
SHARE-BASED COMPENSATION PLAN

**EXPLANATORY DOCUMENT FOR
THE LONG-TERM INCENTIVE PLAN ENTITLED
“2022-2025 LTI PLAN”**

Prepared pursuant to art. 114-bis CFA (Decree 58/1998 as amended) and art. 84-bis of the Issuers' Regulation (Consob resolution 11971/1999 as amended).

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Introduction

This explanatory document, prepared in accordance with art. 114-bis CFA and art. 84-bis, para.1, of the Issuers' Regulation, as well as Table 7 of Appendix 3A to the Issuers' Regulation, seeks to provide adequate information to the shareholders of BPER Banca S.p.A. and to the financial community, pursuant to art. 84-bis, para. 5 of the Issuers' Regulation about the changes approved by the Board of Directors of BPER Banca on 21 July 2022 to the Long-Term Incentive Plan, entitled "2022-2024 Long-term Incentive Plan" approved by the Shareholders' Meeting of BPER BANCA S.p.A. on 20 April 2022.

These changes are required because of the need to align the Incentive Plan with the duration and objectives of the 2022-2025 Strategic Plan, approved by the Board of Directors of BPER Banca on 9 June 2022 and communicated to the market on 10 June 2022.

The amended plan renamed the "2022-2025 Long-Term Incentive Plan" (hereinafter also "the Plan" or "the 2022-2025 LTI Plan") will be submitted for approval at an ordinary Shareholders' Meeting convened at BPER Banca S.p.A., in Via San Carlo 8/20, Modena on 5 november 2022.

The Plan provides for the assignment, free of charge, of BPER Banca ordinary shares to Directors and employees of the Bank and its subsidiaries, identified by the Board of Directors from among those in positions deemed to be strategically important for the achievement of the objectives of the Banking Group (as defined below).

In this regard, please refer to the directors' report prepared pursuant to arts. 125-ter, para. 1, and 114-bis, para. 1, of Decree 58 dated 24 February 1998 as amended ("CFA") and art. 84-ter of the regulation adopted by Consob in resolution 11971 dated 14 May 1999 as amended (the "Issuers' Regulation"), available on the Bank's website www.bper.it, Governance section – Shareholders' Meeting.

The Plan is considered of "particular significance" pursuant to art. 114-bis, para. 3, CFA 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 CFA.

The Explanatory Document is available to the public at the head office, from Borsa Italiana S.p.A. and on the Bank's website – www.bper.it – Governance Section – Corporate Bodies – Shareholders' Meeting (or www.gruppobper.it).

DEFINITIONS

The meanings of certain terms used in this explanatory document (“Document”) are indicated below:

SHAREHOLDERS' MEETING The Shareholders' Meeting of the Bank.

SHARES are the ordinary shares of BPER listed on the Italian stock exchange managed by Borsa Italiana.

INDIVIDUAL BONUS Theoretical amount of the bonus linked to the relevant Gross Annual Remuneration via the application of specific percentages (as set out in paragraph 2.3 below).

REMUNERATION COMMITTEE The Remuneration Committee of BPER Banca.

COMMON EQUITY TIER 1 RATIO Indicator of financial strength, representing the ratio of Common Equity Tier 1 to total risk-weighted assets (Pillar 1 RWA under the transitional arrangements)

BOARD OF DIRECTORS The Board of Directors of BPER Banca.

COST/INCOME RATIO (%) Indicator of operational efficiency, calculated using the Group's reclassified consolidated accounting schedules¹. Measured as the ratio of operating costs (personnel, other administrative expenses, depreciation and amortisation) to net operating income (net interest income, commission, income from financial management, dividends and other operating income/expenses)

ASSIGNMENT DATE Date on which the Board of Directors of the Bank assigns the ordinary shares to the Beneficiaries, following approval of the Plan at the Shareholders' Meeting.

RECIPIENTS or BENEFICIARIES The persons to whom the Performance Shares will be assigned.

DEFERRAL Period between vesting of the bonus and allocation of the deferred tranches, subject to verification of the malus conditions.

EXECUTIVES WITH STRATEGIC RESPONSIBILITIES At the date of preparing this Document, this group comprises the directors, statutory auditors, members of the Executive Board (General Manager and Deputy General Managers), C-Level personnel comprising the internal committee of the Executive Board and the “Manager responsible for preparing the company's financial reports” of the Parent Company.

ISSUER BPER Banca S.p.A (hereinafter also the “Bank”, “BPER” or the “Parent Company”), with head office at Via San Carlo 8/20, Modena, listed in the Modena Companies Register and VAT no. 01153230360.

