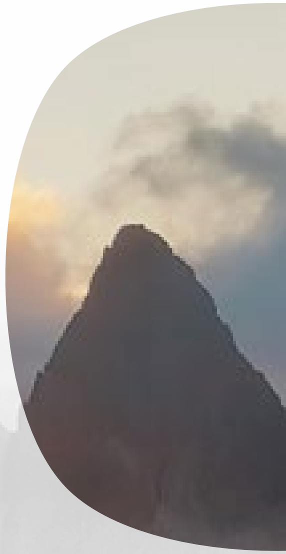
BPER:

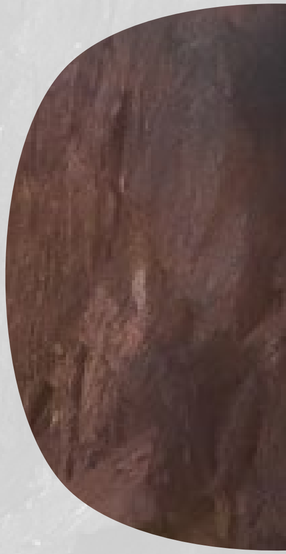
2024 REPORT ON REMUNERATION POLICY AND COMPENSATION PAID

EXECUTIVE SUMMARY

BPER:

2024





2024 REPORT ON REMUNERATION POLICY AND COMPENSATION PAID

EXECUTIVE SUMMARY

LETTER FROM THE CHAIR OF THE REMUNERATION COMMITTEE

Dear Shareholders,

in my three years as Chair of the Remuneration Committee, BPER has transformed its business and increased its market presence, creating a bank that is fundamentally different from what it was only a few years ago. A Bank that, thanks to its new size and the dedication of its people, has defied the difficult geopolitical and macroeconomic times, going beyond expectations. In these three years, BPER has demonstrated its ability to transform itself, bringing value to you, its shareholders, its customers and all stakeholders. .

There were significant economic achievements in 2023, including steady growth, solid capitalisation and very low credit risk indicators. The Bank's movement towards a strengthened and future-oriented competitive positioning is facilitated by business decisions and the structural consolidation of the organisational set-up.

In achieving this success, BPER has placed its customers and employees at the forefront, reaffirming that its commitment to ESG is a fundamental and integral component of its business strategy.

Consistent performance in recent years has driven the bank's transformation, with ambitious targets set at all levels of the organisation, encouraging the bank to go beyond expectations, both industrially and culturally.

The Remuneration Policy for 2024 continues largely in line with last year's, taking into account the broad consensus reached with you, the shareholders, during the Shareholders' Meeting on 26 April 2023 and the positive feedback received regarding transparency, pay-for-performance and alignment with the Business Plan. The goal remains to foster excellence and drive the change initiated in recent years, ensuring sustainability over time and alignment with you, the shareholders and all stakeholders.

Remuneration policies remain crucial for attracting, retaining and motivating individuals who embody the Group's mission and consistently uphold the principles of ethics, passion, dynamism, care and collaboration within a broader framework of sustainability, putting our customers at the centre.

The remuneration policy for 2024 remains based on the following principles:

- alignment between remuneration and sustainable performance, through a variable remuneration policy structured into short and long-term incentives intended for an increasingly broader section of company staff and structured specifically across the different business segments;
- challenging economic and financial objectives with a clear aim: to make a positive impact on the environment and society; objectives that adequately take risk issues into account;
- entry gates to incentive schemes consistent with supervisory requirements, stringent deferral mechanisms, pay-mix involving the use of financial instruments;
- monitoring the gender neutrality of the remuneration policy and the so-called Equity pay gap within a structured framework of Diversity & Inclusion initiatives;
- proactive alignment with the constantly evolving national and European legislative framework.

This Report, drawing on the principles of transparency, inclusion and fairness, embodies a policy aimed at recognising merit and the achievement of lasting results, confirming our ongoing enhancement approach while offering an effective and balanced remuneration strategy that supports the Bank in pursuit of its goal to create sustainable value over time in the interest of all stakeholders.

I would like to take this opportunity to express my sincere appreciation on behalf of the Remuneration Committee for the commitment and professional qualities of all the people working in the BPER Group.

I would like to conclude by thanking you, our shareholders, for your support at the Shareholders' Meetings over the past two years and for the valuable contributions we have taken into account in determining our remuneration policies.

Finally, I would like to thank all the members of the Remuneration Committee, the Chief Executive Officer and the entire Board of Directors, for their teamwork and active involvement in the execution of our mandate.

Maria Elena Cappello

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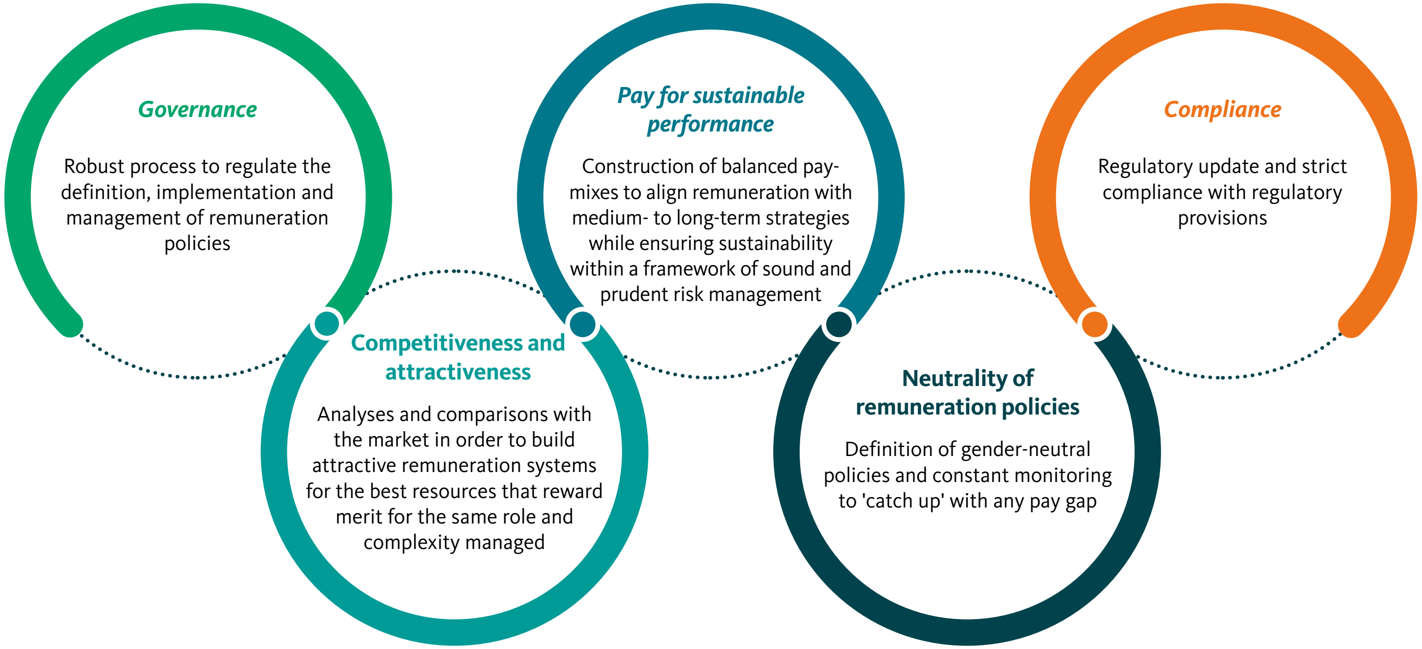
1. Principles and objectives of the remuneration policies

pp. 14-20
of the 2024 Report on Remuneration Policy and Compensation Paid

The 2024 remuneration policy is related to the guidelines of the "BPER e-volution" 2022-2025 Business Plan and contributes to BPER's strategic objectives aimed at creating value for shareholders, employees, customers and all stakeholders. The objective is to ensure the close correlation and consistency between remuneration, the results achieved, expected development guidelines, the sustainability of initiatives undertaken and sound and prudent risk management, as well as to ensure compliance with regulatory requirements.

