
Ordinary General Meeting on 17 April 2019

Report on point 5.d2) of the agenda

**Authorisation for the purchase and disposal
of treasury shares for the "2019-2021 Long-Term Incentive Plan
aimed at key personnel"**

BPER Banca S.p.A.

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

***Report pursuant to art.125-ter CFA
Point 5.d2) of the agenda
Authorisation for the purchase and disposal
of treasury shares for the "2019-2021 Long-Term Incentive Plan
aimed at key personnel"***

Shareholders,

with reference to point 5.d2) of the agenda of the Ordinary Shareholders' Meeting, you have been called by the Board of Directors in order to allow you to examine and approve the proposal relating to your authorization and approval of the proposal to purchase and dispose of our own treasury shares, pursuant to articles 2357 and 2357-ter of the Italian Civil Code and 132 of Legislative Decree 58/1998, as further amended and extended ("CFA"), for the purposes of the "2019-2021 Long-Term Incentive Plan aimed at key personnel".

This explanatory report (the "Report") prepared pursuant to and in compliance with art. 73 of Consob's Regulation No. 11971 dated 14 May 1999, as further amended and extended ("Rules for Issuers") and of relative Annex 3A, diagram no. 4, illustrates the reasons for and the terms of the proposal.

In the context of the 2019-2021 Long-Term Incentive Plan, submitted to the approval of this same Shareholders' Meeting and falling within the scope of the Remuneration and Incentive Policies for the year 2019, it is envisaged to grant the long-term variable portion of the remuneration of the Group's "Key Personnel" as ordinary shares of BPER Banca S.p.A. (the "Company" or "BPER Banca"). The request for authorization to purchase the own shares is aimed at obtaining the resources required for the above-mentioned Incentive Plan.

More specifically the proposal envisages granting to the Board of Directors of the Company the power to carry out repeated and subsequent transactions of purchase and sale (other kind of disposals) of its own treasury shares, also for fractions of the maximum amount authorized, specified below, so that, at any time, the number of shares subject to purchase proposed and in the Company's ownership does not exceed the limits set out by law and by the Shareholders' Meeting's authorization.

The proposal is for maximum number of 5,000,000 ordinary shares, equal to 1.039% of the current Company's share capital and in any case for a total value of maximum eur 10 million, corresponding to a reduction of the consolidated CET1 ratio fully loaded, as at 30 September 2018, equal to approximately 3 basis points; therefore, the proposal, also taking into account the 455.458 treasury

shares already owned by the Company at today's date, equal to 0.094% of the Company's share capital, it is below the limit of one-fifth of the share capital, as required under article 2357, paragraph 3 of the Italian Civil Code.

The purchase of treasury shares will be carried out within the limits of distributable profits and of available reserves as shown in the last available approved financial statement (annual report) at the time of such purchase.

Pursuant to Article 2357-ter of the Italian Civil Code, as per Legislative Decree No. 139/2015, and per Bank of Italy Circular No. 262/2015, the value of the treasury shares purchased will be recognized in the Financial Statement of the reference year as a reduction to net equity of liabilities in the balance sheet.

The purchase transaction of treasury shares will be carried out on regulated capital markets, in accordance with the art. 132 of the CFA and to art. 144-bis, subsection 1, paragraph b), of the Rules for Issuers, according to the operating procedures set forth in the organizational and managing rules of the markets themselves, so as to ensure equal treatment for all Shareholders. Accordingly, the purchase shall be made exclusively, including in several tranches, on the regulated market organized and managed by Borsa Italiana S.p.A., pursuant to operating procedures established by the latter which do not allow for the direct matching of buy orders with predetermined sell orders. Selling operations of treasury shares already in the portfolio and of those which will be purchased, instead, will be executed in the manner deemed most appropriate for the Company's interest, including transfer and/or the assignment to execute stock granting incentive plans.

With reference to the amount of the purchasing operations, the purchase price of each treasury share, including accessory purchase charges, must be, at a minimum, not lower than 5% and, as a maximum, not higher than 5%, of the official share price recorded on the Italian Electronic Equity Market (MTA) the day prior to the relevant purchase. This proposed range complies with the rules set out in the Italian Civil Code that require that the minimum and maximum payment amounts shall be defined. However, each purchase negotiated on regulated markets cannot take place at a price greater than the highest price between the price of the last independent transaction and the highest current independent offer price in the trading venues where the purchase is carried out, in accordance with Article 3, paragraph 2 of EC Delegation Regulation 2016/1052 of 8 March 2016.

It is proposed that the authorization to purchase treasury shares is sought for a period of eighteen months following the date on which the related resolution is approved by the General Shareholders' Meeting. The authorization to dispose of treasury shares, whether already held by the Company or to be purchased for the purposes detailed above, is sought without any limitation whatsoever in terms of time, given that there are no regulatory constraints in such regard, and that it appears well-advised to afford management maximum flexibility, including in terms of time, regarding the disposal of treasury shares.

Regarding the disposal of the treasury shares, the Board of Directors will establish from time to time the criteria for the definition of the corresponding fees and/or modalities, terms and conditions of use of such treasury shares, taking into account the procedure to be followed, the share price trend in the period prior to transactions and the best interests of the Company, always in compliance with current regulations.

Given the purpose of the proposal of the resolution to proceed with the purchase and disposal of its treasury shares, the transactions on such treasury shares fall within the purpose set out under article 5 - Regulation (EU) No 596/2014 of The European Parliament and of the Council of 16 April 2014 as well as within the accepted market practice set out under article 13 of the same Regulation.

The purchase of treasury shares authorized by the Shareholders pursuant to this proposal may be carried out only after obtaining the envisaged authorization pursuant to the applicable provisions of Regulation (EU) no. 575/2013 and of the Delegated Regulation (EU) no. 241/2014.

In light of the above, we kindly ask that you adopt the following resolution:

“The Ordinary Shareholders’ Meeting of BPER Banca S.p.A., having examined the explanatory report on the matter under approval, in acceptance of the Board of Directors’ proposal

resolves

- 1. to authorize the purchase and the disposal of a maximum number of 5,000,000 ordinary shares of BPER Banca S.p.A., without nominal value, for the purposes of the “Long-Term Incentive Plan 2019-2021 aimed at key personnel” submitted to the approval of this Shareholders’ Meeting, under the terms and conditions described in the explanatory report, considering that buy back operations of treasury shares could be executed only after having received the necessary authorization of the Supervising Authorities/Regulator, according to articles 77-78 Reg. UE no. 575/2013 (“CRR”) dated June 26th, 2013;*
- 2. to grant to the Board of Directors and on its behalf to the Chairman and to the Chief Executive Officer, also severally, every necessary power of attorney required to implement this resolution and to proceed with any communication to the market, in accordance with applicable laws and regulations”.*

Modena, 7 February 2019

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