

ILLIMITY BANK S.P.A.

**ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS
ON ITEM 6 ON THE AGENDA
OF THE ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF
ILLIMITY BANK S.P.A. OF 24 APRIL 2024 IN SINGLE CALL**

Prepared pursuant to article 114-bis of Legislative Decree no. 58 of 24 February 1998 as amended and article 84-bis Consob Regulation no. 11971/1999 as amended

Approved by the Board of Directors on 8 February 2024

The report can also be consulted on the Bank's website www.illimity.com

Shareholders,

You are called to attend an Ordinary General Meeting to be held at 09:00 CET on 24 April 2024, in single call, to discuss and adopt resolutions on the following agenda:

1. *[omissis]*.
2. *[omissis]*.
3. *[omissis]*.
4. *[omissis]*.
5. *[omissis]*.
6. **Annual management by objectives incentive plan for the fiscal year 2024, called “MBO Plan” (for fiscal year 2024), pursuant to article 114-bis of Legislative Decree no. 58/1998 and to the Circular no. 285 of the Bank of Italy of 17 December 2013, regarding, in part, ordinary shares of illimity Bank S.p.A.. Resolutions pertaining thereto and arising therefrom.**
7. *[omissis]*.

This illustrative report has accordingly been prepared pursuant to article 114-*bis* of Legislative Decree no. 58 of 24 February 1998 as amended (the “**TUF**”) and article 83-*bis* of Consob Regulation no. 11971/1999 as amended (the “**Issuers’ Regulation**”) and provides a description of the item 6 the agenda of the Ordinary Shareholders’ Meeting, as well as the relative draft resolutions that you are called to adopt.

Shareholders,

You are called to attend an Ordinary General Meeting of illimity Bank S.p.A. (hereinafter also “**illimity**” or the “**Bank**”) that, inter alia, shall decide on the proposal for approval, pursuant to and for the purposes of art. 114-*bis* of the TUF, of the Regulations of the "MBO Plan" Incentive System (the “**Plan**” or “**MBO**”) for the financial year 2024, aimed at the provision of an incentive, in cash and/or illimity ordinary shares for all Group staff (except the personnel of illimity SGR S.p.A.) ⁽¹⁾.

The MBO aims to recognize the progress of achieving the objectives of the Strategic Plan, incentivize the adoption of behaviors consistent with long-term planning and support the dissemination of a culture of "value-building" coherent with the risk management objectives outlined in the Bank's Risk Appetite Framework.

The Plan, for the 2024 financial year, provides for the attribution to the Beneficiaries (as better defined below) of the right to receive, under the conditions governed by the Regulation and by the external and internal regulations currently in force, a variable component of remuneration, in cash and /or illimity ordinary shares (hereinafter also “**Bonus**”) whose allocation is subject to specific access conditions (so-called "Gates" or "activation gates") and the Performance Objectives assigned to each employee.

All the characteristics of the Plan are detailed in the specific Information Document, prepared pursuant to art. 114-*bis* of Legislative Decree 24 February 1998, no. 58 and art. 84-*bis* of Consob Regulation no. 11971/1999 (the “**Issuers' Regulation**”) and subsequent amendments and additions, made available to the public in the terms and conditions provided for by art. 84-*bis* of the Issuers' Regulation itself and attached to this Illustrative Report.

Purpose of the Plan

The 2024 Group Incentive System, as anticipated above, is aimed at recognizing the progress of achieving the objectives of the Strategic Plan, encouraging the adoption of behaviors consistent with the planning long-term and support the dissemination of a "value-building" culture consistent with the risk management objectives set out in the Bank's Risk Appetite Framework, in line with the applicable regulatory provisions.

Beneficiaries of the Plan

The subjects identified as Beneficiaries of the MBO Plan are indicated below:

- Chief Executive Officer of illimity Bank S.p.A.;
- Material Risk Taker of the Group (except the staff of illimity SGR S.p.A.);
- Remaining staff of the Group (except the staff of illimity SGR S.p.A.).

The identification of employees as Beneficiaries of the Plan occurs through the Objective Assignment Communication. It should be noted that their identification, including the case of new hires during the year, must take place within the first 9 months of the 2024 Performance Period.

