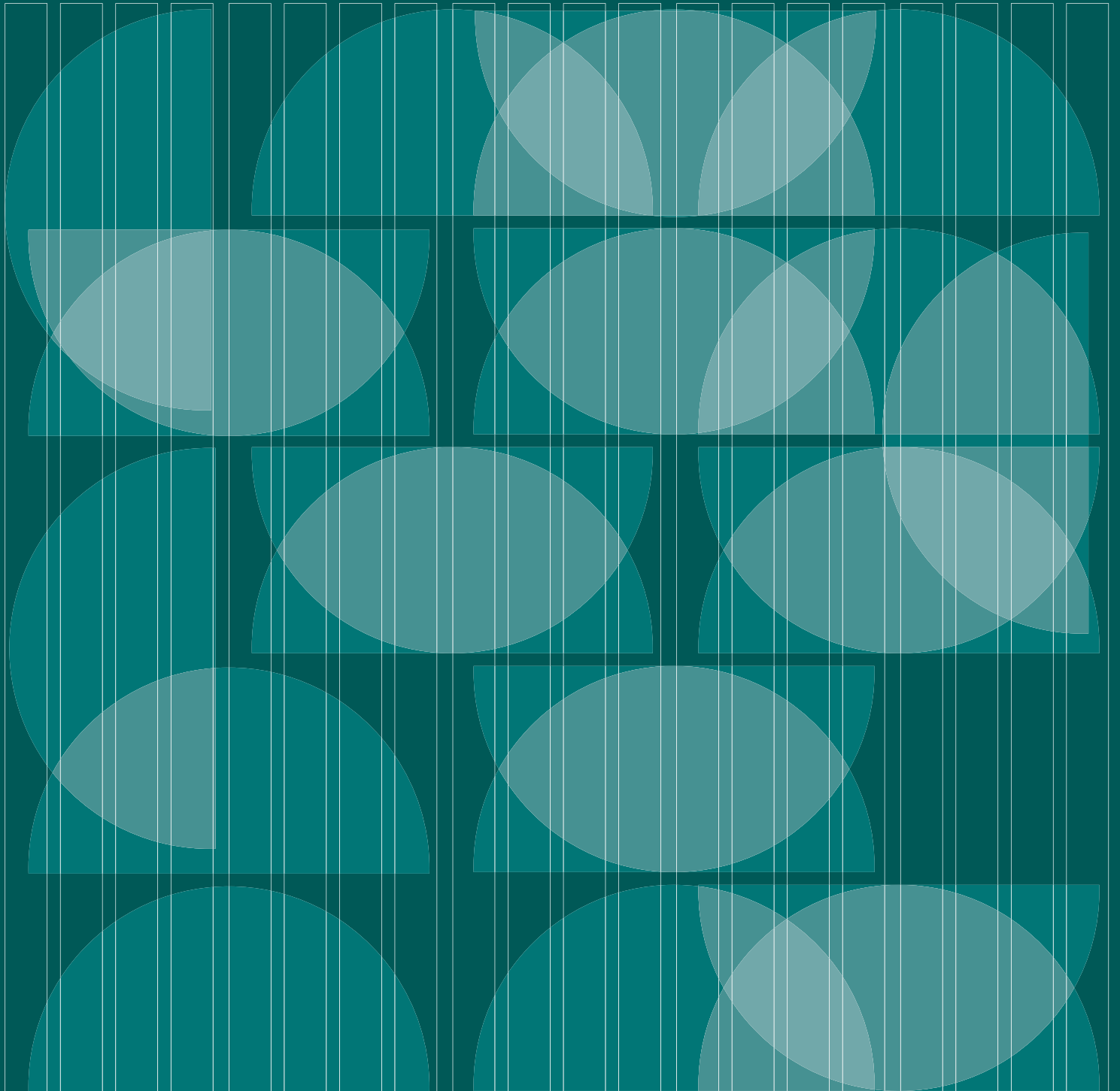
## 9.1 Directors' indemnity in the event of resignation or dismissal or termination of employment following a takeover bid (art. 123-bis, paragraph 1.i), Consolidated Finance Act)

There are no agreements with Directors or Executives with strategic responsibilities that provide for indemnities in the event of resignation or dismissal/termination without just cause or following a takeover bid.

Detailed information about the compensation granted on termination of the employment of Material Risk Takers is provided in Chapter 7.11 of the 2020 Remuneration Report.

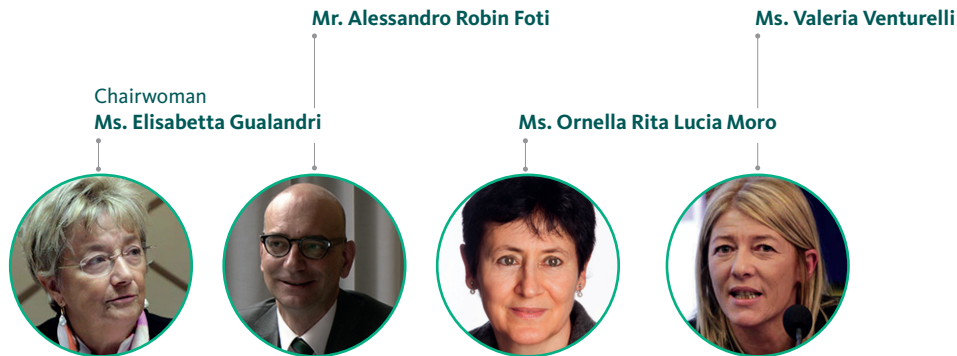
For further information, please refer to the documents, and in particular the, Remuneration Report available on the website [www.bper.it](http://www.bper.it) – Institutional > Governance > Documents or Governance > Shareholders' Meeting, where, each year, the report submitted to Shareholders is published.

The "Information document on the stock-based remuneration plan - 2020 Phantom Stock" and the "Long Term Incentive Plan 2019-2021" are published in the section dedicated to the Shareholders' Meeting: Ordinary and Extraordinary Shareholders' Meeting of 22 April 2020 and Ordinary Shareholders' Meeting of 17 April 2019.



# 10. Control and Risk Committee

In May 2009, the Board of Directors established, as a sub-committee, a Control and Risk Committee, as it was named on 4 June 2013 after its name had been changed from Internal Control Committee. The functioning of the Committee is governed by specific Operational Rules, most recently updated to November 2020.



## 10.1 Composition and functioning of the Control and Risk Committee (art. 123-bis, paragraph 2.d), Consolidated Finance Act)

The Committee consists of a minimum of 3 and a maximum of 5 non-executive directors, provided the majority meet the independence requirements laid down by art. 147-ter, paragraph 4, of the Consolidated Finance Act, which refers to art. 148, paragraph 3, of the Consolidated Finance Act, as well as provided for by the recommendations contained in the Corporate Governance Code for listed companies.

At least one member of the Committee must have adequate experience in accounting and finance or risk management, to be assessed by the Board of Directors at the time of appointment.

The Chairman of the Board of Directors may not be a member of the Committee, but may attend Committee meetings.

The Chairman of the Board of Statutory Auditors (or another statutory auditor designated by him/her) takes part in the meetings of the Committee, without voting right.

The members of the Committee are appointed by the Board of Directors and their term of office expires when they cease to be a Director. Early termination of the Board of Directors, for whatever reason, leads to immediate revocation of the Committee. Any member of the Committee who no longer meets the requirements has to communicate this fact as soon as possible to the Committee and to the Board of Directors. If one or more members can no longer attend, for whatever reason, the Board of Directors replaces them with Board members who meet the requirements of the Committee described above.

The Chairman of the Committee is appointed by the Board of Directors from among the members of the Committee that meet the independence requirements under art. 147-ter, paragraph 4, of the Consolidated Finance Act, which makes reference to art. 148, paragraph 3 of the same act. If the Chairman is absent or unavailable, he is replaced in all his functions by the longest serving member of the Committee and, in the event of equal length of service, the oldest, as long as the member in question

meets the independence requirements.

On the Chairman's proposal, the Committee appoints a Secretary, who need not be one of its members, who remains in office for the period of time determined by the Committee and, in any case, whose office ends when the Committee ceases to serve. If the Secretary is absent or unavailable, the Committee decides who replaces him/her.

The Chairman:

- a) coordinates the activities of the Committee, convenes meetings thereof and, assisted by the Secretary, sets the agenda, while working to ensure that the Committee members receive proper and timely information;
- b) chairs the Committee meetings, directs and moderates discussions, guarantees the effectiveness of discussions and ensures that the conclusions reached by the Committee are the result of adequate argumentation and the contribution from all its members.

The Chairman represents the Committee and endorses the documents to be submitted to the Board of Directors.

The Chairman, assisted by the Secretary and the competent corporate functions, verifies the supporting documentation to be provided to the Committee to ensure that it is adequate, in both quantitative and qualitative terms, to address matters on the agenda. This documentation is normally made available to Committee members and the Chairman of the Board of Statutory Auditors, as well as the Chairman of the Board of Directors, the Chief Executive Officer and the other acting auditors, 5 days prior to each meeting. If, for particular organisational reasons or for reasons of confidentiality, the documentation made available within this deadline is not exhaustive, subsequent additions are provided no later than the day of the meeting.

Where, for the aforementioned organisational reasons or for reasons of confidentiality, it has not been possible to provide the necessary disclosure/documentation in accordance with the deadline or in an exhaustive manner, the Chairman ensures that adequate and accurate in-depth analyses are conducted during the meeting. This is without prejudice to the Committee's right to request the production of additional documentation during the meeting.

The Control and Risk Committee meets, on convocation by the Chairman of the Committee, at least once every two months and, in any case, whenever necessary to resolve on matters within its mandate. Committee meetings can be held remotely by means of suitable telecommunications<sup>28</sup>.

Committee meetings are valid if attended by an absolute majority of its current members. In the exercise of its functions, the Committee's resolutions are adopted by an absolute majority of the members attending the meeting. In the event of a tie, the Chairman of the Committee has a casting vote.

The Chairman of the Committee can also invite to its meetings other members of the Board of Directors, other members of the Board of Statutory Auditors, heads of corporate control functions, the Executive responsible for financial reporting or other persons whose presence may help to improve the performance of the Committee's functions.

The Committee has an appropriate working relationship with the Board of Statutory Auditors and with the Supervisory Authorities pursuant to Legislative Decree 231/2001 for the coordination and exchange of information of mutual interest that falls within their spheres of competence.

Minutes of meetings are prepared by the Secretary, in agreement with the Chairman, in a manner governed by the Committee's Operational Rules. The minutes, signed by the Chairman and the Secretary, are kept in the Minute Book.

The Committee reports at least every six months to the Board of Directors on the activities carried out.

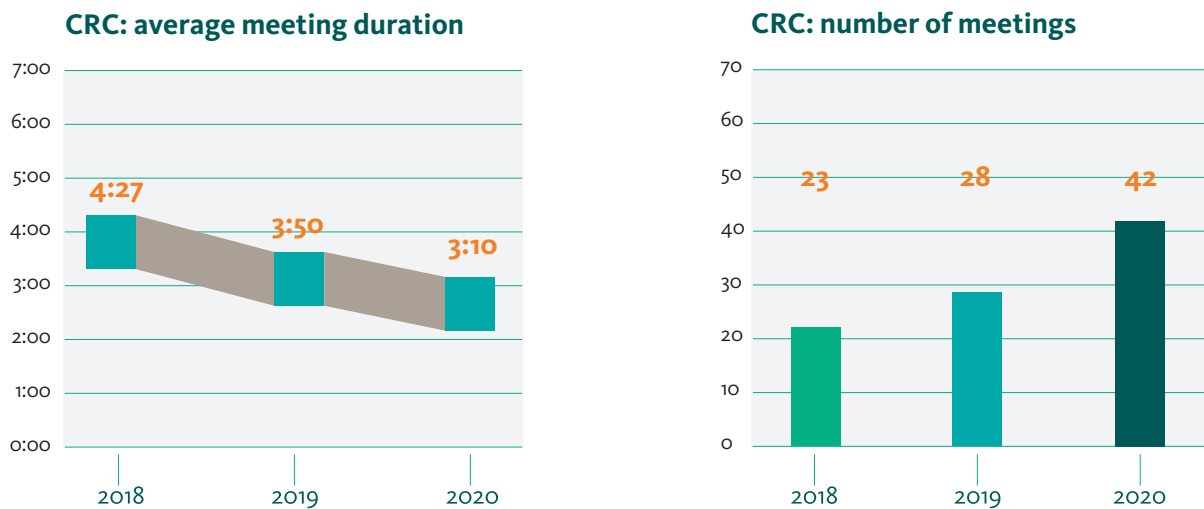
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<sup>28</sup> Providing that all participants can be identified and that this identification is recorded in the minutes; they should also be able to follow and take part in the debate in real time.

The Control and Risk Committee currently consists of four members (all non-executive and independent): Elisabetta Gualandri (Chairwoman), Alessandro Robin Foti, Ornella Rita Lucia Moro and Valeria Venturelli (see Table 2). Effective from 26 May 2020, the Secretary is Sibilla Campitelli from the Corporate Body and Regulatory Obligations Secretary Office, replacing Daniela Vicini.

The Board of Directors considers that Elisabetta Gualandri and Valeria Venturelli have adequate experience of accounting, financial and risk management matters.

The Control and Risk Committee met 42 times in 2020 and the average duration of each meeting was approximately 3 hours and 10 minutes.



In 2020, the Chairman of the Board of Statutory Auditors took part in 41 meetings of the Control and Risk Committee.

From time to time, at the invitation of the Committee, depending on the individual issues being addressed, meetings were attended by the heads of the competent corporate functions to provide detailed information, as needed, on topics on the agenda falling under their responsibility.

Of the 42 meetings held in 2020, 11 were held jointly (or partially jointly) with the Board of Statutory Auditors and 2 of these meetings were held jointly also with the Supervisory Board for the coordination and exchange of information of mutual interest that fell within their spheres of competence.

During 2021, a total 21 meetings were planned, of which 9 have already been held, at the date of approval of this Report.

## 10.2 Functions attributed to the Control and Risk Committee

The Committee provides support functions to the Board of Directors regarding risks and the internal control system, as well as relating to the approval of periodic financial and non-financial reports. Particular attention is paid to all instrumental and necessary activities to enable the Board of Directors to arrive at a correct and effective determination of the RAF (Risk Appetite Framework) and risk governance policies.

The Committee is also responsible for supervising corporate social responsibility matters.

In particular, the Committee carries out the following tasks:

- it supports the Board of Directors in the definition and approval of strategic policies and risk governance policies;
- it supports the Board of Directors in the measurement and definition of the risk appetite and of the risk tolerance;
- it issues judgments and formulates opinions to the Board of Directors on compliance with the principles governing the internal control system and corporate structure and brings to the attention of the Board any weaknesses and the consequent corrective action that needs to be taken;
- it supports the Board of Directors in the verification of the correct implementation of strategies, risk governance policies and the RAF;
- it issues judgments and formulates opinions to the Board of Directors in the assessment and monitoring of the requirements that must be met by the corporate control functions and brings to the attention of the Board any weaknesses and the consequent corrective actions that need to be taken;
- it verifies that the corporate control functions correctly comply with the indications and guidelines for the internal control and risk management system laid down by the Board of Directors;
- it supports the Board of Directors in the description, included in the report on corporate governance, of the main characteristics of the internal control and risk management system and in the assessment of its adequacy;
- it identifies and proposes, assisted by the Appointments Committee, candidates to head up the corporate control functions and for the position of Executive responsible for financial reporting and provides a preliminary opinion on their dismissal;
- it expresses an opinion on the approval, at least annually, on the planning of the activities of the corporate control functions and the Corporate Social Responsibility function;
- it examines the results achieved and the reports prepared by the corporate control functions, and by the Corporate Social Responsibility function, as well as any matters reported by the Chief Executive Officer concerning problems and critical issues that have arisen in the performance of his duties or that have been notified to him;
- it assesses, together with the Executive responsible for financial reporting and after having consulted the Board of Statutory Auditors and the auditors, the proper application of accounting standards and their consistency among BPER Legal Entities for the purpose of preparing the consolidated financial statements;
- it supports the Board of Directors in evaluating any key audit issues reported in the auditor's management letter and in the audit report;
- it supports the Board of Directors, by means of an opinion, in the definition of corporate policy regarding the outsourcing of corporate control functions;
- it ascertains, without prejudice to the sphere of competence of the Remuneration Committee, whether the incentives under the remuneration and incentive scheme of the Bank and of the BPER Group are consistent with the RAF;
- it supports the Board of Directors in the definition of policies and processes for the measurement

of the business's assets, including checking that the price and conditions of transactions with customers are consistent with the business model and risk strategies;

- it supports the Board of Directors in the approval of the coordination document for controls within the Group envisaged by Banca d'Italia Circular 285/2013, Part I, Title IV, Chapter 3 and subsequent updates;
- it provides support for the Board of Directors in its assessment, at least annually, of the adequacy of the internal control and risk management system with respect to the characteristics of the business and the risk profile assumed, as well as the effectiveness thereof;
- it supports, via appropriate preliminary activities, the assessments and decisions of the Board of Directors relating to risk management arising from detrimental facts that have come to the attention of the Board;
- it supports the Board of Directors in social sustainability matters, by supervising issues connected with the performance of business activities and its workings with stakeholders;
- it evaluates the suitability of periodic financial and non-financial information, in correctly representing the business model, the company's strategy, the impact of its activities and the performances recorded;
- it provides support to the Board of Directors in evaluating the capital and liquidity management strategies, as well as for all other risks pertaining to the Bank and the BPER Group, such as market, credit, operating (including legal and IT risks) and reputational risks, in order to assess their suitability with respect to the Group's risk appetite and the risk strategy approved;
- it supports the Board of Directors in the periodic evaluation of a number of possible scenarios, including stress scenarios, in order to determine how the risk profile of the Bank and the BPER Group would react to external and internal events;
- it supports the Board of Directors in assessing the autonomy, adequacy, effectiveness and efficiency of the corporate control functions.

Furthermore, in order to carry out its functions, the Committee:

- collaborates with other internal Board committees, with the auditors and speaks directly to the corporate control functions and the Executive responsible for financial reporting;
- has, through its Chairman, the right to access the corporate information needed;
- has access to adequate resources as determined by the Board of Directors;
- may use the services of experts, inclusive of external experts.
- is supported by the competent corporate functions;

As regards the remuneration of the heads of the corporate control functions and of the Executive responsible for financial reporting, it is the Remuneration Committee's responsibility to support the Board of Directors on these matters (see Para. 8.2 of this Report).

The principal topics addressed by the Committee during 2020 included:

- analysis of the periodic risk reports;
- examination of the results of the principal checks carried out by the control functions;

- analysis of the RAF, ICAAP and ILAAP reports;
- analysis and opinions on the development of the internal rating system;
- analysis and opinion on the planning proposals and final reports of the control functions;
- periodic reporting on the NPE strategy;
- analysis of the progress made on implementing the actions plans prepared following the outcome of ECB inspections;
- Process to Remedy Findings (PRF) of the control functions;
- self-assessment of the internal audit and compliance functions;
- strengthening the role of the Coordinating committee for the control functions and SREP-oriented approach to reporting;
- support for the work carried out by the Board of Directors to approve the periodic financial reports and the consolidated non-financial statement (Sustainability Report);
- monitoring and evaluation of risks for the Bank stemming from the COVID-19 emergency and the actions taken in this regard;
- the revision of the process of appointment of the Heads of the Control Functions;
- the impacts of the so-called “Progetto Gemini” concerning the BPER's acquisition of a business unit comprised of bank branches following the public exchange offer promoted, in February 2020, by Intesa Sanpaolo S.p.A. on the entire share capital of UBI Banca S.p.A.

In accordance with the above Operational Rules, the Control and Risk Committee has prepared and approved half-yearly reports on the activities carried out thereby, which were then submitted to the Board of Directors.





# 11. Independent directors' Committee

In accordance with the regulatory framework introduced by the CONSOB "Related Parties Regulation" no. 17221 of 2010 - followed by the provisions governing "Risk activities and conflicts of interest with related parties" dictated by Banca d'Italia with the 9th update (12 December 2011) of the "New regulations for the prudential supervision of banks" (Title V – Chapter 5) - the BPER Group repealed the previous internal regulations and adopted the "Policy di Gruppo per il governo del rischio di non conformità in materia di conflitti di interesse nei confronti di parti correlate e di attività di rischio nei confronti di soggetti collegati" (hereinafter "Policy Parti Correlate e Soggetti Collegati"). In December 2020, Consob, by means of resolution no. 21624 - in order to implement the new paragraph 3, of art. 2391-bis of the Italian Civil Code - updated the 2010 Regulation, effective from 1 July 2021 (while in June 2020 the provisions of Banca d'Italia regarding "Risk activities and conflicts of interest with associated persons" were incorporated in Circular no. 285 of 2013). In light of the regulatory innovations introduced, the BPER Group launched a revision of the "Policy Parti Correlate e Soggetti Collegati", in order to adjust it into line with the aforementioned amendments.

In accordance with these regulations, effective 13 November 2012, the Board of Directors of the Bank replaced the previous Related Parties Committee, set up in October 2010, by setting up the Independent Directors' Committee. In the circumstances mentioned in the regulations, the Committee gives a preliminary reasoned opinion, which in certain cases is binding, on the Bank's interest in carrying out transactions with related parties and/or associated persons, as well as on the cost-effectiveness and fairness of the conditions being applied; it also gathers information addressed thereto in accordance with the procedures and terms of reference laid down by the regulations and Operational Rules approved for the Committee.

The functioning of the Committee is governed by specific Operational Rules, most recently updated to January 2018.



## 11.1 Composition and functioning of the Independent Directors' Committee (art. 123-bis, paragraph 2.d), Consolidated Finance Act)

The Independent Directors' Committee consists of 3 non-executive directors, including at least one chosen from the directors elected by the minorities, if any, who meet the independence requirements under art. 147-ter, paragraph 4, of the Consolidated Finance Act, which refers to art. 148, paragraph 3, of the Consolidated Finance Act.

The members of the Committee are appointed and dismissed by the Board of Directors and their term of office expires when they cease to be a Director. Early termination of the Board of Directors, for whatever reason, leads to immediate revocation of the Committee. Any member of the Committee who no longer meets the requirements has to communicate this fact as soon as possible to the Committee and to the Board of Directors. If one or more of the committee members can no longer attend, for whatever reason, the Board of Directors replaces them with other Directors who meet the requirements described above.

The Chairman of the Committee is appointed by the Board of Directors from among the members of the Committee. If the Chairman is absent or unavailable, he is replaced in all his functions by the longest serving member of the Committee and, in the event of equal length of service, the oldest, and who is not a related party and/or associated person.

Any member of the Committee who turns out to be a related party and/or an associated person to a transaction that is being reviewed has to communicate this fact as soon as possible to the Committee and abstain from voting on the transaction.

On the Chairman's proposal, the Committee appoints a Secretary, who need not be one of its members, and who remains in office until the date of the Shareholders' Meeting called to approve the financial statements of the year in progress at the time of the Secretary's appointment. If the Secretary is absent or unavailable, the Committee decides who replaces him/her.

The Chairman:

- a) coordinates the activities of the Committee, convenes meetings thereof and, assisted by the Secretary, sets the agenda, while working to ensure that the Committee members receive proper and timely information;
- b) chairs the Committee meetings, directs and moderates discussions, guarantees the effectiveness of discussions and ensures that the opinions and other conclusions reached by the Committee are the result of adequate argumentation and an informed and reasoned contribution by all its members.

The Chairman represents the Committee and endorses the opinions to be transmitted to the decision-making bodies.

The Chairman, assisted by the Secretary and the competent corporate functions, verifies the supporting documentation to be provided to the Committee to ensure that it is adequate, in both quantitative and qualitative terms, to address matters on the agenda. This documentation is generally made available to Committee members 5 days prior to each meeting, based on prior authorisation of the Chairman. If, for organisational reasons or for reasons of confidentiality, the documentation made available within this deadline is not exhaustive, subsequent additions are provided no later than the day of the meeting, based on prior authorisation of the Chairman.

Where, for the aforementioned organisational reasons or for reasons of confidentiality, it has not been possible to provide the necessary disclosure/documentation in accordance with the deadline or in an exhaustive manner, the Chairman ensures that adequate and accurate in-depth analyses are conducted during the meeting. This is without prejudice to the Board's right to request the production of additional documentation during the meeting.

The Independent Directors' Committee meets, at the convocation of the Chairman, whenever necessary to resolve on matters within its competence or when it is considered appropriate.

Committee meetings can be held remotely by means of suitable telecommunications<sup>29</sup>.

