

BPER:
Gruppo

BPER:
Banca

Remuneration policies for 2021 and compensation paid in 2020

Executive Summary



Letter from the Chairman of the Remuneration Committee

Shareholders,

In submitting the BPER Group's Annual Remuneration Report for the year 2021, on behalf of the Remuneration Committee, I am asked to provide a brief analysis of the scenario within which we found ourselves operating in the last year of the term of office of the Board of Directors and the Remuneration Committee.

Never in recent history has there been an event like the pandemic still in progress, capable of changing the ways of personal, public and corporate behaviour in such a sudden and profound way. We all found ourselves having to question long-standing methods and decisions, and with little time to do so. This also concerned the matters within our sphere of competence, as the Remuneration Policies for 2020 were established at a time when it was impossible to know how the situation was going to evolve, though we soon found out.

For example, the need to offer immediate answers to the new scenario appeared in all its importance as early as spring 2020, the purpose being to guarantee banking operations, while dedicating the utmost attention to the staff and, above all, to the safety and health of all human resources and customers. The Board of Directors and the Committees were always updated promptly on the measures taken and the problems and solutions adopted as they arose. The organisational and economic effort was undoubtedly huge. In this difficult situation, it became particularly important to analyse the impact of the pandemic on business models and the possibility of having to revise the priorities of incentive schemes. The recommendations issued immediately by the Supervisory Authorities were promptly taken on board and new market practices, such as peer reviews, were analysed and compared. A solution was soon found - a revision of the 2020 bonus pool - with the aim of reconciling the necessary prudence and sustainability in defining variable remuneration, while maintaining tension at a high level to achieve the results expected for the current year and the incentive value of the remuneration systems.

It should not be forgotten that the particular regulatory interventions issued following the pandemic were added to a general regulatory framework which, as in previous years, features profound changes, with national and supranational interventions that follow one another without interruption, forcing us, even now, to intervene with the necessary timeliness, often anticipating the news on the basis of documents being issued. To summarise, the impact of the Capital Requirements Directive V on the process of identifying Material Risk Takers and on the objective of pursuing "gender neutrality" in defining the Remuneration Policies. This last aspect is also reiterated in the EBA Guidelines on Remuneration Policies, which introduce the ESG issues that I will discuss shortly. The innovations introduced in the Issuers' Regulation are also extremely

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important, especially those concerning the disclosure of many aspects of the Remuneration Policies and their application in the organisational and operational context, which have necessarily been taken into account in the preparation of this report.

I wanted to give an overview of the general picture, and of the regulatory framework in particular, before addressing the specific issues of the BPER Group, precisely to describe how the action of all sectors of the Bank has been prompted by challenges of increasing complexity, some of them totally unexpected, but which were cope with thanks to a well-designed system of safeguards and controls. In this regard, we cannot fail to mention that, in addition to the difficult context outlined here, there was also the major corporate deal that in early 2021 boosted the Group's national importance considerably, with a significant increase in assets of the like that the Bank had never experienced in its entire history. The preparatory activities for this event involved a huge commitment of time and resources throughout the second half of 2020. It is fair to say that the objective of this operation has been largely achieved and that with this acquisition the most ambitious goal of the Business Plan presented in 2019 and in its last year has been achieved; but we must not forget all the other significant extraordinary operations carried out during in the last three years.

Closely linked to the Business Plan are the objectives of the LTI Plan, also for the period 2019-2021. It involves all of the managers with key roles and responsibilities, who are assessed not only according to the annual objectives, but also according to the objectives of the LTI.

Most of the remuneration policies outlined for the previous two years are therefore reiterated for 2021, taking into account the above paragraphs. In this way, a prudential approach to remuneration policy is reaffirmed, which takes into account the recommendations of the Supervisory Authority on the mitigation of variable remuneration at least for the current year, while in the same way maintaining almost all of the incentive criteria already in place, despite the increased complexity of the Group.

The Remuneration Committee has always been very attentive about best practice on the issues in its sphere of competence. This includes pay benchmarking which will give us increasingly valuable input given the Group's present size. There has been constant supervision of aspects concerning the transparency, adequacy and consistency of the Policies with respect to the strategic lines pursued by the stakeholders and by the management bodies, with a view to enhancement of the business and the protection of investors and customers. There have been constant discussions, also with consultants, to verify that the remuneration policies remained consistent with the economic prospects, also during the year, staying in line with the general picture and regulatory framework even as they changed.

I would now like to briefly summarise the main innovations in the 2021 Remuneration Report, which goes into greater depth on the issues mentioned in the previous paragraphs:

- adaptation of the Policies to the Supervisory Authority's instructions regarding the Covid-19 pandemic, which is still in progress;
- with reference to the short-term incentive system, the increase in the

minimum deferral period for Material Risk Takers who are not part of top management from 3 to 4 years;

- a revision of the criteria for identifying Material Risk Takers;
- the application and monitoring of gender neutrality for the remuneration policies and the monitoring of the gender pay gap, including its evolution over time (which the Committee has always paid attention to, as reflected in the LTI plan with short and long term objectives);
- the use of real shares, rather than phantom stocks, in incentive schemes;
- implementation of the new provisions contained in the update of the Issuers' Regulation, which regulate in particular:
 - o certain aspects on the disclosure of remuneration policies, such as the incentive curve underlying the MBO scheme for the Chief Executive Officer and General Manager;
 - o information on the change in the remuneration paid to certain categories of personnel (including the average remuneration of employees) and the relationship with the company's results;
- the introduction, in the incentive scheme of the CEO and Deputy General Managers of KPIs linked to ESG objectives, such as sustainable finance, reputation and the environment, inclusion and diversity (already partly present in the LTI plan 2019-2021);
- refinement of the short-term MBO incentive scheme because of the Group's new scope of consolidation.

