
Ordinary Shareholders' Meeting of 17 April 2019

Report on point 4) of the agenda

Integration, further to the reasoned proposal of the Board of Statutory Auditors, of the fees paid to the audit company Deloitte & Touche S.p.A., appointed as independent auditors for the period 2017-2025

This is a translation into English of the original in Italian. The Italian text shall prevail over the English version.

BPER Banca S.p.A.

**Ordinary Shareholders' Meeting
17 April 2019**

**Report as per art. 125-ter of the CFA
Point 4) of the agenda**

**Integration, further to the reasoned proposal of the Board of Statutory Auditors, of
the fees paid to the audit company Deloitte & Touche S.p.A., appointed as
independent auditors for the period 2017-2025**

Shareholders,

with reference to point 4) of the agenda of the Ordinary Shareholders' Meeting, the Board of Directors of BPER Banca has called you to vote, pursuant to art. 11, paragraph 2, of the Articles of Association, in accordance with the related legal and regulatory provisions, on the integration, further to the reasoned proposal of the Board of Statutory Auditors, of the fees paid to the audit company Deloitte & Touche S.p.A. (also "Audit Company"), appointed as independent auditors for the period 2017-2025 by resolution of the Shareholders' Meeting of 26 November 2016.

The mandate stipulated with Deloitte & Touche S.p.A. on 3 March 2017, on the basis of the above-mentioned resolution, sets out in paragraph 5 "Updating of the fees" that "*Should circumstances arise that result in an increased time burden compared to that estimated in this proposal – further to, for example, a change the structure and the size of the Company, modifications in the oversights established in the internal control system area, changes in regulations, accounting and/or auditing standards, complex transactions put in place by the Company, additional audit procedures or supplementary obligations related to the performance of independent auditing, such as, for example, requests for meetings, information and documents by supervisory authorities, we shall inform you of the consequential integration of fees*".

Deloitte & Touche S.p.A., taking into account the contents of the above-mentioned mandate, in their letter dated 3 December 2018 made a request for an integration of their fees, in relation to the increased time burden connected to additional audit activities compared to those included in the initial offer of 14 October 2016, on which the authorization of the appointment was based, as a result of (i) the application of the new international accounting standards IFRS 9 – Financial Instruments and IFRS 15 – Financial Revenue from contracts with Customers, which entered into force on 1 January 2018 and (ii) BPER Banca S.p.A.'s acquisition of Nuova Carife S.p.A. and the subsequent merger by incorporation of Nuova Carife S.p.A. in BPER Banca S.p.A., which led to and/or will lead to the performance of specific audit and control activities on a wider perimeter.

In particular, given that in relation to the activities of the BPER Banca Group, the introduction of the above-mentioned accounting standards, and in particular IFRS 9, has had, and will have, a

significant impact on the financial information production process, Deloitte & Touche S.p.A. communicated that, in the audit at 31 December 2017, specific activities were performed in order to understand and verify the effects arising from the first-time application of the new international IFRS 9 and IFRS 15 accounting standards, which were subsequently integrated and completed in the audit at 31 December 2018; the company also communicated that the performance of additional recurrent audits will be necessary, also in terms of information, also during the next years of their appointment term.

As regards, in particular, IFRS 9, Deloitte & Touche S.p.A. showed how the impacts had led, on the one hand, to one-off activities related to the audit for the years 2017 – 2018, related to the analysis and understanding of the approaches identified and to the control of the procedural structures and support systems implemented by the BPER Banca Group, as well as testing of balances and transactions, including past ones, existing at the transition date and, on the other hand to the periodic performance of new and additional “running” audit activities.

In relation to BPER Banca S.p.A.’s acquisition of Nuova Carife S.p.A. and the subsequent merger by incorporation of Nuova Carife S.p.A. in BPER Banca S.p.A., the Audit Company communicated that the variations in BPER Banca Group’s operating perimeter led to additional audit procedures and will mean the redefinition of the audit process setting out longer times and additional activities with respect to those set out in the original proposal related to the period 2017-2025.

Deloitte & Touche S.p.A., as a result of the additional necessary audit activities, presented the following proposal showing an increase in work hours and in the corresponding fees:

BPER Banca S.p.A. – Integration of the fees of Deloitte & Touche S.p.A.

Year of the audit activity	Audit Fees (original proposal)		New regulations				Variations in the Group’s structure		Total Audit Fees with integration	
			Integration of Audit activities connected to the first-time application of IFRS 9 and 15		Integration of audit activities connected to the application of IFRS 9 and 15		Integration of audit activities extension of perimeter - Nuova Carife			
	hours	Audit Fees	Hours	Audit Fees (one-off)	hours	Audit (running) fees	hours	Audit Fees	hours	Audit Fees
2017	16.800	588.000	1.500	100.000	-	-	1.100	40.000	19.400	728.000
2018	16.800	588.000	1.080	72.000	1.000	53.500	550	20.000	19.430	733.500
2019-2025	16.800	588.000	-	-	1.000	53.500	550	20.000	18.350	661.500

The Board of Statutory Auditors, taking into account that the Shareholders’ Meeting of 26 November 2016 had not established specific criteria for the possible modification of fees for the Audit Company, in accordance with article 13, paragraph 1, of Legislative Decree no. 39/2010, according to which “the shareholders’ meeting, on a reasoned proposal of the supervisory body, is

made responsible for the independent audit and determines the amount payable to the independent auditor or the independent auditing company for the entire duration of the appointment”, examined the above-mentioned request by Deloitte & Touche S.p.A. in order to set out this proposal to be submitted to the Shareholders’ Meeting.