Committee meetings are valid if attended by a majority of its current members. The Committee gath-

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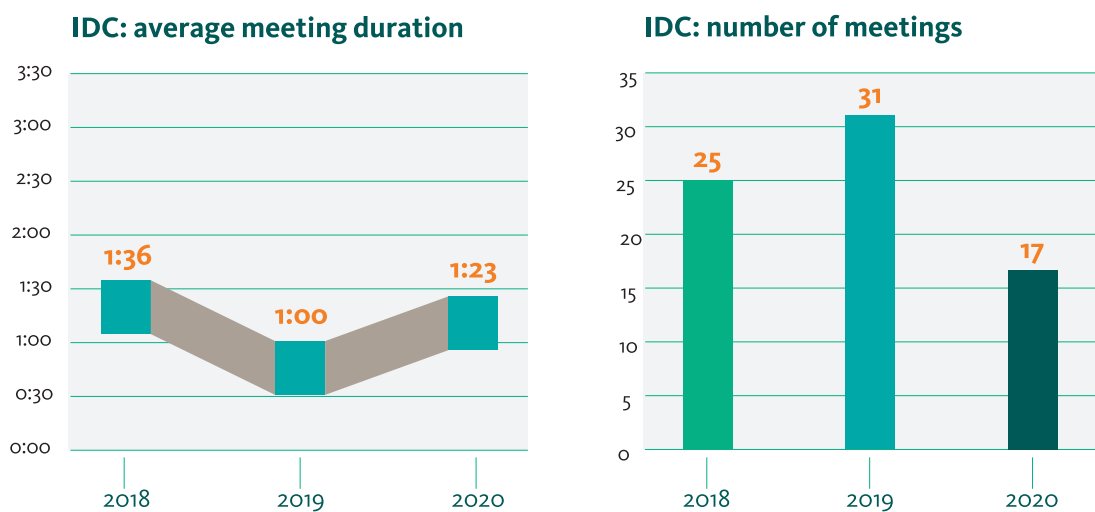
<sup>29</sup> Providing that all participants can be identified and that this identification is recorded in the minutes; they should also be able to follow and take part in the debate in real time.

ers information, expresses opinions and takes decisions on matters within its competence by a majority of those voting, but without prejudice to the fact that contrary votes or abstentions have to be explained and minuted. In the event of a tie, the negative vote prevails. If, in relation to less material transactions, the Committee expresses an opinion subject to certain conditions or observations, the opinion is to be considered favourable if the conditions or observations are accepted by the Board of Directors. The same body may also approve transactions for which the Committee expressed a negative opinion. Less material transactions approved in accordance with the present Paragraph are communicated individually to the Board of Statutory Auditors.

The Chairman may, from time to time, invite to Committee meetings any functions whose presence may help to improve the performance of the Committee's activities.

Minutes of meetings and the opinions expressed by the Committee are prepared by the Secretary in a manner governed by the Operational Rules in force. The minutes, signed by all the Committee members and the Secretary, are kept in the Minute Book. The opinions expressed by the Committee are signed by the Chairman and the Secretary and inserted in the book of opinions of the Committee. At the date of this Report, the BPER Independent Directors' Committee consists of the following 3 non-executive and independent directors: Valeria Venturelli (Chairwoman), Elisabetta Gualandri and Marisa Pappalardo (see Table 2). The Secretary is the Head of the Corporate Body and Regulatory Obligations Secretary Office, Erika Preti.

The Committee met 17 times during 2020 and the average duration of each meeting was about one hour and 23 minutes.



In addition, the Committee has also invited the heads of relevant corporate functions to attend in order to provide appropriate details about specific matters on the agenda.

Moreover, a meeting was held with the Board of Statutory Auditors of the Bank to discuss matters of mutual interest.

For 2021, 20 meetings have been planned, of which 4 have already taken place at the date of approval of this Report.

## 11.2 Functions of the Independent Directors' Committee

The Committee fulfils its duties and exercises the powers granted to the independent directors in compliance with legislative or regulatory requirements as well with legislation in force concerning related parties and associated persons.

Also, on the occasion of the three-year review of the internal regulation document governing areas within its competence, or, on the occurrence of any regulatory and/or organisational changes that necessitate amendments and/or additions, it provides a detailed, preliminary, binding opinion, subject to approval by the Board of Directors. In such cases, it analyses the content of the "Policy di gruppo per il governo del rischio di non conformità" (Group Policy for governing the compliance risk) concerning conflicts of interest with related parties and risk activities with associated persons that has been adopted by the Bank, and assesses its compliance with the rules and its adequacy in terms of being able to handle this complex area.

With regard to less significant transactions (qualifying as such under current regulations) to be carried out, the Committee:

- a) evaluates the Bank's interest in carrying out the proposed transaction;
- b) assesses the convenience and substantial fairness of the conditions of the proposed transaction;
- c) provides the decision-making body with a motivated, non-binding opinion, that may also be conditional on the observations made, spelling out the results of the assessments mentioned in points a) and b).

As regards more significant transactions (qualifying as such under current regulations), in addition to the steps that it has to take in the case of less significant transactions, the Committee also gets involved in the negotiations and preliminary phase by receiving a complete and timely flow of information with the right to ask for information and to make observations to the delegated bodies and to those in charge of carrying out the negotiations and the preliminary phase. The opinion expressed for the purpose of the resolution regarding the transaction is binding; in the case of a conditional opinion, the transaction can only be completed or executed if all of the conditions mentioned in the opinion expressed by the Committee have been fulfilled.

The rules on more or less significant transactions also apply with regard to transactions that need to be approved by the shareholders in general meeting and to any framework resolutions. In order to fulfil its duties, the Committee receives documentation and useful information for a correct evaluation from the functions proposing the transaction, responsible for the preliminary investigation, according to the time frames and methods established in the "Regolamento di Gruppo del processo di gestione delle operazioni con parti correlate e/o soggetti collegati".

If deemed necessary, the Committee has the right to use the services of independent experts unrelated to the Bank, within the cost limits set by the Board of Directors, in compliance with current internal regulations. These cost limits are not valid in the case of more material transactions.

As regards less material, ordinary transactions and which are entered into at market or standard conditions with related parties and/or associated persons, the Committee:

- a) receives from the competent function ex-post information on the transactions that have been carried out;
- b) provides any opinions or observations to the Board of Directors and/or to a different decision-making body for the purpose of taking any corrective action that may be possible on transactions displaying critical aspects.

In 2020:

- The Committee made use of the services of independent experts.
- The Committee issued 23 opinions.
- The Chairman of the Committee dedicated three meetings to the analysis of specific topics, which were addressed together with the Equity Investments and Special Projects Office, the Compliance Function and the Risks Department.



## 12. Internal control and risk management system

The Board of Directors defines and approves the internal control system of the Parent Company and the Group, ensuring that it is consistent with the strategic guidelines and risk appetite established in the Risk Appetite Framework (RAF) and that it is able to reflect the various types of risk as they evolve and interact. It also defines and approves the risk targets, the thresholds of risk tolerance and, where identifiable, of risk capacity and the risk governance process, to ensure that risks are properly governed and effective control maintained over all strategic decisions of the Group as a whole, along with balanced management of the individual components.

The "Linee Guida di Gruppo - Sistema dei controlli interni" set out the principles for developing the "BPER Group's internal control system", the roles of the control bodies and functions involved, the methods of coordination and collaboration, and the information flows between functions and between them and the corporate bodies of the Parent Company and Legal Entities.

On 29 November 2016 the Board of Directors of the Parent Company approved the last update to the "Linee Guida di Gruppo – Sistema dei controlli interni", adoption of which was then approved by the Boards of the various Legal Entities.

The BPER Group's Internal Control System can be split into three levels:

- the "Group internal control system";
- the "Internal control system of the company";
- the "Internal control system of the Group".

"Group internal control system" means the set of rules, functions, structures, resources, processes and procedures that enable the Parent Company to carry out:

- strategic control of the business performance of Legal Entities and of their policies of acquisition and disposal;
- management control designed to ensure that the economic, financial and capital equilibrium of the individual companies and of the Group as a whole is maintained;
- technical and operational control aimed at assessing the various risk profiles brought to the Group by the individual subsidiaries and the Group's overall risk<sup>30</sup>.

"Internal control system of the company" (and, therefore, specific to each Legal Entity, including the Parent Company) means the set of rules, functions, structures, resources, processes and procedures ("structure of the internal control system") designed to ensure that "behaviour" is aligned with set standards ("functioning of the internal control system"). "Internal control system of the Group" means the combination of the various "Internal control systems of companies" and the "Group internal control system". The Parent Company provides the Group with an internal control system that permits effective control over the strategic choices of the Group as a whole, and balanced management of the individual components<sup>31</sup>. In particular, the Parent Company is responsible for the governance, design and implementation of the "Group internal control system".

BPER's "Internal control system of the Group" is designed to take account of the business specifics

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<sup>30</sup> Banca d'Italia Circular no. 285/13, Part I, Title IV, Chapter 3, Section 5, Paragraph 2.

<sup>31</sup> Banca d'Italia Circular no. 285/13, Part I, Title IV, Chapter 3, Section 5, Paragraph 2.



of each Group company and comply with the principles established by the Supervisory Authorities, namely:

- proportionality in the application of rules according to size and operations;
- gradual and progressive transfer to more advanced methodologies and processes for measuring risk and the capital that is available as a result;
- unity in the definition of the approaches used by the various functions foreseen in the Group's organisational system;
- economy: containment of costs for intermediaries.

The internal control system is designed, implemented and evaluated with reference to the "Group Risk Map" (hereinafter "Risk Map") that identifies the potential risks to which the Group is or might be exposed.

The prudential supervision regulations contained in Banca d'Italia Circular 285/2013 require banks to independently and accurately identify major Pillar 1 and Pillar 2 risks which they are or could be exposed to, taking account of their operations and markets<sup>32</sup>.

This activity is the result of an integrated and continuous recognition process carried out at a centralised level by the Parent Company which, if deemed necessary in relation to the evolution and/or changes in the business model, also provides for the involvement of the single legal entities included in the Group's scope of consolidation, in order to enhance their role in relation to the individual operational specifics. BPER Group recognises the importance of the Risk Map to operations and risk governance and has made it a key feature of its internal control system.

The risk identification process forms a basis for regular updates to the "Group Risk Map", prepared by the Risk Control function, which explains the Bank's position with respect to first and second pillar<sup>33</sup> risks, from both a current and future perspective, in order to anticipate any risks that could impact on the Group's operations or those of the respective legal entities.

As part of the "Group internal control system", the following control functions are identified at the levels provided for in the Supervisory Provisions:

- Third-level controls:
  - "Internal Audit" function;
- Second-level controls "Risk and compliance controls":
  - Anti-Money Laundering;
  - Compliance;
  - Risk Control;
  - Ratification;
- First-level controls:
  - Line controls (designed to ensure that operations are carried out properly, carried out by the operating teams concerned, included in the related procedures or performed as part of back-office activities).

The teams responsible for the second and third-level control functions are independent; in particular, they are separate from each other and organisationally different to those involved in the acceptance of risk.

The corporate structures involved in risk assumption are those that:

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<sup>32</sup> Banca d'Italia Circular no. 285/13, Title III - Chapter 1.

<sup>33</sup> Banca d'Italia Circular no. 285/13, Title III - Chapter 1 - Attachment D.

- contribute to the determination of commercial policies or risk assumption strategies;
- authorise risk assumption;
- are remunerated based on the company's results or have targets that may encourage risk assumption.

In addition to the levels of control laid down by Supervisory Regulations, the regulations governing self-regulation necessitate the allocation of control duties to specific functions other than corporate control functions - or to board committees, the activities of which are consistent with the internal control system.

Specifically, control functions identified within the Group are:

- Supervisory Board, where established pursuant to Legislative Decree 231/2001<sup>34</sup>;
- the Executive responsible for financial reporting.

It is also worth mentioning the role of the Control and Risk Committee, a board committee set up within the Parent Company and in the Group's listed banks.

In application of the principles described and as a general rule, the "Internal control system of the Group" envisages outsourcing to the Parent Company the second and third-level control functions of the Italian Legal Entities; however, as required by the regulations, the latter still remain responsible for their performance.

In these cases, centralisation of the above functions involves the signature of outsourcing contracts with the Parent Company. As regards Legal Entities based abroad, or those for which the Board of Directors of the Parent Company approves said exemption, this centralised model is partially waived in consideration of the complexity and delicacy of operations run in a different regulatory environment. In this case, it is possible to activate organisational models that enhance the specific nature of the context in which these companies operate, for each control function required by local regulations, as requested by the Supervisory Authority or by the Parent Company.

The Board of the Parent Company may authorise other partial or temporary exceptions to the general principle of centralisation, depending on the specific characteristics of or particular circumstances at the subsidiaries concerned.

Legal Entities are responsible for ensuring that operations are carried out properly, in particular by performing the necessary line controls.

The BPER Group uses the Risk Appetite Framework (RAF) to monitor its corporate strategies, the cornerstones of which are formalised and approved by the Parent Company. These are reviewed periodically to ensure their alignment with the strategic guidelines, the business model and the regulatory requirements applicable at the time. The RAF provides "the frame of reference that, in line with the maximum assumable risk, defines the business model and strategic plan, risk appetite, risk tolerance, risk limits, risk governance policies and the key processes needed to define and implement them". The RAF also represents a coordinated set of methodologies, processes, policies, controls and systems used by the Group to establish, communicate and monitor its risk appetite. The framework identifies the risk appetite, risk tolerance and operating limits, under both normal and stressed conditions, that the Group intends to adopt in the pursuit of its strategies, defining the various levels with reference to the maximum acceptable risk (risk capacity).

In order to ensure effective and pervasive transmission of the risk targets, the Group sets its overall risk appetite, establishing operational and exposure risk limits that govern the operations of the organisational structures to which they are assigned (so-called "risk takers"), in a structured framework

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<sup>34</sup> As of the date of this Report, within BPER Group a Supervisory Board has been set up by all the Italian banks, by Sardaleasing S.p.A., by Emilia Romagna Factor S.p.A. and by BPER Credit Management S.C.p.A.

consistent with the policies for the governance and control of individual risks, to which reference is made.

The activities comprising the process are updated annually, or more frequently, and whenever necessary following changes in the internal or external conditions.

The periodic monitoring and management of exceeded limits includes checking the trends in the actual RAF parameters (risk profile) at Group level with respect to the established risk appetite. When the limits defined for the various RAF parameters are exceeded to a significant extent, a process of assessment, escalation and communication involving various corporate bodies is activated, depending on the type of parameter and the nature and extent of the problem. The limits are specified in each risk governance policy (third-level RAF parameters) and the procedures for monitoring and managing them are also specified in those policies.

Therefore, the RAF takes on the importance of a management tool that not only permits concrete application of the regulations, but also makes it possible to activate synergistic governance of the planning, control and risk management activities. It is also a key element to:

- strengthen the ability to govern business risks, facilitating the development and dissemination of an integrated risk culture;
- ensure alignment between strategic guidelines and the levels of risk assumed, through the formalisation of consistent targets and limits;
- develop a quick and effective system of monitoring and reporting the risk profile taken on.

In line with the RAF defined by the Parent Company, for each risk identified as significant, the Board of Directors of the Parent Company sets, with a special "governance policy":

- the risk appetite;
- the related risk exposure limits;
- the "risk acceptance and mitigation process";
- the "risk management process".

The "risk acceptance and mitigation process" is the set of operational actions during which decisions are taken that affect the level of risk exposure for the Bank and the controls exercised through appropriate governance and risk management activities, in line with the risk governance policies and the RAF.

The "risk management process" comprises the set of rules, procedures and resources dedicated to identifying, measuring or assessing, monitoring, mitigating and communicating the risks to the appropriate levels, as well as to monitoring the exposure and operational limits and the related reporting.

The Board of Directors receives, either directly or through the CEO, the information flows required to gain a full awareness of the various risk factors and the ability to govern them, in order to plan and implement interventions to ensure the compliance and adequacy of the Internal Control System.

The main reports produced by the control functions and by the Executive responsible for financial reporting are brought to the attention of the Board of Statutory Auditors, the Control and Risk Committee and the Board of Directors.

The Board of Directors appoints and dismisses the heads of the corporate control functions and the Executive responsible for financial reporting, after consultation with the Control and Risk Committee, the Appointments Committee, the Board of Statutory Auditors and the Chief Executive Officer.

Each year, after having consulted the Board of Statutory Auditors, the Control and Risk Committee and the Chief Executive Officer, the Board of Directors of the Parent Company approves the long-term audit plan of the Internal Audit function that includes the work planned for the current year. In

2020, the "2020-2022 Group Audit Plan" was approved on 5 February 2020, while in the current year, the "2021-2023 Group Audit Plan" was approved on 21 January 2021. The "Report of the Internal Audit Function - Year 2020" (a final report prepared on the work done by internal audit) is submitted to the Board of Directors half-yearly and is presented to the Board of Statutory Auditors, the Control and Risk Committee and the Chief Executive Officer, in compliance with internal policy on information flows (for further information, see Para. 12.3).

The Board of Directors of each Legal Entity, including the Parent Company, reviews the "Internal control system of the company" once a year. The function responsible for providing support to the B.o.D. in assessing the effectiveness of the overall internal control system, company-wide, is the Internal Audit Function.

Starting from 1 January 2016, the Parent Company implemented its own whistleblowing system, structured in such a way as to guarantee the following obligations in accordance with the Supervisory Provisions:

- the transmission, receipt, review and assessment of reports of infringements of legislation governing banking as per art. 10 of the Consolidated Banking Act (acceptance of deposits from the public, lending) and financial activity; fraud to the detriment to one or more companies via specific, autonomous and independent channels that differ from normal reporting lines;
- moreover, in consideration of the legislative changes that occurred after the issue of the XI update of Banca d'Italia Circular no. 285/2013, the whistleblowing system was also extended to violations concerning "market abuse" and the fight against money laundering and terrorism financing;
- confidentiality and protection of the personal data pertaining to the reporting party and to the party exposed.

For the management of this single model, centralised within the Parent Company, for all the Legal Entities that fall within the scope of application<sup>35</sup>, it has been envisaged that a single function will be entrusted with handling reports and this will be the Internal Audit Function. The person chosen to act as Head of the Internal Reporting System for all recipient companies is the Chief Audit Executive. The Whistleblowing System does not amend or abolish, but rather supplements, the internal reporting procedures already applied within the Group in relation to specific sectors, the value of which, therefore, is unaltered and confirmed (by way of an example, the following are cited: "Internal system of reporting to the Supervisory Board pursuant to Legislative Decree 231/2001"; "Internal reporting to the Executive responsible for financial reporting of errors relating to financial reporting – pursuant to Legislative Decree 262/2005"; "Internal reporting of behaviour that does not comply with the principles contained in the national and corporate agreements on the subject of Commercial Policies and Labour Organisation").

The outcome of the 2019 review was that the Group's overall situation was deemed to be positive. The 2020 assessment will be completed by the end of March 2021.

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<sup>35</sup> BPER Banca, Banco di Sardegna, Bibanca, Finitalia, Emilia Romagna Factor, Optima SIM, Sardaleasing, BPER Credit Management and BPER Trust Company.

## 12.1 Financial reporting process - existing risk management and internal control systems (art. 123-bis, paragraph 2.b), Consolidated Finance Act)

We illustrate below the "main characteristics of risk management and internal control systems in relation to the financial reporting process", according to art. 123-bis, paragraph 2, letter b) of the Consolidated Finance Act.

The "Linee Guida di Gruppo - Sistema dei controlli interni" assign to the Executive responsible for financial reporting the task of handling the design, implementation and maintenance of the "Financial Reporting Control Model" to be applied to the Parent Company and, with reference to the procedures for the preparation of consolidated financial statements, to subsidiary banks and companies, falling or not within the scope of consolidation of the Banking Group.

The Financial Reporting Control Model is a set of requirements to be met for proper management and control over the risk of unintentional errors and fraud in financial reports and consists of the following documents:

- Policy di Gruppo per il governo dei rischi di errori non intenzionali e di frodi nell'informativa finanziaria (high level legislative source);
- Regolamento della Funzione del Dirigente preposto alla redazione dei documenti contabili societari (high level legislative source);
- Nota metodologica relativa al macro processo Gestione del rischio di errori non intenzionali e frodi nell'informativa finanziaria (high level atypical source).

The "Policy di Gruppo per il governo dei rischi di errori non intenzionali e di frodi nell'informativa finanziaria" approved by the Board of Directors of the Parent Company, based on the "Linee Guida di Gruppo - Sistema dei controlli interni", established the roles and responsibilities of the bodies and organisational units involved in the governance (assumption and management) of financial reporting risks at Group level. This process is governed by the methodological note addressing macro process management of risk of unintentional errors and fraud in financial reports. In this regard, the basis for the acceptance and control of the risks covered by the Policy and the related methodologies are described in the "Process for governing the risk of unintentional errors and fraud in financial reports". With reference to the Financial Reporting Control Model, it should be noted that the high level sources are in the process of being updated to take account of the new organisational structure adopted to monitor the Group's financial reporting, as well as the new responsibilities assigned and the enlarged corporate perimeter.

Consistent with the "Linee Guida di Gruppo - Sistema dei Controlli Interni" and with the RAF defined by the Parent Company, the management of the risk of unintentional errors and fraud in financial reports can be broken down into the following components:

- a) the risk targets (or risk appetite) and risk tolerance - risk appetite;
- b) the related risk exposure and operational limits;
- c) the risk assumption process;
- d) the risk management process.

### **a) The risk appetite**

Based on the Risk Appetite Statement, the risk of unintentional errors and fraud in financial reports has the characteristics of a pure risk that is difficult to measure. For this reason, the Group's risk appetite for this category of risks is nil. Despite having concluded that the risk appetite is nil, the Group recognises that the risks falling into this category could arise for reasons beyond its control or due to factors that do not depend on its ability to operate according to the principles outlined.

With the objective of keeping the causes and occurrence of errors pertaining to this category under adequate control, the Group has a specific governance model (processes and procedures that set out specific roles and responsibilities) that facilitate an adequate management of the risk of unintentional errors and fraud in financial reports; in particular, this model envisages that risk is:

- identified;
- assessed;
- monitored continuously;
- mitigated;
- reported to appropriate levels of management.

The Group deemed that the risk tolerance was not nil for the risks pertaining to the above category and undertook to continuously maintain and align its governance model and to assess, based on the risk profile arising from time to time, as well as any other significant information, the most appropriate mitigating actions aimed at minimising and, if possible, eliminating the current or potential exposure to such risks.

Accordingly, based on the Risk Appetite Statement, the overall risk tolerance related to the risk of unintentional errors and fraud in BPER Group's financial reporting is not nil and is categorised within the first two levels of the grading scale of the overall model for the adequacy and effective application of the accounting and administrative procedures (graded as positive or partially positive).

In the event that the measurement of the risk of unintentional errors and fraud in financial reports falls within the remaining two levels of the grading scale, resulting in the risk tolerance having been exceeded, the Chief Executive Officer has to take the necessary action, also with the support of the Parent Company's Risk Committee, which increases as the grading gets worse, in order to:

- address and - together with the Organisation Department - take the action needed to rapidly bring the level of risk to below the official risk tolerance;
- promptly and appropriately inform the Risk Committee, the Control and Risk Committee, the Board of Directors and the Board of Statutory Auditors.

### **b) Exposure and operational limits**

Due to the fact that the risk of unintentional errors and fraud in financial reports is difficult to measure, no specific risk limits have been set.

### **c) Risk assumption and mitigation**

The risk assumption and mitigation process is a series of activities whereby decisions have to be taken that affect the level of the Group's exposure to current (risk profile) and desired (risk appetite) risks, in compliance with the established risk appetite framework.

The risk of unintentional errors and fraud in financial reports is not deliberately taken on by the Bank, but is a consequence of decisions taken in relation thereto, to which it is intrinsically linked.

#### **d) Risk management**

Risk management in financial reporting indicates the series of rules, procedures and resources to identify, measure or assess, monitor, mitigate and communicate this risk to the appropriate levels.

The macro process for the management of such risks envisages the preparation of reports that address the identification of the responses to a plausible risk on account of the risk profile revealed and their distribution to the various organisational levels involved.

In particular, risk management is divided into:

- I. definition and updating of methodologies, processes and reporting;
- II. annual planning of activities. This process comprises the identification of the activities and the types of resources available, the selection of the sub-processes most at risk, the identification of the tests to be performed and the identification of the activities/tests to be performed by type of resource;
- III. the identification of risk, which comprises:
  - a. the identification of the sources of risk generation. In this regard, the "risk of unintentional errors and fraud in financial reports" is split into the following two components:
    - i. risk of unintentional error: the risk of material errors in the financial statements due to unintentional actions or omissions deriving from inadequate or dysfunctional procedures, human resources or internal systems, or from external events;
    - ii. risk of fraud: the risk of significant errors in the financial statements made intentionally in order to obtain an unfair or illegal advantage as a consequence of false financial reporting; the risk of fraud includes the "risk of misappropriation of goods and assets".