At the end of this three-year period, I would like to thank my colleagues on the Remuneration Committee who have dedicated their professionalism and a great deal of time. They have supported me in this period in which we have witnessed significant internal and external changes. I would like to thank all of the Bank's personnel and consultants who we have often asked for extraordinary support; and the shareholders who have always been able to grasp the point of our proposals and measures, expressing their appreciation of our policies. I trust that this will also be the case this year for the text that we are about to present to you.

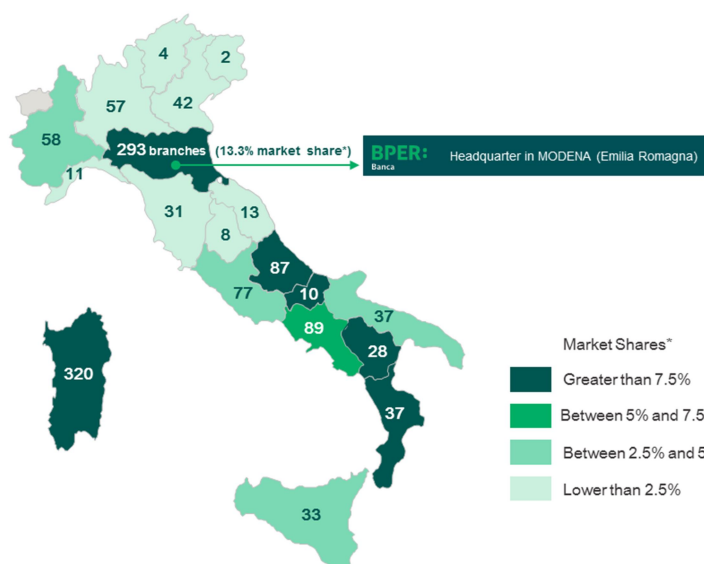
I would like to conclude on behalf of the Committee by thanking you for your attention and inviting you to read the following Report.

Mara Bernardini

Group profile

National presence and strong regional roots

Widespread national presence
and strong multi-regional footprint



Commercial banks	# branches
BPER Banca	908
Banco di Sardegna	329
Total	1,237

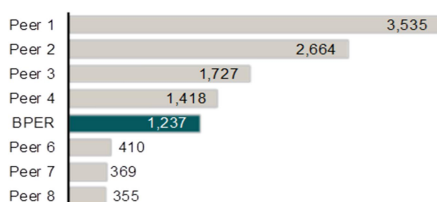
Geographic areas	# branches
North	467
Centre	216
South & Islands	554
Total	1,237

- The Group has a presence in 19 Regions of Italy, with 1,237 branches as at 31 December 2020.
- Group Employees are 13,177
- The Headquarter of BPER Banca is based in Modena (Emilia-Romagna region)

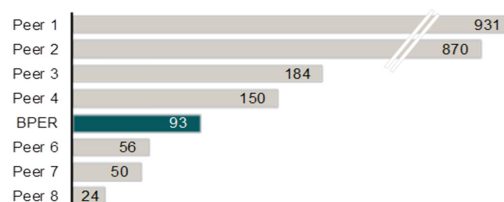
One of the largest Banking Group in Italy

#5 in Italy by branches and total asset focused on traditional business with customers

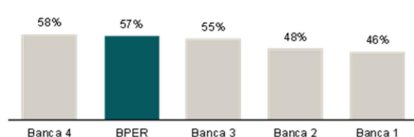
Number of Italian branches¹



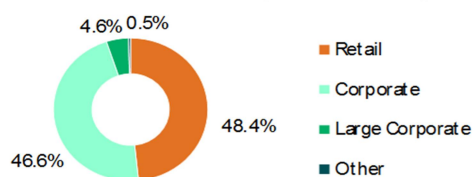
Total assets¹ (€/bn)



Customer loans / Total assets² (%)



Customer loans breakdown by customer segment (%)



Source: Company information

Data as of 31.12.2020

1. Peers sample: IntesaSP, Unicredit, BancoBPM, Credem, MPS, BP Sondrio, Creval.

2. Peers sample: IntesaSP, Unicredit, BancoBPM, MPS.

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Objectives, principles and governance

Objectives and principles of the remuneration policy

Reliability, transparency and professionalism are the basic values that inspire the BPER Group's "way of banking", giving preference to household savings and corporate resources in each context, as we see the granting of credit as a tool for the development and promotion of the local area.

Today, the BPER Banca Group is the combination of two commercial banks, BPER Banca and Banco di Sardegna, both autonomous and with long-standing roots in the territories to which they belong. In addition to credit institutions, the Group also includes numerous product companies (asset management, personal credit, leasing and factoring) and support companies, as well as a bank in Luxembourg.

