



Policy-on-remuneration report and payouts awarded of Banco BPM Banking Group's staff – 2022

Section II – Payouts awarded

Prepared in accordance with the Bank of Italy Supervisory Regulations (Circular no. 285/2013, update 37, First Part, Title IV, Chapter 2 "Remuneration and Incentive Policies and Practices"), of Art. 123-Ter of Legislative Decree 58/1998, as amended by Art. 84-quater of the Issuers' Regulation (Consob Resolution no. 11971/199, as amended).

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For approval by the Corporate Bodies of the Parent Company – Ordinary and Extraordinary General Shareholders' Meeting of 7 April 2022, each for matters under their respective purview.

(This document is a translation into English of the original document. In case of any discrepancies between the English and the Italian version, the Italian version shall prevail).

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For the purposes of this point, the entities benefiting from this exemption indicate whether it is based on Article 94, paragraph 3, letter a) and / or letter b) of the CRD. They also indicate to which of the remuneration principles the derogation or derogations apply, the number of staff members benefiting from the derogation or derogations, and their overall remuneration, divided into fixed remuneration and variable remuneration. 36

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EXECUTIVE SUMMARY

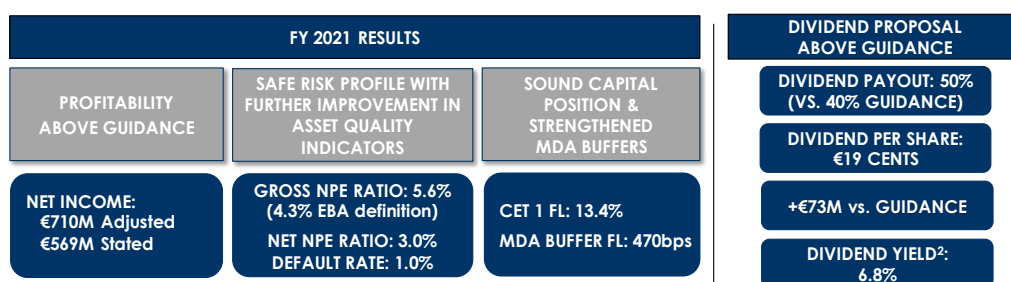
Payouts awarded

2021

Overview

PROPOSED DIVIDEND: €19 CENTS
DIVIDEND PAYOUT AT 50%: ABOVE STRATEGIC PLAN TARGETS
ADJUSTED NET PROFIT: €710M, WITH A RATE OF 6.9%¹
EPS AT €38 CENTS

In the course of 2021, despite the difficult macroeconomic situation, the work carried out by the Group made it possible to record significant yields which brought the overall results to levels above the pre-pandemic ones.



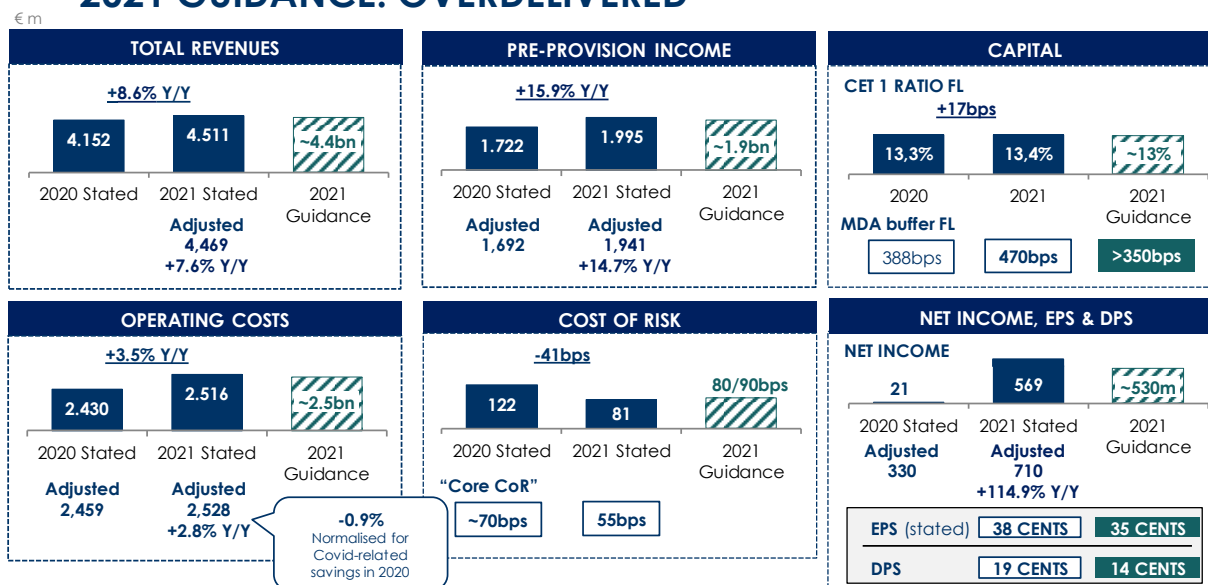
ROOM TO FURTHER INCREASE SHAREHOLDER REMUNERATION OVER THE STRATEGIC PLAN HORIZON

Notes: 1. ROTIE calculated as FY2021 Adjusted Net Profit from P&L / Tangible Shareholders' Equity as at 31/12/21 (excluding FY2021 Net Profit and AT1 instruments), Tangible Shareholder Equity calculated as Shareholders' Net Equity - Intangible assets net of fiscal effect. 2. Calculated over the average closing price of 2022 YTD at €2.795.

Adjusted net profit rose to 710 million euro (330 million euro in 2020), whilst the stated net profit stood at 569 million euro (compared to 21 million euro in 2020), with EPS of 38 cents compared to guidance of 35 cents. The excellent results make it possible to formulate the proposal for the distribution of a dividend of 19 cents per share with a payout of 50%, higher than the objectives set by the 2021-2024 Strategic Plan, and a dividend yield of 6.8%

BBPM's Total Return in 2021 was + 49.7%.

2021 GUIDANCE: OVERDELIVERED



Payouts awarded

2021

Overview

FY 2021 WELL ABOVE GUIDANCE: ADJUSTED NET INCOME AT €710M (€569M STATED)

**STRONG OPERATING PERFORMANCE
WITH REVENUE GROWTH DRIVEN BY
NET COMMISSIONS (+15% Y/Y)**

**PRE-PROVISION INCOME
AT €1,941M (+14.7% Y/Y)**

SIGNIFICANT REDUCTION IN LLPs

NET INCOME AT €710M

Adjusted data

€ m	P&L ADJUSTED ¹			P&L STATED	
	FY 2020	FY 2021	Y/Y	FY 2020	FY 2021
NET INTEREST INCOME	1,983	2,042		1,983	2,042
NET FEES & COMMISSIONS	1,664	1,911		1,664	1,911
INCOME FROM ASSOCIATES	131	190		131	232
CORE REVENUES	3,777	4,143	9.7%	3,777	4,185
NFR	319	251		319	251
OTHER REVENUES	56	75		56	75
TOT. REVENUES	4,152	4,469	7.6%	4,152	4,511
OPERATING COSTS	-2,459	-2,528		-2,430	-2,516
PRE-PROVISION INCOME	1,692	1,941	14.7%	1,722	1,995
LOAN LOSS PROVISIONS	-1,085	-693		-1,337	-887
OTHER ²	-17	-26		-79	-187
PROFIT FROM CONTINUING OPER. (pre-tax)	590	1,221	107.1%	306	921
TAXES	-90	-350		-14	-254
NET PROFIT FROM CONTINUING OPER.	499	871	74.4%	293	667
SYSTEMIC CHARGES AND OTHER ³	-169	-161		-400	-180
REALIG. OF FISCAL VALUES TO ACCOUNT. VALUE				128	82
NET INCOME	330	710	114.9%	21	569

Notes: 1. Net of adjustment elements. 2. Includes: Profit (loss) on FV measurement of tang. assets, Net adj. on other financial assets, Net provisions for risks & charges, Profit (loss) on the disposal of equity, other elements (pre tax). 3. Other includes: PPA and other elements (after tax).

The decisions relating to the variable remuneration of staff were merit-based, and motivated people to support the Group's performance by retaining and attracting the best professionals in a highly competitive market.

Consolidated entry gates

OPEN

- CET1 ratio "phased-in"
- LCR regulatory
- UOC
- Leverage ratio phased-in
- NSFR regulatory

Financial factor

Result (*) correlated to the value of the RORAC at year-end

Result (*)

Risk Appetite

The Board of Directors may increase the resources in the budget within the limit of the RORAC ratio recorded / RORAC Risk Appetite, with a cap at 110% (this is precluded in the event of a loss).

Mid point

Budget resources are reduced: they are multiplied by the % given by the RORAC recorded / RORAC Risk Appetite ratio.

Risk Trigger

The Parent Company Board of Directors may decide the maximum availability of 50% of budget resources. Any payments cannot regard the identified staff.

No payment.

(*) the Parent Company's Board of Directors has confirmed the budgeted resources

Non-financial factor

		Reputational Risk	
		R < Alert	R = Alert
AML	R < Alert	no reduction	-10%
	R = Alert	-10%	-20%

Payouts awarded 2021

Chief Executive Officer's variable remuneration awarded

Paragraph 1.2.1

Performance achieved in the 2021 Short-Term Incentive plan (STI)









The 2021 Short Term Incentive Plan, which also regulates the CEO's short-term variable remuneration, provides for access gates, financial and non-financial adjustment factors that modulate the economic resources of the incentive system, as well as performance objectives.

For year 2021, the performance objectives for the Chief Executive Officer concerned indicators relating to profitability, productivity, credit and asset quality, liquidity, capital adequacy, the achievement of ESG (Environmental, Social and Governance) objectives and qualitative aspects relating to management activities, the latter with particular reference also to areas relating to operational and reputational risk.

The amount of the incentive associated with 2021 objectives for the Chief Executive Officer could amount to a maximum of 100% of his gross annual remuneration (GAR), corresponding to maximum performance of the objectives card.

The performance of the Chief Executive Officer reflects the positive results achieved by the Group; the incentive to be awarded is between 90% and 100% of its GAR following the application of the equalisation mechanism provided for in the 2021 Policy.

 below target
  in line with the target
  higher than the target
  maximum

Objective	Weight	Minimum	Target	Maximum	Result	Performance level vs target value
Consolidated ROTE (*)	15%	-20%	Risk Appetite	+20%	5.27%	
Consolidated RORAC (*)	15%	-20%		+20%	7.41%	
Consolidated Cost to Income ratio (*)	10%	+4.5%		-4%	55.8%	
Credit Policies Indicator (%) (*)	10%	Risk Trigger +1%	midpoint	Risk Trigger +9%	93.96%	
Maximum Distributable Amount (MDA) buffer phased in (*)	20%	-5%	Risk Appetite	+5%	614 bps	
Regulatory consolidated Liquidity Coverage Ratio (LCR) (*)	10%	Risk Trigger +5%	Risk Appetite	Risk Appetite +5%	209.32%	
ESG lending Issues of green or social bonds	10%	-10%	budget	+10%	1.82 bn. euro 500 mil. euro	
Assessment						
Qualitative assessment of the Chief Executive Officer's management activities, drawn up by the Board of Directors, after consultation with the Remuneration Committee. The assessment is related, in addition to the economic results achieved, to the operational and reputational risk management.	10%	in line with expectations	above expectations	excellent	excellent	

Drivers who led the assessment

- Achievement of particularly positive results
- Appreciation of the 2021-2024 Strategic Plan by the financial community

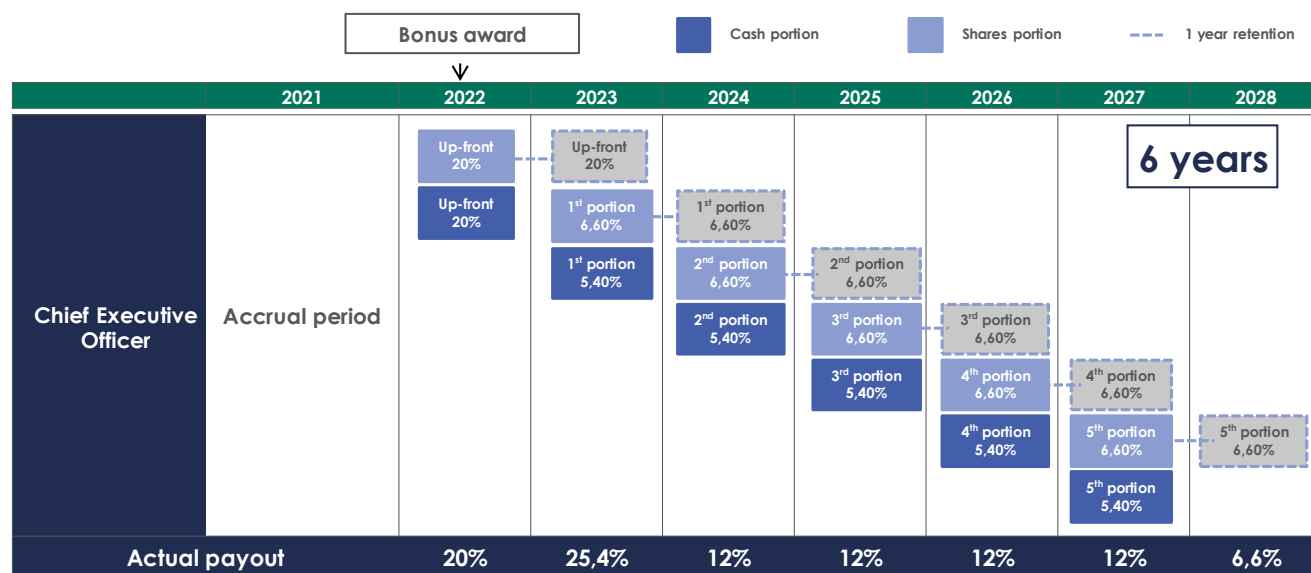
(*) Calculated according to RAF methodology.

Pay out

The incentive is paid over a six-year during the period from 2023 to 2028 and is divided into an up-front portion equal to 40%, and, for the remaining 60%, into five annual portions of the same amount deferred over the five-year period following the year of vesting of the *up-front* portion, subject to the fulfilment of future conditions. 50% of the up-front portion is awarded in Banco BPM ordinary shares and 55% of the deferred portions is represented by Banco BPM ordinary shares.

For vested shares, a retention period (selling restriction) of one year is envisaged for both the up-front shares and the deferred shares; for the latter, the retention period starts from the moment in which the deferred remuneration is vested. The vesting of the shares takes place together with the respective monetary shares, while the actual possession by the beneficiary takes place at the end of the *retention* period; the last instalment of shares will be paid in 2029.

The vesting of each of the deferred portions of the incentive is subject to full compliance with the consolidated access gates and the relative comparison threshold values envisaged for the incentive system of the year preceding the year of accrual, as well as all the others malus mechanisms provided for from time to time by the remuneration policies.



Mechanisms for the repayment of amounts already vested (claw-back clause) may be applied to the incentive, in accordance with the provisions of the remuneration policies in force at the time.

REPORT ON PAYOUTS AWARDED

Part 1 – Implementation of Remuneration Policies

In the Banco BPM Banking Group (hereafter the Group), the Parent Company's Human Resources, Risks, Planning and Control, Administration and Budget, *Compliance* and Secretariat Corporate Affairs Departments worked together, each within their own scopes of responsibility, to define the operational application of the remuneration policy defined for 2021 (hereafter the 2021 *Policy*), in compliance with the legislative provisions in force and in line with the Board of Directors' guidelines and the strategic objectives of the Group.

The 2021 *Policy* was defined by the Board of Directors and approved by the Ordinary Shareholders' Meeting on 15 April 2021 and also transposed and approved by the relevant Corporate Bodies of the subsidiary companies and made available on the website gruppo.bancobpm.it (Section *Corporate Governance – Remuneration Policies*).

