

BPER:

2024 Report on Remuneration Policy and Compensation Paid

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GLOSSARY

Shareholders' Meeting

Shareholders' Meeting of the Bank.

Shares

The Ordinary Shares of BPER listed on the Italian stock exchange managed by Borsa Italiana.

Recipients

The parties to whom the bonuses will be awarded once the conditions envisaged by Remuneration Policies in force at any given time have been met.

Vested bonus or bonus

Bonus that constitutes a variable part of the remuneration based on the rules defined in the Remuneration Policies of the BPER Group.

Bonus Pool

Overall allocation of funds for incentive schemes.

Target bonuses or bonus opportunities

Theoretical bonus which corresponds to the amount paid in the event of full achievement of the results.

BPER or Issuer or Bank

BPER Banca S.p.A. (hereinafter also referred to as "Bank", or "BPER" or "Parent Company").

Claw-back

Mechanism that envisages the return of a bonus if it has already been paid out or if it has already vested but is still subject to a retention period.

C-Level managers

C-levels belonging to the Top Management as defined in the document "*Succession plans of the top management*": Chief Operating Officer, Chief Financial Officer, Chief Corporate & Investment Banking Officer, Chief Retail & Commercial Banking Officer, Chief Private & Wealth Management Officer, Chief Lending Officer, Chief General Counsel, Chief Human Resource Officer, Chief Risk Officer, Chief Audit Officer, Chief Compliance Officer, Chief AML Officer.

Remuneration Committee

Remuneration Committee of the Bank.

Common Equity Tier 1 Ratio (CET1):

Financial strength indicator, representing the ratio of common equity Tier 1 to total risk-weighted assets (Pillar 1 RWA).

Board of Directors

The Board of Directors of the Bank.

Cost/Income¹

² Operational efficiency indicator, calculated using the Group's reclassified consolidated accounting schedules. Measured as the ratio of operating costs to net operating income.

Date of allocation/payout

Date on which the equity component of the bonus is deposited into the Recipient's securities account

Deferral

Period between the vesting of the bonus (which, conventionally, coincides with the payout date of the up-front portion) and the time of allocation/payout of the deferred portions

Report update date

Date of the 30 May 2024 Board of Directors' Meeting approving amendments to the Remuneration Report to be submitted to the ordinary Shareholders' meeting.

Executives with Strategic Responsibilities (ESRs)

Persons who have the power and responsibility, directly or indirectly, for planning, managing and controlling the Company's assets, including its directors (whether executive or not) of the Company, as identified from time to time by the Board of Directors. At the date of approval of these Remuneration Policies, ESRs include the following figures: members of the Board of Directors, members of the Board of Statutory Auditors, members of the General Management (General Manager and Deputy General Managers), Chief Operating Officer, Chief Financial Officer, Chief Corporate & Investment Banking Officer, Chief Retail & Commercial Banking Officer, Chief Private & Wealth Management Officer, Chief Lending Officer, Chief General Counsel,

¹ For the purpose of measuring results, referred to the ordinary component, i.e. net of any normalisations.

² Further details on the methods for submission of the reclassified statements are available in the Annex to the separate financial statements entitled "Reconciliation between the consolidated financial statements and the reclassified statements". These statements are used internally to develop annual/multi-year forecasts and report the results of operations.

Chief Human Resource Officer, Chief Risk Officer, Chief Audit Officer, Chief Compliance Officer, Chief AML Officer and the Financial Reporting Officer of the Parent Company.

ECAR (Economic Capital Adequacy Ratio)

Management indicator used in the context of assessing capital adequacy from an economic perspective, it is defined as the ratio of Total Economic Capital to Internal Capital (Total Economic Capital/Internal Capital), where internal capital against individual risks is calculated using internal management approaches (source ICAAP).

Entry Gates (or access conditions)

Minimum parameters (equity, profitability and liquidity) which, if exceeded, may lead to a bonus being allocated.

ESG

An acronym that refers to environmental sustainability, social development and corporate governance.

BPER Banca Group or BPER Group

BPER Banca and its direct and indirect subsidiaries belonging to the Banking Group under the applicable legal provisions.

Hedging

In the specific context, this relates to hedging or personal insurance strategies that protect the actual amount of remuneration against adverse changes in the market price of the shares concerned.

Particularly high amount (bonus)

Bonus amount higher than the threshold – calculated on the basis of the provisions of Circular No. 285 of the Bank of Italy – and specifically referred to in the Annual Report on the Bank's Remuneration Policy. For the 2022-2024 LTI Plan, the reference year considered is 2024.

Key Performance Indicators (KPIs)

Economic, financial and sustainability indicators that contribute to determining the bonus.

Leverage ratio

Supervisory indicator calculated as the ratio between Tier 1 Capital and Total Assets.

Share Ownership Guidelines

The share ownership guidelines applicable to the Chief Executive Officer and Executives with Strategic Responsibilities of BPER.

Liquidity Coverage Ratio (LCR)

Ratio between the stock of high-quality liquid assets and net outflows in the 30 days after the reporting date.

Malus

Ex-post adjustment mechanisms, based on which vested bonuses can be reduced to zero.

Material Risk Takers (MRTs)

Group personnel whose professional activities have or may have a significant impact on the risk profile of the Bank, as defined in the Compensation Policies of the BPER Group. It is also referred to as Material Risk Takers.

Top Material Risk Takers (MRTs)

Chief Executive Officer and General Managers of the “relevant operating units with RWA > 2%³”. For BPER, also the Deputy General Managers and Executives with Strategic Responsibilities.

MREL TREA Subordination

Supervisory indicator established by the Single Resolution Board (SRB), calculated as the ratio of the sum of own funds and subordinated funds to RWA (risk-weighted assets).

Gross NPE Ratio (%)

Risk indicator linked to credit quality, measured as the ratio of gross non-performing loans (bad, unlikely-to-pay and past-due loans) to gross loans to customers (performing and non-performing).

Retention period

Period between the moment in which the bonus is allocated in financial instruments (loading of the shares on the securities account) and the moment when said bonus is actually available to the recipient.

Vesting period or performance period

Period of time during which a recipient's right under an incentive plan is gradually vested.

Personnel

Members of bodies with strategic supervisory, management and control functions, employees and contract staff of the bank.

12-month PD PIT (point in time)

12-month probability of default (Point In Time) on rated performing counterparties (in stage 1 and 2 IFRS 9). The figure, from the IFRS 9 impairment calculation engine, is that used for the calculation of provisions for Stage 1 positions and for the 1st year of impairment for Stage 2 positions (source: Credit Risk Policy).

Long-term incentive plan – 2022-2024 LTI Plan

The long-term Compensation Plan (hereinafter also the “Plan”) based entirely on financial instruments for the 2022-2024 period. The Plan, approved by the Shareholders' Meeting of 5 November 2022 and originally approved on a four-year basis, was modified

³ BPER Banca, Banco di Sardegna, Sardaleasing and BPER Factor.

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by the Board of Directors' Meeting of 30 May 2024 with a reduced duration and renamed "2022-2024 ILT Plan".

2024 MBO Short-Term Incentive Plan (or 2024 MBO Plan)

The Remuneration Plan based on shares in cash and financial instruments (where applicable) relating to the year 2024

Business Plan or Strategic Plan

The "2022-2025 BPER e-volution" strategic plan approved by BPER Banca Board of Directors meeting of 9 June 2022 and disclosed to the market on 10 June 2022, with ahead-of-time closure at 31 December 2024 under BoD resolution of 30 May 2024 as disclosed to the market on the same date.

Issuers Regulation

Consob Regulation No. 11971/99 and subsequent amendments and additions.

Return On Risk-Weighted Assets (RORWA)

Ratio between profit (loss) for the period and RWAs. It should be noted that since 1 January 2024 the calculation methodology has changed and the component pertaining to third parties is excluded and the gross profit figure is used (current operating result before tax) is used.

Risk Appetite Framework (RAF)

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 maximum acceptable risk, 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.

Operating result net of credit risk adjustments⁴

This indicator, calculated using the Group's reclassified consolidated accounting schedules⁵, is measured as the difference between the operating result and the net credit risk adjustments/write-backs.

ROTE (%)⁶

Profitability indicator, calculated using the Group's reclassified consolidated accounting schedules. ROTE has been calculated as the ratio of the Parent's Company's net profit to the Group's average tangible equity. Tangible equity is the algebraic sum of valuation reserves (item 120 + item 125), Redeemable shares (item 130), Reserves (item 150), Share premium (item 160), Share capital (item 170) - Treasury shares (item 180), Consolidated profit net of dividend distributed (or approved) by the parent or consolidating company (item 200) - Intangible assets (item 100)

Severance

Compensation envisaged in view of or in the event of early termination of office or for early termination of the employment relationship.

CONSOLIDATED LAW ON FINANCE

Legislative Decree No. 58 of 24 February 1998, as amended by Legislative Decree 49 of 10 May 2019, with subsequent amendments and additions.

Up-front

Payout of bonuses not subject to deferral conditions.

Group Gross Profit⁷

Profit from current operations before tax.

⁴ See footnote 2

⁵ See footnote 2

⁶ See footnote 1

⁷ See footnote 1

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Letter from the Chair of the Remuneration Committee



Dear shareholders,

In my three years as Chair of the Remuneration Committee, BPER has transformed its business and increased its market presence, creating a bank that is fundamentally different from what it was only a few years ago. A Bank that, thanks to its new size and the dedication of its people, has defied the difficult geopolitical and macroeconomic times, going beyond expectations. In these three years, BPER has demonstrated its ability to transform itself, bringing value to you, its shareholders, its customers and all stakeholders.

There were significant economic achievements in 2023, including steady growth, solid capitalisation and very low credit risk indicators. The Bank's movement towards a strengthened and future-oriented competitive positioning is facilitated by business decisions and the structural consolidation of the organisational set-up.

In achieving this success, BPER has placed its customers and employees at the forefront, reaffirming that its commitment to ESG is a fundamental and integral component of its business strategy.

Consistent performance in recent years has driven the bank's transformation, with ambitious targets set at all levels of the organisation, encouraging the bank to go beyond expectations, both industrially and culturally.

The Remuneration Policy for 2024 continues largely in line with last year's, taking into account the broad consensus reached with you, the shareholders, during the Shareholders' Meeting on 26 April 2023 and the positive feedback received regarding transparency, pay for performance and alignment with the Business Plan. The goal remains to foster excellence and drive the change initiated in recent years, ensuring sustainability over time and alignment with you, the shareholders and all stakeholders.

Remuneration policies remain crucial for attracting, retaining and motivating individuals who embody the Group's mission and consistently uphold the principles of ethics, passion, dynamism, care and collaboration within a broader framework of sustainability, putting our customers at the centre.

The remuneration policy for 2024 remains based on the following principles:

- alignment between remuneration and sustainable performance, through a variable remuneration policy structured into short and long-term incentives intended for an increasingly broader section of company staff and structured specifically across the different business segments;
- challenging economic and financial objectives with a clear aim: to make a positive impact on the environment and society; objectives that adequately take risk issues into account;
- entry gates to incentive schemes consistent with supervisory requirements, stringent deferral mechanisms, pay-mix involving the use of financial instruments;
- monitoring the gender neutrality of the remuneration policy and the so-called Equity pay gap within a structured framework of Diversity & Inclusion initiatives;
- proactive alignment with the constantly evolving national and European legislative framework.

This Report, drawing on the principles of transparency, inclusion and fairness, embodies a policy aimed at rewarding merit and the achievement of lasting results, confirming our ongoing enhancement approach while offering an effective and balanced remuneration strategy that supports the Bank in pursuit of its goal to create sustainable value over time in the interest of all stakeholders.

In line with these principles, as compared to the Remuneration policy approved by the Shareholders' Meeting on 19 April 2024, the amendments contained in this document aim to (i) reflect the ahead-of-time closure of the Business Plan and (ii) define, for 2024, a competitive and attractive variable Remuneration Policy to act as a key lever in supporting the Group's growth path and accelerating its orientation towards the strategic development guidelines that will be fully defined under the New Plan, while also favouring alignment with investors' interests.

I would like to take this opportunity to express my sincere appreciation on behalf of the Remuneration Committee for the commitment and professional qualities of all the people working in the BPER Group.

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I would like to conclude by thanking you, our shareholders, for your support at the Shareholders' Meetings over the past two years and for the valuable contributions we have taken into account in determining our remuneration policies.

Finally, I would like to thank all the members of the Remuneration Committee, the Chief Executive Officer and the entire Board of Directors, for their teamwork and active involvement in the execution of our mandate.

Maria Elena Cappello

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PART I

2024 Remuneration Policies of the BPER Group

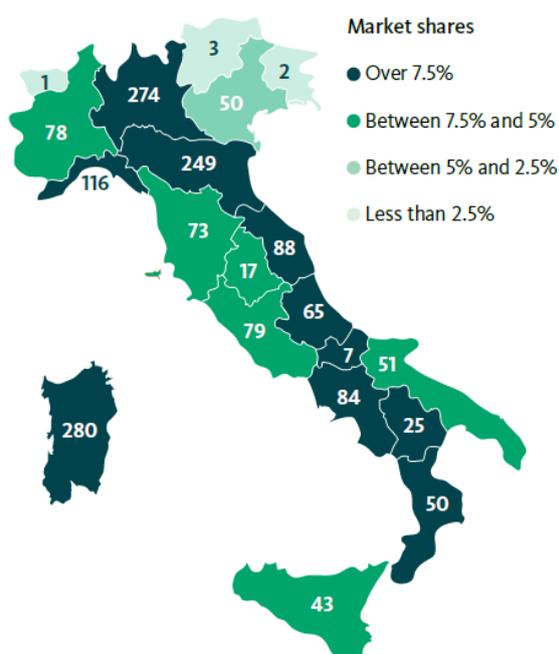
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1. PRINCIPLES AND OBJECTIVES OF THE REMUNERATION POLICY

Once again in 2023, the results achieved by BPER reaffirm its status as a leading Italian bank, constantly listening to the needs of our customers and areas of operation, aiming to offer an increasingly sustainable and advanced response. A bank made of people sharing the same mission: support and connect people, businesses and communities to help them develop their ideas, protect them and shape a better future.

The commitment to ESG issues, including reducing environmental impacts and fostering diversity, which are an integral part of the Bank's strategy, continues to be steadfast.

Territorial presence at the date of 31.12.2023



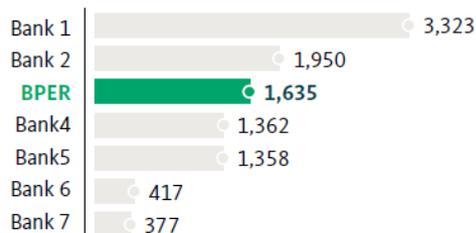
Group commercial banks	Number of branches
BPER Banca	1,347
Banco di Sardegna	286
Banca Cesare Ponti	2
Total	1,635

Geographical area	Number of branches
North	773
Centre	329
South and Islands	533
Total	1,635

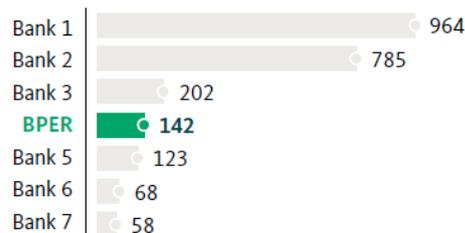
Figures updated to 31.12.2023. Source: management data

Positioning among listed commercial banks

NUMBER OF ITALIAN BRANCHES



TOTAL ASSETS (€/BLN)



Main listed commercial banks: Intesa SP, Unicredit, Banco BPM, Credem, MPS, BP Sondrio Source: company figures as at 31.12.2023

Although the economic and macroeconomic framework remains complex, the Bank's profitability is expected to continue

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to be supported by net commissions and actions to offset the impact of inflationary dynamics on costs, as well as by net interest income.

The expectation is for the quality of results achieved in 2023 to be confirmed to the benefit of all stakeholders, owing to the progress made on the revenue generation front, coupled with the strong capital and liquidity position, and credit quality. The solid capital position is expected to remain at a high level. On the asset quality front, the expectation is to maintain sound coverage levels and a conservative provisioning approach with a stable cost of credit with respect to 2023. Recurring net profit is expected to be in line with 2023, net of DTAs on tax losses.

Worthy of special mention are important initiatives implemented between the end of 2023 and the beginning of 2024 that are part of the Bank's path of growth and improved fundamentals:

- the strategic partnership agreement for the management of non-performing loans was finalised with the Gardant Group;
- a €750 million fixed-rate covered bond issue with orders exceeding €1.6 billion and a €500 million Additional Tier 1 bond issue were successfully placed;
- Moody's improved the outlook to "positive" and confirmed BPER's ratings;
- the merger by absorption of Optima SIM S.p.A. into Banca Cesare Ponti S.p.A. was completed. This transaction played a crucial role in establishing a Wealth Management & Asset Management division by enhancing Banca Cesare Ponti S.p.A. as a specialised corporate vehicle for directly managing private banking clients and serving as an investment management and advisory centre. The goal is to solidify the significant growth trajectory of recent years, which has positioned the BPER Group among the top asset management and private banking firms in Italy;
- agreements were reached with trade unions to streamline the workforce, enabling the on-boarding of new resources. This includes support for youth employment and facilitating generational turnover to bolster the various initiatives in commercial, digital, artificial intelligence and strengthening of control functions.

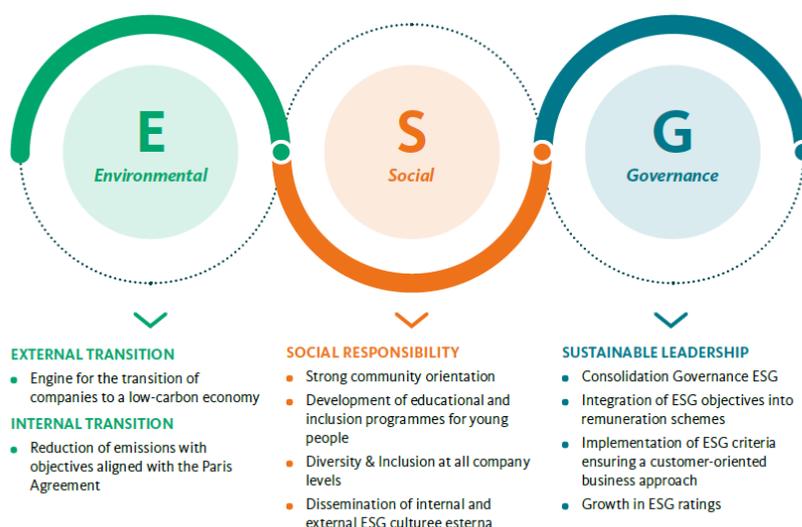
Regarding the Report on Remuneration Policy, it is worth mentioning the agreement signed with trade unions for the renewal of the National Collective Labour Agreement (Professional Areas and Middle Managers), which applies to all employees in general. The agreement, set to expire on 31 March 2026, is expected to have significant effects, particularly starting from 2024, regarding both economic and regulatory aspects. These include working hours, provisions on digitalisation, generational turnover, inclusion and gender.

