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# PROSPECTUS FOR A COMPENSATION PLAN BASED ON FINANCIAL INSTRUMENTS

(prepared pursuant to art. 114 *bis* of Legislative Decree 58 dated 24 February 1998 and art. 84 *bis* of the Consob Issuers' Regulation approved by Decision no. 11971 dated 14 May 1999 and subsequent amendments and additions)

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Modena, 10 March 2022

## Definitions

For the purposes of this document, the terms indicated below have the following meanings:

<b>GENERAL MEETING</b>	Ordinary Shareholders' Meeting of the Bank.
<b>SHARES</b>	The ordinary shares of BPER listed on the Italian stock exchange managed by Borsa Italiana.
<b>BONUS</b>	Variable part of the compensation of key personnel, as defined in the 2022 Remuneration Policies of the BPER Group.
<b>BPER or ISSUER</b>	BPER Banca Spa (hereinafter also just the "Bank", "BPER" or the "Parent Company"), with head office at Via San Carlo 8/20, Modena, Tax Code, Modena Companies Register and VAT no. 01153230360.
<b>CLAW-BACK</b>	Mechanism that envisages restitution of a bonus if it has already been paid or if it has already vested but is still subject to a retention period.
<b>REMUNERATION COMMITTEE</b>	BPER's Remuneration Committee.
<b>COMMON EQUITY TIER 1 (CET1) RATIO</b>	The Common Equity Tier 1 Ratio reflects the entity's total risk exposure expressed as an percentage.
<b>BOARD OF DIRECTORS</b>	The Board of Directors of the Bank.
<b>ASSIGNMENT DATE</b>	Date on which the Board of Directors of the Bank assigns the Ordinary shares to the Beneficiaries, following approval of the Plan by the Shareholders' Meeting.
<b>RECIPIENTS or BENEFICIARIES</b>	The persons to whom the Shares will be assigned.
<b>EXECUTIVES WITH STRATEGIC RESPONSIBILITIES</b>	At the date of preparation of the document, these are made up of the Directors, the Statutory Auditors, the members of General Management (the General Manager and Deputy General Managers), the C-Levels that make up the Internal General Management Committee and the "Manager responsible for preparing the company's financial reports" of the Parent Company.
<b>ENTRY GATES</b>	Minimum parameters (equity, profitability and liquidity) beyond which performance is assessed for possible assignment of a Bonus. <sup>1</sup>

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<sup>1</sup> For further details on how the entry gates work, please refer to the Report on the Remuneration Policy in 2022 and the Compensation paid in 2021.

<b>BPER BANCA GROUP</b>	BPER and its direct and indirect subsidiaries, as defined by current legislation.
<b>HEDGING</b>	Specifically, this relates to hedging or insurance strategies that protect the actual remuneration amount against adverse changes in the market price of the shares concerned.
<b>LIQUIDITY COVERAGE RATIO (LCR)</b>	The ratio between the stock of high quality liquid assets and net outflows in the 30 days after the reporting date.
<b>MALUS CLAUSE</b>	<i>Ex-post</i> corrective mechanisms, based on which accrued bonuses can be reduced to zero.
<b>MATERIAL RISK TAKERS (MRTs) BELONGING TO TOP MANAGEMENT</b>	Chief Executive Officer, General Managers of “significant operating units with RWA (Risk-Weighted Assets) > 2%” <sup>2</sup> . For BPER Banca: CEO, GM, DGM, Executives with strategic responsibilities and C- Level executives reporting directly to the CEO and GM.
<b>RETENTION PERIOD</b>	Period between the moment in which the right to participate in the Plan matures and that in which all or part of the Bonus is paid out.
<b>VESTING PERIOD</b>	Period between assignment of the right to participate in the Plan and the moment in which that right matures.
<b>KEY PERSONNEL (MRT)</b>	Group personnel whose professional activities have or could have a significant impact on the risk profile of the Bank, as defined in the Remuneration Policies of the BPER Group.
<b>PLAN</b>	The Compensation Plan described in this Information Document adopted by the BPER Group and based on financial instruments.
<b>ISSUERS' REGULATION</b>	Consob Regulation no. 11971/99 and subsequent amendments and additions.
<b>RISK APPETITE FRAMEWORK</b>	Guidance document for the Group's internal control system to steer the synergistic governance of planning, control and risk management. It constitutes the frame of reference, that in line with the risk capacity, defines the business model and strategic plan, risk appetite, tolerance thresholds, risk limits, risk management policies and the key processes needed to define and implement them.
<b>RETURN ON RISK WEIGHTED ASSETS UNDER TRANSITIONAL</b>	The ratio between the net result for the period, including minority interests, and Pillar 1 RWA.

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<sup>2</sup> EU Reg. 2021/923 art. 4 (RWA > 2%): BPER Banca, Banco di Sardegna and Sardaleasing.

**ARRANGEMENTS (RORWA)**

**SEVERANCE**

Compensation envisaged in view of or on the occasion of the early termination of the position or for the early termination of the employment relationship

**CONSOLIDATED FINANCE ACT (CFA)**

Legislative Decree 58 of 24 February 1998, and subsequent amendments and additions

**GROUP GROSS PROFIT**

Result from current operations before tax

## Introduction

This Prospectus has been prepared by BPER in order to inform shareholders and the market about the proposed adoption of Compensation Plans based on Financial Instruments, presented for approval at the ordinary part of the Shareholders' Meeting on 20 April 2022, pursuant to art. 114 *bis* of the Legislative Decree 58 of 24 February 1998 (CFA).

