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**Ordinary Shareholders' Meeting of 17 April 2019**

**Report on point 5.c) of the agenda**

**Proposal of the remuneration plan pursuant to art. 114-bis of Legislative Decree 58 dated 24 February 1998, implementing the remuneration policies for 2019 of Gruppo BPER Banca S.p.A.**

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

**BPER Banca S.p.A.**

**Ordinary Shareholders' Meeting  
17 April 2019**

***Report as per art. 125-ter CFA  
Point 5.c) of the agenda  
Proposal of the remuneration plan pursuant to art. 114-bis  
of Legislative Decree 58 dated 24 February 1998,  
implementing the remuneration policies for 2019  
of Gruppo BPER Banca S.p.A.***

Shareholders,

With reference to point 5.c) of the agenda for the Ordinary Shareholders' Meeting, the Board of Directors has called you to vote on the proposal of the remuneration plan pursuant to art. 114-bis of Legislative Decree 58 dated 24 February 1998, implementing the remuneration policies for 2019 of Gruppo BPER Banca S.p.A.

This proposal is explained in the document on the equity-based compensation plan attached to this document.

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Resolution proposed to the Ordinary Shareholders' Meeting

Shareholders,

The Board of Directors invites you to adopt the following resolution:

*"The Ordinary Shareholders' Meeting of BPER Banca S.p.A., having reviewed the explanatory report and the attached information document, in accepting the proposal of the Board of Directors*

*resolves*

*to approve the equity-based compensation plan pursuant to art. 114-bis of Legislative Decree 58 dated 24 February 1998, entitled "Phantom Stock Plan 2019" implementing the remuneration policies for 2019 of Gruppo BPER Banca S.p.A. and to grant a mandate to the Board of Directors, with powers of sub-delegation, for the implementation and management of the provisions of the Plan ".*

Modena, 5 March 2019

BPER Banca S.p.A.  
The Chairman  
Pietro Ferrari

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**PROSPECTUS FOR PHANTOM STOCK  
COMPENSATION PLAN**

**2019 PHANTOM STOCK**

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

Modena, 5 March 2019

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## Definitions

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

<b>BPER or ISSUER</b>	BPER Banca Spa (hereinafter also just the "Bank", "BPER" or the "Parent Company"), with head office at Via San Carlo 8/20, Modena, Tax Code, Modena Companies Register and VAT no. 01153230360
<b>GENERAL MEETING</b>	Ordinary General Meeting of the Bank's shareholders.
<b>MATERIAL RISK TAKERS (MRT) BELONGING TO TOP MANAGEMENT</b>	Chief Executive Officer, General Managers, Deputy General Managers, Heads of Central Departments of BPER Group Banks and Companies. For BPER Banca, this also includes the Heads of the Territorial Divisions and the first reporting level of bodies with the function of strategic supervision, management and control functions. The corporate control functions are not included.
<b>SHARES</b>	The ordinary shares of BPER listed on the Italian stock exchange managed by Borsa Italiana.
<b>BONUS</b>	Variable part of the compensation of key personnel, as defined in the 2019 Remuneration Policies of the BPER Group.
<b>REMUNERATION COMMITTEE</b>	BPER's Remuneration Committee.
<b>BOARD OF DIRECTORS</b>	The Board of Directors of the Bank.
<b>COMMON EQUITY TIER 1 RATIO</b>	The Common Equity Tier 1 Ratio reflects the entity's total risk exposure expressed as an percentage.
<b>LCR</b>	Liquidity Coverage Ratio: the ratio between the stock of high quality liquid assets and net outflows in the 30 days after the reporting date.
<b>RORWA (return on risk-weighted assets)</b>	The ratio between the net result for the period, including minority interests, and Pillar 1 RWA.
<b>RISK APPETITE FRAMEWORK</b>	Guidance document for the Group's internal control system to steer the synergistic governance of planning, control and risk management. It constitutes "the frame of reference that in line with the maximum assumable 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".
<b>ASSIGNMENT DATE</b>	Date on which the Board of Directors of the Bank, following approval of the Plan at the Meeting, assigns the Phantom Stock to the Beneficiaries.
<b>RECIPIENTS or BENEFICIARIES</b>	The persons to whom the Phantom Stock will be assigned.
<b>EXECUTIVES WITH STRATEGIC</b>	The Directors, Statutory Auditors, members of General

