



Banco BPM share-based compensation plan





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2024 SHORT-TERM INCENTIVE PLAN

Disclosure document

Prepared pursuant to article 114-bis of the Consolidated Finance Law (CFL) (Legislative Decree no. 58/1998 as amended) and article 84-bis of the Issuers' Regulation (Consob resolution no. 11971/1999 as amended and supplemented).

(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).

Banco BPM share-based compensation plan 2024 Short-Term Incentive Plan

DEFINITIONS

The meaning of the main terms used in this disclosure document ("**Document**") is provided below:

Banco BPM or Bank or Parent Company – Banco BPM S.p.A., parent company of the Banco BPM Group;

Group companies or Group or Banco BPM Group - the Parent Company and the subsidiaries (the companies of the Banco BPM Banking Group including insurance companies);

Policy-on-remuneration report and payouts awarded of Banco BPM Group's staff – the report prepared pursuant to Supervisory Provisions, Article 123-ter of the Consolidated Finance Law (CFL) and Article 84-quater of the Issuers' Regulation, IVASS Regulation no. 38/2018 and related Guidelines, as well as pursuant to the deed amending the Regulation implementing Articles 4-undecies and 6, paragraph 1b) and c-bis) of the CFL;

Policy - the Remuneration policy, included in Section I of the Policy-on-remuneration report and payouts awarded to Banco BPM Group's staff;

Supervisory Provisions - the Supervisory Provisions contained in the Bank of Italy Circular no. 285/2013, First Part, Title IV, Chapter 2 "Remuneration and incentive policies and practices";

CFL or Consolidated Finance Law - Italian Legislative Decree 58 of 24 February 1998 as amended and supplemented;

Issuers' Regulation - CONSOB Resolution no. 11971 of 14 May 1999 as amended and supplemented;

Identified staff – individuals whose professional activity has, or could have, a significant impact on the risk profile of the Group, the bank or the insurance company;

Senior Identified Staff – Chief Executive Officer of the Parent Company, Chief Executive Officer of Banca Akros (where appointed) and Chief Executive Officer of Banca Aletti and senior management members¹ of the Parent Company, Banca Akros and Banca Aletti, responsible for the main business lines of the Parent Company²;

Internal control functions - the functions and the structures of the Parent Company regarding compliance with regulations (Compliance), anti-money laundering, internal audit (Audit), risk control (Chief Risk Officer) and validation (Internal Validation);

Key functions - the functions and structures of the insurance companies regarding compliance with regulations (Compliance), Internal Audit, Risk Management and the actuarial function;

Functions with control tasks - the internal control functions, the financial reporting manager responsible for preparing the Company's financial reports, the basic functions and the anti-money laundering function of the insurance companies;

¹ The General Manager (where appointed), the Joint General Managers, the Chief Lending Officer, Chief Innovation Officer and the Head of Corporate & Investment Banking of the Parent Company, the General Manager, the Joint General Manager and the Deputy General Manager (where appointed) of Banca Aletti and Banca Akros.

² Commercial Manager, Corporate Manager and Finance Manager.

Incentive - the amount of variable remuneration linked to the Short-Term Incentive Plan (STI);

Award - means the granting of variable remuneration for a specific accrual period, regardless of the actual point in time when the awarded amount is paid;

Vesting - the effect by which the member of staff becomes the legal owner of the awarded variable remuneration, regardless of the instrument used for payment or the fact that the payment is subject to further retention periods or to return mechanisms;

Assignment of financial instruments – the bank’s commitment to an individual to award financial instruments subject to the fulfilment of the specific conditions envisaged in the Short-Term Incentive plan (STI).

Up-front portion - the portion vesting in the period immediately following the accrual period;

Deferred portions – the portions vesting in the deferral period, subject to the malus conditions;

Retention - the retention period for the shares (selling restriction) pursuant to current laws and regulations;

Malus - ex-post risk correction mechanisms, which are effective during the vesting period and which can lead to the reduction or elimination of the deferred portions.

INTRODUCTION

This Document was prepared by the Board of Directors of Banco BPM³ to represent the compensation plan (Plan), which envisages the valuation of a part of the Banco BPM Group identified staff incentive through the assignment of Banco BPM ordinary shares. It is proposed as part of the Policy adopted by the Group in relation to the 2024 Short-Term Incentive (STI) Plan.

This Document – prepared in accordance with the requirements of Schedule 7 of Annex 3A of the Issuers’ Regulation – is submitted for approval to the Ordinary Shareholders’ Meeting scheduled for 18 April 2024 with regard to the disclosure to the public of the criteria and conditions established for the Plan. It also provides information on the implementation of the compensation plans already approved by the previous Shareholders’ Meetings of Banco BPM (20 April 2023, 7 April 2022, 15 April 2021, 4 April 2020, 6 April 2019 and 7 April 2018).

This Document illustrates the criteria which the Board of Directors and its proxies must observe in the subsequent implementation phase of the Plan.

Given its beneficiaries, the Plan is classified as “significant”.⁴

This Document is available to the public at the registered office of Banco BPM, Piazza F. Meda no. 4 Milan, Italy and at Borsa Italiana S.p.A., and is also published on the website of the authorised storage platform www.emarketstorage.com and on the Banco BPM website <https://gruppo.bancobpm.it> (Corporate Governance section – Remuneration Policies).

Reference should be made to the 2024 Policy for any matters not included herein.

³ In compliance with the requirements of Article 114-bis of the Consolidated Finance Law and the provisions of Article 84-bis of the Issuers’ Regulation on information to be disclosed to the market in relation to share-based compensation plans.

⁴ Pursuant to Article 84-bis of the Issuers’ Regulation.

1. BENEFICIARIES

The Plan has around 150 potential beneficiaries included in the scope of the Group's identified staff on the date of publication of this Document.

1.1 Names of beneficiaries who are members of the Board of Directors or Management Board of the financial instrument issuer, the companies controlling the issuer and the companies directly or indirectly controlled by such.