In particular, the Prospectus has been prepared pursuant to art. 84 bis of the Issuers' Regulation and consistent with the requirements contained in Format 7 of Attachment 3A to the Issuers' Regulation.

The Plan is aimed at the disbursement of a Bonus in BPER Banca shares.

The Plan is considered of "particular significance" pursuant to art. 114 bis, para. 3, of the TUF and art. 84 bis, para.2, of the Issuers' Regulation, as it relates to the personnel of BPER and the other companies in the BPER Group identified in art. 114 bis of TUF.

The Information Document is available to the public at the head office, at Borsa Italiana S.p.A. and on the Bank's website – [www.bper.it](http://www.bper.it) – English version – Governance Section – Corporate Bodies – General Meeting of the Shareholders' – (or <https://istituzionale.bper.it/en>).

## 1. Recipients

### 1.1. Names of the recipients who are members of the Board of Directors or of the management board of the issuer of the financial instruments, its parent companies and its direct or indirect subsidiaries

The names of the recipients of the Plan included in the categories indicated in para. 1.1 of Attachment 3A to Format 7 of Consob's Issuers' Regulation are provided below<sup>3</sup>.

Should there be any changes in the positions of the persons indicated below during 2022, the person(s) appointed to take over the position(s) would become a recipient of the Plan to the extent relevant.

- Mr Piero Luigi Montani, Chief Executive Officer and General Manager of BPER Banca.
- Mr Fabrizio Greco, Chief Executive Officer of Optima SIM.

### 1.2. Categories of employees or collaborators of the issuer of the financial instruments, its parent companies and its subsidiaries

The Plan also covers those employees of the BPER Banca Group identified as "Material Risk Takers (MRTs)" in accordance with the Delegated Regulation (EU) no. 923 of 25 March 2021 (containing the technical standards for the identification of such personnel), which incorporate the criteria set in the EBA's Final Report as well as the supervisory provisions referred to in Circular No. 285 of Banca d'Italia, i.e. those categories of people who have a significant impact on the risk profile of the Bank and the Group. All persons identified as key personnel are included,<sup>4</sup> given that the decision-making bodies have the right to award individual target bonuses for specific situations (particularly challenging objectives, retention, etc.).

This category includes the General Managers of each Italian Group bank, of Emil.Ro Factor, Finitalia, Sardaleasing and of BPER Credit Management consortium.

### 1.3. Names of beneficiaries under the Plan pertaining to the following groups

The names of other beneficiaries of the Plan included in the categories indicated in para. 1.3 of Attachment 3A to Schedule 7 of Consob's Issuers' Regulation are provided below. Also with regard to the above categories, the persons will only benefit from the Plan if the variable element assigned to them exceeds a specific amount established by the Board of Directors.

Should there be any changes in the positions of the persons indicated below during 2022, the person(s) appointed to take over the position(s) would become a recipient of the Plan to the extent relevant.

The categories in question are the following:

- a) General Manager of the Issuer of financial instruments:
  - Mr Piero Luigi Montani, Chief Executive Officer and General Manager of BPER Banca
- b) other key managers of an issuer of financial instruments, which is not classed as "smaller" pursuant to article 3, paragraph 1 f) of Regulation 17221 of 12 March 2010, in the event that their total remuneration (obtained by summing the monetary remuneration and share-based remuneration)

<sup>3</sup> With the exception of persons belonging to Arca Fondi SGR in accordance with sector regulations.

<sup>4</sup> With the exception of persons belonging to foreign companies.

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

during the year exceeds the highest total remuneration awarded to members of the board of directors, or of the management board, and to general managers of the issuer of the financial instruments;

The Plan recipients do not include persons in this category.

- c) natural persons who control the Issuer, who are either employees or who collaborate with the Issuer.

The Plan recipients do not include persons in this category.

#### **1.4. Description and number, split by category**

The description and number of potential recipients of the Plan included in the following categories are indicated below:

- a) executives with strategic responsibilities other than those indicated in paragraph 1.3 b.

There are seven (7) executives of the Parent Company in this category

- b) for companies classed as "smaller" pursuant to article 3, paragraph 1 f) of Regulation 17221 of 12 March 2010, the aggregate number of all key managers of the issuer of financial instruments;

Not applicable.

- c) any other categories of employees or collaborators for which different Plan characteristics are envisaged (e.g. executives, managers, clerical staff etc.).

This category includes sixty-six (66) persons that work for the parent company, eight (8) for Banco di Sardegna, two (2) for Sardaleasing and two (2) for BiBanca.

Also with regard to the above categories, the persons will only benefit from the Plan if the variable element assigned to them exceeds the specific amount established by the Board of Directors. In addition, should there be any changes in the positions of the persons indicated as key personnel during 2022, the person(s) appointed to take over the position(s) would become a recipient of the Plan to the extent relevant.

## **2. Reasons for adopting the Plan**

### **2.1. Objectives intended to be reached via the Plan**

By adopting the Plan the BPER Group seeks to align the method used for paying 2022 Bonuses (to the employees and collaborators classified as "key personnel") with the instructions from the Bank of Italy<sup>5</sup> on the remuneration policies of banks.

The BPER Group primarily seeks to align the interests of Plan recipients with those of the shareholders: in particular, the Plan envisages a direct correlation between the remuneration of management and the growth in value of the Group.

In addition, the objectives of the Plan are to:

<sup>5</sup> Circular 285 Banca d'Italia, 37th update dated 24 November 2021

- guide behaviour towards the priorities of the Bank and the Group, thus supporting the creation of value over the long term;
- attract and retain highly qualified personnel and keep them motivated by recognising merit and promoting their professional development;
- sustain a healthy, prudent approach to risk management;
- ensure the fairness of internal and external remuneration, taking account where possible of specific territorial characteristics;
- encourage behaviour consistent with the code of ethics, the regulations and current legislation.