Consistent with previous years, the Remuneration Policy is guided by the overarching principles and objectives outlined below. It specifically emphasises the appreciation of individuals and incorporates sustainability strategies within the ESG framework. Performance and reward policies have progressively aligned with these priorities, integrating them into incentive mechanisms.



2. *Governance*

pp. 21-24

The BPER Group has established a governance process 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 periodically turns to external and independent consultancy companies with recognised expertise in remuneration and incentives. In particular, in 2023, the Chief Human Resource Officer's structures in the area of remuneration activities were supported by WTW, an international consultancy firm with specific expertise and consolidated experience at leading Italian listed banking institutions.

MAIN TASKS OF THE BODIES AND FUNCTIONS RESPONSIBLE FOR SETTING REMUNERATION POLICIES

SHAREHOLDERS' MEETING

- Establishes the remuneration due to the bodies appointed by it
- Approves the remuneration and incentive policies
- Approves any remuneration plans based on the use of financial instruments
- Resolves on any proposal by the Board of Directors to set a limit on the ratio between the variable and fixed components of individual remuneration greater than 1:1
- Approves the criteria for determining any amounts to be granted in the event of early termination of office of all personnel

BOARD OF DIRECTORS

With reference to remuneration issues, the Board of Directors of BPER Banca, in exercising its role as a body with strategic supervision functions, prepares, submits to the Parent Company's Shareholders' Meeting and reviews, at least annually, the Group's remuneration policies and is responsible for their concrete implementation.

In carrying out these activities, the Board makes use in particular of the support of the Remuneration Committee and the competent corporate functions, adequately involved in order to contribute effectively to the definition of the Policies.

REMUNERATION COMMITTEE

The Remuneration Committee, in compliance with the principles set out in the Supervisory Provisions and the Corporate Governance Code, exercises consultative, investigative and propositional functions to support the activities of the Board of Directors and, to the extent of its competence, of the Executive Committee (where constituted), without prejudice to the decision-making autonomy and responsibilities of these bodies in taking decisions within their respective competence.

CONTROL AND RISKS COMMITTEE

In terms of remuneration, the Control and Risk Committee carries out some tasks from time to time outlined by the relevant Operating Rules approved by the Board of Directors. At the date of this Report, these Rules provide that the Control and Risks Committee, without prejudice to the competences of the Remuneration Committee and ensuring adequate coordination with the latter, ascertains that the incentives underlying the remuneration and incentive system of the Bank and the Group are consistent with the RAF and verifies the consistency of the remuneration of the managers of the corporate control functions with respect to the remuneration policy.

OTHER COMMITTEES INVOLVED

Sustainability Committee: carries out support functions in favor of the activities of the Board with reference to environmental, social and governance (ESG) issues and with reflection on all the processes through which BPER guarantees the pursuit of sustainable development, including those relating to systems of remuneration and incentives.

Nominations and Corporate Governance Committee: supports the Board of Directors, also by formulating opinions and proposals, in the adoption, updating, implementation and monitoring of diversity policies (also considering possible consequences of the latter in the remuneration and incentive system).

MAIN COMPANY FUNCTIONS INVOLVED

Human Resources - Audit - Compliance - Risk Management - Strategic Planning

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3. Remuneration policies

Recipients

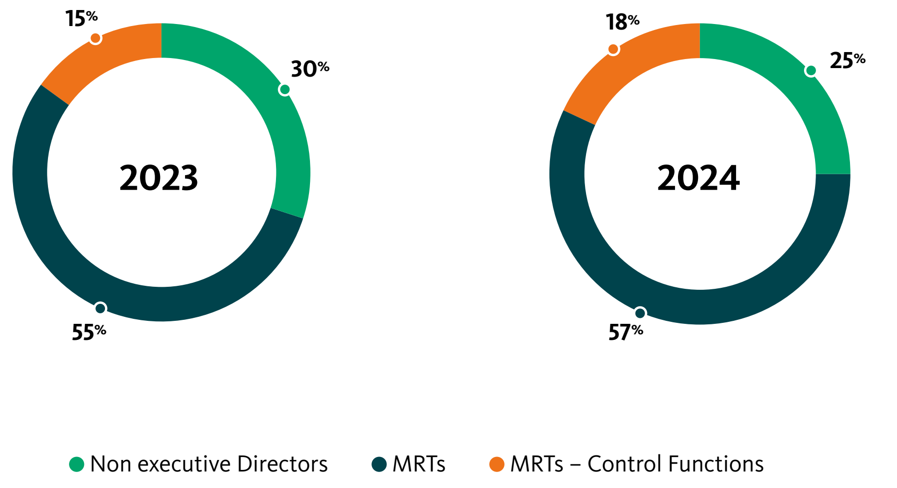
p. 28

The remuneration policies are aimed at creating value for all Group personnel, and are differentiated by category. They have therefore been structured to ensure maximum effectiveness in relation to the type and objectives of the target company function.
In particular, the remuneration and incentive policies target the following categories of personnel:

- Corporate bodies;
- Chief Executive Officer and General Manager[1];
- Key personnel or Material Risk Takers (MRTs)[2] including Control functions[3];
- Remaining personnel (not included in the MRT scope);
- Collaborators (e.g. financial advisors and agents).

In addition, the Remuneration Policies include details relating to certain Group entities; specifically, these are Arca Fondi SGR and BPER Bank Luxembourg.

MRT SCOPE



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FOCUS

MATERIAL RISK TAKERS IDENTIFICATION PROCESS

The current Supervisory Instructions on Remuneration specify that "*banks establish a policy for identifying Material Risk Takers, as an integral part of their remuneration and incentive policy*".
Consistent with the duties allocated by current regulations to the Parent Company, BPER has identified the Group's Material Risk Takers with reference to all companies within the Group, whether or not subject to banking regulations on an individual basis, ensuring the overall consistency of the identification process and coordination of the varying instructions that apply in the specific sectors served by each Group company.
The objective of the process was to identify, among all of the Group's personnel, those who are considered MRTs, being persons who professionally carry out activities with a substantial impact on the Group's risk profile, based on the analysis and assessment of the qualitative and quantitative criteria given in Delegated Regulation (EU) 923/2021.
The process described for 2024 led to the identification of 166 individuals[4] within the scope, representing 0.8% of the total BPER Group workforce, through the application of qualitative and quantitative criteria.

1 The positions of Chief Executive Officer and General Manager may be held by the same person (as in the mandate in place at the date of publication of this Report) or by different persons.
2 Including Executives with Strategic Responsibilities (ESRs), excluding members of the Board of Statutory Auditors and non-executive members of the Board of Directors.
3 See previous note.
4 These include all BPER ESRs.

Remuneration components

p. 51-52; 64

Staff remuneration[5] generally consists of a fixed component and a variable component.

Fixed remuneration refers to the stable component of remuneration offered to employees, not linked to *performance*. This component is defined on the basis of predefined criteria such as contractual classification, individual responsibilities, professionalism and experience, and is constantly subject to internal and external fairness checks.
For the control functions falling within the scope of MRTs, the fixed remuneration may be supplemented by a specific function allowance.

Variable remuneration is the performance-related component or the component determined by any other form of remuneration that does not qualify as fixed remuneration.

Variable remuneration components typically include bonuses deriving from both short-term and long-term incentive systems defined in order to guarantee constant and effective alignment with strategic objectives and, consequently, contribute to the creation of value for shareholders.
Entry bonuses (entry bonus, welcome bonus, etc.) are also provided for the purpose of favouring the attraction of new resources and stability pacts, paid in accordance with the regulatory, legislative and labour law provisions applicable at any given time.