The potential beneficiaries of the Plan are around 150 people at the date of preparation of the Document. Among these, the parties for which the disclosure is required are listed below⁵:

- 1) Giuseppe Castagna - CEO of Banco BPM,
- 2) Alessandro Varaldo - CEO of Banca Aletti S.p.A.
- 3) Domenico Ivan Lapenna - CEO of Banco BPM Vita and Vera Vita.

The names of potential beneficiaries of the Plan are not provided if the same receive variable remuneration in their capacity as Group employees, even though they hold positions in corporate bodies of Subsidiaries. For these individuals, please refer to the information provided below.

1.2 The categories of employees and non-employed staff of the financial instrument issuer, and of its parent companies or its subsidiaries.

In addition to the names listed in point 1.1, the Plan is reserved to staff included in the scope of the identified staff, except in cases where, as required by the 2024 Policy, the annual individual variable remuneration paid is lower than or equal to the materiality threshold of Euro 50,000 and at the same time less than or equal to one third of the total annual individual remuneration.

1.3 Names of beneficiaries who are members of the following groups:

- a) **General Managers of the financial instrument issuer;**
- b) **other executives with strategic responsibilities of the financial instrument issuer which is not a "smaller company" pursuant to Article 3, paragraph 1f) of Regulation no. 17221 of 12 March 2010, if they have received total compensation during the year (obtained as the sum of monetary compensation and share-based compensation) that exceeds the highest total compensation received by the members of the board of directors or the management board and the general managers of the financial instrument issuer;**
- c) **individuals controlling the share issuer who are employees or non-employed staff of the share issuer.**
 - a) The Co-General Managers, Domenico De Angelis and Edoardo Ginevra, of Banco BPM⁶.
 - b) The provision is not applicable.
 - c) The provision is not applicable.

⁵ Pursuant to Article 84-bis, paragraph 3 of the Issuers' Regulation and related Annex 3A, Schedule 7.

⁶ Where appointed, also the General Manager of Banco BPM also participates.

1.4 Description and number by category of:

- a) executives with strategic responsibilities other than those stated in paragraph 1.3b);
- b) in the case of “smaller companies”, pursuant to Article 3, paragraph 1f), of Regulation no. 17221 of 12 March 2010, the total number of executives with strategic responsibilities of the financial instrument issuer;
- c) any categories of employees or non-employed staff for which the Plan envisages separate features (for example executives, middle managers, employees, etc.).
 - a) In addition to the references listed in points 1.1 and 1.3, letter a), the Plan is also reserved to 7 executives with strategic responsibilities of Banco BPM.
 - b) The provision is not applicable.
 - c) There are no other categories of employees or non-employed staff for which the Plan envisages separate features.

2. RATIONALE BEHIND THE PLAN

The purpose of the 2024 Short-Term Incentive (STI) Plan of the Banco BPM Group is to award staff an incentive to be paid in cash and in Banco BPM ordinary shares, in accordance with the procedures illustrated in this Document here below, subject to the fulfilment of pre-established access conditions and specific performance objectives.

In the 2024 Short-Term Incentive (STI) Plan, the payment of the incentive to identified staff envisages - in accordance with the Supervisory Provisions - up-front and deferred portions, in the form of cash and shares, over a long-term period (four or five years). The share assignment structure envisages a retention period (restriction on sale) of one year. The purpose of the Plan is therefore to align the interests of management and shareholders by remunerating the Group’s identified staff in terms of creating value in the medium/long-term.

Reference should be made to the Policy for details of the reasons underlying the adoption of the Plan.

At this point it should be noted that no support for the Plan is envisaged to come from the special fund for encouraging employee participation in businesses.⁷

3. APPROVAL PROCEDURE AND TIMING OF ASSIGNMENT OF INSTRUMENTS

3.1 Scope of the powers and duties delegated by the Shareholders’ Meeting to the Board of Directors for the implementation of the Plan.

In drawing up its proposal for approval of the Plan to be submitted to the Ordinary Shareholders’ Meeting of Banco BPM called for 18 April 2024, the Bank’s Board of Directors has, inter alia, provided that the Chairman of the Board and the Chief Executive Officer, separately, and with the power to sub-delegate, should be awarded

⁷ As per Article 4, paragraph 112, of Italian Law 350 of 24 December 2003.

all the necessary powers to implement the Plan, in accordance with the provisions of the Policy.

In this respect, the Ordinary Shareholders' Meeting shall⁸, inter alia, approve (i) the remuneration and incentive policies for Board Directors, Statutory Auditors and staff, (ii) the share-based compensation plans.

3.2 Indication of the persons designated to administer the plan and their duties and responsibilities.

In the Parent Company, the Human Resources function is in charge of the administration of the Plan, provides technical assistance to the Corporate Bodies and prepares the preparatory support material for the definition of the Policy and the actual implementation of the 2024 Short-Term Incentive (STI) Plan. It relies on the collaboration, by competence, of the Chief Risk Officer (CRO), Compliance, Finance, Planning and Control, Administration and Accounts, Company Affairs Secretariat and Operations and Real Estate.

3.3 Any existing procedures for revising the Plan including with respect to changes in the basic objectives.

In the event of extraordinary capital operations which envisage the exercise of an option right, the Board of Directors of the Parent Company has the power to assess any adjustments to any share portions that have vested but are not yet available to the beneficiaries.⁹

The Shareholders' Meeting will be suitably informed should the above events take place.

3.4 Description of the procedures to establish the availability and the assignment of the financial instruments on which the Plan is based.

Subject to the authorisation of the Ordinary Shareholders' Meeting of Banco BPM called for 18 April 2024, the Bank's Board of Directors may proceed¹⁰ with the purchase of own shares under an "Own share purchase programme" in order to fulfil its obligations resulting from share option programmes or other assignment of shares to employees or to members of the Management bodies or the Control bodies of the issuer or of an associated Company.

The purchase of own shares must not exceed the quantity identified on the basis of the maximum number of shares that may be allocated to the beneficiaries of the Plan (estimated number based on the maximum result envisaged by the 2024 Short-Term Incentive (STI) Plan and in compliance with the authorisation of the European Central Bank).

The mechanism envisages the assignment of Banco BPM ordinary shares held by the Parent Company in accordance with the procedure illustrated below.

