

BPER:

Shareholders' Meeting of 19 April 2024

Report of the Board of Directors

on item 6 on the agenda of the ordinary session

BPER Banca S.p.A.**Shareholders' Meeting of 19 April 2024*****Report of the Board of Directors
on item 6 on the agenda of the ordinary session******Engagement of the independent auditors for the years 2026-2034 and determination of their fees, in addition to any criteria for fee adjustments during the assignment.***

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Shareholders,

With the approval of the Financial Statements for financial year 2025 by the Shareholders' Meeting of BPER Banca, the statutory audit mandate granted to the auditors Deloitte & Touche S.p.A. for the financial years 2017-2025 by the Shareholders' Meeting of 26 November 2016 will expire.

With their mandate coming to an end, it is therefore necessary to proceed in good time to identify the new independent auditing firm, in compliance with the regulations in force concerning the statutory audit of "Public Interest Entities" ("PIE") – a category to which BPER also belongs as a bank and a company issuing securities admitted to trading on regulated markets in Italy and the European Union – laid down in particular in Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 ("Regulation 537/2014") and in Italian Legislative Decree 39 of 27 January 2010 ("Italian Legislative Decree 39/2010").

In this regard, it is in fact recalled that, pursuant to Article 5, paragraph 1, letter b), of Regulation 537/2014, the "incoming" auditor – which for PIEs, by virtue of the provisions of Article 17 of Italian Legislative Decree 39/2010, must necessarily be different from the "outgoing" auditor, since the statutory audit engagement has a mandatory duration of nine financial years, and cannot be conferred again to the same auditor unless at least four financial years have elapsed since the date of termination of the previous engagement – is prohibited from providing certain services during the financial year immediately preceding the beginning of the audited period (i.e., in the present case, during financial year 2025) in order to comply with the so-called cooling-in period.

In consideration of the above, the Bank, with the aim of (i) monitoring the compliance of the incoming auditor with the aforementioned prohibition to guarantee its independence and (ii) organising the handover between the outgoing auditor and the new auditor in a more functional and effective manner, has decided to start the process of selecting the new auditor in good time, in compliance with the provisions of the regulations in force, and in particular Article 16 of Regulation 537/2014, as well as in line with industry best practices.

In light of all the above, the Board of Directors therefore submits to the approval of the Shareholders' Meeting the following reasoned proposal of the Board of Statutory Auditors, formulated pursuant to the combined provisions of Article 13 of Italian Legislative Decree 39/2010 and Article 16 of Regulation 537/2014, concerning the appointment of the statutory audit engagement for the financial years 2026-2034, the determination of the related fee, as well as the criteria for any adjustment of such fee during the engagement.

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**“Proposal of the Board of Statutory Auditors
for the engagement of the statutory audit of the accounts
for the nine-year period 2026-2034**

Shareholders,

With the approval of the annual financial statements of BPER Banca S.p.A. (“**BPER**” or the “**Bank**”) as at 31 December 2025, the mandate for the statutory audit granted by the Shareholders' Meeting of 26 November 2016 to Deloitte & Touche S.p.A. (“**Deloitte**”) for the nine-year period 2017-2025 will expire. In this regard, it should be noted that, pursuant to Article 17 of Italian Legislative Decree 39 (“Italian Legislative Decree 39/2010”), as subsequently amended and supplemented, this appointment may not be renewed, considering that, for “Public Interest Entities” (“**PIE**”) - a category to which BPER belongs as a bank and a company issuing securities admitted to trading on regulated markets in Italy and the European Union - the statutory audit mandate lasts for nine financial years, and cannot be conferred to the same auditor unless at least four financial years have elapsed since the termination of the previous mandate.

It should also be noted that, pursuant to Article 5, paragraph 1, letter b), of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 (“Regulation 537/2014”), the “incoming” auditor is prohibited from providing certain services during the year immediately preceding the start of the audited period (i.e., in this case, during financial year 2025) in order to comply with the so-called cooling-in period.