Because of this position, the BPER Group bases its activities on solid and shared principles:

PRINCIPLES – To create value for:

Customers	<ul style="list-style-type: none"> Awareness of customers' different needs. Products offered in an appropriate way to each segment or market. Attention to the quality of the relationship. Discouraging any conduct that is considered pure speculation or financial gambling.
Shareholders	<ul style="list-style-type: none"> Increase in profitability and investment value over time. Balanced development. Diversification and expansion of markets served. Conscious management of risk.
Group personnel	<ul style="list-style-type: none"> Development of internal expertise. Stimulation of human and professional growth. Implementation of a transparent and effective communication at all levels. Continuing education.
Social context	<ul style="list-style-type: none"> Adopting a business approach with a broader scope than just making a profit, in line with the mutualistic aims that characterised the Group's origins.

PURPOSE

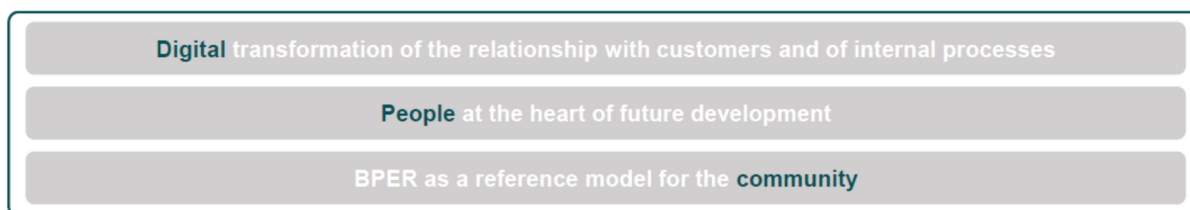
To orient conduct towards the Group's priorities,	To attract and retain highly qualified personnel and support motivation at an individual level, recognising merit and enhancing professional development	To develop and improve the quality of services offered to customers
To support sound and prudent risk management	To safeguard internal and external pay equity and support the gender neutrality of remuneration policies, closely monitoring personnel costs and taking into account the working conditions of all employees	Support conduct consistent with the code of ethics and with current rules and regulations

BPER 2021 Strategic Plan and sustainability

The new business plan, "BPER 2021 Strategic Plan", was presented at the start of 2019. This is founded on 3 pillars with common cross-functional accelerators:



The business plan includes a sustainable approach, founded on the digital transformation, people and positioning as a point of reference for society, among the "drivers" that will accelerate the achievement of our long-term objectives: ensuring that the BPER Group remains a point of reference for households and businesses by supporting economic growth in the areas served, with a growing focus on the digital transformation, innovation in processes and products, new internationalisation strategies and a renewed commitment to corporate social responsibility.



This investment in digital skills and the transformation of customer relations and internal processes represents our commitment to develop a "sustainable" working environment, in which the new professions combine different experiences that fuel a culture of inclusion and respect for diversity (roots, experience, gender, age, education, professional specialisation etc.).

People are the "heart" of the organisation. We strive daily to ensure that they are the starting point for our future development and leaders of constant, sustainable growth focused on:

- diversity and inclusion
- corporate welfare
- training and coaching
- flexible working

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Being a reference model for society means working every day to improve the lives of people, building on their experiences and the territories in which they live, and concentrating our efforts on:

- energy consumption
- sustainable mobility
- culture and literature
- financial education
- optimisation of the value chain

The enhancement of people and the creation of value for the entire ecosystem in which BPER operates underpin the social responsibility policy of the Group and, therefore, the systems designed to incentivise the achievement of our short and long-term goals in a sustainable manner.

Governance of the remuneration and incentive policies

The BPER Group has established a **strong governance process** in order to regulate the definition, implementation and management of its remuneration policies. This process will involve various control bodies and business functions at different levels, according to their sphere of competence. The Group also periodically contacts external and independent consulting company with expertise in the field of remuneration and incentives.

Definition of the remuneration and incentive policies	
CORPORATE BODIES	BUSINESS FUNCTIONS
Shareholders' Meeting	CHRO - Human Resources
Board of Directors	Planning and Control Management
Remuneration Committee	CRO - Risk Management
Control and Risk Committee	Investor Relations
	CCO - Compliance
	CAE - Internal Audit

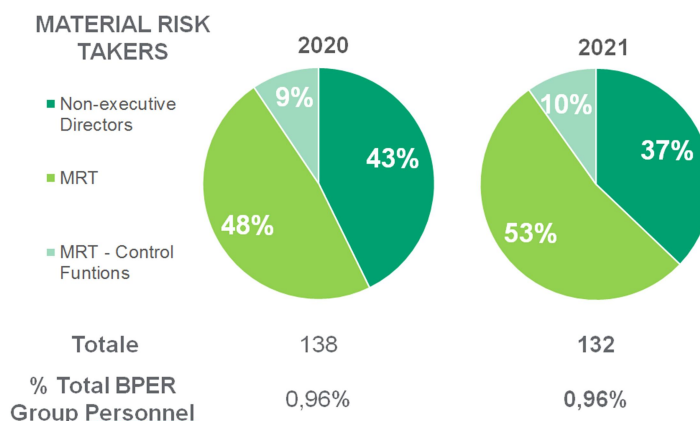
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Remuneration policy

Beneficiaries

Remuneration policies, differentiated by categories of personnel are structured in order to ensure maximum effectiveness, in line with the nature and objectives of the relevant corporate function.