### 2.1.1 Additional detail

- **The reasons and criteria on the basis of which the issuer has decided to establish a relationship between share-based compensation and other components of total remuneration;**
- **purpose of the long-term incentive plans;**
- **the criteria used to determine the time horizon of the incentive plans.**

The total remuneration of employees is determined in a manner consistent with the criteria and regulations issued by the Bank of Italy, which envisage payment of part of the variable component of the remuneration of “key personnel” in the form of stock or related instruments.

The time horizon of the Plan extends over several years: this period is considered most suitable for pursuit of the established objectives and, in particular, for focusing the attention of Beneficiaries on the Group's medium/long-term strategic success factors.

A time horizon of between 5 and 6 years<sup>6</sup> has been determined, since the BPER Group considers this interval necessary in order to (i) facilitate the sustainability of performance; (ii) give management incentives and enhance their loyalty.

Consistent with the regulations issued by the Bank of Italy, the Plan may be associated with any agreed compensation with a view to or on the occasion of early termination of employment/position or any leaving incentives recognised to the recipients of the Plan, in addition to their variable remuneration paid in the form of Bonuses<sup>7</sup>.

### 2.2. Key variables, in the form of performance indicators considered when making Share-based Plan assignments

The Plan of the BPER Group envisages "access" mechanisms or entry gates linked to capital, risk-adjusted return and liquidity ratios in line with the Risk Appetite Framework (CET1, RORWA and LCR). If entry gates are exceeded, excluding control functions, gross profit acts as an indicator to which the overall amount of the bonus is linked.

In evaluating the results, the Board of Directors reserves the right to rectify any specific extraordinary items.

<sup>6</sup> The time period varies according to the position held.

<sup>7</sup> Albeit as a remote hypothesis, it is possible that any person who falls within the scope of key personnel on termination could be a recipient of the Plan.

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Once the specific entry gates are exceeded, the amount of the Bonus payable is linked to the individual performance of each recipient of the Plan. This is assessed individually on the basis of various qualitative and/or economic-financial parameters defined as part of the Group's current remuneration policies.

The parameters for each person belonging to the category of "key personnel" differ, depending on their specific duties, the responsibilities assigned to them and the operational levers that they manage.

### **2.2.1 Additional detail**

- Factors, in terms of performance or otherwise, and the criteria used to determine the particular characteristics relating to the terms of share-based remuneration;
- the manner in which these terms have been determined in relation to directors, to general managers, to key managers, to other specific categories of employees or collaborators for which plans are in place with particular conditions, or collaborators of listed companies and of companies involved in a control relationship;
- the reasons for deciding on specific remuneration envisaged by the plans, including the achievement of identified long-term objectives.

The Plan in question envisages different methods of payment and deferral of the Bonus based on the type of recipient involved.

Further differences exist in the amount of the Bonus payable (including the cash component), which, apart from a few exceptions, can represent up to 45% of the fixed part of remuneration except for control functions, for whom the maximum amount cannot exceed 33%.

### **2.3. Elements considered when determining the amount of compensation based on financial instruments i.e. the criteria used**

The amount of Shares assigned to each recipient of the Plan, after exceeding the entry gate thresholds (minimum condition for activation of the Bonus), will be determined after identifying the results achieved by each recipient of the Plan, based on individual assessments made with reference to the level of the qualitative and/or economic-financial parameters considered. As regards the retention period associated with the various amounts of shares allocated, "sell to cover" remains a possibility (i.e. selling sufficient securities to fulfil any tax and social security obligations generated by the delivery of the securities subject to retention).

The Bank shall ask the Beneficiaries - by means of specific individual conditions - not to arrange any personal hedging strategies or insurance that might alter or compromise the effects of the risk alignment inherent in the Plan, in compliance with the current regulatory framework.

Payment of the Bonus of the Chief Executive Officer and General Manager is structured as follows:

- 45% is attributed on the date the Bonus is granted (up-front portion): 20% cash and 25% through BPER shares subject to a retention period of 1 year (during which the shares cannot be sold).
- The other 55% (25% cash and 30% BPER shares) gets deferred in equal annual instalments over 5 years with a 1-year retention period (during which the shares cannot be sold).

The deferred portions are subject to malus conditions that are applicable to other key personnel.

In the event of a particularly high Bonus, the up-front portion is 40% (20% cash and 20% BPER shares subject to a retention period of 1 year), while the other 60% (25% cash and 35% BPER shares) gets deferred in equal annual instalments over 5 years with a 1-year retention period (during which the shares cannot be sold).

With reference to the MRTs belonging to top management:

- in the case of variable remuneration of less than or equal to Euro 50 thousand and 1/3 of total remuneration, the disbursement takes place entirely up-front in the form of cash.
- in the event of variable remuneration of more than Euro 50 thousand (or 1/3 of total remuneration) and less than or equal to Euro 435 thousand, 55% of the variable remuneration is granted through BPER shares, broken down as follows; of the portion represented by BPER shares, 25% is allocated at the time the Bonus is assigned (up-front portion), subject to a 1-year retention period, whereas the other 30% is allocated in equal portions over the next five years, providing adequate earnings and capital standards are maintained (subject to a 1 year retention period from the vesting date of each deferred portion). The disbursement of the rest of the Bonus takes place in cash 20% up-front and 25% deferred in equal annual portions over 5 years following the year of assignment.
- In the event of variable remuneration of more than Euro 435 thousand, 40% is granted at the Bonus allocation date (up-front portion): 20% cash and 20% through BPER shares. The other 60% (25% cash and 35% BPER shares) gets deferred in equal annual instalments over 5 years with a 1-year retention period (during which the shares cannot be sold