Consequently, they will be entitled to be considered Beneficiaries of the MBO System in the same year

⁽¹⁾ The Group means illimity and the companies directly and/or indirectly controlled by it pursuant to art. 2359, first paragraph, of the Italian Civil Code and 93, first paragraph, of the TUF, with the exception of the staff of illimity SGR S.p.A..

according to a pro-rata temporis criterion.

Key features of the Plan

The 2024 MBO Plan provides for the attribution to the Beneficiaries of the right to receive, under the conditions established by the Regulation and by the external and internal rules in force, a variable component of remuneration, in cash and/or illimity ordinary shares, whose attribution is conditional on the satisfaction of specific access conditions (so-called "Gate" or "activation gates") and the Performance Objectives assigned to them, contained in the individual cards (hereinafter also "Goal Card" or "MBO Goal Card") defined through a structured and regulated process (the Performance Management Process), in line with illimity's strategic guidelines.

The evaluation of individual performance is differentiated according to the role and the organizational position and can, therefore, contain, with different weighting the following objectives:

- Group objectives (Financial & Risk), in line with the targets defined for 2024 in the budget, consistently with the Strategic Plan;
- individual business objectives/strategic initiatives, linked to the business results of the reference area and/or to the implementation of strategic initiatives (assigned according to individual responsibilities regarding the implementation of the Plan guidelines);
- ESG objectives;
- behavioral goals related to illimity's leadership model.

For the Material Risk Taker of the Group who are part of the corporate control functions, as well as for the Chief HR & Organization Officer and the Manager in charge of drafting the Financial Statements of illimity Bank S.p.A., the objectives are related to the specific responsibilities of the role (including the ESG objective) and to illimity's leadership model.

For each objective and behavior contained in the Goal Card, a minimum achievement level (so-called threshold), a target level and a maximum level (so-called overperformance) is defined.

The minimum overall performance level is 80% while the maximum level is 120%; against these results, 60% and 130% of the target Bonus are paid respectively. The latter corresponds to the amount payable upon reaching an overall performance of 100%.

The Bonus corresponding to intermediate or higher performance levels is calculated by linear interpolation, as represented below in *Figure 1*.

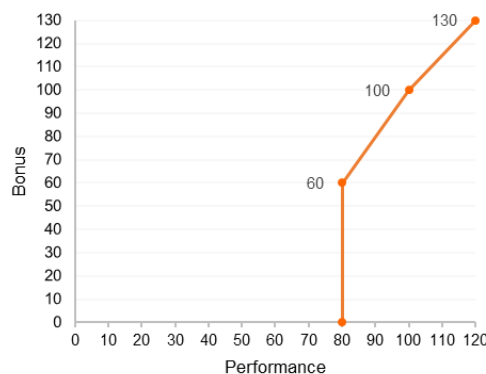


Figure 1 - MBO Incentive Curve

It should also be noted that in case of extra performance at Divisional level, it is possible to exceed 130% of the individual Bonus target.

In line with the 2024 Remuneration and Incentive Policies, the possible disbursement of the Bonus is subject to the joint fulfilment of conditions that also guarantee compliance with the capital stability and liquidity indices defined in the Company's risk assessment procedures.

With reference to 2024, the indicators identified for the purpose of determining the minimum thresholds for the activation of the Company's Incentive System are the following:

- CET1 Ratio \geq to the tolerance threshold defined within the RAF at 31/12/2024;
- LCR \geq at the tolerance threshold defined within the RAF at 31/12/2024;
- Net Income of the Group $>$ 0% budget at 31/12/2024;
- No violation of regulations or company codes at individual level.

Any Bonus accrued is paid after approval by the Board of Directors.

Consistent with the provisions of the relevant legislation, the payment structure of the Incentive System, as represented below, is based on immediate and deferred payment tranches, in cash and/or ordinary shares illimity depending on the category of Beneficiary personnel, the role held and their strategy.