For definitions of terms used in Section II, please refer to the 2021 *Policy*.

1. Information on remuneration

1.1 Remuneration paid to members of Corporate Bodies of the Parent Company and of the Group's subsidiary companies

The remuneration policy implemented in 2021 for members of the Corporate Bodies of the Parent Company and of subsidiary companies did not involve the payment of any variable component associated with incentive systems to members of Boards of Directors without individual contracts.

The total amount of remuneration of the Chairman of the Board of Directors with the function of strategic supervision of each of the Group bank did not exceed the fixed remuneration paid to the respective heads of the Body with management function (Chief Executive Officer or General Manager). This policy therefore complied with the current Bank of Italy Supervisory Regulations.

The following paragraphs provide the details of the remuneration amounts paid.

1.1.1 Remuneration paid to members of the Board of Directors of the Parent Company

In 2021, the members of the Board of Directors - other than the Chief Executive Officer - without specific individual contracts, received fixed remuneration differentiated according to their respective offices held on the Board itself (Chairman, Deputy Chair and Directors) and on any Board Committees (Chair and Committee Member).

In particular, the Ordinary and Extraordinary Shareholders' Meetings on 4 April 2020 resolved to award each member of the Board of Directors, for the entire term of office, and namely for financial

years 2020-2021-2022, a gross annual remuneration of 110,000 Euro, confirming the amount resolved at the time of the Merger - in addition to the reimbursement of expenses incurred due to their office, a third-party liability insurance policy and a cumulative occupational accidents policy - to be paid pro-rata in relation to the actual term in office.

For directors holding specific offices, in accordance with the provisions of Article 22.1 of the Articles of Association, on the proposal of the Remuneration Committee and having considered the opinion of the Board of Statutory Auditors, at a meeting held on 6 May 2021, the Board of Directors approved the following additional fixed components for the period that will end on the date of the Shareholders' Meeting called to approve the financial statements as at 31 December 2021:

- a gross annual emolument of 450,000 euro payable for the office of Chairman of the Board of Directors;
- a gross annual emolument of 180,000 euro payable for the office of Deputy Chairman of the Board of Directors;
- a gross annual emolument of 90,000 Euro payable for the office of Chair of the Internal Control, Risks and Sustainability Committee;
- a gross annual emolument of 45,000 Euro payable for the office of member of the Internal Control, Risks and Sustainability Committee;
- a gross annual emolument of 10,000 euro payable for the office of Chairman of the Related Parties Committee;
- a gross annual emolument of 5,000 euro payable for the office of member of the Related Parties Committee;
- a gross annual emolument of 20,000 euro payable for the office of Chairman of the Appointments Committee;
- a gross annual emolument of 10,000 euro payable for the office of member of the Appointments Committee;
- a gross annual emolument of 20,000 euro payable for the office of Chairman of the Remuneration Committee;
- a gross annual emolument of 10,000 euro payable for the office of member of the Remuneration Committee,

to be paid in relation to the respective term of office or of the specific position of the representatives in question.

Neither variable components of the remuneration nor end-of-term in office payments were envisaged for members of the Board of Directors without individual contracts.

The Chair of the Board of Directors' emolument was determined ex ante to an extent not exceeding the fixed remuneration of the Chief Executive Officer.

Gross annual remuneration (GAR) of the CEO approved at the Board of Directors meeting held on 14th March 2017, as proposed by the Remuneration Committee and with the favourable vote of all members of the Board of Statutory Auditors - determined that fixed remuneration of the CEO remained unchanged, in accordance with article 2389 of the Italian Civil Code and article 22.1 of the Articles of Association. With reference to objectives, in 2021 the Board of Directors resolved to award the Parent Company Chief Executive Officer the maximum incentive associated with the Short-Term Incentive plan, equal to his Gross Annual Remuneration (GAR), upon the achievement of maximum performance levels established¹. The Board of Directors also resolved to link 100% of the same remuneration to the long-term incentive system (2021-2023 LTI) as a maximum pro-rata incentive on an annual basis.

The CEO, an employee of the Group, was granted the benefits provided for the managers of the Group (pension fund, health care, survivors' fund, car and accident policy).

1.1.2 Remuneration paid to members of the Board of Statutory Auditors

All members of the Board of Statutory Auditors are entitled – in addition to the reimbursement of expenses incurred due to their office – to an annual remuneration, which is determined by the Shareholders' Meeting at the time of their appointment, at a fixed rate for the full term of their office. On 4 April 2020, the Shareholders' Meeting, with regard to the renewal of the members of the Board of Statutory Auditors (including the Chair), resolved to award each standing member of the Board of Statutory Auditors, for the entire term of office, and namely for financial years 2020-2021-2022, a gross annual remuneration, confirming the amount resolved at the time of the Merger, of 160,000 Euro for the Chair of the Board of Statutory Auditors and 110,000 Euro for each Standing auditor - in addition to the reimbursement of expenses incurred due to their office and third-party liability insurance cover - to be paid *pro-rata temporis* in relation to the actual term in office.

With regard to the Bank of Italy Supervisory Regulations, members of the Board of Statutory Auditors shall not receive any variable components of remuneration.

The Board of Statutory Auditors is not currently granted powers pursuant to art. 6.1 b, Italian Legislative Decree no. 231/2001; Banco BPM Banking Group's Board of Directors, in their meeting on 10 January 2017, decided not to make use of the powers envisaged in paragraph 4-bis of the same article mentioned above, and actually appointed a specific Supervisory Body (SB), assigning the same the task of monitoring, among other things, the compliance and functioning of the organisational, management and control model, as well as ensuring the updating of the

¹ See paragraph 1.2.1 "Short-term variable remuneration to be awarded to the Parent Company's Chief Executive Officer in 2022".

consequent powers and duties. The Parent Company's SB provides for the appointment of a statutory auditor among its members; an additional gross annual remuneration of 33.600 euro is therefore given to this person for the office fulfilled in the SB.

1.1.3 Remuneration paid to members of the Corporate Bodies of subsidiary companies

In 2021, in accordance with the principles stated by the Group's remuneration policies, fixed remuneration, which varied in relation to respective offices fulfilled within the body to which they belonged, was paid to members of Corporate Bodies of subsidiary companies, as well as any reimbursement for expenses incurred due to their office and any attendance fees, where resolved by the respective Shareholders' Meetings.

For members of the Board of Directors without individual contracts, no variable remuneration component was envisaged or paid.

Employees of the Parent Company and the subsidiary companies received no remuneration for offices held to represent the Group in the Boards of Directors of subsidiaries other than their own. Unless envisaged in individual contracts, this remuneration was paid in full to the company to which they belong by the company in which the office is held.

To comply with the relevant provisions of the Bank of Italy, the remuneration policies defined for the members of Control Bodies did not envisage any variable component of remuneration associated with the incentive systems.

1.2 Variable remuneration to be paid in 2022

With regard to the implementation of the framework relating to the 2021 Policy, no exceptions were made to the remuneration policy.

At the meeting of 8 February 2022, the Board of Directors resolved on the determination of the non-recurring components identified for the purposes of compliance with Consob Communication no. DEM/6064293 of 28 July 2006 and contained in the Directors' Report on Group Management for 2021, assessing, based on the opinions provided by the internal Compliance and Audit Departments and the Remuneration Committee, the impact of these components on the income date related to Profit from current operating activities and on the financial adjustment factor Return On Risk Adjusted capital (RORAC) of the 2021 Policy.

The non-recurring items of profit before tax were identified on the basis of the criteria resolved on 6 May 2021 by the Board of Directors and used for the Directors' Report pursuant to Consob Communication no. DEM/6064293.

The guiding principle for the classification of non-recurring items is the relevance of the income statement item to the Group's operating activities, and specifically the following were considered "non-recurring":

- the results of the sale transactions of all the fixed assets (interests in associates and joint ventures, property, plant and equipment excluding the financial assets in the Hold to Collect (“HtC”) portfolio);
- gains and losses on non-current assets and asset disposal groups held for sale;
- adjustments/recoveries on receivables (both due to valuation and actual losses) deriving from a change in the NPE Strategy approved during the year by the Board of Directors consisting of an amendment in the objectives and/or type of receivables subject to assignment with respect to those set forth previously;
- the income statement items of significant amounts connected with streamlining, restructuring, etc. (e.g. expenses for use of the redundancy fund, early retirement incentives, merger/integration expenses);
- income statement items of a significant amount which are not destined to reoccur frequently (e.g. penalties, impairments of tangible assets, goodwill and other intangible assets, extraordinary debits/credits by Resolution Funds and the Interbank Deposit Protection Fund, effects associated with legislative changes, exceptional results, etc.);
- the economic impacts deriving from the fair value measurement of properties and other tangible assets (artworks);
- tax effect tied to the above P&L impacts.

The cases and events configured as non-recurring compared to the ordinary business carried out by the Group in 2021 resulted in a net negative impact on the economic result for the year 2021 at consolidated level for 141.0 million Euro, mainly attributable to losses deriving from the sale of loan portfolios and value adjustments under the item “Result of the fair value valuation of tangible assets”, partially offset by the positive impact deriving from the exercise of the right to realign tax values to the book values of the Group’s operating properties. These components are illustrated in detail in the “Results” section of the Group Management Report. Considering all the aforementioned components to be recurring would not have precluded access to the variable components of remuneration.

On 8 February 2022 the Board of Directors of the Parent Company, after acknowledging the opinion of the Remuneration Committee also with regard to the impacts on the Short-Term Incentive plan of non-recurring items, verified the opening of the consolidated² and company³ entry gates provided for in 2021 Policy for access to the *bonus pool* of the year, i.e. the economic resources of

² Common Equity Tier 1 ratio (CET1 ratio), Leverage ratio, Liquidity Coverage Ratio (LCR) regulatory, Net Stable Funding Ratio (NSFR) regulatory, UOC profitability indicator (profit from current operations before tax, net of components non-recurring identified for the purposes of compliance with Consob Communication no. DEM/6064293 of 28 July 2006 and reported in the Directors’ Report on Group Management for the year 2021, as well as without any gains or losses resulting from the fair value measurement of the certificates issued.)

³ In addition, for the annual incentive system, the profit from current operating activities before tax (net of non-recurring items) indicator for Banca Akros and Banca Aletti.

the 2021 Short-Term Incentive plan and those of the company bonus-National Labour Collective Agreement; the positive verification of the consolidated gates also determines the vesting, again in 2022, of the deferred incentive portions relating to previous years including the first deferred portion of the 2017/2019 long-term incentive system.

During the same meeting of 8 February 2022, the Board of Directors also verified the maximum measure of consolidated economic resources to be awarded as part of the Short-Term Incentive plan, in application of the (i) financial adjustment factors⁴, whose measure is proportional to the value of the risk adjusted profitability indicator Return on Risk Adjusted Capital (RORAC) achieved at the end of the year in comparison with the related Risk Trigger and Risk Appetite thresholds defined in the Risk Appetite Framework for the same year, and (ii) non-financial adjustment factors, related to the consolidated values of the Reputational Risk and *Anti Money Laundering* (AML) indicators achieved at the end of the year in comparison with the related *Alert* thresholds defined in the *Risk Appetite Framework*. With reference to the financial adjustment coefficient, the RORAC value achieved was above the relative *Risk Appetite threshold* and the Board of Directors of the Parent Company confirmed the consolidated economic resources envisaged in the budget without providing for any increase; with reference to the non-financial adjustment coefficient, both the Reputational Risk achieved and the AML achieved were lower than the relative *Alert threshold*⁵, thus not producing reductions in the consolidated economic resources of the Short-Term Incentive plan compared to those foreseen in the budget for the year. These economic resources (equal to approximately 58 million Euro in gross amount) constitute the maximum limit within which individual incentives can be awarded, quantified in relation to the *performance* achieved versus the objectives assigned. Based on the best estimate currently available, the proportional reduction of the individual incentives relating to the 2021 STI plan, due to the application of the equalisation mechanism envisaged by the 2021 Policy, is approximately 10% (the Tables in this section show amounts equalised at 10%).

The progressively increasing effectiveness of the measures to prevent and combat the Covid-19 pandemic adopted by the competent authorities allowed the gradual resumption of economic activities in the country in 2021, despite the persistence of the emergency.

The implementation of these measures, as specifically defined from time to time in the sector regulatory framework, has also created the conditions for the Banco BPM Group to improve the continuity and effectiveness of the services in support of the economic productive activities at the local level, generating value for customers and for the Group itself, also thanks to the decisive contribution of employees.

⁴ It does not affect the portion of the economic resources to be awarded to identified staff of functions with control tasks.

⁵ The greater the value recorded, the greater the risk for the Group.

We have highlighted the prerequisites for the negotiation with the Social Parties of a Company Bonus to be paid in 2022, pursuant to the Policy, subject to full compliance with capital adequacy, liquidity and profitability parameters, as well as the occurrence of an increase in profit from current operations compared to the previous year, as per the 2021 consolidated Financial Statements.

Once the above requirements have been fulfilled, the agreement that defined the Company Bonus of the Group for 2021 within the framework of reference legislation of Art. 48 of the National Labour Collective Agreement will provide for the payment of a per capita amount of 650 Euro, for staff in Professional Areas and in the Middle Management category (therefore excluding executive staff), usable according to the criteria and methods of individual choice, and namely either for social services or as cash.

Lastly, the Board of Directors verified compliance with the conditions⁶ laid down in the 2021 Policy for the award of the additional short-term variable components (*retention bonus*, monthly payment of non-competition clauses - for the portion that exceeds the last annual fixed remuneration - or notice period extension clauses to be paid during 2022 in accordance with the contract of employment, as well as any award in 2022 of amounts for the early termination of the employment relationship).

1.2.1 Short-term variable remuneration to be awarded to the Parent Company's Chief Executive Officer in 2022









For the year 2021, the *performance* objectives for the Chief Executive Officer concerned indicators relating to profitability, productivity, credit and asset quality, liquidity, capital adequacy to achieve objectives in the ESG (Environmental, Social and Governance) and the qualitative aspects relating to management activities, the latter with particular reference also to the areas relating to operational and reputational risk.

The amount of the incentive associated with 2021 objectives for the Chief Executive Officer can amount to a maximum of 100% of his gross annual remuneration (GAR), corresponding to maximum *performance* of the objectives-card.

The performance of the Chief Executive Officer reflects the positive results achieved by the Group. The incentive to be paid to the Chief Executive Officer is between 90% and 100% of his RAL following the application of the equalization mechanism provided for in the 2021 Policy. Details regarding the extent to which the individual objectives assigned for 2021 have been achieved:

⁶ Consolidated indicators: CET1 ratio "phased in" and LCR regulatory.

 below target
  in line with the target
  higher than the target
  maximum

Objective	Weight	Minimum	Target	Maximum	Result	Performance level vs target value
Consolidated ROTE (*)	15%	-20%	Risk Appetite	+20%	5.27%	
Consolidated RORAC (*)	15%	-20%		+20%	7.41%	
Consolidated Cost to Income ratio (*)	10%	+4.5%		-4%	55.8%	
Credit Policies Indicator (%) (*)	10%	Risk Trigger +1%	midpoint	Risk Trigger +9%	93.96%	
Maximum Distributable Amount (MDA) buffer phased in (*)	20%	-5%	Risk Appetite	+5%	614 bps	
Regulatory consolidated Liquidity Coverage Ratio (LCR) (*)	10%	Risk Trigger +5%	Risk Appetite	Risk Appetite +5%	209.32%	
ESG lending. Issues of green or social bonds.	10%	-10%	budget	+10%	1,82 bn. euro 500 mil. euro	
						Assessment
Qualitative assessment of the Chief Executive Officer's management activities, drawn up by the Board of Directors, after consultation with the Remuneration Committee. The assessment is related, in addition to the economic results achieved, to the operational and reputational risk management.	10%	in line with expectations	above expectations	excellent	excellent	

(*) Calculated according to the RAF methodology.