As regards MRTs who do not belong to top management:

- in the case of variable remuneration of less than or equal to Euro 50 thousand and 1/3 of total remuneration, the disbursement takes place entirely up-front in the form of cash.
- in the event of variable remuneration of more than Euro 50 thousand (or 1/3 of total remuneration) and less than or equal to Euro 435 thousand, 50% of the variable remuneration is granted through BPER shares; of the portion represented by BPER shares, 30% is allocated at the time the Bonus is assigned (up-front portion), subject to a 1-year retention period, whereas the other 20% is allocated in equal portions over the next 4 years, providing adequate earnings and capital standards are maintained (subject to a 1 year retention period from the vesting date of each deferred portion). The disbursement of the rest of the Bonus takes place in cash 30% up-front and 20% deferred in equal annual portions over 4 years following the year of assignment.
- in the event of variable remuneration of more than Euro 435 thousand, 40% is allocated at the Bonus allocation date (up-front portion): 20% cash and 20% through BPER shares. The other 60% (30% cash and 30% BPER shares) gets deferred in equal annual instalments over 4 years with a 1-year retention period (during which the shares cannot be sold).

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 malus mechanism, which can block payment of the deferred portions of the Bonus, also acts on activation of the clawback clauses.

### 2.3.1 Additional detail:

- **The factors considered when deciding the amount of the compensation;**

- **the elements taken into account for changes with respect to previous similar plans;**
- **the manner in which any compensation under the previous plans has influenced this determination;**
- **indications as to the consistency between the elements on which the determination of the compensation is based and the objectives established.**

The amount of the compensation envisaged under the Plan has been established with regard for (i) current regulations; (ii) the overall remuneration policies adopted by the BPER Group; (iii) the position held by each Plan recipient (iv) the ability of each recipient to influence the strategic decisions of the Bank.

The method of paying accrued Bonuses after the final calculation of the results has been set in line with the regulatory requirements, with the dual aim of achieving alignment with the ex-post risk and supporting the medium and long-term orientation, as well as managing to correlate the variable component with the actual results and the risks assumed.

This Plan is essentially the same as the one adopted by the BPER Group for 2021.

**2.4. Reasons for any decision to adopt compensation plans based on financial instruments not issued by the Issuer, such as those issued by subsidiaries, parent companies or non-group companies; if these instruments are not traded in regulated markets, provide information about the criteria used to determine the value attributable to them**

Not applicable.

**2.5. Assessment of significant tax and accounting implications that influenced definition of the Plan**

The structure of the Plan is not influenced by any applicable tax regulations or accounting implications.

**2.6. Support, if any, for the Plan by the Special fund for incentivising worker participation in firms, pursuant to art. 4, para. 112, of Law 350 of 24 December 2003.**

Not applicable.

**3. Approval process and timing for the assignment of instruments**

**3.1. Extent of powers and functions delegated by the Meeting to the Board of Directors in order to implement the Plan**

On 10 March 2022, the Board of Directors resolved to present the 2022 Remuneration Policies for approval at the Shareholders' Meeting. This document contains information about the use of a compensation plan based on financial instruments.

This Plan, established in the context of the above Remuneration Policies, will be presented for approval at the Shareholders' Meeting to be held on 20 April 2022.

That Meeting is called upon to grant a mandate to the Board of Directors for the implementation and management of the provisions of the Plan.

### **3.2. Persons appointed to administer the Plan and their functions and duties**

The Board of Directors is responsible for administering the Plan and may delegate certain activities to the Chief Human Resource Officer, which operates after hearing the opinion of the Remuneration Committee.

### **3.3. Procedures for amendment of the Plan should the underlying objectives change**

The Plan may be amended and integrated in the event of capital increases by the Company or other Group companies, whether free or for cash or due to the distribution of extraordinary dividends or other events that, potentially or otherwise, might affect the economic value of the Plan (BPER shares and, more generally, the economic content of the Plan). In the presence of such events, having heard the opinion of the Remuneration Committee, the Board of Directors decides to adjust the Plan in order to maintain its economic content, using the adjustment method applied by Borsa Italiana for this purpose<sup>8</sup>.

Amendments to the Plan's implementation criteria in the event of exceptional circumstances - if in the long-term interests of the BPER Group - are considered temporary exceptions and if the conditions are met, they are managed according to the specific provisions contained in the Group's Remuneration Policies in force at the time. Non-temporary amendments are established by BPER's Remuneration Committee and presented to the Shareholders' Meeting for approval, once they have the consent of the Board of Directors of the Parent Company.

### **3.4. Description of the procedure for determining the availability and assignment of the financial instruments underlying the Plan**

Subsequent to approval at the Shareholders' Meeting of the Parent Company of the Policies containing indications for the adoption of a compensation plan based on financial instruments, the Board of Directors of the Bank works to implement the Plan by assessing the performance of the recipients and proposing the assignment of Bonuses to be paid in part in the form of financial instruments.

The methods of payment are described in para. 2.3.

### **3.5. Role played by each Director in determining the characteristics of the Plan, and any conflicts of interest involving the Directors concerned**

In order to determine the proposal to be presented to the Shareholders' Meeting, the Board of Directors obtained the opinion of the Remuneration Committee of BPER - comprising solely non-executive Directors, the majority of whom are independent - and identified the key elements of the remuneration policies as well as the criteria for determining the instruments to be assigned to the employees of the Group. Since the beneficiaries of the Plan include the Chief Executive Officer, he abstained from the Board decision on the proposal concerned.