Within this sub-process, the "administrative-accounting" specification was also defined (pursuant to art. 154-bis of the Consolidated Finance Act), linking it to specific business processes. Based on this definition and taking into account the types of risk exposure mentioned previously, the risk of unintentional errors and fraud in financial reports can be generated by "administrative and accounting" processes only to a limited extent.

- b. the identification of the companies included in the scope of consolidation, of financial statement items and significant accounting schedules; this is a phase whereby identification is made of significant subsidiaries, falling or not within BPER Group's scope of consolidation, of the material financial statement items and of the significant accounting schedules;
- c. the preparation and dissemination of regulatory alerts, through the continuous monitoring of updates to external regulations and of relevant association provisions for issues relating to the Executive responsible for financial reporting, as well as to financial statements and accounting standards.

#### IV. Measurement

The assessment model developed internally (known as the Control Self-Assessment or CSA) is designed to give each administrative and accounting process a separate assessment of:

- process adequacy: the aim is to analyse the organisational variables of a process which, should it develop weaknesses, could generate potential risk events to the process in question;
- adequacy of the structure of line controls: the aim is to assess the adequacy of the structure of line controls for the process in question to mitigate the occurrence and/or impact of the event identified in the analysis of riskiness.

The following organisational variables have been identified:

- People: i.e. the human resources assigned to the process;
- Process: i.e. the rules by which the various activities involved in a process are organised;
- System: i.e. information inputs to the process.

The self-assessments are completed by the managers of the Organisational Units involved in the process.

As regards the risk components, Financial Reporting Monitoring and Control Office performs an expert assessment of the potential risk at the sub-process level on the basis of impact/frequency heatmaps.

This process also includes an assessment of the risk of fraud in financial reporting, handled through specific questionnaires. In particular, the activities carried out by the Financial Reporting Monitoring and Control Office consist of:

- the preparation and enhancement of the "Fraud Risk" questionnaire with reference to the Parent Company;
- the coordination of the compilation of the "Fraud Risk" questionnaire with reference to the companies within the scope and the examination of the results of the assessments of the measures implemented to cover the risk of fraud.

The questionnaire, taking into account the provisions of the International Standard on Auditing (ISA Italia) 240 sets the objective of verifying the adequacy of internal controls with respect to the risk factors of significant errors in the financial statements due to fraud. Adequacy is measured by means of a self-assessment that each consolidated company provides for its position with regard to the combinations of the external regulatory provisions noted and manifestations of the risk factors proposed.

Furthermore, in order to verify the adequacy and effective application of the administrative and accounting procedures for preparation of the consolidated periodic reports which are the responsibility of the Parent Company, a system of self-certifications for internal use has been activated, in accordance with the provisions of the "Financial Reporting Control Model", with reference to the consolidated companies, made up of:

- "financial reporting questionnaires";
- "certifications of procedures for the preparation of the consolidated financial statements" to be signed by the Chairman of the Board of Directors, the Delegated Body and the Contact Person of the Executive responsible for financial reporting of each consolidated company.

These certifications and questionnaires are submitted for the approval of the Board of Directors of the consolidated company at the meeting to approve the financial statements and immediately forwarded to the Parent Company, which must acquire all of them prior to the meeting of its Board of Directors to approve the financial statements for the period (31/12 – 30/06).

Lastly, it was deemed appropriate to request a self-assessment questionnaire, which is submitted every six months to the General Management of Società Consortile BPER Credit Management and to the Chief of the Lending Department – Substandard & Forborne Loan Department, or equivalent function, within the BPER Banca Legal Entities that make a material contribution to the consolidated financial statements as far as lending is concerned, both in terms of volume (statement of financial position) and adjustments/write-backs (income statement). Specifically, the following certificates have been requested:

- BPER Credit Management S.C.p.A. in relation to bad loans pertaining to all the consortium members;



- BPER Banca S.p.A. in relation to non-performing loans;
- Banco di Sardegna S.p.A. in relation to non-performing loans.

#### V. Test

In general, the control of the "risk of unintentional errors and fraud in financial reports" involves supervision of the following areas:

- the generation, recording, processing and presentation of accounts, material information and the related entries included in the separate and consolidated financial statements;
- administrative-accounting activities that generate the risk of fraud in financial reporting.

These activities involve:

- execution of system and functional checks on administrative and accounting procedures (so-called "Test of Control");
- execution of the operational checks on the process of filing and transmission of accounting data to the Parent Company (so-called "Reporting Package Audits");
- execution of checks on the functioning of the process of certification of the accounting schedules (so-called "Accounting reconciliations"), aimed at issuing the certifications for internal use on the accounting schedules;
- checking compliance with international accounting standards;
- execution of checks on the effective application of reporting processes within its competence and public disclosure;
- checking extraordinary and/or special transactions, by verifying the accounting procedure for "extraordinary transactions" and carrying out "special checks" on specific administrative and accounting aspects.

#### VI. Monitoring

Monitoring comprises an analysis of risk indicators of errors in financial reporting, a follow-up of negative outcomes from having carried out checks and assessments on the administrative and accounting processes and an analysis of internal reports on the risk of incorrect/false financial disclosure.

#### VII. Overall measurement of the adequacy and effective application of accounting and administrative procedures (art. 154-bis, paragraph 5, Consolidated Finance Act)

Every six months, the Financial Reporting Monitoring and Control Office carries out a risk assessment based on an analysis of the results of its activities; this assessment involves two distinct activities:

- an overall assessment of the adequacy of the administrative and accounting procedures;
- an overall assessment of the effective application of the administrative and accounting procedures.

The outcome of this assessment is a summary qualitative opinion on the efficacy and effective application of the administrative and accounting internal control system.

#### VIII. Coordination and advisory activities

The process under examination includes all of the activities carried out by the Financial Reporting

Monitoring and Control Office:

- assisting the Executive responsible for financial reporting in coordination:
  - of the Contact Persons of the Executive responsible for financial reporting (in terms of information liaison and operational support);
  - of specific projects related to administrative and accounting processes;
- providing advice by issuing:
  - specific operative guidelines on administrative and accounting processes;
  - interpretations on the correct application of the "Financial reporting control model".

The Financial Reporting Monitoring and Control Office also participates in BPER Banca Group Committees, Working Groups and Projects relating to its area of competence.

## IX. Reporting

Reporting activities include the preparation of:

- the "management" report, that is, mainly, the reports to be transmitted, on the basis of their respective spheres of competence, to the General Manager, the Chief Executive Officer, the Control and Risk Committee, the Risk Committee, the Board of Directors and the Board of Statutory Auditors.
- the regulatory disclosure or, mainly, all the communications to be made to the market, i.e. communications that are up to the Executive responsible for financial reporting and the Chief Executive Officer/Executive responsible for financial reporting respectively, for the declaration and certification required by paragraphs 2 and 5 of article 154-bis of Legislative Decree no. 58/98 (Consolidated Finance Act). In addition, the set of activities aimed at preparing the description of the main characteristics of the current risk management and internal control systems in relation to the financial reporting process is included in the "regulatory" disclosure, pursuant to article 123-bis of Legislative Decree no. 58/98 (Consolidated Finance Act).

Before issuing the certificates under art. 154-bis of the Consolidated Finance Act to be attached to the separate financial statements, the consolidated financial statements and the condensed consolidated half-year report, a specific report has to be prepared by the Executive responsible for financial reporting, with the assistance of the Financial Reporting Monitoring and Control Office, based on the results of their activities during the period; this report is submitted to the Risk Committee, the Control and Risk Committee and the Board of Statutory Auditors first, before being presented to the Board of Directors in accordance with art. 154-bis, para. 4, of the Consolidated Finance Act.

## 12.2 Director responsible for the internal control and risk management system

The Board of Directors of the Parent Company gives the CEO adequate powers and resources to implement the strategic guidelines, the RAF and risk governance policies defined by the Board itself in the design of the internal control system; he is responsible for taking all the necessary steps to ensure that the organisation and its internal control system comply with the principles and requirements laid down in regulatory provisions, monitoring compliance on an ongoing basis.

For this purpose, the CEO, for the Group as a whole and for its components:

- ensures that the responsibilities and duties of the various corporate structures and functions involved in risk assumption and management processes are clearly assigned and potential conflicts of interest are avoided;
- ensures that the activities carried out by the functions and structures involved in the internal control system are carried out by qualified personnel with an adequate degree of independence of judgement and with adequate experience and knowledge for the tasks to be performed;
- carries out any initiatives and interventions needed to ensure the overall reliability of the internal control system on an ongoing basis;
- takes corrective action or makes adjustments as necessary in the event of weaknesses or anomalies being found, or following the introduction of significant new products, activities, services or processes;
- defines and oversees implementation of the risk management process. In this context, the CEO establishes operating limits for the assumption of various types of risk, in line with the risk appetite, explicitly taking account of the results of stress tests and developments in the economic situation;
- examines the most relevant operations subject to an unfavourable opinion by the risk control function and, if appropriate, authorises them; informs the Board of Directors and the Board of Statutory Auditors about these transactions;
- implements the ICAAP and ILAAP processes, ensuring they are developed in accordance with the strategic guidelines and the risk profile identified in the RAF;
- designs and implements the Group's training programmes to raise awareness among employees about the responsibility for risks so as not to limit the risk management process to specialists or to the control functions;
- defines internal information flow mechanisms to ensure that the corporate bodies and control functions are fully aware of the various risk factors and have the ability to govern them and the assessment of compliance with RAF;
- as part of the RAF, where a risk tolerance is defined, authorises overruns of the risk appetite within the limit represented by the risk tolerance and gives notice to the Board of Directors, identifying the management actions needed to bring the risk back down to below the set target;
- ensures that risks deriving from new operations are fully assessed and that these risks are consistent with the risk appetite, and that the Bank is able to manage them;
- ensures that the risk management process is consistent with the risk appetite and risk governance policies, also taking into account the evolution of the internal and external conditions in which the Bank operates;
- issues instructions to ensure that internal risk measurement systems are developed according to the chosen strategies and are integrated into decision-making processes and operational management; reports promptly to the Control and Risk Committee on problems and critical issues that have arisen in the performance of his duties or that have been notified to him.

The Chief Executive Officer issues instructions to define and render operational periodic information flows and procedures to ensure, at a centralised level, an effective standard process of Group risk management and carries out any initiatives and interventions needed to ensure the overall reliability

of the internal control system on an ongoing basis.

In performing his duties, the Chief Executive Officer has also the power to require audits or investigations to be carried out, also with regard to specific irregularities, in the same way as other corporate bodies of the Parent Company and/or Legal Entities.

The Control and Risk Committee examines in advance any reports made by the Chief Executive Officer regarding problems and critical issues that emerged during the course of his business or which he was nevertheless aware of.

### 12.3 Chief Audit Executive

BPER Banca, in its capacity as a licensed bank and as a Parent Company, has set up an Internal Audit Function, which is designed to identify violations of procedures and regulations and to periodically assess the completeness, suitability, functionality (in terms of efficiency and effectiveness) and reliability of the internal control and information systems (ICT audit), with a set timing in relation to the nature and intensity of the risks involved.

The Board of Directors appointed Andrea Tassi - an employee of the Bank - as Chief Audit Executive on 2 April 2012, in the presence of all the members of the Board of Statutory Auditors.

Having heard the opinion of the pertinent corporate bodies and the Chief Executive Officer, the Board of Directors determined the remuneration of the above-mentioned manager of the control function in accordance with the relevant corporate policies.

The Chief Audit Executive is not responsible for any operational area and reports directly to the Board of Directors through the Chairman of the Board.

At least annually, the Chief Audit Executive prepares the long-term audit plan, which is approved by the Board of Directors after having sought the opinion of the Control and Risk Committee. The plan is based on a risk assessment, in accordance with the methodology adopted by the function based on a structured process of analysis and prioritisation, in order to determine priorities in line with the organisation's objectives.

Internal Audit performs its duties by using as a scope of reference the "Group Audit Plan" and the mandates granted to the competent bodies and, in any event, in fulfilment of its mission. In line with international standards, the mission of the Internal Audit function is to provide independent and objective assurance and advice intended to improve the effectiveness and efficiency of the organisation. Internal Audit assists the organisation in pursuing its objectives through a systematic professional approach, which generates added value as it is aimed at assessing and improving the risk management, control and governance processes. The mission is, therefore, to enhance and protect the value of the organisation by providing objective and risk-based assurance, advice and expertise. This mission is pursued:

- through a risk-based and process-oriented audit plan;
- by promoting a culture of risk and control in the company;
- by providing assurance and advice on risk management, control and governance processes;
- by evaluating existing controls and making suggestions for their continuous improvement.

Internal Audit operates with personnel with the adequate knowledge and professional expertise, by using the best practices as a reference and in compliance with international standards for the professional practice of internal auditing defined by the Institute of Internal Auditors (IIA).

In fact, following the evaluation concluded in October 2019 by a leading certification company, the Internal Audit Function was recognised as "Generally compliant" (the maximum that can be obtained in the rating scale) with the professional standards of Internal Audit activities (International Profes-

sional Practices Framework of the Institute of Internal Auditors – IPPF IIA) and the Internal Audit Mandate conferred by the Bank to the Function.

In addition, with reference to 2020, the Internal Audit Function conducted the analysis and evaluation activities set forth in the process of Quality Assurance and Improvement Program (QAIP) regarding its processes. The results of these activities are documented in a specific report which will be submitted to the Corporate Bodies.

The Internal Audit Function carries out:

- a function of management of coordination as part of its mission and with reference to the internal control system defined by the Parent Company for the companies in the Banking Group. With reference to the Legal Entities with an independent Internal Audit Function, the Internal Audit Function receives, from the aforementioned corresponding Function, the results of the Risk Assessment and the Audit Plan in order to take account of them, based on prior evaluation, in defining the Audit Plan of the Parent Company's function;
- a control function for the Legal Entities with an Internal Audit Function, on the basis of an outsourcing agreement, which sets out the duties and responsibilities of the Company that outsources and of the Parent Company that centralises these functions. An exception to this are the foreign Companies for which a partial exception is made to the centralised organisational model according to internal regulations or for which the Board of Directors of the Parent Company approves said exception.

The Chief Audit Executive has powers of access to all of the information that he needs to carry out his duties.

The Chief Audit Executive reports regularly on its activities to the Board of Directors, Board of Statutory Auditors, the Control and Risk Committee and Top Management of the Parent Company. The "Report of the Internal Audit Function" (so-called Final Report) also includes checks on the reliability of the information systems and controls carried out on the administrative and accounting processes. This document is submitted to the Board of Directors half-yearly and is presented to the Board of Statutory Auditors, the Control and Risk Committee and the Chief Executive Officer, in compliance with internal policy on information flows. The Final Report of the Internal Audit Function is submitted to the corporate bodies and includes any weaknesses found and the action needed to address them, as well as the outcome of audits that resulted in negative opinions or that revealed material weaknesses. On a quarterly basis, the "corporate bodies" receive the "Tableau de Bord", a document whose purpose is to provide brief information on the progress of the Audit Plan and on the results of the control activities carried out by the Internal Audit function, including the results of the audit tracking activity. The Internal Audit Function, through the Key Issue Report (KIR), presents to the corporate bodies the criticalities (findings) considered most significant from time to time, identified as a result of the audit activities. The KIR is prepared by the Control Functions, each for the part within its competence, and makes it possible to promote greater interaction between the individual Control Functions in relation to the main criticalities (findings) identified.

Moreover, Internal Audit prepares and submits annually to the corporate bodies its periodic assessment of the completeness, suitability, functionality and reliability of the internal control system and information systems in line with the supervisory provisions.

Timely reports are made to the relevant bodies and corporate structures on events of particular significance, as well as on matters required by legislative or supervisory provisions.

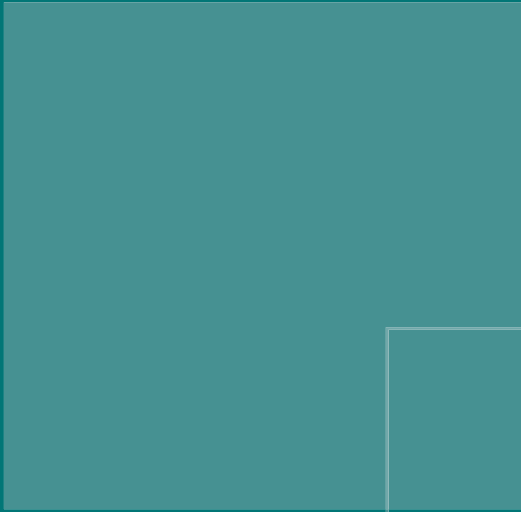
The adequacy of the financial resources to be allocated to the Chief Audit Executive to perform his duties has to be assessed by the Bank at least once a year at the time the budget is being prepared and submitted for approval by the pertinent corporate bodies. Specifically, an appropriate budget was allocated to the Chief Audit Executive in 2020.

Internal Audit carried out numerous audits/checks of both the Parent Company and Legal Entities during 2020. While a much wider range of activities was performed, the main areas of intervention were as follows: credit processes, internal rating system, anti-money laundering system, transparency, investment services, remuneration policies, monitoring and management of liquidity risk, risk management, management of compliance risk, management of money-laundering risk, management process of covered bonds, the outsourcing of cash handling; the capital adequacy assessment process, operational continuity, ICT processes and evaluation of the overall internal control system. The Internal Audit Function is a BPER organisational unit. Group banks and companies outsource their internal audit activities to the Parent Company, consistent with the organisational model for the Group described earlier, with the exception of the foreign companies, Arca Fondi S.p.A. SGR and Arca Holding S.p.A..

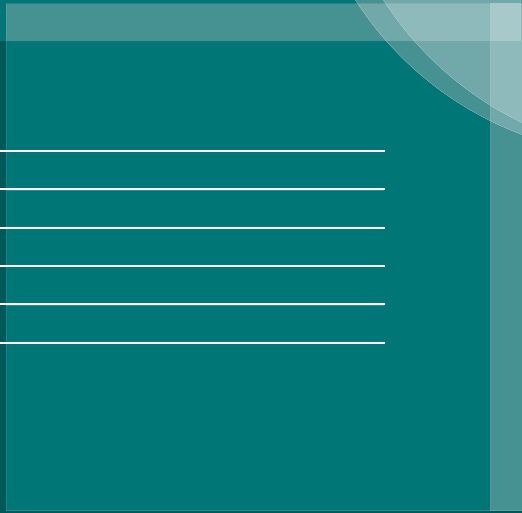
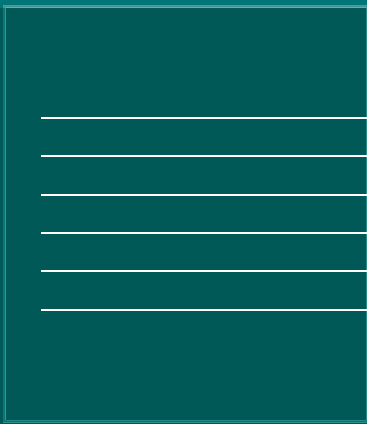
## 12.4 Heads of the control functions

The references are reported below - at the date of this Report - of the Chiefs appointed by the Board of Directors, responsible for internal control and risk management:

- Mr. Andrea Tassi, Chief Audit Executive - CAE from 2 April 2012;
- Mr. Emanuele Cristini, Chief Risk Officer - CRO from 1 July 2020. From 1 July 2014 to 30 June 2020, this role was held by Mr. Michele Luciano Campanardi;
- Mr. Michele Pisani, Chief AML Officer - CAMLO from 25 August 2011;
- Ms. Raffaella Perfetti, Chief Compliance Officer - CCO from 16 February 2015.



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# 13. Supervisory Board and Organisational Model pursuant to Legislative Decree 231/2001

The Bank has adopted an Organisation and Management Model pursuant to Legislative Decree 231/01 to prevent the commission or attempted commission of the offences envisaged in this Decree.

In particular, the Organisation and Management Model comprises two parts, one general and the other specific, together with a number of attachments. The documents concerned are summarised below, with a short description of their contents.

- General Part: contains an introduction on the administrative responsibility of entities, as envisaged in Legislative Decree 231/01; explains the component parts of the Model, with particular reference to the purposes, structure, underlying principles and recipients of the Model and the training of those persons; refers to the composition, role and duties of the Supervisory Board (“OdV”), as well as to the Code of Ethics and the Disciplinary System. The General Part of the Model has the following attachments:
  - Legislative Decree 231/01 and Law 146/06: text of Legislative Decree 231 of 8 June 2001 and Law 146 of 16 March 2006;
  - Code of Ethics: specifies the rights, duties and responsibilities of the Bank with respect to all parties with which it has relations;
  - Organisational chart: diagram of the entire organisational structure of the Bank;
  - Function organisation chart: indicates the Organisational Units/Functions of the Bank, as well as the activities for which they are responsible;
  - "Linee Guida di Gruppo del Sistema dei Controlli Interni": defines the principles for managing the "BPER Group's internal control system", as well as the roles of those bodies and functions that are part of the system;
  - Articles of Association of the Supervisory Board: governs the duties, composition and powers of the Supervisory Board, ensuring the effective performance of functions in order to prevent the commission of offences for which the Bank might be held responsible pursuant to Legislative Decree 231/01;
  - Procedure for reporting to the Supervisory Board: identifies the channels set up to send reports to the Supervisory Board regarding possible violations of the Organisation and Management Model pursuant to Legislative Decree 231/01 or the Code of Ethics, also attaching a template reporting form;
  - Disciplinary System: identifies the disciplinary penalties applicable in the event of failure to comply with the procedures and instructions stated or referred to in the Model, as well as in the attachments and the Code of Ethics, to the extent significant for the purposes of Legislative Decree 231/01;
- Special Part: the introduction (chapters 1 to 4) defines the meanings of “sensitive activity” and “prevention protocol”, the general prevention protocols and the “readers' guide”. Chapter 5, on the



other hand, indicates for each case the link between the sensitive activities subject to the risk of committing an offence, the organisational units concerned and the related prevention protocols. The Special Part of the Model has the following attachments:

- Map of offences and related examples: this sets out the text of the relevant regulations pursuant to Legislative Decree 231/01, explains the regulations and gives examples of the ways in which each offence might be committed in a banking context;
- Policy di Gruppo per il governo del rischio di non conformità alla normativa in materia di Market Abuse: this describes the policies that the Parent Company BPER has implemented to ensure the proper prevention, the timely identification and the effective elimination of conditions that are likely to trigger market abuse;
- Special Part on the services outsourced by BPER Banca: contains the associations between the types of offence, sensitive activities, organisational units concerned and related prevention protocols for activities that the Parent Company has outsourced to other BPER Legal Entities with an Organisation and Management Model structured using the methodology applied by the Parent Company.

The Model is designed to prevent the following types of offence that are significant pursuant to Legislative Decree 231/01:

- Offences committed in relations with the public administration: (arts. 24 and 25 of Legislative Decree 231/01);
- IT offences and improper processing of data (art. 24-bis of Legislative Decree 231/01);
- Organised crime (art. 24-ter of Legislative Decree 231/01);
- Counterfeiting coins, notes, duty-paid stamps, identity documents or similar (art. 25-bis of Legislative Decree 231/01);
- Crimes against industry and commerce (art. 25-bis<sub>1</sub> of Legislative Decree 231/01);
- Corporate and bank crimes (art. 25-ter of Legislative Decree 231/01);
- Crimes of terrorism or the subversion of democratic order (art. 25-quater of Legislative Decree 231/01);
- Mutilation of female genital organs (art. 25-quater.1 of Legislative Decree 231/01);
- Crimes against individual personality (art. 25-quinquies of Legislative Decree 231/01);
- Market abuse (art. 25-sexies of Legislative Decree 231/01);
- Crimes of manslaughter and serious or very serious injury due to negligence, committed in violation of the occupational health and safety regulations (art. 25-septies of Legislative Decree 231/01);
- Receiving, recycling, using money, assets or benefits obtained from illegal sources (art. 25-octies of Legislative Decree 231/01);
- Violation of authorship rights (art. 25-novies of Legislative Decree 231/01);
- Inducement not to make or to make misleading statements to the judicial authorities (art. 25-decies of Legislative Decree 231/01);
- Transnational crimes (arts. 3 and 10 of Law 146/06);

- Environmental crimes (art. 25-undecies of Legislative Decree 231/01);
- Employment of foreign citizens with improper residence status (art. 25-duodecies of Legislative Decree 231/01);
- Racism and xenophobia (art. 25-terdecies of Legislative Decree 231/01);
- Fraud in sports competitions, unauthorised betting and gaming and use of authorised gambling machines (art. 25-quaterdecies of Legislative Decree 231/01).
- Tax crimes (art. 25-quinquiesdecies of Legislative Decree 231/01);
- Contraband (art. 25-sexiesdecies of Legislative Decree 231/01).