The incentive is paid over a six-year period and is divided into an up-front portion equal to 40%, and, for the remaining 60%, into five annual portions of the same amount deferred over the five-year period following the year of vesting of the up-front portion, subject to the fulfilment of future conditions. 50% of the up-front portion is awarded in Banco BPM ordinary shares and 55% of the deferred portions is represented by Banco BPM ordinary shares.

For vested shares, a retention period (selling restriction) of one year is envisaged for both the up-front shares and the deferred shares; for the latter, the retention period starts from the moment in which the deferred remuneration is vested. The vesting of the share portions takes place at the same time as the respective cash portions, while actual transfer of ownership to the beneficiary takes place at the end of the retention period.

The vesting of each deferred portion of the incentive is subject to total compliance with the consolidated entry gates and with the relative threshold comparative values envisaged by the incentive system of the year preceding the year of vesting, as well as all other *malus* mechanisms envisaged at the time by the remuneration policy.

1.2.2 Short-term variable remuneration to be awarded to the Parent Company's Joint General Managers in 2022

For the year 2021, the objectives assigned to executives with strategic responsibilities not belonging to functions with control tasks, which include the Joint General Managers of the Parent Company,









concerned the areas relating to profitability, productivity, credit quality and assets, liquidity, capital adequacy and qualitative aspects, with particular reference to the implementation of ESG initiatives and operational and reputational risk.

The performances achieved by the Joint General Managers reflect the positive results achieved by the Group and the respective incentive is reduced due to the application of the equalisation mechanism⁷.

Details regarding the extent to which the individual objectives assigned for 2021 have been:

Joint General Manager, Resources Area

 inferiore al target  in linea con il target  superiore al target  massimo

Area	Objective	Weight	Result	Performance level vs target value
Profitability	Consolidated RORAC (*)	15%	7.41%	
Productivity	Consolidated Cost to Income ratio (*)	10%	55.77%	
Risk based (*)	Cumulated Yearly Operational Loss / Minter - Group	10%	1.19%	
	ECAP Reputational Risk - Group (**)	20%	137.49 millions	
Strategic actions	Voluntary termination plan. Economic resources used vs fund.	10%	73.77%	
	Branch network rationalisation project. Time to resolve any anomalies.	15%	10 days	
ESG	ESG lending. Issues of green or social bonds.	10%	1.82 bn. euro 500 mil. euro	
				Assessment
Qualitative aspects regarding management activity	Qualitative assessment of the activity carried out, formulated by the Chief Executive Officer of the Parent Company. The assessment is correlated with particular reference to the resolution of the findings and remarks raised by the Regulator and internal control functions	10%	excellent	









(*) Calculated according to the RAF methodology.

(**) For the purposes of the objective, the results of the first 3 quarters of 2021 are also relevant (146.87; 137.50; 141.60).

⁷ If the financial resources of the short-term incentive plan, following application of the financial and non-financial adjustment factors, are insufficient to cover the total amount of incentives calculated on the basis of performance achieved, an equalisation mechanism will be applied, namely the proportional reduction of individual incentives by the same percentage.

Joint General Manager, Commercial Area

 inferiore al target
  in linea con il target
  superiore al target
  massimo

Area	Objective	Weight	Result	Performance level vs target value
Profitability	Consolidated ROTE (*)	15%	5.27%	
	Consolidated RORAC (*)	15%	7.41%	
Productivity	Consolidated Cost to Income ratio (*)	10%	55.77%	
Risk based (*)	Risk-Reward Indicator - Group. Profitability produced net of credit risk.	20%	104.11%	
	Cumulated Yearly Operational Loss / Minter - Group	10%	1.19%	
Growth	Satisfaction Indicator (Retail). Customer relationship satisfaction level (0-100).	10%	68 points	
ESG	ESG lending. Issues of green or social bonds.	10%	1.82 bn. euro 500 mil. euro	
				Assessment
Qualitative aspects regarding management activity	Qualitative assessment of the activity carried out, formulated by the Chief Executive Officer of the Parent Company. The assessment is correlated with particular reference to the resolution of the findings and remarks raised by the Regulator and internal control functions	10%	excellent	

(*) Calculated according to the RAF methodology.

For the proportion between fixed and variable remuneration in terms of total remuneration, please refer to the Tables contained in the second part of this Section.

1.3 Other types of remuneration

1.3.1 Welfare payment

The particular contribution of the employees constituted the prerequisite for negotiating, for the benefit of the same categories of staff that received the bonus, the award of a one-off amount of 600 Euro per capita of non-monetary nature, to be used exclusively for welfare purposes in support of needs related to the personal and family spheres of the Group's employees, as chosen by each of them.

1.3.2 Merit measures

With regard to measures on remuneration aimed at finding a coherent relation among responsibility, professionalism, commitment, and level of remuneration of employees, in 2021, measures were taken on fixed remuneration corresponding to around 3.74 million Euro (cost relating to the year 2021 on an annual basis).

1.3.3 Other remuneration measures

The 2021 Policy envisaged the opportunity to activate non-competition clauses and extension of notice period clauses; these clauses provide for monthly payments, with continuity of employment. Overall, agreements (non-competition or notice extension) were activated for a cost of approximately 0.85 million Euro (referring to the year 2021 on an annual basis).

1.3.4 Welfare and other non-monetary benefits

In addition to the system of company contributions intended to provide supplementary health and social security services, as part of the initiatives that qualify company welfare, a series of benefits of a non-monetary nature were implemented for the year 2021, to meet the social needs of employees and their families. In particular, such measures are:

- advantageous conditions for employees for loans and banking services;
- continued reliance on *remote working*,
- right to access the use of periods of partially paid voluntary work leave,
- forms of supplementary economic assistance for the reimbursement of charges incurred for health care,
- forms of protection for the events of premature death and permanent invalidity of the employee,
- use of meal tickets,
- scholarships for student workers and students children;
- payments for disabled family members;
- summer camps and the award of Christmas provisions for the benefit of children.

1.4 Variable remuneration awarded in 2021 with relation to the 2020 Short-Term Incentive Plan

With reference to the incentive system for the 2020 financial year, it should be noted that, due to the performance achieved, the amount actually awarded was approximately 31.3 million Euro (gross for employees) vis-à-vis the available economic resources.

1.5 Malus and Claw-back

During 2021, with reference to the procedures for the application of the "claw-back" provisions started in 2019 and 2020 through the formal notice of the employees concerned, Banco BPM fully recovered the sums due from 1 executive in service and from 8 terminated executives, for a total amount of 0.53 million Euro relating to the variable remuneration for the years 2010, 2011, 2015 and 2017.

As of 31/12/2021, 3 judicial proceedings are pending initiated by Banco BPM for the recovery of the sums due by way of "claw-back" by as many terminated executives who were in default in 2019.

Finally, Banco BPM has entrusted an external lawyer with the task of filing an appeal against a manager with strategic responsibility - who left on 7 May 2019 - falling within the subjects indicated in Annex 3A, section II, paragraph 1, lett. a) of the Issuers' Regulation, concerning the request for the refund of compensation deriving from the incentive systems relating to the 2011 - 2017 financial years, due to misconduct confirmed by a ruling issued by the Court of Milan published on 22/11/2021, as stated in the relevant petition.

2. Tables drawn up pursuant to Art. 450 of the CRR - EBA REMA Table: Remuneration Policy

Qualitative disclosure

a) Information relating to the bodies responsible for supervising remuneration.

Name, composition and mandate of the main body (Management Body or Remuneration Committee, if applicable) which oversees the remuneration policy and number of meetings held by such Body during the year

The current Remuneration Committee, established in April 2020, is comprised by three Directors: Manuela Soffientini (Chairman), Alberto Manenti and Giulio Pedrollo, who will remain in office until the approval of the 2022 financial statements.

In the year 2021, the Committee met twenty-six times; the participation of the members of the Committee was 100 per cent; the average duration of the sessions was approximately one hour and 22 minutes.

In order to make the supervision, control and challenge of the remuneration framework even more effective, the Committee implemented the following levers: (a) greater frequency of meetings; (b) topics of particular relevance dealt with in several working sessions; (c) systematic engagement with the Risk Control, Compliance and Audit Departments; (d) involvement of the Internal Control, Risks and Sustainability Committee on specific issues; (e) use of a specific budget for consultancy of internationally recognised leading companies, for independent opinions on issues deemed of particular importance. In the 2021 meetings, it has, among other things: (i) supervised the identification process of identified staff for 2021 and for 2022; (ii) evaluated the conditions of access to the variable components of remuneration of Group staff, in implementation of the 2020 *Policy* (2020 Short-Term Incentive and additional variable remuneration components); (iii) evaluated the robustness of the items subject to the normalisation of the income gate for access to the variable components of remuneration, and the risk-adjusted profitability coefficient to be applied to the economic resources of the Short-Term Incentive plan; (iv) performed an analysis of remuneration

competitiveness vis-à-vis the external market, in terms of managerial roles, with the help of a leading internationally recognised consultancy firm; (v) performed an analysis of market practice regarding Long-Term Incentive (LTI) plans and evaluated the structure, access conditions and performance indicators of the 2021-2023 LTI Plan; (vi) conducted preliminary investigations regarding the identification of non-recurring economic components for the purpose of complying with Consob Communication no. DEM / 6064293 of 28 July 2006 relating to the income gate for access to the variable components of remuneration; (vii) evaluated the implementation of the share-based compensation plan approved by the Ordinary Shareholders' Meeting of Banco BPM - year 2020 and accepted to the proposal for the share-based compensation plan of Banco BPM S.p.A. relating to the 2021 Short-Term Incentive Plan; (viii) evaluated the 2021 *Policy* proposal and the criteria for determining the remuneration to be awarded in the event of early termination of the employment relationship or early termination of office; (ix) conducted preliminary investigations regarding the verification of the *performance* achieved by the Chief Executive Officer in relation to the objectives assigned for the year 2020; (x) advised regarding the remuneration of the representatives of subsidiary banks and the main non-banking subsidiaries of the Group; (xi) conducted preliminary evaluations regarding the determination of the objectives of the 2021 Short-Term Incentive plan to be assigned to the Chief Executive Officer and the related variable remuneration for the year; (xii) performed an evaluation of the proposals relating to the maximum incentive values to be associated with the 2021 Short-Term Incentive and 2021-2023 Long-Term Incentive (LTI) plan of the Joint General Managers and the Operating and Executive Top Management of the Parent Company, the Chief Executive Officer and General Manager of Banca Akros SpA, of the Chief Executive Officer of Banca Aletti & C SpA, as well as the 2021 Short-Term Incentive Plan for the Heads of the corporate control functions and the Manager responsible for preparing the corporate accounting documents of the Parent Company; (xiii) conducted an independent assessment with the help of a leading consultancy company to assess the soundness of the 2020 and 2021 incentive system in relation to the correlation of the Group's performance with individual incentives, pursuant to the defined risk system; (xiv) received detailed information on the objectives of the 2021 Short-Term Incentive plan for identified staff; (xv) assessed, in coordination with the Control Body, the correct application of the rules established by the 2020 Policy on the subject of variable remuneration of the heads of the corporate control functions; (xvi) updated the internal regulations relating to the definition of the report on the remuneration policy and the remuneration paid, the definition and management of the annual incentive system, as well as its internal regulations; (xvii) received information on the performance achieved by staff under the 2020 incentive system; (xviii) requested and obtained by the Board of Directors the 2022 budget (pursuant to Article 6.5 of the Committee's Regulations) in order to make use of independent consultancy from leading internationally recognised companies; (xix) monitored the continuation of competitiveness remuneration analyses for managerial roles, with a focus on corporate control

functions, and the support of a leading internationally recognised consultancy firm, as well as work carried out on fixed remuneration; (xx) conducted an independent assessment on the qualitative KPIs assigned to the identified staff of the corporate control functions, with the help of a leading internationally recognised company; (xxi) continuously monitored the implementation of the 2021 *Short Term Incentive* plan; (xxii) to the extent under its purview, participated in the appointment of the new *Chief Lending Officer*, in agreement with the Internal Control, Risks and Sustainability Committee and the Appointments Committee, carrying out consultative functions on the remuneration to be paid; (xxiii) identified the Group's identified staff for 2022.

To perform its activities, it received the information deemed necessary and the support of the relevant company functions.

Unless otherwise determined, the Committee meetings were attended by the Joint General Manager - Resources Area, the Risk Manager and/or the Head of *Enterprise Risk Management*, the *Compliance Manager*, the Human Resources Manager, the Audit Manager and/or the Audit and Governance Processes Manager and the Remuneration Policies Manager; to perform its activities, the Committee also received the assistance of other managers of the Bank.

The Statutory Auditor, specifically appointed to this effect, attended Committee meetings, without prejudice to the right of all members of the Board of Statutory Auditors to attend meetings, as established by Regulations.

External consultants whose services were used, the Body that appointed them and in which sector of the remuneration framework

The Remuneration Committee, assisted by the competent corporate functions and by leading internationally recognised consulting firms, has based its methodological approach on constant comparison with peers and with market best practices. In particular, the areas in which it availed itself of the expertise of consulting firms are attributable to the system for evaluating positions using the international IPE (International Position Evaluation) methodology, the conditions of access to the variable component of remuneration, the analysis of remuneration competitiveness with the external market and assessments of the dynamics underlying the results of the implementation of the incentive system in order to align the individual incentives to the Bank's performance.

A description of the scope of application of the entity's remuneration policy (for example by region or by business line), with an indication of the extent to which it is applicable to subsidiaries and branches located in third countries

The Parent Company, as part of the management and coordination activities of the subsidiaries, ensures the consistency of the remuneration and incentive systems within the Banking Group, in compliance with the specificities of the sectors to which they belong and the related organisational structures.

In particular, the process of identifying identified staff, implemented at Group level, having in this regard all the companies of the Group, provided for an *assessment* at company level for the Italian banks by the Parent Company (by virtue of the *outsourcing* contracts in being) and took into account organizational positions, hierarchical levels, salary ranges and the impact on risks of all Group staff.

The 2021 Short-Term Incentive Plan in implementation of the provisions of the 2021 *Policy* was designed with regard to the *business* and/or organisational specificities of the various Group companies.

A description of the staff or categories of staff whose professional activities have a significant impact on the risk profile of the institution

The process to establish identified staff was implemented in accordance with the specific policy approved by the Shareholders' Meeting of 15 April 2021 as an integral part of the remuneration and incentive policy and implemented within the Bank's internal regulations.

The Human Resources function of the Parent Company coordinated the activities, involving the *Compliance*, *Organisation*, *Risks and Planning and Control* functions, each within their own scope, of the Parent Company.

The process implemented at the beginning of 2021 led to the identification of 185 people (of which 156 employees or non-employed staff); the scope was updated during the year, identifying 9 additional people following: (i) the renewal of the Boards of Directors of Banca Aletti and Banca Akros and (ii) the changes in the positions already included in the scope.

For 2021, 194 people were therefore established as identified staff at Group level (of which 162 employees or non-employed staff), corresponding to around 0.9% of staff, broken down into the following categories:

- top identified staff - 45 persons, of which:
 - 42 not belonging to internal control functions;
 - 3 belonging to internal control functions.
- other identified staff - 149 persons, of which:
 - 137 not belonging to internal control functions;
 - 12 belonging to internal control functions.

Specifically, within the Group, 153 persons were identified in the Parent Company, 23 at Banca Akros, 16 at Banca Aletti and 2 with relation to other subsidiaries.