Finally, please note (i) that, pursuant to Article 13 of Italian Legislative Decree 39/2010, *the Shareholders' Meeting “[...] shall, upon the reasoned proposal of the supervisory body, grant the statutory audit mandate and determine the fee payable to the statutory auditor or the independent auditing firm for the entire duration of the mandate and any criteria for adjusting that fee during the term of the mandate”.*

In light of all the above, taking into account:

- the size and complexity of the BPER Group;
- the aforementioned regulatory provisions on:
 - ✓ renewal of the statutory audit mandate;
 - ✓ independence, in particular with regard to the cooling-in period rule,

it was decided to proceed with the process to select the new auditors of the BPER Group (the “Group”) for the financial years 2026-2034, well in advance of the start of the new assignment.

The early appointment of the auditors in fact makes it possible to organise the handover between the outgoing auditor and the new auditor in a more efficient and functional manner, to comply with the time limits set to safeguard the independence of the auditor (a.k.a cooling-in period, pursuant to letter b) Article 5, paragraph 1 of Regulation (EU) no. 537/2014), and to start the appointment process also by the other companies of the BPER Group in order to have a single auditor, as established in the Group's internal regulations.

The entire process of selecting the statutory auditor was supervised and coordinated by the Board of Statutory Auditors, in its capacity as internal control and audit committee pursuant to Article 19, paragraph 1, letter f), of Italian Legislative Decree 39/2010.

Guiding criteria in the auditors selection process

The selection process and the request for quotation on the services to be provided were carried out in accordance with the regulations in force, specifically the criteria set out in the aforementioned Article 16 of Regulation 537/2014.

This process was coordinated by the Manager responsible for preparing the Company's financial reports (pursuant to Article 154-*bis* of the Consolidated Law on Finance), supported by the *Financial & Sustainability Reporting Supervision* Unit ("FSRS Unit"), an organisational structure reporting directly to said Manager, which handles, within the Group's Internal Control System, the process of granting a statutory audit mandate to the auditing firm and its network pursuant to Regulation 537/2014.

The Board of Statutory Auditors, in its role as the internal control and audit committee and as the party responsible for the procedure for selecting the auditors, oversaw the entire process put in place by the relevant company structures, in particular at the meetings held on 18 July, 5 September, 19 September, 27 November, 1 December and 5 December 2023, 11 January, 5 February and 4 March 2024.

Identification of the participants and subject matter of the tender

A preliminary assessment was made in order to identify the auditors to be invited to the selection procedure. For this purpose, the Transparency Reports published by the auditing firm with reference to the financial year 2022 and the professional appointments/services performed in favour of banks listed in Italy, as identified by Borsa Italiana ("Super Sector"), as at the reference date of 31 December 2022, were assessed. At the end of this process, the following auditors were identified and invited: i) BDO Italia S.p.A. ("**BDO**"); ii) PriceWaterhouseCoopers S.p.A. ("**PWC**"); iii) Ernst & Young S.p.A. ("**EY**"); iv) KPMG S.p.A. ("**KPMG**").

The essential elements of the tender in which the above-mentioned auditors ("**Bidding Companies**") were invited to participate are set out below.

- Purpose. It was requested that a bid be formulated with regard to the provision of services related to the statutory audit of BPER Banca and the companies included in the BPER Group's consolidation scope (recurring assignments), as well as optional activities that may be requested by the companies of the BPER Group, with specific assignments, should they be necessary (non-recurring assignments).
- Structure of the proposal. The Bidding Companies were asked to structure their proposal in the following sections for subsequent evaluation:
 - o Administrative Section. Information useful for assessing any situations of incompatibility with respect to the performance of statutory audit activities, such as, independence, the impact on BPER's corporate functions from a change of an advisor due to incompatible activities, auditor rotation, any sanctions imposed by Consob, etc.
 - o General Section. Information on the structure of the Bidding Company, with particular regard to experience gained in the banking sector because of assignments carried out in listed banks subject to supervision by the ECB, as well as the presence of its representatives in the bodies in charge of drafting guidelines and standards for the preparation of the financial statements, including the sustainability report, etc.
 - o Technical Section. Information on the audit process, with particular regard to its technicality, automation and strategy, in order to assess the effectiveness of the process also with respect to the Bank's corporate functions directly involved.