1.1 Strategic guidelines and ESG objectives

With reference to sustainability issues, already extensively integrated into the business model, concrete actions have been identified across all lines of intervention, through precise targets to reduce environmental impacts, supporting customers in the environmental transition and, finally, devoting attention to the management of diversity and the inclusion of the most vulnerable groups, all with the aim of creating shared value.

Therefore, the Plan made it possible to evolve towards a business model more focused on core activities, making the most of the "product companies" with greater efficiency and a strong drive towards digitalisation guided by sustainability logics for the benefit of all stakeholders.

The Business Plan outlined the line of development in the ESG sphere to create long-term shared value, through the "ESG infusion" cross-cutting lever. Specifically, projects with ESG impact (ESG Infusion lever) are monitored quarterly and submitted to the [Sustainability Committee](#)⁸.



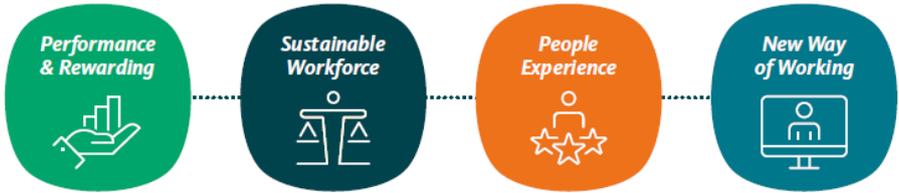
⁸ For further information, please refer to the Consolidated Non-Financial Statement.

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The BPER Group puts people at the centre of its business model and promotes fairness and objectivity values while undertaking to protect the expression of individual potential as a distinctive feature. Great attention has always been paid to Human Resources. The focus is placed in particular on the implementation of career paths aimed at enhancing and developing skills.

Employees are a crucial resource for the growth of the Group as they are the first to bear witness to its values, providing customers with excellent services and products and maintaining relationships of mutual trust.

Among the five evolutionary pillars of the Business Plan there is one defined as “People at the centre”, which envisages four areas of intervention to develop and unite BPER’s human capital represented here:



In line with the Business Plan objectives, positive impacts were achieved in the ESG sphere recognised through the maintenance and improvement of key specific ratings⁹. In particular, the Bank was selected by Standard & Poor’s as Sustainability Yearbook Member and included in the prestigious Standard & Poor’s Global Sustainability Yearbook 2024. Finally, it is worth highlighting the improvement in the CDP (Carbon Disclosure Project) rating in 2023, for which BPER was assigned the score A-, which highlights its commitment to managing environmental and climate issues.

S&P Global Sustainable 1 (CSA)	60/100
Moody’s Analytics	Robust
CDP	A- (Leadership)
ISS ESG	C-
MSCI ESG Rating	AA
S&P Global Rating ESG Evaluation	Adequate
Standard Ethics Rating (SER)	EE+
Sustainable Fitch	3 (Average ESG Profile)
Morningstar Sustainalytics (ESG Risk Rating)	14,7 (LOW)

⁹ The ESG rating (or sustainability rating) is a synthetic judgement that certifies the soundness of an issuer, a security or an investment fund in terms of environmental, social and governance performance.

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1.2 Summary of the main changes introduced and alignment of the Remuneration Policy with the Sustainability Strategy

OVERVIEW OF THE MAIN CHANGES

Compared with the Remuneration Policy approved by the Shareholders' Meeting of 19 April 2024, the amendments included in this update are designed to

(i) take into account the ahead-of-time closure of the Business Plan putting a greater focus on the strategic guidelines for development which will be fully defined in the new Business Plan and promote further alignment with investors' interests.

(ii) define, for 2024, a variable, competitive and attractive Remuneration Policy acting as a main driver for the Group growth, which is undergoing major transformation and requires strongly competitive remuneration packages to retain and attract talented resources, in comparison with current market variable remuneration practices which prove to be very significant especially in the short-term component. This approach is considered to be consistent with the aspired standing achieved by the bank both in terms of size and income.

In particular, we therefore expect to:

- increase the competitiveness and attractiveness of the remuneration packages of top management roles (with particular reference to the CEO and Executives with Strategic Responsibilities), *inter alia* with a view to meeting the challenges of the current competitive environment and business scenario by raising the short-term variable remuneration opportunity;
- update the benchmark peer group to take into account the practices adopted by the leading Banking Groups listed on the FTSE MIB index. In line with the overall assessment of size, income and financial parameters, the remuneration package for the Chair and the Chief Executive Officer stands in the average range⁹ with reference to both the fixed component, for either positions, and the variable component for the Chief Executive Officer in accordance with the *pay-for-performance* strategy the bank intends to strengthen. However, cost containment is highlighted with respect to market benchmarks given a defined remuneration package entirely focused on directorship (without additional charged relating to executive positions);
- a change in the period of the ILT Plan performance measurement with respect to a reduced Strategic Plan time horizon (to-be three year) also implying a pro-quota reduction of target bonus opportunities for the recipients;
- update the paragraph concerning 'Remuneration granted in view or upon termination of employment of Material (and Non-Material) Risk Takers', so as to (i) adjust the termination indemnity maximum amount, subject to the two-year limit, to take into account the fixed remuneration defined for the Chief Executive Officer; (ii) give an account of the conclusion of specific severance agreements with the CEO in relation to the termination of the office of Director and/or the role of CEO before the natural expiry of the mandate, in line with widespread practices among competitors and leading Italian listed companies; and (iii) to include the "natural expiry of the mandate" as one of the good leaver reasons under short- and long-term incentive plans.

The 2024 remuneration policy is strictly related to the strategic guidelines of the Business Plan and contributes to BPER's strategic objectives targeted at the creation of value for shareholders, employees, customers and all stakeholders in order to ensure close correlation and consistency between remuneration, the results achieved, the expected development guidelines, the sustainability of the initiatives implemented and sound and prudent risk management as well as compliance with the regulatory provisions.

Developing its people and creating value for the entire ecosystem in which BPER operates are at the heart of the Group's ESG policy and, therefore, of the systems designed to incentivise the achievement of short-term and long-term results in a sustainable manner that also take into account the working conditions of all employees.

Therefore, performance and rewarding policies have been progressively aligned with the Group's sustainability strategies. In this respect, the following should be noted:

- the integration of ESG priorities into short- and long-term incentive plans, with a specific focus on value creation for all stakeholders. More specifically:
 - The **short-term incentive plan** (MBO) confirms a significant recognition of the weight of ESG components among the objectives (20% for 2024). In continuity with 2023, the so-called "Strategic Scorecard" – which represents the basic element of the MBO system and the subsequent breakdown of the objectives for the various scopes of the company's population – envisages specific targets in the ESG area linked to the Business Plan (so-called ESG meta KPIs) alongside the economic and financial objectives. The "Strategic Scorecard" is assigned to the Chief Executive Officer (see in this regard what is detailed in Section 7) as the "2024 MBO Scorecard". The ESG meta KPI is, moreover, included in the 2024 MBO scorecards of all C-Level Managers, in order to ensure an overall climate of sharing and

⁹Benchmarking with the support of the consulting company WTW.

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make management accountable for the Company's priorities in this area.

- The **Long-Term Incentive Plan** "2022-2024 LTI Plan" (based on BPER shares) intended for the Chief Executive Officer and the persons considered key in achieving the bank's results supports the alignment of the interests of the managerial figures with those of shareholders and all stakeholders, incorporating in its targets not only profitability, operational efficiency and credit quality objectives but also sustainability objectives (with a weight of 15%). These sustainability objectives are divided into 4 fundamental guidelines: Sustainable Finance, Energy Transition, Diversity & Inclusion, and Training Projects (see the details in Section 7).
- Confirmation of the "Pay for sustainable Performance" principle, through a pay-mix linking the prevailing part of the overall remuneration to the achievement of annual and long-term results. For 2024, an alignment of payouts of profitability and risk indicators and greater integration of risk-adjusted indicators are observed in MBO scorecards, especially for C-Level managers;
- presence of Entry Gates common to the MBO system and the LTI Plan, linked to capital strength, liquidity and risk-adjusted profitability indicators that guarantee the sustainability of the systems from an economic and financial point of view; in general, Entry Gates are envisaged for all variable remuneration systems;
- the financing of incentive systems with "bonus pool funding" arrangements strictly correlated to the value generated reinforces the alignment with the Group's revenue and capital strength. It should be noted that in 2024 an increase in the average target amounts of the incentive systems (for personnel other than MRTs) is being implemented, primarily intended for commercial functions that are directly operational in the market;
- incentive to the achievement of predetermined objectives and superior performance for all personnel, aimed at creating widespread value in alignment with the Group's priorities and growth strategy;
- within the scope of remuneration policies, analyses and comparisons with the market are constantly carried out to verify and guarantee pay equity consistent with the role performed, the complexity managed and personal merit;
- the alignment of customers' interests and the creation of shared value are the drivers of the incentive systems of business and sales structures;
- the introduction of safeguards to guarantee the gender neutrality of the remuneration policy: starting from 2022, the BPER Group has utilised a detailed analysis model for remuneration data linked to the role held, which has guaranteed effective and regular monitoring by the Board of Directors of gender neutrality in the remuneration policy, with the support of the Remuneration Committee and input from the other Committees involved. By monitoring remuneration-related data and intervening on processes, in particular the salary review process, interventions are directed at improving any gaps found within clusters of resources acting in the same role or roles of equal value. The "Adjusted Equal Pay Gap" analysis, detailed in Part II of this Report, shows residual pay gaps that are not significant, confirming the effectiveness of the path taken by the Bank in terms of diversity, equity and inclusion. The enhancement of the diversity characteristics of each person and the focus on female leadership in development paths continued to be specific performance objectives for individuals holding positions of responsibility (mainly MRTs).

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FOCUS - DIVERSITY & INCLUSION (D&I)

The BPER Banca Group recognises the value of diversity as a key resource for innovation, productivity and growth of the organisation and the country. In order to generate the necessary cultural change and foster an inclusive environment that does not discriminate on the basis of gender, age, different abilities, health, ethnicity, sexual orientation and identity or political ideologies, the Group has long promoted initiatives aimed at respecting the values of fairness and objectivity and is committed to protecting the maximum expression of the individual's potential as a distinctive feature.

As early as 2022, the Board of Directors had already updated the "Policy on diversity, equity and inclusion in the corporate bodies and population of the BPER Banca Group" (<https://group.bper.it/en/governance/documents>).

During 2023, the Group significantly strengthened its commitment to promoting gender equity with the implementation of a Three-Year Operating Plan that spans four areas of intervention, providing for specific initiatives and actions aimed at supporting the set gender objectives.

To oversee the initiatives envisaged in the Gender Plan, a cross-functional control room and governance mechanisms for reporting on results have been set up involving internal board committees and the Board of Directors. The Plan's intervention focuses are:

- development and retention: the emphasis is on inclusive leadership with empowerment paths where workshops, coaching and mentoring play a key role;
- accelerated growth paths to create a pool of potential resources capable of feeding the pipeline of future managers;
- inclusion by design of HR processes: critical review of HR processes aimed at supporting inclusion and removing any unconscious bias;
- culture of inclusion: change management plan that encourages and supports cultural evolution on D&I issues and creates positive reinforcement of virtuous behaviour, actively involving all stakeholders.

2023 saw the launch of new initiatives that will be fully implemented in 2024 and testify to the BPER Group's ongoing commitment to promoting a fair and inclusive working environment. Of particular note are the Women Leadership Academy (an empowerment course with a focus on strategic skills, female leadership, individual coaching, training and listening) and Exempla (a development course dedicated to the professional growth of people working in positions of organisational responsibility aimed at supporting and accelerating the managerial empowerment of female figures as well).

The D&I training offer is aimed at the entire company population and aims to improve employee self-efficacy and involvement, helping them overcome situations that could generate stress, negative impacts on individual well-being and work performance. In 2023 the offer was enriched with individual coaching courses on these specific issues and a new initiative "Bperabilità – Welcome disability", reserved for people with disabilities (visually impaired and deaf) and their managers and HR Business Partners.

Lastly, in 2023 the BPER Group embarked on a path towards gender equality certification (both for obtaining IDEM|Mind the Gap Gender Equality Certification and for the [UNI/PdR 125: 2022](#)¹¹), as evidence of its commitment to equity and to the promotion of an inclusive work environment, which can contribute to diversified leadership, thus improving sustainability and overall performance.

FOCUS – GENDER NEUTRALITY OF REMUNERATION POLICIES

Remuneration policies are an essential pillar in the Group's overall strategy in terms of Diversity & Inclusion. Indeed, the principles set out above are also embodied in the commitment to guarantee equal opportunities and treatment in the definition of remuneration policies and in their practical application, including through the use of criteria for evaluating performance based on the recognition of skills, experience, performance and professional qualities without any type of discrimination.

In order to facilitate the application of gender-neutral policies, to be able to assess their effectiveness and to monitor their application in a timely manner, the Group has, since 2022, established a granular pay analysis model that integrates the provisions of national (Bank of Italy Provisions) and European (EBA Guidelines) supervisory regulations, taking into due consideration the regulatory developments of the Pay transparency Directive, as well as alignment with industry best practices. This approach, whereby the same role or roles are deemed comparable, makes it possible to identify possible misalignments between organisational positions of equal value, considering market conditions. This, in turn, allows for the most appropriate corrective action needed to ensure full compliance with the remuneration policies adopted.

1.3 Shareholder support for the Remuneration Policy

Within the framework of a robust and transparent governance that characterises the Group's remuneration and incentive policy and systems, BPER launched a constructive and continuous dialogue with investors and proxy advisors, holding targeted meetings and discussions also on remuneration issues, with the objective of improving and ensuring effective disclosure regarding alignment with the Group's long-term strategy.

The remuneration policy for 2024 confirms the priorities and strategic guidelines and, in line with the commitment to the inclusion and well-being of all employees, incorporates the unique aspects of the incentive systems of the company population, building on the specific features of the policies already implemented in 2023, aimed at supporting the purchasing power of all colleagues, taking into account the context.

The Group's commitment to aligning itself with the interests of all stakeholders is also confirmed by the growing level of consensus noted with regard to the Report on Remuneration Policy.

¹¹ The reference practice defines the Guidelines on the management system for gender equality. It also defines the measurement, reporting and evaluation of gender-related data in organisations with the aim of closing the gaps that currently exist as well as incorporating the new gender equality paradigm into the DNA of organisations and producing sustainable and lasting change.

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In the proposal of the alignment of the Remuneration Policy for 2024, the BPER Group took into consideration the outcome of the vote expressed by the Shareholders' Meeting in 2023 on Part I and II and continued with the process of aligning the policy to the expectations of investors and proxy advisors, by submitting to the Shareholders' Meeting convened by the 30 May 2024 BoD some modification proposals as previously described to confirm a transparent approach towards the stakeholders.

For details on the results of the 2023 Shareholders' Meeting sessions, please refer to Part II of this Report.

2. GOVERNANCE OF THE REMUNERATION AND INCENTIVE POLICIES

Pursuant to applicable regulations, BPER, in its capacity as Parent Company, draws up the document on the remuneration and incentive policies of the entire BPER Group, ensures its overall consistency, provides the necessary guidelines for its implementation and verifies its correct application.

In accordance with the above, the governance process for defining, implementing and managing remuneration policies at Group level envisages the involvement, at different levels and according to their areas of competence, of the Bodies and Functions of the Parent Company and Subsidiaries.

STAFF REMUNERATION AND INCENTIVE POLICIES



2.1 Shareholders' Meeting

As regards remuneration, the shareholders' meeting of BPER, in accordance with the applicable law:

- determines, in accordance with applicable legal and regulatory requirements, the remuneration payable to Directors and Statutory Auditors;
- approves the Remuneration Policies in favour of the bodies with supervisory, management and control functions and the staff;
- expresses its advisory vote on the remuneration paid in the previous year (or in any case relating to the previous year) to the bodies with supervisory, management and control functions and the Executives with Strategic Responsibilities;
- approves remuneration plans based on financial instruments, if any, pursuant to Article 114-bis of the Consolidated Law on Finance;
- approves the criteria for calculating any special remuneration to be awarded in the event of early termination of employment or stepping down ahead of schedule, including the limits set on such remuneration in terms of the number of years of the fixed portion of remuneration and the maximum amount that derives from applying these criteria;
- has the power to resolve, with qualified majorities required by current supervisory regulations, a ratio between the variable and fixed component of individual MRT remuneration higher than 1:1, but not exceeding the limit established in such regulations. In BPER Banca, the latter provision of the articles of association is extended to all Staff.

The above maximum limit on the ratio of variable to fixed remuneration for Material Risk Takers (with the exclusion of the control and similar functions) was set by the Shareholders' Meeting of 17 April 2019 at 2:1, in order to have the flexibility to make payments ahead or at the time of early severance, while also making appropriate operational levers available to be

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able to act on the competitiveness of the remuneration packages of strategic professionalism and ensure the presence of the resources required to achieve the company's objectives. The ratio for other personnel is set at 1:1, except as outlined in Section 7, including the specific exceptions envisaged for certain sectors.

2.2 Board of Directors

With reference to remuneration issues, the Board of Directors of BPER, in exercising its role as the body with strategic supervisory functions, draws up the Group's remuneration policies, submits them to the Shareholders' Meeting of the Parent Company and reviews them at least once a year, and is responsible for their actual implementation.