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<sup>8</sup> The adjustment is based on the TERP (theoretical ex-right price) adjustment factor, as defined by Borsa Italiana following a dilutive event.

**3.6. As required by art. 84-bis, paragraph 1, the date of the decision taken by the competent body to propose approval of the plans to the shareholders Meeting and of any proposal made by the remuneration committee**

The Remuneration Committee of BPER met on 3 March 2022 to examine the draft of the Plan based on financial instruments and developed by the specialist business functions; it decided to present the proposal to the Board of Directors which, on 10 March 2022, resolved to present the Plan for approval at the Shareholders' Meeting due to be held on 20 April 2022.

**3.7. As required by art. 84-bis, paragraph 5 a), the date of the decision taken by the competent body regarding the allotment of instruments and of any proposal made to the aforementioned body by the remuneration committee**

The Bank identifies as beneficiaries of the 2022 Plan solely those persons who, based on an ex-post assessment of performance, have been assigned a Bonus that exceeds Euro 50 thousand or 1/3 of total remuneration. Since the total number of BPER shares depends on the amount of the Bonus assigned and the average share price established in the period preceding the date of the Board of Directors approving the Group's consolidated results, it is not possible to determine *ex-ante* the total amount of BPER shares that will be assigned or its value.

**3.8. Market price recorded on the above dates of the financial instruments underlying the plan, if traded on regulated markets**

The amounts adopted as a reference for calculating the total BPER shares due to each recipient are determined as follows:

- the initial amount is determined as the simple average of the official prices for BPER ordinary shares posted during the 30 days prior to the date of the meeting of BPER's Board of Directors to approve the consolidated results of the Group.

For the purpose of determining the number of BPER Shares to be assigned as part of the remuneration to be paid to Key Personnel on early termination of the Employment Relationship, the number of Instruments due to each recipient is calculated as follows:

- For personnel whose resolution is the responsibility of the Board of Directors, on the basis of the arithmetic average of the official market prices of BPER ordinary shares recorded in the month preceding the Board of Directors meeting, which resolved the early termination and approved the related compensation;
- For personnel whose resolution is not the responsibility of the Board of Directors,
  - In the event of termination in the first half of 2022, based on the straight average of the official market prices of BPER ordinary shares recorded in December 2021
  - In the event of termination in the second half of 2022, based on the straight average of the official market prices of BPER ordinary shares recorded in June 2022

As regards the amounts of phantom stock relating to compensation plans currently in progress, we would like to announce that as of 8 February 2022 (the date of the Board resolution that approved the preliminary consolidated results of the Group), the stock market value of BPER's ordinary shares, based on the above method, was Euro 1.9092 per share. Whereas based on the method indicated in the "Information document on the compensation plan based on financial instruments - Phantom Stock 2015" it was Euro 1.8857 per share.

**3.9. In the event of plans based on financial instruments traded on regulated markets, the deadlines and procedures considered by the issuer, when establishing the timing of allotment of the instruments under the plan, for dealing with possible coincidences in the timing of:**

- i. such assignments or related decisions taken by the Remuneration Committee, and**
- ii. the communication of significant information pursuant to art. 17, of the Regulation (EU) 596/2014, for example, if such information is:**
  - a. not already public and might positively influence market prices, or**
  - b. has already been published and might adversely influence market prices.**

Pursuant and consequent to current regulations and laws, a notice was issued to the Market at the time of the resolution regarding the Plan adopted by the Board of Directors on 10 March 2022.

On implementation of the Plan, the Market will be informed to the extent required by the current regulations and laws in force.

#### **4 Characteristics of the instruments assigned**

**4.1 Description of the ways in which the Plan is structured; for example, indicate if the plan is based on the allocation of: financial instruments (assignment of restricted stock); an increase in the value of such instruments (phantom stock); option rights that permit the subsequent purchase of financial instruments (option grants) with physical delivery (stock options) or in cash based on a differential (stock appreciation rights)**

Subject to the conditions for its activation, the Plan envisages the free and personal assignment of a certain number of BPER Shares.

**4.2 Indication of the period of implementation of the plan with reference to any different cycles envisaged**

The implementation period of the Plan is from 2023 (when the 2022 results will be reported) to 2029 (period when the last portion of the final cash Bonus will be paid).

Implementation is from 2022 only for disbursement of the part in financial instruments of any severance agreements defined during the course of 2022.

**4.3 Termination of the Plan**

This Plan will terminate in 2029.

**4.4 Maximum number of financial instruments allocated, including in the form of options, in each fiscal year to the named persons or to the categories indicated**

There is no maximum amount of BPER shares to be assigned, as this depends on the reference price of the BPER shares (calculated on the basis described earlier) and is determined using the following formula:

$$\text{No. of BPER Shares} = \frac{\text{BONUS}}{\text{Reference price of the BPER Shares}}$$

The numerator solely relates to that part of the Bonus to be paid in the form of financial instruments, in accordance with the criteria established in para. 3.4. The reference price of the BPER Shares in the denominator is calculated according to the procedures explained in paragraph 3.8.

#### **4.5 Methods and clauses for implementation of the Plan, specifying if the actual assignment of instruments depends on the fulfilment of certain conditions or the achievement of certain results or levels of performance; description of these conditions and results;**

Assignment of the variable remuneration depends on achievement by the BPER Group of economic-financial objectives established *ex-ante* (entry gates) and linked to the following parameters, designed to ensure the maintenance of adequate standards of profitability and capitalisation:

- Consolidated Common Equity Tier 1 (CET1) ratio.
- Consolidated Return On Risk-Weighted Assets (RORWA)
- Consolidated Liquidity Coverage Ratio (LCR)

The amount of the variable remuneration paid is linked to the individual performance of each eligible person enrolled in the Plan, assessed individually on the basis of a series of qualitative and financial indicators as defined by Group remuneration policies.