In 2025, following a specific resolution of the Board of Directors relating to the successful fulfilment of the conditions for access to the 2024 Short-Term Incentive (STI) Plan and to the determination of the economic resources to be awarded to staff, the

⁸ Pursuant to Article 11.3 of the Bylaws.

⁹ One such examples is capital increase.

¹⁰In compliance with the applicable legislation and, in particular, the conditions set forth in Article 5 of Regulation (EU) no. 596/2014 of 16 April 2014 on market abuse ("MAR Regulation") (see non-applicability of prohibitions on market abuse).

Parent Company's Human Resources department will proceed with the assessment of the individual performance of each potential beneficiary. For each incentive awarded, the amounts of the individual portions (up-front and deferred) both in cash and in shares will be determined. The total number of shares awarded will be determined on the basis of the arithmetic average of the official prices recorded in the 30 calendar days preceding the date on which the incentive is awarded, namely the vesting date of the up-front portion in cash.

3.5 Role performed by each director in determining the features of the plans; any conflicts of interest of the directors concerned.

After acknowledging the opinion of the Remuneration Committee, the Board of Directors has determined the features of the Plan, to be submitted to the Ordinary Shareholders' Meeting.

Considering that the 2024 Short-Term Incentive (STI) Plan's beneficiaries also include the CEO of Banco BPM, the decisions of the Board of Directors have been taken in accordance with current legislative, regulatory and company provisions on conflicts of interest.

3.6 For the purposes of the requirements of Article 84-bis, paragraph 1, the date of the decision taken by the body responsible for proposing the approval of the plans to the shareholders' meeting and the date of any proposal made by the Remuneration Committee.

On 12 March 2024, the Board of Directors approved the Plan to submit to the Ordinary General Shareholders' Meeting called for 18 April 2024, acknowledging the Remuneration Committee's opinion of 16 February 2024.

3.7 For the purposes of the requirements of Article 84-bis, paragraph 5a), the date of the decision taken by the appropriate corporate body on the share allocation and any proposal made by the Remuneration Committee to the aforementioned body

The Board of Directors meeting held on 8 February 2024, after acknowledging the opinion of the Remuneration Committee of 7 February 2024, verified the opening of the entry gates to the 2023 Short-Term Incentive Plan and on 12 March 2024 it consequently resolved to implement the Banco BPM Share-based Compensation Plan (2023 Short-Term Incentive Plan¹¹), for the estimated amount of Euro 5 million (employee gross amount which corresponds to the bank cost), of which around Euro 2.5 million relating to the deferred portions, depending on the case, over four or five years after 2024, whose vesting remains subject to the successful fulfilment of the malus conditions envisaged in the remuneration policies in force at the time. In this regard, note that the number of beneficiaries (around 80 eligible individuals based on information known as at the date of this Document), included in the scope of identified staff for 2023 and the relative incentives, will be determined on the basis of individual performance levels achieved with regard to the 2023 Short-Term Incentive Plan.

If the individual objectives assigned in the 2023 Short-Term Incentive Plan are achieved, the amounts of the individual amounts due (up-front and deferred) in the cash and share components will be determined for each incentive. The total number of shares awarded will be determined on the basis of the arithmetic average of the official prices recorded

¹¹ Approved by the Ordinary Shareholders' Meeting of 20 April 2023.

in the 30 calendar days preceding the date on which the incentive is awarded, namely the vesting date of the up-front portion in cash.

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

With reference to the 2021-2023 Long-Term Incentive Plan (LTI), approved by the Shareholders' Meeting of 15 April 2021, the Board of Directors on 8 February 2024, having acknowledged the opinion of the Remuneration Committee of 7 February 2024, verified the conditions during and at the end of the Plan that allow the award of the LTI incentive and the level of achievement of the performance objectives. On 12 March 2024, it consequently resolved to implement the Banco BPM Share-based compensation plan, intended for 48 parties, for a number of 6,330,479 shares. The LTI incentive awarded in shares is subdivided into an up-front portion, equal to 40%, and five or three equal annual portions, as a whole equal to 60%, deferred in the period after the vesting of the up-front portion. There is a retention period (selling restriction) on the shares vested of one year both for the up-front shares and for deferred shares; for the latter, the retention period starts from the date on which the deferred remuneration is vested. The actual transfer of the shares to the recipient's portfolio takes place at the end of the retention period.

The shares relating to the deferred portions of the 2021-2023 LTI Plan are equal to 3,798,288 shares, the vesting of which remains subject to the successful fulfilment of the malus conditions envisaged in the remuneration policies in force from time to time.

The opening of the entry gates to the 2023 Short-Term Incentive Plan entails the vesting, in 2024, of the share component of the deferred portions of the short-term incentive relating to share-based compensation plans, which are valid and approved on the basis of previous resolutions passed by the shareholders' meetings of Banco BPM, pertaining to 2018, 2019, 2020, 2021 and 2022.

The maximum number of shares estimated to support all existing plans amounts to approximately 15.5 million shares, which considers (i) the annual incentive for the years 2018, 2019, 2020, 2021, 2022, 2023 and the 2021-2023 long-term incentive, also including the deferred portions that will accrue from 2025 to 2030, subject to the positive verification of all the conditions envisaged for the vesting and delivery of the shares; (ii) the 2022-2024 Long-Term Incentive (LTI) plan, whose incentive will be awarded in 2025, subject to the positive verification of all the conditions envisaged and the performance objectives, and will also be disbursed in deferred portions that will accrue until 2031, subject to the positive verification of all the conditions envisaged for the vesting and delivery of the shares; (iii) what can be estimated in relation to the 2024 STI Plan and the 2024-2026 LTI Plan.

3.8 The market price recorded on the above-mentioned dates of the shares on which the plans are based, if traded on regulated markets.

The official market prices of Banco BPM ordinary shares on the dates referred to in paragraphs 3.6 and 3.7 of this Document were Euro 5.04400 (Remuneration Committee meeting of 7 February 2024) and Euro 5.08600 (Board of Directors' meetings of 8 February 2024), Euro 4.91600 (Remuneration Committee meeting of 16 February 2024), Euro 5.61400 (Board of Directors' meeting of 12 March 2024).