For the purposes of the investigation within its sphere of competence, the Board of Statutory Auditors:

- examined the proposal of Deloitte & Touche S.p.A., meeting the Audit Company on several occasions in order to obtain details on the motivations supporting the integration requests, related to the activities performed and to be performed and to the relative quantification of the hours envisaged for the professionals involved, according to the seniority;
- met several times with the Manager responsible for preparing the company’s financial reports, in order to analyze whether the additional activities envisaged by Deloitte & Touche S.p.A. were reasonable, as regards the description of the activities and the quantification of the relative hours as well as the appropriateness of the relative fees;
- received a positive assessment from the Manager responsible for preparing the company’s financial reports, on the coherence and the appropriateness of the request for the integration of additional audit activities to the existing ones for which the company was appointed and on the reasonable nature of its contents;
- received from Deloitte & Touche S.p.A., on 23 March 2018 , the confirmation of independence pursuant to paragraph 6 of EU Regulation no. 537/2014. It is noted that, at the meeting held on 23 October 2018 in which the Audit Plan on the Financial Statements at 31 December 2018 was presented by Deloitte & Touche S.p.A., the company formally confirmed its independence;
- confirmed its positive assessment of the technical and professional suitability of Deloitte & Touche S.p.A., in view both of the adequacy of its organization, and its level of knowledge of the Company and Group (*oppure* and as the Company and Group is well-known to Bper), as well as the specific features of the BPER Banca Group’s administrative accounting system and internal control system.

Following the assessments performed and the controls carried out, the Board of Statutory Auditors considers that the requested integration of audit activities, also in the light of confirmations by the corporate functions, is congruent with the audit process for which the company is currently appointed, adequate, as regards the new audit activities imposed by the application of the new IFRS 9 and IFRS 15 accounting standards and by the variation in the BPER Group’s operating perimeter, and congruous, in relation to the professional commitment required.

All this being said, the Board of Statutory Auditors submits to the approval of the Shareholders’ Meeting the following proposal:

“The Ordinary Shareholders’ Meeting of BPER Banca S.p.A.,

- *having taken note that Deloitte & Touche S.p.A., the company appointed as independent auditors for the period 2017-2025, has submitted a request, dated 3 December 2018, for the integration of the work time envisaged and of the relative fees in view of additional activities compared to those included in the initial offer for the performance of the role of independent auditors on which the appointment authorized by the Shareholders' Meeting of 26 November 2016 is based;*
- *having examined the reasoned proposal of the Board of Statutory Auditors containing the terms of the requests made by Deloitte & Touche S.p.A., defined as a result of analyses and controls conducted also in collaboration with BPER Banca S.p.A.'s corporate functions and with the Audit Company itself, and having noted that the requests made were considered adequate in relation to the additional activities compared to those originally envisaged;*

resolves

1. *to update, in line with the terms and the requests for integration made by Deloitte & Touche S.p.A. on 3 December 2018, the fees for the performance of the role of independent audit of BPER Banca S.p.A.'s individual and consolidated financial statements, assigned by the Shareholders' Meeting of BPER Banca S.p.A. on 26 November 2016 for the years 2017-2025, as follows:*

	Audit Fees (proposta originaria)	Esercizio di riferimento attività di Audit - 2017 (one off)	Totale Audit Fees con integrazione - 2017	Esercizio di riferimento attività di Audit - 2018 (one off)	Totale Audit Fees con integrazione - 2018	Integrazione onorari - 2019 al 2025	Totale Audit Fees con integrazione - 2019 al 2025
BPER	588.000,00	140.000,00	728.000,00	145.500,00	733.500,00	73.500,00	661.500,00

2. *to issue a mandate to the Chairman of the Board of Directors and to the Chief Executive Officer, separately, to provide for, also through proxies, all that is necessary or useful for the implementation of the resolution, as well as to fulfill the connected and necessary formalities at the competent bodies and/or offices, with entitlement to introduce any non-substantial modifications which may be required for this purpose, and in general everything that is necessary in order for the complete execution, with any and all powers needed for this purpose, in compliance with current regulatory regulations.”*

Modena, 14 March 2019

The Board of Statutory Auditors

Mr. Paolo De Mitri

Ms. Cristina Calandra Buonaora

Ms. Diana Rizzo

Ms. Francesca Sandrolini

Mr. Vincenzo Tardini