If the Bonus exceeds Euro 50 thousand or 1/3 of total remuneration, the Plan envisages assignment (also with deferred vesting) of part of the total Bonus in the form of BPER shares.

With regard to the part of variable remuneration assigned in the form of BPER shares and deferred, the Plan envisages its allocation in equal portions to the years subsequent to that of the Bonus assignment (subject to a retention period of 1 year starting from the maturity date of each deferred portion), after having exceeded the entry gates set for the previous year.

#### **4.6 Indication of any restrictions on the availability of the instruments assigned or on the instruments deriving from the exercise of options, with particular reference to the deadlines by which their transfer to the company or to third parties is allowed or forbidden**

The Plan envisages a retention period for the BPER shares of 1 year for the Bonus assigned immediately and of 1 year for the deferred portions.

The Board of Directors of the Parent Company may decide, in the event of extraordinary capital transactions that provided for the exercise of pre-emption rights or extraordinary dividend distribution, whether any changes are needed to the shares vested but not yet available to the beneficiaries.

#### **4.7 Description of any conditions giving rise to termination of the Plan if the recipients arrange hedges that neutralise restrictions on the sale of the financial instruments assigned, including in the form of options, or of the financial instruments deriving from the exercise of these options**

Consistent with the 2022 Remuneration Policies, the BPER Group has forbidden its employees to arrange personal hedging strategies or insurance in relation to their remuneration, or certain aspects of it, that might alter or compromise the effects of the risk alignment inherent in the remuneration mechanisms.

Involvement in any form of personal hedging will be considered a violation of Group policies and, consequently, the right to receive the BPER Shares will lapse automatically.

#### **4.8 Description of the effects caused by termination of the employment relationship**

The Beneficiaries shall have the right to receive any accrued bonus, only if they hold their position or role at the end of the vesting period and at the time of payment, without prejudice to the Board of Directors' right to evaluate any exceptions to this rule. Any bonuses shall be recognised on a pro-rata basis.

The Plan includes good and bad leavers clauses to regulate situations of termination of the employment relationship and/or position before the end of the vesting period and during the subsequent deferral and/or retention period. In particular, without prejudice to any more detailed rules envisaged in the Plan regulation and subject, in all cases, to any different determination made by the Board of Directors:

- (i) upon termination of the employment relationship or position prior to the end of the vesting period (a) by mutual consent, (b) on reaching pensionable age or qualifying for special support from the sector solidarity fund or (c) on death or inability to work (good leaver), Beneficiaries will maintain all rights under the Plan albeit on a time-apportioned basis or, if termination occurs after the vesting period, with reference to the portion subject to deferral and/or retention;
- (ii) in all other cases of termination of the relationship or the position (bad leaver), Beneficiaries will lose all rights under the Plan, including any portion not yet paid and subject to deferral and/or retention and will not be entitled to receive any compensation or indemnity for whatsoever reason from the Bank.

#### **4.9 Indication of any other reasons for cancellation of the Plan**

Subject to that set out in the foregoing paragraphs, the Plan does not provide for grounds for termination. The malus and clawback mechanisms may apply under certain circumstances, as described in BPER Banca Group's 2022 Remuneration Policies, and in line with the regulatory framework in force.

#### **4.10 Reasons for any "redemption" by the company of the financial instruments covered by the plan, pursuant to arts. 2357 *et seq* of the Italian Civil Code; the beneficiaries of the redemption, if this only applies to specific categories of employee; effects of termination of the working relationship on the redemption**

Not applicable.

#### **4.11 Any loans or other assistance provided for the purchase of shares pursuant to art. 2358 of the Italian Civil Code**

Not applicable.

#### **4.12 Assessment of the charge expected by BPER on the assignment date, determined with reference to the terms and conditions already established, both in total and for each Plan instrument.**

As stated in para. 3.7 above, it is not possible to determine the total cost of the Plan.

#### **4.13 Indication of any capital dilution due to the Plan**

Not applicable.

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**4.14. Any limits on the exercise of voting rights and the attribution of property rights**

Not applicable.

**4.15. If the shares are not traded in regulated markets, provide all useful information for a proper assessment of the value attributable to them**

Not applicable.

**4.16. Number of financial instruments underlying each option**

Not applicable.

**4.17. Maturity of the options**

Not applicable.

**4.18. Procedures (American/European), timing (e.g. periods valid for exercise) and exercise clauses (e.g. knock-in and knock-out clauses)**

Not applicable.

**4.19. Strike price of options or the method and criteria for determining it, with particular reference to:**

- a. the formula for calculating the strike price in relation to a given market price; (fair market value) (i.e. exercise price equal to 90%, 100% or 110% of market price); and
- b. the method for determining the market price referred to when determining the strike price. (for example: the last price of the day preceding assignment, average of the day, average of the last 30 days, etc.)

Not applicable.

**4.20 If the exercise price is not equal to the market price determined as indicated in point 4.19.b (fair market value), explain the reasons for the difference**

Not applicable.

**4.21. Criteria based on which different strike prices are envisaged for different recipients or categories of recipient**

Not applicable.

**4.22. If the financial instruments underlying the options are not traded in regulated markets, indicate the value attributable to the underlying instruments or the criteria for determining that value**

Not applicable.