GATE o CONDIZIONI DI ACCESSO Minimum parameters (equity, profitability and liquidity) beyond which an assessment is made of the potential allocation of the up-front and/or deferred portion of the Individual Bonus earned based on the Plan's performance objectives.

BPER BANCA GROUP The Parent Company and its direct and indirect subsidiaries, as defined by current legislation.

HEDGING In the specific context, this relates to hedging or insurance strategies that protect the actual amount of remuneration against adverse changes in the market price of the shares concerned. These strategies include transactions capable of affecting the risk alignment mechanism of the 2022-2025 LTI Plan.

PARTICULARLY HIGH AMOUNT A bonus is a “particularly high amount” if it exceeds the threshold indicated in the remuneration policies of the BPER Group in force for the year concerned (2025), determined in accordance with Circular 285/2013.

LCR Liquidity Coverage Ratio: Relationship between the stock of high-quality liquid assets and net outflows in the 30 calendar days subsequent to the reporting date.

¹ Further details on the methods of presentation of the reclassified statements are available in the attachment to the separate financial statements entitled “Reconciliation between the consolidated accounting schedules and the reclassified formats”.

VESTING Process whereby a beneficiary becomes the legitimate owner of the recognised variable remuneration.

GROSS NPE RATIO (%) Risk indicator linked to credit quality, measured as the ratio of gross impaired loans (bad, unlikely-to-pay and past-due loans) to gross loans to customers (performing and impaired)

KEY PERFORMANCE INDICATORS (KPIs) The economic, financial and sustainability indicators identified by the Board of Directors and detailed in the Letter of Participation in the Plan. Allocation of the bonus is conditional on achieving these KPIs, subject to exceeding the entry gates.

PERFORMANCE SHARES The real financial instruments (BPER ordinary shares) assigned, free of charge, based on the achievement of the performance objectives of the Plan, subject to opening of the Gate.

KEY PERSONNEL Group personnel whose professional activities have or may have a significant impact on the risk profile of the Bank, as defined in the Remuneration Policies of the BPER Group from time to time.

STRATEGIC PLAN: Long-term business plan approved by the Board of Directors of the Group.

ISSUERS' REGULATION Consob Regulation 11971/99 and subsequent amendments and additions.

RETENTION Period between the time of allocation of the up-front portion or the deferred portions and actual award of the Bonus (1 year).

RECOGNITION The award of variable remuneration for a given measurement period, regardless of the actual time of payment of the amount recognised.

RISK APPETITE FRAMEWORK (RAF) Guidance document for the Group's system of internal controls, steering the synergistic governance of planning, control, and risk management. The RAF is "the frame of reference that, consistent with the maximum acceptable risk, the business model and the strategic plan, defines risk appetite, tolerance thresholds, risk limits and risk management policies, as well as the key processes needed to define and implement them".

RORWA The return on risk-weighted assets represents the ratio of profit (loss) for the period, including non-controlling interests, to total risk-weighted assets (Pillar 1 RWA under the transitional arrangements).

ROTE (%) return on tangible equity, an indicator of profitability calculated on the basis of the Group's reclassified consolidated accounting schedules². ROTE is measured as the ratio between the Parent Company's net profit and the Group's average tangible equity. Tangible equity is the sum of the valuation reserve (item 120 + item 125), reimbursable shares (item 130), reserves (item 150), share premiums (item 160), capital (item 170) less treasury shares (item 180), consolidated profit net of dividends distributed (or approved) by the parent company or in any case by the consolidating company (item 200) and intangible assets (item 100)³.

TUF/CFA The Consolidated Finance Act (Decree 58 of 24 February 1998, TUF in Italian).

VESTING PERIOD The period between assignment of the right to participate in the Plan and the moment in which that right matures (4 years).

² Further details on the methods of presentation of the reclassified statements are available in the attachment to the separate financial statements entitled "Reconciliation between the consolidated accounting schedules and the reclassified formats".

³ It should be noted that the change in the calculation method, illustrated in detail in the Business Plan, is aimed at aligning the formula with the best market practices, while at the same time giving it further transparency and objectivity. Moreover, internal simulations aimed at comparing the results from the "old" and "new" formula did not show significant deviations.

1. RECIPIENTS

The potential recipients of the Four-Year Plan are certain persons identified as Material Risk Takers from among the senior managers of the BPER Group, together with further selected personnel considered key persons for achievement of the strategic guidelines (up to a maximum of 70 persons). The Plan excludes the managers of control functions and similar roles⁴, whose variable remuneration cannot exceed 33% of their fixed remuneration, having regard for the specific restrictions imposed by sector regulations on the parameters usable for this purpose.