In relation to the persons identified based solely on quantitative criteria, the Parent Company did not adopt the exclusion procedure, provided for in the Bank of Italy Supervisory Regulations and in Decision (EU) 2015/2218 of the European Central Bank dated 20 November 2015.

For newly identified persons, the Parent Company Human Resources function (a) sent an individual letter in which it informed each person that he/she had been identified as identified staff, (b) requested a statement of commitment, in compliance with the applicable legislation and the 2021 Policy, not to adopt strategies of personal hedging or insurance on remuneration or on any other aspect that may alter or invalidate the risk-alignment effects of remuneration mechanisms and, (c) for employees, it sent a specific notification regarding the fact that the matter of remuneration is subject to specific Regulatory and Supervisory provisions, as well as to company Policies, in force at the time, and to the legislative provisions that regulate the system; the latter notification represented (where necessary and as far as necessary) an adjustment of the individual employment contracts to bring them in line with the afore-mentioned legislation, as any departures or individual agreements that are considered non-compliant are to be considered as being replaced by law.

Each employee included in the category of identified staff was also asked to report any transactions, during the deferral and/or retention period, relating to the variable remuneration awarded, which could affect the risk-alignment mechanisms. Said information is considered in the calibration of the remuneration and incentive systems.

The Parent Company Human Resources function also requested all employees included in the category of identified staff to inform it of the existence or opening of custody or administration accounts with other intermediaries.

b) Information relating to the characteristics and structure of the remuneration system for identified staff.

A summary of the main characteristics and objectives of the remuneration policy and information on the decision-making process followed to define the remuneration policy and on the role of the interested parties

The remuneration policy provides important managerial leverage, with a view to attracting, motivating and retaining management and staff, and to guiding them towards an approach to limit the risk exposure of the intermediary (including legal and reputational risks), as well as to protect and retain customers, in a spirit of correct conduct and management of conflicts of interest. It also contributes to pursuing sustainable development, which entails creating long-term value for shareholders, while taking the interests of all stakeholders that are important to the Group.

The approval of the remuneration policies is reserved to the Shareholders' Meeting; the process of drawing up, preparation and approval of the same involves the corporate bodies and the corporate functions, specifically:

- the Human Resources function provides technical assistance to corporate bodies by preparing supporting documentation;

- the Risks, Planning and Control functions identify the strategic and performance objectives to ensure that the remuneration system is consistent with the risk appetite, as well as with the company's long-term strategies and objectives;
- the Compliance and Audit functions, within their scope, verify the compliance of the remuneration policies with the reference legislative framework, and their correct implementation;
- the Board of Directors draws up the remuneration policies to submit to the approval of the Shareholders' Meeting, with the assistance of the corporate bodies (CEO and Board committees).

Information on the criteria used for performance evaluation and adjustment for ex ante and ex post risks

For identified staff established on the basis of their responsibilities and incentive beneficiary the *performance* assessment method was adopted, which envisaged the assignment, at the start of the system, of individual and/or team objectives-cards to compare with results achieved at the end of the year.

The 2021 *Short-Term Incentive Plan*, in addition to envisaging the assessment of *performance* achieved in terms of quantitative results, was characterised by mechanisms directed towards monitoring the various forms of risk, as well as ensuring Staff conduct in compliance with the reference legislative framework (external and internal) in force at the time and aimed to maximise customer satisfaction.

This purpose was pursued through the joint action of mainly three different elements:

- the use of qualitative parameters, with an impact on quantifying the incentive, expressed with quantitatively measurable criteria used to measure customer satisfaction, operational excellence in the service provided, compliance with regulations (by way of example, but not limited to the results of customer satisfaction surveys, the number of complaints, adequateness of customer assistance, compliance with legislation and regulations, assessment of performance and/or managerial qualities) therefore, also in compliance with the legislation on transparency with specific reference to the networks, the *Short-Term Incentive Plan* was not based exclusively on commercial objectives;
- with reference to risk containment, the allocation:
 - for commercial networks, wherever applicable, of an objective pertaining to the control of credit risk profiles;

- Of *risk-based* KPI, in line with risks assumed by staff with reference to responsibilities and activities pursued in their respective organisation unit, in the reference *Risk Appetite Framework*, with particular attention to operational risk;
- the provision of malus claw-back mechanisms, which directly affect the incentive and even reduce it to zero, for the purpose of discouraging misconduct.

With specific reference to the area of transparency of banking and financial transactions and services, with regard to the *Short-Term Incentive Plan* for the networks, there is no incentive to place unsuitable products in relation to customers' financial needs, the joint sale of an optional contract and the loan agreement is not encouraged or rewarded to a greater extent than the sale of the two separate contracts, there is no incentive to offer a specific product, or a specific category or combination of products, when this could be detrimental to the customer, there is no incentive to offer a specific product(s), which entails higher costs than another product which is also adequate, consistent and useful in relation to the interests, objectives and characteristics of the customer.

For details on the criteria used for performance evaluation and adjustment for ex ante and ex post risks of identified staff relating to 2022, please refer to paragraphs 6.4, 6.5 and 6.7 of section I.

If the Management Body or the Remuneration Committee, where established, has reviewed the institution's remuneration policy over the past year and, if so, a summary of any changes made, the reasons for such changes and the related impact on remuneration

The main area of review concerned the review of the Long-Term Incentive Plan (LTI) to align management engagement with the new goals of the 2021-2024 Strategic Plan approved by the Board of Directors on 4 November 2021; the introduction of the 2022-2024 LTI Plan, the expected cost of which is approximately 5.5 million Euro, is aimed at awarding management the greater commitment required to achieve the 2024 objectives and the simultaneous raising of the levels of achievement of the objectives of performance of the 2021-2023 LTI Plan to the most challenging expectations for 2023 of the Strategic Plan, without additional charges vis-à-vis what was approved by the Shareholders' Meeting of 15 April 2021, pursues the aim of aligning the interests of management with those of the shareholders.

For all the main news of the 2022 remuneration policy, please refer to the Executive Summary of the 2022 Policy (page 6 of Section I).

Information on the way in which the entity ensures that the staff who cover internal control functions are remunerated regardless of the activities they control

In order to avoid, as required by the Supervisory Provisions of the Bank of Italy, that the incentives of the identified staff of the functions with control tasks are linked to the economic results, the award

is not subject to (i) the access gate established by the profit from current operating activities before tax (net of non-recurring items) indicators, and, (ii) to the financial adjustment coefficient, consisting of the risk adjusted profitability indicator RORAC (Return On Risk Adjusted Capital) which can reduce (up to zero) the economic resources of the Short-Term Incentive Plan, as well as the mechanism for reducing the aforementioned economic resources in the event of a consolidated accounting loss for the year.

The *Short-Term Incentive* plans assigned to the heads of the functions with control tasks provide for objectives that are not related to the economic performance and results of the Group or the units subject to their control, but rather to individual qualitative performance; in fact, they contemplate indicators related to a first or second pillar risk measure or included in the Risk Appetite Framework, the effectiveness of the control activity, the resolution of findings and issues, the area of responsibility, the activities carried out in relation to the role and evaluation referring to organisational behaviour and managerial skills.

The process aimed at defining and managing the *Short-Term Incentive* plan is governed by the Group's internal regulations; the Remuneration Committee plays an active role, in particular to verify alignment with the risks assumed.

The Board of Directors defines and approves the objectives matrix of the Audit Manager and furthermore, on the basis of the opinion of the Internal Control, Risks and Sustainability Committee and the Board of Statutory Auditors, it ensures the absence of potential conflicts of interest in relation to the objective matrices assigned to the heads of functions with control tasks.

Policies and criteria applied for the recognition of guaranteed variable remuneration and severance pay

The Banco BPM Group envisages that, during the recruitment phase and limited to the first year on the job, welcome bonuses can be awarded to people with high professionalism and experience; these amounts are aimed at encouraging the change from the previous company, amortising any risks associated thereto.

It is not the practice of the Group to award amounts at the time of hiring to compensate for any loss of compensation accrued in previous employment.

As required by the law and the Articles of Association, the Shareholders' Meeting approves the criteria for determining the amounts in the event of early termination of the employment relationship of all Staff, including the limits set on this amount in terms of annual fixed remuneration and the maximum amount resulting from their application.

Details are provided in paragraph 6.10 of Section I.

c) Description of how current and future risks are taken into account in the remuneration processes. The information includes a summary of the main risks, their measurement and how these measures affect remuneration.

The process relating to the definition and management of the incentive system provides for a particular involvement of the Risks function which, in collaboration with the Planning and Control function, identifies indicators and comparison values relating to the strategic and *performance* objectives, to which the determination of the variable components of the remuneration can be correlated, in order to ensure the consistency of the remuneration and incentive system with the Group's *risk appetite framework* approved by the Board of Directors of the Parent Company, and to the long-term corporate strategies and objectives, connected with the *risk-adjusted* company results, consistent with the levels of capital and liquidity necessary to conduct the activities.

In line with the *Risk Appetite Framework* approved by the Board of Directors of the Parent Company, the award of incentives is subject, both for the identified staff and for the remaining staff, to the consolidated level indicators of: capital adequacy (Common Equity Tier1 ratio (CET1) phased-in and Maximum Distributable Amount (MDA) buffer phased-in), liquidity adequacy (Liquidity Coverage Ratio (LCR) regulatory and Net Stable Funding Ratio (NSFR) regulatory) and profitability.

In addition, with regard to the Short-Term Incentive Plan, the following are also taking into consideration: the risk adjusted profitability indicator RORAC (Return On Risk Adjusted Capital) which can reduce (up to zero) the economic resources of the Short-Term Incentive Plan, as well as the ECAP Reputational risk indicators and Anti-Money Laundering, respectively related to reputational risk and money laundering risk.

The details for the *Short-Term Incentive Plan* are provided in paragraphs 6.3 and 6.4 and for the *Long-Term Incentive Plan* in paragraph 6.8 of Section I.

d) The relationships between the fixed and variable components of the remuneration established in accordance with Article 94, paragraph 1, letter g), of the CRD.

The maximum incidence limit of the variable component compared to the fixed one is equal to 2:1 for specific figures considered strategic, selected from the high-end identified staff and the Finance, Corporate, Investment Banking and Private Banking staff, 1/3 for all staff belonging to the corporate control functions, 70% for the manager responsible for preparing the corporate accounting documents and 1:1 for the remaining staff.

Details are provided in paragraph 6.1 of Section I.

e) Description of the way in which the institution tries to link the performances recorded in the evaluation period to the remuneration levels.

A summary of the main performance criteria and metrics of the institution, business lines and individuals

The award of incentives is subordinated, both for identified staff and for the remaining staff, to the indicators at consolidated level of capital adequacy (Common Equity Tier1 ratio (CET1) phased-in and Maximum Distributable Amount (MDA) buffer phased-in) liquidity adequacy (Liquidity Coverage Ratio (LCR) regulatory and Net Stable Funding Ratio (NSFR) regulatory) and profitability.

The details regarding performance criteria and metrics are provided in paragraph 6.5 of Section I regarding the Short-Term Incentive Plan, and paragraph 6.8 regarding the Long-Term Incentive Plan.

A summary of how the amounts of individual variable remuneration are linked to individual and institution performance

As regards the variable remuneration related to the Short-Term Incentive Plan, the objectives matrix contemplates a predefined number of indicators, which focus on the Bank's priority objectives; each indicator is assigned a weight in percentage terms on the total and a result curve on achievement levels (minimum and maximum *target*); the result obtained by each KPI determines a weighted score, in a variable curve between a minimum and a maximum achievable; the sum of the weighted scores obtained corresponds to the *performance* achieved in proportion to which, only if at least equal to a predetermined minimum score, the amount of the incentive is quantified; in any case, the latter cannot exceed a predetermined maximum level.

If the financial resources of the *Short-Term Incentive Plan* are insufficient to cover the total amount of incentives calculated on the basis of *performance* achieved, an equalisation mechanism will be applied, namely the proportional reduction of individual incentives by the same percentage.

As regards the variable remuneration related to the *Long-Term Incentive Plan*, the details are provided in paragraph 6.8 of Section I.

Information on the criteria used to determine the balance between the different types of awarded instruments, including shares, equity investments, options and other instruments

A significant part of the variable remuneration is deferred and paid in part with shares to align the interests between management and shareholders, remunerating the identified staff of the Group based on the creation of value in the medium-long term.

For details, see paragraphs 6.6 and 6.8.2.3 of Section I.

Information on the measures that the institution will implement to adjust the variable component of remuneration in the event that the performance measurement metrics are weak, including the institution's criteria for establishing that these metrics are "weak"

The Group's bonus pool constitutes part of the consolidated staff costs, approved by the Parent Company's Board of Directors at the end of the Group's budgeting process. The annual amount of the above-mentioned Group bonus pool, with regard to the cited process, only in the event that the budget envisages a profit may not exceed the threshold of 20% of the profit from current operating activities before tax (net of non-recurring items) consolidated under the financial year's budget; it is fixed also taking into account the Group's capitalisation and liquidity objectives. A possible revision of the budget during the year would result in an adjustment of the bonus pool, in compliance with the aforementioned constraints of expected profitability, capitalisation and liquidity.

The award of incentives is subordinated, both for identified staff and for the remaining staff, to the indicators at consolidated level of capital adequacy (Common Equity Tier1 ratio (CET1) phased-in and Maximum Distributable Amount (MDA) buffer phased-in) liquidity adequacy (Liquidity Coverage Ratio (LCR) regulatory and Net Stable Funding Ratio (NSFR) regulatory) and profitability.

In the presence of the positive verification of the access gates, a financial adjustment coefficient is applied to the economic resources of the Short-Term Incentive Plan defined in the budget for the year, the measure of which is proportional to the value of the consolidated Return on Risk adjusted Capital (RORAC) which can lead to their contraction, up to zeroing.

The vesting of each deferred portion of the incentive is subject to total compliance with the consolidated entry gates and with the relative threshold comparative values envisaged by the *Short-Term Incentive Plan* of the year preceding the year of vesting of the same, in consideration of the Staff category to which they belong in the same year; this *ex-post* correction system is, therefore, a mechanism that operates in the deferral period, before the effective vesting of deferred incentive portions.

The Risk Trigger threshold defined within the Risk Appetite Framework is the minimum condition to be pursued for each indicator⁸, below which no short- or long-term incentive is awarded, and the deferred portions do not accrue.

⁸ For the profitability condition, the reference threshold is to achieve a value greater than zero.

f) Description of the ways in which the entity seeks to adjust the remuneration to take into account long-term performance.

A summary of the institution's policy on deferral, payment by instruments, retention periods and accruals of variable remuneration, even where it differs between staff or categories of staff

The incentive for identified staff during the year is divided into an *up-front* portion and five or four annual deferred portions subject to the positive verification of future conditions, at least 50% of the incentive awarded under the Short-Term Incentive Plan, and 100% under the Long-Term Incentive Plan is paid through Banco BPM ordinary shares; each share accrued is subject to a one-year *retention* clause.

As required by the Supervisory Provisions of the Bank of Italy, in cases where the annual individual variable remuneration is lower than or equal to the significance threshold of 50,000 Euro and, at the same time, lower than or equal to one third of the total annual individual remuneration, the incentive awarded is paid out in cash and in a lump sum. For details, see paragraphs 6.6 and 6.8.2.3 of Section I.

Information on the institution's criteria for ex post adjustments (malus during the period of deferral and return after accrual, if permitted by national law)

The disbursements of the variable components of the remuneration are subject to the *ex post* correction system (so-called *malus and claw-back*), consisting of both elements related to the performance of the Group and of the performance of each concerned employee.

For details, see paragraph 6.7 of Section I.

Where applicable, shareholding requirements that may be imposed on Identified Staff

Even though no shareholding requirements are provided by law, the value of the number of shares held by the CEO as of 31/12/2021 amounts to more than twice his fixed gross annual remuneration. To align the interests between management and shareholders, and to remunerate the Group's identified staff in relation to the creation of value in the medium-to-long term, a significant part of the variable remuneration is deferred and paid in part with shares subject to retention clauses.

