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Oggetto : Share-based compensation plans of Banco
BPM S.p.A. - Approved share buy-back
and disposal proposal

Testo del comunicato

Vedi allegato.



NEWS RELEASE

**Share-based compensation plans of Banco BPM S.p.A. for
160 prospective beneficiaries among the executive members of the Board of Directors and
employees of Gruppo Banco BPM:**

**at least 50% of the short-term incentive and 100% of the long-term incentive
to be awarded through Banco BPM shares subject to
deferral and retention clauses**

Reduction of short-term incentives for 2020: - 45%

***Long-term incentive plan postponed to 2021:
consequent further reduction in variable pay components for the year***

***BoD, board of statutory auditors and managers have waived part of their compensation to
contribute to the Group's fundraising in favor of local communities (coming to a total of more
than 6 million euro in 2020)***

***ESG KPIs included in the managers' incentive system, in keeping with the sustainability projects
that the Group is pursuing***

Approved share buy-back and disposal proposal

Verona, 9 March 2021 – Banco BPM announces that today the Board of Directors has arranged the main outlines of Banco BPM's share-based compensation plans (hereinafter the "Plans"), pursuant to articles 114-bis of Lgs. D. no. 58/98 (hereinafter "TUF") and 84-bis of Consob's Regulation no. 11971/1999 and following amendments and additions (hereinafter the "Issuers Regulation"), as well as to the applicable regulatory provisions, to be submitted to the approval of the Shareholders at the forthcoming Annual General Meeting to be held on 15 April 2021.

Banco BPM points out that, as communicated on 7 April 2020, the Board, the Board of Statutory Auditors and the top management have waived part of their compensation for 2020. Specifically, the Chairman waived his entire compensation for FY 2020, while the statutory auditors waived 25% of their compensation until the end of 2020, and similarly the Chief Executive Officer waived the same percentage, inclusive of his fixed annual compensation. Moreover, the top management waived part of their compensation, contributing to the fundraising in favor of the healthcare and economic emergency, for which the Group and its Foundations have disbursed more than 6 million euros in favor of local communities.

In a year that ended with a profit and positive results, the Group nevertheless reduced the financial resources tied to 2020 short-term incentives by around 45%, and at the same time postponed the start of the long-term incentive plan to 2021, further reducing the variable pay components for the year.

The Plans will be part of the remuneration policies that the Group is going to adopt in 2021, to align management and shareholder interests, by compensating the Group's key resources based on the medium-to-long term value creation.

Under the Plan, a share of the variable pay component under the 2021 short-term incentive scheme (the "STI Plan") and the 2021-2023 long-term incentive scheme (the "LTI Plan"), is paid through a stock grant in Banco BPM ordinary shares (the "Shares"). The prospective beneficiaries of the STI Plan and of the LTI Plan are about 160 and 60 people, respectively, from among the executive members of the Board of Directors and the employees of the Banco BPM Banking group, falling under the Group's key personnel and top management category.

The Plan implementation is contingent upon the achievement of predetermined access conditions aimed at ensuring the Group's profitability, capital stability and liquidity; it is also contingent upon the achievement of specific financial and non-financial targets, where ESG (Environmental, Social and Governance) plays an important role.

To this respect, it is worth pointing out that on 9 February 2021 the Bank had already announced its commitment to sustainability. Among the various activities that have been put in place, worth mentioning are the creation of an ESG Committee and of the sustainability structure, with the Internal Control and Risk Committee in charge of supervision, use of 100% renewable energy, implementation of activities required to obtain environmental, health and safety certifications, launch of the 110% superbonus product, 5 billion fund dedicated to businesses engaging in sustainable investments, sharp increase in assets under management that include ESG investment strategies. The Bank is committed to further enhancing the implementation of ESG-oriented activities.

For the prospective beneficiaries of the Plan - in compliance with applicable regulations – the bonus is subject to deferral clauses of three or five years and to a retention clause with a lock-up period of one year.

For the STI Plan, which will expire in 2028, at least 50% of the bonus is awarded through a stock grant in Shares and the estimated maximum requirement is Euro 5 million. For the LTI Plan, which will expire in 2030, the bonus is fully awarded through a stock grant in Shares and the estimated theoretical maximum amount is roughly Euro 16 million.

These amounts include the deferred bonus components that may accrue only provided that all the required terms and conditions are met.

Approval of the share buy-back and disposal proposal

The Board of Directors resolved to submit the request to authorize share buy-back and disposal transactions to the Shareholders at the forthcoming General Meeting to be held on 15 April 2021, in order to implement the remuneration policies adopted by the Bank - in compliance with applicable laws and regulations – that in particular require that for the Group's key personnel at least 50% of the bonus be granted in shares of the Bank.

In any case, all purchase and sale transactions will be carried out in accordance with applicable laws and regulations, guaranteeing the fair treatment of shareholders.

Without prejudice to article 2357, paragraph 1, of the Italian Civil Code, the requested authorization refers to the purchase of own shares, up to a number of Banco BPM ordinary shares corresponding to an amount no greater than Euro 16 million.

The stock repurchase authorization is requested up until the Shareholders' Meeting convened to approve the 2021 Annual Report, without prejudice to the provisions under art. 2357, paragraph

2, of the Italian civil code. The authorization to dispose of own shares is requested with no time limits.

In compliance with the provisions of the Italian Civil Code and with article 3, paragraph 2 of EC Delegated Regulation (EU) 2016/1052 of 8 March 2016, the purchase price of each own share must be no lower than 15% or no higher than 15% of the official price reported by the stock on the Italian MTA (Mercato Telematico Azionario) the day before the purchase.

As to the sale of repurchased shares, to be carried out in any case in compliance with applicable regulations, only the minimum price at which the shares can be sold to third parties is defined, which in any case may not be less than 95% of the official price average reported by the stock on the Italian MTA (Mercato Telematico Azionario) over the three days prior to the sale. This price limit can be overridden in case of stock grants under the remuneration policies adopted by the Bank and, in any case, stock awards (or stock options) under equity-based compensation plans.

Repurchases may be executed in compliance with article 132 of TUF and article 144-bis of the Issuers' Regulation; more specifically, purchases shall be executed by means of a public tender or share swap offer, or on the open market, in compliance with the operational procedures that bar the direct matching between bids and specific offers, or through additional procedures allowed by the regulations applicable at any time, with due consideration to the need to abide by the principle of fair treatment of shareholders.

Share repurchases shall be performed under and in compliance with the authorization by the European Central Bank. To date, Banco BPM holds no. 6,125,659 own shares in its portfolio.

The executive reports of the Board of Directors and the information document regarding the Plan shall be made available to the public according to the terms and procedures required under the applicable laws.

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