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 2022-2025 LTI Plan included in the categories indicated are set out below. Should there be any changes in the positions of the persons indicated below during 2022,2023,2024 and 2025, the person(s) appointed to take over the position(s) would become a recipient of the Plan to the extent relevant, pursuant to paragraph 4.8.

- Piero Luigi Montani, Chief Executive Officer of BPER Banca.

In addition to the performance of their duties related to the roles assigned thereto, certain potential Plan recipients - BPER Group employees - hold positions in administrative bodies of direct or indirect subsidiaries of BPER Banca. Given that these persons are among the potential Plan recipients since they are BPER Group employees, no names have been provided, but, in relation thereto, reference should be made to the information set out below.

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

In addition to the names listed in point 1.1 above, the 2022-2025 LTI Plan is reserved for selected members of BPER Group's top management identified by the Board of Directors of BPER Banca, based on their roles and potential contribution to the achievement of the objectives of the 2022-2025 Strategic Plan approved by the Board of Directors of BPER Banca on 9 June 2022. The maximum number of potential recipients is 70. The actual number may vary depending on recruitment, leavers, transfers of roles and corporate reorganisations.

1.3 Names of persons benefiting from the Plan who belong to the following groups:

a) general managers of the issuer of financial instruments;

In particular, to date (subject to subsequent changes and decisions to be taken by the Board of Directors), these include:

- Piero Luigi Montani, General Manager of BPER Banca.

The names of the actual Beneficiaries to be identified by the Board of Directors that shall implement the Plan as mandated by the shareholders in general meeting, as well as the other information required by paragraph

⁴ As laid down by Circular 285 of 17 December 2013 "Supervisory Instructions for Banks", Title IV, Chapter 2.

1 of Table 7 of Appendix 3A to the Issuers' Regulation, shall be provided in accordance with the terms and conditions laid down by art. 84-bis, paragraph 5 a) of the Issuers' Regulation.

b) other executives with strategic responsibilities 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) 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;

Not applicable.

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

Not applicable.

1.4 Description and number of persons in each category:

a) executives with strategic responsibilities other than those indicated by paragraph 1.3 b);

In addition to the names listed in the above points, the 2022-2025 LTI Plan is also reserved for certain executives with strategic responsibilities of BPER Banca (5); this number may vary depending on recruitment, leavers, transfers of roles and corporate reorganisations.

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 executives with strategic responsibilities 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.).

There are no other categories of employees or collaborators for which the 2022-2025 LTI Plan envisages different characteristics.

2. REASONS FOR ADOPTING THE PLAN

2.1 Objectives intended to be achieved via the plans (this is more detailed information and includes, for example: - 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 purpose of the 2022-2025 LTI Plan is to reward strategic personnel at Group level with an incentive payable solely in ordinary shares of BPER Banca, on the basis described further below and subject to the achievement of certain entry gate conditions as well as specific performance objectives, consistent with the 2022-2025 Strategic Plan [approved by the Board of Directors on 9 June 2022.](#)

In accordance with current regulations and in line with best market practice, the 2022-2025 LTI Plan seeks to:

- align management's interests with the creation of long-term value for the shareholders and all stakeholders;

- incentivise management to achieve the economic, financial and ESG⁵ objectives of the Strategic Plan, within a framework of healthy and prudent risk management;
- ensure the loyalty of key personnel, in order to achieve the medium/long-term objectives of the Group.

In particular, to achieve these objectives, we expect to:

- assign a significant part of the annual variable remuneration in the form of BPER ordinary shares, the actual allotment of which is linked to the achievement of specific business objectives;
- establish a four-year vesting period in line with the duration of the Strategic Plan;
- provide for specific malus and clawback clauses to ensure that ex-post adjustments can be made to bonuses vested/awarded.

More detailed information on the reasons for adopting the 2022-2025 LTI Plan is available in the 2022 Report on Remuneration Policy its update will be submitted for approval at the same Shareholders' Meeting due to be held on 5 november 2022.