<b>RESPONSIBILITIES</b>	Management (General Manager and Deputy General Managers) and C-level persons who make up the General Management Internal Committee of Bper Banca. Members of General Management at Group banks and companies and “Managers responsible for preparing the Company's financial reports”.
<b>BPER Banca Group</b>	BPER and its direct and indirect subsidiaries, as defined by current legislation.
<b>HEDGING</b>	Specifically, this relates to hedging or insurance strategies that protect the actual remuneration amount against adverse changes in the market price of the shares concerned.
<b>ENTRY GATES</b>	Minimum parameters (equity, profitability and liquidity) beyond which personnel are assessed for possible assignment of bonuses <sup>1</sup> .
<b>KEY PERSONNEL (MRT)</b>	Group personnel whose professional activities have or may have a significant impact on the risk profile of the Bank, as defined in the Remuneration Policies of the BPER Group.
<b>PHANTOM STOCK</b>	These are "virtual" financial instruments (free, personal and not transferable <i>inter vivos</i> ) that entitle each recipient to collect on maturity an amount of money corresponding to the value of the BPER stock, calculated as per para. 3.8, at the payment date.
<b>PHANTOM STOCK PLAN or just PLAN</b>	The stock-based plan for compensating key personnel adopted by the BPER Group.
<b>ISSUERS' REGULATION</b>	Consob Regulation no. 11971/99 and subsequent amendments and additions.
<b>TUF</b>	Legislative Decree no. 58 dated 24 February 1998 (Consolidated Finance Law).
<b>VESTING PERIOD</b>	Period between assignment of the right to participate in the Plan and the moment in which that right matures.
<b>RETENTION PERIOD</b>	Period between the moment in which the right to participate in the Plan matures and that in which part or all of the bonus is paid out.

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<sup>1</sup> Further details about the application of the entry gates are provided in the 2019 Remuneration Report.

## Introduction

This Prospectus has been prepared by BPER in order to inform shareholders and the market about the proposed adoption of a Phantom Stock Plan, presented for approval at the Ordinary General Meeting of the Bank's shareholders on 17 April 2019, pursuant to art. 114 *bis* of the TUF.

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

The Plan provides for a cash bonus that is determined on the basis of the quoted market price of BPER's shares, and is defined as a Phantom Stock Plan, as it is not based on physical delivery of the underlying securities, but on the payment in cash of sums of money corresponding to the value of the underlying shares on specified dates that are decided ex-ante.

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

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

## 1. Recipients

### 1.1. Names of the recipients who are members of the Board of Directors of the Issuer, its parent companies and direct or indirect subsidiaries

The names of the recipients of the Phantom Stock Plan included in the categories indicated in para. 1.1 of Attachment 3A to Format 7 of Consob's Issuers' Regulation are provided below. Should there be any changes in the positions of the persons indicated below during 2019, the person(s) appointed to take over the position(s) would become a recipient of the Plan to the extent relevant.

- Alessandro Vandelli, Chief Executive Officer of BPER Banca
- Paolo Licciardello, Chief Executive Officer di Emilia Romagna Factor
- Stefano Esposito, Chief Executive Officer of Sardaleasing.

### 1.2. Categories of potential employees or collaborators of the Issuer, its parent companies and its subsidiaries

The Plan also covers those employees of the BPER Group identified as "key personnel" as defined in the Commission Delegated Regulation (EU) no. 604 of 4 March 2014, being those categories of personnel that can have a significant impact on the risk profile of the Bank. All persons identified as key personnel are included,<sup>2</sup> given that the decision-making bodies have the right to award individual target bonuses for specific situations (particularly challenging objectives, retention, etc.).

This category includes the General Managers of each Italian Group bank, of I.V.I., of Emil.Ro. and of the consortium companies BPER Services and Bper Credit Management.