There is no provision for discretionary pension benefits for anyone in the company for the early termination of employment or office. In the event of an exceptional assignment, the rules provided for under current legislation will be applied.

The variable remuneration systems currently in place at BPER are shown below.

Annual Plans

2024 MBO Plan for MRTs

Plan for MRTs derived from the Strategy Scorecard assigned to the CEO which is structured into quantitative and qualitative objectives and is linked to objectives consistent with the role held and the responsibilities assumed. Includes objectives that incorporate ESG priorities in individual scorecards.

2024 MBO Plan for:

- **Sales and distribution network**
- **Private bankers**
- **Corporate and investment banking**

Annual incentive schemes aimed mainly at the remaining staff in commercial roles. These provide for individual bonuses differentiated according to the level of achievement of the objectives assigned per function/team and/or individual, taking into account the specificities of the activity performed.

Long-Term Plan 2022-2025 LTI

BPER ordinary share plan for around 50 Group top managers considered key to the success of the Business Plan (plus possibly 20 other key resources). Provides for the integration of economic-financial objectives with corporate social responsibility objectives.

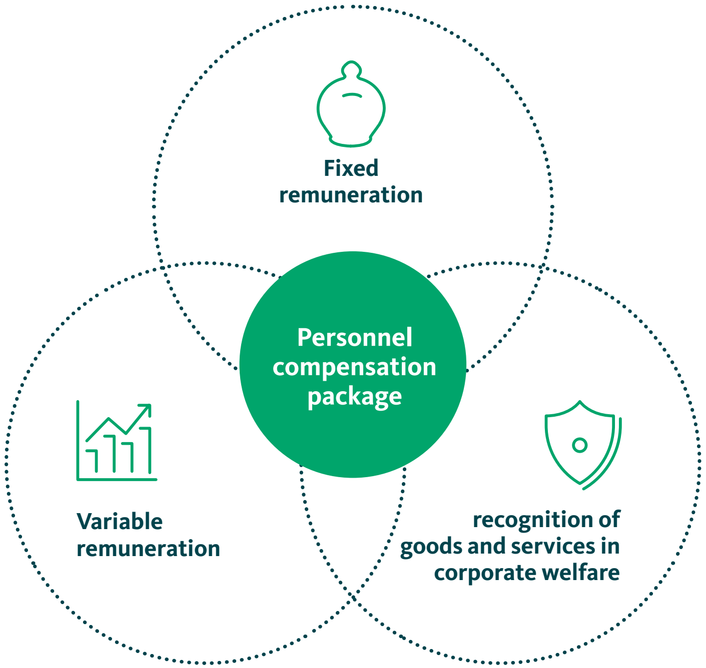
Other Variable Remuneration Systems

Performance incentive: aimed at staff who are not MBO recipients and defined on the basis of the individual performance evaluation by the line manager.

Financial advisors and agents in financial activities: in addition to the recurring component, a non-recurring component (incentive and/or loyalty schemes) is envisaged.

5 It should be noted that the members of the corporate bodies, with the exception of the Chief Executive Officer, receive only fixed remuneration.

The total remuneration package for the various positions can be supplemented by **fringe benefits** for all employees or for particular positions, depending on the functions that they perform, the level in the organisation or specific attributions. Personal and family benefits derive from national and/or second-level bargaining and/or derive from internal reference policies. In particular, there are specially regulated collective **welfare**, health and insurance plans, assistance and canteen services, as well as better conditions for access to the various products and services offered by the Company.



Pay-Mix

p. 32

The remuneration packages are defined in order to strike an adequate balance between fixed and variable components, with a view to strong alignment between managerial behaviour and the creation of value for shareholders in the medium-long term.
Consistent with the regulations and the resolutions adopted at the 2020 Shareholders' Meeting, the maximum ratio of variable to fixed remuneration is fixed at 2:1 for all MRTs[6], excluding the control functions and similar activities, in order to have the flexibility needed to:

- apply all operational drivers in order to ensure the competitiveness of remuneration packages designed to attract strategic professional skills and ensure the availability of the human resources needed to achieve the established business objectives[7];
- make payments ahead of or in the event of early termination of employment or term in office, within the maximum limits already established in these Policies.

In line with the above and current regulations, the Group has established differentiated rules with respect to the maximum ratio between the components of remuneration, as shown below.

RATIO OF VARIABLE TO FIXED REMUNERATION

MRTs — maximum limit of **2:1** (excluding Control functions and similar)

NON-MRTs — normally equal to **1:1** — for particular business functions > can reach **2:1** (in limited circumstances)[8]

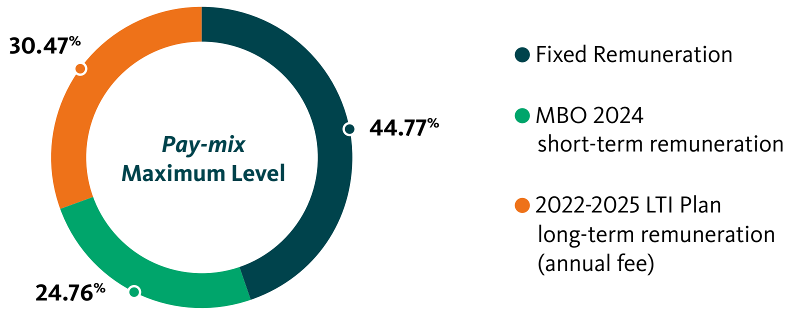
CONTROL FUNCTIONS — may not exceed **1/3**

6 This ratio does not apply to personnel belonging to the Group SGR, for whom the regulations envisage the possibility of different limits. Further details can be found in section 7.11 of the 2024 Report on remuneration policy and compensation paid.
7 Without prejudice to the objectives mentioned, the Group's intention is to maintain the proportion of variable to fixed remuneration well within the ordinary limits.
8 Specifically, besides what has already been described above, consideration is given to the availability of effective tools to address competitive pressures in certain labour markets associated with highly profitable business sectors and specific professional roles.

pp. 32-34

The **Chief Executive Officer and General Manager's** remuneration package has been put together in such a way as to ensure an appropriate balance between fixed and variable remuneration. It is also modulated with the aim of ensuring a variable remuneration in proportion to the results achieved, within the limits (the so-called maximum cap) envisaged by the bonus scheme.

The pay-mix considering both annual and long-term variable remuneration at the target level and at the maximum level is therefore as follows (the basis for calculating variable remuneration does not include the Director's fee).

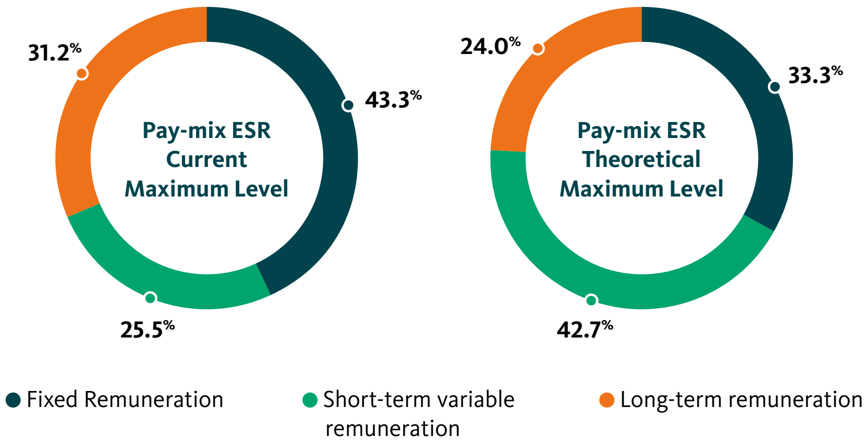


The maximum payout of the variable remuneration, in correspondence with the achievement of the maximum level of the assigned objectives, continues to be well below the maximum limit of 2:1 with respect to the fixed remuneration.

pp. 42-43

With particular reference to **Executives with Strategic Responsibilities** (ERSs), in relation to the MBO plan, the target annual incentive is predominantly within the 40-45%[9] range (corporate functions tend to have a lower short-term component than business functions) while the maximum incentive is in the 52-59% range[10].