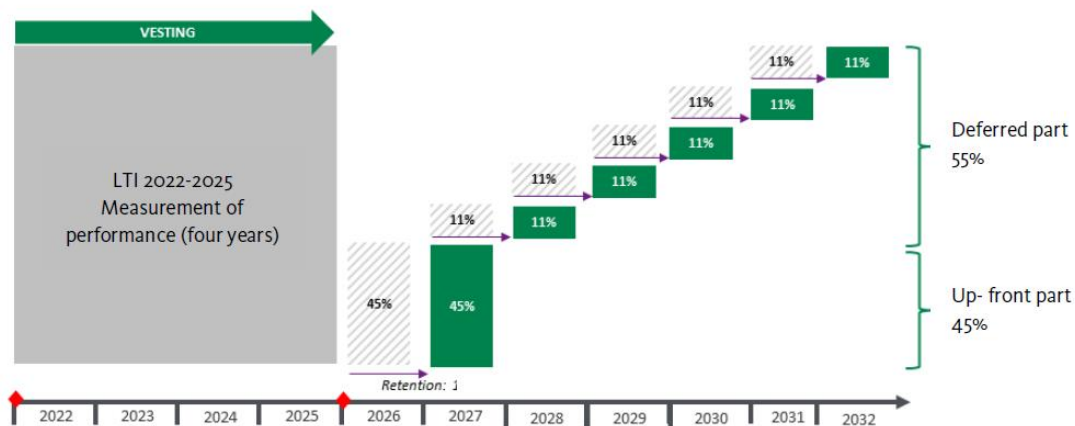
2.2 Key variables, in the form of performance indicators or otherwise, considered for allocations under share-based plans (this is more detailed information and includes, for example: - factors, in terms of performance or otherwise, and the criteria used to determine the particular characteristics relating to the terms of share-based remuneration; - the manner in which these terms have been determined in relation to directors, general managers, executives with strategic responsibilities, other specific categories of employees or collaborators for which plans are in place with particular conditions, or collaborators of the listed company 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 2022-2025 LTI Plan based on financial instruments provides for the award of an individual bonus payable in BPER Banca ordinary shares to the Personnel indicated in paragraph 1 at the end of a four-year vesting period (1 January 2022 - 31 December 2025), aligned with the long-term corporate strategies and objectives defined in the 2022-2025 Strategic Plan, and linked to the results of the business, as appropriately adjusted to take account of all relevant risks, consistent with the levels of capital and liquidity needed to conduct the activities undertaken and, in any case, in a manner that avoids distorted incentives that may lead to an excessive acceptance of risks for the Bank and the overall banking system.⁶

In the context of the 2022-2025 LTI Plan and consistent with the current regulations applicable in the banking sector, assignment of the bonuses is structured with an up-front portion, recognised on satisfaction of the four-year vesting conditions, and deferred portion that is recognised pro rata, in equal tranches, over an extended period (5 years). The payment structure for the shares envisages a retention period of one year for the up-front portion, as well as deferred portions.

⁵ Via the inclusion of ESG (Environment Social Governance) sustainability objectives.

⁶ Except as set out in paragraph 4.8.



Recognition of the shares is subject to verification in 2026 of satisfaction of the entry gate conditions in 2025 (for the up-front tranche) and in 2026, 2027, 2028, 2029 and 2030 for the deferred tranches (allocated after a retention period of 1 year).

In line with market practices, the entry gate conditions envisaged in the LTI Plan are those established by BPER for the short-term plan ending in 2025; in particular: the consolidated Common Equity Tier 1 (CET1) ratio, the consolidated Liquidity Coverage Ratio (LCR) and the consolidated Return On Risk-Weighted Assets (RORWA), as set out in the current RAF.

Performance is measured using the following metrics (KPIs): a profitability objective (Return On Tangible Equity or "ROTE" by 2025), an operational efficiency objective (Cost/income ratio by 2025), a credit quality objective (Gross NPE ratio by 2025) and an ESG objective (mix of objectives for "sustainable finance", "energy transition", "diversity and inclusion" and the "Future" project by 2025).

The KPIs are verified by the competent internal functions for vesting purposes. They are also monitored constantly during the four-year period, in order to verify alignment with the objectives of the Strategic Plan.

The above objectives each have a percentage weighting within the individual bonus and their measurement is based on progressive achievement thresholds (from Minimum to Target to Maximum), which correspond to Bonuses of 70%, 100% and 120%, with linear progression within the performance ranges from "Minimum to Target" and from "Target to Maximum".

The target values of the quantitative KPIs of the Long-Term Incentive Plan are laid down in the 2022-2025 Strategic Plan approved by the Board of Directors on 9 June 2022 and reiterated in the 2022 Report on Remuneration Policy.