### 1.3. Names of other Beneficiaries of the Plan

The names of other beneficiaries of the Phantom Stock Plan included in the categories indicated in para. 1.3 of Attachment 3A to Schedule 7 of Consob's Issuers' Regulation are provided below. Also with regard to the above categories, the persons will only benefit from the Plan if the variable element assigned to them exceeds a specific amount established by the Board of Directors. Should there be any changes in the positions of the persons indicated below during 2019, the person(s) appointed to take over the position(s) would become a recipient of the Plan to the extent relevant. The categories in question are the following:

- a) General Manager of the Issuer of financial instruments:
  - o Fabrizio Togni, General Manager of BPER Banca;
- b) other executives with strategic responsibilities, as defined by the Issuer, if during the year their total compensation exceeds the highest total compensation recognised to members of the Board of Directors, or the Management Committee, or to the General Managers of the Issuer;

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<sup>2</sup> With the exception of those belonging to foreign companies and those for whom, given their current salary level, application of the maximum bonus percentage provided by the remuneration policies would not entail exceeding the 30,000 euro threshold, beyond which payment would be in the form of phantom stock.

The Plan recipients do not include persons in this category.

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

The Plan recipients do not include persons in this category.

#### **1.4. Description and number of other beneficiaries**

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

- a) managers with strategic responsibilities, as defined by the Issuer, other than those indicated in letter b) of para. 1.3.

Six (6) persons relating to the Parent Company fall within this category.

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

This category includes thirty-six (33) persons that work for the parent company, eight (9) for Banco di Sardegna, one (1) for Cassa di Risparmio di Bra and one (1) for Sardaleasing.

Also with regard to the above categories, the persons will only benefit from the Plan if the variable element assigned to them exceeds the specific amount established by the Board of Directors. In addition, should there be any changes in the positions of the persons indicated as key personnel during 2019, the person(s) appointed to take over the position(s) would become a recipient of the Plan to the extent relevant.

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

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

By adopting the Plan the BPER Group seeks to align the method used for paying 2019 bonuses (to the employees and collaborators classified as "*key personnel*") with the instructions from the Bank of Italy<sup>3</sup> on the remuneration policies of banks.

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

In addition, the objectives of the Plan are to:

- guide behaviour towards the priorities of the Bank and the Group, thus supporting the creation of value over the long term;

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<sup>3</sup>Circular 285, 25th amendment dated 23 October 2018

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

### 2.1.1 Additional information about “significant” Plans

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

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

A time horizon of between 4 and 6 years<sup>4</sup> has been determined, since the BPER Group considers this interval necessary in order to (i) facilitate the sustainability of performance; (ii) give management incentives and enhance their loyalty.

Consistent with the regulations issued by the Bank of Italy, phantom stock plans may be associated with any agreed compensation with a view to or on the occasion of early termination of employment or any leaving incentives recognised to the recipients of the Plan, in addition to their variable remuneration paid in the form of bonuses<sup>5</sup>.

### 2.2. Key variables, in the form of performance indicators or otherwise, considered when making Plan assignments

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

- only the consolidated gross profit parameter applies to personnel of the Parent Company with Group<sup>6</sup> functions
- for the others, the parameter of consolidated and separate gross profit applies.

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

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<sup>4</sup>The time period varies according to the amount of the bonus awarded.

<sup>5</sup> Albeit as a remote hypothesis, it is possible that any resource who falls within the scope of key personnel on termination could be a recipient of the Phantom Stock Plan. At the time of writing this plan, 13 MRTs belonging to control functions were added.

<sup>6</sup> In light of the specific nature of the business carried on by the consortium companies, similar rules also apply to these companies' top managers.

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

### 2.2.1 Additional detail

The Plan envisages different methods for the payment and deferral of bonuses, depending on the type of recipient involved (e.g. for the Chief Executive Officer)<sup>7</sup>.

Further differences exist in the amount of the bonus payable (including the cash component), which can represent up to 60% of the fixed part of remuneration except for control functions, for whom the maximum amount cannot exceed 20%.

