



---

**Ordinary Shareholders' Meeting of 21 April 2021**

**Report on item 7c) of the agenda**

**Authorisation for the purchase and disposal of treasury shares for the "2019-2021 Long-Term Incentive Plan aimed at key personnel", for the 2021 MBO incentive plan and for any severance payments**

---

*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 of 21 April 2021****Report pursuant to art. 125-ter of the Consolidated Finance Act*****Point 7c) of the agenda******Authorisation for the purchase and disposal of treasury shares for the "2019-2021 Long-Term Incentive Plan aimed at key personnel", for the 2021 MBO incentive plan and for any severance payments***

\*\*\*

Shareholders,

With reference to point 7c) on the agenda of the Ordinary Shareholders' Meeting, BPER Banca's Board of Directors has called you to submit to your attention the proposal for the approval of the authorisation for the purchase and disposal of treasury shares, pursuant to arts. 2357 and 2357-ter of the Italian Civil Code and art. 132 of Legislative Decree 58/1998, as subsequently amended and supplemented (the "CFA"), to service the "2019-2021 Long-Term Incentive Plan (LTI) aimed at key personnel", for the MBO incentive plan for 2021 and subsequent years and for any severance payments.

This explanatory report (the "Report"), drawn up pursuant to and in compliance with art. 73 of the regulation adopted by Consob with Resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "Issuers' Regulation") and the related Annex 3A, scheme 4, explains the reasons and terms of the proposal.

\*\*\*

As part of the "2019-2021 Long-Term Incentive Plan (LTI) aimed at key personnel", for the MBO incentive plan for 2021 and subsequent years and for any severance payments, portions of the variable component of remuneration are expected to be paid through the assignment of BPER Banca S.p.A. ordinary shares.

More specifically, the proposal envisages that the Board of Directors of the Company will be 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, as detailed below, so that, at any moment in time, the number of treasury shares purchased and held by the Company does not exceed the limits established by law and by the authorisation granted by the shareholders.

The Company has repeated the authorisation request already submitted to the ECB ("the Authority") on 7 February 2019 and approved by the Authority and by the Shareholders' Meeting of 17 April 2019, in relation to the 2019-2021 Long-Term Incentive Plan ("LTI 2019-2021"), which was not implemented within the terms. As anticipated, this request for authorisation aims to ensure that the Bank is able to implement, on the occurrence of pre-established terms and conditions, in addition to the 2019-2021 LTI plan, also the variable remuneration plans based on financial instruments as regulated by its Remuneration and Incentive Policies for 2021 and subsequent years.

The request for authorisation relates to a maximum of 5,000,000 ordinary shares, currently representing 0.35% of the Company's share capital and in any case not exceeding a total value of Euro 10 million, corresponding to a reduction in the fully loaded, consolidated CET1 ratio at 30 September 2020 of approximately 4 basis points; so taking into account the 455,458 treasury shares held by the Company at the date of this Report (0.032% of the

share capital), the proposal is below the threshold of one-fifth of the share capital envisaged in art. 2357, paragraph 3, of the Italian Civil Code.

The purchase of treasury shares will be carried out within the limits of distributable earnings and available reserves, as shown in the latest approved financial statements (annual report) at the time of the purchase.

The market value of the shares, calculated on the basis of the closing price posted on the trading day prior to the date of issue of the authorisation by the ECB, will be deducted from capital for supervisory purposes from the date of the authorisation, regardless of the number of shares actually purchased.

Pursuant to art. 2357-ter of the Italian Civil Code, and as per Legislative Decree 139/2015, and Bank of Italy Circular 262/2015, the value of the treasury shares purchased will be deducted from the shareholders' equity reported in the balance sheets for the years concerned.

The treasury shares will be purchased in regulated markets pursuant to art. 132 of Legislative Decree 58/98 and art. 144-bis, para. 1.b), of the Issuers' Regulations, 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 Bank, 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 compliance with the provisions of the Italian Civil Code, which require the minimum and maximum consideration to be defined.

In any case, the price cannot be more than that of the last independent transaction or the current price of the highest independent bid on the market, whichever is the greater.

The purchase authorisation will last for 12 months from the date of authorisation by the Supervisory Authority, so less than the 18 months from the date of the Shareholders' Meeting foreseen in Italian Civil Law.

The authorisation to use the treasury shares already held and those to be purchased for the purposes described above has been requested without any time limit, given the absence of regulatory restrictions in this regard and the need for maximum flexibility in their use, also in terms of timing.

With regard to use of the treasury shares held, the Board of Directors will establish 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.

\*\*\*

The purchase of treasury shares authorised by the Shareholders pursuant to the foregoing can only be carried out after obtaining the authorisation pursuant to the applicable provisions of Regulation (EU) no. 575/2013 and the Delegated Regulation (EU) no. 241/2014.

\*\*\*

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

*"Having examined the explanatory report on the subject matter of the resolution, in acceptance of the proposal of the Board of Directors, the Ordinary Shareholders' Meeting of BPER Banca S.p.A.*

*resolves*

- 1. to authorise the purchase and disposal of up to a maximum of 5,000,000 ordinary shares of BPER Banca S.p.A. (not exceeding a total value of Euro 10 million), without par value, to serve the "Long Term Incentive Plan (LTI) 2019-2021, aimed at key personnel", the MBO incentive plan for 2021 and subsequent years, and any severance payments, it being understood that buy-backs of treasury shares can only be carried out after obtaining authorisation from the Supervisory Authority, pursuant to art. 77-78 Reg. EU 575/2013 (CRR) of 26 June 2013;*
- 2. to grant the Board of Directors and, on its behalf, the Chairman and the CEO, jointly and severally, all the powers needed to execute this resolution and to provide information to the market, in accordance with the applicable legislation".*

Modena, 16 March 2021

BPER Banca S.p.A.  
The Chairman  
Pietro Ferrari