Indicator	Weight	Level of achievement	Pay-out	Measurement
ROTEZ <u>at 31/12/2025</u>	50%	Max	120%	Cap
		Target	>=100% and <120%	Linear
		Min	70% and <100%	Linear
Gross NPE ratio <u>at 31/12/2025</u>	15%	Max	120%	Cap
		Target	>=100% and <120%	Linear
		Min	70% and <100%	Linear
Cost/income ratio <u>at 31/12/2025</u>	20%	Max	120%	Cap
		Target	>=100% and <120%	Linear
		Min	70% and <100%	Linear
ESG <u>at 31/12/2025</u>	15%	Max	120%	Cap
		Target	>=100% and <120%	Linear
		Min	70% and <100%	Linear

The ESG objective comprises:

- 25% Sustainable Finance (green and social loans granted by 31/12/2025);
- 25% Energy Transition (reduction of CO2 emissions by 31/12/2025 with respect to the 2030 Paris Objectives);
- 25% Diversity and Inclusion (increase in the less represented gender among senior managers and managers (Strategic Plan target by 31/12/2025);
- 25% "Future" project (measurement of the social impact by 31/12/2025 of specific projects for young people, activated using the internal "Future" fund).

2.3 Elements or criteria used to determine the amount of the compensation based on financial instruments (this is more detailed information and includes, for example: - 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)

Based on the characteristics described above, the 2022-2025 LTI Plan envisages a maximum bonus payable to the Beneficiaries, if all objectives are achieved to the maximum level, of Euro 27.2 million (the "Total Bonus Pool").

The target number of shares promised at the beginning of the four-year period covered by the Plan is calculated based on the ratio of the amount of the Beneficiaries' Individual Bonus to the share price, calculated as the average official price of BPER Banca ordinary shares listed on the MTA market organised

⁷ It should be noted that the change in the calculation method, illustrated in detail in the Business Plan, is aimed at aligning the formula with the best market practices, while at the same time giving it further transparency and objectivity. Moreover, internal simulations aimed at comparing the results from the "old" and "new" formula did not show significant deviations

and managed by Borsa Italiana S.p.A., recorded in the 30 days prior to the date of the Shareholders' Meeting (20 April 2022).

The target amount of the Individual Bonus (on a one year and four-year basis) of each Beneficiary shall be determined⁸ as a percentage of the relevant individual gross annual remuneration: (i) 60% (240% over four years) for top management and C-Level personnel (including the Chief Executive Officer and General Manager of the Parent Company and (ii) 40% (160% over four years) for senior management and (iii) 15% (60% over four years) for the beneficiaries selected from among the key personnel for achievement of the strategic guidelines. The list of Beneficiaries does not include persons belonging to corporate control and similar functions, as indicated in paragraph 1 of this document.

Based on measurement of the KPIs, the number of shares may be increased by 20% if the maximum objectives are achieved, or reduced to 70% if only the minimum objectives are achieved. The bonus will be eliminated for performance below the minimum level.

Accordingly, the sum of the shares accrued shall be recognised only at the end of the four-year period covered by the LTI Plan, after having verified the level of achievement of the KPIs that takes account of the performance achieved at the end of the four-year period.

The shares thus recognised are to be divided into 6 tranches, of which one will be up-front (equating to 45% of the Individual Bonus) and into 5 equal tranches (equating to 11% thereof), to be allocated during the deferral period. If the bonus accrued at the end of Vesting is a "particularly high amount", the up-front tranche shall equate to 40% and the 5 deferred tranches shall each equate to 12% of the Individual Bonus.

The Beneficiaries and the number of shares to be allotted to each of them are determined by the Board of Directors at their discretion and without any right of appeal, in compliance with the Circular and applicable legislation. The Bank may not allocate shares to the Beneficiaries, in whole or in part, and it retains the right to request the Beneficiaries to return the shares, in whole or in part, in the event of the conditions described below (so-called malus and clawback clauses).

The Bank will ask 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.

This without prejudice to the fact that, even in the event of the KPIs being achieved, BPER Banca will not award the Beneficiaries the up-front tranche and/or the deferred tranches upon failure to achieve the BPER Group gates (CET1; LCR; RORWA) as defined above (in relation to 2025, 2026, 2027, 2028, 2029 and 2030).

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.

⁸ In accordance with the variable:fixed ratio defined in the relevant remuneration policies at the time of participation and in compliance with the regulations in force at the time.

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

The preparation of the 2022-2025 LTI Plan was not influenced by any significant tax or accounting issues. In particular, the tax and social contribution regime applied to the bonus shares allotted shall comply with current laws in the country of tax residence of the employee.

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

We hereby confirm that no support is envisaged for the Four-Year Plan by the Special fund for the encouragement of worker participation in firms pursuant to article 4, paragraph 112, of Law 350 dated 24 December 2003.