In carrying out these activities, the Board relies in particular on the support of the Remuneration Committee and the relevant Corporate Functions, which are involved as appropriate in order to effectively contribute to defining the Policies. As part of the activities of guidance and coordination of the Subsidiaries, the Board of Directors of BPER, in its role as the governing body of the Parent Company, ensures the consistency of the remuneration and incentive systems within the Banking Group, in compliance with the characteristics of each company, including: size; the risk brought to the Group; the type of business; the presence of specific rules due to the sector to which the company belongs or the jurisdiction where it is established or predominantly operates; relevance to the Group. Without prejudice to the foregoing, in accordance with applicable regulations, individual Group companies remain in any case responsible for compliance with the regulations directly applicable to them and for the correct implementation of the guidelines provided by the Parent Company. More specifically, the Board of Directors is responsible for:

- determining the remuneration of the members of the Board of Directors with special appointments, after consulting the Board of Statutory Auditors;
- approving the process for the identification of Material Risk Takers, verifying their full compliance with the relevant regulatory provisions¹², and the list of roles included in this category as a result of the process;
- defining the Group's remuneration policies, to be submitted to the Shareholders' Meeting for approval, with particular reference to MRTs, as well as the report on the remuneration paid to be submitted to the advisory vote of the Shareholders' Meeting;
- approving the incentive plans based on financial instruments pursuant to Article 114-bis of the Consolidated Law on Finance to be submitted to the Shareholders' Meeting for approval;
- ensuring the gender neutrality of the remuneration policies adopted and, therefore, monitoring the Gender Pay Gap and related changes over time;
- verifying the correct implementation of the Group's remuneration policies;
- ensuring that the remuneration and incentive systems are suitable for guaranteeing compliance with the provisions of the law, regulations or articles of association, as well as with any codes of ethics or codes of conduct, promoting the adoption of conduct that complies with them;
- ensuring that the remuneration policy is adequately documented and accessible within the corporate structure and that the consequences of any violations of law or of ethical codes or codes of conduct are known to the Staff.

2.3 Remuneration Committee

In compliance with the principles laid down by the Supervisory Provisions and the Corporate Governance Code, the Remuneration Committee performs advisory, inquiry and proposal-making functions to support the activities of the Board of Directors and, to the extent of its sphere of competence, of the Executive Committee (where established), without prejudice to the autonomy of decision-making and the responsibility of these bodies to pass motions within their respective spheres of competence.

Composition of the Committee

Pursuant to its Rules of Operation, BPER's Remuneration Committee is made up of three non-executive directors, the majority of whom meet the independence requirements set forth in the Articles of Association and the primary and secondary regulatory sources as well as the self-regulation referred to therein. Committee members must have, individually and collectively, adequate knowledge, skills and competence regarding remuneration policies and practices and risk management and control activities, in particular with regard to the mechanism for aligning the remuneration structure with risk, capital and liquidity profiles. Within the Committee, at least one member must have adequate knowledge and experience in financial matters or remuneration policies, assessed by the Board of Directors at the time of appointment. The Board of Directors appoints the three members and chooses one of those who meet the independence requirements to act as Chair. On the Chair's proposal, the Remuneration Committee appoints a Secretary, who need not be one of its members.

In compliance with the above, the Remuneration Committee in office at the date of the update of this Report is made up of three Directors, as indicated in the table below, all non-executive and for the most part independent. The internal composition of the Committee also respects the indicators of good practice on gender diversity in line with the Supervisory

¹² Bank of Italy Circular 285/2013.

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Provisions on Corporate Governance.

Members of the Remuneration Committee	Position
Maria Elena Cappello	Chair (independent)
Gianfranco Farre	Member
Andrea Mascetti	Member (independent)

Role of the Committee

The Committee plays an advisory, inquiry and proposal making role in support of the Board of Directors' activities for aspects relating to remuneration.

In particular, pursuant to the Committee's Rules of Operation, the Committee has the task of:

- making a proposal on the remuneration to be paid to the Board of Directors and Board of Statutory Auditors, to be submitted for the approval of the Shareholders' Meeting, as well as how the total amount approved should be split among the various Directors;
- making a proposal to the Board of Directors in relation to the remuneration to be paid to Directors holding particular offices, taking into account the provisions of the remuneration policy, also with reference to the variable component;
- making a proposal to the Board of Directors in relation to the remuneration to be paid to the members of General Management, as identified pursuant to the Company's Articles of Association, to the heads of the main business lines and corporate functions, as well as to those who report directly to the Bodies of Strategic Supervision, Management and Control;
- making a proposal to the Board of Directors in relation to the remuneration to be paid to the managers and senior personnel of the corporate Control Functions as well as to the Manager responsible for preparing the Company's financial reports;
- expressing an opinion to the Board of Directors in relation to the remuneration to be paid to the "Material Risk Takers" identified pursuant to the relevant provisions in force and on the basis of the internal regulations in effect, if the determination of the relative remuneration falls within the remit of the Board of Directors and has not been delegated by the latter to other Top Management bodies of the Bank;
- supporting the Board of Directors in drawing up Remuneration and Incentive Policies, ensuring, among other things, that:
 - they are consistent with the risk management framework;
 - the treatment of non-recurring events is clearly defined;
 - risk-sensitive indicators that take into account a sufficiently large period of time are also included;
 - the remuneration of the Heads of the corporate Control Functions is based on their control objectives.
- expressing an opinion on the achievement of the performance targets to which the incentive plans are linked and on the assessment of the other conditions for the payment of compensation, including the application of any ex post adjustments made in line with the remuneration policy and internal regulations. To this end, it makes use of the information received from the relevant corporate functions;
- monitoring the practical implementation of remuneration policies;
- expressing an opinion to the Board of Directors, also making use of the information received from the relevant corporate functions, on the results of the process to identify Material Risk Takers, including any exclusions pursuant to the regulations in force at any given time;
- delivering an opinion to the Board of Directors with a view to approving any documents implementing the remuneration and incentive systems that are submitted to the Board of Directors for approval;
- assisting the Board of Directors in the drafting of the Remuneration Report pursuant to Article 123-ter of the Consolidated Law on Finance to be approved by the Board and subsequently submitted to the Shareholders' Meeting;
- expressing an opinion, also using the information received from the competent corporate functions, on the adequacy, overall consistency and actual application of the remuneration and incentive policies approved by the Shareholders' Meeting;
- directly supervising, in close cooperation with the Board of Statutory Auditors, the compliance of the remuneration policy relating to the Heads of the corporate Control Functions with the applicable regulatory provisions and the proper application thereof;
- preparing documentation on remuneration policies to be submitted to the Board of Directors for the relevant decisions;
- ensuring the involvement of the relevant corporate functions in the process of drawing up and monitoring remuneration and incentive policies and practices;
- verifying that the remuneration system takes into account sustainability issues, including those related to the gender pay gap;
- with regard to banking companies, financial companies pursuant to Article 106 of the Consolidated Law on Banking (TUB), asset management companies and investment companies belonging to the Banking Group, expressing its opinion to the Board of Directors on the remuneration to be paid to the members of the Boards of Directors and the Boards of

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Statutory Auditors, the members of the Executive Committee (where envisaged in the respective Articles of Association), the Directors holding specific offices and the General Managers, Deputy General Managers or similar figures envisaged in the respective Articles of Association.

2.4 Control and Risk Committee

With regard to remuneration, the Control and Risk Committee performs certain tasks outlined in the relevant Rules of Operation approved by the Board of Directors. As at the date of this Report, these Rules provide that the Control and Risk Committee, without prejudice to the responsibilities of the Remuneration Committee and ensuring adequate coordination with the latter, ensures that the incentives underlying the Bank's and the Group's remuneration and incentive system are consistent with the RAF and verifies the consistency of the remuneration of the heads of the corporate control functions with the remuneration policy.

2.5 Sustainability Committee

With regard to remuneration, the Sustainability Committee performs certain tasks outlined in the relevant Rules of Operation approved by the Board of Directors. As at the date of this Report, these Rules provide that the Sustainability Committee performs functions in support of the Board's activities with reference to environmental, social and governance (ESG) issues and with an impact on all the processes through which BPER ensures the pursuit of sustainable development, including those relating to remuneration and incentive systems.

2.6 Nomination and Corporate Governance Committee

With regard to remuneration, the Nomination and Corporate Governance Committee performs certain tasks outlined at any given time in the relevant Rules of Operation approved by the Board of Directors. As at the date of this Report, these Rules provide that the Nomination and Corporate Governance Committee supports the Board of Directors, also by formulating opinions and proposals, in the adoption, updating, implementation and monitoring of diversity policies (also considering their possible impact on the remuneration and incentive system).

2.7 Subsidiaries

As previously mentioned, pursuant to the Supervisory Provisions, the Parent Company draws up the remuneration policy for the entire banking Group, ensures its overall consistency, provides the necessary guidelines for its implementation and verifies its correct application; individual Group banks, being unlisted, may not draw up a separate document.

In light of the above, the Parent Company submits to the Subsidiaries, for which the regulations provide, the Remuneration Policies approved by its Board of Directors and any relevant update.

Where applicable, the Board of Directors of the Subsidiaries, with the support of the Remuneration Committee (if established), then implements the aforesaid Policies and the Shareholders' Meeting of the Subsidiary approves, to the extent of its competence, this "Report on Remuneration Policy and Compensation Paid".

3. IDENTIFICATION OF MATERIAL RISK TAKERS

The current Supervisory Instructions on Remuneration specify that “banks establish a policy for identifying Material Risk Takers, as an integral part of their remuneration and incentive policy”.

The policy on the process for identifying Material Risk Takers adopted by BPER, as outlined below, defines:

- i) the criteria and procedures used to identify Material Risk Takers;
- ii) procedures for the appraisal of personnel;
- iii) the roles played by corporate bodies and the relevant corporate functions in devising, monitoring and reviewing the identification process.

Consistent with the duties allocated by current regulations to the Parent Company, BPER identifies the Group’s Material Risk Takers with reference to all companies within the same Group, whether or not subject to banking regulations on an individual basis, ensuring the overall consistency of the identification process and coordination of the varying instructions that apply in the specific sectors served by each Group company.

In order to identify the Material Risk Takers within the BPER Group, the Parent Company has applied the criteria established in Delegated Regulation (EU) 923 dated 25 March 2021 that, in turn, reflect the criteria established in the EBA Final Report issued in June 2020, as well as the supervisory instructions contained in Bank of Italy Circular no. 285.

The Banks belonging to the Banking Group, if not listed, adopt the policy defined by the Parent Company which, in any case, brings together the contributions produced at local level by the **Group entities**³³ that are required to carry out the identification process.

The objective of the process is to identify, among all of the Group’s personnel, those who are considered MRTs, being persons who professionally carry out activities with a substantial impact on the Group’s risk profile, based on the analysis and application of the qualitative and quantitative criteria set out in the aforementioned Delegated Regulation (EU).

The self-assessment process consists of the following stages:

1. Analysis of the Group’s risk profile and its relevance in terms of contribution to the economic performance of the various legal entities;
2. Application of the criteria for the identification of personnel in relation to the organisational position held, risk taking and management;
3. Application of quantitative criteria.

The Group’s risk profile is analysed by the Chief Risk Officer’s units, which analyse the structure of the risks to which the Group is exposed. In particular, they identify:

- the main risk categories that affect the Group as a whole;
- the parameters on which to measure the risk profile of the Group and individual companies;
- the level of contribution of each component to the overall risk of the Group and the individual types of risks.

Depending on these parameters, “Material Legal Entities” have been identified for the purpose of determining the scope of the MRTs.

The self-assessment process is coordinated at Group level by the structures of the Chief Human Resource Officer (CHRO). After receiving the assessments of the Group’s risk profile prepared by the Chief Risk Officer (CRO) together with the Planning and Control Department, they analyse the various organisational positions (or roles) with the support of the Chief General Counsel (CGC) and the Planning and Control Department. Among the latter, only those that are likely to have an impact on the Group’s risk profile, according to the relevant legislation and based on salary levels, are analysed (involving the application of qualitative and quantitative criteria).

Group companies actively participate in the process of identifying the Group’s MRTs, as carried out by the Parent Company, providing it with the necessary information in accordance with the instructions received. The Human Resources function of each Italian bank and the asset management company (SGR) of the Group contributes to the preparatory work needed to identify the MRTs and drafts the “Self-assessment for the identification of MRTs” which will be examined and approved by

³³ As required by regulatory guidelines, the results of the analysis carried out at local level were also included: the Head of Bibanca’s Operating Resources Service was identified as the MRT at local level.

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the Board of Directors of each bank and the SGR, after obtaining a compliance opinion from the units of the Chief Compliance Officer (CCO) of the Parent Company, if that function has been centralised.

The CGC structures check any updates of the delegated powers granted to particular roles at the individual Group companies, pointing out to the CHRO structures the main changes with respect to the previous year and the presence of any specific executive appointments involving individual directors in order to identify anyone belonging to companies not included in the list of Material Legal Entities, but who can be identified as MRTs because of the positions held and the impact of their activities on the risk profile. Taking into account the results of the assessment carried out by the individual Group entities, the CHRO structures prepare the document “Self-Assessment for the Identification of MRTs of the Group”, which, after being submitted to the Chief Compliance Officer’s structures for assessment, must be approved by the Board of Directors, after receiving the opinion of the Remuneration Committee.

On the basis of the above assessment, the procedure for exclusion may be initiated if it is considered that one or more persons identified using the quantitative criteria set out in the (EU) Delegated Regulation may not be considered to be MRTs because they exercise powers only in a non-significant business/operating unit, or have a role without a material impact on the risk profile of a relevant business/operating unit of the Group.

Any adjustment of the MRT scope during the year is carried out by the CHRO structures after the first half of the year and is monitored on an ongoing basis. That is, the list of MRTs is revised if situations arising after the annual identification could have a stable impact on the MRT scope (such as corporate reorganisations and/or changes in loan approval procedures and decision-making powers).

The outcome of the process described for 2024 led to the identification of the following scope:

Category of personnel	Headcount (2024)
I. Executive Directors (*) (**)	3
II. Non-Executive Directors	42
III. General Managers and Heads of the main Corporate Functions (**)	22
- Parent Company	7
- Banco di Sardegna	5
- Other Banks/Companies	10
IV. Heads of Control Functions (**)	29
- Parent Company	29
V. Other Risk Takers	60
- Parent Company	53
- Banco di Sardegna	4
- Other Banks/Companies	3
VI. Application of quantitative criteria	10
TOTAL	166

(*) Including the Chief Executive Officer and General Manager of Arca Fondi SGR.

(**) 17 resources are included in the definition of top management.

In the light of those identified by applying the qualitative and quantitative criteria, the scope of MRTs for 2024 consists of 166 resources¹⁴.

Category of personnel	2023	2024
Non-Executive Directors	46 (30%)	42 (25%)
MRTs	85 (55%)	95 (57%)
MRTs – Heads of Control Functions	23 (15%)	29 (18%)
TOTAL	154 (100%)	166 (100%)
% Total BPER Group personnel (see definition in Bank of Italy Circular No. 285)	0.71%	0.80%

¹⁴ These include all BPER ESRs.

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4. BENCHMARKING AGAINST MARKET PRACTICE AND USE OF EXTERNAL CONSULTANTS

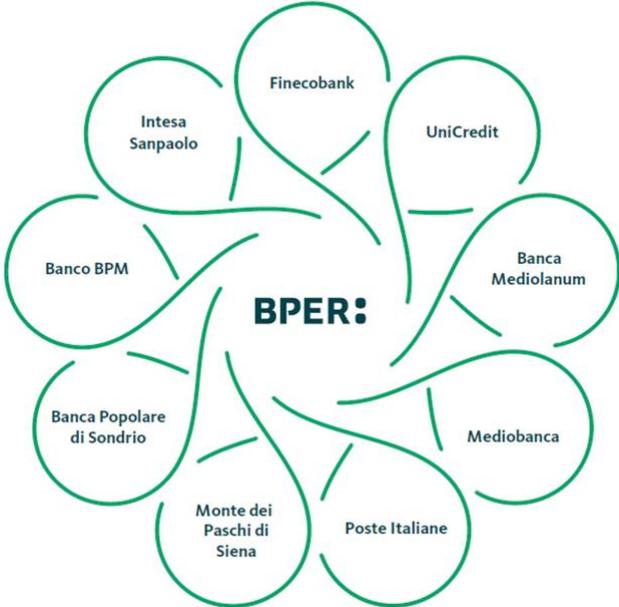
The remuneration policies adopted by the Group are defined in order to support business strategies ensuring a coherent and effective incentive systems alignment of staff interests with value creation for the shareholders. In order to ensure the competitiveness of its remuneration policies, which is essential to attract, motivate and retain the best resources, the Group constantly monitors general market trends and practices, so that it can establish levels of compensation that are both fair and competitive.

Consistent with this, the Group periodically benchmarks salaries against those of a panel of companies operating in the same sector, as well as those identified in segment surveys carried out by the trade association, and applies analytical criteria to compare similar roles and positions in order to determine the positioning of our pay levels in terms of fixed, variable and total remuneration.

For the various types of staff, the Group's remuneration policy defines differentiated and competitive remuneration packages in terms of fixed and variable components and fringe benefits.

In carrying out all the activities necessary to ensure the competitiveness and effectiveness of its pay systems, the Group has been supported by external, independent consultancy firms with considerable expertise in this area. In particular, the Group now collaborates with an international consultancy firm: WTW, which helped revise the incentive schemes and the remuneration policy, as well as Mercer, which provided support for the benchmarking of salaries at various levels within the company workforce.

In the definition of the remuneration policies, with particular reference to monitoring the main market practices, the Group has updated its peer group to reflect the business challenges faced, the specificities that derive from belonging to the FTSE-Mib index, the peculiarities of the banking regulations in terms of remuneration policies and, therefore, the complexity of size (combination of market capitalisation, profitability measured through ROE, asset size and number of **employees**¹⁵). The peer group adopted during the update of the Remuneration Policy is detailed below:



¹⁵ It is noted that the figure of Banca Monte Paschi di Siena refers to remuneration policy data and not to "actual" data affected by regulatory caps.
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5. RECIPIENTS OF THE REMUNERATION POLICIES

In line with the principles and purposes set out in Section 1, the Remuneration Policies are aimed at creating value for all Group personnel, differentiated by category.

They are therefore structured in order to ensure maximum effectiveness compatibly with the type and objectives of the relevant corporate function.