### 2.3. Elements considered when determining the amount of stock-based compensation i.e. the criteria used

The amount of phantom stock assigned to each recipient of the Plan, after exceeding the entry gate thresholds (minimum condition for activation of the bonus), will be determined after identifying the results achieved by each recipient of the Plan, based on individual assessments made with reference to the level of the qualitative and/or economic-financial parameters considered.

In the case of the Parent Company's Chief Executive Officer, for bonuses up to Euro 434,000<sup>8</sup>, 45% gets allocated on the date the bonus is granted (the so-called "upfront portion"): 20% cash and 25% through phantom stock. The other 55% (25% cash and 30% phantom stock) gets 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 bonuses of more than Euro 434 thousand, 40% is granted at the bonus allocation date (up-front portion): 20% cash and 20% through phantom stock. The other 60% (25% cash and 35% phantom stock) gets deferred in equal annual instalments over 5 years with a 1-year retention period (during which the shares cannot be sold)

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

With reference to the MRTs belonging to top management:

- In the event of bonuses of more than Euro 434 thousand, 40% is granted at the bonus allocation date (up-front portion): 20% cash and 20% through phantom stock. The other 60% (25% cash and 35% phantom stock) gets 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 bonuses of more than Euro 100 thousand and less than or equal to Euro 434 thousand, 55% of the bonus is granted through phantom stock; of the portion represented by phantom stock, 25% is allocated at the time the bonus is assigned (up-front portion), subject to a 1-year retention period, whereas the other 30% is allocated in equal portions over the next five years, providing adequate earnings and capital standards are maintained (subject to a 1 year retention period from the vesting date of each deferred portion).

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<sup>7</sup> See para. 2.3.

<sup>8</sup> See 285 25th update: "A particularly high 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) 10 times the average total remuneration of bank employees". In BPER Group, the level of variable remuneration that represents a particularly high amount is Euro 434,000 and derives from the application of point i).

- in the case of bonuses of between Euro 30 and 100 thousand, 55% of the bonus is granted by means of phantom stock, all allocated in equal instalments over 5 years following the initial grant and after verification of the maintenance of adequate income and capital standards, providing adequate earnings and capital standards are maintained (subject to a 1 year retention period from the vesting date of each deferred portion). A deductible threshold is reserved, by which the first Euro 30 thousand (or 30% of the RAL, if lower) gets paid up-front in the form of cash.
- in the case of bonuses of less than or equal to Euro 30 thousand or 30% of the fixed remuneration, if lower, the disbursement takes place entirely up-front in the form of cash.

As regards MRTs who do not belong to top management:

- in the event of bonuses of more than Euro 434 thousand, 40% is attributed at the bonus allocation date (up-front portion): 20% cash and 20% through phantom stock. The other 60% (30% cash and 30% phantom stock) gets 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 bonuses of more than Euro 100 thousand and less than or equal to Euro 434 thousand, 50% of the bonus is granted through phantom stock; of the portion represented by phantom stock, 30% is allocated at the time the bonus is assigned (up-front portion), subject to a 1-year retention period, whereas the other 20% is allocated in equal portions over the next five years, providing adequate earnings and capital standards are maintained (subject to a 1 year retention period from the vesting date of each deferred portion).
- in the case of bonuses of between Euro 30 and 100 thousand, 50% of the bonus is granted by means of phantom stock, all allocated in equal instalments over 3 years following the initial grant and after verification of the maintenance of adequate income and capital standards, providing adequate earnings and capital standards are maintained (subject to a 1 year retention period from the vesting date of each deferred portion). A deductible threshold is reserved, by which the first Euro 30 thousand (or 30% of the RAL, if lower) gets paid up-front in the form of cash.
- in the case of bonuses of less than or equal to Euro 30 thousand or 30% of the fixed remuneration, if lower, the disbursement takes place entirely up-front in the form of cash.

The amount of remuneration based on financial instruments, calculated as described above, might not be assigned entirely in the form of phantom stock if the Bank decides to pay a portion by means of other kinds of instrument (such as bonds).