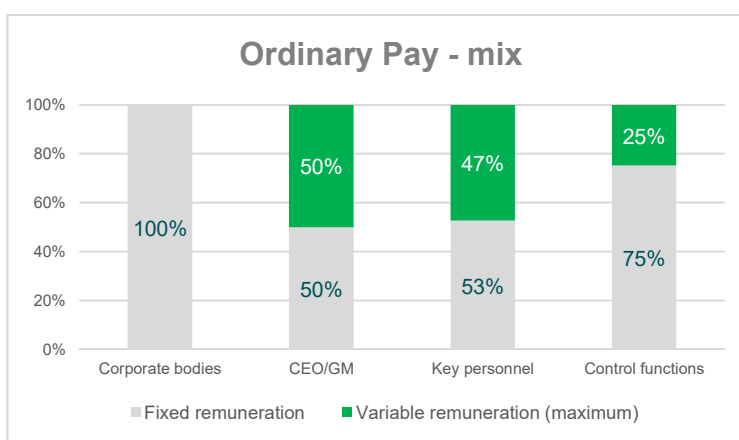
- Corporate bodies
- Material Risk Takers
- Managers
- "Other personnel"
- External collaborators
- SGR personnel



Pay-Mix

Remuneration packages are defined in order to ensure an appropriate balance between fixed and variable components, in a perspective of strong alignment between managerial behaviour and the creation of value for the shareholders in the medium to long term.

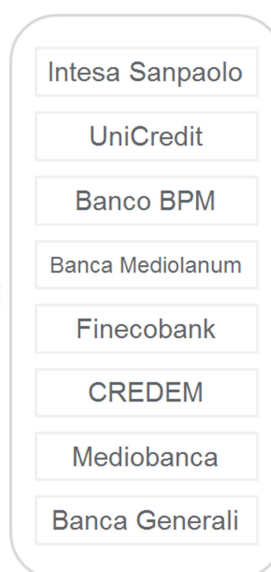
Part of the variable remuneration is paid in financial instruments



Benchmark sample

In defining its remuneration policies, with particular reference to the monitoring of the main practices of the market, the Group typically compared itself with a panel of listed companies belonging to the same business sector and with economic dimensions such as to ensure that the panel is balanced and suitable for the needs of the analysis.

BPER:



Fixed remuneration

The fixed remuneration is the component of remuneration that is already determined and paid on the basis of pre-established criteria; it includes components that do not create incentives to take risks and are not linked to the company's performance.

To determine this component, as for the other components of remuneration, the Group periodically makes use of pay benchmarks based on panels of companies operating in the same sector, as well as industry surveys carried out by the Trade Association.

For non-executive directors and statutory auditors, it represents all of the remuneration paid each year.

Variable remuneration

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Variable remuneration is the component of remuneration that can change in relation to measured performance or other parameters (such as the period of service with the company). In line with the regulatory requirements and the resolutions adopted at the Shareholders' Meeting held in 2020, the ratio between variable and fixed remuneration is set at 2:1 for all MRTs (except for Arca Fondi SGR personnel, for whom the limit has been raised to 3:1). For the rest of the personnel, a maximum ratio between the components of remuneration of 1:1 is normally adopted. The MRTs of Corporate Control Functions are an exception to this, as their variable remuneration cannot exceed one third of their fixed remuneration. In limited and specific circumstances, it is envisaged that the maximum ratio between variable and fixed remuneration may reach the maximum limit of 2:1 also for the rest of the personnel (again excluding the Control Functions).

Without prejudice to the purposes mentioned, the Group's intention is to maintain the proportion of variable to fixed remuneration largely within the ordinary limits, as shown in the table below.

	Short-term target bonus		Long-term target bonus spread over 8 annual tranches		Long-term target bonus calculated on the three-year vesting period	
	Target bonus (% GAI)	Maximum bonus (% GAI)	Target bonus (% GAI)	Maximum bonus (% GAI)	Target bonus (% GAI)	Maximum bonus (% GAI)
CEO	35%	45%	15%	21%	40%	55%
Material Risk Takers	35%	45%	12%	16%	32%	45%
Control Functions	33% (25%)	33%	-	-	-	-

Entry gates

In line with current regulations, the MBO system does not pay any bonus in the case of failure to reach the so-called entry gates, i.e. the minimum levels of capital, liquidity and risk-adjusted return ratios. The risk-adjusted return gate (RORWA) does not apply to the Control Functions.

Entry gate	Minimum threshold
Common Equity Tier 1 (CET 1) – Pillar 1 consolidated ratio	> RAF Tolerance
Consolidated Liquidity Coverage Ratio (LCR)	> RAF Capacity
Consolidated Return On Risk-Weighted Assets (RORWA)	> RAF Tolerance

Remuneration of the Chief Executive Officer and General Manager (CEO)

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Short-term incentive scheme - MBO

The CEO and GM is a beneficiary of the MBO system, based on a bonus pool which is the maximum amount of bonuses that can be paid; for the CEO, this is defined at Group level. The amount of the bonus pool is correlated to the results achieved, measured in terms of the Post Provision Profit reported by the Group, and constitutes a maximum limit. After checking that the entry gates have been exceeded, the