3.9 In the case of plans based on financial instruments traded on regulated markets, as part of the steps taken to identify the timing with which the instruments will be allocated in implementation of the plans, in what terms and by what means the issuer has taken account of a possible time clash between:

- i) said assignment and any decisions taken by the Remuneration Committee in this respect, and**
- ii) the publication of any significant information pursuant to article 17 of Regulation (EU) no. 596/2014; for example, in the event said information has:**
 - a. not been published yet and may positively influence market prices,**
 - or**
 - b. already been published and may negatively influence market prices.**

When adopting and implementing the Plans, disclosures are made to the market as required by the legislative and regulatory provisions in force at the time.

Even though the resolutions adopted on share-based compensation plans have been examined in advance by the Remuneration Committee so that it may issue its opinion to the Board of Directors, disclosures to the market, where due, are made at the same time as the latter adopts its resolution.

4. CHARACTERISTICS OF THE SHARES AWARDED

4.1 Description of how the share-based compensation plans are structured.

For the approximately 150 prospective beneficiaries of the Plan, subject to the provisions of the Supervisory Provisions regarding the relevant threshold, at least 50% of the incentive awarded under the 2024 Short-Term Incentive (STI) Plan is awarded through the allocation of Banco BPM ordinary shares, subject to deferral and retention (selling restriction) clauses.

Each share portion vested is subject to a retention clause of one year.

50% of the up-front portion of the incentive is awarded in Banco BPM ordinary shares.

If the incentive awarded is equal to or greater than Euro 435,000, the deferred portion corresponds to 60% of the same incentive, otherwise it is 40%.

The deferred portions consist of:

- five annual portions of the same amount, for 55% in ordinary Banco BPM shares, deferred in the five-year period following the year of vesting of the up-front portion, for:
 - senior identified staff;
 - the managers of main business lines of Banca Akros or Banca Aletti directly reporting to the Chief Executive Officer or senior management of Banca Akros or Banca Aletti, if the individual variable remuneration amount paid is equal to or greater than Euro 435,000;
- four annual portions of the same amount, for 50% in Banco BPM ordinary shares, for identified staff not included in the previous point, deferred in the four-year period following the year of vesting of the up-front portion.

For more details, refer to the Policy.

4.2 Indication of the effective implementation period of the Plan with respect to any different cycles envisaged.

The Plan's implementation period runs from the year of reference for the reporting of the results of the 2024 Short-Term Incentive (STI) Plan to the effective availability of the last deferred portion in shares (2030 or 2031 in the case of five annual portions).

4.3 End of the Plan.

The Plan will end in 2031.

4.4 Maximum number of financial instruments, including that in the form of options, allocated in each fiscal year to named individuals or to specific categories.

At present, an expected charge of Euro 6.3 million has been estimated. This amount includes the deferred portions of the incentive that will accrue in the next four or five years only when all the access conditions envisaged from time to time are met.

The assignment is distributed across the vesting years as illustrated in point 4.1.

The maximum number of Banco BPM ordinary shares that will be allocated under the Plan will be quantified on fulfilment of the access conditions of the 2024 Short-Term Incentive (STI) Plan, on the basis of the performance achieved by each of the beneficiaries of the Plan and dependent on the official prices recorded in the 30 calendar days prior to the award date.

4.5 Means of implementing the Plan and implementation clauses, specifying whether the effective allocation of the shares depends on the occurrence of conditions or the achievement of specific results, including performance; description of those conditions and results.

In accordance with the Risk Appetite Framework approved by the Parent Company's Board of Directors, the activation of the Plan is dependent on the following indicators and relative comparative values:

- consolidated capital adequacy: Common Equity Tier1 ratio (CET1) and MDA buffer, in both cases higher than the respective risk trigger threshold defined in the Risk Appetite Framework;
- consolidated liquidity adequacy: Regulatory Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), in both cases higher than the respective risk trigger threshold defined in the Risk Appetite Framework;
- profitability at consolidated level: UOC¹² greater than zero;
- in addition, profitability at corporate level for Banca Aletti and Banca Akros: UOC¹² greater than zero.
- in addition, Solvency ratio at corporate level for Banco BPM Vita and Vera Vita: in both cases¹³ higher than the respective risk trigger threshold defined in the Risk Appetite Framework.

¹² Profit from current operations gross of taxes net of non-recurring items identified for the purpose of complying with CONSOB Communication no. DEM/6064293 of 28 July 2006 and reported in the Directors' Report on Group Management for the year 2024, minus any gains or losses resulting from the fair value measurement of the certificates issued. The method used to calculate the UOC is regulated by a specific internal rule.

¹³ Calculated as the average of quarterly observations.

The award of the incentive to identified staff of control functions is not subject to profitability and solvency indicators, to avoid, as envisaged by Supervisory Provisions, it being linked to economic results.

In the case of positive verification of the entry gates, in accordance with the methods described below, a financial adjustment factor is applied to the economic resources of the Short-Term Incentive Plan defined in the budget for the year, the size of which is proportional to the consolidated risk adjusted profitability indicator Return on Risk Adjusted Capital (RORAC)¹⁴ obtained at the end of the financial year in comparison with the relevant Risk Trigger and Risk Appetite thresholds defined in the scope of the Risk Appetite Framework for said financial year. It may result in the reduction to zero of the economic resources or their increase, in the latter case subject to the approval of the Board of Directors of the Parent Company, which determines the exact extent, in any case within the limit of a predefined cap.

The adjustment factor aligns the economic resources to the return on risk adjusted capital recorded:

- if the RORAC is equal to or lower than the Risk Trigger threshold, the consolidated economic resources are set to zero;
- if the result is higher than the Risk Trigger threshold, but lower than the midpoint between the Risk Trigger and Risk Appetite thresholds (hereafter "midpoint"), the Parent Company's Board of Directors has the power to decide the potential availability of economic resources up to a maximum of 50% of their budget value; in this case, any payments cannot regard identified staff;
- in the case of a result at least equal to the midpoint, but not higher than the Risk Appetite threshold, the value of the consolidated economic resources forecast in the budget is automatically reduced by applying the percentage given by the ratio of the midpoint result to the Risk Appetite threshold;
- in the presence of a result higher than the Risk Appetite threshold, any increase of the consolidated financial resources up to the expected cap of 110% of their value in the budget is subject to a decision by the Parent Company's Board of Directors, which also determines the exact measurement in relation to and within the limit of the ratio between the result achieved and the Risk Appetite threshold.