## **Supervisory Board**

The Bank has also established a Supervisory Board comprising three members, including:

- an employee of the Parent Company, with appropriate specialist skills, especially of a legal/organisational nature, who does not have operational duties in the Bank;
- two external consultants with the necessary professional skills, one of whom is the Chairman of the Supervisory Board.

At the date of this Report, the Supervisory Board is composed of: Mr. Luigi Foffani (Chairman), Mr. Luca Bocci and Mr. Andrea Tassi (Chief Audit Executive of BPER). The Secretary is the Head of the Corporate Body and Regulatory Obligations Secretary Office, Erika Preti.

The Bank has assessed that this composition meets the needs expressed in Legislative Decree 231/01, thanks to the presence of members with a high level of legal training and adequate preparation in the field of risk assessment; it has therefore been decided not to entrust the functions of the Supervisory Board to the Board of Statutory Auditors, as permitted by art. 6, paragraph 4-bis of Legislative Decree 231/01.

The Supervisory Board met 12 times during 2020, including 2 joint sessions with the Board of Statutory Auditors and the Control and Risk Committee in order to coordinate and exchange information of mutual interest.

The average duration of each meeting was approximately 2 hours and 45 minutes; at the date of approving this report, 3 meetings have already been held.

In accordance with current regulations, this Board supervises the functioning of and compliance with the Organisation and Management Model adopted by the Bank and ensures that it is updated when necessary.

In terms of monitoring the functioning of the Model, the Supervisory Board carries out the following tasks:

- checks that the risk of committing offences identified in Legislative Decree 231/01 is identified, mapped and monitored throughout the entire organisation, calling for constant updates in this regard;
- in the context of the risk areas and sensitive processes identified, checks the adequacy of the protocols adopted to prevent and impede unlawful conduct;
- calls for the creation or amendment of prevention protocols in the event of weaknesses, inadequacies or change in the internal organisation and/or activities of the business;
- checks the suitability of the organisational/managerial changes following the update of the Model.

With regard to the supervision of compliance with the Model, the Board carries out the following tasks:

- in the context of the risk areas and sensitive processes identified, checks compliance with the protocols adopted to prevent and impede unlawful conduct;
- checks the efficacy of the organisational/managerial changes following the update of the Model;
- requests differentiated training in order to provide top management, employees, persons seconded to BPER Banca, collaborators on any basis and, more generally, all recipients of the Model with the necessary awareness and knowledge concerning:
  - the regulations governing the administrative responsibility of entities pursuant to Legislative Decree 231/01, and related changes;
  - the Organisation and Management Model and the Code of Ethics adopted by the Bank;
  - the prevention protocols adopted;
- promotes and monitors initiatives that facilitate the communication and dissemination of the Model and the Code of Ethics to all parties required to comply with their requirements;
- notifies violations of the Model and the Code of Ethics to the competent bodies.

With regard to updating of the Model in the event of:

- changes in the regulations governing the administrative responsibility of entities pursuant to Legislative Decree 231/01;
- changes in the internal organisation and/or activities of the business;
- identification of significant weaknesses in/violations of the Model;

the Board makes observations to the Board of Directors and/or the Chief Executive Officer, requesting amendment of Model have regard for their respective responsibilities and the urgency and importance of the action requested.

For the above purposes, the Board has established a system of internal communications in order to:

- facilitate reports to the Supervisory Board about non-compliance with the Model and the Code of Ethics, as well as all relevant information pursuant to Legislative Decree 231/01;
- obtain timely data and documents needed for its supervisory activities from the Corporate bodies, Organisational units and personnel of the Bank (so-called information flows).

The Board supervises the functioning of and compliance with the Model by implementing and executing periodic audit activities, even without giving prior notice. In this regard and for the sole purpose of carrying out its mandate, the Board may:

- interview parties able to provide useful indications or information about the matters subject to supervision and control;
- access the files and documents (both physical and electronic) of the Bank without prior consent or need for authorisation;
- request the management/strategic supervision/control bodies of the Bank to provide all useful information for the performance of its duties.

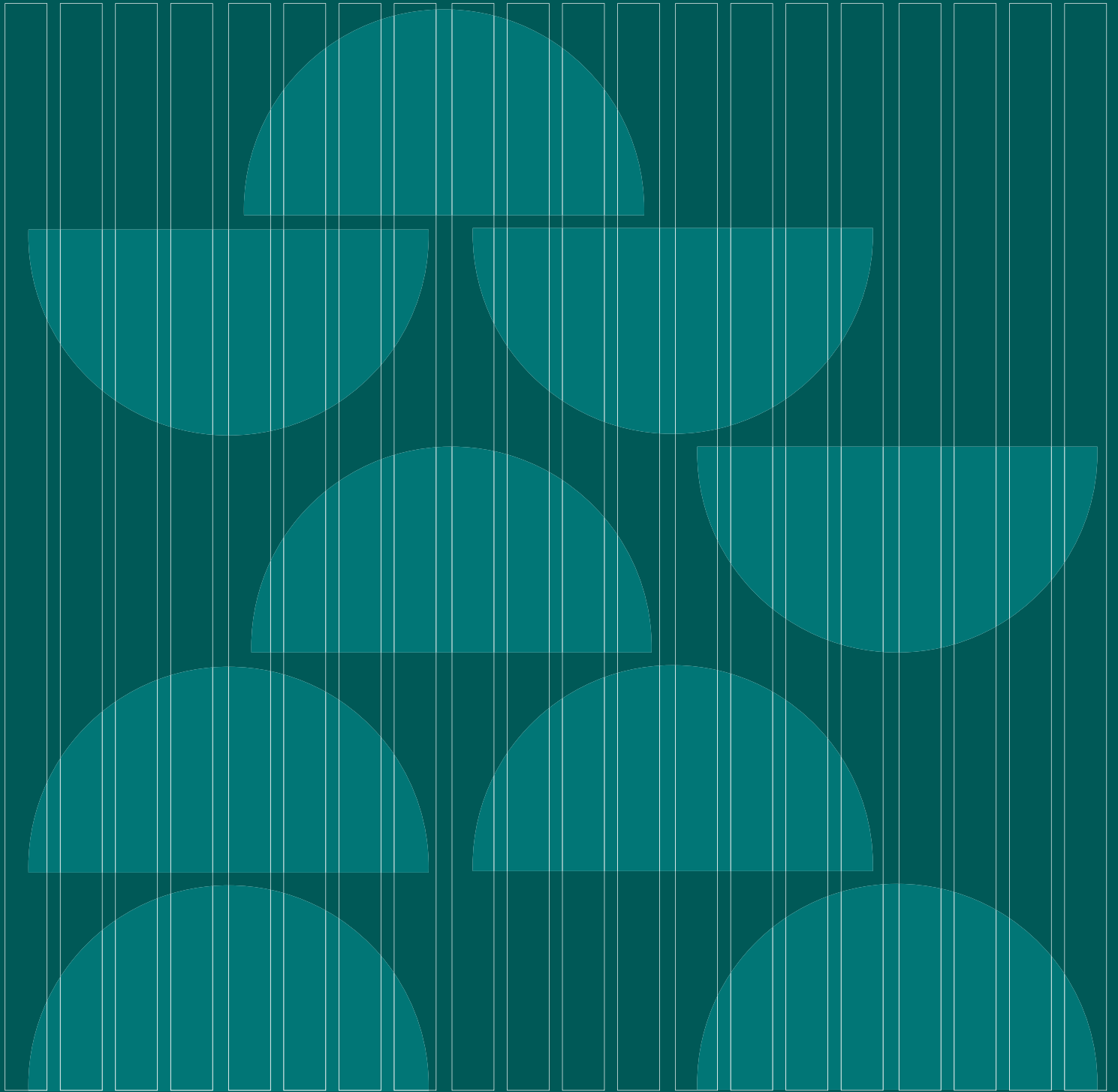
The Supervisory Board of the Parent Company also coordinates with the Supervisory Boards of those companies that are the recipients of Group Instructions regarding Legislative Decree 231/01 (Italian banks in the Group, BPER Credit Management, Optima SIM, Nadia, Sifà, EmilRo Factor e Finitalia), plus Sardaleasing and Arca Fondi SGR, thus facilitating the exchange of information, knowledge and methodologies.

The Board also monitors the adoption of those Instructions by the above companies, as adapted to take account of the special characteristics of each company and the responsibilities of each legal entity. Additionally, the Supervisory Board receives a series of specific information flows that are provided, periodically or on an ad hoc basis, by the competent internal organisations within the Bank.

The Supervisory Board reports on its activities immediately to the Board of Directors, if necessary, and every six months to the Board of Directors, the Board of Statutory Auditors and the Control and Risks Committee, covering in particular the functioning of and compliance with the Organisation and Management Model adopted pursuant to Legislative Decree 231/01, and formulating, where necessary, proposals for intervention or corrective actions. Following pre-established procedures, the Supervisory Board is also informed by parties required to comply with the Model, or even by third parties, about alleged infringements of the Organisation and Management Model, the Code of Ethics or, in general, events that could give rise to responsibilities for the Bank pursuant to Legislative Decree 231/01.

Each of the Group banks and main Legal Entities has its own Organisation and Management Model pursuant to Legislative Decree 231/01 and its own Supervisory Board.

See the footer of the website [www.bper.it](http://www.bper.it) - Institutional (see footer, in the area "Information and Regulations" - Legislative Decree 231/01) for an extract from the Organisation and Management Model adopted by BPER Banca, as well as the Code of Ethics of the Bank and the document explaining the procedure for reporting to the Supervisory Board and the related template.



## 14. Executive responsible for financial reporting

In compliance with Law 262/2005, which added art. 154-bis to Section V bis of the Consolidated Finance Act, the BPER Group has appointed an Executive responsible for financial reporting, whose task pursuant to the above article is to ensure the reliability of the separate and consolidated financial statements, the financial disclosures made, the separate and consolidated reports made to the supervisory authorities and all other financial communications, pursuant to art. 154-bis of the Consolidated Finance Act.

Art. 39 of the Articles of Association establishes that the Board of Directors, having heard the required opinion of the Board of Statutory Auditors, shall appoint a person in charge of preparing the corporate accounting documents, allocating him suitable powers and resources for the performance of the assigned tasks pursuant to legal requirements. Having received the opinion required from the Board of Statutory Auditors, the Board of Directors is also entitled to revoke the appointment of the Executive responsible for financial reporting.

The Executive responsible for financial reporting of the BPER Banca Group, appointed in the person of Marco Bonfatti, Chief of the Administration and Reporting Department, is identified within the Group as the control function.

The Board decided that Mr. Bonfatti's appointment would take effect from the date of the Meeting held for the approval of the 2016 financial statements (8 April 2017), having obtained the mandatory opinion of the Board of Statutory Auditors and ensured that Mr. Bonfatti met the requirements of the position according to the Bank's Articles of Association. The Executive responsible for financial reporting, in addition to the responsibilities and functions assigned by the law, the Articles of Association and any internal regulations to the Board of Directors, the Chief Executive Officer, the General Manager, the Control and Risk Committee and the Board of Statutory Auditors, ensures the reliability of the Parent Company's financial reporting, as well as for the Group in terms of the consolidated financial statements.

As regards the legal obligations arising under art. 154-bis of the Consolidated Finance Act, the Executive responsible for financial reporting certifies, in accordance with the obligations assigned thereto by law, jointly with the competent corporate bodies:

- the suitability and effective application of the administrative and accounting procedures to the accounting records in the reporting period;
- the compliance of the accounting records with international accounting standards;
- the consistency of the accounting records and financial reports with internal evidence, the books and accounting entries;
- whether the financial reports present a true and fair view of the financial position and results of operations of the issuer and the companies included within the scope of consolidation;
- with respect to the separate financial statements and the consolidated financial statements, whether the report on operations includes a reliable analysis of performance and the results of operations, as well as of the financial position of the issuer and the companies included within the scope of consolidation, together with a description of the principal risks and uncertainties to which they are exposed;
- for the condensed half-year financial statements, the existence in the interim report on operations

of a reliable analysis of at least the information relating to the important events that occurred in the first six months of the year and their impact on the condensed half-year financial statements, together with a description of the main risks and uncertainties for the other six months of the year, as well as information on significant related party transactions.

To this end, in the execution of the guidelines on financial reporting defined by the Board of Directors, the Executive responsible for financial reporting handles the design, implementation and maintenance of the "Financial Reporting Control Model" to be applied to the Parent Company and, with reference to the procedures for the preparation of consolidated financial statements, to subsidiary banks and companies, whether or not they form part of the Banking Group.

In order to carry out his mission, the Executive responsible for financial reporting makes use of a structure within the Parent Company called Financial Reporting Monitoring and Control Office<sup>36</sup>, which reports hierarchically to the Executive responsible for financial reporting and to a Contact Person appointed by each subsidiary bank and company, whether or not they form part of the Group, who reports functionally to the Executive responsible for financial reporting.

The Executives responsible for financial reporting of those subsidiary banks and companies, whether or not forming part of the Banking Group, that are classified as "Listed Issuers having Italy as their member state of origin", report functionally to their equivalent at the Parent Company with regard to the methods, instruments, reports and work processes used to carry out their duties.

The Executive responsible for financial reporting:

- has unrestricted access to all corporate functions, records, properties and staff of the Parent Company and consolidated banks and companies, in order to obtain data and information regarding the administrative-accounting processes; the foregoing includes information needed to perform checks and/or evaluate the business processes that have been outsourced;
- is empowered to obtain from the Parent Company and consolidated banks and companies, internal information about events, risk indicators and proposed technical-organisational changes to the administrative-accounting processes;
- in the context of the line controls over accounting reconciliations, identifies the appropriate organisational units within consolidated banks and companies, and assigns them responsibility for reconciling the accounts included in the chart of accounts used;
- is empowered to obtain from subsidiaries the information/data required by art. 43 of Legislative Decree 127/1991, in order to prepare the certification envisaged by law on the consolidated financial statements, with specific reference to:
  - the information needed for the consolidated financial statements;
  - the adjustments necessary when different accounting policies are adopted;
  - information regarding intercompany items to be eliminated when drawing up the consolidated financial statements;
  - the statistical information needed to prepare the Notes to the Financial Statements.

As regards the resources granted by the Board of Directors of the Parent Company, the Executive responsible for financial reporting:

- may, in the conduct of his activities, make use of specialist resources pertaining to:

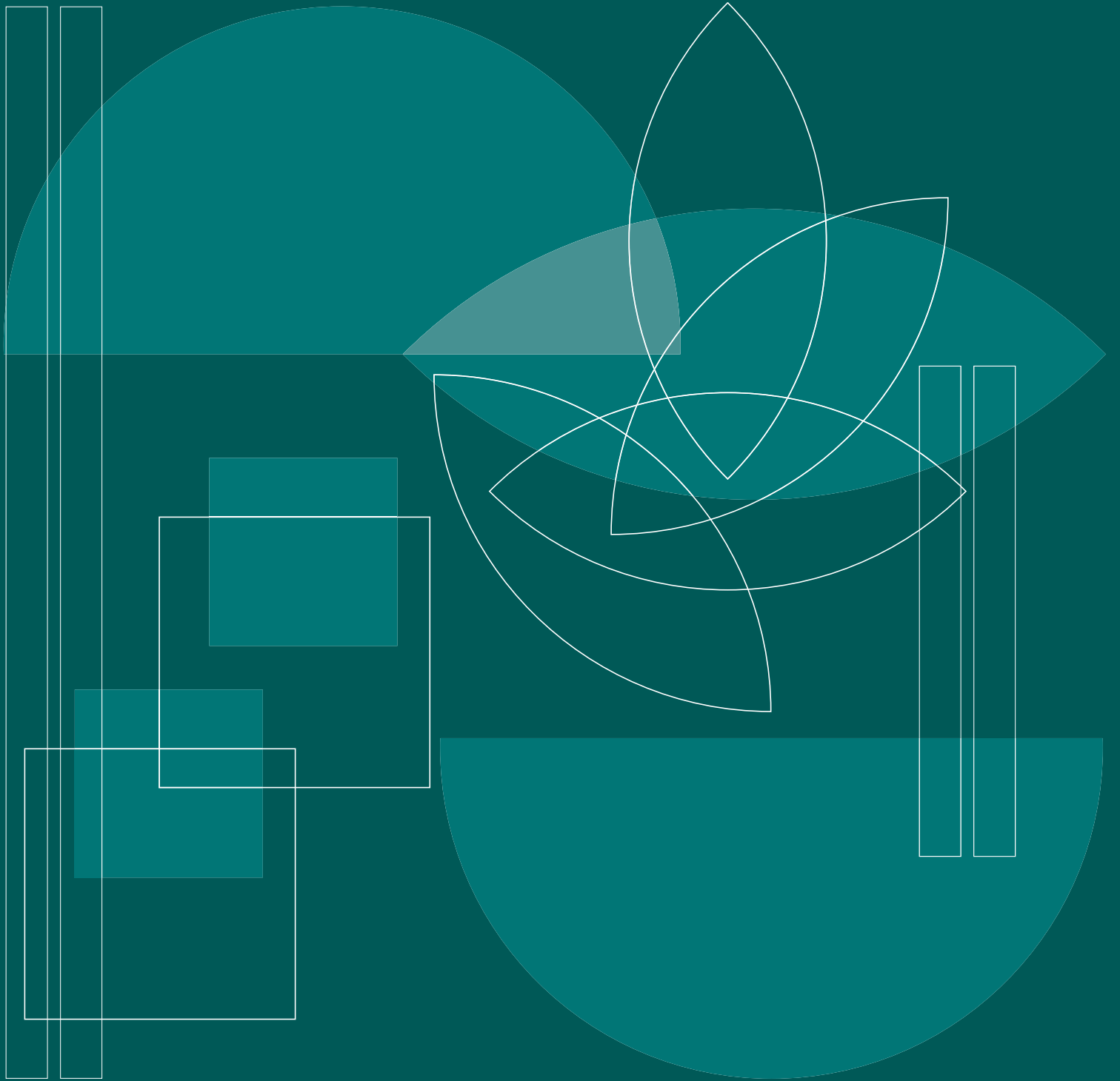
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<sup>36</sup> The Financial Reporting Control Model is a set of requirements to be met for proper management and control over the risk of unintentional errors and fraud in financial reports.

- the Parent Company or to Group banks and companies;
- third parties outside the Group;
- maintains appropriate financial autonomy; to this end, he manages an expense budget for the activities associated with his functions, in accordance with relevant internal regulations;
- has access to appropriate personnel in terms of numbers and technical-professional skills.

The Financial Reporting Monitoring and Control Office, positioned hierarchically in staff to the Executive responsible for financial reporting, assists the latter with all the activities within his sphere of competence relating to management of the risk of unintentional errors and fraud in financial reports; in performing the duties assigned to it, it is vested with the powers deriving from the Executive responsible for financial reporting.





# 15. Coordination between the parties involved in the internal control and risk management system

In order to ensure proper interaction between all functions and the control bodies, on 22 January 2008 the Board of Directors of the Parent Company issued the "Linee Guida di Gruppo - Sistema dei Controlli Interni", updated as of 29 November 2016, which set out the principles for developing "BPER Group's internal control system", the roles of the control bodies and functions involved, the methods of coordination and collaboration, and the information flows both between functions and between them and the corporate bodies of the Bank and Legal Entities.

Where control areas are subject to possible overlap, the control functions seek to pursue synergies and minimise their "impact" on routine business activity while adequately monitoring risk, without prejudice to the right of each control function to include specific checks in its plan of activities.

In order to facilitate coordination and collaboration, the Internal Audit, Risk Control, Anti-money laundering, Compliance and Validation functions and the Executive responsible for financial reporting use the same:

- taxonomy of processes;
- taxonomy of risks;
- articulation of the scale for assessing any anomalies found;
- process for managing anomalies identified.

Coordination and collaboration are sought in the following areas:

- planning/performance of control activities, partly by presenting a planning table for the individual control functions, as illustrated later;
- presenting the results of the assessment/measurement of risks and the adequacy of controls;
- use of the information contained in the plans of corrective actions;
- operational involvement of several control functions should critical events arise affecting the Group/company.

To facilitate interaction between the control functions (within the company and outside), BPER has established the "Control Functions Coordination Committee", which supports the Chief Executive Officer in managing the Internal Control System. The periodic meetings of the Committee, at least on a quarterly basis - supported by specific preparatory operating meetings ("Technical round table groups") - are collective opportunities for analysis and evaluation with reference to:

- examination of the lines of action on which the Control Functions intend to carry out activities;
- sharing of operating solutions in order to identify possible synergies in executing control activities;
- analysis and dialogue regarding the most significant critical issues/deficiencies connected to the Internal Control System;
- support for the different project initiatives related to the Internal Control System.

In order to strengthen the methods of coordination and synergistic cooperation between the control

functions, also in response to the recommendations of the Supervisory Authorities, the Bank, based on the impetus from said Control Functions Coordination Committee - prepared an "Action Plan" to bolster the coordination between the control functions.

Following analysis by the Control and Risk Committee and the Board of Statutory Auditors, the Board of Directors approved this plan on 25 July 2019 and submitted it to the Supervisory Authorities.

The Action Plan was completed in the second half of 2020, and made provision for 8 activities in the following areas:

1. Assessment metrics;
2. Combined assessment of the internal control system;
3. Planning (times and methods);
4. Standard format for reporting on the checks carried out;
5. Remedial actions: Tracking and Follow-up;
6. Integrated dashboard;
7. Risk and Control Assessment;
8. Repository of Level I and II controls (analysis of costs and benefits).

The various forms of collaboration and coordination result in exchanges of information approved by the Board of Directors. The BPER Group recognises two types of information flow:

- vertical flows exchanged between the corporate bodies (including the Control and Risk Committee) and the control functions and the Executive responsible for financial reporting;
- horizontal flows between the corporate control functions and the control functions.

The flows addressed to Legal Entities are transmitted via the Contact Persons for the individual control functions, whose tasks include gathering together all the communications intended for the corporate bodies of the Company.



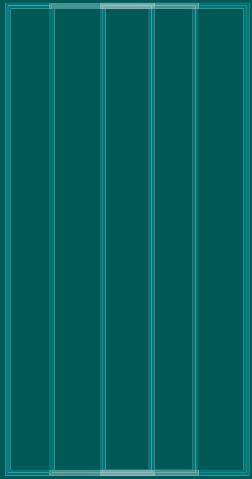
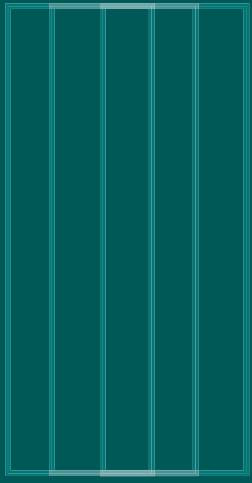
## 16. Auditors

The Shareholders' Meeting of 26 November 2016 has appointed Deloitte & Touche S.p.A. as auditors for the period 2017-2025, pursuant to Legislative Decree 39 of 27 January 2010.

Deloitte & Touche S.p.A., which was formed on 28 May 2003 with register office at Via Tortona 25, 20144 Milan, is registered with the Milan Companies Register under the number 03049560166, which also corresponds to its tax code and is also registered on the Register of Auditors held by the Ministry of Economy and Finance under the number 132587. The foregoing registration was made in accordance with Ministerial Decree of 7 June 2004 as published in the Official Gazette of the Italian Republic, supplement 47 of 15 June 2004.

The Auditors hold discussions with the Executive responsible for financial reporting, with a view to constant dialogue and an exchange of information about the evaluation of the administrative-accounting procedures and the "Financial Reporting Control Model", as well as with the corporate bodies and board committees in accordance with current regulations.

If, as a result of its collaboration and exchange of information with the Auditors, Internal Audit becomes aware of any critical issues that have arisen from the work performed by the auditors, it takes account thereof for the purpose of its assessment of the risk on which it bases its planning and work.



## 17. Directors' interests and transactions with related parties and/or associated persons

In accordance with the regulatory framework on related parties and associated persons introduced by the CONSOB Related Parties Regulation and by Banca d'Italia Circular no. 285/2013 - Title III - Chapter 11 - "Risk activities and conflicts of interest with associated persons", the Bank has adopted the "Policy Parti Correlate e Soggetti Collegati", approved by the Board of Directors of the Bank, with the prior approval of the Board of Statutory Auditors and of the Independent Directors' Committee.

In accordance with the specific regulations introduced by Circular 285/2013, the Bank has also put in place appropriate regulatory, organisational and procedural controls to ensure compliance with the prudential limits established by Banca d'Italia for risk activities in respect of associated persons.