The schedule regarding the information on shares held by members of management and supervisory boards, general managers and other executives with strategic responsibilities is provided in paragraph 2 of Section II, Part 2.

g) The description of the main parameters and reasons for any variable remuneration schedule and any other non-monetary benefit in accordance with Article 450, paragraph 1, letter f) of the CRR.

Information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between the different types of awarded instruments, including shares, equity investments, equity-related instruments, equivalent non-monetary instruments, options and other instruments

The *Short-Term Incentive* Plan consists of entry gates of financial and non-financial adjustment factors and of principles and implementation procedures, illustrated in this paragraph below, applied by means of the assignment of objectives referring to an annual accrual period; these elements, as a whole, ensure the correlation with company and individual performance, the relation to risks (including legal and reputational risks), the compatibility with levels of Group capital and liquidity, orientation towards the achievement of results in the medium-long term and compliance with regulations.

In addition to the evaluation of the *performance* levels achieved in terms of quantitative results, the *Short-Term Incentive* Plan is also characterised by mechanisms oriented towards managing different forms of risk, as well as the compliance of the behaviour of the Staff with the reference regulatory framework (internal and external), in force at the time, to the respect for customers and maximising their satisfaction, as well as avoiding potential conflicts of interest. For details see paragraph 6.5 of Section I and for the *Long-Term Incentive* Plan see paragraph 6.8 of Section I.

A significant portion of the variable remuneration of identified staff is deferred and paid in part with shares to align the interests between management and shareholders, remunerating the Group's identified staff based on the creation of value in the medium-long term.

For details, see paragraphs 6.6 and 6.8.2.3 of Section I.

With regard to the implementation of the 2021 Remuneration Policy, see paragraph 1 of Section II.

h) At the request of the relevant Member State or the competent authority, the total remuneration for each member of the administrative body or Senior Management.

For information on total remuneration of the Chairman of the body with strategic supervisory functions, each member of the body with management function, the General Manager and Joint General Managers of Banco BPM, please refer to the tables below as required by the Issuers' Regulation.

Cognome e Nome	Carica (*)	Società	Periodo per cui è stata ricoperta la carica	Remunerazione complessiva per la carica di competenza dell'esercizio
Tarantini Graziano	Presidente Consiglio di Amministrazione	Banca Akros	01/01/2021 - 31/12/2021	150.000
Turrina Marco Federico	Amministratore Delegato - Direttore Generale	Banca Akros	01/01/2021 - 31/12/2021	616.622 (**)
Ambrosoli Umberto	Presidente Consiglio di Amministrazione	Banca Aletti	01/01/2021 - 31/12/2021	150.000
Varaldo Alessandro	Amministratore Delegato	Banca Aletti	01/01/2021 - 31/12/2021	503.793 (**)

Notes:

(*) In addition to the offices shown in the Table, it should be noted that, the position of General Manager was established and assumed by Rigo Leonardo on 14/12/2021, following the organisational restructuring of Banca Aletti.

(**) Including the entire 2021 Short-Term Incentive Plan (STI), currently estimated as the maximum amount that can be awarded and reduced by virtue of a 10% equalisation. In compliance with the 2021 Policy, incentives are in part deferred over a multi-year period; the separate deferred portions will vest from 2023 onwards subject to the positive fulfilment of the access conditions envisaged at the time.

i) Information on the possible application to the institution of an exemption, pursuant to Article 94, paragraph 3, of the CRD, in accordance with Article 450, paragraph 1, letter k) of the CRR.

For the purposes of this point, the entities benefiting from this exemption indicate whether it is based on Article 94, paragraph 3, letter a) and / or letter b) of the CRD. They also indicate to which of the remuneration principles the derogation or derogations apply, the number of staff members benefiting from the derogation or derogations, and their overall remuneration, divided into fixed remuneration and variable remuneration.

Derogation based on letter b) applied to the remuneration requirements referred to in Art. 94 paragraph 1 letters l) and m). The number of staff members benefiting from the derogation is 82; total remuneration 13.89 million Euro, of which 11.31 million Euro is fixed and 2.58 million Euro is variable.

j) Large entities publish quantitative information on the remuneration of the collective management body, distinguishing between executive and non-executive members, in accordance with Article 450, paragraph 2, of the CRR.

For information on Banco BPM's remuneration, please refer to the Tables set out below, in the Issuers' Regulations.

Template REM1: Remuneration awarded for the financial year

			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Remunerazione fissa	Number of identified staff	14	1	8	167
2		Total fixed remuneration	2,581,753	1,262,268	2,884,646	28,291,022
3		Of which: cash-based	2,581,753	1,200,000	2,740,849	26,751,922
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
6		(Not applicable in the EU)				
7		Of which: other forms		62,268	143,797	1,539,100
8	(Not applicable in the EU)					
9	Remunerazione variabile	Number of identified staff		1	8	141
10		Total variable remuneration		1,072,080	1,731,525	7,280,429
11		Of which: cash-based		503,878	972,322	5,024,858
12		Of which: deferred		289,462	300,965	885,499
EU-13a		Of which: shares or equivalent ownership interests		568,202	759,203	2,234,771
EU-14a		Of which: deferred		353,786	367,846	897,513
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b		Of which: deferred				
EU-14x		Of which: other instruments				
EU-14y	Of which: deferred					
15	Of which: other forms				20,800	
16	Of which: deferred					
17	Total remuneration (2 + 10)		2,581,753	2,334,348	4,616,171	35,571,451

Template REM2: Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards - Number of identified staff			0.1	1
2	Guaranteed variable remuneration awards -Total amount			250,000	70,000
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap			250,000	(*)
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff				
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount				
Severance payments awarded during the financial year					
6	Severance payments awarded during the financial year - Number of identified staff				
7	Severance payments awarded during the financial year - Total amount				
8	Of which paid during the financial year				
9	Of which deferred				
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				
11	Of which highest payment that has been awarded to a single person				

Notes:

(*) The amount referred to in line 2 was awarded in compliance with the maximum limit relating to the ratio between the variable and fixed component of the remuneration.

Template REM3: Deferred remuneration

	a	b	c	d	e	f	EU-g	EU-h
Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments) (*)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1 MB Supervisory function								
2 Cash-based								
3 Shares or equivalent ownership interests								
4 Share-linked instruments or equivalent non-cash instruments								
5 Other instruments								
6 Other forms								
7 MB Management function	2,094,694	758,272	1,336,422			562,548	752,219	102,053
8 Cash-based	746,360	242,165	504,195				244,241	45,924
9 Shares or equivalent ownership interests	1,348,334	516,107	832,227			562,548	507,978	56,129
10 Share-linked instruments or equivalent non-cash instruments								
11 Other instruments								
12 Other forms								
13 Other senior management	1,306,862	476,756	830,106	71,232	112,493	384,289	577,836	69,544
14 Cash-based	425,399	133,939	291,460	23,786	41,172		176,710	31,295
15 Shares or equivalent ownership interests	881,463	342,817	538,646	47,446	71,321	384,289	401,126	38,249
16 Share-linked instruments or equivalent non-cash instruments								
17 Other instruments								
18 Other forms								
19 Other identified staff	3,220,933	1,575,428	1,645,506	42,586	42,212	924,962	1,551,159	347,698
20 Cash-based	1,258,940	614,876	644,064	17,093	16,906		599,615	172,776
21 Shares or equivalent ownership interests	1,961,993	960,552	1,001,442	25,493	25,306	924,962	951,544	174,922
22 Share-linked instruments or equivalent non-cash instruments								
23 Other instruments								
24 Other forms								
25 Total amount	6,622,489	2,810,456	3,812,034	113,818	154,705	1,871,799	2,881,214	519,295

Notes:

(*) Variation calculated on the basis of the official market price recorded on 8 February 2022, which is equal to 2.9940 Euro.

Template REM4: Remuneration of 1 million EUR or more per year

		a
	EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	2
2	1 500 000 to below 2 000 000	
3	2 000 000 to below 2 500 000	1
4	2 500 000 to below 3 000 000	
5	3 000 000 to below 3 500 000	
6	3 500 000 to below 4 000 000	
7	4 000 000 to below 4 500 000	
8	4 500 000 to below 5 000 000	
9	5 000 000 to below 6 000 000	
10	6 000 000 to below 7 000 000	
11	7 000 000 to below 8 000 000	

Template REM5: Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		Management body remuneration			Business areas						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										190
2	Of which: members of the MB	14	1	15							
3	Of which: other senior management					2		6			
4	Of which: other identified staff				57	81	1	13	15	1	
5	Total remuneration of identified staff	2,581,753	2,334,348	4,916,101	13,492,561	16,676,430	257,002	6,502,121	3,018,609	240,900	
6	Of which: variable remuneration		1,072,080	1,072,080	2,828,094	3,939,666	44,145	1,688,172	511,878		
7	Of which: fixed remuneration	2,581,753	1,262,268	3,844,021	10,664,467	12,736,764	212,857	4,813,949	2,506,731	240,900	

3. Comparative information - pursuant to paragraph 1.5 of the Part One of Section II of Scheme no. 7-bis of Attachment 3A to Regulation no. 11971 of 14 May 1999 as subsequently amended and supplemented

The comparison on the total remuneration is carried out by considering the incentives awarded, including the deferred installments that will accrue after the positive verification of the access conditions envisaged from time to time, as well as, for 2020, the voluntary reductions on fixed remuneration destined for charity.

Total remuneration (euro)		2019	2020	2021	DELTA (2021 VS 2020)
Chief Executive Officer	CASTAGNA GIUSEPPE	3,225,635 (1)	1,918,815 (2)	2,334,348 (3)	22%
Joint General Manager	DE ANGELIS DOMENICO	1,253,282 (1)	905,350 (2)	1,037,667 (3)	15%
	POLONI SALVATORE	1,137,977 (1)	780,461 (2)	998,740 (3)	28%
Chairman of the Board of Directors	TONONI MASSIMO		71,958	560,000	(*)
Member of the Board of Directors	PAOLONI MAURO	415,500	365,569	374,500	2%
	ANOLLI MARIO	237,808	184,486	218,951	19%
	COMOLI MAURIZIO	350,000	222,292	207,400	-7%
	FARUQUE NADINE FARIDA		93,958	155,000	(*)
	FRASCAROLO CARLO	225,000	171,319	171,753	0%
	MANENTI ALBERTO		68,292	120,000	(*)
	MANTELLI MARINA		68,292	120,000	(*)
	PEDROLLO GIULIO	120,000	103,292	125,000	21%
	ROSSETTI EUGENIO		126,958	200,000	(*)
	SOFFIENTINI MANUELA	120,000	106,958	130,000	22%
	TAURO LUIGIA		93,958	155,000	(*)
	TORRICELLI COSTANZA	160,000	110,069	120,000	9%
ZANOTTI GIOVANNA		66,403	115,000	(*)	
Chairman of the Board of Statutory Auditors	PRIORI MARCELLO	306,900	277,344	306,900	11%
Member of the Board of Statutory Auditors	FERRARI WILMO CARLO		38,046	34,385	(*)
	LAURI MAURIZIO		60,958	110,000	(*)
	MUZI SILVIA			77,917	(**)
	SONATO ALFONSO	202,569	181,094	201,600	11%
	VALENTI NADIA		60,958	133,579	(*)
Staff	Average total gross annual remuneration	59,726	59,830	62,535	4.5%
Profit from current operating activities before tax (net of non-recurring items) (thousand euro)		571,202	348,995	976,073	180%

(*) The comparison is not on a homogeneous basis, taking into account that the representative took office for the first time in 2020.

(**) The comparison is not possible given that the representative took office for the first time in 2021.

(1) Including the entire 2019 short-term incentive (STI) and the entire 2017-2019 LTI (the corresponding shares have been valued at the official market price recorded on 6 February 2020, corresponding to 2.0870 euro). In compliance with the 2019 Policy, incentives are in part deferred over a multi-year period; the separate deferred portions will vest from 2021 onwards subject to the positive fulfilment of the access conditions envisaged at the time.

(2) Including the entire 2020 Short-Term Incentive Plan (STI) actually awarded following the application of the equalisation mechanism. The equalisation actually applied was 29.13% instead of the one estimated (25%), when drafting last year's Report. In compliance with the 2020 Policy, incentives are in part deferred over a multi-year period; the separate deferred portions will vest from 2022 onwards subject to the positive fulfilment of the access conditions envisaged at the time.

(3) Including the entire 2021 Short-Term Incentive Plan (STI) estimated on the basis of the performance achieved. In compliance with the 2021 Policy, incentives are in part deferred over a multi-year period; the separate deferred portions will vest from 2023 onwards subject to the positive fulfilment of the access conditions envisaged at the time.

4. Data transmission obligations

In 2021, the Parent Company fulfilled the obligations of annual submission to the Bank of Italy of data on remuneration⁹, as established in the Communication of 7 October 2014¹⁰.

⁹ See Circular no. 285/2013 as amended.

¹⁰ See Bank of Italy Communication of 7 October 2014 regarding collection of remuneration data from banks and investment companies.

Part 2 – Information tables (gross amounts)

1. Tables complying with the provisions of CONSOB Resolution 11971/1999, as amended by CONSOB Resolution 18049/2011
(second part of section II of scheme 7-bis)

Table 1: Remuneration paid to the members of management and supervisory boards, general managers and other executives with strategic responsibilities

Remuneration paid to members of the Board of Directors (euro)

(A) Surname and name	(B) Office held	(C) Period for which office was held	(D) Expiry of office	(1) Fixed remuneration						(2) Remuneration for participation in committees			(3) Variable non-equity remuneration		(4) Non-monetary benefits	(5) Other remuneration	(6) Total	(7) Fair Value of equity remuneration (2)	(8) Severance payments
				Fixed remuneration						Fixed remuneration	Attendance fees	Total	Bonuses and other incentives (1)	Profit sharing					
				Emoluments resolved by the Shareholder's Meeting	Attendance fees	Lump sum refunds	Remuneration pursuant to Art. 2389	Fixed remuneration from employment	Total										
TONONI MASSIMO	Chairman of the Board of Directors	01/01/2021-31/12/2021	Approv. 2022 financial statements				450,000		450,000								450,000		
	Board Director	01/01/2021-31/12/2021	Approv. 2022 financial statements	110,000					110,000								110,000		
II) Remuneration in the company which draws up the financial statements				110,000			450,000		560,000								560,000		
III) Remuneration from subsidiaries and associates																			
III) Total				110,000			450,000		560,000								560,000		
PAOLONI MAURO	Deputy Chairman of the Board of Directors	01/01/2021-31/12/2021	Approv. 2022 financial statements				180,000		180,000								180,000		
	Board Director	01/01/2021-31/12/2021	Approv. 2022 financial statements	110,000					110,000								110,000		
	Appointments Committee Member	01/01/2021-31/12/2021	Approv. 2022 financial statements						10,000	10,000							10,000		
II) Remuneration in the company which draws up the financial statements				110,000			180,000		290,000	10,000	10,000						300,000		
	Chairman of the Board of Directors BIPIEMME VITA S.p.A.	01/01/2021-31/12/2021	Approv. 2022 financial statements	15,000	2,250		25,000		42,250								42,250		
	Chairman of the Board of Directors BIPIEMME ASSICURAZIONI S.p.A.	01/01/2021-31/12/2021	Approv. 2022 financial statements	10,000	2,250		20,000		32,250								32,250		
III) Remuneration from subsidiaries and associates				25,000	4,500		45,000		74,500								74,500		
III) Total				135,000	4,500		225,000		364,500	10,000	10,000						374,500		
CASTAGNA GIUSEPPE	Chief Executive Officer	01/01/2021-31/12/2021	Approv. 2022 financial statements					1,200,000	1,200,000			503,878		62,268 (a)			1,766,146	1,352,915	
II) Remuneration in the company which draws up the financial statements								1,200,000	1,200,000			503,878		62,268			1,766,146	1,352,915	
	Board Director ALETTI & C. BANCA DI INVESTIMENTO MOBILIARE S.p.A.	01/01/2021-31/12/2021	Approv. 2023 financial statements	(b)															
III) Remuneration from subsidiaries and associates																			
III) Total								1,200,000	1,200,000			503,878		62,268			1,766,146	1,352,915	