If a consolidated loss for the year is recorded, a reduction mechanism is applied, before the financial adjustment factor, which reduces the economic resources envisaged in the annual budget for the 2024 Short-Term Incentive Plan. More specifically, if the entry gates to the 2024 Short-Term Incentive Plan (STI) are successfully passed and, at the same time, a consolidated loss for the year is recorded, the economic resources in the budget for the Plan are reduced by the amount of the loss up to a maximum reduction of 20% of said resources. In this circumstance, the subsequent application of the financial adjustment factor may not increase the economic resources.

The provisions relating to the factor linked to RORAC and to the reduction mechanism in the case of a consolidated loss for the year, do not apply to the portion of the economic resources of the 2024 Short-Term Incentive (STI) Plan addressed to identified staff of control functions to avoid the incentive being linked to economic results.

¹⁴ Both the final balance value and the comparison thresholds are determined as a relationship between the financial year's results, represented by the net income as at 31/12 calculated net of items removed to calculate the UOC and without the amount of the bonus pool, and the capital absorption for risks taken as recorded at year-end calculated as a percentage of risk weighted assets considering the target CET 1 ratio. The method used to calculate the result for the year is governed by internal rules.

A non-financial adjustment factor is also applied to the economic resources of the 2024 Short-Term Incentive Plan (STI) - according to the procedures illustrated below. Said factor is correlated to the values of the consolidated ECAP Reputational Risk and Anti Money Laundering (AML) indicators at year-end, in relation to the relative Risk Trigger thresholds defined in the Risk Appetite Framework for the year.

The ECAP Reputational Risk indicator represents the amount of economic capital against reputational risk estimated through an internal model. The AML represents the ratio between the number of NDGs with an expired profile and the total number of NDGs profiles.

More specifically:

- in the case of a result equal to or greater¹⁵ than the Risk Trigger threshold of both the ECAP Reputational Risk and AML indicators, the value of the financial resources is automatically reduced by 20%;
- in the case of a result equal to or greater than the Risk Trigger limit of only one of the indicators, ECAP Reputational Risk or AML, the value of the financial resources is automatically reduced by 10%;
- in the remaining cases, the financial resources are not reduced.

For the beneficiaries of the Plan, the performance assessment method is adopted, which provides for the assignment, at the start-up of the system, of an objective-card to be compared with the results achieved at the end of the year. Each objective is assigned a weight in percentage terms on the total and a result curve on achievement levels (minimum, target and maximum). The result obtained by each KPI determines a weighted score, in a variable recognition curve between a minimum and a maximum achievable. The sum of the weighted scores corresponds to the performance achieved in proportion to which, only if at least equal to a pre-established minimum score, the amount of the incentive, which cannot exceed a pre-established maximum level, is quantified.

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 during the deferral period, before the actual accrual of the deferred portions of the incentive.

With regard to misconduct and the application of malus and claw-backs, please refer to the provisions contained in the 2024 Policy.

4.6 Indication of any restrictions on the availability of the shares with specific reference to the time periods within which the subsequent transfer to the company or third parties is permitted or prohibited;

The shares are bound to a retention period (selling restriction) of one year, for up-front and deferred shares, which starts from the vesting of the corresponding portion in cash. Any rights and/or dividends are only vested with reference to the period following the transfer to the beneficiary's securities portfolio.

The Parent Company Board of Directors may assess any consequent adjustments to any share portions that have vested but are not yet available to the beneficiaries in the event of extraordinary capital operations which envisage the exercise of an option right¹⁶.

¹⁵ The greater the value recorded, the greater the risk for the Group.

¹⁶ One of such examples is capital increase.

4.7 Description of any termination clauses concerning the assignment of the Plan in the event that the beneficiaries carry out hedging transactions that make it possible to neutralise any selling restrictions on the financial instruments assigned, including in the form of options, or on the financial instruments resulting from the exercise of said options.

The Plan does not contain any termination clauses of the above nature. Group Staff may not use personal hedging strategies or insurance on remuneration or on other aspects to alter or undermine the risk alignment effects embedded in their remuneration mechanisms.

4.8 Description of the effects caused by the termination of the employment relationship.

In the event of the termination of employment, the up-front portion and the deferred portions are paid in the case of retirement, access to the solidarity fund, death, specific provisions contained in individual contracts or in individual agreements to terminate employment, without prejudice to cases in which all rights are lost.¹⁷

The loss of all rights is envisaged if the employment relationship is terminated due to resignation, dismissal for just cause or justified subjective grounds, as well as termination of the employment relationship for any reason or grounds, including access to the solidarity fund, that entail termination within the first half of 2024.

4.9 Indication of any situations in which the Plan is cancelled.

The Plan does not provide for any causes for cancellation other than those discussed in paragraph 4.5.

4.10 Reasons for the possibility of “redemption” by Banco BPM of the shares forming part of the Plan, provided pursuant to articles 2357 and following of the Italian civil code; indication of the beneficiaries of the redemption stating whether such is only applicable to specific employee categories; the effects of the termination of the employment relationship on such redemption.

The Plan does not provide for redemption by Banco BPM or any other Group company of the shares forming part of the Plan.

4.11 Any loans or other benefits granted for the buy-back of the shares pursuant to article 2358 of the Italian civil code.

The provision is not applicable.

4.12 Indication of the estimated liability for the company at the date of the related allocation, calculated on the basis of the terms and conditions already established, stated by total amount and in relation to each of the Plan’s instruments.

An expected requirement of Euro 6.3 million has been estimated, but the precise calculation shall depend on the fulfilment of the conditions to access the 2024 Short-Term Incentive (STI) Plan and the performance levels achieved by the potential beneficiaries of the Plan.