- Professional Section. Information on the team assigned to the task, either directly or as support, to assess its level of seniority, competence and professionalism, also on the basis of existing relationships with the BPER Group.
- Economic Section. Detailed information on fees, planned hours and professional mix used for each activity.
- Submission procedure. It was requested that bids be submitted by Certified Electronic Mail to the addresses specified in the Letter of Invitation and also via the computer platform “Supplier Portal” (*Jaggaer*);
- Specific requests made to the Bidding Companies. Bidding Companies were asked to comply with some basic requirements when submitting their proposals. In particular:
 - restriction on the mix of resources used: minimum level of effort required from partner resources (10%) as well as managers and senior managers (15%) in relation to the total performance of the audit team;
 - restriction on the request for additional fees: it was specified that the fees for the mandate are to be understood as fixed for the entire duration of the contract, without prejudice to the ISTAT adjustment and the occurrence of exceptional circumstances, unforeseeable at the time the bid was drawn up and such as to result in a significant additional effort on the part of the auditors. In this regard, it was noted, by way of a non-limiting example, that the updating of applicable Accounting Standards or Auditing Standards is not in itself sufficient to justify an increase in fees. With regard to the amount of increased efforts required, it was also specified that this can only be regarded as relevant when it leads to an increased fee of at least 15% of the total basic consideration for each financial year.

Bid Evaluation Criteria

The Bank has identified qualitative and quantitative selection criteria in order to ensure a process characterised by transparency and traceability of the activities carried out and decisions made.

In defining the selection criteria, the aim was to take into account both qualitative elements (knowledge of the Group, characteristics of the audit firm and its network, proposed methodological approach, team composition, etc.) and quantitative elements (bid amount, total number of hours and areas of intervention).

In particular, considering the primary objective of pursuing a high standard of quality in the audit service, it was deemed appropriate to modulate the weight of the economic aspect in such a way as to avoid this alone having a decisive impact on the selection of the auditor.

As such, the total score of 100 points was broken down as follows:

- administrative section: 25 points;
- general section: 15 points;
- technical section: 20 points;
- professional section: 15 points;
- economic section: 25 points.

Conducting the tender

The bids submitted by the four Bidding Companies (the “**Bids**”) were received by the Bank in the required time frame, supplemented by the necessary information and documentation.

On the basis of the Bids received and the in-depth meetings held, in the presence of the Manager in charge of preparing the Company's financial reports and the FSRS Unit, between the Board of Statutory Auditors and the individual Bidding Companies, the competent corporate functions of the Bank have assessed the Bids in detail through an analysis of the individual distinctive and qualifying aspects of each Bid, on the basis of the Evaluation Criteria mentioned above.

Specifically, at this stage, the Manager in charge of preparing the Company's financial reports and the FSRS Unit:

- have carried out in-depth examinations and checks on the declarations provided by the Bidding Companies, as well as specific inquiries into the existence of the independence requirement;
- have acquired information from the main internal functions on the qualitative and quantitative aspects of the advisory relationships maintained with the Bidding Companies and the other companies in their respective networks, including in order to assess any possible existing and prospective risk in terms of objectivity and independence of judgement.

The analyses conducted also took into account the provisions and/or indications of the Supervisory Authorities on statutory audits (e.g. on independence, compulsory insurance coverage, professionalism in the composition of the team), as well as the information and experience data provided by the Manager in charge of preparing the Company's financial reports.

Assessment of the bids

Following the meetings and analyses carried out on the documentation received from the Bidding Companies, the Bank prepared the Assessment Template Model (hereinafter also referred to as the "Model") for the individual Bids, which assigned a score to each Bidding Company on the basis of the criteria defined and summarised above (expressed in hundredths):

Company	TOT
KPMG	88.6
PWC	84.4
EY	78.6
BDO	64.0

The score assigned corresponds to the algebraic sum of the scores obtained by each Bid with reference to the individual sections indicated above (Administrative, General, Technical, Professional, Economic).

The Board of Statutory Auditors examined and validated the Model at its meeting of 11 January 2024, identifying KPMG and PWC as the two best Bidding Companies, which were therefore identified as falling within the so-called "scope of recommendation" of the Board of Statutory Auditors (the "**Short List**").

