

PRESS RELEASE

BPER GROUP: Press release pursuant to art. 84-bis of Consob Regulation no. 11971/1999 and art. 114 of Legislative Decree 58 of 24 February 1998

Approval by the Board of Directors of BPER Banca ("BPER") of a compensation plan based on financial instruments, in implementation of the 2019 remuneration policies of the BPER Group, both to be approved by the Shareholders' Meeting.

Modena — 10 March 2020. Following the preparatory work carried out by the Remuneration Committee, the Board of Directors of BPER Banca, parent company of the BPER Banca Group, has resolved to submit to the next Shareholders' Meeting:

- approval of the Report on the Remuneration Policies and of the compensation paid comprising remuneration policies for 2020 of the BPER Group and the compensation paid in 2019;
- approval of the compensation plan pursuant to art. 114-bis of Legislative Decree 58 dated 24 February 1998, implementing the BPER Banca Group's Remuneration Policies for 2020.

With reference to the resolutions set out above, the following elements of the proposed compensation plan based on financial instruments ("Plan") are provided below.

Characteristics and recipients of the 2020 Plan

In line with the Bank of Italy's instructions¹ on remuneration and incentive policies, with the adoption of the Plan, the BPER Group aims to align the interests of the Plan's recipients with those of the shareholders; in particular, the Plan envisages a direct correlation between the remuneration of management and the growth in value of the Group.

The Plan covers those employees of the BPER Group identified as "key personnel" as defined in Commission Delegated Regulation (EU) no. 604 of 4 March 2014, being those categories of personnel whose work has a significant impact on the risk profile of the Bank.

In light of this definition, the proposed compensation Plan potentially includes the

¹ Bank of Italy Circular 285, 25th update of 23 October 2018 Title IV Chapter 2 "Remuneration and incentive policies and practices".

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following beneficiaries:

- the CEO of BPER Banca, the CEO of Sardaleasing and the CEO of Optima;
- the General Managers of each Italian Group Bank, Emil.Ro Factor, Finitalia and the consortium company Bper Credit Management;
- key managers of the Parent Company: nine (9) in 2020;
- other key personnel of the Parent Company: forty-eight (48) in 2020;
- other key personnel of Banco di Sardegna: ten (10) in 2020;
- other key personnel of Sardaleasing: one (1) in 2020.

Should there be any changes in the positions of the persons indicated as key personnel during 2020, the person(s) appointed to take over the position(s) would be included among the recipients of the Plan to the pertinent extent.

Assignment of the bonus depends on the BPER Group's achievement of economic-financial objectives established *ex-ante* (known as "entry gates") and in correlation with the levels of profitability achieved. The actual amount of the bonus payable is linked to the individual performance of each eligible person, assessed individually on the basis of a series of qualitative and financial indicators defined in the Group Remuneration Policies.

The Plan will be activated if the bonus obtained in this way exceeds 50 thousand Euro or 1/3 of the person's total remuneration. This provides for the free allocation of a certain number of phantom stocks, instruments that, after any deferral or retention periods, entitle the beneficiary to a cash bonus equal to the value of the BPER shares on that date. This value is calculated as a simple average of BPER's official stock prices posted during the thirty days prior to the Board of Directors' meeting that approves the Group results for the year in which the bonus is actually paid.

The Plan envisages that the component of the bonus assigned in the form of phantom stock and deferred over time is recognised in equal portions, in the years following assignment of the bonus, over a time span that can vary from a minimum of three years to a maximum of five, depending on the position held.

For each deferred portion, a 1-year retention period is envisaged starting from the date of maturity, assuming that the entry gates established for the previous year have been overcome. This period is added to the deferral period, so the overall time period can vary between a minimum of four years and a maximum of six.

As regards the CEO of the Parent Company and other beneficiaries of bonuses in excess of 50 thousand Euro (or 1/3 of total remuneration), the attribution of phantom stock is envisaged for part of the bonus granted immediately, subject to a 1-year retention period, and for part of the deferred component; the retention period is 1 year in this second case as well.

Subject to overcoming the entry gates, BPER identifies as recipients of the 2020 Plan only those who have been awarded a bonus higher than the amount defined by the

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Parent Company's Board of Directors in accordance with the *ex-post* assessment of their performance. It is therefore not possible to determine *ex-ante* the total number of phantom stocks that will be assigned, their countervalue and the number of effective beneficiaries.

Note that the variable remuneration for 2019 is currently being determined. As soon as the total amount of bonuses has been calculated, the number of phantom stocks assigned will be communicated to the market. Note that having verified the opening of the "entry gates", there have been the following effects on prior year plans:

- 2018 Plan: vesting of 90,149 phantom stocks, for a consideration of € 405 thousand;
- 2017 Plan: vesting of 9,629 phantom stocks, for a consideration of € 43 thousand.

Also assigned were 39,469 phantom stocks relating to severance pay for the termination of two employees in 2019 (see 2020 Remuneration Report - Section 2 - Part 1 - 1.1, soon to be published)

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The Manager responsible for preparing the Company's financial reports, Marco Bonfatti, declares, pursuant to art. 154-bis, paragraph 2, of Legislative Decree no. 58/1998 (Consolidated Finance Act), that the accounting information contained in this press release agrees with the supporting documentation, books of account and accounting entries.

Modena, 10 March 2020

**The Manager responsible for preparing
the Company's financial reports
Marco Bonfatti**

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The Plan information documents and the Report Remuneration will be available to the public within the legal deadlines at the head office of each Bank of the BPER Group, or at the head office of the Parent Company, in Modena, Via San Carlo, 8/20 as well as on the website www.bper.it - Sito Istituzionale > Governance > Shareholders' Meeting (or <https://istituzionale.bper.it/>) or on the website of each Group Bank.

BPER BANCA

This press release is also available in the 1INFO storage device

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