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Oggetto : Short- and long-term compensation plans
based on shares of Banco BPM S.p.A.
Approval of the proposal to acquire and
dispose of own shares

Testo del comunicato

Vedi allegato.



PRESS RELEASE

Short- and long-term compensation plans based on shares of Banco BPM S.p.A.

The plans address 150 potential beneficiaries

At least 50% of the short-term incentive and 100% of the long-term incentive will be paid by means of Banco BPM shares subject to deferral and retention clauses

The short-term plan supports the Group's business strategy by creating incentives to achieve annual objectives

The long-term plan is in line with the time horizon and objectives of the 2021-2024 Strategic Plan: For this purpose, the objectives until 2023 are more challenging and the objectives until 2024 are joined

Spread and diversification of ESG metrics will be the key elements for the personnel incentive system, in keeping with the goals of the 2021-2024 Strategic Plan

Approval of the proposal to acquire and dispose of own shares

Short and long-term compensation plans based on shares of Banco BPM S.p.A.

Milan, 1 March 2022 - Banco BPM announces that today the Board of Directors has approved the basic terms of the Banco BPM share-based payment plans (hereinafter, the "Plans") pursuant to Arts. 114-bis of Italian Legislative Decree No. 58/98 (hereinafter, the "TUF") and 84-bis of Consob Regulation No. 11971/1999 as amended (hereinafter, the "Issuers' Regulation"), as well as the applicable supervisory provisions, to be submitted to the upcoming Shareholders' Meeting on 7 April 2022 for approval.

The Plans will fall within the scope of the remuneration policy that the Group will adopt for 2022 to support the 2021-2024 Strategic Plan and align management and shareholder interests, compensating the Group's strategic resources based on their creation of value over the medium-long term.

The implementation of the Plans is subject to the attainment of predetermined access conditions aimed at ensuring the Group's profitability, capital stability and liquidity; it is also subject to the achievement of specific financial and non-financial objectives, with those in the ESG (Environmental, Social and Governance) domain assuming significance.

For possible Plan beneficiaries - in line with regulatory provisions in force - the incentive recognised is subject to four- or five-year deferral and one-year retention (restriction on sales) clauses.

The Plans enhance a share of the variable component of remuneration to be paid by means of the assignment of Banco BPM ordinary shares (the "Shares") in connection with the short-term incentive plan (the "2022 STI Plan") and the long-term incentive plan (the "LTI Plan").

The 2022 STI Plan supports the Group's business strategy by creating incentives to achieve annual objectives.

The long-term incentive plan is in line with the time horizon and the objectives of the 2021-2024 Strategic Plan by introducing the 2022-2024 LTI plan, which joins the 2021-2023 LTI plan, started up in 2021, for which the levels reaching the ROTE and Gross NPE ratio levels are raised, with no additional expense with respect to what was approved by the Shareholders' Meeting last year, to the more challenging targets to be achieved until 2023 as part of Strategic Plan 2021-2024.

There are roughly 150 potential recipients of the STI Plan and around 60 of the LTI Plan, attributable respectively to the category of key personnel and the top management roles of the Group.

For the STI Plan, which will conclude in 2029, at least 50% of the incentive recognised is paid through the assignment of Shares, and the expected expense is estimated at € 4.5 million. For the 2022-2024 LTI Plan, which will conclude in 2031, the levels of reaching the ROTE and Gross NPE ratio objectives until 2024 will be measured; the entire incentive is recognised in Shares, and the expected expense is estimated at € 5.5 million.

Such amounts include all deferred incentive shares which will vest only when all future conditions established over time have been met.

At the initiative of the ESG Committee, the Group has drafted its strategic mission in the 2021-2024 Strategic Plan and embarked upon an important path of sustainability, taking shape through 32 projects already initiated, broken down across 7 areas of activity. The goal is to reinforce and fully integrate sustainability within company activities and the business and, as a result, in incentive mechanisms.

The process of integrating the ESG strategy within the Group's governance model is also significantly reflected in the remuneration policy, particularly with regard to incentive mechanisms. The combination of objectives relating to the different facets of the banking business with ESG metrics, assigned to personnel in an increasingly widespread and diversified manner, is indeed deemed a key factor to strengthen Group results over the medium-long term, as it makes it possible to unite personal satisfaction with social and environmental sustainability.

Approval of the proposal to acquire and dispose of own shares

The Board of Directors approved the submission to the upcoming Shareholders' Meeting of 7 April 2022 of the request for authorisation to acquire and dispose of own shares, in order to implement, in compliance with regulations in force, the remuneration policy adopted by the Bank which specifically establishes that at least 50% of the incentive recognised to the Group's identified staff must be paid in Shares.

In any event, the acquisition and disposal transactions will be carried out in compliance with applicable regulations, particularly on "market abuse", and ensure equal treatment to shareholders.

Without prejudice to what is set forth in Article 2357, paragraphs 1 and 3 of the Italian Civil Code, the requested authorisation regards the acquisition of own shares, for a maximum number of Banco BPM ordinary shares corresponding to an amount not to exceed € 10 million.

The authorisation to acquire own shares is requested until the Shareholders' Meeting which will be called to approve the financial statements relating to the year 2022, without prejudice to

the provisions of Art. 2357, paragraph 2 of the Italian Civil Code. The authorisation to dispose of own shares, even before all purchases are completed, is requested with no time limits.

The acquisition price of each of the own shares must be, in compliance with the rules of the Italian Civil Code and Art. 3, paragraph 2 of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016, as a minimum, no more than 15% lower and, as a maximum, no more than 15% higher, than the official share price recorded in the MTA market on the day prior to the acquisition.

As concerns the disposal of the shares acquired, in any event to be carried out in compliance with applicable regulatory provisions, only the minimum price limit for sales to third parties is defined, which in any event cannot be less than 95% of the average official share price recorded in the MTA market in the three days leading up to the sale. This price limit may be derogated for the assignment of own shares for the implementation of the remuneration policy adopted by the Bank and, in any case, the assignment of shares (or options connected to them) in execution of compensation plans based on financial instruments.

The acquisition transactions may be carried out pursuant to Art. 132 of the TUF and Art. 144-bis of the Issuers' Regulation; in particular, the acquisitions must be carried out through a public purchase or exchange offer, or in the market, according to procedures that do not make it possible to directly match acquisition offers with specific sale offers, or by means of additional methods permitted by regulations in force over time, taking into account the need to respect the principle of equal shareholder treatment.

Shares will be acquired subject to and in compliance with the authorisation provided by the European Central Bank. Banco BPM currently holds no. 8,152,151 own shares in its portfolio.

The explanatory reports of the Board of Directors and the information document relating to the Plans will be made available to the general public within the terms and with the methods pursuant to applicable regulations.

Contacts:

Investor Relations

Roberto Peronaglio
+39 0294772108
investor.relations@bancobpm.it

Communication

Matteo Cidda
+39 02 77 00 7438
matteo.cidda@bancobpm.it

Media Relations

Monica Provini
+39 02 77 00 3515
monica.provini@bancobpm.it

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