The "Policy Parti Correlate e Soggetti Collegati" determines for the entire Group:

- a) the criteria for the identification and classification of more and less material transactions;
- b) the exceptions and exemptions that Group Banks and Companies will be able to claim, including the criteria for checking the existence or otherwise of significant interest on the part of other related parties or other associated persons;
- c) rules regarding the various stages in the investigation, negotiation, resolution and approval of transactions, distinguishing between those that are more or less material and clarifying, in particular, the ways in which the Independent Directors' Committee should get involved;
- d) the safeguards to be applied to transactions, if these give rise to losses, classification as bad loans, and court or out-of-court settlements;
- e) the information flows (to be provided to: the corporate bodies; to CONSOB and to the market with respect to related party transactions; periodic financial disclosure on related party transactions);
- f) rules with regard to cases whereby the Parent Company reviews or approves transactions of its Italian or foreign banks and subsidiaries and suitable controls for Italian non-banking companies and foreign banks.

In support of the aforementioned "Policy Parti Correlate e Soggetti Collegati", other internal regulation documents have been introduced, which contain specific provisions addressing organisational and procedural issues, to provide detailed instructions on how to manage the process in the various operational areas.

The handling of transactions with related parties and associated persons in 2020 was conducted based on the requirements and provisions of the relevant regulatory framework.

The "Policy Parti Correlate e Soggetti Collegati" also describes the processes relating to risk assets with associated persons, including continuous monitoring and management of situations whereby prudential limits to risk assets with associated persons have been exceeded.

The principles and guidelines of this "Policy Parti Correlate e Soggetti Collegati" take into account the structure and composition of the BPER Banca Group; they also allow to identify, with regard to the prevention and management of conflicts of interest, to the obligation to conduct a census of associated persons and to the obligation to continuously monitor exposures to associated persons:

- the responsibilities of the corporate bodies;

- the related duties of the various corporate functions, both at the Parent Company and at other Group banks and companies.

With reference to the procedures for the authorisation and execution of transactions with related parties and/or associated persons, the "Policy Parti Correlate e Soggetti Collegati", in accordance with CONSOB regulations and the provisions of Banca d'Italia, classifies transactions as more or less significant transactions and transactions involving minor amounts.

All transactions with related parties and/or associated persons with amounts used for calculating the materiality indices - as specified by law - that are less than or equal to Euro 500,000 (or 0.05% of the consolidated eligible capital, if lower) or the equivalent in another currency are considered transactions involving minor amounts.

Those deemed to be more significant transactions are those transactions with related parties and/or associated persons with at least one of the following materiality indices, applicable depending on the specific transaction, that is higher than the threshold of 5%:

- a) Value materiality index: this is the ratio between value of the transaction and the eligible capital taken from the latest consolidated statement of financial position published by the Parent Company;
- b) Asset materiality index: this is the ratio between the total assets of the entity involved in the transaction and the total assets of the Parent Company;
- c) Liability materiality index: this is the ratio between the total liabilities of the entity acquired and the total assets of the Parent Company.

More material transactions are approved by the Board of Directors, except where the law or the Articles of Association grants this power to the Shareholders' Meeting on the basis of a reasoned and favourable opinion of the Independent Directors' Committee, previously involved in the negotiation and investigation stages, by receiving an adequate flow of complete and timely information.

Those deemed to be less significant transactions are those transactions with related parties and/or associated persons where one of the above indices applied according to the type of transaction is equal to or below the threshold of 5% and the transaction is worth more than Euro 500,000 (or 0.05% of the consolidated eligible capital, if lower).

In the case of less significant transactions, assuming that there are no grounds to apply one of the exemptions under the existing "Policy Parti Correlate e Soggetti Collegati", the Independent Directors' Committee has to assess the Bank's interest in carrying out the transaction, as well as the cost-effectiveness and fairness of the conditions being applied and expresses a non-binding, reasoned opinion to the body that has to approve the transaction before it does so.

If the Committee's opinion is negative, or conditional on certain observations, approval of the transaction falls within the exclusive jurisdiction of the Board of Directors of the Bank; the resolution approving the transaction must provide detailed reasons why it should be authorised in any case, with a timely response to the observations made by the Committee; transactions that are approved despite the negative or conditioned opinion of the Committee are communicated individually to the Board of Statutory Auditors as soon as they have been approved.

In line with regulations governing related parties and associated persons, the Bank has also identified the types of transactions for which there is a partial or total exemption from the procedural requirements of these two sets of rules. Procedural exceptions are not contemplated in the event of urgent transactions. These are transactions which:

- are of minor amount;



- are considered to be ordinary, that is, less significant transactions that form part of the ordinary operating activities of the Bank and of the Legal Entities and which are entered into at market or standard conditions;
- are carried out with or between subsidiary or associated companies, providing other related parties of the Bank do not have a significant interest in them;
- in relation to the remuneration of corporate officers;
- transactions to be carried out on the basis of instructions from the Supervisory Authorities.

The "Policy Parti Correlate e Soggetti Collegati" entitles the Board of Directors to adopt framework resolutions relating to a series of homogeneous transactions that are sufficiently well defined and which are with related parties and/or associated persons, lasting for periods of up to one year. For the adoption of framework resolutions, the rules for more and less significant transactions are applied to the transactions submitted for approval, based on the estimated maximum aggregate amount of transactions to be entered into. Individual transactions carried out within the framework resolution are authorised directly by the functions and bodies concerned in accordance with the system of delegated powers in force at the time.

The "Policy Parti Correlate e Soggetti Collegati", the information documents published in accordance with CONSOB Related Parties Regulation and the relevant communications are available in the footer of the website [www.bper.it](http://www.bper.it) – Institutional (see footer in the area "Information and Regulations" - "Associated Persons" section).

The Bank identifies its related parties and associated persons in accordance with CONSOB Related Parties Regulation and Banca d'Italia Circular 285/2013; to this end, it also makes use of declarations provided periodically by the corporate officers, as well as information from internal sources and any external providers. Corporate officers cooperate with the Bank to ensure that reporting is correct, complete and up-to-date and they report on a timely basis all of the information needed to check circumstances that determine or modify the provisions relevant to related parties and/or associated persons. Related parties and associated persons are logged in an application used by the Bank and the Group; the master file is updated on a regular basis.

The use of the application adopted by the Bank and the Group, in addition to enabling inputs and updates to the master file on an ongoing basis, also makes it possible to manage transactions with the parties concerned, in compliance with the prescribed decision-making process and, where applicable, with prudential limits on regulated risk activities.

This application also produces periodic reports for submission to the corporate bodies and reports for the Supervisory Authorities, as well as serving as an electronic archive.

Moreover, the Bank operates in compliance with legislative requirements in force where a director declares him/herself to be an interested party on his/her own account or on account of third parties. As regards the obligations assumed under art. 136 of the Consolidated Banking Act, these are approved by means of a unanimous Board resolution (with the exclusion of the interested officer's vote) and the favourable vote of all members of the Control Body, without prejudice to the obligations provided for by the Italian Civil Code concerning Directors' interests and related party transactions. If a member of the Control Body is unable to attend a meeting at which the aforementioned obligations are reviewed and approved, he/she casts his/her vote as soon as it is possible to do so; once a favourable vote has been obtained, the competent functions will proceed with the transaction.

If circumstances arise as governed by art. 136 of the Consolidated Banking Act and/or if a related party and/or associated person is involved, recourse is made to special approval formalities laid down by art. 136 of the Consolidated Banking Act.

In such cases, the Independent Directors' Committee has to receive a prior communication containing

adequate information about the transaction in question, except in cases of exemption because of the small amount thereof. The Director interested in the transaction submitted for review and approval, after having notified his interest to the other members of the Board of Directors and to the members of the Control Body, has to leave the meeting and abstain from voting.

As part of the system of regulations described above, the Bank has addressed the topic of directors' interests pursuant to art. 2391 of the Italian Civil Code by adopting a "Regolamento di Gruppo del processo di gestione dei conflitti di interesse degli Esponenti aziendali", which governs:

- identification of the interests of top management that conflict, actually or potentially, with those of the Bank or Group company for which they work;
- management of conflicts of interest;
- monitoring of conflicts of interest and the related periodic information flows.



## 18. Appointment of Statutory Auditors

Members of the Board of Statutory Auditors are appointed and replaced in compliance with the legislative and regulatory provisions in force, based on the list voting mechanism and in respect of the diversity criteria (please refer to the provisions pursuant to articles 31-34 of the Articles of Association). It should be noted that the Articles of Association in force were amended by the extraordinary Shareholders' Meeting on 29 January 2021 which involved, in particular, a reduction in the numerical composition of the Board of Statutory Auditors, down from five acting auditors to three. The Statutory Auditors remain in office for three years and their mandate expires on the date of the Meeting called to approve the financial statements for the last year of their appointment; they may be re-elected.

The members of the Board of Statutory Auditors are elected from lists presented by the shareholders in accordance with arts. 31 and 32 of the Articles of Association.

In line with the provisions of art. 147-ter of the Consolidated Finance Act, the lists must be filed at the Company's registered office by the twenty-fifth data prior to the date of the Shareholders' Meeting called to resolve on the appointment of members of the Board. The lists are made available to the public at the Company's registered office, on the website [www.bper.it](http://www.bper.it) - Institutional > Governance > Shareholders' Meetings and with the other methods set out in the legislation in force, at least twenty-one days before the date of the Shareholders' Meeting.

The list must be presented by Shareholders who, individually or collectively, hold at least 0.50% of the share capital represented by ordinary shares, or a lower percentage established by current regulations. Ownership of the minimum shareholding is calculated with regard to the shares registered on the day when the list is filed at the Company.

The lists of candidates, which is split into two sections, one for the candidates for the position of Acting Auditor and one for the candidates for the position of Alternate Auditor, has to have a number of candidates not exceeding the number of Statutory Auditors that are to be elected. In each section, the candidates are listed with a progressive number.

At least one of the candidates for the position of Acting Auditor and at least one of the candidates for the position of Alternate Auditor contained in the respective sections of the list have to be enrolled in the register of auditors and have practised the profession of auditing for not less than three years; Each section of the list must have a number of candidates of the less represented gender to ensure, within the same section, that the list complies with the gender balance at least to the minimum extent required by law.

The Statutory Auditors must meet the requirements, also of independence, established by current law to perform their duties, otherwise they cannot be elected or, if they subsequently fail to meet the requirements, they will fall from office.

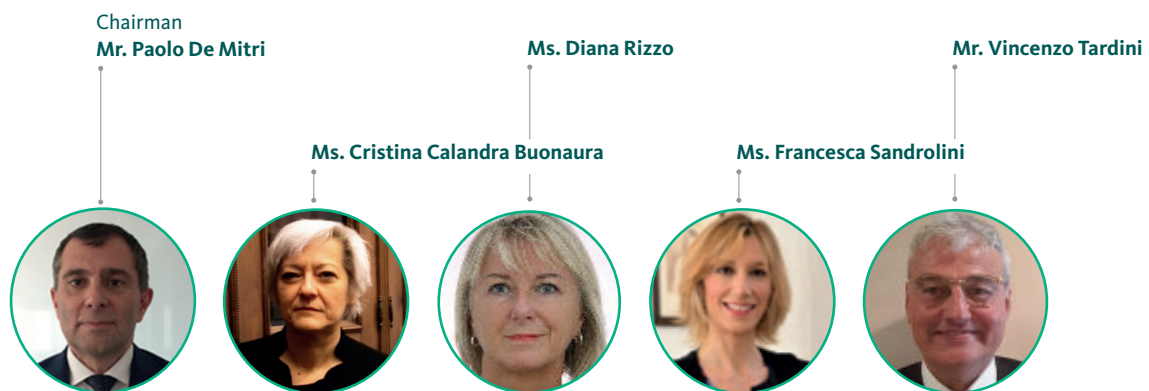
The limits on the accumulation of directorships and audit appointments laid down by current regulations also apply to the Statutory Auditors. In any case, the Statutory Auditors may not hold positions in bodies other than control bodies in other Legal Entities or in which the Company holds, directly or indirectly, a strategic investment, as defined by the Supervisory Authority.

The Statutory Auditors remain in office for three years and their mandate expires on the date of the Meeting called to approve the financial statements for the last year of their appointment; they may be re-elected.

The Board of Statutory Auditors ensures that the appointed Statutory Auditors meet the requirements of integrity, professionalism and, if appropriate, independence required by law and by the Articles of Association, as well as their compatibility to hold office pursuant to art. 36 of the Decree Law 201 of 27 December 2011, converted to law no. 2014/2011 (the so-called ban on interlocking).



# 19 Composition and functioning of the Board of Statutory Auditors (art. 123- bis, paragraph 2.d) and 2.d-bis), Consolidated Finance Act)



The current members of the Board of Statutory Auditors were appointed at the Shareholders' Meeting of 14 April 2018 for the three-year period 2018-2020, as resolved by the Shareholders' Meeting held on 17 April 2019 to replace certain members.

In this regard, it should be noted that, on 8 May 2018, Mr. Giacomo Ramenghi resigned as Chairman and, on the same date, was replaced by Paolo De Mitri, in accordance with the Articles of Association, as Alternate Auditor elected from the same list from which the outgoing Chairman had been taken, i.e. list no. 1 (the list other than the one that came first by number of votes at the Shareholders' Meeting of 14 April 2018).

Subsequently, on 22 November 2018, Mr. Antonio Mele stepped down from the office of Acting Auditor and, on the same date, was replaced in office, pursuant to the Articles of Association, by Ms. Cristina Calandra Buonaura, as Alternate Auditor elected from the same list from which Mr. Mele had been taken, i.e. list no. 2 (the list ranked first in terms of votes obtained at the aforementioned Shareholders' Meeting).

The new Alternate Auditors, Mr. De Mitri and Ms. Calandra Buonaura, remained in office until the Shareholders' Meeting held on 17 April 2019, which made the necessary appointments to the Board of Statutory Auditors pursuant to the regulations and Articles of Association referred to in Chapter 18 above.

On said occasion, Mr. De Mitri and Ms. Cristina Calandra Buonaura, candidates for the acting roles which they took over, were elected, respectively as Chairman of the Board of Statutory Auditors and Acting Auditor.

The Shareholders' Meeting also, pursuant to the Articles of Association, appointed two Alternate Auditors to the Control Body for the remainder of the 2018-2020 three-year term.

The following were, therefore, elected for the remainder of the 2018-2020 three-year term:

- Mr. Paolo De Mitri as Chairman of the Board of Statutory Auditors;
- Ms. Cristina Calandra Buonaura as Acting Auditor;
- Ms. Patrizia Tettamanzi as Alternate Auditor, to replace the Alternate Auditor taken from the list that came second in terms of number of votes at the Shareholders' Meeting of 14 April 2018;
- Ms. Veronica Tibiletti as Alternate Auditor, to replace the Alternate Auditor taken from the list that came first in terms of number of votes at the Shareholders' Meeting of 14 April 2018.



## **Mr. Paolo De Mitri - Chairman**

Born in Milan on 14th October 1963.

He is a registered Chartered Accountant and Registered Auditor (Mantua Register).

He performs his professional activities at Studio C.D.S. & Associati specialised in tax, corporate administration, work consultancy, fiscal/management/contractual litigations, successions as well as IT services.

He has been a member of the Council of the Arbitration Chamber of Mantua since 1992.

He has been listed in the register of Mediators, Arbitrators and contract Experts of the Arbitration Chamber of Mantua since 1994 and in the register of Technical Consultants to the Court for matters pertaining to Audits, Companies, Valuations of Companies and Assets, Tax since 1993.

He has been a Member of the Fees Liquidation Commission of the Order of Chartered Accountants and Bookkeeping Experts of the province of Mantua since 2008 as well as the Mantua Delegate in the National Fund for Accountants and Commercial Experts since 2004.

He has been a Member of the Governing Council of the Chamber of Accountants and Commercial Experts of the Province of Mantua from 1993 to 2007; Secretary and Treasurer of the Management and Planning Board of the Regional Union of Chambers of Accountants of the Lombardy Region between 2000 and 2007; Member of the Tariff Commission as well as of the Tariff Study Group established at the National Council of Accountants from 1994 to 2007; Member of the Commission for relations with the Accountants' Pension Plan established at the National Council of Accountants for the three year period 1994 - 1997.

He currently holds the position of Chairman of the Board of Statutory Auditors of BPER Banca S.p.A. Furthermore, he is Chairman of the Board of Statutory Auditors of several companies, among which Biesse S.p.A., Riello Investimenti S.p.A. and Hyle Capital Partners SGR S.p.A..

In the past he has covered the following positions: Director of Previra Invest SIM S.p.A. from 2009 to 2015, as well as Chief Executive Officer of the same company from 2014 to 2015; Chairman of the Board of Statutory Auditors of Riello Investimenti Partners SGR S.p.A..



## **Ms. Cristina Calandra Buonauro**

Born in Reggio Emilia (RE) on 24th July 1971.

She holds a degree in Business Economics from the University of Modena and Reggio Emilia.

She is a certified Chartered Accountant and Auditor, listed on the Modena Register of Chartered Accountants and Registered Auditors.

She provides tax, administrative and corporate consultancy.

She is a Receiver and Judicial Commissioner at the Court of Modena.

Currently she is an Acting Auditor of BPER Banca S.p.A.

She is furthermore Receiver of various companies.

She has previously held the position of acting auditor of companies including Sitma S.p.A., Sitma Machinery S.p.A., Comer Industries Components S.r.l..



## **Ms. Diana Rizzo**

Born in Bologna (BO) on 21st July 1959.

She graduated cum laude in Economics and Business Studies at Modena university; she is registered as a Chartered Accountant and as an Auditor (listed in the Register when it was first set up) and is on the Official List of Court Experts and Technical Consultants.

She carries out her profession at Studio Professionisti, of which she is a founding partner, specialising in economic-business management, tax and company law.

She had previously set up a law firm with Antonio Cherchi and this partnership still exists.

She provides consultancy and assistance in the following fields: financial statements, tax, preparation of business plans, contracts, analysis and execution of acquisitions and/or disposals and extraordinary corporate transactions in general.

She collaborates with the Courts of Modena and Bologna as a Technical Consultant in civil and criminal matters and holds positions as a Receiver and Judicial Commissioner.

Currently she is an Acting Auditor of BPER Banca S.p.A.

The positions currently held include: Chairwoman of the Board of Statutory Auditors of Fin-Firel S.p.A.; Acting Auditor of TAS S.p.A., of Hyle Capital Partners SGR S.p.A. and Landi Renzo S.p.A.

She has previously held the following positions: Chairwoman of the Board of Statutory Auditors of Kerakoll S.p.A., Sitma S.p.A., Sitma Machinery S.p.A., as well as Acting Auditor of Carimonte Holding S.p.A..



## **Ms. Francesca Sandrolini**

Born in Bologna (BO) on 13th March 1967.

She graduated cum laude in Economics and Business Studies at Alma Mater Studiorum – Bologna University; she has been registered as a Chartered Accountant (Bologna register) since 1995 and as a Registered Auditor since 1999.

She carries out her profession at Studio De Leo, where she has worked since 1993.

As part of said activity, she has dealt with the financial statements of banks, governance issues, as well as the activities performed by statutory auditors in important banking groups. She has worked on transactions performed by financial and investment holding companies and by private equity groups. Furthermore she has acted as a technical advisor and has provided technical assistance during corporate crises using out-of-court recovery instruments and has provided assistance in relation to verifications and tax litigations.

Currently she mainly advises on corporate, accounting and tax matters and provides assistance in the preparation of separate and consolidated financial statements, also for foreign companies and their subsidiaries, including listed companies. She is registered in NedCommunity.

She is currently an Acting Auditor of BPER Banca S.p.A.. Within the BPER Group she has held the position of Acting Auditor of Nuova Cassa di Risparmio di Ferrara S.p.A..

She currently holds the following positions: Acting Auditor of Società Investimenti di Maurizio Marchesini e C. S.p.A., Marchesini Investment Group S.r.l and common Representative of the bondholders of Marchesini Group S.p.A..

She has previously been a member of the control bodies of various companies.





## Mr. Vincenzo Tardini

Born in Modena (MO) on 7th February 1960.

He holds a degree in Economics and Business Studies from Modena University; he is registered as a Chartered Accountant and Registered Auditor (Modena register). He is also on the Official List of Technical Consultants of the Court of Modena, the List of Criminal Experts of the Court of Modena and the List of Professionals delegated for the foreclosure auctions of real estate and registered immovable property.

He practices as a Chartered Accountant as a partner in Studio Associato Dottori Commercialisti. He acts as a technical expert for the Court of Modena in civil cases, prepares real estate allocation plans, is tasked with the sale of property in foreclosure auctions, acts as an expert in the preparation of estimates for extraordinary corporate transactions, is involved in inheritance trustee issues and acts as support administrator, guardian, receiver and judicial commissioner in pre-bankruptcy agreements.

He acts as Auditor in the Regional Union of Chambers of Commerce and Provincial Chambers of Commerce and is voluntary liquidator of commercial companies, intermediary at the Provincial and Regional Tax Commissions, technical consultant in criminal proceedings of a financial nature, Chairman of the Board of Statutory Auditors in financial companies subject to the supervision of Banca d'Italia and Acting Auditor in commercial companies with public capital.

Currently she is an Acting Auditor of BPER Banca S.p.A.

Within the Group he has held the following positions: Chairman of the Board of Statutory Auditors of Banco di Sardegna S.p.A.; Acting Auditor of Banca della Campania S.p.A. and Director of Banca Popolare del Mezzogiorno S.p.A..

Outside the BPER Group, he holds and has held in the past various posts on the boards of directors and boards of statutory auditors of various companies.

There has been no change in the composition of the Board of Statutory Auditors since the end of the 2020. Information on the composition of the Board of Statutory Auditors is provided in Table 4 attached to this Report. The following summary table relates to the Shareholders' Meetings that elected the current members of the Board of Statutory Auditors.