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

The draft resolution approving the changes to 2022–2025 LTI Plan, prepared by the Board of Directors of the Bank for submission to the Ordinary Shareholders' Meeting called for 5 november 2022, envisages *inter alia* granting the Chief Executive Officer - with the right to sub-delegate - all appropriate powers needed in order to execute 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 Internal Functions, especially the Chief Human Resource Officer, who operates after hearing the opinion of the Remuneration Committee.

3.3 Procedures for amendment of the Plan should the underlying objectives change

The objectives are identified and fixed by the Board of Directors. The related targets and weights will be maintained over time, consistent with the long-term strategies and objectives defined in the 2022-2025 Strategic Plan.

In the event of more restrictive changes at the regulatory level and/or in the RAF to the access conditions for the 2022–2025 LTI Plan, the established thresholds shall be updated accordingly.

Should extraordinary or unbudgeted events⁹ occur that might alter the Gates and KPIs, the Board of Directors - having consulted the Remuneration Committee and the Control and Risks Committee, and supported by the relevant corporate functions - may adjust the targets to take into adequate consideration the impact of such events on the Gates and KPIs, having regard for further indicators linked to the Strategic Plan and in light of the more general performance achieved during the period.

⁹ Including but not limited to: extraordinary operations and reorganisations regarding BPER Group and capital transactions, regulatory amendments to the remuneration policies of BPER Group or to the Group companies, public tender or exchange offers or changes of control, compliance with specific sector regulations applicable to individual Group companies and extraordinary accounting normalisations.

In the event of capital increases by the Bank or other companies within the BPER Group, whether in the form of bonus issues or for payment, in order to service special operations, or of extraordinary dividend payments or other events that may, or only might, influence the price of BPER shares and, more generally, the economic content of the Plan, the Board of Directors - having consulted the Remuneration Committee and the Control and Risks Committee, and supported by the relevant corporate functions - may make necessary or appropriate changes in order to maintain unaltered the essential characteristics of the Plan¹⁰.

It is understood that the Chief Executive Officer, as a Beneficiary of the Plan, will not participate in any related Board discussions and resolutions.

3.4 Description of the procedure for determining the availability and assignment of the financial instruments underlying the plans

In order to provide greater flexibility, the allotment, free of charge, of shares under the Plan will take place via the use of treasury shares originating from purchases authorised by the shareholders in general meeting, pursuant to art. 2357 and 2357-ter of the Italian Civil Code.

The shares servicing the 2022-2025 ILT Plan, a maximum of approximately 17,135,000 BPER Banca ordinary shares (representing 1.21% of the Company's share capital at the date of approval of the Information Document by the Board of Directors on 29 September 2022) will come from treasury shares already held by the Company as of today or from future purchases made in compliance with the applicable legislation and subject to authorisation by the Shareholders' Meeting. The total estimated cost is Euro 27.2 million.

In this regard, it should be noted that on 20 April 2022, the Shareholders' Meeting has already authorised the purchase of a maximum number of 11,300,000 shares (representing 0.80% of the Company's share capital as of that date) for a cost of Euro 21.5 million.

In any event, the number of treasury shares that may be purchased, also by virtue of future authorizations, may not exceed a limit of one fifth of the share capital as laid down in art. 2357, paragraph 3, of the Italian Civil Code, taking account of the treasury shares already held by the Company as of today's date.

Purchase of the shares is in any case subject to authorisation by the European Central Bank ("ECB").

The mechanism provides for the allotment, free of charge, of BPER Banca ordinary shares purchased and/or held by the Parent Company (with allocation of the cost to each company that employs the potential Beneficiary of the shares), equating to the maximum amount of the bonuses, in accordance with the following procedures.

In 2026, the Board of Directors will validate the opening of the Gates to the 2022–2025 LTI Plan, as well as the level of achievement of the specific KPIs (the target amounts established by the 2022-2025 Strategic Plan in relation to 2025) on the set dates, as described in paragraph 2.2.

Under these mechanisms, the amount of the bonus may change based on the share price performance.

¹⁰ Any changes are based on the TERP (theoretical ex-rights price) adjustment factor, as defined by Borsa Italiana following a dilution event.

3.5 Role played by each Director in determining the characteristics of the plans; any conflicts of interest involving the Directors concerned

The Board of Directors determined the characteristics of the 2022–2025 LTI Plan, to be submitted to the Shareholders' Meeting called for 5 november 2022, having noted the opinion of the Remuneration Committee dated 14 July 2022.

Since the Beneficiaries include the Chief Executive Officer, he abstained from the Board decision on the proposal concerned.