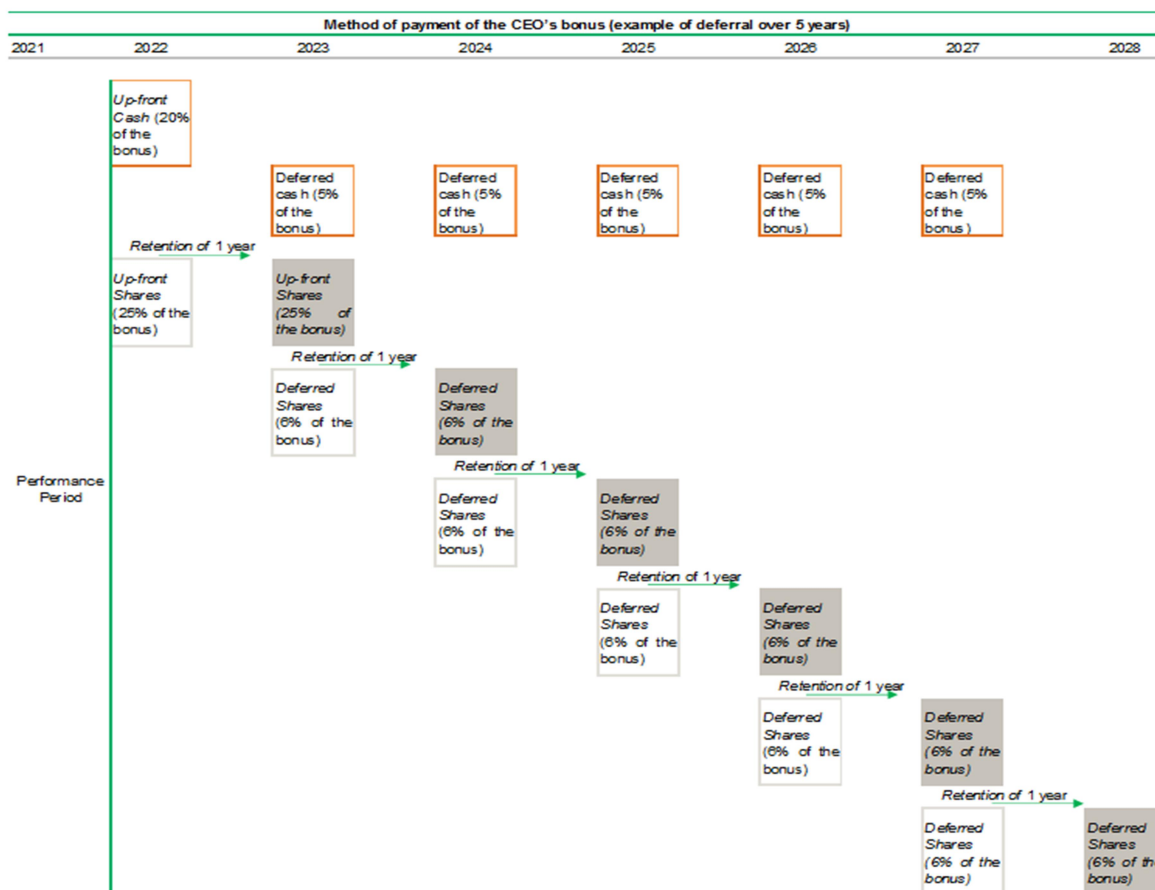
Quantitative Objectives (85%)		Weighting
Group Post-Provisions Profit		30%
Gross NPE Ratio		25%
Net Customer Balance		15%
Net inflows to assets under management		15%
CET 1 ratio Fully Loaded		15%
Qualitative Objectives ESG (15%)		
Sustainable Finance	Equally Weighted	
Reputation and Environment		
Inclusion and Diversity		

bonus allocation and the extent of the variable remuneration are defined by evaluating individual performances using a process that includes the analysis of various indicators. For 2021, the CEO's scorecard comprises both quantitative and qualitative targets. Expressing BPER's strategic objectives in terms of financial targets, risk management and ESG (Environmental, Social, Governance) makes sure that the annual priorities are in line with the interests of all the stakeholders.

Once the results have been measured, the system provides for the application of parameters to adjust for risk, based on those contained in the Risk Appetite Framework (RAF). These parameters act as a corrective with respect to the incentive accrued on the achievement of the objectives set by the CEO's individual scorecard; If they are not satisfied, the bonus earned may be reduced, or even eliminated.

Adjustments (in order of impact)
Gross NPL Ratio
LCR
CET1 % Transitional
Economic Capital Adequacy Ratio
MREL (% TLOF)

From 2021, the method of paying out the bonus accrued after the final results of the scorecard have been calculated envisages the use of BPER Banca Shares instead of Phantom Stock. In line with what we have just said, payment of the CEO's and GM bonus is structured as follows: 45% is allocated on the vesting date of the bonus (up-front portion), while the other 55% is deferred in equal annual instalments over 5 years, as shown below:



The deferred portions are subject to malus conditions that are also applicable to the other MRTs. If the bonus is a particularly high amount, the up-front portion is 40% (20% cash and 20% BPER Shares subject to a 1-year retention period), while the other 60% (25% cash and 35% BPER Shares) gets deferred in equal annual instalments over 5 years with a 1-year retention period (during which the shares cannot be sold).

Long-term incentive scheme - 2019-2021 LTI Plan

The Chief Executive Officer, together with other senior figures, is also the beneficiary of a long-term variable incentive scheme based on a long-term period of performance assessment (2019-2021), which is consistent with the objectives and duration of the Group's Strategic Plan. The bonus is recognised at the end of the performance evaluation period. The long-term bonus is made up entirely of BPER ordinary shares.

The entry gates for the 2019-2021 LTI Plan, all of which have to be achieved at the same time, are in line with those established for the MBO of 2021, the year when the plan ends, to which reference should be made.