The Board of Directors to be appointed at the Shareholders' Meeting of 19 April 2024 may assess, taking into account the need to attract, incentivise and retain strategic resources, a possible revision of the target bonus of the MBO within the maximum limit for the total variable remuneration defined by the Remuneration Policy. The graph below shows the current pay-mix of the ESRs of the business functions, considering the maximum incidence of the 2022-2025 LTI Plan, equal to 72%, and the maximum incidence of the MBO, equal to 59%.

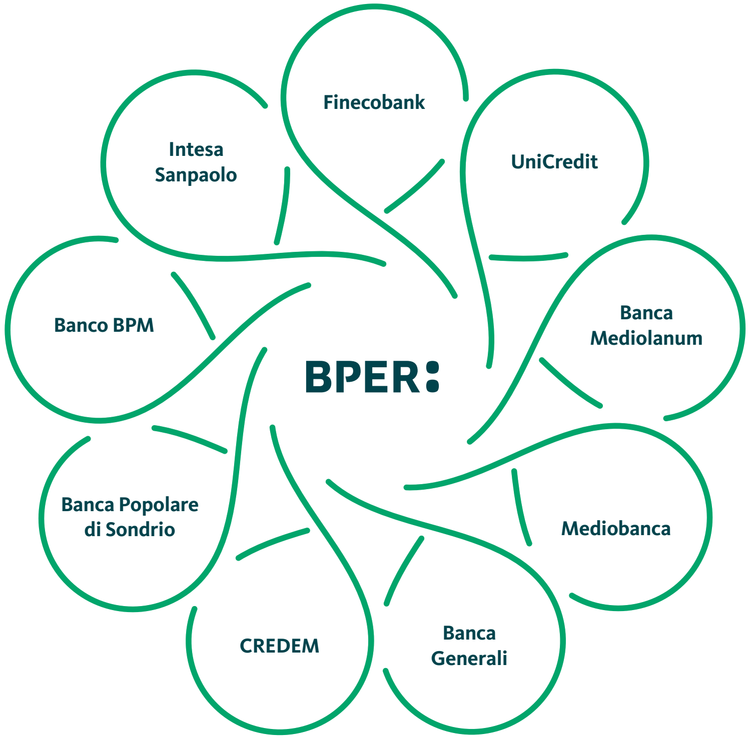


9 With higher impacts in specific situations, in any case within the maximum limit.
10 With higher impacts in specific situations, in any case within the maximum limit.

Benchmarking

p. 27

In defining its remuneration policies, with particular reference to the monitoring of the main practices of the market, the Group typically compares itself with a panel of listed banking groups, mostly subject to the Single European Supervisory Mechanism relating to the FTSE MIB or the Mid Cap Index, belonging to the same business sector and size such as to ensure that the peer group is balanced and suitable for the needs of the analysis.



4. Short-term variable incentive plan – 2024 MBO Plan

In order to discourage excessive risk-taking and in compliance with the Bank of Italy's regulatory requirements, payout of the bonus pool, whatever the amount, is subject to compliance with certain indicators, known as Entry Gates, which are linked to indicators of capital strength, liquidity and risk-adjusted profitability. The entry gates for 2024[11], all of which have to be achieved at the same time, are as follows:

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

Failure to achieve even only one of the Entry Gates means that none of the bonuses under the short-term incentive system (MBO) will be paid out.

The MBO incentive system provides for the definition of a bonus pool which represents the maximum amount of bonuses that can be paid. The bonus pool for the Chief Executive Officer and Managing Director and for MRTs is set at Group level. The amount of the bonus pool for MRTs is correlated to the results achieved, in terms of the Group Profit before tax, and constitutes a maximum limit.

After verifying that the entry gates as set forth above have been exceeded, the actual allocation of the bonus and the consequent amount of variable remuneration are defined by means of an individual performance evaluation process involving the analysis of various quantitative and qualitative indicators.

Once the results have been measured, the system aimed at MRTs, provides for the Board of Directors' assessment of parameters linked to risk adjustment and derived from those contained in the Risk Appetite Framework (RAF), an assessment aimed at defining any adjustments with respect to the vested incentive. Upon achievement of the objectives set out in the personal scorecard, the adjustments can reduce the vested bonus by up to 50%.

11 CET1 and LCR are binding for all MBO systems, RORWA does not apply to the Control Functions.

Performance targets for the Chief Executive Officer

pp. 34-37

The Group has established a short-term variable incentive system to recognise exemplary behaviour and exceptional results. Simultaneously, it aims to penalise unsuccessful outcomes and deterioration in the Bank's economic sustainability conditions by reducing or withholding incentives. The system also serves as a crucial tool for retaining and attracting staff with the best professional skills.
The remuneration package for the Chief Executive Officer and General Manager (offices currently held by the same person) has been put together in such a way as to ensure a balance between fixed and variable remuneration. It is also modulated with the aim of ensuring a variable remuneration in proportion to the results achieved, within the limits (the so-called maximum cap) envisaged by the bonus scheme.

For 2024, the scorecard for the Chief Executive Officer and General Manager, currently in office, consists of both quantitative and qualitative targets, as illustrated below.

The aforementioned objectives have a percentage weighting on the individual bonus and their evaluation is based on increasing thresholds from the minimum level to the target (between 50% and 100%), from the target to the maximum level (between 100% and 130%). The incentive curve for quantitative KPIs was standardised by levelling out risk KPIs and other types, in order to further strengthen the alignment with the sustainability of the risks taken in the medium to long term[12]. In addition, risk adjusted profitability aspects and an efficiency indicator have been taken into account.

		Indicator	MBO 2024 WEIGHTING	PAYOUT min	PAYOUT *target*	PAYOUT max
INDIVIDUAL PERFORMANCE	80% Operating, financial and risk management KPIs	Group Gross Profit[13]	30%	50%	100%	130%
		RORWA[14]	20%	50%	100%	130%
		Group Gross NPE ratio	20%	50%	100%	130%
		Group Cost Income[15]	10%	50%	100%	130%
SUSTAINABILITY KPIS	20% KPI ESG	ESG qualitative objectives	20%	50%	100%	130%

Composite metric including six objectives considered strategic in the short term as an enabling factor for achieving the ESG targets attributable to areas of the Business Plan:

1. **Sustainable assets under management:** growth in the percentage weight of sustainable assets under management in relation to total assets under management.
2. **Green Credit Plafond:** issues specifically for sustainability (ESG).
3. **Net Zero Banking Alliance:** disclosure of at least two additional decarbonisation targets by 2030 and by 2050 for high-emission sectors; definition of business strategies for the Oil & Gas and Power sectors by the NZBA deadline.
4. **Implementation of BEMS (Building Energy Management System) technology:** increased coverage over the Bank's branches and Management Centres; pilot project of centralised platform for BEMS management with AI algorithm.
5. **Progress in diversity, equity and inclusion:** achievement of incremental targets with respect to the Gender Plan in the categories of middle managers and Executives.
6. **ESG Rating:** maintaining the current Moody's Analytics, CSA (Corporate Sustainability Assessment) S&P 30[16], CDP, Sustainalytics (Morningstar) ratings.

12 Compared to last year, the payout levels of risk indicators have been increased and those of profitability indicators have been reduced.
13 Referred to the ordinary component, i.e. net of any normalisations.
14 Calculated as gross profit (relative to the ordinary component, i.e. net of any normalisations)/RWA.
15 Referred to the ordinary component, i.e. net of any normalisations.
16 Maintaining ratings within the ranges defined by the Board of Directors.