(A) Surname and name	(B) Office held	(C) Period for which office was held	(D) Expiry of office	(1) Fixed remuneration						(2) Remuneration for participation in committees			(3) Variable non-equity remuneration		(4) Non-monetary benefits	(5) Other remuneration	(6) Total	(7) Fair Value of equity remuneration (2)	(8) Severance payments
				Fixed remuneration						Fixed remuneration	Attendance fees	Total	Bonuses and other incentives (1)	Profit sharing					
				Emoluments resolved by the Shareholder's Meeting	Attendance fees	Lump sum refunds	Remuneration pursuant to Art. 238 ⁹	Fixed remuneration from employment	Total										
ANOLLI MARIO	Board Director	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	110,000						110,000							110,000		
	Internal Control, Risks and Sustainability Committee Member	01/01/2021-31/12/2021	Approv. 2022 Financial Statements							45,000		45,000					45,000		
I) Remuneration in the company which draws up the financial statements				110,000						110,000	45,000	45,000					155,000		
	Chairman of the Board of Directors VERA VITA S.p.A.	01/01/2021-31/12/2021	Approv. 2023 Financial Statements	12,562	11,400 (c)		22,479		46,441	10,310	7,200	17,510 (d)					63,951		
II) Remuneration from subsidiaries and associates				12,562	11,400		22,479		46,441	10,310	7,200	17,510					63,951		
III) Total				122,562	11,400		22,479		156,441	55,310	7,200	62,510					218,951		
COMOLI MAURIZIO	Board Director	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	110,000					110,000								110,000		
	Internal Control, Risks and Sustainability Committee Member	01/01/2021-31/12/2021	Approv. 2022 Financial Statements							45,000		45,000					45,000		
I) Remuneration in the company which draws up the financial statements				110,000					110,000	45,000		45,000					155,000		
	Chairman Vera Assicurazioni S.p.A.	01/01/2021-31/12/2021	Approv. 2023 Financial Statements	6,370	1,200		18,630		26,200								26,200		
	Chairman Vera Protezione S.p.A.	01/01/2021-31/12/2021	Approv. 2023 Financial Statements	6,370	1,200		18,630		26,200								26,200		
II) Remuneration from subsidiaries and associates				12,740	2,400		37,260		52,400								52,400		
III) Total				122,740	2,400		37,260		162,400	45,000		45,000					207,400		
FARUQUE NADINE FARIDA	Board Director	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	110,000					110,000								110,000		
	Internal Control, Risks and Sustainability Committee Member	01/01/2021-31/12/2021	Approv. 2022 Financial Statements							45,000		45,000					45,000		
I) Remuneration in the company which draws up the financial statements				110,000					110,000	45,000		45,000					155,000		
II) Remuneration from subsidiaries and associates																			
III) Total				110,000					110,000	45,000		45,000					155,000		

(A) Surname and name	(B) Office held	(C) Period for which office was held	(D) Expiry of office	(1) Fixed remuneration						(2) Remuneration for participation in committees			(3) Variable non-equity remuneration		(4) Non-monetary benefits	(5) Other remuneration	(6) Total	(7) Fair Value of equity remuneration (2)	(8) Severance payments
				Emoluments resolved by the Shareholder's Meeting	Attendance fees	Lump sum refunds	Remuneration pursuant to Art. 2399	Fixed remuneration from employment	Total	Fixed remuneration	Attendance fees	Total	Bonuses and other incentives (1)	Profit sharing					
FRASCAROLO CARLO	Board Director	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	110,000						110,000							110,000		
	Chairman of Appointments Committee	01/01/2021-31/12/2021	Approv. 2022 Financial Statements							20,000		20,000					20,000		
[I] Remuneration in the company which draws up the financial statements				110,000						110,000	20,000	20,000					130,000		
	Board Director	14/04/2021-31/12/2021	Approv. 2023 Financial Statements	14,356						14,356							14,356		
	ALETTI & C, Banca di Investimento Mobiliare S.p.A.	01/01/2021-31/12/2021	Approv. 2023 Financial Statements																
	Chairman PROFAMILY S.p.A.	01/01/2021-19/07/2021	19/07/2021 (e)	8,219			19,178			27,397							27,397		
[II] Remuneration from subsidiaries and associates				22,575			19,178			41,753							41,753		
[III] Total				132,575			19,178			151,753	20,000	20,000					171,753		
MANENTI ALBERTO	Board Director	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	110,000						110,000							110,000		
	Remuneration Committee Member	01/01/2021-31/12/2021	Approv. 2022 Financial Statements							10,000		10,000					10,000		
[I] Remuneration in the company which draws up the financial statements				110,000						110,000	10,000	10,000					120,000		
[II] Remuneration from subsidiaries and associates																			
[III] Total				110,000						110,000	10,000	10,000					120,000		
MANTELLI MARINA	Board Director	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	110,000						110,000							110,000		
	Appointments Committee Member	01/01/2021-31/12/2021	Approv. 2022 Financial Statements							10,000		10,000					10,000		
[I] Remuneration in the company which draws up the financial statements				110,000						110,000	10,000	10,000					120,000		
[II] Remuneration from subsidiaries and associates																			
[III] Total				110,000						110,000	10,000	10,000					120,000		
PEDROLLO GIULIO	Board Director	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	110,000						110,000							110,000		
	Related Parties Committee Member	01/01/2021-31/12/2021	Approv. 2022 Financial Statements							5,000		5,000					5,000		
	Remuneration Committee Member	01/01/2021-31/12/2021	Approv. 2022 Financial Statements							10,000		10,000					10,000		
[I] Remuneration in the company which draws up the financial statements				110,000						110,000	15,000	15,000					125,000		
[II] Remuneration from subsidiaries and associates																			
[III] Total				110,000						110,000	15,000	15,000					125,000		

(A) Surname and name	(B) Office held	(C) Period for which office was held	(D) Expiry of office	(1) Fixed remuneration						(2) Remuneration for participation in committees			(3) Variable non-equity remuneration		(4) Non-monetary benefits	(5) Other remuneration	(6) Total	(7) Fair Value of equity remuneration (2)	(8) Severance payments
				Emoluments resolved by the Shareholder's Meeting	Attendance fees	Lump sum refunds	Remuneration pursuant to Art. 2399	Fixed remuneration from employment	Total	Fixed remuneration	Attendance fees	Total	Bonuses and other incentives (1)	Profit sharing					
ROSSETTI EUGENIO	Board Director	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	110,000						110,000							110,000		
	Internal Control, Risks and Sustainability Committee (Chairman)	01/01/2021-31/12/2021	Approv. 2022 Financial Statements							90,000		90,000					90,000		
(I) Remuneration in the company which draws up the financial statements				110,000						110,000	90,000	90,000					200,000		
(II) Remuneration from subsidiaries and associates																			
(III) Total				110,000						110,000	90,000	90,000					200,000		
SOFFIENTINI MANUELA	Board Director	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	110,000						110,000							110,000		
	Remuneration Committee (Chairman)	01/01/2021-31/12/2021	Approv. 2022 Financial Statements							20,000		20,000					20,000		
(I) Remuneration in the company which draws up the financial statements				110,000						110,000	20,000	20,000					130,000		
(II) Remuneration from subsidiaries and associates																			
(III) Total				110,000						110,000	20,000	20,000					130,000		
TAURO LUGIA	Board Director	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	110,000						110,000							110,000		
	Internal Control, Risks and Sustainability Committee Member	01/01/2021-31/12/2021	Approv. 2022 Financial Statements							45,000		45,000					45,000		
(I) Remuneration in the company which draws up the financial statements				110,000						110,000	45,000	45,000					155,000		
(II) Remuneration from subsidiaries and associates																			
(III) Total				110,000						110,000	45,000	45,000					155,000		
TORRICELLI COSTANZA	Board Director	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	110,000						110,000							110,000		
	Related Parties Committee (Chairman)	01/01/2021-31/12/2021	Approv. 2022 Financial Statements							10,000		10,000					10,000		
(I) Remuneration in the company which draws up the financial statements				110,000						110,000	10,000	10,000					120,000		
(II) Remuneration from subsidiaries and associates																			
(III) Total				110,000						110,000	10,000	10,000					120,000		
ZANOTTI GIOVANNA	Board Director	01/01/2021-31/12/2021	Approv. 2022 financial statements	110,000						110,000							110,000		
	Related Parties Committee Member	01/01/2021-31/12/2021	Approv. 2022 financial statements							5,000		5,000					5,000		
(I) Remuneration in the company which draws up the financial statements				110,000						110,000	5,000	5,000					115,000		
(II) Remuneration from subsidiaries and associates																			
(III) Total				110,000						110,000	5,000	5,000					115,000		

Notes:

- (a) Total amount for pension fund, health care, survivors fund, car, accident insurance policy.
- (b) Remuneration paid by the Company to Banco BPM S.p.A.
- (c) Of which 5,100 Euro for attendance fees concerning the 2020 financial year resolved by the Shareholders' Meeting of 23/04/2021 with retroactive effect from April 2020.
- (d) Compensation for the office of Member of the Control and Risk Committee in the 1/1/2021-31/12/2021 period; with regard to 7,200 Euro attendance fees paid, 2,700 Euro relate to attendance fees for the 2020 financial year resolved by the Shareholders' Meeting of 23/04/2021 with retroactive effect from April 2020.
- (e) ProFamily S.p.A. ceased operations on 19 July 2021, as a result of the merger by incorporation into Banco BPM S.p.A.
- (1) This value corresponds to that indicated in Table 3B with regard to the bonus for the year (value estimated on the basis of the performance achieved), sum of payable and deferred portions.
- (2) For the Plans starting from 2020, the fair value of the equity compensation shown in the table is in line with the amount listed in the Financial Statements; the cost pertaining to the share plans includes the breakdown of the awarded incentive (up front portion and deferred portion) over the respective vesting period.

Table 1: Remuneration paid to the members of management and supervisory boards, general managers and other executives with strategic responsibilities

Remuneration paid to members of the Board of Statutory Auditors (euro)

(A) Surname and name	(B) Office held	(C) Period for which office was held	(D) Expiry of office	(1) Fixed remuneration □						(2) Remuneration for participation in committees			(3) Variable non-equity remuneration		(4) Non-monetary benefits	(5) Other remuneration	(6) Total	(7) Fair Value of equity remuneration (2)	(8) Severance payments
				Emoluments resolved by the Shareholder's Meeting	Attendance fees	Lump sum refunds	Remuneration pursuant to Art. 2389	Fixed remuneration from employment	Total	Fixed remuneration	Attendance fees	Total	Bonuses and other incentives (1)	Profit sharing					
PRIORI MARCELLO	Chairman of the Board of Statutory Auditors	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	160,000						160,000							160,000		
II) Remuneration in the company which draws up the financial statements				160,000						160,000							160,000		
	Chairman of the Board of Statutory Auditors BANCA AKROS S.p.A.	01/01/2021-31/12/2021	Approv. 2021 Financial Statements	45,900						45,900							45,900		
	Standing Auditor ALETTI & C. BANCA DI INVESTIMENTO MOBILIARE S.p.A.	01/01/2021-31/12/2021	Approv. 2023 Financial Statements	35,000						35,000							35,000		
	Chairman of the Board of Statutory Auditors BIPIEMME VITA S.p.A.	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	50,000						50,000							50,000		
	Standing Auditor BIPIEMME ASSICURAZIONI S.p.A.	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	16,000						16,000							16,000		
III) Remuneration from subsidiaries and associates				146,900						146,900							146,900		
III) Total				306,900						306,900							306,900		
FERRARI WILMO CARLO (*)	Standing Auditor	01/01/2021-15/04/2021	15/04/2021	32,083						32,083							32,083		
II) Remuneration in the company which draws up the financial statements				32,083						32,083							32,083		
	Standing Auditor BIPIELLE REAL ESTATE S.P.A.	01/01/2021-15/04/2021	Approv. 2022 Financial Statements	2,301						2,301							2,301		
III) Remuneration from subsidiaries and associates				2,301						2,301							2,301		
III) Total				34,385						34,385							34,385		
LAURI MAURIZIO	Standing Auditor	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	110,000						110,000							110,000		
II) Remuneration in the company which draws up the financial statements				110,000						110,000							110,000		
III) Remuneration from subsidiaries and associates																			
III) Total				110,000						110,000							110,000		
MUZI SILVIA (**)	Standing Auditor	15/04/2021-31/12/2021	Approv. 2022 Financial Statements	77,917						77,917							77,917		
II) Remuneration in the company which draws up the financial statements				77,917						77,917							77,917		
III) Remuneration from subsidiaries and associates																			
III) Total				77,917						77,917							77,917		

(A) Surname and name	(B) Office held	(C) Period for which office was held	(D) Expiry of office	(1) Fixed remuneration						(2) Remuneration for participation in committees			(3) Variable non-equity remuneration		(4) Non-monetary benefits	(5) Other remuneration	(6) Total	(7) Fair Value of equity remuneration (2)	(8) Severance payments
				Emoluments resolved by the Shareholder's Meeting	Attendance fees	Lump sum refunds	Remuneration pursuant to Art. 238 ⁹	Fixed remuneration from employment	Total	Fixed remuneration	Attendance fees	Total	Bonuses and other incentives (1)	Profit sharing					
SONATO ALFONSO	Standing Auditor	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	110,000					110,000								110,000		
	Member of Supervisory Body pursuant to Italian Legislative Decree 231/01	01/01/2021-31/12/2021	Approv. 2022 Financial Statements						33,600		33,600						33,600		
II) Remuneration in the company which draws up the financial statements				110,000					110,000		33,600		33,600				143,600		
	Chairman of the Board of Statutory Auditors	01/01/2021-31/12/2021	Approv. 2023 Financial Statements	50,000					50,000								50,000		
	Member of Supervisory Body pursuant to Italian Legislative Decree 231/01	01/01/2021-31/12/2021	Approv. 2023 Financial Statements						8,000		8,000						8,000		
III) Remuneration from subsidiaries and associates				50,000					50,000		8,000		8,000				58,000		
III) Total				160,000					160,000		41,600		41,600				201,600		
VALENTI NADIA	Standing Auditor	01/01/2021-31/12/2021	Approv. 2022 Financial Statements	110,000					110,000								110,000		
II) Remuneration in the company which draws up the financial statements				110,000					110,000								110,000		
	Standing Auditor BANCA AKROS S.p.A.	24/03/2021-31/12/2021	Approv. 2021 Financial Statements	23,579					23,579								23,579		
III) Remuneration from subsidiaries and associates				23,579					23,579								23,579		
III) Total				133,579					133,579								133,579		

Notes:

(*) Mr. Wilmo Carlo Ferrari ended his mandate as Standing Auditor at the time of the Shareholders' Meeting of 15/04/2021, which reconfirmed him in the position of Alternate Auditor.

(**) Ms. Silvia Muzi was appointed Effective Auditor at the Shareholders' Meeting of 15 April 2021, to supplement the composition of the Board of Statutory Auditors.