Failure to achieve even only one of the entry gates means not paying any bonus under this long-term incentive scheme. If all of these 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 (2021).

During 2020, the financial, capital and profitability metrics and targets of the three-year Strategic Plan were reviewed to reflect the new economic prospects following the acquisition from the Intesa Sanpaolo Group of the business unit consisting of a network of branches.

The scorecard of the LTI Plan for the three-year period 2019-2021, which is the same for all beneficiaries, is made up of objectives of operating efficiency, credit quality and profitability of a quantitative nature.

LTI 2019-2021 scorecard

Quantitative Objectives	Target	Weighting
Post Provisions Profit ("PPP") in 2021	600 (€M)*	50%
Cost/Income ratio in 2021	<60,6%*	25%
Gross NPE ratio in 2021	<8,2%*	25%

* Objectives aligned with the 2019-2021 Business Plan as updated by the Board of Directors on 29 September 2020

Following the measurement of these KPIs, the performance of the BPER stock is evaluated with respect to a peer group and the achievement of sustainability objectives.

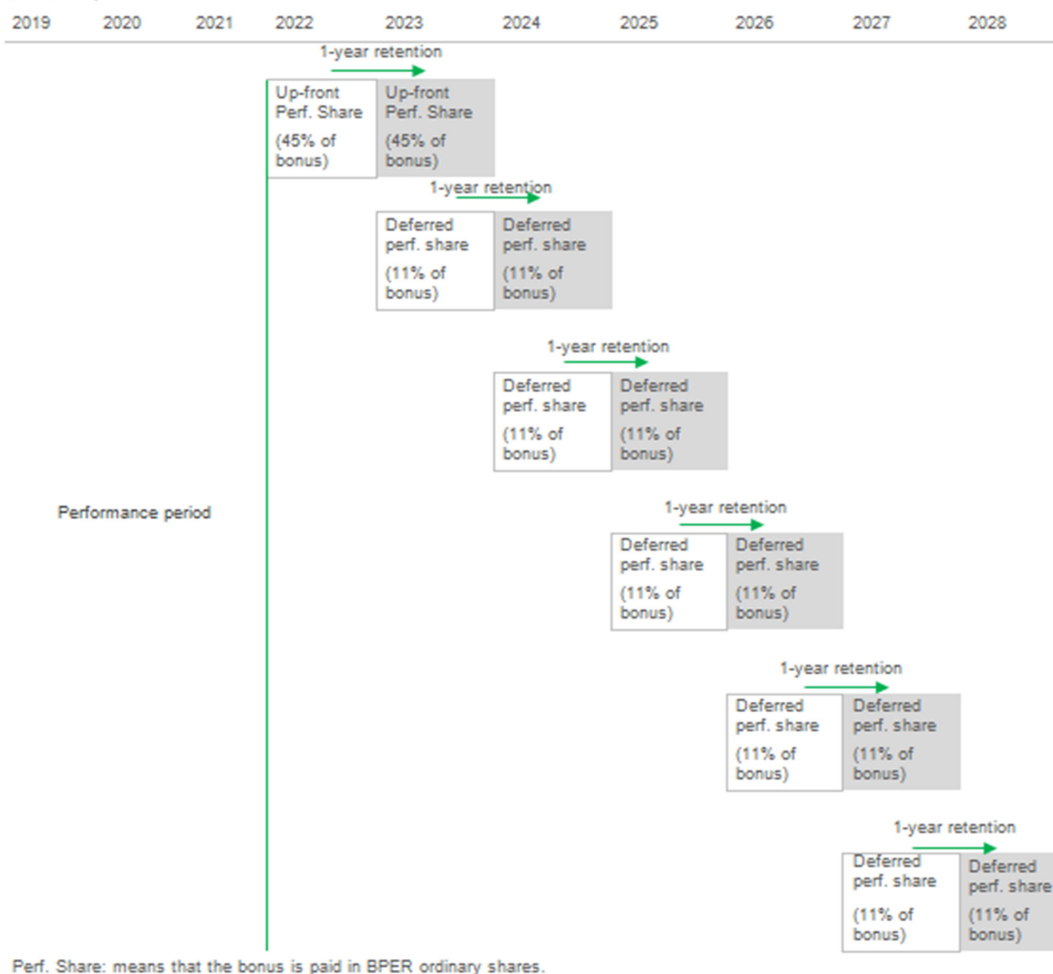
Multiplier/Demultiplier	
Positioning of the TSR of the BPER stock compared with a panel of competitors Intesa Sanpaolo, Unicredit, UBI, Banco BPM, Credem, Popolare di Sondrio/	
Positioning	Accrued bonus increase
1st or 2nd position	+15%
3rd o 4th position	none
5th, 6th o 7th posizione	-15%

Sustainability Corrective (CSR)		
Depending on whether three CSR (social and environmental sustainability) objectives are achieved or not		
1 To acquire the Standard Ethics Rating at EE level	2 To increase the share of female managers to 15%from the current level of 8,5%.	3 To hold classes in Financial Literacy in 1st and 2nd grade secondary schools
Objectives achieved	Impact on the accrued bonus	
3 out of 3	none	
2 out of 3	-10%	
0-1 out fo 3	-15%	

In line with what we have just said, payment of the CEO's bonus is structured as follows (see the chart on the next page): 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 Share (a straight average of the official price of the BPER Banca Ordinary Shares posted in the 30 days preceding the date of the Shareholders' Meeting). Bonuses allocated to beneficiaries who have held positions within the scope for only part of the period of the Plan are calculated proportionally on a time basis.