For ESG objectives, the achievement of each individual objective is on/off based on precise deliverables. The minimum, target and maximum thresholds are represented, respectively, by the achievement of 4, 5 or 6 objectives. Therefore, the payout curve is 50%-100%-130%.
Upon achievement of the objectives set out in the Chief Executive Officer and General Manager's personal scorecard, the RAF adjustments shown below can reduce the vested bonus by up to 50%.

RAF Adjustment
PD PIT (point in time)
LCR (Liquidity Coverage Ratio)
Leverage Ratio
ECAR (Economic Capital Adequacy Ratio)
MREL TREA subordination

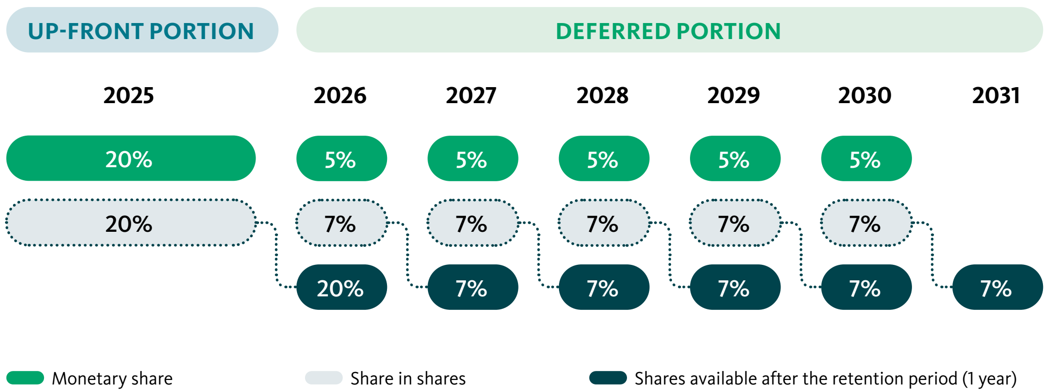
The method for paying out vested bonuses after the final calculation of the results of the scorecard has been set by the Board of Directors in line with the regulatory requirements, with the dual aim of achieving alignment with the ex-post risk and supporting the medium and long-term orientation, as well as managing to correlate the variable component with the actual results and the risks assumed.

As of the financial year 2021, the Board decided to use BPER Banca ordinary shares for the component in financial instruments.
Payout of the Chief Executive Officer's bonus is structured as follows in the case of bonuses in excess of the so-called "particularly high amount[17]".

The variable components are subjected to ex post correction mechanisms (malus and claw-back) in order to reflect the performance levels net of the risks actually undertaken, taking into account individual behaviour. The up-front and deferred portions are subject to malus rules that can reduce the portion to zero in the event of failure to achieve the Entry Gates for the financial year preceding the year of payment of each deferred portion. The aforesaid malus mechanism also applies when the cases provided for the activation of claw-back clauses occur.

MBO DEFERRAL SCHEME FOR PARTICULARLY LARGE AMOUNTS

Performance period: 2024



17 i.e. exceeding €435,000. Otherwise, the up-front portion is 45% (20% cash and 25% BPER Banca shares subject to a 1-year retention period) while the remaining 55% (25% cash and 30% BPER Banca shares) is deferred in equal annual portions over 5 financial years with a 1-year retention (unavailability) period.

5. Material Risk Takers and Control Functions

Remuneration of Material Risk Takers

pp. 42-46

Material Risk Takers are beneficiaries of the 2024 MBO variable incentive system.
The individual MBO scorecard for Material Risk Takers is derived from the "strategic scorecard" assigned to the Chief Executive Officer, and is linked to results consistent with the role held and the responsibilities assumed. It is therefore structured in quantitative and qualitative targets, among which ESG KPIs are of particular importance.
The payment methods for vested bonuses differ according to the amount of the total variable remuneration and whether or not they fall within the scope of top MRTs according to the following scheme:

100% PAID OUT UP-FRONT AND IN CASH

Bonus ≤ €50,000
(and 1/3 total annual remuneration)

BONUS > €50,000
(OR 1/3 TOTAL ANNUAL REM. ≤ €435,000*)

Top management:
- Up-front portion: 45% (20% cash and 25% shares**)
- Deferred portion: 55% (25% cash and 30% shares**)
- Duration: 5 years

Not belonging to top management:
- Up-front portion: 60% (30% cash and 30% shares**)
- Deferred portion: 40% (20% cash and 20% shares**)
- Duration: 4 years

BONUS > €435,000*

Top management:
- Up-front portion: 40%
  (20% cash and 20% shares**)
- Deferred portion: 60%
  (25% cash and 35% shares**)
- Duration: 5 years

Not belonging to top management:
- Up-front portion: 40%
  (20% cash and 20% shares**)
- Deferred portion: 60%
  (30% cash and 30% shares**)
- Duration: 4 years

(*) Particularly large amount
(**) Shares are subject to a one-year retention (unavailability) period

Once the results have been measured, the parameters linked to the risk adjustment and derived from those contained within the Risk Appetite Framework (RAF), similarly to what is indicated for the Chief Executive Officer, which act as an adjustment with respect to the vested incentive, are also to be checked.
Some figures are also recipients of the long-term variable incentive system (2022-2025 LTI Plan).

Change of Control clauses or discretionary bonuses are not currently foreseen for any MRTs. All vested incentives are subject to malus and claw-back clauses.

Remuneration of Control Functions

The remuneration of those in charge of Control Functions within the scope of MRTs is made up of a fixed component supplemented by a specific function allowance and a variable component which can account for up to a maximum of 33% of the fixed component. The latter does not depend on meeting economic/financial targets, but is related to the specific objectives of the function, in order to safeguard the independence that is required from these functions. The size of the bonus pool, defined within the MBO incentive scheme, is not related to the economic and financial results achieved, but is set as a fixed amount. Unlike what applies for MRTs, the payment of bonuses for the control functions is subject only to the entry gates based on capital (CET1) and liquidity ratios (LCR).

Once the entry gates have been passed, the amount of the annual bonus is linked to role-related objectives, both quantitative and/or qualitative.

The rules on deferral of the variable portion, use of financial instruments, malus and claw-back defined for the remaining MRTs already described apply to those belonging to the category.

The roles belonging to the Control Functions are not recipients of the 2022-2025 LTI Plan.

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6. Variable long-term incentive system – 2022-2025 LTI Plan

pp. 37-40

In 2022, the Group introduced a variable long-term incentive system based on a 4-year performance evaluation period, consistent with the objectives and duration of the Group's 2022-2025 "BPER e-volution" Strategic Plan.

The LTI Plan, intended for the Group's top managers considered key to the success of the Business Plan, provides for clear and predetermined performance conditions, verified during and at the end of the plan. The bonus is recognised at the end of the performance evaluation period.

The incentive system provides for the identification of a bonus pool which represents the maximum amount of bonuses payable. The bonus pool for the CEO and MRTs is set at Group level. The amount of the bonus pool is related to the results achieved and constitutes a maximum limit. Its distribution is entirely subject to compliance with certain Entry Gates, based on indicators of capital strength, liquidity and risk-adjusted profitability.

As noted above, the Entry Gates for the 2022-2025 LTI Plan, all of which have to be achieved at the same time, are in line with those established for the MBO Plan.

If all of these Entry Gates are achieved, the LTI Plan provides for an assessment of the Group's Key performance indicators (KPIs) at the end of the four-year vesting period (2025). Continuous monitoring of the indicators is carried out during the four-year period to verify compliance with the objectives of the Strategic Plan.

Based on this approach, the amount of the bonus is determined in proportion to the results actually achieved.

For the four-year period 2022-2025, the LTI Plan scorecard, which is the same for all recipients, consists of profitability, operational efficiency, risk management and ESG objectives. The target values of the KPIs of the Long-Term Incentive Plan, shown below, are consistent with the figures shown in the 2022-2025 Strategic Plan, approved by the Board of Directors on 9 June 2022 and communicated to the market on 10 June 2022.