¹⁷ Pro-quota based on the twelfths of presence in service during the year, determined in accordance with internal regulations.

4.13 Indication of any dilutive effects on share capital caused by the assignment of the shares.

Given the means by which it is implemented, the adoption of the Plan will not have any dilutive effects on the Group's capital resulting from share capital increases.

4.14 Any envisaged restrictions on the exercise of voting rights and on the assignment of dividend rights.

Without prejudice to the provisions of paragraph 4.6 in relation to the accrual of any rights and/or dividends, with reference to the period following the transfer in the securities dossier of the beneficiary, no limits are envisaged for the exercise of voting rights and for the assignment of dividend rights.

4.15 If the shares are not traded on regulated markets, the information required to make a full assessment of their value.

The Plan envisages the sole use of shares traded on regulated markets. Reference should be made to the 2024 Policy for any matters not included herein.

12 March 2024
The Board of Directors

STOCK-BASED COMPENSATION PLANS

Table 1 of Schedule 7 of Annex 3A of Regulation no.11971/1999

Section 1 – Shares relating to currently valid plans approved on the basis of previous shareholders' resolutions
Please note that the individuals indicated in the tables (by name or included in categories) are not yet legitimate owners of the Banco BPM shares indicated, but will become owners during the vesting period, only if the pre-established conditions for each individual plan are successfully fulfilled.

NAME AND SURNAME OR CATEGORY	POSITION (TO BE INDICATED ONLY FOR NAMED INDIVIDUALS)	FRAME 1									
		FINANCIAL INSTRUMENTS OTHER THAN STOCK OPTIONS									
SECTION 1 – SHARES RELATING TO CURRENTLY VALID PLANS APPROVED ON THE BASIS OF PREVIOUS SHAREHOLDERS' RESOLUTIONS											
		DATE OF THE RESOLUTION OF THE SHAREHOLDERS' MEETING	TYPE OF FINANCIAL INSTRUMENT	NUMBER OF FINANCIAL INSTRUMENTS	ASSIGNMENT DATE	PURCHASE PRICE OF INSTRUMENTS, IF RELEVANT	MARKET PRICE ON ASSIGNMENT	VESTING PERIOD			
Giuseppe Castagna	CEO of Banco BPM	2023 PLAN (20/04/2023)	Banco BPM Ordinary Shares	143,143 (1)	27/06/2024 (2)	NA	€ 5.08600 (3)	2023-2029			
		2022 PLAN (07/04/2022)	Banco BPM Ordinary Shares	102,051	27/06/2023	€ 4.13419	€ 3.87976	2022-2028			
		2021 PLAN (15/04/2021)	Banco BPM Ordinary Shares	103,166	27/06/2022	-	€ 2.94920	2021-2027			
		2020 PLAN (04/04/2020)	Banco BPM Ordinary Shares	57,279	25/06/2021	-	€ 2.93977	2020-2026			
		2019 PLAN (06/04/2019)	Banco BPM Ordinary Shares	98,643	26/06/2020	€ 1.28657	€ 1.30886	2019-2025			
		2018 PLAN (07/04/2018)	Banco BPM Ordinary Shares	37,574	27/06/2019	-	€ 1.69337	2018-2024			
		2022-2024 LTI PLAN (07/04/2022)	Banco BPM Ordinary Shares	444,339	07/04/2022 (4)	€ 4.13419	€ 2.70064 (6)	2022-2030			
		2021-2023 LTI PLAN (15/04/2021)	Banco BPM Ordinary Shares	1,490,498	15/04/2021 (4)	€ 3.49144	€ 2.41530 (7)	2021-2029			
		2023 PLAN (20/04/2023)	Banco BPM Ordinary Shares	23,968 (8)	27/06/2024 (2)	NA	€ 5.08600 (3)	2023-2029			
		2022 PLAN (07/04/2022)	Banco BPM Ordinary Shares	10,239	27/06/2023	€ 4.13419	€ 3.87976	2022-2028			
Alessandro Varaldo	CEO of Banco Aleffi	2021 PLAN (15/04/2021)	Banco BPM Ordinary Shares	9,828	27/06/2022	-	€ 2.94920	2021-2027			
		2020 PLAN (04/04/2020)	Banco BPM Ordinary Shares	5,477	25/06/2021	-	€ 2.93977	2020-2026			
		2019 PLAN (06/04/2019)	Banco BPM Ordinary Shares	8,847	26/06/2020	€ 1.28657	€ 1.30886	2019-2025			
		2022-2024 LTI PLAN (07/04/2022)	Banco BPM Ordinary Shares	37,028	07/04/2022 (5)	€ 4.13419	€ 2.70064 (6)	2022-2030			
		2021-2023 LTI PLAN (15/04/2021)	Banco BPM Ordinary Shares	124,208	15/04/2021 (4)	€ 3.49144	€ 2.41530 (7)	2021-2029			
		2023 PLAN (20/04/2023)	Banco BPM Ordinary Shares	11,797 (8)	27/06/2024 (2)	NA	€ 5.08600 (3)	2023-2028			
		2022 PLAN (07/04/2022)	Banco BPM Ordinary Shares	3,959	27/06/2023	€ 4.13419	€ 3.87976	2022-2027			
		2023 PLAN (20/04/2023)	Banco BPM Ordinary Shares	41,683 (8)	27/06/2024 (2)	NA	€ 5.08600 (3)	2023-2029			
		2022 PLAN (07/04/2022)	Banco BPM Ordinary Shares	22,472	27/06/2023	€ 4.13419	€ 3.87976	2022-2028			
		2021 PLAN (15/04/2021)	Banco BPM Ordinary Shares	19,604	27/06/2022	-	€ 2.94920	2021-2027			
Domenico Ivan Lapenna	CEO of Banco BPM Vita and Vera Vita	2020 PLAN (04/04/2020)	Banco BPM Ordinary Shares	8,401	25/06/2021	-	€ 2.93977	2020-2026			
		2019 PLAN (06/04/2019)	Banco BPM Ordinary Shares	15,209	26/06/2020	€ 1.28657	€ 1.30886	2019-2025			
		2022-2024 LTI PLAN (07/04/2022)	Banco BPM Ordinary Shares	203,655	07/04/2022 (5)	€ 4.13419	€ 2.70064 (6)	2022-2030			
		2021-2023 LTI PLAN (15/04/2021)	Banco BPM Ordinary Shares	683,145	15/04/2021 (4)	€ 3.49144	€ 2.41530 (7)	2021-2029			
		2023 PLAN (20/04/2023)	Banco BPM Ordinary Shares	41,683 (8)	27/06/2024 (2)	NA	€ 5.08600 (3)	2023-2028			
		2022 PLAN (07/04/2022)	Banco BPM Ordinary Shares	3,959	27/06/2023	€ 4.13419	€ 3.87976	2022-2027			
		2023 PLAN (20/04/2023)	Banco BPM Ordinary Shares	41,683 (8)	27/06/2024 (2)	NA	€ 5.08600 (3)	2023-2029			
		2022 PLAN (07/04/2022)	Banco BPM Ordinary Shares	22,472	27/06/2023	€ 4.13419	€ 3.87976	2022-2028			
		2021 PLAN (15/04/2021)	Banco BPM Ordinary Shares	19,604	27/06/2022	-	€ 2.94920	2021-2027			
		2020 PLAN (04/04/2020)	Banco BPM Ordinary Shares	8,401	25/06/2021	-	€ 2.93977	2020-2026			
Domenico De Angelis	CBO Co-General Manager of Banco BPM	2019 PLAN (06/04/2019)	Banco BPM Ordinary Shares	15,209	26/06/2020	€ 1.28657	€ 1.30886	2019-2025			
		2022-2024 LTI PLAN (07/04/2022)	Banco BPM Ordinary Shares	203,655	07/04/2022 (5)	€ 4.13419	€ 2.70064 (6)	2022-2030			
		2021-2023 LTI PLAN (15/04/2021)	Banco BPM Ordinary Shares	683,145	15/04/2021 (4)	€ 3.49144	€ 2.41530 (7)	2021-2029			
		2023 PLAN (20/04/2023)	Banco BPM Ordinary Shares	41,683 (8)	27/06/2024 (2)	NA	€ 5.08600 (3)	2023-2028			
		2022 PLAN (07/04/2022)	Banco BPM Ordinary Shares	3,959	27/06/2023	€ 4.13419	€ 3.87976	2022-2027			
		2023 PLAN (20/04/2023)	Banco BPM Ordinary Shares	41,683 (8)	27/06/2024 (2)	NA	€ 5.08600 (3)	2023-2029			
		2022 PLAN (07/04/2022)	Banco BPM Ordinary Shares	22,472	27/06/2023	€ 4.13419	€ 3.87976	2022-2028			
		2021 PLAN (15/04/2021)	Banco BPM Ordinary Shares	19,604	27/06/2022	-	€ 2.94920	2021-2027			
		2020 PLAN (04/04/2020)	Banco BPM Ordinary Shares	8,401	25/06/2021	-	€ 2.93977	2020-2026			
		2019 PLAN (06/04/2019)	Banco BPM Ordinary Shares	15,209	26/06/2020	€ 1.28657	€ 1.30886	2019-2025			