Payment of the CEO's and General Manager LTI bonus

(example of 5-year deferral, if the accrued amount is higher than the maximum variable amount, the up-front portion falls to 40% and the deferred portion rises to 60%)

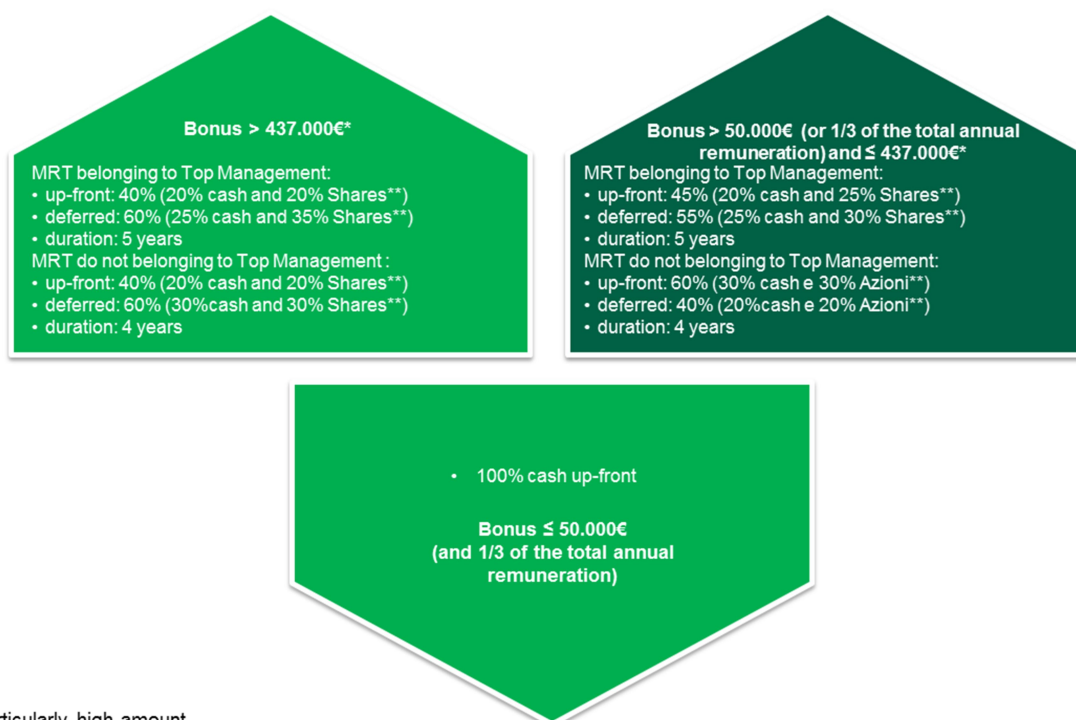


Both short and long-term incentives accrued are subject to malus and clawback clauses.

Remuneration of Material Risk Takers

The MBO system is addressed to resources falling within the scope of MRTs, as explained for the CEO. Some figures are also recipients of the long-term variable incentive scheme as explained for the CEO with certain specific features (see para. 7.2 of the Remuneration Report). The MBO scheme generally provides incentive opportunities for MRTs of up to 45% of their fixed remuneration, except in the case of Control Functions, as explained below. As regards the LTI target bonus, please refer to the table on the previous page.

The payment of accrued bonuses differs according on the amount of the bonus, as shown by way of example in the chart on the next page.



* Particularly high amount

** Shares are subject to a retention period of one year

There is no provision for granting discretionary bonuses. All incentives accrued are subject to malus and clawback clauses.

Remuneration of Control Functions

The remuneration of those in charge of Control Functions 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. Payment of their bonus is subject only to the entry gates based on capital (CET1) and liquidity (LCR) ratios. Once the entry gates have been passed, the amount of the annual bonus is linked to role-related objectives, both quantitative and qualitative. Their bonuses are independent of the Group's financial results.

People in this category have applied to them the rules for deferment of the variable portion, use of financial instruments, the malus and clawback clauses defined for the other MRTs, as well as the inability to pay discretionary bonuses.

Remuneration of SGR personnel

The Banking Group includes a company operating in the asset management sector (UCITS-AIF) which is subject to sector regulations as well as to specific rules contained in the wider legislation that applies to the banking industry.

This subsidiary prepares the remuneration and incentives policy for its personnel in application of the principles and objectives embodied in the Group's remuneration policy, having regard for the applicable regulatory requirements.

The SGR personnel identified as MRTs within the Group are subject to the criteria specified in this Remuneration Policy regarding, in particular: deferral rules (percentages and time horizon); percentage in financial instruments recognised in fund units, in accordance with sector requirements; materiality threshold for the application of deferrals and portions in financial instruments; malus and claw-back clauses; remuneration policy applied to the severance payments made to MRTs on termination of employment or end of term of office.

Compensation granted on termination of employment of MRTs

If there are cases of termination of employment on the initiative and/or interest of the Group, in a unilateral or consensual form, additional compensation may be envisaged as a leaving indemnity or in the case of early retirement (for whatever reason) or paid for the settlement of a current or potential dispute, in order to avoid the risk of the court deciding against the Group.