In this direction, the remuneration and incentive policies target the following categories of personnel:

- Corporate bodies;
- the Chief Executive Officer
- **General Manager (where appointed)¹⁶**;
- **Material Risk Takers¹⁷**;
- Material Risk Takers of the **Control Functions¹⁸**;
- Remaining personnel (not included in the MRT scope);
- Contract staff.

With regard to the remaining personnel, the 2024 remuneration policy sets out the specifics of the incentive systems for the different business segments.

The details relating to some Group entities are also represented; specifically, these are Arca Fondi SGR and BPER Bank Luxembourg.

6. REMUNERATION OF THE CORPORATE BODIES

The remuneration of BPER's Corporate Bodies is defined by the Shareholders' Meeting, which establishes the amount of the remuneration due to the members of the Board of Directors, in compliance with the law and the relevant regulations.

The Shareholders' Meeting also sets the annual remuneration of the members of the Board of Statutory Auditors for the entire duration of its mandate.

6.1 Remuneration of the members of the Board of Directors

The compensation of the Directors of BPER Banca S.p.A. is determined in order to adequately remunerate and reward the skills applied and responsibilities accepted in the performance of their assigned duties. For all Directors of the Parent Company, with the exception of the Chief Executive Officer, remuneration is set entirely on a fixed basis, without any variable remuneration component.

Notwithstanding the foregoing, the remuneration of the members of the Board of Directors is determined by the Shareholders' Meeting. With reference to the Board of Directors in charge at the date of this report update, the Shareholders' Meeting of 19 April 2024 establish the total amount of remuneration to be paid to the Directors for their 2024-

¹⁶ The positions of Chief Executive Officer and of General Manager may be held by the same person (as in the mandate in place at the date of the AGM of 19 April 2024) or by different persons. At the Date of this Report update, the General Manager has not been appointed. In this regard, see Section 6.4 Remuneration for the office of Chief Executive Officer

¹⁷ Including ESRs, excluding members of the Board of Statutory Auditors and non-executive members of the Board of Directors.

¹⁸ Including ESRs, excluding members of the Board of Statutory Auditors and non-executive members of the Board of Directors. The Control functions also include the Manager responsible for preparing the Company's financial reports and the heads of the structures that report to him and that are identified in the internal regulations as control functions.

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2026 term, pursuant to art. 2389, para. 1, of the Italian Civil Code (ICC), as €1,925,000 (of which € 1,350,000 for the members of the Board of Directors and, therefore, € 90,000 a year for each Director, and €575,000 for the additional remuneration of the members of Board Committees), in addition to a fee of €500 for individual attendance at each board meeting. In accordance with the resolutions of the aforementioned Shareholders' Meeting, the Directors also benefit from reimbursement of expenses incurred for participating in the Board of Directors' and Board Committees' meetings and training initiatives organised by the Company, the coverage offered by the D&O liability insurance policy taken out by the Bank in their favour a health insurance policy, which Directors can underwrite on an individual basis, and an accident insurance policy. Similar insurance cover can be taken out for the Directors of the Subsidiaries of the BPER Group.

6.2 Remuneration for serving on Board committees

Directors who participate in the committees established within the Board of Directors receive a fixed remuneration commensurate with the commitment required and determined by the Board of Directors, in compliance with the regulatory provisions in force concerning the involvement of the Remuneration Committee, Board of Statutory Auditors and Related Parties Committee, also taking into account any overall amount decided by the Shareholders' Meeting. The total annual individual remuneration, of each member of Committees at the date of the updating of the Remuneration Report is defined within the overall plafond established by the above mentioned Shareholders' Meeting of 19 April 2024, is shown in the table below.

PARTICIPATION IN INTERNAL BOARD COMMITTEES

	CHAIR	MEMBER
Control and Risks Committee	€ 60,000	€ 40,000
Remuneration Committee	€ 35,000	€ 25,000
Appointments and Corporate Governance Committee	€ 35,000	€ 25,000
Related Parties Committee	€ 35,000	€ 25,000
Sustainability Committee	€ 25,000	€ 12,500

6.3 Remuneration for special duties

Pursuant to art. 11, para. 2 of the Articles of Association and art. 2389, para. 3 of the Italian Civil Code, the additional remuneration due to the Directors assigned special duties is established by the Board of Directors in compliance with the applicable regulatory provisions related to the involvement of the Remuneration Committee, the Board of Statutory Auditors and the Related Parties Committee.

The additional fixed remuneration of the Directors assigned special duties at the Date of this Report update is provided below:

€ 410,000 for the Chair;

- € 110.000 for the Deputy Chair;
- for the Chief Executive Officer see the next Section.

6.4 Remuneration for the office of Chief Executive Officer

Pursuant to Article 11, para. 2, of the Articles of Association and Article 2389, para. 3, of the Italian Civil Code, the additional remuneration due to the Chief Executive Officer is established by the Board of Directors, in compliance with the regulatory provisions in force concerning the involvement of the Remuneration Committee, Board of Statutory Auditors and Related Parties Committee, and comprises a fixed component and a variable component (consisting both short- and long-term elements).

The emoluments for the General Manager position, if appointed, are established by the Board of Directors with the same procedure as described above. As an Executive Director, the Chief Executive Officer is also a recipient of the incentive plans indicated in the aforementioned Section 7.2.

It is at the discretion of the competent bodies to assign the offices of Chief Executive Officer and General Manager (if appointed) to different persons, providing for each to have their own system of overall remuneration, fixed and variable,

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broken down as described in Section 7.2.

6.5. Remuneration of employees for positions held in subsidiaries

With a view to ensuring the Group is managed soundly and prudently as well as correctly and efficiently, BPER has adopted a document containing the “General guidelines for the composition, appointment and remuneration of the members of the corporate bodies of the subsidiaries of BPER Banca S.p.A.”.

The remuneration awarded to Group personnel (primarily Executives) for positions held in subsidiaries is reimbursed by the subsidiary to the company that employs them.

6.6 Remuneration of members of the Board of Statutory Auditors

The annual remuneration of BPER's Statutory Auditors, including the Chair, is determined by the Shareholders' Meeting at the time of their appointment and for their entire term of office.

In the light of their role and responsibilities, variable remuneration is not envisaged for the members of the Board of Statutory Auditors.

With reference to Board of Statutory Auditors in office as at the Date of the Report update, the Ordinary Shareholders' Meeting held on 19 April 2024 determined the annual remuneration of the members of the Board of Statutory Auditors, including the Chair, for their entire period in office. The amounts are shown in the following table:

BOARD OF STATUTORY AUDITORS

	CHAIR	MEMBER
Compensation	€ 150,000	€ 100,000

Any expenses connected with carrying out the office, as well as for participation in training initiatives organised by the Company and the coverage offered by the D&O insurance policy for third-party liability are borne directly by the Bank/Company or reimbursed to the Statutory Auditor; the members of the Board of Statutory Auditors have the option of subscribing to the Group's health insurance policy at their own expense, at the same conditions reserved for Top Management.

Similar insurance covers may be provided for the Statutory Auditors of the Subsidiaries of the BPER Group.

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7. 2024 REMUNERATION POLICY

The Group Remuneration and Incentive Policy is designed in compliance with the principles and purposes defined in the previous paragraphs and in accordance with the regulations currently in force. To ensure the effectiveness, competitiveness and strength of the remuneration policy, the Group carries out regular analyses in order to monitor the main market practices and trends and also uses external consultants with solid experience in the field.

Particularly as regards MRTs, the Group took particular care to verify the regulatory compliance of all items that make up the remuneration package and monitored investors' expectations on the matter, as expressed by the Proxy Advisors.

The aim of the Remuneration and Incentive Policy is to reward the achievement of company objectives, with a view to creating value for the shareholders. At the same time it is based on clear and defined indicators that regulate the payout of variable bonuses, making their payment, especially for Material Risk Takers, contingent on the fact that there are adequate capital, liquidity and risk-adjusted return ratios, also in compliance with the Bank of Italy's requirements.

The structure of the bonus systems for MRTs can be described starting from what has been defined for the Chief Executive Officer and outlined in the following sections, highlighting the elements that may deviate from it.

It is important to note that there is no provision for discretionary bonuses for all these figures.

Exceptional circumstances and exceptions to the remuneration policy

As provided for by Art. 123-ter, paragraph 3-bis of the Consolidated Law on Finance Act and its implementing provisions, in the presence of exceptional circumstances - meaning, pursuant to the law, only situations in which the waiver of the Remuneration Policy is necessary for the pursuit of the long-term interests and sustainability of the Company as a whole or to ensure its ability to stay on the market - the Board of Directors, after obtaining the opinion of the Remuneration Committee, as well as after obtaining the opinion of the Control and Risk Committee, where the application of a waiver may have an impact on the Bank's risk profiles, may temporarily waive the Remuneration Policy. In such cases, compliance with the legal and regulatory provisions on transactions with related parties and connected persons is also ensured.

The elements of the policy from which it is possible to make exceptions under and in compliance with the circumstances above are the reference pay-mix for the Chief Executive Officer, the General Manager (if appointed) and the economic parameters of the MBO and LTI systems.

As part of the Report on Compensation Paid below, information is given on any exceptions that have been applied, highlighting the elements subject to a waiver, the exceptional circumstances, their being required for pursuing the long-term interests and sustainability of the Company as a whole or for ensuring its ability to stay on the market long term and, hence, the procedure followed.

Prohibition on hedging

In line with current regulations and the Code of Ethics, the BPER Group has forbidden its employees to arrange personal **hedging strategies** or insurance coverage in relation to their remuneration, or other aspects thereof, that might alter or compromise the effects of the risk alignment inherent in the remuneration mechanisms.

In accordance with current regulations and in compliance with its coordination role, the Parent Company identifies the types of financial transactions and investments made directly or indirectly by MRTs that could affect the risk alignment mechanisms and, more generally, the purpose of these rules.

In this context, Material Risk Takers are required to:

- communicate the existence or opening of custody and management accounts with other intermediaries;
- communicate any transactions and financial investments that fall under the types identified in the previous paragraph.

To ensure compliance with this, the relevant corporate functions carry out sample checks on the internal custody and administration accounts of the Material Risk Takers concerned, in full compliance with the regulatory provisions.

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7.1 Ratio of variable to fixed remuneration

Consistent with the regulations and the resolutions adopted at the 2020 Shareholders' Meeting, the maximum ratio of variable to fixed remuneration is set at 2:1 for all MRTs¹⁹, excluding the control functions and similar activities, in order to have the flexibility needed to:

- apply all operational levers in order to ensure the competitiveness of remuneration packages designed to attract strategic professional skills and ensure the availability of the human resources needed to achieve the established business objectives²⁰;
- make payments ahead of or in the event of early termination of employment or term in office, within the maximum limits already established in these Policies.

For the rest of the personnel, a maximum ratio between the components of remuneration of 1:1 is normally adopted, with the exception of key personnel of Corporate Control Functions, whose variable remuneration cannot exceed one third of their fixed remuneration.

Nevertheless, the Group also sets the maximum fixed/variable ratio at 2:1 for all other Personnel (excluding the Control Functions) in the following limited circumstances:

- a) to have appropriate levers available to manage in a suitable manner the competitive pressures in the job markets for certain, highly profitable business segments and specific professional clusters (e.g. Wealth Management²¹ Corporate Banking and related similar roles in the company²²); these clusters comprise around 1,100 resources, within which only a very small minority can exceed the 1:1 limit;
- b) to make payments ahead of or in the event of early termination of employment or term of office (severance), within the maximum limits already established in these policies under specific circumstances.

The adoption of the 2:1 ratio of variable to fixed remuneration has no implications on the Bank's ability to continue to comply with prudential rules and in particular with own funds requirements and supports the adoption of a competitive pay-for-performance remuneration policy, while minimising the impact on fixed costs.

7.2 Remuneration of the Chief Executive Officer

The remuneration of BPER Banca's CEO comprises a fixed component, a short-term variable component and a long-term variable component. The fixed component of the remuneration package totals €1,590,000²³, of which € 90,000 for the office of Director, in line with the resolution adopted by the Board of Directors on 30 May 2024, and € 1,500,000 as additional remuneration for the office of Chief Executive Officer as resolved upon by the Board of Directors on 30 May 2024, pursuant to article 2389, para. 3, of the Italian Civil Code.

The short-term variable component, allocated on a *pro-rata* basis and explained in greater detail below, is determined with reference to clear and measurable performance parameters contained in the Strategic Scorecard. The bonus payout calculations are made after checking that the access conditions envisaged for all MRTs, and in general for all the incentives schemes, have been achieved.

In continuity with previous years, it is envisaged that the Strategic Scorecard assigned to the Chief Executive Officer will serve as a reference for the definition of the objectives assigned to the various scopes of the company population, representing the basic element of the overall short-term incentive system for MRTs.

In the event of significant and unexpected changes in market conditions, the Board of Directors can order a review of the annual budget, with subsequent revision of individual targets²⁴.

The correlation between the amount of variable remuneration actually paid and the company's medium/long-term results is sustained by applying ex-post correction mechanisms over a multi-year time horizon, based in particular on a verification that levels of capital, liquidity and risk-adjusted return remain adequate, as prescribed in current regulations.

¹⁹ This ratio does not apply to personnel belonging to the Group SGR, for whom the regulations envisage the possibility of different limits. See Section 7.11 for further details.

²⁰ Without prejudice to the objectives mentioned, the Group's intention is to maintain the proportion of variable to fixed remuneration well within the ordinary limits.

²¹ Reference is made to the staff of Banca Cesare Ponti S.p.A. and the staff reported by the Chief Private & Wealth Management Officer of the parent Company and similar positions in Banco di Sardegna.

²² Reference is made to the staff of the "Direzione Imprese" and the Chief Corporate & Investment Banking Officer (which includes the corporate functions directly responsible for corporate activities) and similar positions in Banco di Sardegna.

²³ Without counting attendance fees.

²⁴ Similarly, this need can arise in the case of extraordinary transactions that affect the group's scopes and/or the individual companies that make up said scopes.

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The roll-out of strategic objectives is focused on company priorities by pursuing an overall balance between economic-financial issues and risk management and attention to ESG topics in order to ensure the pursuit of profitability and guarantee the general sustainability of the incentive systems within the framework of alignment to the satisfaction of the interests of all stakeholders.

The adoption of qualitative performance parameters ensures that the remuneration system is aligned to the Group's mission and values, supporting its orientation towards the construction of long-term value. It is evaluated from a qualitative point of view by the Board of Directors on the proposal of the **Remuneration Committee**²⁵, based on an assumption put forward by the Chair of the Board of Directors.

No discretionary bonuses are awarded.

The long-term variable component (2022-2024 LTI Plan), allocated pro-rata and explained in greater detail below, is determined on the basis of clear and measurable performance parameters to be achieved by 31 December 2024, via an assessment that is weighted according to the following areas:

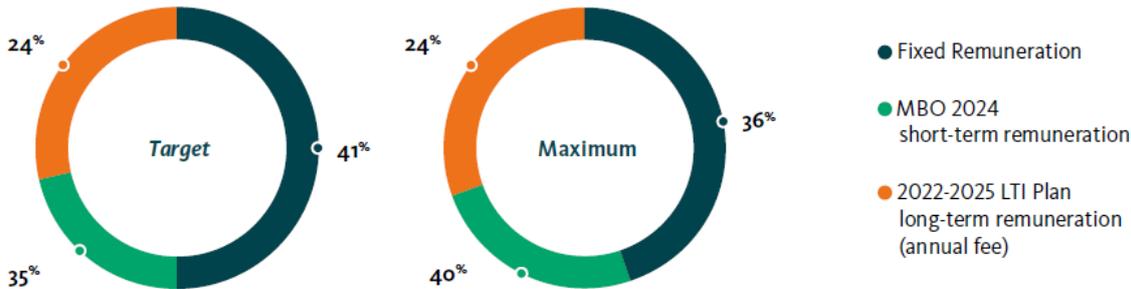
1. Economic and financial results and risk management: Group-level KPIs are provided for profitability, operational efficiency and credit quality;
2. "Sustainability" area: challenging ESG objectives are set in line with the strategic guidelines of the Business Plan.

The calculations are made after checking that the access conditions envisaged for all MRTs have been achieved. The correlation between the variable amount actually paid out and the long-term results is sustained by providing for the measurement of performance over a four-year horizon and by applying ex-post correction mechanisms over a time horizon of a further five years (after the end of the vesting period). In particular, it is based on a verification that levels of capital, liquidity and risk-adjusted return continue to be adequate, as envisaged in current regulations.

The CEO's remuneration package has been put together in such a way as to ensure an appropriate balance between fixed and variable remuneration; it is also modulated with the aim of ensuring a variable remuneration in proportion to the results achieved, within the limits (the so-called "maximum cap") foreseen under the bonus scheme. The variable incentive levels (target and maximum) for the short- and long-term, defined for the current Chief Executive Officer, are as follows:

CEO	Short-term bonus (% fixed remuneration)		Long-term annual bonus (% fixed remuneration)	
	target	maximum	target	maximum
	90%	117%	60%	72%

The pay-mix considering both annual and long-term variable remuneration at the target level and at the maximum level is therefore as follows (the basis for calculating variable remuneration does not include the Director's fee):



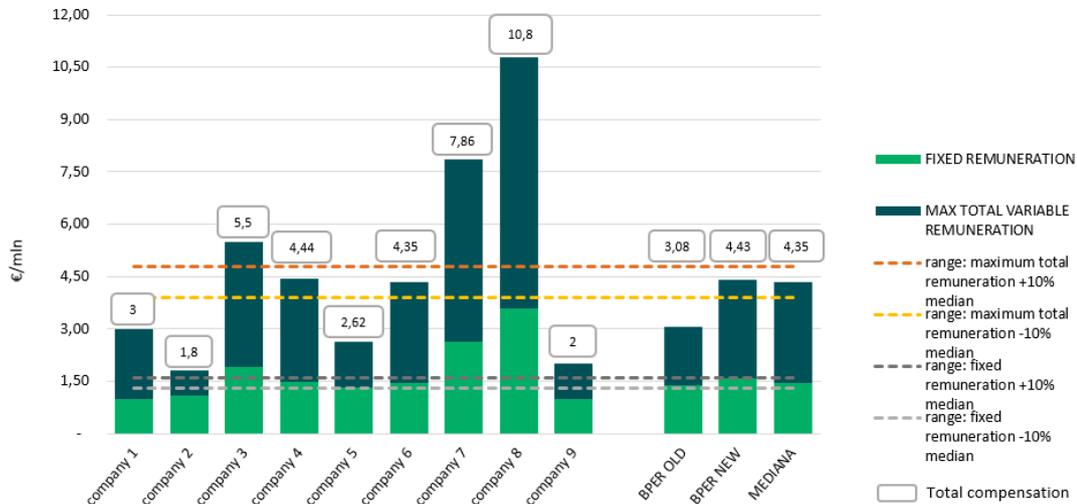
The maximum payout of the variable remuneration, upon achievement of the maximum level of the assigned objectives, continues to be under the maximum limit of 2:1 with respect to the fixed remuneration.