### **2.3.1 Additional detail**

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

This Plan is essentially the same as the one adopted by the BPER Group for 2018.

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

Not applicable.

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

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

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

Not applicable.

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

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

On 5 March 2019, the Board of Directors resolved to present the 2019 Remuneration Policies for approval at the Shareholders' Meeting. This document contains information about the use of a stock-based compensation plan.

This Plan, established in the context of the above Remuneration Policies, will be presented for approval at the Shareholders' Meeting to be held on 17 April 2019.

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

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

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

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

The Plan may be amended and extended in the event of capital increases by the Bank or other Group companies, whether for cash or due to bonus allotments, or the declaration of special dividends or other events that, potentially or otherwise, might affect the value of BPER shares and, more generally, the economic content of the Plan.

Amendments to the Plan are determined by BPER's Remuneration Committee and presented to the Meeting for approval, following agreement from the Board of Directors of the Parent Company.

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

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

The methods of payment are described in para. 2.3.

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

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

### **3.6. Date of the decision taken by the Board of Directors to propose approval of the Plan to the Meeting and, if applicable, date of the proposal made by the Remuneration Committee**

The Remuneration Committee of BPER met on 4 March 2019 to examine the Phantom Stock Plan developed by the specialist business functions; it decided to present the proposal to the Board of Directors which, on 5 March 2019, resolved to present the Plan for approval at the Shareholders' Meeting due to be held on 17 April 2019.

### **3.7. Date of the decision made by the Board of Directors regarding the assignment of instruments and, if applicable, date of the proposal made to the Board by the Remuneration Committee**

The Bank identifies as beneficiaries of the 2019 Plan solely those persons who, based on an *ex-post* assessment of performance, have been assigned a bonus that exceeds Euro 30 thousand or 30% of fixed remuneration. Since the total number of phantom stock depends on the amount of the bonus assigned and the average share price established in the period preceding the date of the Board of Directors approving the Group's consolidated results, it is not possible to determine *ex-ante* the total amount of phantom stock that will be assigned or its value.

### **3.8. Market price on the above dates of the financial instruments underlying the Plan**

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

- the initial amount is determined as the simple average of the official prices for BPER shares posted during the 30 days prior to the date of the meeting of BPER's Board of Directors to approve the consolidated results of the Group.
- the final amount is determined as the simple average of the official prices for BPER shares posted during the 30 days prior to the date of the meeting of the Board of Directors held to approve the consolidated results of the Group in the year when the bonus is actually paid (i.e. the date on which the bonus is actually paid to the recipient, once the vesting period and retention period have passed).

On 7 February 2019 (the date of the Board resolution that approved the Group's preliminary results), the stock market value of BPER's shares, calculated using the methodology explained above was Euro 3.11 per share, whereas according to the methodology indicated in the "Prospectus for Phantom Stock Compensation Plan" for the years 2014 and 2015 it was Euro 3.05 per share.

**3.9. Deadlines and procedures considered by the Bank, when establishing the timing of stock assignments under the Plan, for dealing with possible coincidences between:**

- i. **such assignments or related decisions taken by the remuneration committee, and**
- ii. **the communication of significant information pursuant to art. 114, para. 1, for example, if such information is:**
  - a. **not already public and might positively influence market prices, or**
  - b. **has already been published and might adversely influence market prices.**

Pursuant and consequent to current regulations and laws, a notice was issued to the Market at the time of the resolution regarding the Plan adopted by the Board of Directors on 5 March 2019.

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

## Characteristics of the instruments assigned

### 3.10. Description of the ways in which the Plan is structured

Subject to the conditions of activation, the Plan envisages the allocation without charge on a personal basis of a given amount of phantom stock, granting each recipient the right to receive at the end of any vesting and/or retention periods a cash bonus corresponding to value of the shares, calculated in the manner described in para. 3.8 above of this Prospectus.

### 3.11. Indication of the period of actual implementation of the Plan

The period of implementation of the Plan is between 2020 (when the results for 2019 will be determined) and 2026 (period of final payment of the final cash bonus).