The amount of such additional remuneration cannot exceed two years' fixed remuneration - deriving from the executive employment relationship and from any positions as director - and will be subject to a maximum limit of Euro 2.4 million (gross per employee).

The following are not included in the additional remuneration: amounts paid in lieu of notice, amounts paid for a no-competition agreement, within the limit of one year of fixed remuneration, amounts paid in execution of a decision of an independent third party (judge or arbitrator).

In any case, the total amount of additional remuneration, of any no-competition agreements and amounts paid in lieu of notice to the Chief Executive Officer, the General Manager and Executives with strategic responsibilities cannot exceed 2 years of total remuneration.

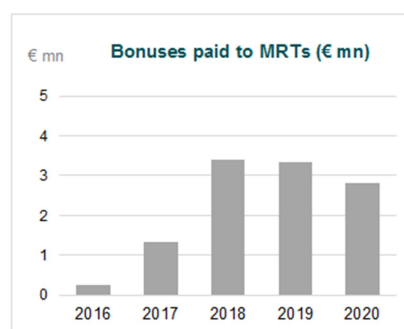
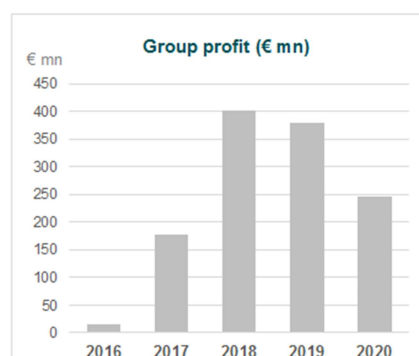
If a party to the agreement is a member of the control functions, the following predefined formula will apply to quantify any additional amounts of remuneration: 1 month's salary for each year of service provided, up to a maximum of 1 year of fixed remuneration.

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. In any case, the limits of 2 years of total remuneration envisaged for the Chief Executive Officer, the General Manager and Executives with Strategic Responsibilities remain unaffected.

Pay for performance

The interest of the Group, and especially of all corporate functions and corporate bodies involved in the definition of remuneration policies, is to ensure a direct link between results and bonuses. Incentive schemes are designed to bring managerial behaviour into line with the creation of shareholder value over the long term.

Incentive schemes implemented by the Group over the past few years have ensured an adequate correlation between the bonuses paid and the financial results, as shown in the tables on the side where the bonuses granted to MRTs in the last five years are compared with the Group's results in terms of profit. (The SGR is included in the 2020 bonuses for the first time; for the same perimeter there would be a 33% reduction in the pool).



MBO results 2020

With specific reference to the CEO and GM, the result achieved in 2020 is shown in the following tables:

How the CEO's and General Manager bonus is calculated

Group performance	Entry gates	Common Equity Tier 1 Ratio (CET1) – Pillar 1					✓
		Return On Risk-Weighted Assets (RORWA)					✓
		Liquidity Coverage Ratio (LCR)					✓
	Bonus pool (Cluster KPIs)	No bonus pool	Base	Target	Maximum		
	Post Provisions Profit (net of extraordinary items)						

The CEO's and GM MBO scheme is based on 5 indicators that have beaten the budgets set to take part in the incentive scheme and are generally located close to the maximum achievable level.

Risk correctives did not show any specific problems.

The CEO's and General Manager scorecard

Individual performance	Quantitative assessment (Weighting 100%)		Weight- ing	Result versus target ⁷⁴	Not reached	Base	Target	Maximum	
		Group gross non-performing loans	15%	-1142 mn				120%	
		Commissions from Wealth Management and Group Bancassurance + Minter Bibanca	15%	+24.1 mn				118%	
		Group Fully Phased CET 1 ratio (%)	15%	+0.6%				114%	
		Group gross performing commercial loans	15%	+1610 mn				117%	
		Post Provisions Profit of the Group*	40%	+44.6 mn				120%	
		* net of extraordinary items							
		Management assessment		The quantitative assessment is confirmed					

The overall performance result for 2020 is 118%.

Following the budget review to include the impact of Covid-19 on the forecasts, the target bonus was reduced by 50%, going from Euro 420,000 to Euro 210,000. It follows that the overall bonus assigned to the CEO is equal to Euro 248,348 which is 16% of his total remuneration.

Contacts

BPER:
Banca

Investor Relations

Tel. (+39) 059/202 1396
Investor.relations@bper.it

This document is a summary of the BPER Group's 2021 remuneration policies and compensation paid. For further information, see the Report on Remuneration Policy for 2021 and Compensation Paid in 2020, published on the Bank's website (www.bper.it).

BPER Banca S.p.A. con sede in Modena, via San Carlo, 8/20 - Codice Fiscale e iscrizione nel Registro Imprese di Modena n. 01153230360 – Società appartenente al GRUPPO IVA BPER BANCA Partita IVA nr. 03830780361 – Capitale sociale Euro 2.100.435.182,40 - Codice ABI 5387.6 - Iscritta all'Albo delle Banche al n. 4932 - Aderente al Fondo Interbancario di Tutela dei Depositi e al Fondo Nazionale di Garanzia - Capogruppo del Gruppo bancario BPER Banca S.p.A. iscritto all'Albo dei Gruppi Bancari al n. 5387.6 - Telefono 059.2021111 - Telefax 059.2022033 - PEC: bper@pec.gruppobper.it - bper.it – istituzionale.bper.it

