

## PRESS RELEASE

**BPER GROUP: Press release pursuant to Art. 84-bis of Consob Regulations No. 11971/1999 and to Art. 114 of Leg. Decree February 24th 1998 No. 58**

**Information notice concerning the approval by the Board of Directors of Banca popolare dell'Emilia Romagna (hereinafter BPER) of remuneration schemes based on financial instruments subject to the approval of the next Shareholders' Meeting, for the implementation of the remuneration policies of BPER Group for the year 2014 to be approved by the Shareholders' Meeting.**

*Modena, March 5th 2014.* The Board of Directors of Banca Popolare dell'Emilia Romagna, Parent company of the homonymous Banking Group, following the activities performed by the Appointments and Remuneration Committee decided to submit the following items to the next Shareholders' Meeting:

- approval of the Remuneration Report as per Art. 123-ter of Leg. Decree February 24th 1998 No. 58, pertaining to the remuneration policies for the financial year 2014 of Banca popolare dell'Emilia Romagna Group;
- approval of the remuneration scheme, as per Art. 114-bis of Leg. Decree February 24th 1998 No. 58, implementing the remuneration policies for the financial year 2014 of Banca popolare dell'Emilia Romagna Group.

With reference to the aforementioned decisions, hereinafter we provide the major elements involved in the remuneration schemes proposed and based on financial instruments (hereinafter "the Schemes" or "the Scheme").

### **Characteristics and recipients of the Scheme**

Consistently with the provisions of Banca d'Italia<sup>1</sup> in relation to remuneration and incentive policies, by following the Scheme BPER Group aims at aligning the interests of the Scheme recipients to those of its Shareholders. The Plan actually provides for a direct relation between the *management* remuneration and the Group's value growth.

The Plan has been designed for those employees of BPER Group identified as "*most important personnel*" pursuant to the definition given under Par. 3.2 of the Provision issued by Banca d'Italia on March 30th 2011, and namely those subjects whose activity may have a major impact on the Bank's risk profile.

In the light of the above definition, the beneficiaries of the proposed Remuneration Schemes are:

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<sup>1</sup>Provision of Banca d'Italia "Provisions regarding remuneration and incentive policies and practices in banks and banking groups", issued on March 30th 2011

- the Managing Director and a Director of the Parent Company, the General Director of Sardaleasing and the Managing Director of Emilia Romagna Factor;
- the General Directors of the Parent Company, of each Bank in the Group and of BPER Services (società consortile or consortium company); including the Executive acting as General Director of Cassa di Risparmio di Bra;
- the Executives with strategic responsibilities at the Parent Company: thirteen (13) for the year 2014;
- the Executives with strategic responsibilities at Banco di Sardegna: two (2) for the year 2014;
- other “*most important personnel*” of the Parent Company: ten (10) for the year 2014.

During the financial year 2014, in the event of turnover or replacements within the scope of the persons identified as most important personnel, also the person/s who takes/take over a position or more positions will be among the recipients of the Scheme, as far as entitled to it.

The *bonus* shall be allocated on condition that BPER Group attains financial-economic objectives established *ex-ante* (hereinafter “*entry gates*”). The *bonus* actually disbursed shall be related to the individual *performance* of each Scheme recipient, who shall be individually evaluated based on a set of qualitative and/or economic-financial indicators defined within the scope of the Group remuneration policies.

If the *bonus* so obtained exceeds an amount established by the Board of Directors of the Parent Company, the Scheme is activated. This provides for the allocation - on a free basis - of a certain number of “*Phantom Stocks*”, instruments which entitle each recipient to the disbursement, on expiry of any deferral and/or *retention* periods, of a *cash bonus* (“*cash*”) corresponding to the exchange value of the BPER stocks at that date (calculated as a simple mathematical average of the BPER official stock prices measured in the two weeks prior to the Board of Directors Meeting that approves the financial statement for the year in which the *bonus* is actually disbursed ).

The Scheme provides that the *bonus* component allocated with recourse to “*Phantom Stocks*” and deferred over time is divided into equal shares over the financial years following the year in which the same *bonus* was allocated. Such time period may vary from a minimum of three to a maximum of five years, in relation to the relevance of the amounts involved, according to a classification defined by the Board of Directors of BPER.

A 1 year retention period is envisaged for each deferred quota, *starting from* their maturity date and on condition that the *entry gates* established for the previous financial year have been exceeded. Such period adds up to the deferment period, resulting in a variation of the overall time period from a minimum of four to a maximum of six years.

As regards the Managing Director of the Parent Company, the allocation of Phantom Stocks is envisaged both in relation to that part of the bonus allocated with no deferment, subject to a two year retention period, and in relation to the part pertaining to the deferred component, in this latter case subject to a one year retention period. The

scheme is activated also in the case of bonuses the amount of which is lower than the threshold established for the remaining personnel involved.

Based on the economical-financial results attained at Group level in relation to the 2013 Scheme, 2,287 "Phantom Stocks" allocations have been approved, equalling an amount of € 19,000. It is hereby further specified that the same results affect the 2011 Scheme, resulting in 12,463 "Phantom Stock" coming to maturity and equalling an amount of € 101,000.

BPER, on condition that the established entry gates are exceeded, identifies as beneficiaries of the 2014 Scheme only those persons who, in accordance with the ex – post performance *evaluation method*, have been assigned a bonus higher than the amount defined by the Board of Directors of the Parent Company. As a consequence, it is not possible to ex – ante determine the total number of *Phantom Stocks* which shall be allocated, the relative exchange value and the number of actual beneficiaries.

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The information Documents on the Scheme and the Remuneration Report shall be available to the public for consultation within the terms provided for by Law, at the Headquarters of each BPER Group's Bank, or at Headquarters of the Parent Company in Modena, at Via San Carlo 8/20, as well as on the Internet site [www.bper.it](http://www.bper.it) – Governance Section – Corporate Bodies – Shareholders' Meeting (or [www.gruppobper.it](http://www.gruppobper.it)) or alternatively on the Internet site of each Group's Bank.

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Società cooperativa

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