**4.23 Criteria for the adjustments made necessary as a result of extraordinary capital transactions and other operations that change the number of underlying instruments (capital increases, extraordinary dividends, grouping and splitting of the underlying shares, mergers and spin-offs, conversion of shares from one class to another, etc.)**

**Please read paragraph 3.3.**

Any significant information, additional to that provided in this Prospectus and not available at the time it was approved, will be provided on the basis and with the timing envisaged in current regulations.

The table referred to in Format 7 of Attachment 3A to the Issuers' Regulation is attached below.

\* \* \*

Modena, 10 March 2022

BPER Banca S.p.A.  
The Chairman

Flavia Mazzarella

## COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS

Table 1 of Format 7 of Attachment 3A to Consob's Issuers' Regulation

**Date: 10 March 2022**

The number of phantom stocks linked to performance in 2021 is estimated on the basis of the preliminary results and adjusted if the final results are different.

Name and surname or category	Position (indicate solely for named persons)	PART 1						
		Financial instruments other than stock options						
		<u>Section 1</u>						
		Instruments relating to current Plans, approved on the basis of earlier resolutions of the shareholders						
		Date of the related resolution of the General Meeting	Type of financial instruments	Number of financial instruments assigned	Date of assignment	Purchase price of the instruments	Market price at assignment date	Vesting period
Piero Luigi Montani	Chief Executive Officer and General Manager BPER Banca	21 April 2021	<i>BPER Banca Shares</i>	89,622	10 March 2022	1.79 €	1.91 €	1)
Notes:								
Giuseppe Cuccurese	General Manager of Banco di Sardegna	11 April 2018	Phantom stock	6,844	22 March 2019	0 €	3.11 €	4)
		12 April 2019	Phantom stock	10,663	27 March 2020	0 €	4.49 €	7)
		20 April 2020	Phantom stock	15,330	4 June 2021	0 €	1.58 €	10)
		16 April 2021	BPER Banca Shares	50,817	10 March 2022	1.79 €	1.91 €	1)
Notes								

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Name and surname or category	Position (indicate solely for named persons)	PART 1						
		Financial instruments other than stock options						
		Section 1						
		Instruments relating to current Plans, approved on the basis of earlier resolutions of the shareholders						
		Date of the related resolution of the General Meeting	Type of financial instruments	Number of financial instruments assigned	Date of assignment	Purchase price of the instruments	Market price at assignment date	Vesting period
Diego Rossi	General Manager Bibanca	14 April 2018	Phantom stock	4,798	26 March 2019	0 €	3.11 €	5)
		17 April 2019	Phantom stock	1,573	10 March 2020	0 €	4.49 €	9)
		15 April 2021	BPER Banca Shares	20,224	10 March 2022	1.79 €	1.91 €	2)
Notes: Phantom Stock also relating to the position held in BPER Banca								
Paolo Licciardello	Chairman Emil.RO Factor	10 April 2018	Phantom stock	2,580	26 March 2019	0 €	3.11 €	5)
Notes: Phantom stock relating to the position of Chief Executive Officer of Emil.Ro Factor, held previously								
Franco Tomasi	General Manager Emil.Ro	10 April 2018	Phantom stock	5,813	26 March 2019	0 €	3.11 €	5)
Notes: Phantom stock relating to the position held in a subsidiary bank in 2018								
Stefano Esposito	General Manager Sardaleasing	25 March 2021	BPER Banca Shares	14,519	10 March 2022	1.79 €	3.11 €	1)
Notes:								
Fulvio Grimaldi	General Manager Finitalia	9 April 2021	BPER Banca Shares	13,381	10 March 2022	1.79 €	3.11 €	2)

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Name and surname or category	Position (indicate solely for named persons)	PART 1						
		Financial instruments other than stock options						
		Section 1						
		Instruments relating to current Plans, approved on the basis of earlier resolutions of the shareholders						
		Date of the related resolution of the General Meeting	Type of financial instruments	Number of financial instruments assigned	Date of assignment	Purchase price of the instruments	Market price at assignment date	Vesting period
Notes:								
4 Key Managers of BPER Banca		14 April 2018	Phantom stock	4,834	5 March 2019	0 €	3.11 €	5)
		17 April 2019	Phantom stock	5,638	10 March 2020	0 €	4.49 €	9)
		22 April 2020	Phantom stock	26,630	16 March 2021	0 €	1.58 €	10)
		16 March 2021	BPER Banca Shares	141,762	10 March 2022	1.79 €	1.91 €	1)
Notes								
30 other employees or collaborators of BPER Banca for whom the Plan has different characteristics		14 April 2018	Phantom stock	67,060	5 March 2019	0 €	3.11 €	6)
		17 April 2019	Phantom stock	42,576	10 March 2020	0 €	4.49 €	8)
		22 April 2020	Phantom stock	15,585	16 March 2021	0 €	1.58 €	11)
		16 March 2021	BPER Banca Shares	319,710	10 March 2022	1.79 €	1.91 €	3)
Notes								
7 other employees or collaborators of Banco di Sardegna for whom the Plan has different characteristics.		11 April 2018	Phantom stock	3,265	22 March 2019	0 €	3.11 €	5)
		12 April 2019	Phantom stock	12,700	27 March 2020	0 €	4.49 €	12)

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Name and surname or category	Position (indicate solely for named persons)	PART 1						
		Financial instruments other than stock options						
		Section 1						
		Instruments relating to current Plans, approved on the basis of earlier resolutions of the shareholders						
		Date of the related resolution of the General Meeting	Type of financial instruments	Number of financial instruments assigned	Date of assignment	Purchase price of the instruments	Market price at assignment date	Vesting period
		16 April 2021	BPER Banca Shares	11,942	10 March 2022	1.79 €	1.91 €	3)
Notes								

The table does not include the Bonus shares of 12 persons who are no longer employees.