The LTI Plan's measurement and weighting mechanism is designed to balance the various types of objectives and support motivation and incentives to achieve business results within a framework of sound and prudent risk management and ESG sustainability.

2022-2025 LTI SCORECARD

KPI	WEIGHTING	TARGET [18]
Rote as at 31/12/2025	50%	10%
Cost Income as at 31/12/2025	20%	58%
Gross NPE Ratio at 31/12/2025	15%	3,6%
ESG	15%	100%

	AREA (WEIGHT)	TARGET	*TARGET*
25%	Sustainable finance	Green financing plafond	€7 billion disbursed to businesses and households by 2025
25%	Energy transition	Reduction of CO_2 emissions	-23% emissions by 2025
25%	Diversity and inclusion	Gender gaps: less represented gender between Middle Managers and Executives	25% female Executives and 33% female managers (Executives and Middle Managers) by 2025
25%	"Future" project	Increase of financial education programmes and roll-out of a youth inclusion project	Qualitative judgement assigned by the Board of Directors for the overall assessment of the project[19]

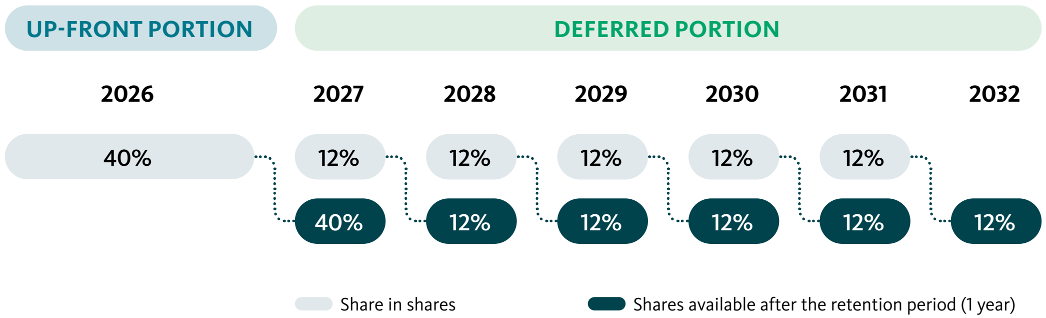
18 The quantitative KPI targets were approved by the Board of Directors on 9 June and disclosed to the market on 10 June (see page 2 of the press release, available at the following link: https://istituzionale.bper.it/documents/133577364/0/BPER_Piano_Industriale_22-25_S.pdf).

19 Following the opinion expressed by the Sustainability Committee, on the basis of the evidence for the overall assessment of the project, produced by an independent external company, or on the basis of an Impact Report with evidence of the project SROI and value generated for each stakeholder, also in reference to national and international sustainability standards.

These objectives have a percentage weighting on the individual bonus and their evaluation is based on progressive thresholds from minimum to target (between 70% and 100%), and from target to maximum (between 100% and 120%) with an associated linear progression mechanism for pay-outs (70%/100%/120%).
Payout of the Chief Executive Officer and General Manager's bonus is structured as follows[20].

HOW THE "2022-2025 LTI" BONUS IS TO BE PAID (in the event of a particularly large amount)

Performance period: 2022-2025



Bonuses are subject to ex-post adjustment, malus and claw back conditions, as for short-term incentive schemes.

p. 41

With a view to strengthening the pay for sustainable performance link, the extension of the obligations to maintain the financial instruments arising from the LTI Plan was envisaged as early as 2022 through the introduction of **Share Ownership Guidelines** for the Chief Executive Officer and Executives with Strategic Responsibilities (ESRs) of BPER Banca.

SHARE OWNERSHIP GUIDELINES

20 In the event of a vested bonus of less than the particularly high variable amount, the up-front portion will be 45% and the 5 deferred portions will each be equal to 11% of the premium, subject to a one-year retention period for the portions in financial instruments

7. Compensation granted in sight or on termination of MRTs and non MRTs employement

pp. 52-54

Should cases of termination of employment occur or be envisaged on the Group's initiative and/or in its interest, either unilaterally or by mutual consent, additional compensation may be envisaged as a retirement incentive[21] or in the event of early retirement, pre-retirement, or even in the event that such compensation is used to settle an actual or potential dispute, in order to avoid the risk of legal proceedings and related litigation.
The amount of such additional remuneration cannot exceed 2 years' fixed remuneration – arising from the executive employment relationship and any directorships – and will be subject to a maximum limit of €2.4 million (gross for the employee).
In any case, without prejudice to the foregoing, with reference to the Chief Executive Officer, the General Manager and Executives with Strategic Responsibilities, the total amount of additional remuneration, of any non-competition agreements and amounts paid in lieu of notice cannot exceed 2 years of total remuneration[22].
The remuneration in question shall take account of the performance achieved over time and the risks taken on by the person concerned and by the Company.
These additional amounts of remuneration must, therefore, be defined taking into account, in addition to the purposes set out above, an overall assessment of the person's work in the various positions held, the presence or otherwise of individual sanctions imposed by the Supervisory Authority, having particular regard to the levels of capitalisation and liquidity of the Group (specifically, reference is made to the fact that at the time of signing the agreement on compensation, the Bank's liquidity and capital exceed the minimum requirements laid down by the Supervisory Authorities)[23].
The Supervisory Provisions of the Bank of Italy also provide for the possibility of using a **predefined formula**, contained in the bank's Remuneration Policy, which defines the amount to be paid for early termination of office or early termination of the employment relationship, as part of an agreement between the Bank and the staff, in any case reached, for the settlement of a current or potential dispute. The additional fees determined by applying this formula are not included in the calculation of the aforementioned maximum limit of incidence of the variable component with respect to the fixed component.
The Group may therefore apply, in the presence of the relative prerequisites, the predefined formulas for MRTs that are set out in the 2024 Report on the Remuneration Policy, to which reference is made for details.

DEFAULT FORMULA FOR MATERIAL RISK TAKERS

Years of seniority in the Group

-50%

- Individual performance in one the past 2 years was insufficient(*).
- Possibility of direct access to ordinary pension benefits or through permanent membership of the sectoral Solidarity Fund (as an alternative to what may be provided for in the redundancy incentive agreements defined with the trade unions).

(*) Annual "Performance Management" target score at minimum level or negative rating

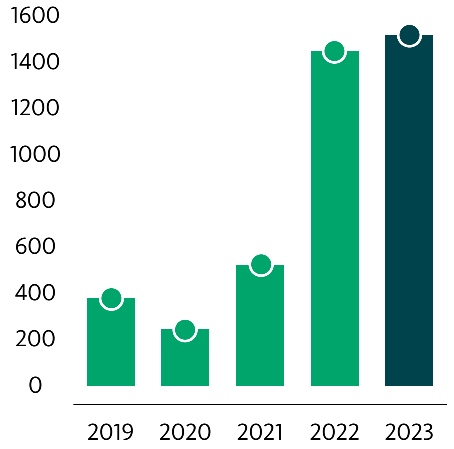
21 in addition to any other amounts awarded on the basis of non-competition agreements, or by way of indemnity for failure to provide notice.
22 The amount of one year's salary used to calculate this total is determined by considering the current fixed remuneration plus the average of the incentives actually awarded in the last three years prior to termination, including the portion of incentives paid in shares. Variable remuneration derived from long-term incentive plans is excluded.
23 This provision also applies to other personnel.