Focusing on the aforesaid companies – and assuming that both KPMG and PWC (the "**Short List Companies**") are to be considered well-structured and that the respective Bids are both to be considered in line with the tender specifications and, therefore, in relative terms, essentially equivalent – the specific aspects for each section are outlined below:

- **Administrative Section.** Both Short List Companies guarantee the strictest compliance with the independence requirements of the applicable regulations and these requirements consistently guide their conduct. In the context of existing and prospective consultancy assignments, the self-

certified evidence of KPMG and PWC was cross-referenced with the BPER Group's internal evidence in order to verify the possible presence of incompatible services and any impact on the Bank's internal structures. In this regard, particular attention was paid to the possible implications of the potential termination and/or non-renewal of existing services with the Short List Companies that would constitute causes of incompatibility with the statutory audit activity by the winning company to which the assignment will be entrusted;

- **General Section.** The company structures of both Short List Companies are solid and have, albeit with different characterisations and levels, organisation and technical-professional suitability appropriate to the scale and complexity of the task. In this regard, particular attention was paid to the experience and expertise gained in the banking and financial sector by both the aforesaid companies as statutory auditors of major and highly capitalised Italian listed companies subject to direct supervision by the ECB;
- **Technical Section.** The technical part is very strong and structured for both Short List Companies. In this regard, among other things, the tools used to support the audit process were taken into account, with evidence of the restrictions and opportunities associated with them. It must be said that, for the BPER Group, innovation must be a driving force for a new approach to auditing that ensures greater information integration between the auditing firm and the BPER Group, to the benefit of the quality of auditing activities, and with a consequent lower burden on the Bank's internal structures;
- **Professional Section.** Both Short List Companies have structured a team capable of adopting an integrated approach to the audit process and guaranteeing technical expertise and quality of service. In the assessment parameters, particular relevance was given to the presence in the team of professionals with proven experience in the audit of Italian listed companies operating in the BPER Group's reference sectors; in this regard, special attention was paid to the professional references accrued in the BPER Group in recent years by the members of the audit team identified by the companies.

With reference to the **Economic Section**, as provided for in the Invitation Letter, after the Companies on the Short List were identified and shared with the Board of Statutory Auditors during the meeting held on 11 January 2024, BPER proceeded to request from both of the aforesaid companies a "relaunch" of the economic proposal with respect to that contained in the initial Bids (the "**Relaunch**").

In the subsequent meeting held on 5 February 2024, the Board of Statutory Auditors then reviewed the bids of PWC and KPMG submitted after the aforementioned Relaunch procedure (the "**New Bids**"), noting that, all conditions being equal, which had already been analysed and reflected in the Assessment Model (Administrative, Technical, Professional and General Sections), the results of the Relaunch did not reveal any deviations and/or differences such as to substantially alter the applied Assessment Model.

In the Relaunch, both KPMG and PWC in fact proposed an equal discount of approximately 9% of the amounts indicated in the Initial Bid. More specifically:

- PWC proposed a discount on the fees of around 9%, leaving the out-of-pocket expenses (5%) unchanged, thus for a Final Bid, inclusive of expenses, of Euro 1,774,500, compared to an Initial Bid (inclusive of expenses) of Euro 1,939,969.50;
- KPMG made a discount on the fees of around 4% and proposed zeroing the reimbursement of out-of-pocket expenses, originally quantified at 5%, thus for a Final Bid of Euro 1,825,000, compared to an Initial Bid (including expenses) of Euro 1,998,171.

The table below shows the main cost components of the Final Bids of PWC and KPMG after the Relaunch described above, both in total terms and for each of the recurring services included in the assignment.

TYPE OF RECURRING SERVICES	PWC	KPMG
BPER BANCA	FEES	FEES
Statutory auditing of the separate and consolidated annual report	658.685,00	561.189,00
Limited Review Report of the consolidated financial statements as at 31 March and 30 September	232.650,00	141.454,00
Limited Review Report of the condensed consolidated half-year report	158.625,00	175.798,00
Profit for the year inclusion in CET1 calculation	21.150,00	26.506,00
Auditing of the Non-Financial Statement	60.055,00	55.736,00
Other (bookkeeping, tax returns, MIFID II, SRF, FNG National Guarantee Fund)	123.565,00	210.927,00
TOTAL BPER BANCA	1.254.730,00	1.171.610,00
OTHER COMPANIES OF THE BPER GROUP	592.860,00	731.410,00
Discount applied	- 157.590,00	- 78.020,00
Total recurring services	1.690.000,00	1.825.000,00
Out-of-pocket expenses	84.500,00	-
TOTAL RECURRING SERVICES OFFERED	1.774.500,00	1.825.000,00

The amounts indicated are annual and must be subject to ISTAT variations, the supervisory fee payable to Consob and VAT.