### 3.12. Termination of the Plan

This Plan will terminate in 2026.

### 3.13. Maximum number of financial instruments assigned in each tax year to the persons identified by name

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

$$\text{N}^{\circ} \text{ of Phantom Stock} = \frac{\text{Bonus}}{\text{Bper Shares reference price}}$$

The numerator solely relates to that part of the bonus to be paid in the form of financial instruments, in accordance with the criteria established in para. 3.4.

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

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

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

Once entry gates are exceeded, gross profit acts as an indicator to which the bonus is linked. The 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 as defined by Group remuneration policies.

If the bonus exceeds Euro 30 thousand or 30% of fixed remuneration, the Plan envisages assignment (possibly with deferred vesting) of part of the total bonus in the form of phantom stock.

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

**3.15. Restrictions on the availability of the instruments assigned or on the instruments deriving from the exercise of options, with particular reference to the deadlines by which their transfer to the company or to third parties is allowed or forbidden**

The Plan envisages a retention period for the phantom stock of two years for the bonus assigned immediately and of one year for the deferred portions.

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

Consistent with the 2019 Remuneration Policies, the BPER Group has forbidden its employees to arrange personal hedging strategies or insurance in relation to their remuneration, or certain aspects of it, that might alter or compromise the effects of the risk alignment inherent in the remuneration mechanisms.

Involvement in any form of personal hedging will be deemed to be a violation of Group policies and, consequently, the right to receive the phantom stock will lapse automatically.

**3.17. Description of the effects caused by termination of the employment relationship**

Once the right to receive the envisaged bonus has been earned, the Board of Directors is authorised, having heard the opinion of the Remuneration Committee, to determine exactly how to proceed on resignation or dismissal for just cause and/or termination of the directorship during the vesting or retention period.

**3.18. Indication of any other reasons for cancellation of the Plan**

No reasons for cancellation of the Plan are envisaged.

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

Not applicable.

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

Not applicable.

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

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

**3.22. Indication of any capital dilution due to the Plan**

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

**4.17. Maturity of the options**

Not applicable.

**4.18. Method (American/European), timing and exercise clauses**

Not applicable.

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

- a. the formula for calculating the strike price in relation to a given market price;
- b. the method for determining the market price referred to when determining the strike price.

Not applicable.

**4.20. If the strike price is not equal to the market price determined as indicated in point 4.19.b, explain the reason for the difference**

Not applicable.

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

Not applicable.

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

Not applicable.

**4.23. Criteria for the adjustments made necessary as a result of special capital transactions and other operations that change the number of underlying instruments**

Not applicable.

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

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

\* \* \*

Modena, 5 March 2019

The Board of Directors

**STOCK-BASED COMPENSATION PLANS**
**Table 1 of Format 7 of Attachment 3A to Consob's Issuers' Regulation**
**Date 5 March 2019**

Name and surname or category	Office (indicate solely for named persons)	PART 1						
		Financial instruments other than stock options						
		Section 1						
		Instruments relating to current Plans, approved on the basis of earlier resolutions of the shareholders						
		Date of the related resolution of the General Meeting	Type of financial instruments	Number of financial instruments assigned	Date of assignment	Purchase price of the instruments	Market price at assignment date	Vesting period
Alessandro Vandelli	Chief Executive Officer of BPER Banca	18 April 2015	Phantom stock	7,640	1 March 2016	0 €	5.22 €	1)
		8 April 2017	Phantom stock	13,954	8 March 2018	0 €	4.59 €	2)
		14 April 2018	Phantom stock	49,689	5 March 2019	0 €	3.11 €	3)
Notes:								
Fabrizio Togni	General Manager of BPER Bank	18 April 2015	Phantom stock	6,076	1 March 2016	0 €	5.22 €	4)
		8 April 2017	Phantom stock	8,208	8 March 2018	0 €	4.59 €	5)
		14 April 2018	Phantom stock	28,466	5 March 2019	0 €	3.11 €	6a)
Notes:								