<b>Date of Shareholders' Meeting</b>	<b>14/04/2018</b>
Number of lists presented	2 lists for the appointment of 7 members of the Board of Statutory Auditors, among which, the Chairman, 4 Acting Auditors and 2 Alternate Auditors.
<b>List no. 1</b>	
List presented by the Trevisan & Associati Law Firm, on behalf of 11 managers of 24 funds, shareholders with the following overall percentage interest in BPER: 1.40%	
<b>List no. 2</b>	
List presented by 15 Shareholders with the following overall percentage interest in BPER: 0.52%	
<b>Candidates on each list</b>	<b>List no. 1</b>
	<ul style="list-style-type: none"> <li>• Mr. Giacomo Ramenghi;</li> <li>• Ms. Serena Gatteschi;</li> <li>• Mr. Giuseppe Sancetta;</li> <li>• Mr. Giampaolo Gabbi;</li> <li>• Ms. Laura Ciambellotti;</li> </ul>
	<ul style="list-style-type: none"> <li>• Mr. Paolo De Mitri;</li> <li>• Ms. Rosalba Casiraghi.</li> </ul>
	<b>List no. 2</b>
	<ul style="list-style-type: none"> <li>• Mr. Antonio Mele;</li> <li>• Ms. Diana Rizzo;</li> <li>• Ms. Francesca Sandrolini;</li> <li>• Mr. Vincenzo Tardini;</li> <li>• Mr. Alessandro Stradi;</li> </ul>
	<ul style="list-style-type: none"> <li>• Mr. Pier Paolo Ferrari;</li> <li>• Ms. Cristina Calandra Buonauro.</li> </ul>
<b>List of persons elected and percentage of votes</b>	<p><b>Elected from List 1: 17,241,289 votes (8.709% of the votes cast and 3.582% of total share capital):</b></p> <ul style="list-style-type: none"> <li>• Mr. Giacomo Ramenghi (Chairman);</li> <li>• Mr. Paolo De Mitri (alternate auditor).</li> </ul> <p><b>Elected from List 2: 165,292,110 votes (83.489% of the votes cast and 34.342% of total share capital):</b></p> <ul style="list-style-type: none"> <li>• Mr. Antonio Mele (Acting Auditor);</li> <li>• Ms. Diana Rizzo (Acting Auditor);</li> <li>• Ms. Francesca Sandrolini (Acting Auditor);</li> <li>• Mr. Vincenzo Tardini (Acting Auditor);</li> <li>• Cristina Calandra Buonauro* (Alternate Auditor).</li> </ul> <p><b>Votes against:</b> 329,364 (0.166% of the votes cast and 0.068% of total share capital)</p> <p><b>Abstained:</b> 755,081 (0.381% of the votes cast and 0.157% of total share capital)</p> <p><b>Absent:</b> 14,363,302 (7.255% of the votes cast and 2.984% of total share capital).</p>
<p>(*): Taking account of the provisions of the Articles of Association in force at the time of the appointment designed to ensure compliance with the requirements relating to gender balance and, in particular, the need for at least one of the two Alternate Auditors elected to belong to the less represented gender, applying the replacement mechanism as per art. 33, paragraph 2.4, Ms. Calandra Buonauro has been elected from list number 2 to replace Pier Paolo Ferrari;</p>	

## Shareholders presenting list no. 1

NO.	SURNAME NAME NAME	PLACE OF BIRTH/ REGISTERED OFFICE	PROV. (COUN- TRY)	DATE OF BIRTH/ TAX CODE/VAT NO./EQUIVALENT
1	Aletti Gestielle SGR S.p.A. manager of the Gestielle Cedola Italy Opportunity fund	Milan	MI	07503720158
2	Aletti Gestielle SGR S.p.A. manager of the Gestielle Obiettivo Italia fund	Milan	MI	07503720158
3	Aletti Gestielle SGR S.p.A. manager of the Gestielle Cedola Multiasset III fund	Milan	MI	07503720158
4	Anima SGR S.p.A. manager of the Anima Crescita Italia fund	Milan	MI	07507200157
5	Anima SGR S.p.A. manager of the Anima Iniziativa Italia fund	Milan	MI	07507200157
6	Arca Fondi S.G.R. S.p.A. manager of the Arca Azioni Italia fund	Milan	MI	09164960966
7	Eurizon Capital SGR S.p.A. manager of the Eurizon Azioni Italia fund	Milan	MI	04550250015
8	Eurizon Capital SGR S.p.A. manager of the Eurizon Azioni PMI Europa fund	Milan	MI	04550250015
9	Eurizon Capital SGR S.p.A. manager of the Eurizon Progetto Italia 70 fund	Milan	MI	04550250015
10	Eurizon Capital SGR S.p.A. manager of the Eurizon PIR Italia Azioni fund	Milan	MI	04550250015
11	Eurizon Capital SGR S.p.A. manager of the Eurizon Progetto Italia 40 fund	Milan	MI	04550250015
12	Eurizon Capital SA manager of the Eurizon Investment SICAV - PB Equity EUR fund	Luxembourg	(LU)	LU19164124
13	Eurizon Capital SA manager of the Eurizon Fund - Equity Italy fund	Luxembourg	(LU)	LU19164124
14	Eurizon Capital SA manager of the Eurizon Fund - Equity Small Mid Cap Europe fund	Luxembourg	(LU)	LU19164124
15	Fideuram Asset Management (Ireland) manager of the Fideuram Fund Equity Italy fund	Dublin	(IE)	IE6369135L
16	Fideuram Asset management (Ireland) manager of the Fonditalia Equity Italy fund	Dublin	(IE)	IE6369135L
17	Fideuram Investimenti SGR S.p.A. manager of the Piano Azioni Italia fund	Milan	MI	07648370588
18	Fideuram Investimenti SGR S.p.A. manager of the Piano Bilanciato Italia 50 fund	Milan	MI	07648370588
19	Generali Investments Luxemburg SA manager of the Generali Smart Fund PIR Evoluzione Italia fund	Luxembourg	(LU)	B188432

NO.	SURNAME NAME NAME	PLACE OF BIRTH/ REGISTERED OFFICE	PROV. (COUNTRY)	DATE OF BIRTH/ TAX CODE/VAT NO./EQUIVALENT
20	Generali Investments Luxemburg SA manager of the Generali Smart Fund PIR Valore Italia fund	Luxembourg	(LU)	B188432
21	Legal & General Assurance (Pensions Management) Limited	London	(UK)	02091894
22	Mediolanum Gestione Fondi SGR S.p.A. manager of the Mediolanum Flessibile Futuro Italia fund	Milan	MI	06611990158
23	Mediolanum Gestione Fondi SGR S.p.A. manager of the Mediolanum Flessibile Sviluppo Italia fund	Milan	MI	06611990158
24	Mediolanum International Funds manager of the Challenge Funds - Challenge Italian Equity fund	Dublin	(IE)	264023

### Shareholders presenting list no. 2

NO.	SURNAME NAME NAME	PLACE OF BIRTH/ REGISTERED OFFICE	PROV. (COUNTRY)	DATE OF BIRTH/ TAX CODE/VAT NO./ EQUIVALENT
1	Maurizio Beltrami	Forli	FC	26/04/1972
2	Fulvia Camurri	Modena	MO	23/02/1959
3	Simona Franciosi	Modena	MO	19/09/1950
4	Carlo Alberto Gasparini	Modena	MO	21/04/1946
5	Giorgio Giusti	Modena	MO	27/08/1942
6	Alessandro Montecchi	Modena	MO	16/08/1958
7	Alessio Montecchi	Modena	MO	10/03/1988
8	Danilo Montecchi	Pavullo	MO	20/07/1952
9	Massimo Montecchi	Pavullo	MO	24/03/1955
10	Giorgio Montorsi	Formigine	MO	12/05/1947
11	Paolo Montorsi	Modena	MO	14/08/1951
12	Francesca Stanguellini	Scandiano	RE	13/04/1977
13	Francesco Stanguellini	Modena	MO	08/06/1944
14	Simone Stanguellini	Sassuolo	MO	22/11/1972
15	TTE Rapidpress S.p.A.	Modena	MO	00000325400372

Notice is hereby given that the shareholders presenting these lists declared that they had no relationships and/or significant dealings, also pursuant to CONSOB Communication DEM/9017893 of 26 February 2009, with shareholders owning<sup>37</sup>, individually or jointly, a controlling or relative majority interest as provided for in articles 147-ter, paragraph 3, of the Consolidated Finance Act and 144-quinquies of the Issuers' Regulation and, more generally, of the Bank's Articles of Association and the regulations currently in force.

<sup>37</sup>On the basis of the communications of significant investments referred to in art. 120 of the Consolidated Finance Act or the publication of the shareholders' agreements pursuant to art. 122 of the same Decree, that are identifiable at the date of signing the list on the websites of BPER and CONSOB.

<b>Date of Shareholders' Meeting</b>	<b>17/04/2019</b>
Candidates presented	Integration of the Board of Statutory Auditors for the rest of the three-year period 2018-2020 by appointing the Chairman and another Acting Auditor, as well as one or more Alternate Auditors, if needed
<b>Candidate Chairman of the Board of Statutory Auditors no. 1</b> to replace the chairman drawn from the list obtaining the second largest number of votes at the Shareholders' Meeting held on 14 April 2018	Mr. Paolo De Mitri
Mr. De Mitri, who took over as Chairman, filed his candidature as Chairman of the Board of Statutory Auditors and resigned as an Alternate Auditor, subject to and with effect from his future appointment at the Shareholders' Meeting. No other candidates were presented by the entitled parties.	
<b>Candidate Acting Auditor no. 1</b> to replace the acting auditor drawn from the list obtaining the largest number of votes at the Shareholders' Meeting held on 14 April 2018	Ms. Cristina Calandra Buonauro
Candidature presented by FINGAS S.r.l., holder of the following total percentage interest in the capital of BPER: 0.62%. Cristina Calandra Buonauro resigned as an Alternate Auditor, subject to and with effect from her future appointment at the Shareholders' Meeting.	
<b>Candidate Alternate Auditor no. 1</b> to replace the alternate auditor drawn from the list obtaining the second largest number of votes at the Shareholders' Meeting held on 14 April 2018	Ms. Patrizia Tettamanzi
Candidature presented by the Trevisan & Associati Law Firm, on behalf of 7 managers of 14 funds holding the following total percentage interest in the capital of BPER: 0.45%.	
<b>Candidate Alternate Auditor no. 1</b> to replace the alternate auditor drawn from the list obtaining the largest number of votes at the Shareholders' Meeting held on 14 April 2018	Ms. Veronica Tibiletti
Candidature presented by FINGAS S.r.l., holder of the following total percentage interest in the capital of BPER: 0.62%.	
<b>List of persons elected and percentage of votes</b>	<b>Elected Chairman of the Board of Statutory Auditors: 125,314,371 votes (100% of the votes cast and 26.04% of total share capital):</b> Mr. Paolo De Mitri <b>Votes against:</b> 0. <b>Abstained:</b> 0. <b>Absent:</b> 0.
	<b>Elected Acting Auditor: 197,806,371 votes (99.996% of the votes cast and 41.098% of total share capital):</b> Ms. Cristina Calandra Buonauro. <b>Votes against:</b> 0. <b>Abstained:</b> 8,000 (0.004% of the votes cast and 0.002% of total share capital) <b>Absent:</b> 0.
	<b>Elected Alternate Auditor</b> to replace the alternate auditor drawn from the list obtaining the second largest number of votes at the Shareholders' Meeting held on 14 April 2018: <b>123,062,252 votes (100% of the votes cast and 25.57% of total share capital):</b> Ms. Patrizia Tettamanzi. <b>Votes against:</b> 0. <b>Abstained:</b> 0. <b>Absent:</b> 0.
	<b>Elected Alternate Auditor</b> to replace the alternate auditor drawn from the list obtaining the largest number of votes at the Shareholders' Meeting held on 14 April 2018: <b>195,562,252 votes (100% of the votes cast and 40.63% of total share capital):</b> Ms. Veronica Tibiletti. <b>Votes against:</b> 0. <b>Abstained:</b> 0. <b>Absent:</b> 0.

**List of shareholders presenting candidates:**

- Candidate Acting Auditor no. 1, to replace the acting auditor drawn from the list obtaining the largest number of votes at the Shareholders' Meeting held on 14 April 2018;
- Candidate Alternate Auditor no. 1, to replace the alternate auditor drawn from the list obtaining the largest number of votes at the Shareholders' Meeting held on 14 April 2018.

NO.	SURNAME NAME NAME	PLACE OF BIRTH/ REGISTERED OFFICE	PROV. (COUNTRY)	DATE OF BIRTH/ TAX CODE/VAT NO./ EQUIVALENT
1	FINGAS S.r.l.	Cremona	CR	11055530155

The presenting shareholder declared that presentation of the above candidatures did not violate the provision of the Articles of Association (art. 34, para. 4.2) that prevents each shareholders, shareholders belonging to the same group (being parent company, subsidiaries and companies under joint control) and shareholders party to a shareholders' agreement regarding shares in BPER Banca S.p.A. from presenting or contributing to the presentation of more than one candidate for each appointment.

**List of shareholders presenting the candidate:**

Candidate Alternate Auditor no. 1, to replace the alternate auditor drawn from the list obtaining the second largest number of votes at the Shareholders' Meeting held on 14 April 2018.

NO.	SURNAME NAME NAME	PLACE OF BIRTH/ REGISTERED OFFICE	PROV. (COUNTRY)	DATE OF BIRTH/ TAX CODE/VAT NO./ EQUIVALENT
1	Arca Fondi S.G.R. S.p.A. manager of the Arca Azioni Italia fund	MILAN	MI	09164960966
2	Eurizon Capital SA manager of the Eurizon Fund - Equity Italy fund	LUXEMBOURG	(LU)	LU19164124
3	Eurizon Capital SGR S.p.A. manager of the Eurizon Azioni Italia fund	MILAN	MI	04550250015
4	Eurizon Capital SGR S.p.A. manager of the Eurizon PIR Italia Azioni fund	MILAN	MI	04550250015
5	Eurizon Capital SGR S.p.A. manager of the Eurizon Progetto Italia 40 fund	MILAN	MI	04550250015
6	Eurizon Capital SGR S.p.A. manager of the Eurizon Progetto Italia 70 fund	MILAN	MI	04550250015
7	Fideuram Asset management (Ireland) manager of the Fonditalia Equity Italy fund	DUBLIN	(IE)	IE6369135L
8	Fideuram Investimenti SGR S.p.A. manager of the Fideuram Italia fund	MILAN	MI	07648370588
9	Fideuram Investimenti SGR S.p.A. manager of the Piano Azioni Italia fund	MILAN	MI	07648370588

10	Fideuram Investimenti SGR S.p.A. manager of the Piano Bilanciato Italia 30 fund	MILAN	MI	07648370588
11	Fideuram Investimenti SGR S.p.A. manager of the Piano Bilanciato Italia 50 fund	MILAN	MI	07648370588
12	Generali Investments Luxemburg SA manager of the Gsmart PIR Evoluzione Italia fund	LUXEMBOURG	(LU)	B1884302
13	Generali Investments Luxemburg SA manager of the Gsmart PIR Valore Italia fund	LUXEMBOURG	(LU)	B1884302
14	Interfund Sicav manager of the Interfund Equity Italy fund	LUXEMBOURG	(LU)	B8074

Notice is hereby given that the shareholders presenting these lists declared that they had no relationships and/or significant dealings, also pursuant to CONSOB Communication DEM/9017893 of 26 February 2009, with shareholders owning<sup>38</sup>, individually or jointly, a controlling or relative majority interest as provided for in articles 147-ter, paragraph 3, of the Consolidated Finance Act and 144-quinquies of the Issuers' Regulation and, more generally, of the Bank's Articles of Association and the

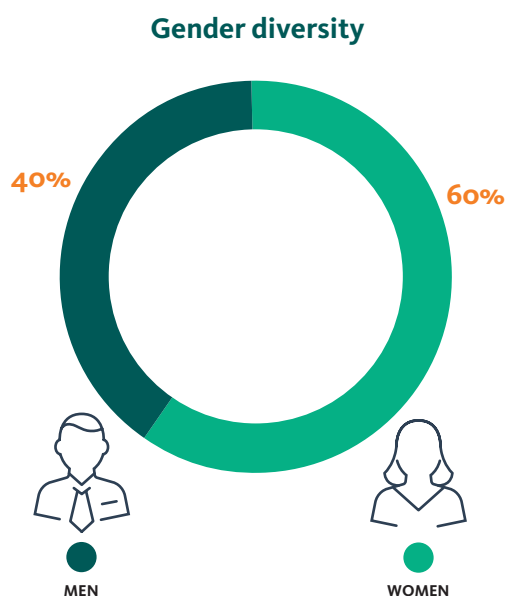
regulations currently in force.

For further information, see the minutes of the Shareholders' Meeting filed at the register office of the Issuer and available to the public on the website of Borsa Italiana [www.borsaitaliana.it](http://www.borsaitaliana.it) and the Bank [www.bper.it](http://www.bper.it) – Institutional > Governance > Shareholders' Meeting.

### Diversity policy

Details of diversity policy are set out in Paragraph 4.2.

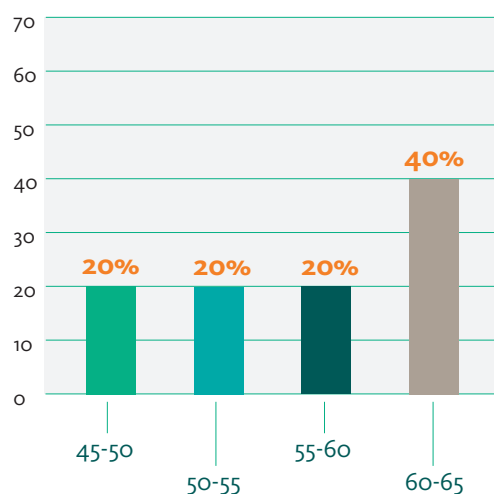
Pursuant to art. 30 of the Articles of Associations, the composition of the Board of Statutory Auditors has to ensure gender balance in accordance with regulations in force and, currently, of the 5 members, 2 belong to the less represented gender, i.e. male.



<sup>38</sup> On the basis of the communications of significant investments referred to in art. 120 of the Consolidated Finance Act or the publication of the shareholders' agreements pursuant to art. 122 of the same Decree, that are identifiable at the date of signing the list on the websites of BPER and CONSOB.

The summary of the personal and professional characteristics of each appointed Acting Auditor, identifying their professional experience and skills, is published on the website [www.bper.it](http://www.bper.it) – Institutional > Governance > Board of Statutory Auditors.

### Age bracket



The appointments held by each member of the Board of Statutory Auditors, as stated in the latest reports to the Bank, are listed in Table 5, attached to this Report.

Following the appointment of the Board of Statutory Auditors by the Shareholders' Meeting of 14 April 2018, on 7 May 2018 the Board of Statutory Auditors carried out detailed and analytical checks on compliance with the independence criteria of its members, as required by point 8.C.1 of the Corporate Governance Code 2018. The results of those checks were positive, not giving rise to any problem areas. The Board informed the Board of Directors at the meeting of 8 May 2018.

On said date, the Board of Directors therefore ascertained that the members of the Board of Statutory Auditors satisfied the independence requirements and the Market was informed in a press release. Subsequently, at the meetings on 30 May 2018 and 20 December 2018, the Board evaluated the satisfaction of the aforementioned requirements by Paolo De Mitri and Cristina Calandra Buonauro following their installation in the positions, respectively, of Chairman of the Board of Statutory Auditors and acting auditor.

Following the new appointments made to the Board of Statutory Auditors at the Shareholders' Meeting of 17 April 2019, on 22 May 2019 the Board of Statutory Auditors carried out detailed and analytical checks on the compliance of its members with the independence criteria, as required by point 8.C.1 of the Corporate Governance Code 2018. The results of those checks were positive, not giving rise to any problem areas. The Board informed the Board of Directors at the meeting of 23 May 2019.

During that meeting, the Board of Directors therefore acknowledged that the members of the Board of Statutory Auditors elected by the Shareholders' Meeting on 17 April 2019 satisfied the independence requirements and the Market was informed in a press release.

In 2020, the Board of Statutory Auditors carried out the annual self-assessment of its composition and functioning, with reference to the 2019 financial year, on the basis of criteria and methods consistent with its characteristics and with the provisions of the "Regole del Processo di autovalutazione della funzionalità del Collegio Sindacale di BPER Banca".

At the meeting held on 18 February 2020, the Board of Statutory Auditors updated the "Regole del



Processo di autovalutazione della funzionalità del Collegio Sindacale di BPER Banca”, aligning them with the results of the May 2019 report of the “Working group on the revision of the standards of conduct for the Boards of Statutory Auditors of listed companies”, promoted by the Italian Accounting Profession with regard to the self-assessment process followed by Boards of Statutory Auditors.

The outcomes of the 2020 self-assessment process produced an overall judgment of adequacy, highlighting some areas of improvement concerning the functioning and internal workings of the Control Body.

The Board of Statutory Auditors started the 2021 self-assessment process (relating to 2020), with the help of an external professional.

The process was conducted by using a questionnaire, prepared by a professional appointed in agreement with the Board of Statutory Auditors, and through individual interviews. The self-assessment concerned the composition, independence and overall functioning of the Control Body.

The outcomes of the self-assessment relating to 2020 confirmed that the Body operated adequately over its three-year mandate, in compliance with the Supervisory Provisions for Banks of Banca d'Italia, the “Rules of conduct of the Board of Statutory Auditors of listed companies”, the internal regulations of the Bank and best practices.

In particular, as regards the qualitative and quantitative composition:

- the number of members of the current Control Body was considered appropriate for ensuring an adequate balance between the necessary expertise and experience, even if an adequate balance could be ensured by three members too.
- diversity in terms of gender, age, knowledge, expertise, professional experience and seniority of office was judged to be essentially adequate on the whole.

As regards the functioning:

- joint organisation of work was preferred based on an annual plan of activities in terms of a risk-based and “Step-Oriented” approach, on the basis on the association of supervisory activities with the key elements of the European Central Bank’s supervisory review and evaluation (srep) process. Control activities were carried out through a high number of meetings with all control functions and regular dialogue with the auditors, as well as with the control bodies of the biggest Legal Entities;
- The internal environment within the Board was characterised by a constructive attitude and the constant mutual commitment to taking part in the Bank’s life;
- the Chairman supervised the work of the Board based on a practical approach and adequate leadership, albeit with room for improvement regarding the times of the meetings and internal dialogue;
- positive judgements came to light regarding the Chairman’s determination to ensure adequate and prompt information flows in support of the discussions and monitoring of implementation of the decisions taken.

Over the term of the mandate, the Board effectively carried out supervisory and control activities based on the commitment to fulfilling the engagement, the level of in-depth analysis of the themes addressed, the degree of knowledge acquired of the Bank’s functioning and its organisational structures, as well as the willingness to contribute to improving the control systems and governance structures. In addition, the Board, taking account of the expiry of its mandate and the outcomes of the self-assessment process, saw fit to inform shareholders of its guidelines on the composition of the new Control

Body in the document “Guidelines for Shareholders on the Qualitative and Quantitative Composition of the Board of Statutory Auditors”, published on the website [www.bper.it](http://www.bper.it) - Institutional > Governance > Shareholders’ Meeting, to notify shareholders of them in time so that they can take account of them when choosing candidates to be elected to the Board of Statutory Auditors at the time of the next Shareholders’ Meeting.

The Board of Statutory Auditors monitors compliance with the law, regulations and the Articles of Association, respect for the principles of correct administration of the Company, the adequacy of the organisational and accounting structures, and the functionality of the overall internal control system; it verifies that the personnel involved in the control system operate effectively and are coordinated properly, reporting any weaknesses or irregularities and requesting suitable corrective action; it monitors the adequacy of the risk management and control system; it exercises such other functions and powers provided by law as well as the duties and functions that the provisions of Banca d’Italia and the other Supervisory Authorities assign to the body that has the control function.

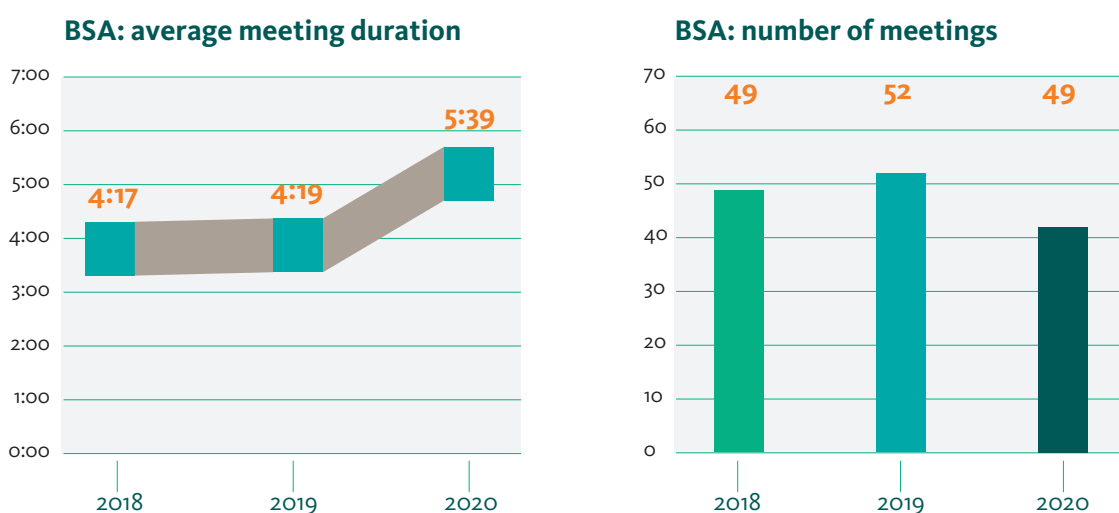
The Board of Statutory Auditors has to inform the Supervisory Authorities, in accordance with current legislation, of all facts or deeds that it becomes aware of and which could constitute management irregularities or a violation of the rules that govern banking.

The way that the Board of Statutory Auditors functions is governed by its “Operational Rules”, which were last updated on 24 February 2021. The Board approved the Rules and periodically checks that they are adequate, at least every three years, making appropriate amendments and additions when necessary. In performing the necessary verification work and checks, the Board of Statutory Auditors makes use of the Company’s internal control structures and functions. The Statutory Auditors can carry out audits or inspections at any time, also individually; they can also ask the Directors for information on the Company and its subsidiaries regarding the results of operations or of specific transactions; such information can also be requested directly from the subsidiaries’ Directors and Statutory Auditors.

The Board of Statutory Auditors can also exchange information on the administration and control systems and on business trends in general with the corresponding boards at subsidiaries.

Meetings of the Board of Statutory Auditors can also be held by using distance connection systems<sup>39</sup>. The minutes and deeds of the Board of Statutory Auditors must be signed by all of the members who attended the meeting.

In 2020, the Board of Statutory Auditors held 49 meetings, each lasting an average of 5 hours 39 minutes.



<sup>39</sup>On the condition that the identity of the participants is assured and all of them are able to take part in the discussion in real time, as well as being able to see, receive and transmit documents.

Moreover, the Board of Statutory Auditors participated in the meetings of the B.o.D. and of the Executive Committee.

The Board of Statutory Auditors held a meeting with the Independent Directors' Committee to discuss matters of mutual interest. In addition, the Chairman of the Board of Statutory Auditors and/or an Acting Auditor designated by the Chairman attended all the meetings of the Independent Directors' Committee, almost all meetings of the Remuneration Committee and, on invitation from its Chairman, all the meetings of the Appointments Committee.

The Chairman and all Statutory Auditors can attend meetings of the Control and Risk Committee. Notice is hereby given that, the Board held 9 meetings in 2020 jointly (or partially jointly) with this Committee and 2 meetings jointly with the Committee and the Supervisory Board pursuant to Legislative Decree 231/01.

The Board also held 1 meeting with the Supervisory Board of the Pension Fund.

In line with supervisory regulations, the Board of Statutory Auditors also had 2 annual meetings with the Chairman of the Board of Directors and 4 meetings, on a quarterly basis, with the Chief Executive Officer, in line with the requirements of art. 150 of the Consolidated Finance Act.

