

PRESS RELEASE

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

Information notice concerning the approval by the Board of Directors of Banca popolare dell'Emilia Romagna (hereinafter BPER) of remuneration scheme based on financial instruments for the implementation of the remuneration policies of BPER Group for the year 2015, both documents to be approved by the Shareholders' Meeting.

Modena, March 10th 2015. The Board of Directors of Banca Popolare dell'Emilia Romagna, Parent company of the homonymous Banking Group, following the activities performed by the Appointments and Remuneration Committee decided to submit the following items to the next Shareholders' Meeting:

- approval of the Remuneration Report as per Art. 123-ter of Leg. Decree No. 58 of February 24th 1998, including the remuneration policies for the financial year 2015 of Banca popolare dell'Emilia Romagna Group and the yearly information notice on the implementation of remuneration policies for the financial year 2014;
- approval of the remuneration scheme, as per Art. 114 bis of Leg. Decree. February 24th 1998 No. 58, implementing the remuneration policies for the financial year 2015 of Banca popolare dell'Emilia Romagna Group.

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

Characteristics and recipients of the Scheme

Consistently with the provisions of the Bank of Italy¹ applicable to remuneration and incentive policies, by adopting the Scheme, BPER Group aims at aligning the interests of the Scheme recipients to those of its Shareholders; the Scheme actually provides for a direct relation between the management remuneration and the growth of the Group value.

The Scheme is intended for those employees of BPER Group identified as "most important personnel" pursuant to the definition of the (EU) delegated Regulation No. 604 of March 4th 2014, and namely for those subjects whose activity may have a major impact on the Bank's risk profile, and recipients of *bonus* that may exceed a maximum threshold beyond which the assignment of Phantom Stocks is also envisaged.

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

¹Circular Letter of the Bank of Italy No. 285, 7th update of November 18th 2014, Title IV Chapter 2 "Remuneration and incentive policies and practices"

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

- the CEO of the Parent Company, the COO of Sardaleasing and the CEO of Emilia Romagna Factor;
- the General Directors of the Parent Company, of each Italian company of the Group and of the consortium company BPER Services, the Executive acting as General Director of Cassa di Risparmio di Bra;
- the Executives with strategic responsibilities at the Parent Company: fourteen (14) for the year 2015;
- the Executives with strategic responsibilities at Banco di Sardegna: one (1) for the year 2015;
- the Executives with strategic responsibilities at Banca di Sassari: one (1) for the year 2015;
- other “most important personnel” of the Parent Company: ten (10) members for the year 2015;
- other “most important personnel” of Banco di Sardegna: one (1) member for the year 2015.

During the financial year 2015, in the event of turnover or replacements within the scope of the persons identified as most important personnel, also the subject/s who will take over a position or more positions will be among the recipients of the Scheme, as far as entitled to it.

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

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

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

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

As regards the CEO of the Parent Company, the allocation of Phantom Stocks is envisaged both in relation to that part of the *bonus* allocated with immediate effect, subject to a two year retention period, and in relation to the part pertaining to the deferred component, in this latter case subject to a retention period of one year. The Scheme is activated also in the case of *bonus* the amount of which is lower than the threshold established for the remaining personnel involved.

On condition that the established entry gates are exceeded, BPER identifies as beneficiaries of the 2015 Scheme only those subjects who, in accordance with the *ex-post* performance evaluation method, have been assigned a *bonus* that is higher than the amount defined by the Board of Directors of the Parent Company. As a consequence, it is not possible to *ex-ante* determine the total number of *Phantom Stocks* which shall be allocated, the relative exchange value and the number of actual beneficiaries.

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

BANCA POPOLARE DELL'EMILIA ROMAGNA
Società cooperativa

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

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