FRAME 1

FINANCIAL INSTRUMENTS OTHER THAN STOCK OPTIONS

SECTION 1 – SHARES RELATING TO CURRENTLY VALID PLANS APPROVED ON THE BASIS OF PREVIOUS SHAREHOLDERS' RESOLUTIONS

NAME AND SURNAME OR CATEGORY	POSITION (TO BE INDICATED ONLY FOR NAMED INDIVIDUALS)	DATE OF THE RESOLUTION OF THE SHAREHOLDERS' MEETING	TYPE OF FINANCIAL INSTRUMENT	NUMBER OF FINANCIAL INSTRUMENTS	ASSIGNMENT DATE	PURCHASE PRICE OF INSTRUMENTS, IF RELEVANT	MARKET PRICE ON ASSIGNMENT	VESTING PERIOD
Eduardo Maria Ginevra	CFO Co-General Manager of Banco BPM	2023 PLAN (20/04/2023)	Banco BPM Ordinary Shares	57,314 (8)	27/06/2024 (2)	NA	€ 5.08600 (3)	2023-2029
		2022 PLAN (07/04/2022)	Banco BPM Ordinary Shares	19,847	27/06/2023	€ 4.13419	€ 3.87976	2022-2028
		2021 PLAN (15/04/2021)	Banco BPM Ordinary Shares	17,322	27/06/2022	-	€ 2.94920	2021-2027
		2020 PLAN (04/04/2020)	Banco BPM Ordinary Shares	9,547	25/06/2021	-	€ 2.93977	2020-2026
		2019 PLAN (06/04/2019)	Banco BPM Ordinary Shares	19,906	26/06/2020	€ 1.28657	€ 1.30886	2019-2025
		2022-2024 LTI PLAN (07/04/2022)	Banco BPM Ordinary Shares	111,085	07/04/2022 (5)	€ 4.13419	€ 2.70064 (6)	2022-2030
		2021-2023 LTI PLAN (15/04/2021)	Banco BPM Ordinary Shares	372,625	15/04/2021 (4)	€ 3.49144	€ 2.41530 (7)	2021-2029
		2023 PLAN (20/04/2023)	Banco BPM Ordinary Shares	141,762 (8)	27/06/2024 (2)	NA	€ 5.08600 (3)	2023-2029 (9)
		2022 PLAN (07/04/2022)	Banco BPM Ordinary Shares	649,059 (8)	27/06/2023	NA	€ 5.08600 (3)	2023-2029 (10)
		2021 PLAN (15/04/2021)	Banco BPM Ordinary Shares	32,071	27/06/2022	€ 4.13419	€ 3.87976	2022-2028
		2020 PLAN (04/04/2020)	Banco BPM Ordinary Shares	15,329	27/06/2023	€ 4.13419	€ 3.87976	2022-2027
		2019 PLAN (06/04/2019)	Banco BPM Ordinary Shares	86,982	27/06/2023	€ 4.13419	€ 3.87976	2022-2028
		2018 PLAN (07/04/2018)	Banco BPM Ordinary Shares	171,392	27/06/2023	€ 4.13419	€ 3.87976	2022-2027
		2017 PLAN (15/04/2021)	Banco BPM Ordinary Shares	26,658	27/06/2022	-	€ 2.94920	2021-2025
		2016 PLAN (07/04/2022)	Banco BPM Ordinary Shares	79,812	27/06/2022	-	€ 2.94920	2021-2027
		2015 PLAN (04/04/2020)	Banco BPM Ordinary Shares	179,814	27/06/2022	-	€ 2.94920	2021-2025
		2014 PLAN (06/04/2019)	Banco BPM Ordinary Shares	8,573	25/06/2021	-	€ 2.93977	2020-2024
		2013 PLAN (07/04/2022)	Banco BPM Ordinary Shares	27,661	25/06/2021	-	€ 2.93977	2020-2026
		2012 PLAN (15/04/2021)	Banco BPM Ordinary Shares	39,573	25/06/2021	-	€ 2.93977	2020-2024
		2011 PLAN (06/04/2019)	Banco BPM Ordinary Shares	51,471	26/06/2020	€ 1.28657	€ 1.30886	2019-2025
2010 PLAN (07/04/2022)	Banco BPM Ordinary Shares	14,329	27/06/2019	-	€ 1.69337	2018-2024		
2009 PLAN (07/04/2022)	Banco BPM Ordinary Shares	185,141	07/04/2022 (5)	€ 4.13419	€ 2.70064 (6)	2022-2030		
2008 PLAN (04/04/2020)	Banco BPM Ordinary Shares	111,084	07/04/2022 (5)	€ 4.13419	€ 2.70064 (6)	2022-2030		
2007 PLAN (06/04/2019)	Banco BPM Ordinary Shares	785,000	07/04/2022 (5)	€ 4.13419	€ 2.70064 (6)	2022-2029		
2006 PLAN (15/04/2021)	Banco BPM Ordinary Shares	124,208	15/04/2021 (4)	€ 3.49144	€ 2.41530 (7)	2021-2029		
2005 PLAN (07/04/2022)	Banco BPM Ordinary Shares	186,312	15/04/2021 (4)	€ 3.49144	€ 2.41530 (7)	2021-2027		
2004 PLAN (15/04/2021)	Banco BPM Ordinary Shares	790,793	15/04/2021 (4)	€ 3.49144	€ 2.41530 (7)	2021-2029		
2003 PLAN (07/04/2022)	Banco BPM Ordinary Shares	2,558,690	15/04/2021 (4)	€ 3.49144	€ 2.41530 (7)	2021-2027		