In 2020, the Board of Statutory Auditors held half-yearly meetings with the Chairmen of the Group banks and of various non-banking Legal Entities to exchange information and to discuss matters of mutual interest. Unlike previous years, in 2020, the usual convention was not held as a result of the ongoing health emergency.

With reference to training activities, the members of the Board of Statutory Auditors took part, in 2020, in conferences, workshops and other initiatives for in-depth analysis and/or updating promoted and/or reported by the Bank. For further information on this matter, please refer to Paragraph 4.2.1 "Board training".

For 2021, 41 meetings of the Board of Statutory Auditors are scheduled, of which 11 already held at the date of approval of this Report.

As regards transactions in conflict of interest and with related parties involving members of the Board of Statutory Auditors, see Chapter 18 above.

In performing its work, the Board of Statutory Auditors collaborates with the Internal Audit Function via:

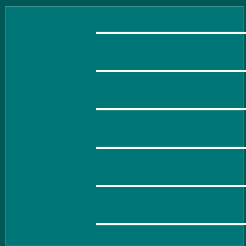
- periodic attendance, usually every quarter, at joint meetings with the Chief Audit Executive, responsible for the aforementioned Function (in 2020 the Board of Statutory Auditors met 30 times with the latter);
- the examination of documentation provided to the Board by that Function ("support" for analyses performed, inspection reports) and other information relating to the system of controls and the outcome of verification work;
- the request of specific inspections.

In addition, the Board of Statutory Auditors also relied on the contribution of the other control functions, with whom meetings were held on several occasions throughout the year (22 meetings with the Risk Function, 23 with the Compliance Function, 8 with the Anti-Money Laundering Function, 25 with the Executive responsible for financial reporting/Financial Reporting Monitoring and Control Office). The Board also held meetings with other corporate functions as planned, or where it had a specific need to do so.

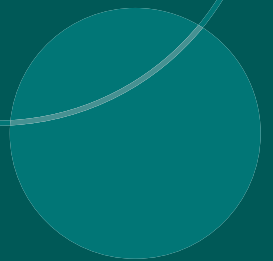
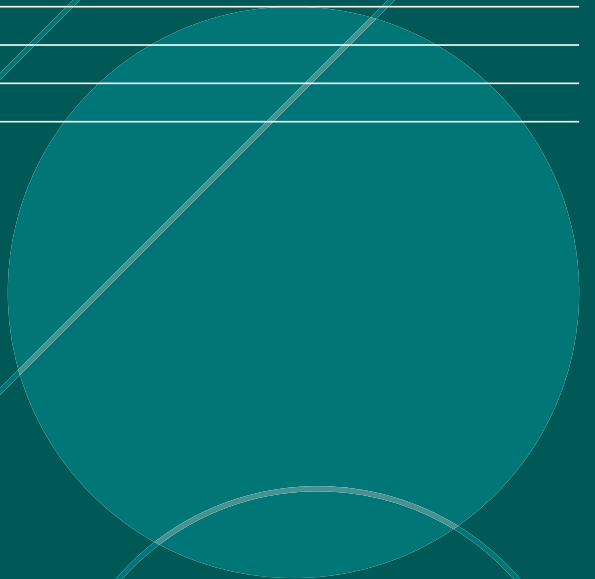
Lastly, the remuneration of the members of the Board of Statutory Auditors, including that of the Chairman, is determined at the time of their appointment by the Shareholders' Meeting, based on the role and responsibilities of this body. Variable remuneration is forbidden for the members of the Board of Statutory Auditors.

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## 20 Relations with Shareholders

All information about the performance of the Bank, the communications and the documents of interest to the shareholders (financial statements, Articles of Association, prospectuses, corporate notices, press releases etc.) are published on the website [www.bper.it](http://www.bper.it) – Institutional > Investor Relations, Governance and Media Relations.

An Investor Relations Office was set up to manage relationships with investors, intermediaries and, more generally, with stakeholders in the Bank. This office is the official point of contact with the Bank and the BPER Group for the national and international financial community, helping to create a channel through which the latter can receive constant information.

In particular, the Investor Relations Office communicates with the shareholders, bondholders, investors, financial analysts and rating agencies in order to disseminate in a homogeneous manner correct and timely information and news about the activities, results, strategy and growth prospects of the Bank and the Group. Mention should be made of the various presentations, also by conference call, of the periodic consolidated results of the BPER Group addressed mainly to the financial community and the press.

The Investor Relations Office collaborates, as appropriate, with the External Relations and Corporate Social Responsibility Service, in managing the relationship with Shareholders through adequate and constant information on the life of the Bank and the Group.

Among its various activities, the External Relations and Corporate Social Responsibility Service maintains relations with journalists from national and local newspapers, prepares press releases and has them published in the media, organises press conferences and prepares communication plans, coordinating with other banks in the Group where necessary.

In addition, the Investor Relations Office collaborates, as appropriate, with the Sustainability and ESG Management Office, in managing information relating to ESG issues and in monitoring ESG ratings to which the Bank is subject.

Note that for disclosure to the market, as well as to the Bank's shareholders, of regulated and privileged information pursuant to arts. 113-ter and 114 of the Consolidated Finance Act, the Bank uses the "System of Disclosure of Relevant Information" (aka e-Market SDIR), an electronic system run by Spafid Connect S.p.A., a Mediobanca Group company which has its registered office at Foro Bonaparte 10, Milan. For the storage of the same Regulated Information, BPER makes use of the 1Info facilities provided by Computershare S.p.A., a company of the Computershare Group, located at Via Mascheroni 19, Milan. See Chapter 5 above for further information.



## 21 Shareholders' Meetings (art 123-bis, paragraph 2.c), Consolidated Finance Act)

The functioning of the Shareholders' Meeting is regulated by articles 10-16 of the Articles of Association, summarised hereunder.

The ordinary and extraordinary Shareholders' Meeting are held at the location specified in the notice of meeting, provided that this is in Italy.

The Shareholders' Meeting is held at a single calling. However, the Board of Directors can decide to call a Meeting at first, second or - for Extraordinary Shareholders' Meetings only - also at third calling. This decision has to be disclosed in the notice of calling.

The meetings are valid if held using remote communication systems, if this is provided for in the notice of calling, on condition that the identity of the persons entitled to attend is assured and that all participants are able to intervene in real time in discussions about the matters on the agenda, as well as to vote on the resolutions. In any case, the Chairman and the Secretary must be present at the place indicated in the notice of calling, as mentioned above, and the meeting is deemed to be held in that place.

The Shareholders' Meeting is called by the Board of Directors, through a notice of calling, within the time-scale and manner established by current regulations. The Meeting may also be called by the Board of Statutory Auditors, or by at least two Statutory Auditors, in the circumstances established by law.

The Board of Directors must call a Shareholders' Meeting, without delay, if requested in writing by sufficient shareholders that on the date of the request represent, individually or jointly, the minimum amount of capital for this purpose required by law. The application must be accompanied by the deposit of the certificates of participation in the centralised share management system, confirming the applicants' right to make such a request.

On the basis, with the timing and within the limits established by law, Shareholders representing, individually or jointly, the minimum capital required for this purpose by current regulations may, by written request, ask to integrate the list of matters to be discussed at the Shareholders' Meeting, specified in the notice of calling, or to submit proposed resolutions on matters already on the agenda. The application must be accompanied by the deposit of a copy of the communications of the authorised intermediaries, confirming the applicants' right to make such a request. Additions to the list of matters to be discussed cannot include matters for which, by law, the Meeting adopts resolutions based on a proposal from the Directors, or based on a draft or a report prepared by them.

The Meeting is chaired by the Chairman of the Board of Directors or by his alternate pursuant to the Articles of Association or, failing this, by the person elected by those present. The Chairman of the Meeting checks that the Meeting is quorate, verifies the identity and rights of those present, moderates the business conducted and determines the results of voting.

Except when the minutes of the Meeting are drawn up by a notary pursuant to art. 16 paragraph 2 of the Articles of Association, the Secretary of the Ordinary Shareholders' Meeting is the Secretary of the Board of Directors or, if absent, another shareholder appointed by the Meeting.

The Chairman can select two or more scrutineers from among those present.

The resolutions adopted at the Meeting must be recorded in the minutes, prepared by the Secretary, that are signed by the Chairman, the Secretary and the scrutineers, if appointed.

In the circumstances required by law and when considered appropriate by the Chairman, the minutes are taken by a notary appointed by the Chairman, who acts as Secretary to the Meeting.

The Ordinary Shareholders' Meeting must be called at least once each year, within one hundred and twenty days of the end of the financial year.

The Ordinary Shareholders' Meeting:

- on the reasoned proposal of the Board of Statutory Auditors, appoints the Auditors from among the registered auditors, determines their fees and any criteria for fee adjustments during their period of office; can, under certain circumstances, revoke their appointment, having consulted with the Statutory Auditors;
- determines, in accordance with applicable legal and regulatory requirements, the remuneration payable to the Directors. The remuneration of Directors that perform special duties pursuant to the Articles of Association is established by the Board of Directors, having heard the opinion of the Board of Statutory Auditors;
- determines the fees payable to the Statutory Auditors;
- approves of the remuneration policies in favour of the bodies with supervisory, management and control functions and the staff;
- approves any remuneration plans based on the use of financial instruments;
- approves the criteria for calculating any special remuneration to be awarded in the event of early termination of employment or stepping down ahead of schedule, including the limits set on such remuneration in terms of the number of years of the fixed portion of remuneration and the maximum amount that derives from applying these criteria;
- has the power to resolve, with qualified majorities required by current supervisory regulations, a ratio between the variable and fixed element of individual staff remuneration higher than 1:1, but not exceeding the maximum established in such regulations;
- resolves on all other matters reserved for it by law.

The Extraordinary Shareholders' Meeting resolves on all matters reserved for it by law.

Persons who have the right to vote are entitled to attend the Meeting if the Company has received, by the legal deadline, communication from the authorised intermediary certifying this right.

Each ordinary share gives the right to one vote as referenced in previous Paragraph 2.1.

Those who have the right to vote may be represented at the Meeting in compliance with the applicable regulations. The proxy can be notified electronically through the use of the appropriate section of the Company's website or by e-mail, as indicated in the notice of calling.

Postal voting is not allowed.

In accordance with current regulations, the Board of Directors can allow votes to be cast before and/or during the Shareholders' Meeting, without requiring the physical presence of the person or their proxy, through the use of electronic devices in ways to be communicated in the notice of calling of the Shareholders' Meeting, such as to ensure the identification of those who have the right to vote and security of communications.

Members of the Board of Directors may not vote on resolutions regarding their responsibility for actions.

As regards the quorum needed to constitute a Shareholders' Meeting, current regulations apply, as is the case for resolutions adopted thereby, without prejudice to articles 18, 19, 20, 31, 32 and 33 of the Articles of Association.

None of the shareholders proposed any additions or amendments to the items on the agendas for the



Shareholders' Meetings held in the past year.

BPER also adopted a specific regulation to govern the orderly and functional conduct of the meetings. Adoption of these regulations was approved by the Shareholders' Meeting held on 14 April 2018. At the date of this Report, the regulation is published on the website [www.bper.it](http://www.bper.it) – Institutional > Governance > Documents.

The aforementioned Regulation requires members of the Board of Directors, the Board of Statutory Auditors and General Management to attend Shareholders' Meetings.

Taking account of the need for caution to avoid risk situations owing to the COVID-19 epidemic and to protect the health of the Company's shareholders, employees, officers and advisors, in compliance with the provisions of art. 106, paragraph 4, of Decree Law no. 18 of 17 March 2020, converted with Law no. 27 of 24 April 2020, both Shareholders' Meetings were held in 2020 were held with entitled parties having no access to the Shareholders' Meeting venues, and attending exclusively through the designated representative, pursuant to art. 135-undecies of Legislative Decree no. 58 of 24 February 1998. The parties entitled to take part in the Shareholders' Meeting, therefore, were able to ensure free representation by the designated representative Computershare S.p.A., through conferral of the appropriate proxy containing voting instructions on all or some of the proposals on the agenda. The issue instructions were made available on the website [www.bper.it](http://www.bper.it) – Institutional > Governance > Shareholders' Meeting.

The meetings were attended by the Directors, Statutory Auditors and the meeting Secretary and designated representative in observance of the containment measures imposed by law. The members of the Board of Directors and the Board of Statutory Auditors were also able to participate using distance connection systems, in respect of the applicable provisions in force.

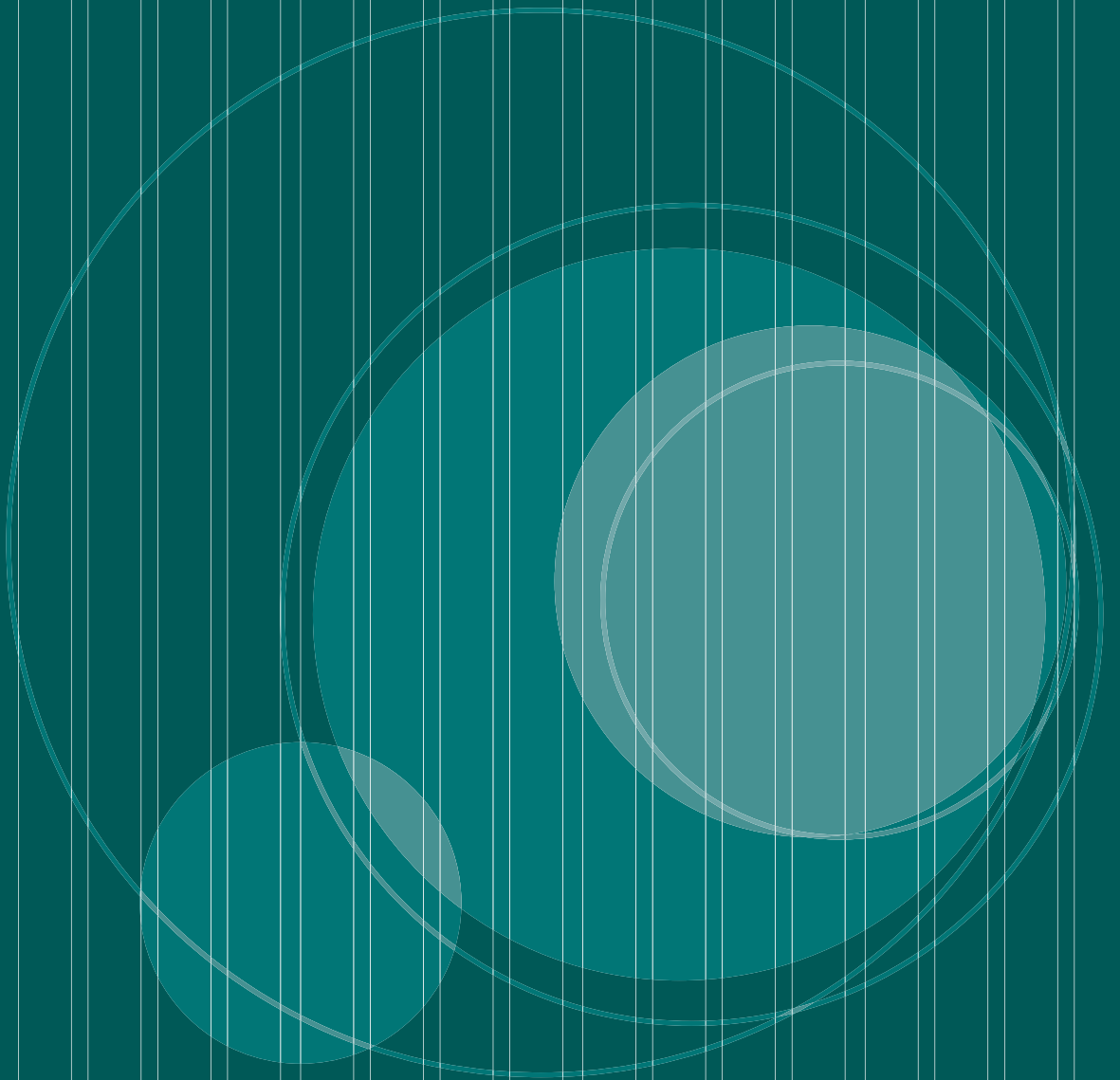
At the Shareholders' Meeting held on 22 April 2020, all the members of the Board of Directors and the Board of Statutory Auditors were present (in person or through distance connection means), with the exception of two Directors who gave apologies for their absence. As regards the members of General Management, the Deputy Vice General Manager, Stefano Rossetti, and the then Deputy General Manager, as well as the Bank's General Secretary, Mr. Gian Enrico Venturini were in attendance via distance connection means.

At the Shareholders' Meeting held on 6 July 2020, all the members of the Board of Directors and the Board of Statutory Auditors were present (in person or through distance connection means), with the exception of three Directors who gave apologies for their absence. As regards the members of General Management, the Deputy Vice General Manager, Stefano Rossetti, and the then Deputy General Manager, as well as the Bank's General Secretary, Mr. Gian Enrico Venturini also attended said assembly (in person or via distance connection means).

On presenting the materials and documentation pertaining to the items on the agenda, particularly the Directors' Report, the Chairman and/or the Chief Executive Officer ensure the provision of necessary information to the shareholders so that they may make informed decisions at the meeting. For information purposes, please note that the documentation on the agenda is also available on the website [www.bper.it](http://www.bper.it) – Institutional > Governance > Shareholders' Meeting.

The Remuneration Report pursuant to art. 123-ter of the Consolidated Finance Act is also submitted for approval at the annual Shareholders' Meeting held to approve the financial statements. This comprises the remuneration policies of the BPER Banca Group for the year to which the financial statements refer and annual disclosure regarding implementation of remuneration policies for the previous year. On this occasion, the Chairman of the Remuneration Committee informs the shareholders of the manner in which the Committee performed its duties.

At 31 December 2020, the market capitalisation of the Bank's shares was Euro 2.1 billion, compared with Euro 2.3 billion at 31 December 2019.



## 22. Additional corporate governance procedures (art. 123-bis, paragraph 2.a, Consolidated Finance Act)

On 29 January 2013, the Board of Directors of the Bank resolved to adhere to the opt-out system under arts. 70, paragraph 8, and 71, paragraph 1-bis of the Issuers' Regulation, as amended by CONSOB Resolution 18079 of 20 January 2012, taking advantage of the right to make an exception to the obligation to publish information documents in the event of significant mergers, spin-offs, increases in capital by contributions in kind, acquisitions and disposals.

Having taken account of CONSOB Resolution 19770 of 26 October 2016 that amended the Issuers' Regulation and of Borsa Italiana Recommendation 83 of 2 January 2017, BPER Banca has chosen voluntarily to carry on publishing additional periodic financial information with respect to the half-yearly and annual financial report, with reference to 31 March and 30 September of each financial year, including the information indicated in art. 154-ter paragraph 5 a) and b) of the Consolidated Finance Act (i.e. the data contained in the former interim financial reports), ensuring consistency and fairness as well as comparability with the corresponding data contained in the press releases and financial reports previously disclosed to the public.

### 22.1 General Management

General Management comprises the General Manager and one or more Deputy General Managers. They have to meet the requirements foreseen in current regulations. Pursuant to the Articles of Association, the General Manager:

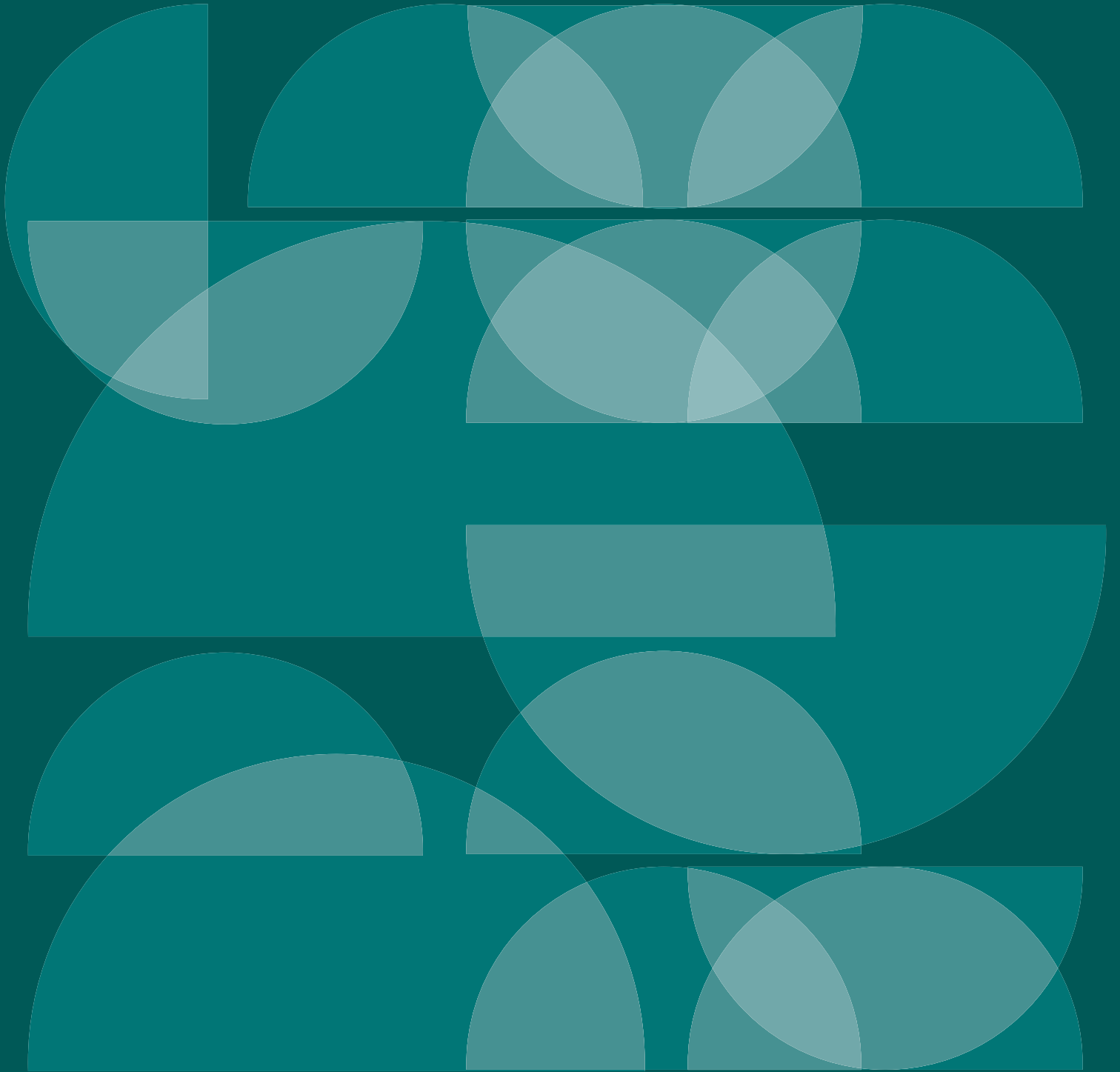
- a) is the head of the operating structure;
- b) is the head of personnel;
- c) manages all current affairs and carries out all transactions and all acts of ordinary administration not reserved to the competence of the Board of Directors and not delegated by the latter to the Executive Committee, the Chief Executive Officer or other members of General Management;
- d) handles the operating coordination of the Legal Entities;
- e) where he is not already a Director, takes part in the meetings of the Board of Directors. If absent or unavailable, the General Manager is replaced in the exercise of all attributed powers and functions by one or more members of General Management designated by the Board of Directors.

Without prejudice to the responsibilities listed above, the Board of Directors decides on the powers granted to each member of General Management.

The members of General Management report to the Board of Directors at least on a quarterly basis on how they have exercised their powers.

If absent or unavailable, the General Manager is replaced in the exercise of all attributed powers and functions by one or more members of General Management designated by the Board of Directors.

At the end of 2020, General Management comprised the General Manager, as well as the Chief Executive Officer, Alessandro Vandelli, the Deputy Vice General Manager Stefano Rossetti (Group Affairs Department) and the Deputy General Managers Pierpio Cerfogli (Chief Business Officer – CBO) and Eugenio Garavini (Chief Legal & Governance Officer – CLeGO and General Manager Support). In 2020, Gian Enrico Venturini (Chief Legal and Governance Officer – CLeGO) and Claudio Battistella (Chief Lending Officer – CLO), stepped down from the office of General Manager.



## 23. Changes since the end of the year

### Amendments to the Articles of Association

On 29 January 2021, the extraordinary Shareholders' Meeting approved a project involving amendments to the Articles of Association concerning the Bank's overall governance structure, prepared by the Board in exercising its power of evaluation of the corporate governance system, and also in order to take account of the evolution of the shareholding structure, following the transformation of the Bank to a company limited by shares in 2016.

The amendments concerned, in particular, the methods of appointment of the Board of Directors, as indicated in Chapter 4.1 of this Report.