8. Pay-for-performance

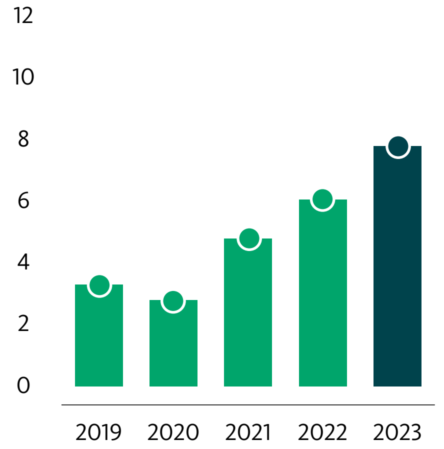
pp. 60-63

Remuneration policies are designed with the aim of ensuring an alignment between the results actually achieved and the remuneration paid. In this sense, the BPER Group policy envisages variable incentive systems based on measurable, clear performance indicators directly linked to Group and individual objectives, with different methods and weightings depending on the role, responsibilities and professional classification.
Consolidated net profit for 2023 amounted to €1,519.5 million, up 4.9% year-on-year, due to the excellent commercial performance and the significant strengthening of the competitive position. The interest of the Group, and especially of all the corporate bodies and functions involved in the definition of remuneration policies, is to further strengthen the link between results and bonuses, in order to create greater consistency and effectiveness, especially for variable incentive schemes. As in prior years, implementation of the 2023 remuneration policy confirmed the consistency of the incentives earned with respect to the results achieved.

TOTAL ASSETS (€/BILLION)

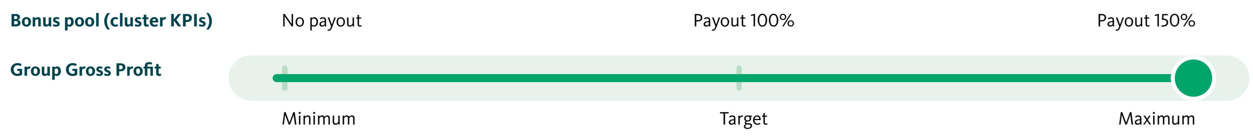


INTEREST MARGIN, QUARTERLY DEVELOPMENT (€/MLN)



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

As envisaged by the process of the 2023 MBO system, the Board of Directors verified that the Group's entry gates[24] had been exceeded and that the overall allocation (Bonus Pool) earmarked for the 2023 variable remuneration systems for MRTs was sufficient.



The entry gates envisaged for 2023 are exceeded.

2023 Entry Gate	Minimum threshold
Common Equity Tier 1 (CET 1) ratio - consolidated	> RAF Tolerance ✓
Consolidated Liquidity Coverage Ratio (LCR)	> RAF Capacity ✓
Return On Risk-Weighted Assets Consolidated (RORWA)	> RAF Tolerance ✓

24 As already specified, for the personnel belonging to the control and similar functions, only the two Entry Gates related to equity and liquidity are applied in order to avoid, in line with the provisions of current legislation, the connection between the measurement of the respective performance and the Bank's operating results.

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

The variable remuneration of the Chief Executive Officer and General Manager with reference to the year 2023 is commensurate with the achievement of quantitative financial and sustainability performance indicators contained in an individual *scorecard*.

In particular, with regard to the individual performance section, the 2023 MBO Scheme for the Chief Executive Officer and General Manager is based on 4 specific indicators that exceeded the levels envisaged to contribute to the incentive system and are positioned at the maximum level achievable.

INDIVIDUAL PERFORMANCE

	Indicator	Weight	Performance vs target	MBO CARD LEVEL (min / target / max)	Result MBO SCORECARD
80% Operating financial KPIs	Group gross profit	40%	153% (+718.3 €/mln)	max	150%
	Group Gross NPE Ratio (%)	20%	81% (-0.56 p.p.)	max	120%
	Group Fully Phased CET1 ratio (%)	20%	105% (+0.71 p.p.)	max	120%
20% ESG KPIs	ESG qualitative objectives	20%	120%	max	120%

OVERALL LEVEL OF ACHIEVEMENT

0 | 50% (minimum) | 100% (target) | 132% (maximum)

KPIs sustainability
Metric consisting of no. 6 strategic objectives (on/off)

Indicator	Result	ON/OFF
Asset Under Management ESG growth	Incremental result of investments focused on ESG compared to the target of over 1.5 billion achieved (on the stock in December 2022).	✔
Green credit plafond	Disbursement of credit specifically intended for investments in the field of sustainability (ESG) amounting to 4.8 billion euros.	✔
Net Zero Banking Alliance	The calculation of the carbon footprint of the credit and investment portfolios was completed. The first 2 decarbonisation targets for 2030 and 2050 for the Power and Oil&Gas sectors have been defined and published. The "Pacta Tool" , tool for monitoring the indirect emissions that are generate has been implemented.	✔
BEMS Plants implementation	The coverage of the Bank's branches of solutions designed to monitor and optimize the energy performance of buildings stood at 49.3% at the end of the year (664 branches equipped with Building Energy Management System equipment).	✔
Progress in the D&I path	Early achievement of the intermediate objectives of the Industrial Plan: n. female managers at the end of 2023 equal to 25.83%; n. women middle managers and executives at the end of 2023 equal to 32.89%.	✔
ESG Rating	Compared to the initial objective of maintaining the rating of Moody's Analitics (formerly Moody's ESG Solution), S&P ESG Evaluation and CDP, in 2023 the 3 ratings improved: from 58 to 59 on the Moody's Analytics Rating, from 66 to 68 on S&P ESG Evaluation and upgrade from B to A- for CDP (Carbon Disclosure Project).	✔

LEVEL OF ACHIEVEMENT OF ESG OBJECTIVES NO. 6/6 (120%)

0 | 50% (4) | 100% (5) | 120% (6)

For the objectives, the minimum, target and maximum thresholds are represented by the achievement of 4 (of the first 5), 5 and 6 objectives respectively.
Every single target is on/off. The payout curve is 50% (4) - 100% (5) - 120% (6)

The adjustment measures linked to the RAF did not result in any reduction in the vested bonus.

Adjustment factors MBO 2023	Achievement level (on/off)
LCR (%) (Group)	✔
CET1% Transitional (Group)	✔
Economic Capital Adequacy Ratio (as part of ICAAP) (Group)	✔
MREL TREA (%) (Group)	✔
Cost Income (Group)	✔

The overall performance result for 2023 is 132%. The total bonus allocated to the Chief Executive Officer and General Manager is therefore equal to €772,200, which represents 36% of total remuneration, the ratio between variable and fixed remuneration stands at 56%.

In 2023 the fixed remuneration of the CEO/GM did not change, the increase was due to the company's performance in 2023 and the resulting variable remuneration.