As shown, the remuneration package for the Chief Executive Officer in terms of both fixed and variable component (unchanged over the last two years) stands in the average range with respect to the Bank's peer group (similarly adjusted for comparability with the Bank's size, profitability, financial data and newly acquired standing).

²⁵ The opinions of the additional committees responsible for specific areas were sought where necessary.

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CEO remuneration package benchmarking



Source: WTW elaborations based on public data

Short-term variable incentive plan – “2024 MBO”

The Group has established a short-term variable incentive system to reward exemplary behaviour and exceptional results. Simultaneously, it aims to penalise unsuccessful outcomes and deterioration in the Bank’s economic sustainability conditions by reducing or withholding incentives. It also serves as a crucial tool for retaining and attracting staff with the best professional skills.

The incentive system provides for the identification of a bonus pool which represents the maximum amount of bonuses that can be paid. The bonus pool for the Chief Executive Officer and for MRTs is set at [Group level](#)²⁶. The amount of the bonus pool for MRTs is correlated with the economic results achieved – measured in terms of the Group Gross Profit as a reference – and constitutes the maximum “total bonus pool” payable.

In order to discourage excessive risk-taking that can lead to excessive risk-taking, also in compliance with the Bank of Italy’s regulatory requirements, payout of the bonus pool, whatever the amount, is without exception subject to compliance with certain indicators, called entry gates based on indicators of capital strength, liquidity and risk-adjusted profitability.

The entry gates for 2024²⁷, all of which have to be achieved at the same time, are as follows:



Failure to achieve even only one of the Entry Gates means that none of the bonuses under this scheme will be paid out. In the event of a recovery resolution by the Board of Directors, this triggers off a suspension of payment of the variable remuneration (both the immediate and the deferred portion).

The Board of Directors can decide that, instead of just a suspension, there should be:

²⁶Excluding bonus pools for control functions (for which bonuses are limited in amount and are not related to financial performance) and the SGR for which a specific pool is provided.

²⁷As will become clearer from reading the following paragraphs, CET1 and LCR are binding for all MBO systems, RORWA does not apply to the Control Functions and similar.

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- a reduction or zeroing out of bonuses not yet determined;
- a reduction or zeroing out of bonuses already determined but not yet paid;
- a reduction or zeroing out of deferred or retained portions.

The Board of Directors of the Parent Company can also order the reduction or zeroing out of bonuses allocated to all categories of personnel in the event of particularly low net profitability or a loss, both at consolidated and separate level, in companies in which the combined capital requirements set by the Supervisory Authorities are not complied with. After checking that the Entry Gates have been exceeded, the bonus allocation and the extent of the variable remuneration are defined by evaluating individual performances using a process that includes the analysis of various qualitative and quantitative indicators.

Where deemed necessary and/or appropriate, in order to correctly assess the performance achieved, the Board of Directors, after receiving the opinion – insofar as it is responsible – of the internal board Committees, shall resolve on any adjustments to be made in the calculation of KPIs and metrics affecting the remuneration of the Chief Executive Officer and the other Executives with Strategic Responsibilities.

The process is regulated in a specific document approved by the Board of Directors, which regulates, among other things, the general criteria used to identify items of a non-recurring nature (so-called Non-Recurring Items), the cases on the basis of which standardisation may be carried out, the Group functions involved in the process and the Bodies competent to express an opinion/make resolutions.

The indicators of capital CET 1 ratio, risk (e.g. NPE ratio), liquidity (e.g. LCR) cannot be adjusted (e.g. through the use of pro-forma data).

The strategic scorecard is confirmed, which was defined for 2024 as part of the remuneration policy approved by the Shareholders' Meeting on 19 April 2024. The scorecard consists of both quantitative and qualitative targets, as illustrated below.

	Indicator	2024 MBO (weighting)	Payout (min-target-max)
INDIVIDUAL PERFORMANCE	Economic and financial KPIs and risk management	80%	
	Group Gross Profit ²⁸	30%	50%-100%-130%
	RORWA ²⁹	20%	50%-100%-130%
	Group Gross NPE ratio (%)	20%	50%-100%-130%
	Group Cost Income ³⁰	10%	50%-100%-130%
SUSTAINABILITY KPIs	ESG KPIs	20%	50%-100%-130%
	Composite metric including six objectives considered strategic in the short term as an enabling factor for achieving the ESG targets attributable to areas of the Business Plan: 1. Sustainable assets under management: growth in the percentage weight of sustainable assets under management in relation to total assets under management 2. Green Credit Amount: issuances specifically focusing on sustainability (ESG) 3. Net Zero Banking Alliance: disclosure of at least two additional decarbonisation targets by 2030 and by 2050 for high-emission sectors; definition of business strategies for the Oil & Gas and Power sectors by the NZBA deadline. 4. Implementation of BEMS (Building Energy Management System) technology: increased coverage over the Bank's branches and Management Centres; pilot project of centralised platform for BEMS management with AI algorithm 5. Progress in diversity, equity and inclusion: achievement of incremental targets with respect to the Gender Plan in the categories of middle managers and Executives 6. ESG Rating: maintaining the current Moody's Analytics, CSA (Corporate Sustainability Assessment) S&P ³¹ , CDP, Sustainalytics (Morningstar) ratings		

The aforementioned objectives have a percentage weighting on the individual bonus and their evaluation is based on increasing thresholds from the minimum level to the target (between 50% and 100%), from the target to the maximum level (between 100% and 130%). The incentive curve of the quantitative KPI was standardised in order to further strengthen the sustainability alignment of risks assumed in the **medium to long term**.³² In addition, risk adjusted profitability aspects have been taken into account, as well as an efficiency indicator.

For ESG objectives, the achievement of each individual objective is on/off based on precise deliverables.

The minimum, target and maximum thresholds respectively consist in the achievement of 4, 5 or 6 objectives. Therefore, the payout curve is 50%-100%-130%.

Once the results have been measured, the system provides for the Board of Directors' assessment of parameters linked to

²⁸ Referred to the recurring component, i.e. net of any normalisations.

²⁹ Calculated as gross profit (referred to the recurring component, i.e. net of any normalisations)/RWAs.

³⁰ Referred to the recurring component, i.e. net of any normalisations.

³¹ Maintaining ratings within the ranges defined by the BoD.

³² Compared to last year, the payout levels of risk indicators have been increased and those of profitability indicators have been reduced.

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risk adjustment and derived from those contained in the Risk Appetite Framework (RAF), an assessment aimed at defining any adjustments with respect to the vested incentive. Upon achievement of the objectives set out in the Chief Executive Officer's personal scorecard, the adjustments can reduce the vested bonus by up to 50%.

RAF ADJUSTMENT
PD PIT (point in time)
LCR (Liquidity Coverage Ratio)
Leverage ratio
ECAR (Economic Capital Adequacy Ratio)
MREL TREA SUBORDINATION

Any RAF objectives and corrective measures scorecard referred to the General Manager, where appointed, is defined in line with that of the Chief Executive Officer, although it may include variations in the weights of the relevant RAF KPIs/corrective measures and the introduction of any different/additional RAF KPIs/corrective measures that are in any case strictly related to the Group's strategic objectives and referable to the responsibilities assigned (according to the principles illustrated below in Section 7.3 for the Group's MRTs).

MBO BONUS OPPORTUNITIES (COMPARISON WITH FIXED REMUNERATION)

(values in %)



The method for paying out vested bonuses after the final calculation of the results of the scorecard has been set by the Board of Directors 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. The Board also decided, in order to bring the MBO system in line with best market practices and the requests of investors and proxy advisors, to use BPER Banca³³ ordinary shares for the component to be awarded in financial instruments as of the financial year 2021.

Payment of the CEO's bonus on a pro-rata basis is structured as follows:

- in the event of a bonus payment exceeding the "particularly high amount"³⁴, the up-front portion is 40% (20% cash and 20% in BPER Banca Shares subject to a retention period of 1 year³⁵), while the remaining 60% (25% cash and 35% in BPER Banca Shares) is deferred in equal annual instalments over 5 years with a 1-year retention period (during which the shares cannot be sold);
- in the event of a bonus payment below the "particularly high amount", the up-front portion is 45% (20% cash and 25% in BPER Banca Shares subject to a retention period of 1 year), while the remaining 55% (25% cash and 30% in BPER Banca Shares) is deferred in equal annual instalments over 5 years with a 1-year retention period (during which the shares cannot be sold).

In both cases, the deferred portions are subject to the malus conditions that are applicable to other key personnel.

³³ The amount of remuneration based on financial instruments may not be paid out entirely in the form of Shares if the Bank decides to pay a portion by means of other kinds of instrument according to specific regulations (such as convertible bonds).

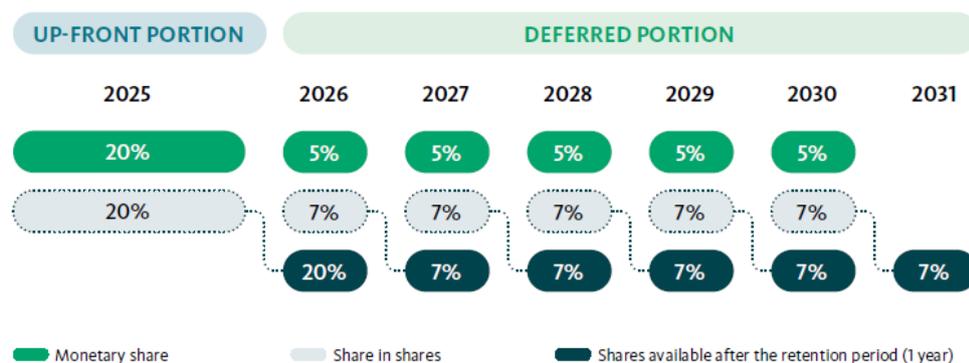
³⁴ See Bank of Italy Circular No. 285: "particularly large amount means the lower of: i) 25% of the average total remuneration of Italian high earners resulting from the most recent report published by the EBA; ii) ten times the average total remuneration of bank employees". In the BPER Group, the level of variable remuneration which represents a particularly high amount is €435,000 and is the lower of i) and ii), deriving from the application of point i). The foregoing will be monitored and updated at least every three years (next update in 2025).

³⁵ Without prejudice to the possibility of "sell to cover" (selling securities to pay any tax or social security contributions generated by delivery of the securities subject to retention), which is associated with all quotas subject to retention.

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MBO DEFERRAL SCHEME FOR PARTICULARLY LARGE AMOUNTS

Performance period: 2024



The variable components are subject to ex-post adjustment mechanisms (malus and claw-back) in order to reflect the performance levels net of the risks actually undertaken or achieved in terms of capital, taking into account individual behaviour, as specified below.

The up-front and deferred portions are subject to malus rules that can reduce the portion to zero in the event of failure to achieve the Entry Gates envisaged for the year prior to the payout year of each deferred portion.

The malus mechanism, which can block payment of the portions of the bonus, also applies in cases where clawback clauses are activated.

For the CEO, no Change of Control clauses are currently in place.

Variable long-term incentive system – "2022-2024 LTI Plan"

In 2022, a long-term variable incentive system was introduced ("the Plan" or "the LTI Plan")³⁶ linked to the Business Plan as regards both its duration and objectives. Further to the Board of Directors' decision on 30 May 2024 to close the Business Plan ahead of time, the LTI Plan duration was adjusted accordingly therefore requiring measurement of the performance objectives by 31 December 2024, with their targets remaining unchanged. The Plan provides for the free-of-charge allocation of ordinary BPER Banca shares and is based on a multi-year performance assessment period consistent with the Group's strategic guidelines. The Chief Executive Officer's participation is defined on a pro-rata basis as of the date of appointment to the office.

The Plan aims to:

- pay a bonus exclusively in BPER Banca Ordinary Shares, according to methods that comply with the relevant provisions and in line with the content of the Business Plan approved by the Board of Directors on 9 June 2022, whose time horizon for measuring its targets was brought forward to 31 December 2024 with Board of Directors' resolution of 30 May 2024.
- align management's interests with the creation of long-term shareholder value (upon verification of the achievement of the performance objectives, the Incentive Plan provides for the award of BPER ordinary shares over a longer than five year horizon);
- motivate management to implement the long-term business strategies, whose targets, outlined below were set out in the context of said Business Plan;
- strengthen key persons' sense of belonging in order to implement the Group's medium-long term strategy;
- reward virtuous behaviour and positive results while penalizing failure to achieve results and any deterioration in the Group's capital, liquidity and profitability by not paying any bonuses.

The Plan envisages clear, predetermined performance conditions that are checked both during the plan period and on termination of said Plan. The bonus is awarded at the end of the performance evaluation period.

The Plan applies to around 50 top managers within the Group who are considered fundamental for the success of the Business Plan³⁷, with additional MRTs added for the achievement of plan objectives, in any case within the maximum scope of 20 resources.

The LTI System also provides for the definition of a bonus pool which represents the maximum amount of bonuses payable and is set at Group level. The amount of the bonus pool is related to the results achieved and constitutes a maximum limit; its distribution is entirely subject to compliance with certain entry gates based on indicators of capital strength, liquidity and risk-adjusted profitability.

The Entry Gates for the 2022-2024 LTI Plan, all of which have to be achieved, are in line with those established for the MBO,

³⁶For further details, see also the Information Document relating to the long-term incentive plan "2022-2024 LTI" drawn up pursuant to Article 114-bis of the Consolidated Law on Finance and Article 84-bis of the Issuers' Regulation as resolved upon by BPER's Shareholders' Meeting on 30 May 2024.

³⁷To access the 2022-2024 LTI Plan it is necessary, by the end of the plan period, to hold a position within the scope determined by the Board of Directors of the Parent Company, provided this occurred by April 2024. Bonuses allocated to recipients who have held positions within the scope only for part of the Plan period are calculated on a time-apportioned basis.

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to which reference is made. Failure to achieve even only one of the Entry Gates means that none of the bonuses under this scheme will be paid out. If the Entry Gates are achieved, the Plan provides for an assessment of the Group's key performance indicators (KPIs) at the end of the three-year vesting period (2024). Continuous monitoring of the indicators used is carried out during this period to verify compliance with the objectives of the Business Plan.

Based on this approach, the amount of the bonus is determined in proportion to the results actually achieved.

In the event of a recovery resolution by the Board of Directors, this triggers off a suspension of payout of the variable remuneration (both the up-front and the deferred portion). The Board of Directors can decide that, instead of just a suspension, there should be:

- a reduction or zeroing out of bonuses not yet determined;
- a reduction or zeroing out of bonuses already determined but not yet paid;
- a reduction or zeroing out of deferred portions.

The Board of Directors of the Parent Company can also order the reduction or zeroing out of bonuses allocated to all categories of personnel in the event of particularly low net profitability or a loss, both at consolidated and separate level, in companies in which the combined capital requirements set by the **Supervisory Authorities**³⁸ are not complied with.

After checking that the Entry Gates have been exceeded, the actual allocation of the bonus and the related amount, within the **maximum limits**³⁹ set for the variable remuneration, are defined through a process of corporate performance assessment that includes an analysis of 4 KPIs.

For the three-year period 2022-2024, the LTI Plan scorecard, which is the same for all recipients, consists of profitability, operational efficiency, credit quality and ESG objectives.

The target values of the KPIs of the Long-Term Incentive Plan, shown below, are consistent with what is defined in the Business Plan 2022-2024, with duration reduced to 3 years as resolved upon by the Board of Directors on 30 May 2024 and disclosed to the market on 30 May 2024. Following this event, the duration of the vesting period of the LTI Plan⁴⁰ (originally structured over four years) was aligned accordingly.

The choice of indicators is intended to ensure their full external transparency and ready comparison with sector peers.

The measurement and weighting mechanism of the LTI Plan, which is meant to balance the various types of objectives and support the motivation and incentive to achieve company results within a framework of sound and prudent risk management and ESG sustainability, is as follows:

2022-2024 LTI scorecard	WEIGHTING	TARGET ⁴¹
KPIs		
Rote at 31/12/2024	50%	10%
Cost/Income at 31/12/2024	20%	58%
Gross NPE ratio at 31/12/2024	15%	3.6%
ESG as at 31/12/2024	15%	100%

In particular, the ESG objective (weight 15%) is composed of:

Area (Weighting)	Objective	Target
Sustainable Finance (25%)	Total Green Loan Amount	€7 billion disbursed to businesses and households by the end of 2024
Energy Transition (25%)	Reduction of CO2 emissions	-23% emissions by the end of 2024
Diversity and Inclusion (25%)	Gender gaps: less represented gender between Middle Managers and Executives	25% female Executives and 33% female managers (Executives and Middle Managers) by the end of 2024
"Future" Project (25%)	Increase of financial education programmes and roll-out of a youth inclusion project	Qualitative judgement assigned by the Board of Directors for the overall assessment of the project ⁴²

These objectives have a percentage weighting on the individual bonus and their evaluation is based on increasing thresholds, from minimum to target (between 70% and 100%) and from target to maximum (between 100% and 120%), with an associated linear progression mechanism in terms of pay-out (70%/100%/120%).

³⁸In the event of non-compliance with the requirements referred to in Articles 141 or 141-ter of the CRD or in the situations referred to in Article 16-bis of Directive 2014/59/EU (BRRD), variable remuneration may be awarded and/or paid within the limits and under the conditions indicated in the provisions implementing the these articles." (See Bank of Italy Circular No. 285 of 17 December 2013, Section V, paragraph 2).

³⁹The theoretical maximum amount of the payable bonus pool is the sum of the maximum bonuses obtainable at individual level.

⁴⁰The amendments to the LTI Plan, on the proposal of the Board of Directors, with a positive opinion of the Remuneration Committee, are submitted for approval, in a separate item on the Agenda, to the Shareholders' Meeting which will be called to approve the update to the Remuneration Policy for 2024.