Further minor changes concerned, among other things, the elimination of the honorary Chairman and the modification of the structure of bodies responsible for enforcement actions, making the appointment of the Executive Committee optional and, therefore, placing the assumption of the decision regarding the establishment of said body within the remit of the Board of Directors.

Lastly, as indicated in Chapter 18, changes were made to the rules that govern the composition of the Board of Statutory Auditors, reducing the total number of its standing members from five to three.

It should be noted that, on 15 December 2020, the proposed amendments to the Articles of Association were authorised by the European Central Bank.

In general, for further information on the events that have occurred between the end of 2020 and the date of this Report, reference should be made to the Directors' Report to the 2020 financial statements, as well as press releases published on the website [www.bper.it](http://www.bper.it) – Institutional > Media Relations and relevant documents that are available in other sections of the website.



## 24 Consideration on the letter of 22 December 2020 of the Chairman of the Corporate Governance Committee

In a letter dated 22 December 2020, the Chairman of the Corporate Governance Committee sent all issuers the usual communication about the monitoring work carried out, highlighting the main issues identified by the Committee during the year and making recommendations for the evolution of corporate governance in accordance with the principles set out in the Corporate Governance Code 2018.

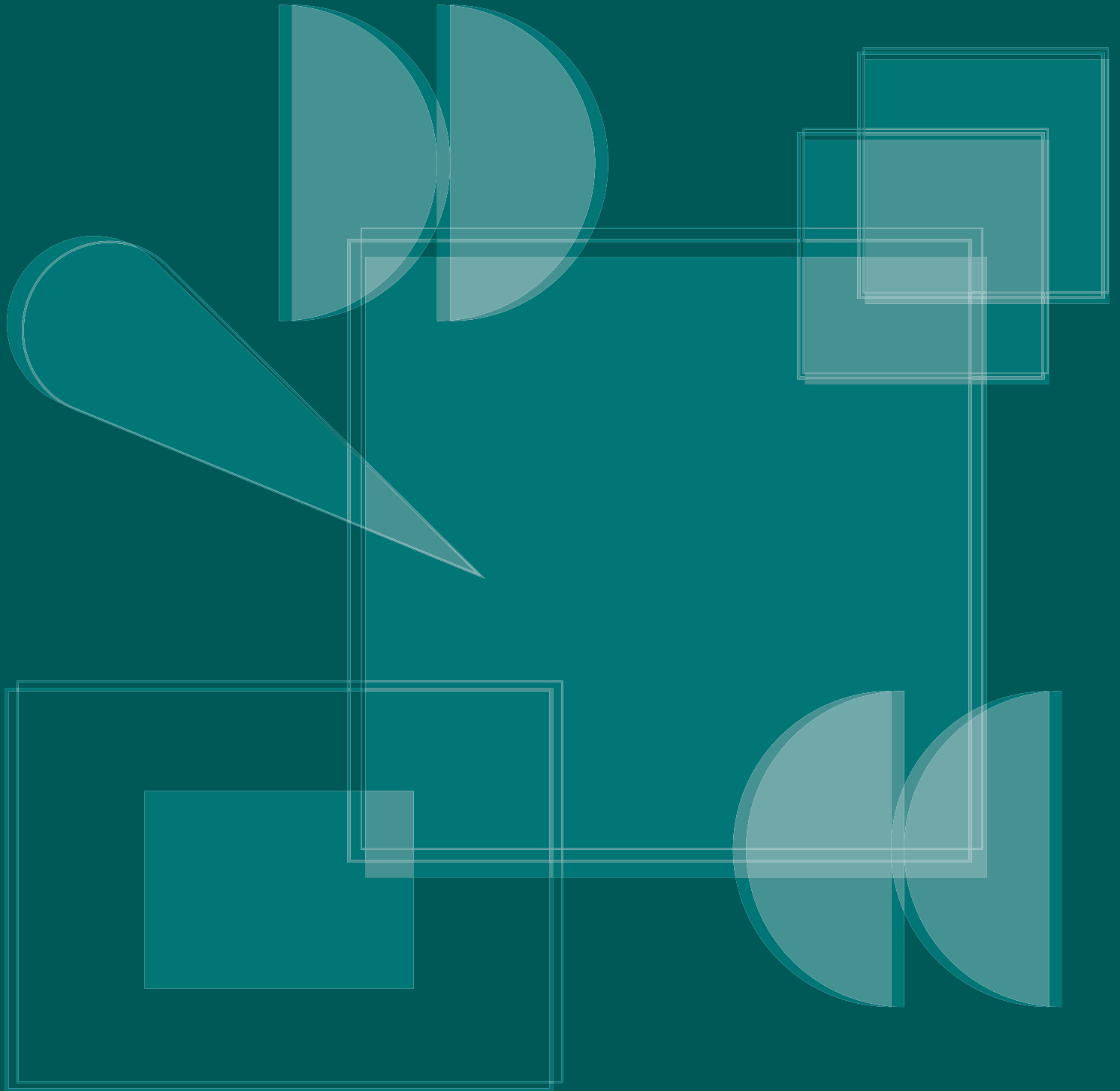
In light of the results of the 2020 report and considering that 2021 will represent the first year of application of the new edition of the Code, the Committee considered it useful to reconsider, for the current year, the set of recommendations provided over the last four years for all those areas characterised by persistent significant weaknesses.

Therefore, in short, the recommendations for 2021 concern the following aspects:

- the sustainability of business activities within the definition of strategies and the remuneration policy;
- information flows in the Board of Directors;
- the application of the independence criteria defined by the Code;
- the compensation recognised to non-executive directors and members of the Control Body;
- the self-assessment process of the Administrative Body;
- the process of appointment and succession of Directors;
- remuneration policies.

These recommendations were examined by the Board of Directors at the meeting on 3 February 2021, requiring them to be considered as part of work on the improvement of governance to be carried out.





## Table 1: Information on the ownership structure

The data reported in the Table are updated to 31 December 2020

STRUCTURE OF SHARE CAPITAL				
Type of shares	No. of shares	% of share capital	Listed (indicate the markets) / Not listed	Rights and obligations
Ordinary shares	1,413,263,512	100%	Mercato Telematico Azionario - MTA (screen-based stock market)	Voting right Equity rights
Multiple voting shares	/	/	/	/
Shares with limited voting right	/	/	/	/
Shares with no voting right	/	/	/	/
Other	/	/	/	/

OTHER FINANCIAL INSTRUMENTS (giving the right to subscribe newly issued shares)				
Types of financial instruments	Listed (indicate the markets) / Not listed	No. of instruments in issue	Category of shares in service of the conversion/exercise	No. of shares in service of the conversion/exercise
Convertible bonds	not listed	600 <sup>(1)</sup>	Ordinary shares	35,714,286
Warrants	/	/	/	/

SIGNIFICANT HOLDINGS OF SHARE CAPITAL <sup>(2)</sup>			
Declarant	Direct shareholders	% portion of ordinary share capital	% portion of voting capital
Unipol Group	Unipol Gruppo S.p.A. and UnipolSai Assicurazioni S.p.A.	18.9%	18.9%
Fondazione di Sardegna	Fondazione di Sardegna and Indaco SICAV SIF	10.2%	10.2%
Norges Bank	Norges Bank	3.8%	3.8%
Fondazione Cassa di Risparmio di Modena	Fondazione Cassa di Risparmio di Modena	1.3%	1.3%

(1): "Additional Tier 1" convertible bond issued on 25 July 2019 for a total nominal amount of Euro 150,000,000, subscribed for in full by Fondazione di Sardegna for a total price of Euro 180,000,000 (the bond conditions allow their conversion into BPER Banca shares with a maximum nominal value of Euro 150,000,000 and premium of Euro 42,857,142, via the issue of up to 35,714,286 ordinary shares at a unit price of Euro 4.2, of which Euro 3 allocated to capital and Euro 1.2 to share premium). The number of instruments in issue is 600 (unit nominal value of 250,000).

(2): Updated data based on the communications received pursuant to the legislation in force and other information available to the Issuer. The composition of the shareholding structure reported above is the result of analyses conducted by using mixed sources of data, such as entries in the shareholder book, communications issued to Consob, communications and documentation relating to the attendance of the company's Shareholders' Meeting and the exercise of company rights. The mixed sources, the different dates of updating them and the transactions regarding the company's shares ensure that the representation provided constitutes the best estimate of the composition of the shareholding structure, but are not as such to ensure they match the actual situation at the time of consultation.

## Table 2/a: Structure of the Board of Directors and Committees

The data reported in the Table are updated to 31 December 2020

Board of Directors										
Office	Members (Surname name)	Year of birth	Date of first appointment *	In office since	In office to	List **	Exec.	Non Exec.	In-dep. pursuant to Consolidated Finance Act	Indep. pursuant to CAD
Chairman <sup>1</sup>	Pietro Ferrari	10/10/55	11/01/13	14/04/18	31/12/20	BoD-M		x		
Chief Executive Officer <sup>2</sup> (•) ◇	Alessandro Vandelli	23/02/59	17/12/13	14/04/18	31/12/20	BoD-M	x			
Deputy Chairman <sup>3</sup>	Giuseppe Capponcelli	18/05/57	14/04/18	14/04/18	31/12/20	BoD-M		x	x	x
Director	Riccardo Barbieri	31/01/64	14/04/18	14/04/18	31/12/20	BoD-M	x			
Director	Massimo Belcredi	24/02/62	14/04/18	14/04/18	31/12/20	BoD-M		x	x	x
Director	Mara Bernardini	09/10/57	12/04/14	14/04/18	31/12/20	BoD-M		x	x	x
Director	Luciano Filippo Camagni	31/08/55	14/04/18	14/04/18	31/12/20	BoD-M	x			
Director <sup>4</sup>	Silvia Elisabetta Candini	02/07/70	06/07/20	06/07/20	31/12/20	m		x	x	x
Director	Alessandro Robin Foti	26/03/63	14/04/18	14/04/18	31/12/20	m		x	x	x
Director	Elisabetta Gualandri	12/06/55	28/08/12	14/04/18	31/12/20	BoD-M		x	x	x
Director	Ornella Rita Lucia Moro	04/07/61	14/04/18	14/04/18	31/12/20	BoD-M		x	x	x
Director	Mario Noera	30/03/52	14/04/18	14/04/18	31/12/20	BoD-M	x			
Director	Marisa Pappalardo	25/01/60	14/04/18	14/04/18	31/12/20	m		x	x	x
Director	Rossella Schiavini	08/05/66	14/04/18	14/04/18	31/12/20	BoD-M	x			
Director	Valeria Venturelli	08/09/69	16/04/16	14/04/18	31/12/20	BoD-M		x	x	x
Director	Roberta Marracino	17/12/67	08/04/17	14/04/18	30/06/20	m		x	x	x
<p><b>Quorum required for presenting lists at the latest renewal:</b> the list can be presented by shareholders who hold, including jointly, a stake of no less than 1% in the share capital or by the B.o.D. of BPER pursuant to art. 18, paragraph 8 of the Articles of Association.</p>										

### NOTES:

The symbols indicated hereunder are inserted in the "Office" column:

(•) This symbol indicates the Director responsible for the internal control and risk management system.

◇ This symbol indicates the Chief Executive Officer or CEO.

(1) On 17 April 2018, the B.o.D. appointed Mr. Ferrari as Chairman.

(2) On 17 April 2018, the B.o.D. confirmed Mr. Vandelli as Chief Executive Officer, a role that he has held since 15 April 2014.

(3) On 17 April 2018, the B.o.D. appointed Mr. Capponcelli as Deputy Chairman.

(4) On 6 July 2020, the Shareholders' Meeting appointed Ms. Silvia Elisabetta Candini as Director, replacing Ms. Roberta Marracino, who stepped down from office on 30 June 2020.

The symbols show hereunder are indicated in the column headings:

\* Date of first appointment of each director means the date on which the director was appointed for the first time ever to BPER Banca's BoD.

## Table 2/b: Structure of the Board of Directors and Committees

The data reported in the Table are updated to 31 December 2020

Board of Directors			Executive Committee		Control and Risk Committee		Appointments Committee		Remuneration Committee		Independent Directors' Committee	
Office	Members (Surname name)	Attendance at meetings (*)	Attendance at meetings (*)	P/M (**)	Attendance at meetings (*)	P/M (**)	Attendance at meetings (*)	P/M (**)	Attendance at meetings (*)	P/M (**)	Attendance at meetings (*)	P/M (**)
Chairman <sup>1</sup>	Pietro Ferrari	29/29										
Chief Executive Officer <sup>2</sup> (*) ◇	Alessandro Vandelli	29/29	14/14	M								
Deputy Chairman <sup>3</sup>	Giuseppe Capponcelli	28/29										
Director	Riccardo Barbieri	29/29	14/14	M								
Director	Massimo Belcredi	28/29					11/11	P				
Director	Mara Bernardini	29/29					11/11	M	21/21	P		
Director	Luciano Filippo Camagni	29/29	14/14	M								
Director <sup>4</sup>	Silvia Elisabetta Candini	14/14					66	M	88%	M		
Director	Alessandro Robin Foti	29/29			41/42	M						
Director	Elisabetta Gualandri	29/29			42/42	P			21/21	M	17/17	M
Director	Ornella Rita Lucia Moro	29/29			41/42	M						
Director	Mario Noera	28/29	14/14	M								
Director	Marisa Pappalardo	28/29									17/17	M
Director	Rossella Schiavini	29/29	14/14	P								
Director	Valeria Venturelli	29/29			42/42	M					17/17	P
Director	Roberta Marracino	13/15					5/5	M	11/12	M		
<b>Total no. meetings held during the reference year</b>		<b>BoD: 29</b>	<b>EC: 14</b>		<b>CRC: 42</b>		<b>AC: 11</b>		<b>RM: 21</b>		<b>IDC: 17</b>	

\*\* This column indicates the list from which each director is taken (“M”: majority list; “m”: minority list; “BoD”: list presented by the BoD).

### NOTES:

(\*) This column indicates the attendance of each member at meetings of the body in question during the reference year or, if appointed during the year, during the actual period of office of said member: no. attendances / no. meetings held (indicate the number of meetings in which he/she has participated out of total meetings that he/she could have been attended; e.g. 6/8; 8/8 etc.).

(\*\*) This column indicates the role of the director in the Committee “P”: chairman/chairwoman; “M”: member.

### Table 3: List of offices held by the members of the Board of Directors

The information shown here reflects what is known by the Bank at the date of this Report.

REPRESENTATIVE	OFFICE	COMPANY
<b>Mr. Pietro Ferrari</b>	Chairman of the B.o.D.	BPER Banca S.p.A.
	Chairman of the B.o.D.	Ing. Ferrari S.p.A.
	Chairman	Confindustria Emilia Romagna
	Member of the General Council	Confindustria
	Member of the Technical Group Credit and Finance	Confindustria
<b>Mr. Alessandro Vandelli</b>	Chief Executive Officer	BPER Banca S.p.A.
	Acting Deputy Chairman and Member of the Executive Committee	ABI - Associazione Bancaria Italiana
	Member of the Governing Council	Federazione delle Banche, delle Assicurazioni e della Finanza (FeBAF)
<b>Mr. Giuseppe Capponcelli</b>	Deputy Chairman	BPER Banca S.p.A.
	Deputy Chairman	Nexi S.p.A.
	Sole Director	Geco S.r.l.
<b>Mr. Riccardo Barbieri</b>	Director and Member of the Executive Committee	BPER Banca S.p.A.
	General Manager	Fidicoop Sardegna Soc. coop.
<b>Mr. Massimo Belcredi</b>	Director	BPER Banca S.p.A.
	Director	Erg S.p.A.
<b>Ms. Mara Bernardini</b>	Director	BPER Banca S.p.A.
	Chairwoman of the B.o.D.	Atriké S.p.A.
	Sole Director	WAY@ S.r.l.
<b>Mr. Luciano Filippo Camagni</b>	Director and Member of the Executive Committee	BPER Banca S.p.A.
	Director	QC Terme S.r.l.
	Director	Finchimica S.p.A.
	Director	Omnisyst S.p.A.
<b>Ms. Silvia Elisabetta Candini</b>	Director	BPER Banca S.p.A.
	Director	Recordati S.p.A.
<b>Mr. Alessandro Robin Foti</b>	Director	BPER Banca S.p.A.
<b>Ms. Elisabetta Gualandri</b>	Director	BPER Banca S.p.A.
	Director	IGD SIIQ S.p.A.
	Director	ABIServizi S.p.A.
	Director	MAT3D S.r.l.
<b>Ms. Ornella Rita Lucia Moro</b>	Director	BPER Banca S.p.A.
	Director	Sasso Blu S.r.l.
<b>Mr. Mario Noera</b>	Director and Member of the Executive Committee	BPER Banca S.p.A.
<b>Ms. Marisa Pappalardo</b>	Director	BPER Banca S.p.A.
	Director	Pirelli & C. S.p.A.
<b>Ms. Rossella Schiavini</b>	Director and Chairman of the Executive Committee	BPER Banca S.p.A.
	Director	Marr S.p.A.
<b>Ms. Valeria Venturelli</b>	Director	BPER Banca S.p.A.

**Table 4: Structure of the Board of Statutory Auditors at 31/12/2020**

BOARD OF STATUTORY AUDITORS									
Office	Members (Surname name)		Year of birth	Date of first appointment *	In office since	In office to	List **	Indep. pursuant to CAD	Attendance at meetings ***
Chairman <sup>1</sup>	Paolo	De Mitri	14/10/63	14/04/18	17/04/19	31/12/2020	m	X	49/49
Acting Auditor <sup>1</sup>	Cristina	Calandra Buonauro	24/07/71	14/04/18	17/04/19	31/12/2020	M	X	49/49
Acting Auditor	Diana	Rizzo	21/07/59	18/04/15	14/04/18	31/12/2020	M	X	48/49
Acting Auditor	Francesca	Sandrolini	13/03/67	18/04/15	14/04/18	31/12/2020	M	X	49/49
Acting Auditor	Vincenzo	Tardini	07/02/60	18/04/15	14/04/18	31/12/2020	M	X	49/49
Alternate Auditor <sup>1</sup>	Patrizia	Tettamanzi	11/12/69	17/04/19	17/04/19	31/12/2020	m	X	/
Alternate Auditor <sup>1</sup>	Veronica	Tibiletti	17/09/78	17/04/19	17/04/19	31/12/2020	M	X	/
STATUTORY AUDITORS WHO LEFT OFFICE IN 2020									
<b>Quorum required for presenting lists at the latest appointment:</b> the list must be presented by shareholders who hold, including jointly, a stake of no less than 0.50% in the share capital pursuant to art. 31, paragraph 4 of the Articles of Association.									
<b>No. meetings held during the reference year: 49</b>									

NOTES:

(1) Mr. De Mitri and Ms. Calandra Buonauro took over the offices, respectively of Chairman and Acting auditor, replacing the outgoing Mr. Ramenghi and Mr. Mele. As Alternate Auditors, who took over during the year, they remained in office until the next Shareholders' Meeting of 17 April 2019, at the time of which they were candidates - and were elected - to take over as Acting Auditors. Therefore, said Shareholders' Meeting supplemented the Board of Statutory Auditors by electing two new Alternate Auditors as their replacements: Ms. Tettamanzi and Ms. Tibiletti. All four newly appointed members shall remain in office for the rest of the period of the mandate of those they replace, hence for the remainder of the 2018-2020 three-year period, as per the election by the Shareholders' Meeting of 14 April 2018.

The symbols show hereunder are indicated in the column headings:

\* Date of first appointment of each Statutory Auditors means the date on which he/she was appointed for the first time ever to BPER's Board of Statutory Auditors.

\*\* This column indicates M/m depending on whether the member has been taken from the majority (M) or the minority (m) list.

\*\*\* This column indicates the attendance of each member at meetings of the body in question during the reference year or, if appointed during the year, during the actual period of office of said member: no. attendances / no. meetings held (indicate the number of meetings in which he/she has participated out of total meetings that he/she could have been attended; e.g. 6/8; 8/8 etc.).

## Table 5: List of offices held by the members of the Board of Statutory Auditors

The information shown here reflects what is known by the Bank at the date of this Report.

REPRESENTATIVE	OFFICE	COMPANY
<b>Mr. Paolo De Mitri</b>	Chairman of the Board of Statutory Auditors	BPER Banca S.p.A.
	Chairman of the Board of Statutory Auditors	Hyle Capital Partners SGR S.p.A.
	Chairman of the Board of Statutory Auditors	Biesse S.p.A.
	Chairman of the Board of Statutory Auditors	Riello Investimenti S.p.A.
	Chairman of the Board of Statutory Auditors	FHS&C S.p.A.
	Chairman of the Board of Statutory Auditors	Foodness S.p.A.
	Chairman of the Board of Statutory Auditors	First Advisory S.r.l.
	Chairman of the Board of Statutory Auditors	Towerclean S.p.A.
	Chairman of the Board of Statutory Auditors	Ghibli & Wirbel S.p.A.
	Acting Auditor	Investitori First S.r.l.
	Sole Auditor	Omniafibre S.r.l.
	Sole Auditor	Aerogest S.r.l.
	Deputy Chairman	CDS Consulting S.r.l.
	Director	CDS Immobiliare S.r.l.
	Director	CDS & Associati S.S.
	Liquidator	PDM S.r.l. in liquidazione (in liquidation)
Alternate Auditor	Minor S.p.A.	
<b>Ms. Cristina Calandra Buonauro</b>	Acting Auditor	BPER Banca S.p.A.
<b>Ms. Diana Rizzo</b>	Acting Auditor	BPER Banca S.p.A.
	Chairwoman of the Board of Statutory Auditors	TAS S.p.A.
	Chairwoman of the Board of Statutory Auditors	Unicom S.r.l.
	Chairwoman of the Board of Statutory Auditors	Fin-Firel S.p.A.
	Acting Auditor	L. B. Officine Meccaniche S.p.A.
	Acting Auditor	PLT Wind S.p.A.
	Acting Auditor	Hyle Capital Partners SGR S.p.A.
	Acting Auditor	Kronos 2 Ceramiche S.p.A.
	Acting Auditor	Landi Renzo S.p.A.
	Managing partner	GI.RA. di Giulio Rayneri & C. S.S.
	Managing partner	GI.EL. S.S.
	Managing partner	DI.MA S.S. di Diana Rizzo & C.
	Managing partner	MA.DI S.S. di Diana Rizzo & C.
	Managing partner	Studio Professionisti S.s. - S.T.P.
	Limited Partner	Immobiliare S.P. S.a.s. di Canali Giancarlo e C.
	Alternate Auditor	OWL S.p.A.

	Alternate Auditor	Autin S.p.A.
	Alternate Auditor	Fin Twin S.p.A.
	Alternate Auditor	Finfloor S.p.A.
	Alternate Auditor	Florim Ceramiche S.p.A.
<b>REPRESENTATIVE</b>	<b>OFFICE</b>	<b>COMPANY</b>
<b>Ms. Francesca Sandrolini</b>	Acting Auditor	BPER Banca S.p.A.
	Chairwoman of the Board of Statutory Auditors	Ceuta S.p.A.
	Acting Auditor	GVS S.p.A.
	Acting Auditor	Marconi Gomma Group S.p.A.
	Acting Auditor	Saccaria Immobiliare e di Partecipazioni S.p.A.
	Acting Auditor	Marchesini Investment Group S.r.l.
	Acting Auditor	Società Investimenti di Maurizio Marchesini e C. S.a.p.a.
	Acting Auditor	Schmucker S.r.l.
	Acting Auditor	Proteo Engineering S.r.l.
	Common Representative of the Bondholders	Marchesini Group S.p.A.
	Sole Auditor	OMAC S.r.l.
	Alternate Auditor	HBC S.p.A.
	Alternate Auditor	Site S.p.A.
	Alternate Auditor	Rapid immobiliare S.r.l.
	Alternate Auditor	Rapid Lamiere S.p.A.
Alternate Auditor	Saccaria Caffè S.r.l.	
<b>Mr. Vincenzo Tardini</b>	Acting Auditor	BPER Banca S.p.A.
	Chairman of the Board of Statutory Auditors	Consorzio Gruppo CEIS Cooperativa Sociale
	Acting Auditor	CEIS A.R.T.E. Cooperativa Sociale Onlus
	Acting Auditor	Unioncamere Emilia Romagna Servizi S.r.l.
	Acting Auditor	Fondazione CEIS Onlus
	Director	Bal-Fin S.p.A.
	Sole Director	EdilNova S.r.l.
	Sole Director	G & G - S.r.l.
	Managing partner	Azienda Agricola Dott. Paolo Tardini di Tardini Dott. Luigi e F.Ili S.S.
	Alternate Auditor	Opera Group S.r.l.
	Alternate Auditor	AET S.r.l.



By  
BPER Banca

Concept & Design  
Mediamo

For information, please contact  
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