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 in general meeting and of any proposal made by the remuneration committee

On 14 July 2022, the Remuneration Committee reviewed the changes to the Plan and, having given a positive opinion thereon, passed a motion to submit the Plan for approval by the Board of Directors.

On 21 July 2022, the Board of Directors, with the favourable opinion of the Remuneration Committee and of the Control and Risks Committee, passed a motion to approve the proposed changes to the Plan and submit it for approval at the Shareholders' Meeting called for 5 november 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 said body by the remuneration committee

In the event of approval of the changes to the 2022–2025 LTI Plan by the Shareholders' Meeting, the Board of Directors has to meet to take decisions regarding its implementation. Recognition of the shares shall be approved by the Board of Directors, upon verification of the level of achievement of the Plan's performance conditions after having verified the access conditions (as detailed in paragraphs 2.2, 2.3 and 3.4 above).

The information required in relation thereto by article 84-bis, paragraph 5 a) of the Issuers' Regulation (or by laws and regulations in force) is not yet available and shall be provided in compliance with current legislation.

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

The official market price of BPER Banca's ordinary shares recorded on the following dates was:

- Euro 1.3072 (opinion of the Remuneration Committee dated 14 July 2022);
- Euro 1.3057 (approval at the Shareholders' Meeting of the Board of Directors' proposal of 21 July 2022).

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 assignment of the instruments under the plan, for dealing with possible coincidences in the timing of: (i) the assignment or any related decisions taken by the remuneration committee; and (ii) the dissemination of any significant information pursuant to art. 17 of Regulation (EU) 596/14; for example, if that information: (a) has not already been made public and might positively influence market prices, or (b) has already been published and might adversely influence market prices

Notice has been issued to the market, pursuant to and for the purposes of current regulations and laws, of the resolution whereby the Board of Directors approved the proposal to be submitted to the Shareholders' Meeting concerning the LTI Plan 2022–2025 and the purchase of treasury shares.

On adoption and implementation of the 2022-2025 LTI Plan, the market has to be informed to the extent required by the current regulations and laws in force.

In any event, the proposed resolutions concerning the share-based compensation plans are reviewed beforehand by the Remuneration Committee, which issues an opinion to the Board of Directors and notice is issued to the market, where due, at the same time as the adoption of the resolution by the Board of Directors.

Certain Beneficiaries are subject to obligations set forth in internal dealing regulations contained in Regulation (EU) 596/2014 of 16 April 2014 (and the related implementing provisions), in the CFA and in the Issuers' Regulation. Such persons are thus required, if the conditions set forth in the aforementioned legislation are met, to promptly provide information to the market concerning relevant transactions – pursuant to the above law – involving the shares.

In addition to the foregoing, the Beneficiaries are required to comply with the provisions concerning the abuse of privileged information contained in the aforementioned Regulation (EU) 596/2014 and the provisions of the “Code for the treatment of privileged information” to which reference should be made.

4. CHARACTERISTICS OF THE INSTRUMENTS ALLOCATED

4.1 Description of how the share-based compensation plans have been 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); the allocation of 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)

The 2022-2025 LTI Plan envisages the allocation of the Bonus to potential Beneficiaries via the assignment without charge of BPER Banca ordinary shares, subject to specific deferral and retention periods (as detailed earlier in paragraph 2.2).

The Bonus comprises:

In the event of bonuses accrued in excess of a particularly high amount (see Definitions):

- 40% is accrued up-front in 2026 and is subject to a retention clause up to 2027;
- the remaining 60% is deferred and paid in 5 equal annual portions and accrues in the period 2027-2028-2029-2030-2031; each deferred portion of shares is subject to a one-year retention clause.

In the event of bonuses accrued equal to or less than a particularly high amount, the up-front and deferred portions are 45% and 55%, respectively.

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

The implementation period for the 2022-2025 LTI Plan runs from the year of approval at the Shareholders' Meeting (2022) until final availability of the last deferred portion of shares (2032), as more fully described in paragraph 2.2.

4.3 Termination of the plan

Taking into account that stated in the previous paragraph, the 2022–2025 LTI Plan will terminate in 2032.

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

It is estimated that the maximum theoretical need comes to approximately Euro 27.2 million, not exceeding a maximum of 17,135,000 ordinary shares, representing 1.21% of the Company's share capital on the date of approval of the Information Document by the Board of Directors on 29 September 2022.

The allotment takes place over the vesting period as illustrated in paragraph 2.2 above.

It is currently impossible to indicate the maximum number of BPER Banca ordinary shares allocated in each fiscal year of the Plan, given that their allocation will occur subsequent to the Shareholders' Meeting to be held on 5 november 2022; upon recognition of the Bonus in 2026, this number shall be subject to the opening of the Gates as well as the level of achievement of the specific performance indicators.