⁴¹The quantitative KPI targets remain unchanged as approved by the Board of Directors on 9 June and disclosed to the market on 10 June (see page 2 of the press release, available at the following link: https://istituzionale.bper.it/documents/133577364/o/BPER_Piano_Industriale_22-25_S.pdf) originally referring to 31 December 2025).

⁴²Following the opinion expressed by the Sustainability Committee, on the basis of the evidence for the overall assessment of the project, produced by an independent external company, or on the basis of an Impact Report with evidence of project SROI and the value generated for each stakeholder, also in reference to national and international sustainability standards.

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In the event of extraordinary or unforeseeable events, the Board of Directors will be able to make any changes to the plan structure that may be necessary or appropriate to neutralise the effects on Entry Gates and KPIs.

LTI OF THE CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER (calculated on an annual basis)

(values in %)



The method for paying out bonuses, structured as shown below, was set by the Board of Directors in line with the regulatory requirements, with the dual aim of achieving alignment with ex-post risk and supporting long-term orientation, as well as managing to correlate the variable component with the actual results and risks assumed. The Board also decided to use BPER Ordinary Shares for 100% of the long-term bonus.

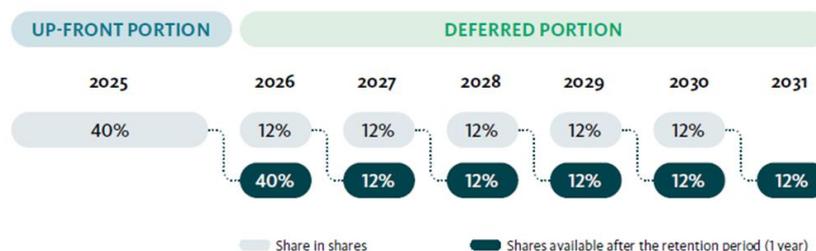
At the end of the three-year period, 40% is paid in case of positive performance at the bonus allocation date (up-front portion), but subject to a retention period of one year. The remaining 60% is deferred in equal annual instalments over five years with a 1-year retention period⁴³. Bonuses are subject to ex-post correction, malus and claw back conditions, as for short-term incentive schemes.

For a non “particularly high” amount, the up-front tranche will be equal to 45% and the 5 deferred tranches will be equal to 11% of the bonus.

How the “2022-2024 LTI” bonus is to be paid (in the event of a particularly large amount)

HOW THE “2022-2024 LTI” BONUS IS TO BE PAID (in the event of a particularly large amount)

Performance period: 2022-2024



The free-of-charge allocation of shares in execution of the Plan will take place using the Bank's treasury shares that arise from purchases authorised by the Shareholders' Meeting, pursuant to Article 2357 and 2357-ter of the Italian Civil Code.

The target number of Shares promised at the start of the Plan's three-year period is calculated based on the ratio between the amount of the target bonus in absolute terms and the value of the stock (a straight average of the official price of the BPER Banca Ordinary Shares posted in the 30 days preceding the date of the 2022 Shareholders' Meeting).

It is specified that for new recipients of the 2022-2024 LTI Plan (including the current Chief Executive Officer on a pro-rata basis) whose entry occurs during the vesting period for the determination of the target number of Shares, the reference Shareholders' Meeting is that of the year of entry.

For the CEO, no Change of Control clauses are currently in place.

Share Ownership Guidelines

With a view to strengthening the “pay for sustainable performance” link, the extension of the obligations to maintain the financial instruments arising from the 2022-2024 LTI Plan was envisaged as early as 2022 through the introduction of Share Ownership Guidelines for the Chief Executive Officer and Executives with Strategic Responsibility (ESRs) of BPER Banca. On the basis of these Guidelines, the recipients undertake not to transfer until the expiry of the mandate/end of the employment relationship or permanence in the scope of the ESRs, a percentage of the Available Shares, vested in each up-

⁴³Without prejudice to the possibility of “sell to cover” (selling securities to pay any tax or social security contributions generated by delivery of the securities subject to retention).

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front portion or each deferred portion within the scope of the “2022-2024 LTI Plan”, until the achievement of a so-called “Target Amount” determined respectively in 1 year of fixed remuneration for the Chief Executive Officer and 50% of the gross annual salary (RAL) for ESRs. Once the target amount has been exceeded, it is possible to freely dispose of the shares allocated, without prejudice to the retention period of each share.

SHARE OWNERSHIP GUIDELINES



Malus and claw back clauses

As provided for by the regulations in force, bonuses are subject to ex-post correction mechanisms (malus and claw-back) in order to reflect performance levels net of risks actually taken or achieved and capital levels taking individual conduct into account.

Therefore, the allocation of individual bonuses and the payment of deferred portions are subject to malus rules that lead to the zeroing out of the portion in the event of failure to reach the access thresholds (so-called Entry Gates) envisaged for the year prior to the payout year of each up-front or deferred portion.

The malus mechanism, which can block payment of the up-front and deferred portions of the bonus, also applies in cases where clawback clauses are activated (malus condition at individual level).

Indeed, all **incentives paid**⁴⁴ are subject to claw-back clauses, although their effective application depends on predetermined events taking place:

- types of behaviour that do not comply with the law, regulations and/or the articles of association and/or the code of ethics and/or conduct applicable to the Group, resulting in a significant loss for the Bank and/or for its customers;
- ex-post adjustment of the results of the bank and/or of the interested party, which gave rise to payment of the incentive, following circumstances not known at the time of incentive payment. In such circumstances, the clause applies in the event that the review of the results involves adjustments exceeding €1 million or if it was made unforeseeable or difficult/impossible because of the deed or fault of the interested party;
- breaches of the obligations imposed pursuant to art. 26 or, when the person is an interested party, of art. 53, paragraphs 4 et seq. of the Consolidated Law on Banking or obligations in the field of remuneration and incentives;
- types of behaviour subject to disciplinary initiatives and proceedings that may have led to termination of employment due to just cause or for justified subjective reason and in any case of termination for just cause;
- fraudulent behaviour or gross negligence to the detriment of the Bank or its customers, whether or not they resulted in a third-party sanction;
- personal hedging or remuneration insurance strategies, which emerged following ex-post controls, implemented in order to alter the remuneration systems, undermining the effects of the risk alignment inherent in the remuneration mechanisms.

Specific claw-back clauses may also be envisaged for personnel other than MRTs, in relation to the individual incentive systems, as specified in the relative rules of operation.

Activation of the claw-back clause against the interested parties differs according to the position held by them at the time of activation of the clause or on termination from the last position held within the BPER Group.

The situations and circumstances underlying activation of the claw-back clauses are relevant if they took place or could take place within five years from disbursement/payout of the performance-related benefits.

The claw-back clauses can also be activated after termination of the employment relationship and/or termination of office.

In the case of the CEO and General Manager, where appointed, the clause is activated upon resolution of the Board of Directors. The resolution is drawn up by the Remuneration Committee and the Board of Statutory Auditors, who can work and make pronouncements together or separately and, if necessary, make their own proposal to the Board of Directors.

⁴⁴ Including special one-off reward bonuses.

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7.3. Remuneration of the Group's Material Risk Takers

The remuneration of MRTs (Material Risk Takers) consists of a fixed component and a short-term variable component that for some key resources may also be long-term. The variable incentive component for this specific category of personnel is governed by particularly stringent rules, as required by the Bank of Italy's regulations.

Without prejudice to the limits referred to in Section 7.1, the maximum limit of the variable component is however maintained, for the majority of this category of personnel, within the regulatory limit of 100% of the fixed component, except for top management and specific situations in which that percentage can be raised to the limit defined in a specific **shareholders'** resolution⁴⁵. MRTs are recipients of the MBO variable incentive system detailed in Section 7.2.

Determination of the bonus pool for key personnel follows the same criteria explained in section 7.2 (linked to changes in the reference indicator).

The individual MBO objectives scorecard for MRTs derives directly from the Strategic Scorecard assigned to the Chief Executive Officer. Therefore, it is structured in quantitative and qualitative/project objectives and is linked to objectives consistent with the **role held**⁴⁶ and the responsibilities assumed. For MRTs, provision is generally made for the "ESG meta KPI" in the strategic scorecard, which acts for 2024 in different ways depending on whether the recipient is a C-Level Manager or not. In the case of C-Level managers, in addition to exceeding the minimum threshold of the meta KPI, the achievement of the specific ESG objectives related to one's area of responsibility is also required. This target normally has a minimum weight of no less than 10%.

With regard to the other MRTs, specific objectives pertaining to their areas of responsibility are identified, if possible (otherwise the weight of the "Managerial Assessment" KPI is increased) In this case, the combined weight of the «Managerial Assessment» KPI and the «ESG KPI» is no less than 15%.

For the other MRTs, for the profitability indicator the same incentive curve as for the remaining quantitative KPIs is applied, in line with the alignment made in the above-mentioned strategic scorecard.

Since, in a limited number of cases, it is not feasible to identify quantitative indicators representative of the functions held by certain persons, the parameters applicable to the broader organisations to which they belong are used.

In general, an alignment of the payouts of profitability and risk indicators and an increased integration of risk-adjusted indicators in the MBO scorecards are evident when building KPIs.

In the event of significant and unexpected changes in market conditions, the Board of Directors can order a review of the annual budget, with subsequent revision of **individual targets**⁴⁷.

With particular reference to Executives with Strategic Responsibilities (ERSs), in relation to the MBO plan, the target annual incentive is defined in the **40-70%**⁴⁸ range (corporate functions tend to have a lower short-term component than business functions) and the maximum incentive is in the **52-91%** range⁴⁹.

The Board of Directors may assess, taking into account the need to attract, incentivise and retain strategic resources, a possible definition of the target bonus of specific MBO within the maximum limit for the total variable remuneration defined by the Remuneration Policy.

The following graphs illustrate the pay-mix considering, for the business functions, the target and maximum incidence of the 2022-2024 LTI Plan, equal to 60% and 72% respectively, and, therefore, the highest reference points in the ranges described for the target (upper limit of the defined range) and the maximum MBO level, 70% and 91% respectively.

⁴⁵ In order to apply all operational levers to ensure the competitiveness of remuneration packages designed to attract strategic professional skills and ensure the availability of the human resources needed to achieve the established business objectives. Note also the special provisions applicable to the Control Functions and similar (see section 7.4 Remuneration of Control Functions).

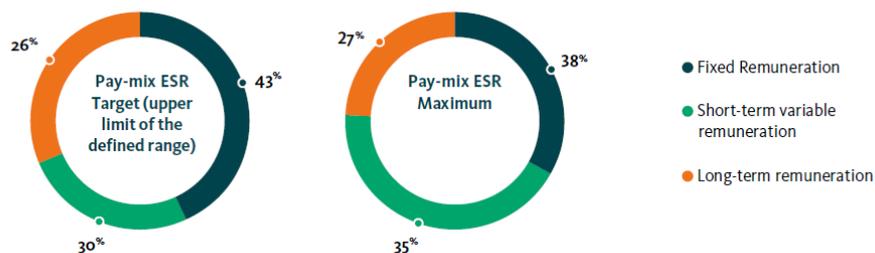
⁴⁶ Measured using KPIs and adjustments that are derived from the strategic framework linked to the scorecard described in Section 7.2 with reference to the Chief Executive Officer. The parameters take on different weightings according to the activities that the MRTs perform, the responsibilities that they have been assigned and the operating levers that they manage.

⁴⁷ Similarly, this need can arise in the case of extraordinary transactions that affect the group's scopes and/or the individual companies that make up said scopes.

⁴⁸ With higher impacts in specific situations, in any case within the maximum limit.

⁴⁹ With higher impacts in specific situations, in any case within the maximum limit.

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These references shall not apply to:

- Control Functions for which, in line with the regulations, the variable component does not exceed 33%;
- Functions treated as Control Functions for which, in line with regulations, the variable component is limited and therefore overall lower than the fixed remuneration.

The objectives scorecard for Executives with Strategic Responsibilities provides for a mix of indicators closely related to the Group's strategic objectives and traceable to the specific responsibilities assigned.

In general, KPIs can be:

- economic and financial objectives such as gross profit or trade volumes;
- risk management objectives such as credit quality or gross NPE ratio;
- ESG objectives, which may include all or some of the ESG objectives indicated above for the Chief Executive Officer, deemed strategic in the short term, as an enabling factor to achieve the ESG targets traceable to Business Plan project areas;
- objectives linked to specific projects attributable to the area of responsibility overseen.

The objectives scorecard of the control functions is directly linked to the responsibilities of the respective functions and not to the financial results of the entities subject to the control activity.

The payment curve that characterises performance indicators provides for a payout equal to 50% of the weight of the indicator (at the minimum performance threshold), 100% of the weight of the indicator (at the target performance threshold) and 130% (at the maximum performance threshold). Qualitative indicators are characterised by a payout curve with a maximum payout of 105%.

Payment of the vested variable remuneration takes place consistently with the provisions of banking regulations. Bonuses are paid in different ways depending on the amount of the overall variable remuneration and whether or not the recipient is a Top MRT (Chief Executive Officer of the Parent Company, Chief Executive Officers and/or General Managers of "significant corporate units" with $RWA > 2\%$ ⁵⁰ and, for the Parent Company, Deputy General Managers and Executives with Strategic Responsibilities).

Payout for Top MRTs:

If variable remuneration is \leq €50 thousand and \leq 1/3 total annual remuneration, the bonus will be paid up-front and 100% in cash.

Variable remuneration $>$ €50 thousand (or 1/3 of total annual remuneration) \leq €435 thousand:

- 45% is paid on the date the bonus is granted (up-front portion): 20% cash and 25% through BPER Banca shares subject to a 1-year retention period (during which the shares cannot be sold). 55% (25% cash and 30% through BPER Banca shares) is deferred in equal annual portions over 5 years from the year of allocation, and is subject to a 1-year retention period (during which the shares cannot be sold) from the vesting date of each deferred tranche.

Variable remuneration $>$ €435 thousand (particularly high amount⁵¹):

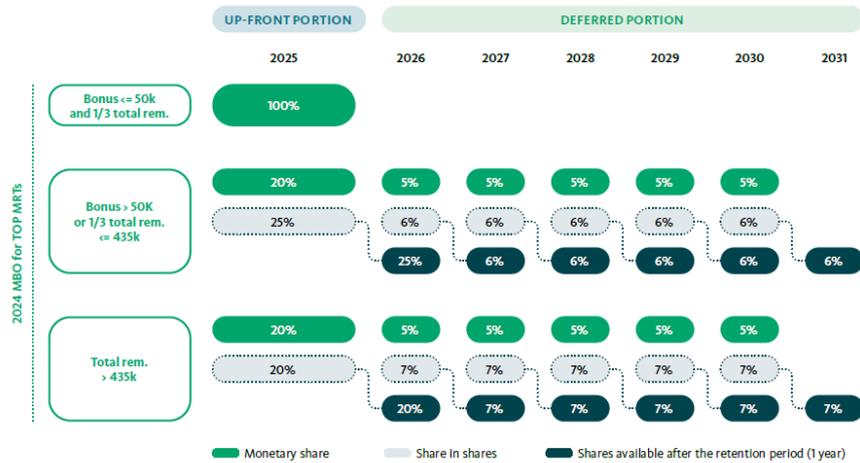
- 40% is paid on the date the bonus is granted (up-front portion): 20% cash and 20% through BPER Banca shares subject to a 1-year retention period. The remaining 60% (25% cash and 35% through BPER Banca Shares) is deferred in equal annual portions over 5 years from the year of allocation, subject to a 1-year retention period (during which the shares cannot be sold) from the vesting date of each deferred portion.

⁵⁰BPER Banca, Banco di Sardegna, Sardaleasing and Bper Factor.

⁵¹ As defined by Bank of Italy Circular No. 285: "particularly large amount means the lower of: i) 25% of the average total remuneration of Italian high earners resulting from the most recent report published by the EBA; ii) ten times the average total remuneration of bank employees". In the BPER Group, the level of variable remuneration which represents a particularly high amount is €435,000 and is the lower of i) and ii), deriving from the application of point i). The situation is monitored constantly and updated at least every three years (next update in 2025).

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Performance period: 2024



Payout for non-top MRTs:

If variable remuneration is ≤ €50 thousand and ≤ 1/3 total annual remuneration, the bonus will be paid up-front and 100% in cash.

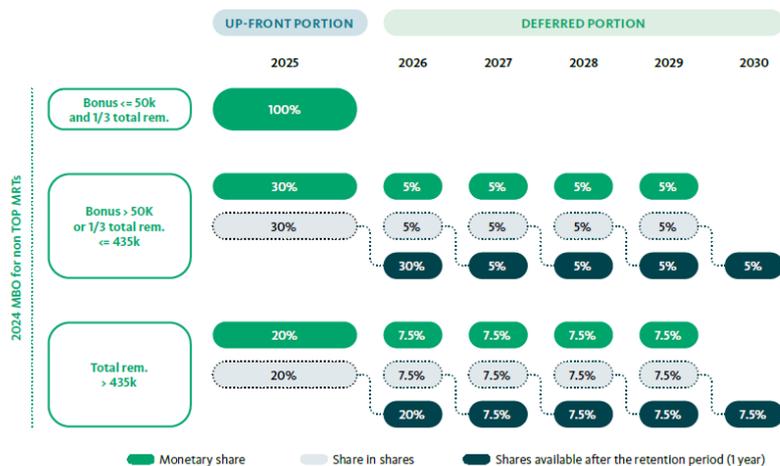
Variable remuneration > € 50 thousand (or 1/3 of total annual remuneration) ≤ € 435 thousand:

- The remaining 60% is paid at the date the bonus is granted (up-front portion): 30% cash and 30% through BPER Banca shares subject to a 1-year retention period. The remaining 40% (20% cash and 20% through BPER Banca Shares) is deferred in equal annual portions over 4 years from the year of allocation, subject to a 1-year retention period (during which the shares cannot be sold) from the vesting date of each deferred portion.

Variable remuneration > € 435 thousand (particularly high amount):

- 40% is paid on the date the bonus is granted (up-front portion): 20% cash and 20% through BPER Banca shares subject to a 1-year retention period. The remaining 60% (30% cash and 30% through BPER Banca Shares) is deferred in equal annual portions over 4 years from the year of allocation, subject to a 1-year retention period (during which the shares cannot be sold) from the vesting date of each deferred portion.