10. Vote expressed by the 2023 Shareholders' Meeting

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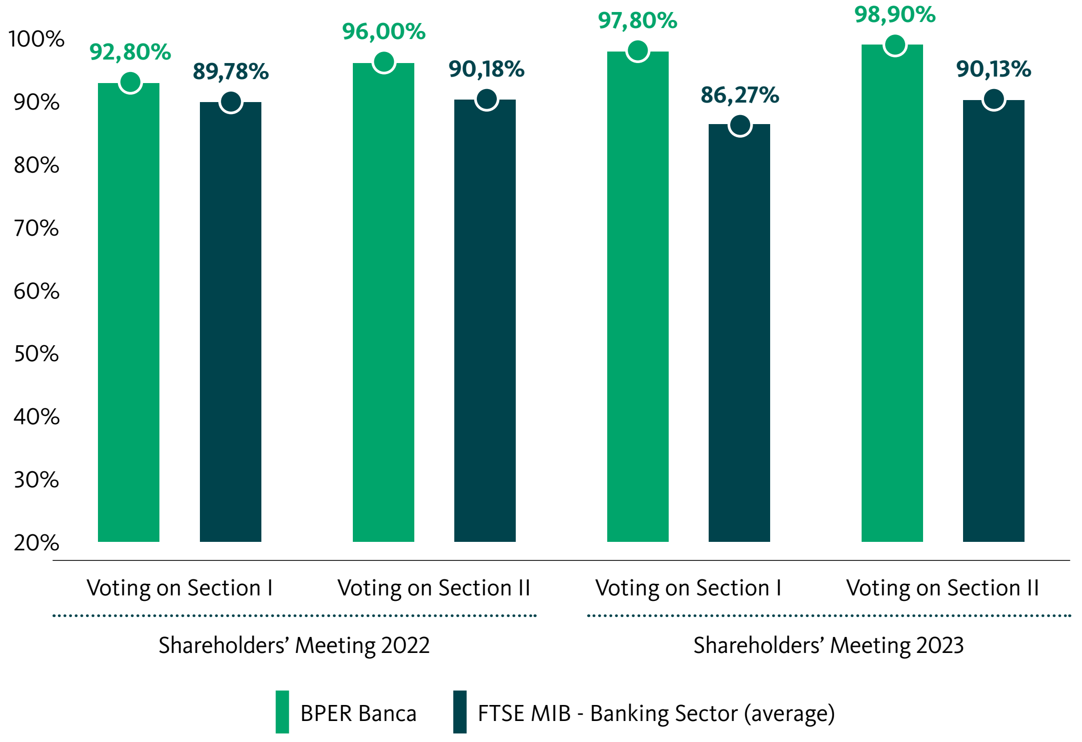
Also in 2023, BPER listened carefully to the views of investors and proxy advisors with the aim of achieving maximum alignment with the interests of all stakeholders and providing adequate disclosure of remuneration policies.
This approach, alongside continuous alignment with best practices and the connection with company strategies, made it possible to achieve the high rate of consensus expressed last year.
In defining the Remuneration Policy for 2024, the BPER Group took into account the outcome of the vote cast by the Shareholders' Meeting in 2023 on the first and second sections.



Source: WTW processing

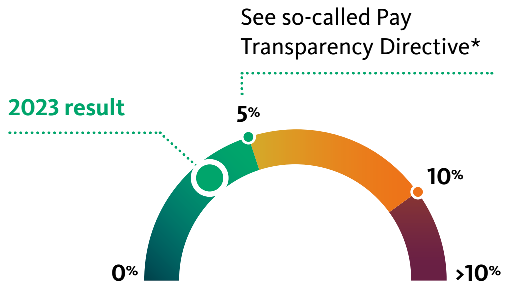
11. Neutrality of remuneration policies with respect to gender

pp. 67-68

In relation to the path already started some time ago and which continues with the projects of the 2022-2025 Strategic Plan regarding ESG illustrated in Section I of this document, once again in 2023 the Group pursued the objective of guaranteeing equal professional opportunities and remuneration, through the use of criteria based on the recognition of skills, experience, performance and professional qualities. In line with Bank of Italy Circular No. 285/2013 on remuneration policies and with the EBA 2021 Guidelines on remuneration, the Board of Directors, assisted by the Remuneration Committee, monitored the gender pay gap and verified, as part of the annual review, the effective application of the gender neutrality principle. In this regard, BPER has also started a process to move closer to the principles of EU Directive 2023/970 of the European Parliament and of the Council approved on 10 May 2023 aimed at strengthening, also through the instrument of transparency, the application of the principle of equal pay for equal work, regardless of gender.
The analysis of pay gaps for equal roles or roles of equal value (so-called Gender pay gap[25] or "GPG"), carried out in accordance with the EBA Guidelines, confirms the gender neutrality of the policy and the positive contribution to improving the GPG made by the pay review processes. The analysis subsequently finetuned by removing the objective factors that may motivate any gaps (such as role, professional field, performance, etc.) and defined as an "Equal pay gap adjusted"[26] analysis of the pay gaps showed a statistically limited residual gap and confirmed pay neutrality.

The "Equal pay gap adjusted"[27] analysis confirmed a residual gap for fixed remuneration below 3% also for 2023. The differences recorded with reference to the overall GPG, given the neutrality of the remuneration policies, arise mainly from the different gender composition present in the managerial brackets and/or from the individual professional path often outside the Group. These elements, taken as a whole, highlight the gender neutrality of the remuneration policies and represent a measure of the Group's progress towards the ambition of equal opportunities, equity and inclusion. They will also be constantly monitored over time (and a possible basis for future interventions), as provided for by the regulations in force and in line with the guidelines of the 2022-2025 Business Plan..

EQUAL PAY GAP ADJUSTED



(*) The 5% threshold is the pay gap highlighted by the European Directive on Pay Transparency, above which the rationale behind the pay gap is required to be provided.

> *BPER performs analyses on gender representativeness and pay equity across the entire organisation, setting itself the goal of representing a company that is increasingly fair, inclusive and able to guarantee equal opportunities. BPER's methodological approach to improving gender balance and pay equity is reinforced by the adoption of objective, gender-neutral factors in the analyses, in line with international market best practices and the recent EU directive on equal pay. All this highlights BPER's strategic commitment to structurally reducing the Gender Pay Gap and Adjusted Equal Pay Gap.*
>
> **WTW**

25 The GPG calculation was carried out as the ratio of the difference in the average male gender remuneration to the average female gender remuneration compared to the average male gender remuneration.
26 Developed according to the models and with the support of the consulting company WTW.
27 The analysis refers to the population covered for the Italian Banks of the Group.

12. Subsidiaries

pp. 55-56

In addition, the Report on Remuneration Policies includes details relating to certain Group entities, namely Arca Fondi SGR and BPER Bank Luxembourg. The Banking Group includes a company operating in the asset management sector (UCITS-AIFs) and a bank based in Luxembourg, both subject to specific regulations. In general, pursuant to the Supervisory Provisions, the Parent Company draws up the remuneration policy for the entire banking Group, ensures its overall consistency, provides the necessary guidelines for its implementation and verifies its correct application; individual Group banks, being unlisted, may not draw up a separate document.

In light of the above, the Parent Company submits to the Subsidiaries, for which the regulations provide, the Remuneration Policies approved by its Board of Directors.

Where applicable, the Board of Directors of the Subsidiaries, with the support of the Remuneration Committee (if established), then implements the aforesaid Policies and the Shareholders' Meeting of the Subsidiary approves, to the extent of its competence, this "Report on Remuneration Policy and Compensation Paid".

ARCA FONDI SGR

The Company prepares the Remuneration and Incentives Policy for its personnel in application of the principles and objectives embodied in the Group's Remuneration Policy, including the gender neutrality principle, having regard for the applicable regulatory requirements, with particular reference to certain technical elements of the short-term and long-term incentive schemes (e.g. entry gates, specific financial instruments, deferral and limits on variable remuneration, materiality threshold).

The Parent Company also includes the Asset Management Company's personnel in the process followed to identify MRTs. Specifically, for the financial year 2024, in addition to the members of the Board of Directors, the Chief Executive Officer also falls within the scope of the Group's MRTs.

BPER BANK LUXEMBOURG

BPER Bank Luxembourg S.A. adopts the policies drawn up by the Parent Company, submitting them to its Board of Directors for approval. In accordance with Bank of Italy Circular No. 285, the BPER Group's remuneration and incentive policies take appropriate account of the characteristics of the Luxembourg bank, which is regulated by the local supervisory authority. In this context, aspects concerning governance issues, possible application of specific methods for deferring and disbursing the variable component with greater detail, and possible limits to variable remuneration are assessed in accordance with the principle of proportionality and in the broader context of consolidated banking regulations.

For 2024, besides the members of the Board of Directors, the General Manager and Deputy General Manager of Bper Bank Luxembourg S.A. are identified among the Material Risk Takers of the Group, applying the criteria for identifying Material Risk Takers.

This document is a summary of the 2024 Report on the Remuneration Policy and Compensation paid by the BPER Group.
For more information, please refer to this document published on the website www.bper.it.
In the event of discrepancies between the two documents, the 2024 Report on the Remuneration Policy and Compensation paid by the BPER Group prevails.