For both Short List Companies, these amounts are to be understood as fixed for the entire duration of the mandate (2026-2034) and can only be changed for exceptional circumstances, and such that they result in a significant additional effort on the part of the auditors. In this regard, it should be noted, by way of a non-limiting example, that an update of the applicable Accounting Standards or Auditing Standards is not in itself sufficient to justify an increase in fees. With regard to the amount of increased efforts required, this may only be regarded as relevant when it leads to an increased fee of at least 15% of the total basic consideration for each financial year.

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In light of all the above, the Board of Statutory Auditors, following the described selection procedure,

- taking into account the bids submitted by the four independent auditors invited to participate in the selection procedure – i.e. BDO Italia S.p.A. (“**BDO**”), PriceWaterhouseCoopers S.p.A. (“**PWC**”), Ernst & Young S.p.A. (“**EY**”), KPMG S.p.A. (“**KPMG**” and, together with the other companies, the “**Bidding Companies**”) – and, in particular, of the bids submitted at the time of the relaunch by the two companies classified in the first two places in the tender ranking, i.e. PWC and KPMG (the “**Short List Companies**”);
- considering that Article 13 of Italian Legislative Decree 39/2010 provides that the Ordinary Shareholders' Meeting shall resolve on the appointment of the statutory auditors and the determination of the relative fee, as well as any adjustment criteria, upon the reasoned proposal of the Board of Statutory Auditors;
- considering also that Article 16, (2)(2) of Regulation (EU) No. 537/2014 provides that the Board of Statutory Auditors must indicate at least two possible engagement alternatives, expressing its duly justified preference for one of the aforementioned two alternatives;
- having noted that the described evaluation process – although structured and designed on a rational basis to take into account all the aspects relevant to the appointment of the auditor – is inevitably conditioned by degrees of approximation and subjectivity, and that therefore the Board of Statutory Auditors itself, in order to be able to express its preference for one of the Short List

Companies, as required by the aforesaid regulations, has taken into account the scores expressed in the selection process, not limiting its own conclusive assessments to such scores,

PROPOSES

to the Ordinary Shareholders' Meeting of BPER Banca S.p.A. to grant the mandate for the statutory audit of the accounts and of the consolidated accounts of BPER Banca S.p.A. for the financial years 2026-2034, under the terms and conditions, including those of an economic nature, indicated in this document and set out in more detail in the bids submitted during the selection procedure (including the criteria for any adjustment of the fee during the term of office), alternatively, to KPMG S.p.A. or PriceWaterhouseCoopers S.p.A.

EXPRESSING ITS PREFERENCE

in favour of KPMG S.p.A., as its bid, taking into account both the technical and economic elements, obtained the highest score in the evaluation procedure, and was therefore deemed more in line with the Bank's needs, as well as suitable for the performance of the assignment, also taking into account the impact on the Bank's internal structures of the possible termination and/or non-renewal of existing services that would constitute causes of incompatibility with the statutory audit activity in the event of the assignment.

AND DECLARING

pursuant to Article 16(2)(3) of (EU) Regulation 537/2014, that this proposal has not been influenced by third parties and that none of the clauses of the type referred to in Article 16(6) of the aforementioned Regulation have been applied.

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It is understood that, ultimately, the choice of the party to be appointed remains with the Shareholders' Meeting, which may disregard the preference expressed by the Board of Statutory Auditors.

Modena, 4 March 2024

For the Board of Statutory Auditors

The Chair

Daniela Travella

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In relation to the aforementioned proposal of the Board of Statutory Auditors, we inform you that the proposal to appoint KPMG S.p.A. as independent auditors will be put to the vote first, and only if this proposal does not reach the votes required for its approval, will the proposal to appoint PriceWaterhouseCoopers S.p.A. as independent auditors be put to the vote.

Modena, 20 March 2024

BPER Banca S.p.A.

The Chair

Flavia Mazzarella