Phantom Stock: These are "virtual" financial instruments (free, personal and not transferable inter vivos) that entitle each recipient to collect on maturity an amount of money corresponding to the value of the BPER shares, calculated at the payment date.

1) A part (45.5%) of this bonus was allocated up-front and is subject to a one-year retention period from the date of assignment, while the other 54.5% is being allocated in annual instalments over the five years from the year of assignment.

2) A part (60%) of this Bonus has already vested and is subject to a one-year retention period from the date of assignment, while the other 40% is being allocated in annual instalments over the three years from the year of assignment.

3) A part (60%) of this Bonus has already vested and is subject to a one-year retention period from the date of assignment, while the other 40% is being allocated in annual instalments over the three years from the year of assignment. For Top Management: a part (45.5%) of this bonus was allocated up-front and is subject to a one-year retention period from the date of assignment, while the other 54.5% is being allocated in annual instalments over the five years from the year of assignment.

4) A part (60%) of this Bonus has already vested subject to a two-year retention period from the grant date and was paid in 2021. The other (40%) of the Bonus is being allocated in equal annual portions over the four years from the year of assignment. The first portion has vested and, following the one-year retention period, was paid in 2021. The second portion has vested and, following the one-year retention period, will be paid in 2022. The other portions are subject to a vesting period of one year and a retention period of another year. The number of instruments assigned corresponds to the third and fourth portions.

5) Bonus attributed in equal annual instalments over the three years after the one in which it was granted. The first portion has vested and, following the one-year retention period, was paid in 2021. The second portion has vested and, following the one-year retention period, will be paid in 2022. The third portion has vested and is subject to a one-year retention period. The number of instruments assigned corresponds to the third portion.

6) Bonus allocated in equal annual portions over the three/five years after the year of assignment. For one person, part of the Bonus (60%) has already accrued and was paid in 2021, while the remainder (40%) is attributed in equal annual portions in the three/five years after the year of assignment. The first portion has vested and following the one-year retention period was paid in 2021. The third portion has vested in one year and is subject to a one-year retention period. The residual portions are subject to a vesting period of one year and a retention period of another year.

7) A part (45.5%) of this Bonus was awarded up-front and was paid in 2021, having completed the 1-year retention period. The other (54.5%) is being allocated in equal annual portions over the five years from the year of assignment. The first portion has vested and following the one-year retention period will be paid in 2022. The second portion has vested and is subject to a one-year retention period. The other portions are subject to a vesting period of one year and a retention period of another year. The number of instruments assigned corresponds to the fourth portions.

8) For top positions with Bonuses of between Euro 30 thousand and Euro 100 thousand, the assignment takes place through Phantom Stocks entirely allocated in equal annual portions over the five years from the year of assignment. The first portion has vested and following the one-year retention period will be paid in 2022. The second portion has vested and is subject to a one-year retention period. The other portions are subject to both a vesting and a retention period. For a top manager with a Bonus of between Euro 100 thousand and Euro 434 thousand, a part (45.5%) has already vested and has ended the retention period of one year from the date of assignment and was paid in 2021, while the remainder (54.5%) is being allocated in annual portions over the five years from the year of assignment. The first portion has vested and, following the one-year retention period, will be paid in 2022. The other portions are subject to both a vesting and a retention period. For positions that do not belong to top management, the Bonus is allocated in equal annual tranches over three years from the year of assignment. The first portion has vested and, following the one-year retention period, will be paid in 2022. The second portion has vested and is subject to a one-year retention period. The third portion is subject both to a vesting period and to a retention period

9) Bonus allocated in equal annual tranches over the five years from the year of assignment. The first portion has vested and, following the one-year retention period, will be paid in 2022. The second portion has vested and is subject to a one-year retention period. The other portions are subject to a vesting period of one year and a retention period of another year.

10) A part (45.5%) of this Bonus is allocated up-front, it has passed the one-year retention period and will be paid in 2022. The remainder (54.5%) is being allocated in equal annual portions over the five years from the year of assignment. The first portion has vested and is subject to a one-year retention period. The other portions are subject to both a vesting and a retention period of one year.

11) A part (60%) of this Bonus is allocated up-front, it has passed the one-year retention period and will be paid in 2022, while the remainder (40%) is allocated in annual portions over three years from the year of assignment. The first portion has vested and is subject to a one-year retention period. The second and third portions are subject to a vesting period and a retention period.

12) Bonus allocated in equal annual instalments over the three/five years from the year of assignment. The first portion has vested and, following the one-year retention period, will be paid in 2022. The second portion has vested and is subject to a one-year retention period. The other portions are subject to both a vesting and a retention period of one year.

Date 10 March 2022

Name and surname or category	Position (indicate solely for named persons)	PART 1						
		Financial instruments other than stock options						
		Section 2						
		Newly-assigned instruments based on the decision of the B.o.D. proposed to the Shareholders' Meeting of 20 April 2022						
		Date of the related resolution of the General Meeting	Type of financial instruments	Number of financial instruments assigned	Date of assignment	Purchase price of the instruments	Market price of assignment	Vesting period
Not available			<i>Bper Shares</i>					
<p><b>Notes:</b> As indicated in para. 1 <i>et seq</i>, the Bank identifies as beneficiaries solely those persons who, based on an <i>ex-post</i> assessment of performance, have been assigned a Bonus that exceeds a specific minimum amount defined by the Board of Directors of the Parent Company. Accordingly, it is not possible <i>ex-ante</i> to specify the names of the persons who, in substance, will have access to the Plan.</p>								

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