Name and surname or category	Office (indicate solely for named persons)	PART 1						
		Financial instruments other than stock options						
		Section 1						
		Instruments relating to current Plans, approved on the basis of earlier resolutions of the shareholders						
		Date of the related resolution of the General Meeting	Type of financial instruments	Number of financial instruments assigned	Date of assignment	Purchase price of the instruments	Market price at assignment date	Vesting period
Giuseppe Cuccurese	General Manager of Banco di Sardegna	16 April 2015	Phantom stock	3,697	10 March 2016	0 €	5.22 €	7)
		7 April 2017	Phantom stock	3,715	23 March 2018	0 €	4.59 €	5)
		11 April 2018	Phantom stock	22,885	5 March 2019	0 €	3.11 €	6b)
Notes								
Paolo Licciardello	Chief Executive Officer of Emil.Ro	23 July 2015	Phantom stock	2,478	10 March 2016	0 €	5.22€	7)
		10 April 2018	Phantom stock	5,176	5 March 2019	0 €	3.11€	6)
Notes								
Giulio Castagnoli	General Manager of BPER Services	8 July 2015	Phantom stock	707	6 July 2016	0 €	5.22€	7)
		4 April 2018	Phantom stock	12,994	5 March 2019	0 €	3.11€	6)
Notes								
Stefano Esposito	Chief Executive Officer of Sardaleasing	23 July 2015	Phantom stock	413	24 March 2016	0 €	5.22 €	7)
Notes								

Name and surname or category	Office (indicate solely for named persons)	PART 1						
		Financial instruments other than stock options						
		Section 1						
		Instruments relating to current Plans, approved on the basis of earlier resolutions of the shareholders						
		Date of the related resolution of the General Meeting	Type of financial instruments	Number of financial instruments assigned	Date of assignment	Purchase price of the instruments	Market price at assignment date	Vesting period
Giorgio Lippi	General Manager of Banca di Sassari	7 April 2018	Phantom stock	2,340	5 March 2019	0 €	3.11€	6)
Notes								
Paolo Cerruti	General Manager of Cassa di Risparmio di Bra	10 April 2018	Phantom stock	11,719	5 March 2019	0 €	3.11€	6)
Notes								
Giorgio Barbolini	General Manager Cr. Saluzzo	18 April 2015	Phantom stock	841	1 March 2016	0 €	5.22 €	7)
		6 April 2017	Phantom stock	474	26 March 2018	0 €	4.59 €	5)
		6 April 2018	Phantom stock	10,318	5 March 2019	0 €	3.11€	6)
Notes: Phantom stock relating to the position held in the parent company in 2015								

Name and surname or category	Office (indicate solely for named persons)	PART 1						
		Financial instruments other than stock options						
		Section 1						
		Instruments relating to current Plans, approved on the basis of earlier resolutions of the shareholders						
		Date of the related resolution of the General Meeting	Type of financial instruments	Number of financial instruments assigned	Date of assignment	Purchase price of the instruments	Market price at assignment date	Vesting period
Giuseppe Sibilla	General Manager of Bper Credit Management	16 April 2015	Phantom stock	2,403	10 March 2016	0 €	5.22 €	7)
		6 April 2018	Phantom stock	14,369	5 March 2019	0 €	3.11€	6)
Notes: Phantom stock relating to the position held in a subsidiary bank in 2015								
Tomasi Franco	General Manager Emil.Ro	10 April 2018	Phantom stock	11,661	5 March 2019	0 €	3.11€	6)
Notes: Phantom stock relating to the position held in a subsidiary bank in 2018								
6 Managers with Strategic Responsibilities of BPER Banca		18 April 2015	Phantom stock	11,568	1 March 2016	0 €	5.22 €	7)
		8 April 2017	Phantom stock	10,212	8 March 2018	0 €	4.59 €	5)
		14 April 2018	Phantom stock	87,554	5 March 2019	0 €	3.11€	6c)
Notes								