(1) Estimate based on the performance calculated as at 8 February 2024 and the listing taken as a reference as at the same date.

(2) The actual allocation will take place at the time of accrual of the respective up-front portion in cash.

(3) Listing of 8 February 2024.

(4) Date of Shareholders' Meeting which approved the plan.

(5) Date of Shareholders' Meeting which approved the plan. The competent bodies decided on the assignments on 5 May 2022 and 7 June 2022.

(6) Arithmetic average of the official prices reported in the 30 calendar days prior to the date of the Shareholders' Meeting of 7 April 2022.

(7) Arithmetic average of the official prices reported in the 30 calendar days prior to the date of the Shareholders' Meeting of 15 April 2021.

(8) Estimate based on the performance calculated as at 13 February 2024 and the listing taken as a reference as at 8 February 2024.

(9) Of which 4 executives with strategic responsibilities have vesting period 2023-2028.

(10) Of which 61 individuals have a vesting period of 2023-2028.

SHARE-BASED COMPENSATION PLANS

Table 1 of Schedule 7 of Annex 3A of Regulation no.11971/1999

Section 2 – Newly-granted shares

NAME AND SURNAME OR CATEGORY POSITION (TO BE INDICATED ONLY FOR NAMED INDIVIDUALS)	FINANCIAL INSTRUMENTS OTHER THAN STOCK OPTIONS						
	FRAME 1	FRAME 2	FRAME 3	FRAME 4	FRAME 5	FRAME 6	FRAME 7
	DATE OF THE RELATIVE RESOLUTION OF THE SHAREHOLDERS' MEETING	TYPE OF FINANCIAL INSTRUMENT	NUMBER OF FINANCIAL INSTRUMENTS	ASSIGNMENT DATE	PURCHASE PRICE OF INSTRUMENTS, IF RELEVANT	MARKET PRICE ON ASSIGNMENT	VESTING PERIOD
	SECTION 2 NEWLY GRANTED SHARES ON THE BASIS OF THE DECISION: OF THE BOARD OF DIRECTORS ON 12/03/2024 PROPOSED FOR THE SHAREHOLDERS' MEETING						
Giuseppe Catagna	2024 PLAN (18/04/2024)	Banco BPM Ordinary Shares	NA	2025	NA	NA	2024-2030
Alessandro Varaldo	2024 PLAN (18/04/2024)	Banco BPM Ordinary Shares	NA	2025	NA	NA	2024-2030
Domenico Ivan Lapenna	2024 PLAN (18/04/2024)	Banco BPM Ordinary Shares	NA	2025	NA	NA	2024-2029
Domenico De Angelis	2024 PLAN (18/04/2024)	Banco BPM Ordinary Shares	NA	2025	NA	NA	2024-2030
Edoardo Maria Ginevra	2024 PLAN (18/04/2024)	Banco BPM Ordinary Shares	NA	2025	NA	NA	2024-2030
3 Executives with strategic responsibilities	2024 PLAN (18/04/2024)	Banco BPM Ordinary Shares	NA	2025	NA	NA	2024-2030
4 Executives with strategic responsibilities	2024 PLAN (18/04/2024)	Banco BPM Ordinary Shares	NA	2025	NA	NA	2024-2029
5 Other Plan beneficiaries	2024 PLAN (18/04/2024)	Banco BPM Ordinary Shares	NA	2025	NA	NA	2024-2030
133 Other Plan beneficiaries	2024 PLAN (18/04/2024)	Banco BPM Ordinary Shares	NA	2025	NA	NA	2024-2029