Performance period: 2024



Once the results have been measured, the parameters linked to the risk adjustment and derived from those contained within the Risk Appetite Framework (RAF) are also to be checked, similarly to what is indicated for the Chief Executive Officer. These parameters act as a corrective factor with respect to the incentive vested upon achievement of the objectives set in the individual scorecards. If these objectives are not met, the bonus earned may be reduced by a maximum of 50% for Deputy General Managers and C-Level managers, and up to 30% for the remaining personnel. The ex-post correction mechanisms (malus and claw-back conditions) are similar to those illustrated for the Chief Executive Officer (as detailed in Section 7.2).

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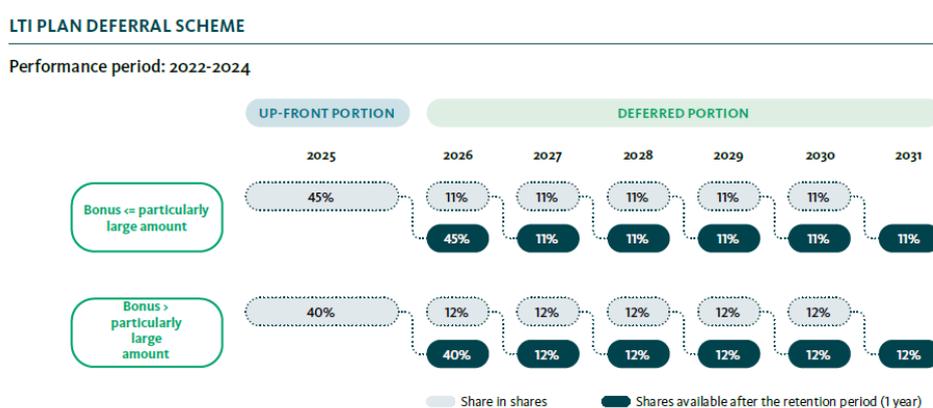
Change of Control clauses are not currently foreseen for any MRTs.
No discretionary bonuses are awarded.

Some figures included in the scope of MRTs (excluding control functions and similar) based on the role and potential contribution to achieving the objectives of the Business Plan, are also recipients of the long-term variable incentive system outlined in Section 7.2 with the additions made to this Section.

Each Recipient is associated with a target bonus, understood as the reference theoretical bonus that can be achieved once all the conditions are met and whose total amount (bonus pool) has been defined and approved by the Board of Directors. The size of this theoretical amount is determined according to a percentage of the individual gross annual remuneration (RAL) for each of the following segments:

- Top management and C-Level, including the Chief Executive Officer of the Parent Company: 60% (180% on a three-year basis);
- Senior management: 40% (120% on a three-year basis);
- Recipients identified among selected key resources for the achievement of the strategic guidelines: 15% (45% on a three-year basis).

The payout methods in financial instruments (BPER shares) are illustrated in the figure below and vary according to the amount of the bonus vested.



7.4. Remuneration of Control Functions

The remuneration of those in charge of Control Functions within the scope of the MRTs is composed of a fixed component supplemented by a specific function indemnity and a variable component which can be up to a maximum of 33% of the fixed component.

The latter is not determined by the achievement of economic and financial objectives (without prejudice to any agreements with the trade unions, valid for all employees and also applicable to these professional figures), but is related to specific **function** objectives⁵², in order to safeguard the independence required of the functions. The bonus pool, defined for this category of personnel within the MBO incentive system, is not related to the economic and financial results achieved but is determined as a fixed amount.

Unlike what applies for MRTs, the payment of bonuses for the control functions is subject only to the entry gates based on capital and liquidity ratios.

The same criteria with reference to the breakdown of the objectives in the individual scorecards, the definition of the bonus pool and, therefore, the type of gate are also applied to the positions similar to the Control Functions (e.g. the CHRO) for which the regulations establish that remuneration must be predominantly fixed. In this regard, for MRTs falling within this category (positions similar to the Control Functions), there is an alignment of the pay-mix to the so-called "corporate functions" (management with staff functions) excluding the 2022-2024 LTI component which they are not recipients of. Once the Entry Gates have been surpassed, the size of the annual bonus is linked to role-related objectives that may be quantitative and/or qualitative. In addition, the MBO objectives of the Heads of the corporate control functions are aligned with the defined control action priorities.

The rules on deferral of the variable portion, use of financial instruments, malus and claw-back defined for the remaining MRTs and described in Section 7.3 above apply to the members of the category.

Persons belonging to the control and similar functions are not covered by the 2022-2024 LTI Plan.

⁵²For the CHRO - a function similar to the Control Functions - this is without prejudice to the possibility of assigning function-specific economic objectives.

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7.5 Remuneration of remaining personnel of the Group (not included in the MRT scope)

Consistently with the diversification of the business lines activated in line with the Business Plan, the BPER Group has detailed specific incentive systems also for the **remaining personnel**⁵³ not falling within the scope of MRTs. The variable component of the remaining personnel not falling within the scope of MRTs tends to remain within the maximum limit of 100% of the **fixed component**⁵⁴ and in any case within the limit set by law and the Articles of Association. However, for the current year there will be an increase in target bonuses and pools intended primarily for “non-MRT” resources working in commercial functions.

In particular, in addition to the MBO plan already described for **MRTs**⁵⁵, BPER has established incentive schemes dedicated to specific business segments that award individual bonuses differentiated according to the level of achievement of the objectives assigned at function, team and/or individual level and taking into account the specifics of the activity carried out. The incentive schemes defined for the Network, for Private Bankers and for **Corporate Banking**⁵⁶ are described below. It should be noted that these incentive systems are subject to the same trigger conditions and verification of sustainability with respect to the vested bonus pool described in the Section on the MBO Plan for MRTs.

Commercial Network MBO

- **Recipients:** Network Staff, Semi-Centre, Corporate Centres
 - **Performance conditions:**
 - Trigger conditions: Group Entry Gates + Specific Entry Gates (Branch; Area; “Corporate Centres”);
 - Bonus pool linked to the achievement of revenue targets;
 - Performance indicators:
 - Economic and financial KPIs on productivity, profitability and risk differentiated at area, organisational unit, service model or individual level depending on the specific position held;
 - Quality and Compliance breaches, detected at individual and organisational unit level, which may increase, decrease or zero out the vested bonus.
-

Private Banker MBO

- **Recipients:** Private Banker Employee Network (Banca Cesare Ponti and Banco di Sardegna)
 - **Performance conditions:**
 - Trigger conditions: Group Entry Gates;
 - Bonus pool linked to the achievement of revenue targets;
 - Performance indicators:
 - Economic and financial KPIs;
 - Qualitative KPIs or **managerial assessment**⁵⁷;
 - Quality and Compliance breaches, detected at individual level which may decrease or zero out the vested bonus.
-

⁵³ If an Executive Director does not belong to the MRT category (being a director of companies not defined as significant according to the analysis conducted by the CRO structures and receiving variable remuneration) the provisions of this Section shall apply.

⁵⁴ Except for specific situations in which it is possible to increase that percentage beyond 100% (and in any case not beyond 200%) in order to apply all operational drivers to ensure the competitiveness of remuneration packages designed to attract strategic professional skills and ensure the availability of the human resources needed to achieve the established business objectives.

⁵⁵ Awards linked to exceptional situations are not excluded for personnel other than MRTs, to supplement the provisions of the incentive systems.

⁵⁶ There are also other specific MBO systems for certain professionals belonging to the banks and companies in the group, in addition to those described below.

⁵⁷ Performance management process.

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Corporate & Investment Banking

- **Recipients:** Staff in the Chief Corporate & Investment Banking area
 - **Performance conditions:**
 - Trigger conditions: Group entry gates + possibly specific organisational unit entry gates;
 - Bonus pool linked to revenue targets;
 - Performance indicators:
 - Economic and financial productivity, profitability, risk and project/strategic KPIs;
 - Qualitative KPIs or managerial assessment
 - Quality and Compliance breaches, detected at individual level which may decrease or zero out the vested bonus.
-

Individual MBO scorecards are linked to results that are relevant to their respective **roles**⁵⁸ and responsibilities and are based on quantitative and qualitative/project objectives. Since, in a limited number of cases, it is not feasible to identify quantitative indicators representative of the functions held by certain persons, the parameters applicable to the broader organisations to which they belong are used, considering from a managerial standpoint, where applicable, their actual contributions to achieving these results.

For personnel with significant responsibilities in the Control Functions (other than the heads of Functions) not included among MRTs, the variable component is related to specific function objectives and not to the achievement of economic-financial objectives, without prejudice to the provisions of collective bargaining and agreements with the Trade Unions.

For some personnel categories, additional performance indicators have been defined, linked to the individual or team's ability to generate revenue, and to supplement the current Entry Gates of the MBO system.

MBOs extended over several years are possible for some specific figures not belonging to the MRT category to replace or supplement the ordinary annual MBO.

Some resources⁵⁹, considered crucial for the achievement of the Business Plan objectives, may be admitted to participate in the Long-Term Incentive System (2022-2024 LTI). In this case, the conditions envisaged for MRTs as detailed in Section 7.3 apply.

In addition to the aforementioned MBO annual incentive scheme, since 2022 the annual variable remuneration plan known as the **"Performance Incentive"** has been activated for personnel not included in the scope of recipients of the 2024 MBO scheme, of the Banks and Group companies to which this scheme applies.

Performance Incentive

Recipients: Group personnel who are not recipients of specific MBO systems.

- **Performance conditions:**
 - Trigger conditions: Group Entry Gates;
 - Bonus pool linked to the achievement of revenue targets;
 - Performance indicators:
 - Evaluation of individual performance by one's line manager;
 - Quality and Compliance breaches, detected at individual level which may decrease or zero out the vested bonus.

Subject to passing the Entry Gates at the Group level referred to above, the bonus is actually awarded depending on positioning with respect to the score of the other recipients of the system, belonging to the same organisational cluster. The fair distribution and incidence of the incentive awarded with respect to gender is appropriately considered, both with reference to the number of resources that can be rewarded and with reference to the amounts.

All the incentive systems described so far are anchored to minimum trigger requirements, i.e. the entry gates. In the event that the minimum levels associated with the Group entry gate parameters applied to MRTs are not reached, the Board of Directors of the Parent Company can decide whether to award bonuses of a limited amount, within a buffer that could be significantly lower than the original bonus pool.

In line with current legislation, for all forms of incentives described, the application of the ex-post correction mechanisms (malus and claw-back) is envisaged when certain cases occur (see Section 7.2).

In order to achieve its strategic objectives and provide services to customers, the Group also makes use of financial advisers,

⁵⁸ The parameters take on different weightings according to the activities that the person performs, the responsibilities that they have been assigned and the operating levers that they manage.

⁵⁹ Excluding Control functions and similar.

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hired under agency contracts (for Wealth Management services), and financial agents (for [Consumer Credit](#)⁶⁰).

Remuneration of Financial Advisers authorised to offer their services off the bank premises and of Agents in Financial Activities

Recipients: Financial advisers qualified for the off-site offer (BPER Banca) and financial agents active in Group Companies (Bibanca)

The structure of their remuneration provides for a:

- **“recurring” component** (treated as fixed remuneration): constitutes the most stable part of the adviser/agent’s remuneration. This relates to the routine activities carried out, reflecting the main characteristics of the agency contract: the payment of percentage commissions agreed in advance between the Bank and the Agent and linked to “conclusion of the business” (e.g. formal agreement to purchase financial products offered by third parties or Group companies) introduced by the adviser/agent.
- **“non recurring” component:** has an incentive and/or loyalty value. In general terms, this can be traced back to the incentive schemes which, when triggered, reward business development and the exceeding of certain targets (e.g. net funding, development of the Bank’s client or customer portfolio, etc.) and which are subject to specific gates represented by the minimum regulatory requirements on capital and liquidity, upon which the actual disbursement of the incentives is dependent.

These systems are defined in a manner that does not reward conduct inconsistent with customers’ interests. Similarly, said systems devote special attention to the evaluation of the individual conduct of the consultant or agent, as well as the control over operational and reputational risks (e.g. compliance with the regulations and internal procedures and transparency in customer relations). This ensures that the work of financial advisers and agents is focused on satisfaction of the interests of customers, in compliance with sector regulations. “Non-recurring” remuneration is therefore subject to partial or total reduction (malus) and/or return (claw-back) mechanisms in the event of fraudulent behaviour or gross negligence.

Furthermore, non-recurring remuneration can be affected by specific quality clauses, examples of which are listed below: audits with adverse or partly adverse outcomes, justified customer complaints about facts attributable to the adviser or agent, penalties levied by Supervisory Authorities etc.

The same rules (entry gates, balancing between the non-recurring component and the recurring component, deferral, malus and claw-back) provided for payment of the variable remuneration of MRTs (see Section 7.3) as well as the malus and claw-back mechanisms apply to the non-recurring remuneration received by agents and/or financial advisers possibly falling within the scope of Group MRTs.

Group companies benefit from the contribution of a very limited number of **freelance collaborators** who do not have a full-time employment contract with the company. They are typically people who have specific skills that are required for a limited period of time, or as part of specific projects, which are complementary and/or of support to the activities performed by employees.

As a rule, the remuneration of external collaborators only consists of a fixed element. However, there is the possibility for variable remuneration to be awarded, still within the limits of 50% of the [fixed](#)⁶¹ component and in any case within the limit set by law and the Articles of Association. The amount of the variable component will be determined each time based on specific indicators for the activity carried on.

Any costs involved in performing their duties are incurred directly by the Bank or Company, or reimbursed to the collaborator.

For all the systems described in this paragraph, in the event of variable remuneration exceeding €50,000 or 50% of the fixed remuneration (and, in any case, within the defined maximum limit), a deferral of at least one year of 50% of the bonus is usually envisaged, which is subject to malus conditions (unless otherwise specified, the same malus conditions envisaged for MRTs apply) and claw-back in the manner and on the occurrence of the cases described in Section 7.2.

⁶⁰ The Group also works with insurance agents, none of whom have been identified as MRTs and who are always remunerated on a current basis.

⁶¹ Except for specific situations in which it is possible to increase that percentage, in order to apply all operational levers to ensure the competitiveness of remuneration packages designed to attract strategic professional skills and ensure the availability of the human resources needed to achieve the established business objectives.

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7.6 Focus on aligning with customer interests

The BPER Group is committed to adopting all reasonable measures and tools to ensure that the development of its business and the pursuit of its objectives are in line with its duty to act fairly and professionally, guaranteeing the achievement of the best interests of its Customers/Stakeholders, in full compliance with the values of integrity, transparency and fairness, in accordance with the internal and external regulations in force from time to time.

This general commitment is reflected, consistently with the reference [legislation](#)⁶², in the adoption of remuneration policies and systems that:

- for “Relevant persons involved in the sale of banking products and services” shall be guided by the criteria of diligence, transparency, fairness in customer relations, containment of legal and reputational risks, protection and retention thereof, compliance with applicable self-regulatory provisions; such schemes are not based solely on business objectives and do not constitute an incentive to place products that are not adequate for the financial needs of customers;
- for “Relevant persons having a direct or indirect impact on the investment or ancillary services provided” do not create conflicts of interest that may lead them to favour their own interests or the interests of the Bank to the potential detriment of those of their clients.

In particular, with reference to the provision of banking and financial services the Group has identified the “relevant persons” for the purposes of the selling of banking goods and services and credit intermediaries pursuant to the Supervisory Provisions “*Transparency of Banking and Financial Transactions and Services – Fairness of Relations Between Intermediaries and Customers*”. In general terms, this category includes “parties that offer banking products and services and their managers”, i.e. those who are in direct contact with customers and their line managers.

Accordingly, this analysis at Group level considered 13,171 resources in the area of network and [similar](#)⁶³ activities (of which 1,761 managers or [similar](#)⁶⁴ managerial figures) and 412 in the Private banking area (of which 29 managers or [similar](#)⁶⁵ managerial figures) employed at Banco di Sardegna S.p.A. and Banca Cesare Ponti S.p.A. (as a result of the transfer of a line of business in February 2024); agents and financial advisers amount to 417 resources.

There are no credit brokers.

In accordance with the regulatory framework, the variable remuneration component of relevant persons shall comply with the following principles:

- is linked to quantitative and qualitative criteria;
- does not incentivise the offer of a specific product or category or combination of products that fails to satisfy the objectives and financial needs of the customer;
- supports alignment between the Bank’s interests and those of the Customer;
- is suitably balanced with respect to the fixed component of the remuneration;
- is subject to adjustment mechanisms that allow for its reduction (even significantly) or elimination in the event of conduct that resulted in or contributed to significant losses for customers.

The achievement of economic and financial objectives is verified by considering the manager’s assessment of the contribution to customer satisfaction and loyalty.

The overall assessment takes account of monitoring by the functions responsible for checking the propriety of customer relations, as well as adjustments linked to the assessment of other compliance and quality indicators (e.g. MiFID profiling, mandatory training).

The results of checks carried out by the control functions are also considered.

These elements, used to assess proper personal conduct (compliance with internal regulations and procedures and transparency in relations with customers), are given due consideration when the variable component is awarded.

As required by the aforementioned regulations, with reference to participants in incentive systems or in general in variable remuneration plans:

- for staff responsible for handling complaints, any incentives take into account, among other things, the results achieved in the management of complaints and the quality of customer relations;
- for creditworthiness assessment staff, the individual objectives shall take due account of prudent risk management.

⁶² Supervisory provisions “Transparency of banking and financial operations and services — Fairness of relations between intermediaries and clients”; Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 (MiFID II); Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 (MiFID Regulation); MIFID ESMA35-43-3565 Guidelines

⁶³ Including resources employed in BPER Factor.

⁶⁴ The calculation does not include personnel falling within the scope of MRTs.

⁶⁵ The calculation does not include personnel falling within the scope of MRTs.

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7.7 Remuneration tools for attraction and retention

To encourage the attraction of new resources, it is possible to award entry bonuses, welcome bonuses, etc. For resources from the external market, it is also possible to envisage the enhancement of their commercial contribution in terms of new volumes and / or customers, envisaging variable rewards that can on the one hand be perceived as attractive for the resources in question and on the other hand protective for the Company in terms of sales and stability of the resources acquired.