Name and surname or category	Office (indicate solely for named persons)	PART 1						
		Financial instruments other than stock options						
		Section 1						
		Instruments relating to current Plans, approved on the basis of earlier resolutions of the shareholders						
		Date of the related resolution of the General Meeting	Type of financial instruments	Number of financial instruments assigned	Date of assignment	Purchase price of the instruments	Market price at assignment date	Vesting period
19 other employees or collaborators of BPER Banca for whom the Plan has different characteristics		18 April 2015	Phantom stock	1,080	1 March 2016	0 €	5.22 €	7)
		14 April 2018	Phantom stock	127,100	5 March 2019	0 €	3.11€	6c)
Notes								
Four other employees or collaborators of Banco di Sardegna for whom the Plan has different characteristics.		16 April 2015	Phantom stock	954	10 March 2016	0 €	5.22 €	7)
		11 April 2018	Phantom stock	6,549	5 March 2019	0 €	3.11€	6)
Notes								
One other employee or collaborator of Cassa di Risparmio di Bra for whom the Plan has different characteristics.		10 April 2018	Phantom stock	2,036	5 March 2019	0 €	3.11 €	6)
Notes								

The table does not include the bonuses of three people who are no longer employees.

1) A part (40%) of this bonus was awarded up-front, completed the two-year retention period and was paid in 2018. The remainder (60%) is attributed in yearly instalments over the five years from that of the grant. The first portion has vested and, following the one-year retention period, was paid in 2018. The second portion has vested and, following the one-year retention period, will be paid in 2019. The

third portion has vested and is subject to a one-year retention period. The second and third portions are subject to a vesting period of one year and a retention period of another year. The number of instruments assigned corresponds to the third, fourth and fifth portions.

2) A part (40%) of this bonus has already vested and is subject to a two-year retention period from the date of assignment, while a part (60%) is attributed in annual instalments over the four years after the one in which it was granted.

3) A part (40%) of this bonus has already vested and is subject to a two-year retention period from the date of assignment, while a part (60%) is attributed in annual instalments over the five years after the one in which it was granted.

4) Bonus attributed in equal annual tranches over the four years after the one in which it was granted. The first portion has vested and, following the one-year retention period, was paid in 2018. The second portion has vested and, following the one-year retention period, will be paid in 2019. The third portion has vested and is subject to a one-year retention period. The number of instruments assigned corresponds to the third and fourth portions.

5) Bonus attributed in equal annual instalments over the three years after the one in which it was granted

6) Bonus attributed in equal annual tranches over the 3/5 years after the one in which it was granted.

6a) A part (60%) of this bonus has already vested and is subject to a two-year retention period from the date of assignment, while a part (40%) is attributed in annual instalments over the five years after the one in which it was granted

6b) A part (60%) of this bonus has already vested and is subject to a two-year retention period from the date of assignment, while a part (40%) is attributed in annual instalments over the four years after the one in which it was granted

6c) ) Bonus attributed in equal annual tranches over the 3/5 years after the one in which it was granted. For three persons, part (60%) of this bonus has already vested and is subject to a two-year retention period from the date of assignment, while a part (40%) is attributed in annual instalments over the 3/5 years after the one in which it was granted.

7) Bonus attributed in equal annual instalments over the three years after the one in which it was granted. The first portion has vested and, following the one-year retention period, was paid in 2018. The second portion has vested and, following the one-year retention period, will be paid in 2019. The third portion has vested and is subject to a one-year retention period

**Date 5 March 2019**

Name and surname or category	Office (indicate solely for named persons)	PART 1						
		Financial instruments other than stock options						
		Section 2						
		Newly-assigned instruments based on the decision: o of the Board proposed to the General Meeting of 17 April 2019						
		Date of the related resolution of the General Meeting	Type of financial instruments	Number of financial instruments assigned	Date of assignment	Purchase price of the instruments	Market price of assignment	Vesting period
Not available			Phantom stock					
Notes: As indicated in para. 1 <i>et seq</i> , the Bank identifies as beneficiaries solely those persons who, based on an ex-post assessment of performance, have been assigned a bonus that exceeds a specific minimum amount defined by the Board of Directors of the Parent Company. Accordingly, it is not possible <i>ex-ante</i> to specify the names of the persons who, in substance, will have access to the Plan.								