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;

Please refer to paragraphs 2.2 and 2.3 above.

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

A lock-in period of 1 year is envisaged for the allotted Shares with respect to both the up-front portion and the deferred portions.

In the event of extraordinary capital transactions that provide for the exercise of option rights and/or extraordinary dividend distributions, the Board of Directors of the Parent Company may make related changes to the shares vested but not yet available to the Beneficiaries.

The Chief Executive Officer and General Manager and the other Executives with strategic responsibilities of the Parent Company agree, consistent with the guidelines for share ownership that will be specified in the Plan regulation, not to transfer a percentage of the available shares received under the Plan until the termination of their appointment and/or position as a key manager of the Parent Company.

4.7 Description of any termination conditions in relation to the plans should recipients arrange hedges that neutralise any restrictions on sale of the financial instruments assigned, including in the form of options, or of the financial instruments deriving from the exercise of those options

The Plan does provide for any termination conditions of the type described above.

However, in line with the relevant regulations, the Corporate Governance Code and the 2022 Remuneration Policy, the Beneficiaries are forbidden to arrange personal hedging strategies or insurance in relation to their remuneration, or certain aspects thereof, that might alter or compromise the effects of the risk alignment inherent in the incentive mechanism, as previously described in paragraph 2.3.

In the event of breach of the above ban by a Beneficiary, the Board of Directors may decide whether to adopt appropriate measures, including the Beneficiary's forfeiture of the right to receive any shares.

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

Beneficiaries shall only be entitled to receive their accrued bonus if they hold their position or role at the end of the vesting period, as defined in paragraph 2.2, 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; and
- (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 grounds for termination of the plans

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 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 article 2357 et seq. of the Italian Civil Code; the beneficiaries of the redemption, indicating whether this only applies to specific employee categories; impact of the redemption on the termination of the working relationship

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 the company on the assignment date, determined with reference to the terms and conditions already established, both in total and for each plan instrument

The Plan provides for the use of a number of treasury shares held by the Parent Company (with subsequent reimbursement by the Group company that employs the recipient of the shares).

Although it is not currently possible to indicate the exact cost of the bonuses awarded in the form of BPER shares, considering the access conditions and achievement of the performance objectives, the maximum total cost over the Plan period is expected to be about Euro 27.2 million.

This cost will be recognised over the vesting and deferral period.

4.13 Indication of any capital dilution triggered by the compensation plans

Not applicable.

4.14 Any limits on the exercise of voting rights and the allocation of enjoyment 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 Exercise price of options or method and criteria for determining it, with particular reference to: a) the formula for calculating the exercise price in relation to a given market price (fair market value); and b) the method for determining the market price referred to when determining the exercise price

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 exercise 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 financial 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.

Name and surname or category	Office	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 instruments	Market price at time of grant	Vesting period
Giuseppe Cuccurese	General Manager of Banco di Sardegna	12-Apr-19	BPER Banca shares	146,837	2019	1.79 €	3.74 €	2019-2021
<i>Notes</i>								
Stefano Esposito	General Manager Sardaleasing	28-Mar-19	BPER Banca shares	52,142	2019	1.79 €	3.74 €	2019-2021
<i>Notes</i>								
Franco Tomasi	General Manager Emil.Ro	16-Apr-19	BPER Banca shares	52,142	2019	1.79 €	3.74 €	2019-2021
<i>Notes</i>								
3 Executives with strategic responsibilities of BPER Banca		17-Apr-19	BPER Banca shares	220,813	2019	1.79 €	3.74 €	2019-2021
<i>Notes</i>								
27 other BPER Banca employees or collaborators who are recipients of the Plan		17-Apr-19	BPER Banca shares	1,312,838	2019	1.79 €	3.74 €	2019-2021
<i>Notes</i>								
1 other Banco di Sardegna employee or collaborator who is a recipient of the Plan		12-Apr-19	BPER Banca shares	48,492	2019	1.79 €	3.74 €	2019-2021
<i>Notes</i>								

The table does not include the bonus of 1 person who is no longer employed.

** Number of shares initially assigned and adjusted using the "TERP" mechanism following the capital increase in October 2020. The actual number of shares allocated following the final calculation is shown in the Consob table entitled "Compensation plans based on financial instruments" contained in the 2022 Report on remuneration policy and compensation paid, Section II, Part II.*

*** The assignment date is the date of formal notification. The assignment date is 2020 for certain persons included as beneficiaries during the vesting period.*