Table 1: Remuneration paid to the members of management and supervisory boards, general managers and other executives with strategic responsibilities

Remuneration paid to members of General Management (euro)

(A) Surname and name	(B) Office held	(C) Period for which office was held	(D) Expiry of office	(1) Fixed remuneration						(2) Remuneration for participation in committees			(3) Variable non-equity remuneration		(4) Non-monetary benefits	(5) Other remuneration	(6) Total	(7) Fair Value of equity remuneration (2)	(8) Severance payments	
				Emoluments resolved by the Shareholder's Meeting	Attendance fees	Lump sum refunds	Remuneration pursuant to Art. 2389	Fixed remuneration from employment	Total	Fixed remuneration	Attendance fees	Total	Bonuses and other incentives (1)	Profit sharing						
DE ANGELIS DOMENICO	Executive	01/01/2021-31/12/2021	indefinite duration					700,000	700,000				146,677		32,091 (a)		878,768	545,962		
	Joint General Manager	01/01/2021-31/12/2021																		
[I] Remuneration in the company which draws up the financial statements								700,000	700,000				146,677		32,091		878,768	545,962		
[II] Remuneration from subsidiaries and associates																				
[III] Total								700,000	700,000				146,677		32,091		878,768	545,962		
POLONI SALVATORE	Executive	01/01/2021-31/12/2021	indefinite duration					534,615	534,615				207,270		23,124 (b)		765,009	573,607		
	Joint General Manager	01/01/2021-31/12/2021																		
[I] Remuneration in the company which draws up the financial statements								534,615	534,615				207,270		23,124		765,009	573,607		
[II] Remuneration from subsidiaries and associates																				
[III] Total								534,615	534,615				207,270		23,124		765,009	573,607		

Notes:

(a) Total amount for pension fund, health care, car, accident insurance policy.

(b) Total amount for pension fund, health care, survivors fund, car, accident insurance policy.

(1) This value corresponds to that indicated in Table 3B with regard to the bonus for the year (value estimated on the basis of the performance achieved), sum of payable and deferred portions.

(2) For the Plans starting from 2020, the fair value of the equity compensation shown in the Table is in line with the amount listed in the Financial Statements; the cost pertaining to the share plans includes the breakdown of the awarded incentive (up front portion and deferred portion) over the respective vesting period.

Table 1: Remuneration paid to the members of management and supervisory boards, general managers and other executives with strategic responsibilities

Remuneration paid to other executives with strategic responsibilities (euro)

7 OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES	(1)						(2)			(3)		(4)	(5)	(6)	(7)	(8)
	Fixed remuneration						Remuneration for participation in committees			Variable non-equity remuneration		Non-monetary benefits (1)	Other remuneration (3)	Total	Fair Value of equity remuneration (4)	Severance payments
	Emoluments resolved by the Shareholder's Meeting	Attendance fees	Lump sum refunds	Remuneration pursuant to Art. 2389	Fixed remuneration from employment (1)	Total	Fixed remuneration	Attendance fees	Total	Bonuses and other incentives (2)	Profit sharing					
(I) Remuneration in the company which draws up the financial statements					1,978,711	1,978,711				389,512		97,233	280,000	2,745,456	651,174	
(II) Remuneration from subsidiaries and associates (5)																
(III) Total					1,978,711	1,978,711				389,512		97,233	280,000	2,745,456	651,174	

Notes:

(1) Includes the fixed remuneration paid in 2022.

(2) This value corresponds to the amount listed in Table 3B with regard to the bonus for the year (performance calculated at 1 March 2022), sum of payable and deferred portions.

(3) Includes a welcome bonus and a non-competition clause.

(4) For the Plans starting from 2020, the fair value of the equity compensation shown in the table is in line with the amount listed in the Financial Statements; the cost pertaining to the share plans includes the breakdown of the awarded incentive (up front portion and deferred portion) over the respective vesting period.

(5) For the offices held on the Boards of Directors of the subsidiaries representing the Group, any remuneration was paid by the Companies to Banco BPM S.p.A.

Table 3A: Incentive plans based on financial instruments, other than stock-options, payable to the members of the management board, general managers and other executives with strategic responsibilities (euro)

Please note that the parties indicated in the table (by name or in aggregate form) are not yet legitimate owners of the Banco BPM shares indicated but will become owners during the vesting period only in the case of satisfaction of the predefined conditions for each individual plan.

(A)	(B)	(1)	Financial instruments assigned in previous years and not vested during the financial year		Financial instruments assigned during the year				(9)	Financial instruments vested during the year and assignable (1)		(12)	
			(2)	(3)	(4)	(5)	(6)	(7)		(8)	(10)		(11)
Surname and name	Office held	Plan (2)	Number and type of financial instrument	Vesting period	Number and type of financial instrument	Fair value at the assignment date	Vesting period	Assignment date	Market price on assignment	Number and type of financial instrument	Number and type of financial instrument	Value at the vesting date (3)	Fair value (4)
CASTAGNA GIUSEPPE	Chief Executive Officer of BANCO BPM												
(I) Remuneration in the company which draws up the financial statements													
		(2021-2023) ILT (15/04/2021)			1,490,498	3,600,000	2021-2029	15/04/2021	2.41530				862,114
		(2017-2019) ILT (8/04/2017)	94,562 Banco BPM Ordinary Shares	2017-2023							94,562 Banco BPM Ordinary Shares	283,119	92,400
		2021 (15/04/2021) (a) (*)			N.A. Banco BPM Ordinary Shares	568,202	2021-2027	27/06/2022	N.A.		N.A. Banco BPM Ordinary Shares	214,416	317,014
		2020 (4/04/2020)	76,372 Banco BPM Ordinary Shares	2020-2026							19,093 Banco BPM Ordinary Shares	57,164	81,387
		2019 (6/04/2019)	147,964 Banco BPM Ordinary Shares	2019-2025							49,321 Banco BPM Ordinary Shares	147,667	
		2018 (7/04/2018)	75,146 Banco BPM Ordinary Shares	2018-2024							37,572 Banco BPM Ordinary Shares	112,491	
		2017 (8/04/2017)	14,473 Banco BPM Ordinary Shares	2017-2023							14,475 Banco BPM Ordinary Shares	43,338	
		2016 former Bipiemme Group (30/04/2016)									14,697 Banco BPM Ordinary Shares	44,003	
(II) Remuneration from subsidiaries and associates													
(III) Total													
			408,517		1,490,498	4,168,202					229,720	902,198	1,352,915

(A)	(B)	(1)	Financial instruments assigned in previous years and not vested during the financial year		Financial instruments assigned during the year					(9)	Financial instruments vested during the year and assignable (1)		(12)
			(2)	(3)	(4)	(5)	(6)	(7)	(8)		(10)	(11)	
Surname and name	Office held	Plan (2)	Number and type of financial instrument	Vesting period	Number and type of financial instrument	Fair value at the assignment date	Vesting period	Assignment date	Market price on assignment	Number and type of financial instrument	Number and type of financial instrument	Value at the vesting date (3)	Fair value (4)
DE ANGELIS DOMENICO	Condirettore Generale BANCO BPM												
(I) Remuneration in the company which draws up the financial statements													
		(2021-2023) ILT (15/04/2021)			683,145	1,650,000	2021-2029	15/04/2021	2,41530				395,136
		(2017-2019) ILT (8/04/2017)	28,369 Banco BPM Ordinary Shares	2017-2023							28,369 Banco BPM Ordinary Shares	84,937	27,720
		2021 (15/04/2021) (*) (*)			N.A. Banco BPM Ordinary Shares	158,900	2021-2027	27/06/2022	N.A.		N.A. Banco BPM Ordinary Shares	91,673	111,169
		2020 (4/04/2020)	11,201 Banco BPM Ordinary Shares	2020-2026							2,800 Banco BPM Ordinary Shares	8,383	11,937
		2019 (6/04/2019)	22,812 Banco BPM Ordinary Shares	2019-2025							7,603 Banco BPM Ordinary Shares	22,763	
		2018 (7/04/2018)									8,235 Banco BPM Ordinary Shares	24,656	
(II) Remuneration from subsidiaries and associates													
(III) Total													
			62,382		683,145	1,808,900					47,007	232,412	545,962
POLONI SALVATORE	Condirettore Generale BANCO BPM												
(I) Remuneration in the company which draws up the financial statements													
		(2021-2023) ILT (15/04/2021)			683,145	1,650,000	2021-2029	15/04/2021	2,41530				395,136
		(2017-2019) ILT (8/04/2017)	28,369 Banco BPM Ordinary Shares	2017-2023							28,369 Banco BPM Ordinary Shares	84,937	27,720
		2021 (15/04/2021) (*) (*)			N.A. Banco BPM Ordinary Shares	233,730	2021-2027	27/06/2022	N.A.		N.A. Banco BPM Ordinary Shares	88,200	130,404
		2020 (4/04/2020)	19,094 Banco BPM Ordinary Shares	2020-2026							4,773 Banco BPM Ordinary Shares	14,290	20,347
		2019 (6/04/2019)	37,748 Banco BPM Ordinary Shares	2019-2025							12,582 Banco BPM Ordinary Shares	37,671	
		2018 (7/04/2018)	28,656 Banco BPM Ordinary Shares	2018-2024							14,327 Banco BPM Ordinary Shares	42,895	
(II) Remuneration from subsidiaries and associates													
(III) Total													
			113,867		683,145	1,883,730					60,051	267,993	573,607

(A)	(B)	(1)	Financial instruments assigned in previous years and not vested during the financial year		Financial instruments assigned during the year					Financial instruments vested during the year and not assigned	Financial instruments vested during the year and assignable (1)		Financial instruments for the year
			(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)	(10)	
Surname and name	Office held	Plan (2)	Number and type of financial instrument	Vesting period	Number and type of financial instrument	Fair value at the assignment date	Vesting period	Assignment date	Market price on assignment	Number and type of financial instrument	Number and type of financial instrument	Value at the vesting date (3)	Fair value (4)
7 OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES													
(I) Remuneration in the company which draws up the financial statements													
		(2021-2023) ILT (15/04/2021)			558,937	1,350,000	2021-2029	15/04/2021	2,41,530				323,294
		(2017-2019) ILT (8/04/2017)	7,880 Banco BPM Ordinary Shares	2017-2023						15,760 Banco BPM Ordinary Shares (e)	7,880 Banco BPM Ordinary Shares	23,593	7,700
		2021 (15/04/2021) (a) (**)			N.A. Banco BPM Ordinary Shares	409,148	2021-2027 (b)	27/06/2022	N.A.		N.A. Banco BPM Ordinary Shares	239,598	293,145
		2020 (4/04/2020)	21,190 Banco BPM Ordinary Shares	2020-2026 (c)						10,925 Banco BPM Ordinary Shares (e)	7,410 Banco BPM Ordinary Shares	22,186	27,035
		2019 (6/04/2019)	36,536 Banco BPM Ordinary Shares	2019-2025 (d)						25,088 Banco BPM Ordinary Shares (e)	16,629 Banco BPM Ordinary Shares	49,787	
		2018 (7/04/2018)								6,976 Banco BPM Ordinary Shares (e)	12,683 Banco BPM Ordinary Shares	37,973	
(II) Remuneration from subsidiaries and associates													
(III) Total													
			65,606		558,937	1,759,148				58,749	44,602	373,137	651,174

Notes:

(1) The shares will be effectively available to the beneficiaries at a later time after the retention period ends.

(2) For each plan, the date of the Shareholders' Meeting that approved it is specified.

(3) For the plans prior to 2021 and for the ILT Plan (2017-2019), the value is calculated at the official market price recorded on 08/02/2022, which is equal to 2.9940 Euro.

- (4) For the Plans starting from 2020, the fair value of the equity compensation shown in the table is in line with the amount listed in the Financial Statements; the cost pertaining to the share plans includes the breakdown of the awarded incentive (up front portion and deferred portion) over the respective vesting period.
- (a) The actual assignment will take place at the time of accrual of the respective up-front portion in cash (27/06/2022) and the corresponding number of shares will be calculated on the basis of the arithmetic average of the official prices recorded in the thirty calendar days prior to 27/06/2022.
- (b) Of which 4 executives have a 2021-2025 vesting period.
- (c) Of which 4 executives have a 2020-2024 vesting period.
- (d) Of which 3 executives have a 2019-2023 vesting period.
- (e) Shares that will not be paid as a result of termination.
- (*) Values estimated on the basis of the performance achieved.
- (**) Estimated on the basis of performance calculated at 1 March 2022.

Table 3B: Monetary incentive plans for the members of the management board, general managers and other executives with strategic responsibilities (euro)

Note that the amounts shown in the table will only be paid following the successful fulfilment of the predefined conditions of each single plan.

A Surname and name	B Office held	(1) Plan (1)	(2)			(3)			(4) Other Bonuses
			Bonus of the year			Bonus of previous years			
			(A) Payable/Paid	(B) Deferred	(C) Deferral period	(A) No longer payable	(B) Payable/Paid	(C) Still Deferred	
CASTAGNA GIUSEPPE	Chief Executive Officer of BANCO BPM								
(I) Remuneration in the company which draws up the financial statements		2021 (15/04/2021) (a)	214,416	289,462	2022-2027				
		2020 (4/04/2020)					45,924	183,695	
		2019 (6/04/2019)					52,817	158,452	
		2018 (7/04/2018)					63,624	127,248	
		2017 (8/04/2017)					34,800	34,800	
		2016 former Bipiemme Group (30/04/2016)					45,000		
(II) Remuneration from subsidiaries and associates									
(III) Total			214,416	289,462			242,165	504,195	

A	B	(1)	(2)			(3)			(4)
Surname and name	Office held	Plan (1)	Bonus of the year			Bonus of previous years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still Deferred	
DE ANGELIS DOMENICO	Joint General Manager of BANCO BPM								
(I) Remuneration in the company which draws up the financial statements		2021 (15/04/2021) (a)	91,673	55,004	2022-2027				
		2020 (4/04/2020)					6,735	26,942	
		2019 (6/04/2019)					8,143	24,428	
		2018 (7/04/2018)					13,945		
(II) Remuneration from subsidiaries and associates									
(III) Total			91,673	55,004			28,823	51,370	
POLONI SALVATORE	Joint General Manager of BANCO BPM								
(I) Remuneration in the company which draws up the financial statements		2021 (15/04/2021) (a)	88,200	119,070	2022-2027				
		2020 (4/04/2020)					11,481	45,924	
		2019 (6/04/2019)					13,474	40,423	
		2018 (7/04/2018)					24,262	48,524	
(II) Remuneration from subsidiaries and associates									
(III) Total			88,200	119,070			49,217	134,871	

A	B	(1)	(2)			(3)			(4)
Surname and name	Office held	Plan (1)	Bonus of the year			Bonus of previous years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still Deferred	
7 OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES									
(I) Remuneration in the company which draws up the financial statements		2021 (15/04/2021) (b)	239,598	149,914	2022-2027 (c)				
		2020 (4/04/2020)				26,279 (d)	20,088	55,484	
		2019 (6/04/2019)				26,866 (d)	19,397	40,715	
		2018 (7/04/2018)				11,814 (d)	21,477		
(II) Remuneration from subsidiaries and associates									
(III) Total			239,598	149,914		64,959	60,962	96,199	

Notes:

- (1) For each plan, the date of the Shareholders' Meeting that approved it is specified.
- (a) Values estimated on the basis of the performance achieved.
- (b) Estimated on the basis of performance calculated at 1 March 2022.
- (c) Of which 4 executives have a 2022-2025 deferral period.
- (d) Amounts that will not be paid as a result of termination.