When the need to safeguard the Group's competitiveness and particular professional skills, as well as to protect commercial goodwill and customers' interests, requires or makes it appropriate, the Group may enter into no-competition agreements with specific categories of personnel and/or on an individual basis, whether in an ongoing working relationship or on severance. These agreements must comply with the Bank of Italy's Supervisory Instructions, case law interpretations, market practices and the criteria and limits approved at the Shareholders' Meeting.

For similar purposes, the Group may also sign agreements aimed at extending the employees' period of notice in the event of resignation. Such agreements, which also aim to meet the Group's need to ensure over time the collaboration of particularly qualified workers, envisage the payout of small amounts for periods of effective compliance with the commitment undertaken.

Any forms of retention bonuses and/or stability agreements will be governed in accordance with the rules, regulations and labour law applicable at any given time.

Payments to remunerate agreements that cover **ongoing working relationships**⁶⁶ must meet the entry gates represented by the minimum supervisory requirements for capital adequacy and liquidity, as determined at the time of payment.

The amounts paid under such agreements are subject to the specific provisions, including claw-back clauses, laid down in the latest update of the Bank of Italy's Circular 285 in force at any given time.

Notably, in the event that said remuneration is partially paid in financial instruments, in addition to the payout rules provided for in this document, for the determination of the allocation price of the remuneration, reference shall be made to the provisions of the Information Document on the 2024 Short-Term Remuneration Plan based on financial instruments, prepared for the purposes of Consob regulations.

7.8 Benefits

The working conditions of the entire Company workforce are an integral part of the remuneration policy for the BPER Group, which is constantly committed to supporting the development of people and ensuring a positive work environment in which all employees contribute to creating shared value.

The total remuneration package for the various positions can be supplemented by fringe benefits for all employees or for particular positions, depending on the functions that they perform, the level in the organisation or specific limited attributions, also with the aim of increasing motivation and retention of resources. Personal and family benefits derive from national and/or second-level bargaining and/or derive from internal reference policies. BPER Banca is known for offering financial assistance to families through a diverse range of high-quality products and services. These are tailored to various groups of contract staff, including young individuals, single-income households, and those with dependants or incapacitated dependant relatives. Additionally, BPER Banca strives to foster a supportive work environment that accommodates personal needs.

More specifically, there are specially regulated collective welfare, health and insurance plans, assistance and canteen services, as well as better conditions for access to the various products and services offered by the Company. Within the Group, provision is made for housing allocations, and company cars for mixed and shared use.

Within the BPER Group, there has always been a wide array of corporate welfare services and tools available to support work-life balance, individual challenges, health, and overall well-being. These include flexible arrangements, leave for personal needs, and opportunities for remote work.

To promote employee well-being, work-life balance and gender equality, the "Active Welfare" project was initiated in late 2023. This project will span over the next two years and began with a survey distributed to all Group employees. The aim was to identify needs and map out solutions and services aligned with best practices and sector regulations. These will be integrated into the new company welfare portal, which has been operational for several years.

⁶⁶ In particular, this applies to the amounts paid in relation to ongoing working relationships, for no-competition agreements, notice extension agreements and stability agreements (and/or retention bonuses).

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Part of a Total Reward approach. the welfare portal, along with its different components, serves as a tangible form of financial support for all employees. This support is provided according to the terms and criteria outlined in agreements with trade unions regarding company bonuses, in compliance with the provisions of the national collective labour agreement (CCNL) for the sector and relevant tax regulations.

The allocation of such remuneration components is periodically compared to market best practices in order to monitor the competitiveness of remuneration schemes for the Group personnel.

For further details, please also refer to the Consolidated Non-Financial Statement available on the Bank's institutional website.

7.9 Compensation granted in view or on termination of MRT and non-MRT employment

The Supervisory Provisions on the subject of remuneration provide that the remuneration agreed upon either on the occasion of the early termination of the employment relationship or early termination of the office ("golden parachute" or additional remuneration) are subject to a particular provision contained in the same Supervisory Provisions, to which reference should be made.

Without prejudice to the exemptions foreseen by the Supervisory Provisions (Bank of Italy circ. no. 285, part 1, title IV, chapter 2, Section III, 2.2.3), which will be applied by the Group if the circumstances arise, and without prejudice to the specific regulations envisaged for the various categories of personnel, it should be noted that the following amounts do not form part of the additional remuneration mentioned above:

- amounts paid in lieu of notice, within the limits established by law and collective labour contract;
- amounts paid for non-competition agreements, for the portion that does not exceed the last year of fixed remuneration;
- amounts paid in execution of a decision by an independent third party (judge or arbitrator) on the basis of applicable legislation.

As regards the ratio between fixed and variable remuneration, the criteria mentioned in the Supervisory Provisions are complied with (taking into account any exemptions, such as, for example, the use of a predefined formula and the exclusion – for the purposes of this ratio – of the non-competition agreement for the portion that, for each year of the duration of the agreement, does not exceed the last year of fixed remuneration).

If there are, or are expected to be, cases of termination of employment on the initiative and/or in the interests of the Group, whether in a unilateral or an agreed form, additional compensation may also be awarded as a pre-retirement leaving incentive or in order to avoid the risks associated with legal proceedings and court rulings (assuming that said compensation is designed to settle a current or potential dispute).

The amount of such additional remuneration cannot exceed two years' fixed remuneration - arising from the executive employment relationship and any directorships - and will be subject to a maximum limit of € 3 million⁶⁷ (gross).

In any case, without prejudice to the foregoing, with reference to the Chief Executive Officer, the General Manager, if appointed, and Managers with Strategic Responsibilities, the total amount of additional remuneration, of any non-competition agreements and amounts paid in lieu of notice cannot exceed 2 years of total remuneration⁶⁸.

The remuneration in question takes account of the performance achieved over time and the risks taken on by the person concerned and by the Company.

These additional amounts of remuneration must therefore be defined taking into account, in addition to the purposes set out above, an overall assessment of the person's work in the various positions held, the presence or otherwise of individual sanctions imposed by the Supervisory Authority, having particular regard to the levels of capitalisation and liquidity of the Group (specifically, reference is made to the fact that at the time of signing the agreement on compensation, the Bank's liquidity and capital exceed the minimum requirements laid down by the Supervisory Authorities⁶⁹).

These additional amounts of remuneration are subject to the deferral mechanisms and use of financial instruments envisaged for the payment of variable remuneration to MRTs and are subject to the same claw-back and related *malus* clauses, to the extent that they are applicable. Any deferred portions will be subject, by way of further *malus* clauses, to passing the capital and liquidity gates defined for the annual incentive plans⁷⁰.

The Supervisory Provisions of the Bank of Italy also allow for the use of a predetermined formula, contained in the Bank's

⁶⁷The maximum amount is adjusted in light of the highest fixed remuneration at BPER. The maximum limits in terms of years of remuneration remain unchanged.

⁶⁸The amount of one year's salary used to calculate this total is determined by considering the current fixed remuneration plus the average of the variable remuneration actually awarded in the last three years prior to termination, including the portion of incentives paid in shares. Variable remuneration derived from long-term incentive plans is excluded.

⁶⁹This requirement also applies to all other personnel.

⁷⁰This requirement also applies to all other personnel.

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Remuneration Policy, that defines the amount payable on early termination of the employment relationship or term in office, in the context of an agreement between the bank and its personnel – howsoever reached – in order to settle a current or potential dispute. The additional compensation determined by applying that formula is not included in the calculation of the above maximum limit on the ratio of variable to fixed remuneration.

In the appropriate circumstances, for personnel in the scope of MRTs, the Group may apply the following predetermined formula:

- standard incentive (or additional compensation): 18 months of fixed remuneration;
- if over 30 years of service with the Group: 20 months of fixed remuneration;
- if less than 5 years of service within the Group: 9 months of fixed remuneration.

The above numbers of months are halved if:

- individual performance in one the past 2 years was **insufficient**⁷¹;
- possibility of direct access to ordinary pension benefits or through permanent membership of the sectoral Solidarity Fund (as an alternative to what may be provided for in the redundancy incentive agreements defined with the trade unions).

DEFAULT FORMULA FOR MATERIAL RISK TAKERS

Years of seniority in the Group



-50%

- Individual performance in one the past 2 years was **insufficient**⁷¹.

- Possibility of direct access to ordinary pension benefits or through permanent membership of the sectoral Solidarity Fund (as an alternative to what may be provided for in the redundancy incentive agreements defined with the trade unions).

(*) Annual "Performance Management" target score at minimum level or negative rating

All personnel belonging to the category of MRTs, including Control Functions, can adhere to early retirement incentive agreements defined with the Trade Unions, including those for access to the banking sector's Solidarity Fund. In this case, quantification of the incentive is considered a "predefined formula" pursuant to the **Supervisory Provisions**⁷². In any case, the limits of 2 years of total remuneration envisaged for the amount of additional remuneration for the Chief Executive Officer, the General Manager, if appointed, and Executives with Strategic Responsibilities remain unaffected.

It is specified that for personnel working in foreign countries and to whom the local regulations or collective agreements apply, where these countries provide for a specific formula for determining severance, what is defined there applies instead of the pre-defined formula above.

Similar agreements may be envisaged for managers not deemed to be MRTs, within the limits established in the national labour contract for specific arbitration proceedings.

For persons not deemed to be MRTs, the Group can raise the maximum variable/fixed remuneration to 2:1 in order to make payments ahead or at the time of early termination of the employment relationship and/or position, without prejudice to the specifics envisaged for the personnel of Arca Fondi SGR and reflected in the specific remuneration policies of the Company, while complying in all cases with the maximum limits stated in these policies.

With regard to the effects of termination on the rights assigned under annual or long-term incentive plans, effective from those resolved upon in 2024, the Recipients shall only be entitled to receive their vested bonus 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 awarded on a pro-rata basis.

The Incentive Plans (MBO and Long-Term Incentive) envisage good and bad leaver clauses that apply on termination of the employment relationship and/or position before the end of the Vesting Period and during the subsequent deferral and/or

⁷¹ Annual "Performance Management" target score at minimum level or negative rating.

⁷²This requirement also applies to all other personnel.

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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 Relationship or Position prior to the end of the vesting period (a) by mutual consent, (b) termination by natural expiration of the relationship or position, c) on reaching pensionable age or qualifying for special support from the banking industry solidarity fund or (d) on death or inability to work (good leaver), Recipients shall maintain all rights under the Plan albeit on a time-apportioned basis or, if termination occurs after the vesting period, with reference to the portions subject to deferral and/or retention; and
- (ii) in all other cases of termination of the relationship or the position (bad leaver), Recipients 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.

For further details on the effects of termination on the rights assigned under current or previous incentive plans, please see the corresponding information documents prepared pursuant to Article 114-bis of the Consolidated Law on Finance, without prejudice to individual arrangements.

In line with widespread practices among competitors and major Italian listed companies, an agreement is signed with the Chief Executive Officer containing a specific conventional arrangement on the termination of Office and/or Delegation of powers before the natural expiration of the mandate, on the Bank's initiative, in the absence of just cause (construed according to the law), or as a direct consequence of extraordinary transactions. Subject to compliance with the overall maximum limit set forth in the Policies, in the event of early termination of the office or delegated powers for reasons other than just cause, an amount will be paid equal only to the fixed amount that would have been due if the office and delegated powers had been held until the end of the three-year term of office as a **director**⁷³. The related amount, within the defined upper limit, is then scaled down to zero as the natural expiration of the term of office approaches.

Such additional compensation is subject to the same constraints to be applied to the equivalent compensation envisaged for the Executives with Strategic Responsibilities.

7.10 Discretionary pension benefits

There is no provision for discretionary pension benefits for anyone in the company for the early termination of employment or office. In the event of an exceptional assignment, the rules provided for under current legislation will be applied.

7.11 Personnel belonging to the Asset Management Company and BPER Bank Luxembourg

The Banking Group includes a company operating in the asset management sector (UCITS-AIF) and a bank based in Luxembourg, both subject to specific regulations.

Asset Management Company (SGR)

Arca Fondi SGR is subject to the sector legislation arising from the transposition into Italian law of Directives 2014/91/EU (UCITS V) and 2011/61/EU (AIFMD), most recently supplemented by an update in December 2022 of the Bank of Italy's Regulation implementing articles 4-*undecies* and 6, para.1, letters b) and *c-bis*), of the Consolidated Law on Finance as well as Supervisory Provisions with reference to banking group companies subject to specific sector regulations.

The Company prepares the Remuneration and Incentives Policy for its personnel in application of the principles and objectives of the Group's Remuneration Policy, including the gender neutrality principle, having regard to the applicable regulatory requirements and, in particular:

- the role of the Shareholders' Meeting, the Corporate bodies, the Remuneration Committee and the governance processes at company level, at the level of the individual companies and regarding the coordination and control role of the **Parent Company**⁷⁴;
- identification of MRTs at SGR level and contribution to the process of identifying the MRTs at Group level;
- clear distinction between fixed and variable remuneration;
- short- and long-term incentive schemes linked to the performance indicators of the SGR and of the Undertaking for the Collective Investment of Transferable Securities (UCITS) and of the Alternative Investment Funds (AIF), as managed and measured net of any risks associated with their operations, and taking account – via the definition of **Entry gates**⁷⁵ and

⁷³This mechanism is understood as the "predefined formula".

⁷⁴The Parent Company prepares the remuneration and incentives policy for the entire Banking Group, ensures its overall consistency, provides necessary guidance for its implementation and checks its proper application, without prejudice to the responsibility of the SGR to comply with those regulations that are directly applicable and implement properly the guidance provided by the Parent Company.

⁷⁵In addition to the minimum supervisory requirements for the capital adequacy and liquidity of the Banking Group.

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mechanisms for determining the Bonus Pool – of the capital resources and liquidity needed to finance the activities and investments of the SGR and the Funds;

- application of specific deferral procedures for the different categories of risk takers, envisaging allocation of part of the variable remuneration in the form of mutual fund units on passing a materiality threshold, set in line with sector practice at €80,000;
- limits on variable remuneration including the definition of the company's own specific bonus pool, which includes all personnel belonging to the company, also in relation to their being part of the Banking Group (see above, Section 7 of the 2024 Remuneration Policy – “Ratio of variable remuneration to fixed remuneration” and application of the **exception**⁷⁶ to the limit on the ratio of variable to fixed remuneration);
- specific **malus**⁷⁷ conditions and claw-back mechanisms;
- specific conditions with regard to severance payments;
- disclosure requirements.

The Parent Company includes SGR personnel in the process followed to identify MRTs. Inclusion involves adoption of the qualitative criteria envisaged in the Supervisory Provisions, with particular reference to the possibility that the activities of those persons at significant operating units might have a significant impact on the risks faced by the Group, including its economic, financial and/or reputational risks. Inclusion also involves adoption of the quantitative criteria envisaged by the regulations that govern the exclusion mechanisms and procedures.

For the financial year 2024, in addition to the members of the Board of Directors, the Chief Executive Officer also falls within the scope of the group's MRTs according to the application of the criteria outlined in Section 3.

In keeping with the exceptions envisaged in Bank of Italy Circular No. 285, the above criteria also apply to the SGR personnel identified among the Group's MRTs, except for the **malus**⁷⁸ and claw-back rules.

With reference to the Entry Gates, in addition to the SGR-specific conditions and the minimum regulatory requirements for capital adequacy and liquidity, the monetary component of the annual incentive is subject to the capital adequacy and liquidity requirements envisaged for the Group MRTs.

The above requirements for persons identified as MRTs within the Group who also hold a position in the Parent Company supplement the Remuneration Policy of the SGR and its specific requirements.

Bper Bank Luxembourg

BPER Bank Luxembourg s.a. provides a full range of banking services (current accounts and liquidity management, custody and administration, etc.) and investment services (asset management, receipt and transmission of orders, management of life insurance policies) to private and corporate customers and institutional investors.

The Bank also makes loans to customers and banks and operates in trade finance.

In accordance with Bank of Italy Circular no. 285, the remuneration and incentive policies of the BPER Group take into account the characteristics of the Luxembourg-based bank, which is regulated by the local supervisory authority, *Commission de Surveillance du Secteur Financier (CSSF)*⁷⁹ (i.e. size of the Company, risk level brought to the Group, type of activity, presence of specific rules based on the sector it belongs to).

BPER Bank Luxembourg S.A. adopts the Policies developed by the Parent Company in the terms described above, submitting them to its Board of Directors for approval; it remains in any case responsible for compliance with the legislation directly applicable to it and for correct implementation of the guidelines provided by the Parent Company.

In this context, the following aspects are assessed on the basis of the principle of proportionality and within the broader consolidated banking regulatory framework:

- role of the corporate bodies of BPER Bank Luxembourg and of governance processes in general;
- identification of the individual MRTs (General Manager, Deputy General Manager and Heads of the Control Functions);
- any application of specific procedures for deferral and payment of the variable component characterised by greater detail;
- any limits on variable remuneration.

For 2024, the General Manager and Deputy General Manager of Bper Bank Luxembourg s.a. are identified among the Material Risk Takers of the Group in addition to the members of the Board of Directors, applying the criteria described in paragraph 3 .

⁷⁶ The proposed exception to the limit on the variable/fixed remuneration ratio and, accordingly, its increase to 3:1 with respect to the cap set at Group level (2:1) for the management of Arca Fondi S.G.R (including MRTs within the Group) and the personnel involved in the investment process and commercial development activities, including enhancement of the digital platforms was approved by the BPER Shareholders' Meeting held on 22 April 2020.

⁷⁷ In addition to the malus conditions linked to the minimum supervisory requirements for the capital adequacy and liquidity of the Group.

⁷⁸ As for the other MRTs in the Group, the deferred components are subject to the same entry gates for the payment of bonuses, in this case being the capital adequacy and liquidity gates envisaged for Group MRTs that are applied to the cash portion.

⁷⁹ In particular, it is subject to CSSF Circular 10/437 (guidelines on remuneration policies in the financial sector); CSSF Circular 11/505 (details relating to the application of the proportionality principle in the definition and application of remuneration policies consistent with sound and effective risk management); CSSF Circular 15/620 (transposition of the CRD IV directive into the Luxembourg regulatory framework) and CSSF Circular 17/658 (adoption of the EBA Guidelines on sound remuneration policies).

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PART II

2023 Annual Remuneration Report

This part has not been updated; please refer to the content already approved by the Shareholders' Meeting on 19 April 2024.

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