2. Table complying with the provisions of CONSOB Resolution 11971/1999, as amended by CONSOB Resolution 18049/2011 (Annex 3A – Scheme 7-ter)

Schedule regarding information on shares held by members of management and supervisory boards, general managers and other executives with strategic responsibilities

In accordance with the criteria established in Annex 3A, scheme no. 7-ter, the tables that follow show the shares held in Banco BPM S.p.A. and in the subsidiaries of the same, by members of the Board of Directors, of the Board of Statutory Auditors, by the General Manager, by Joint General Managers and by other executives with strategic responsibilities, as well as by spouses that are not legally separated and by children (minors), directly or through subsidiaries, trust companies or third parties, recorded in the shareholders' register, in letters received and from other information acquired by the same members of the management and supervisory boards, by the General Manager, by Joint General Managers and by other executives with strategic responsibilities.

Table 1: Shares held by members of management and supervisory bodies and general managers

Board of Directors

Surname and name	Office held	INVESTE COMPANY	NUMBER OF SHARES HELD ON 01/01/2021 or on date of appointment		NUMBER OF SHARES (purchased/undersigned) FROM 1/1/2021 TO 31/12/2021		NUMBER OF SHARES SOLD/EXPIRED FROM 01/01/2021 TO 31/12/2021		NUMBER OF SHARES HELD ON 31/12/2021 or on date of termination of office	
			DIRECT OWNERSHIP	INDIRECT OWNERSHIP (see note 1)	DIRECT OWNERSHIP	INDIRECT OWNERSHIP	DIRECT OWNERSHIP	INDIRECT OWNERSHIP	DIRECT OWNERSHIP	INDIRECT OWNERSHIP
TONONI MASSIMO	Chairman of the Board of Directors from 01/01/2021 to 31/12/2021	Banco BPM - shares	3,000,000	-	500,000	-	-	-	3,500,000	-
PAOLONI MAURO	Deputy Chairman of the Board of Directors from 01/01/2021 to 31/12/2021	Banco BPM - shares	15	63	-	-	-	-	15	63
CASTAGNA GIUSEPPE	Board Director from 01/01/2021 to 31/12/2021 Chief Executive Officer from 01/01/2021 to 31/12/2021	Banco BPM - shares	753,750	-	367,254 (a)	-	147,514 (b)	-	973,490	-
ANOLLI MARIO	Board Director from 01/01/2021 to 31/12/2021	Banco BPM - shares	1,172	782	-	-	-	-	1,172	782
COMOLI MAURIZIO	Board Director from 01/01/2021 to 31/12/2021	Banco BPM - shares	12,449	124,475	-	33,407	-	33,407	12,449	124,475
FARUQUE NADINE FARIDA	Board Director from 01/01/2021 to 31/12/2021	Banco BPM - shares	-	-	-	-	-	-	-	-

Board of Directors (cont.)

Surname and name	Office held	INVESEE COMPANY	NUMBER OF SHARES HELD ON 01/01/2021 or on date of appointment		NUMBER OF SHARES (purchased/undesigne-d) FROM 1/1/2021 TO 31/12/2021		NUMBER OF SHARES SOLD/EXPIRED FROM 01/01/2021 TO 31/12/2021		NUMBER OF SHARES HELD ON 31/12/2021 or on date of termination of office	
			DIRECT OWNERSHIP	INDIRECT OWNERSHIP (see note 1)	DIRECT OWNERSHIP	INDIRECT OWNERSHIP	DIRECT OWNERSHIP	INDIRECT OWNERSHIP	DIRECT OWNERSHIP	INDIRECT OWNERSHIP
FRASCAROLO CARLO	Board Director from 01/01/2021 to 31/12/2021	Banco BPM - shares	10,271	-	-	-	-	-	10,271	-
MANENTI ALBERTO	Board Director from 01/01/2021 to 31/12/2021	Banco BPM - shares	-	-	-	-	-	-	-	-
MANTELLI MARINA	Board Director from 01/01/2021 to 31/12/2021	Banco BPM - shares	-	-	-	-	-	-	-	-
PEDROLLO GIULIO	Board Director from 01/01/2021 to 31/12/2021	Banco BPM - shares	15,361	1,430,000	-	60,000	-	566,462	15,361	923,538
ROSSETTI EUGENIO	Board Director from 01/01/2021 to 31/12/2021	Banco BPM - shares	-	-	-	-	-	-	-	-
SOFFIENTINI MANUELA	Board Director from 01/01/2021 to 31/12/2021	Banco BPM - shares	313	-	-	-	-	-	313	-
TAURO LUIGIA	Board Director from 01/01/2021 to 31/12/2021	Banco BPM - shares	-	-	-	-	-	-	-	-
TORRICELLI COSTANZA	Board Director from 01/01/2021 to 31/12/2021	Banco BPM - shares	3,186	-	-	-	-	-	3,186	-
ZANOTTI GIOVANNA	Board Director from 01/01/2021 to 31/12/2021	Banco BPM - shares	-	-	-	-	-	-	-	-

Notes:

- (a) Shares delivered as part of the implementation of the remuneration and incentive policies.
- (b) Sale of shares aimed exclusively at settling the tax impact relating to the shares delivered in implementation of the remuneration and incentive policies.

Board of Statutory Auditors

Surname and name	Office held	INVESEE COMPANY	NUMBER OF SHARES HELD ON 01/01/2021 or on date of appointment		NUMBER OF SHARES (purchased/undersigned) FROM 1/1/2021 TO 31/12/2021		NUMBER OF SHARES SOLD/EXPIRED FROM 01/01/2021 TO 31/12/2021		NUMBER OF SHARES HELD ON 31/12/2021 or on date of termination of office	
			DIRECT OWNERSHIP	INDIRECT OWNERSHIP (see note 1)	DIRECT OWNERSHIP	INDIRECT OWNERSHIP	DIRECT OWNERSHIP	INDIRECT OWNERSHIP	DIRECT OWNERSHIP	INDIRECT OWNERSHIP
PRIORI MARCELLO	Chairman of the Board of Statutory Auditors from 01/01/2021 to 31/12/2021	Banco BPM - shares	61,997	1,930	-	-	-	-	61,997	1,930
FERRARI WILMO CARLO (a)	Standing Auditor from 01/01/2021 to 15/04/2021	Banco BPM - shares	101	-	-	-	-	-	101	-
LAURI MAURIZIO	Standing Auditor from 01/01/2021 to 31/12/2021	Banco BPM - shares	-	-	-	-	-	-	-	-
MUZI SILVIA (b)	Standing Auditor from 15/04/2021 to 31/12/2021	Banco BPM - shares	-	-	-	-	-	-	-	-
SONATO ALFONSO	Standing Auditor from 01/01/2021 to 31/12/2021	Banco BPM - shares	30,305	26,673	-	-	-	-	30,305	26,673
VALENTI NADIA	Standing Auditor from 01/01/2021 to 31/12/2021	Banco BPM - shares	-	-	-	-	-	-	-	-

Notes:

(a) Mr. Wilmo Carlo Ferrari ended his term of office as Statutory Auditor at the time of the Shareholders' Meeting of 15 April 2021.

(b) Ms. Silvia Muzi was appointed Statutory Auditor by the Shareholders' Meeting of 15 April 2021 to supplement the composition of the Board of Statutory Auditors.

Joint General Managers

Surname and name	Office held	INVESEE COMPANY	NUMBER OF SHARES HELD ON 01/01/2021 or on date of appointment		NUMBER OF SHARES (purchased/undersigned) FROM 1/1/2021 TO 31/12/2021		NUMBER OF SHARES SOLD/EXPIRED FROM 01/01/2021 TO 31/12/2021		NUMBER OF SHARES HELD ON 31/12/2021	
			DIRECT OWNERSHIP	INDIRECT OWNERSHIP (see note 1)	DIRECT OWNERSHIP	INDIRECT OWNERSHIP	DIRECT OWNERSHIP	INDIRECT OWNERSHIP	DIRECT OWNERSHIP	INDIRECT OWNERSHIP
DE ANGELIS DOMENICO	Joint General Manager from 01/01/2021 to 31/12/2021	Banco BPM - shares	129,023	1,058	104,206 (*)	1,504	47,045 (**)	-	186,184	2,562
POLONI SALVATORE	Joint General Manager from 01/01/2021 to 31/12/2021	Banco BPM - shares	58,719	-	157,995 (*)	-	69,952 (**)	-	146,762	-

Notes:

(*) Shares delivered as part of the implementation of the remuneration and incentive policies.

(**) Sale of shares aimed exclusively at settling the tax impact relating to the shares delivered in implementation of the remuneration and incentive policies.

(1) Indirect ownership (meaning scope set forth in provisions contained in art. 84-quater of the Issuers' Regulation adopted by CONSOB with Resolution 11971 of 14 May 1999 as amended, as well as, prudentially, by the provisions contained in European Regulation no. 596/2014-Market Abuse Regulation, "MAR").

The significant indirect relationships for the REPRESENTATIVE are shown below for the purpose of the above-cited legislation:

Natural persons: the spouse, not legally separated, or a partner that is the equivalent of a spouse under national law, dependent children and - if they have been living together for at least one year - parents, relatives and equivalent (CLOSELY RELATED PERSONS). At present, pursuant to Article 12 of Italian Presidential Decree 917/86, family members

with total income not exceeding the threshold established in the second paragraph of said article, specifically no greater than 2,840.51 euro, before deductible costs, are considered dependent.

Legal entities:

- a) legal entities, partnerships and trusts controlled directly or indirectly by the REPRESENTATIVE or by a CLOSELY RELATED PERSON (control means the categories set forth in Article 2359, paragraphs 1 and 2 of the Italian Civil Code);
- b) the legal entities, partnerships and trusts whose economic interests are substantially equivalent to those of the REPRESENTATIVE or of the CLOSELY RELATED PERSON (circumstances in which the REPRESENTATIVE holds, alone or with a CLOSELY RELATED PERSON, a share exceeding 50% of profits);
- c) the legal entities, partnerships and trusts: (i) for which the REPRESENTATIVE or a CLOSELY RELATED PERSON have management responsibility (to this end, this regards the offices of Sole Director; Director with mandates; General Manager; Joint General Manager; Deputy General Manager or Partner of a Partnership); (ii) set up for the benefit of the REPRESENTATIVE or a CLOSELY RELATED PERSON;
- d) the legal entities, partnerships and trusts in which the REPRESENTATIVE or a CLOSELY RELATED PERSON is the owner, alone or jointly between them, of the management function (the position of Sole Director is valid for this purpose. In the case of more than one director, the REPRESENTATIVE is the owner of the management function in the event in which over half of the board is comprised by the REPRESENTATIVE and/or CLOSELY RELATED PERSONS).

Table 2 – Shares held by other executives with strategic responsibilities

OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES (see note 2)	INVESTE COMPANY		NUMBER OF SHARES HELD ON 01/01/2021 or on date of appointment		NUMBER OF SHARES (purchased/undersigned) FROM 1/1/2021 TO 31/12/2021		NUMBER OF SHARES SOLD/EXPIRED FROM 01/01/2021 TO 31/12/2021		NUMBER OF SHARES HELD ON 31/12/2021 or on date of termination of office	
			DIRECT OWNERSHIP	INDIRECT OWNERSHIP (see note 1)	DIRECT OWNERSHIP	INDIRECT OWNERSHIP	DIRECT OWNERSHIP	INDIRECT OWNERSHIP	DIRECT OWNERSHIP	INDIRECT OWNERSHIP
7	Banco BPM -	shares	180,139	313	266,940 (*)	-	114,980 (**)	-	332,099	313

Notes:

(*) Of which 256,940 shares delivered as part of the implementation of the remuneration and incentive policies.

(**) They relate to the sale of shares aimed exclusively at settling the tax impact relating to the shares delivered in implementation of the remuneration and incentive policies.

(1) Indirect ownership (meaning scope set forth in provisions contained in art. 84-quater of the Issuers' Regulation adopted by CONSOB with Resolution 11971 of 14 May 1999 as amended, as well as, prudentially, by the provisions contained in European Regulation no. 596/2014-Market Abuse Regulation, "MAR").

The significant indirect relationships for the REPRESENTATIVE are shown below for the purpose of the above-cited legislation:

Natural persons: the spouse, not legally separated, or a partner that is the equivalent of a spouse under national law, dependent children and - if they have been living together for at least one year - parents, relatives and equivalent (CLOSELY RELATED PERSONS). At present, pursuant to Article 12 of Italian Presidential Decree 917/86, family members with total income not exceeding the threshold established in the second paragraph of said article, specifically no greater than 2,840.51 euro, before deductible costs, are considered dependent.

Legal entities:

- legal entities, partnerships and trusts controlled directly or indirectly by the REPRESENTATIVE or by a CLOSELY RELATED PERSON (control means the categories set forth in Article 2359, paragraphs 1 and 2 of the Italian Civil Code);
- the legal entities, partnerships and trusts whose economic interests are substantially equivalent to those of the REPRESENTATIVE or of the CLOSELY RELATED PERSON (circumstances in which the REPRESENTATIVE holds, alone or with a CLOSELY RELATED PERSON, a share exceeding 50% of profits);
- the legal entities, partnerships and trusts: (i) for which the REPRESENTATIVE or a CLOSELY RELATED PERSON have management responsibility (to this end, this regards the offices of Sole Director; Director with mandates; General Manager; Joint General Manager; Deputy General Manager or Partner of a Partnership); (ii) set up for the benefit of the REPRESENTATIVE or a CLOSELY RELATED PERSON;
- the legal entities, partnerships and trusts in which the REPRESENTATIVE or a CLOSELY RELATED PERSON is the owner, alone or jointly between them, of the management function (the position of Sole Director is valid for this purpose. In the case of more than one director, the REPRESENTATIVE is the owner of the management function in the event in which over half of the board is comprised by the REPRESENTATIVE and/or CLOSELY RELATED PERSONS).

(2) They are 7 Executives with strategic responsibilities, including the Executive in charge of preparing the corporate accounting documents, the Head of the Audit Function, the Head of the Risk Function, the Head of the Compliance Function, of which 1 for a fraction of the year.

Attachment - Verification of the internal audit function on the consistency of the practices adopted for remuneration in 2021

The Audit function reports on annual checks to the remuneration and incentive system of the Banco BPM Group, as required by Supervisory Regulations.

Said activity consisted of the checking of:

- compliance with the relevant external legislation concerning the remuneration practices adopted with the Shareholders' resolution of 15 April 2021, with reference to the financial year 2021 and to the entire Group;
- implementation of "Remuneration and Incentive Policies" regarding 2020 and the phase implemented up to this point of the 2021 Policies.

Checks were carried out on companies of the Banco BPM Banking Group for whom the incentive system was defined and relative outcomes were brought before corporate bodies (Remuneration Committee, Board of Directors, Statutory Board of Auditors) of the Parent Company and of single companies.

The Audit Function carried out checks on the main phases of the process of defining and implementing the 2020 and 2021 Policies: conditions of access to the 2020 STI - calculation of current operating profit; evaluation of the MBO 2020 Short-Term Incentive Plan performance measurement; liquidation of the 2020 incentives provided for employees of the Banco BPM Group; definition of the rules and fundamental principles of the remuneration system of the 2021 Group and definition of the 2021 objective matrices; identification process of identified personnel; actions taken by the Group in terms of remuneration, benefits and non-competition agreements/extension of notice.

The aforementioned control activities made it possible to ascertain the consistency of the practices adopted on remuneration and incentives with what is defined in the Group Policies in force and approved by the Shareholders' Meeting, as well as with the relevant external legislation.

Information on the remuneration plans based on financial instruments

The information document¹¹ relating to the remuneration plan that provides for the allocation of Banco BPM shares pursuant to Article 114-bis of the Consolidated Finance Law (CFL) (Italian Legislative Decree 58/1998, as amended and supplemented), and Article 84-bis of the Issuers' Regulations (CONSOB Resolution no. 11971/1999 as amended) is available on the Bank's website gruppo.bancobpm.it, in the *Corporate Governance - Remuneration Policies* section.

¹¹ The information documents do not form an integral part of the Report on the remuneration policy and remuneration paid.