For the Material Risk Taker with a variable annual salary value above the regulatory threshold (i.e. 50,000 Euro or at least one third of the total annual remuneration), the first tranche of the total incentive will be paid in cash in 2025 and shares in 2026, subject to the assessment of individual adherence to principles of compliance and conduct; the remaining amount will be disbursed in several instalments in cash and/or ordinary shares illimity in the period:

- 2027-2030 for Executives with Strategic Responsibilities with a particularly high variable remuneration amount exceeding 424,000 Euro;
- 2027-2029, in general, for Material Risk Takers ("MRT").

In particular, with regard to Executives with Strategic Responsibilities, whose annual variable component represents a particularly high amount (greater than 424,000 Euro), the Bonus is paid according to the following modalities (see Figure 2):

- 40% up-front, of which 50% in cash and 50% in financial instruments;
- 60% deferred, of which 40% in cash and 60% in financial instruments, over a time horizon of 5 years, to be paid in the absence of Malus conditions.

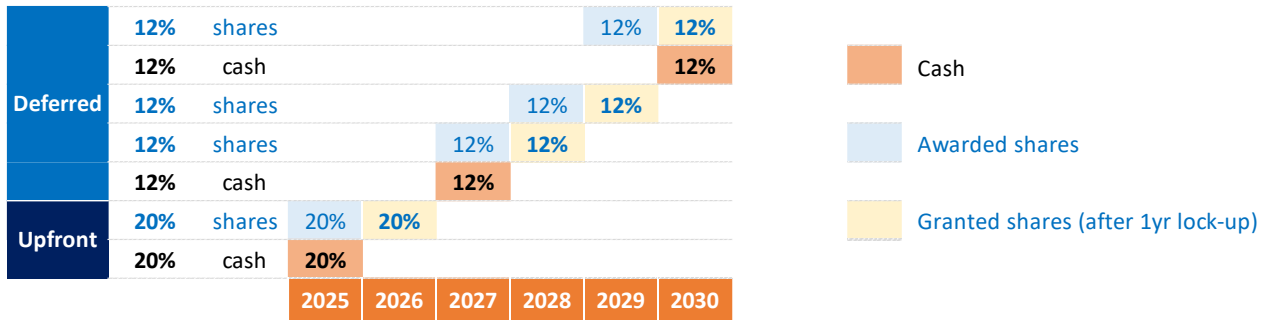


Figure 2 - Executives with Strategic Responsibilities Bonus pay-out scheme in case of variable remuneration > 424K Euro

With reference to the MRT (not Executives with Strategic Responsibilities) whose annual variable component represents a particularly high amount (greater than 424,000 Euro), the Bonus is paid according to the following modalities (see Figure 3):

- 40% up-front, of which 50% in cash and 50% in financial instruments;
- 60% deferred, of which 50% in cash and 50% in financial instruments, over a time horizon of 4 years, to be paid in the absence of Malus conditions.

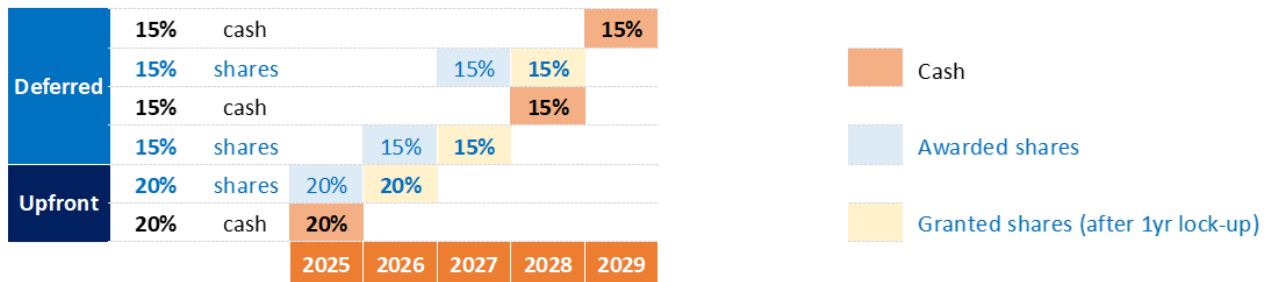


Figure 3 - MRT Bonus pay-out scheme in case of variable remuneration > 424K Euro

For the MRT, including Executives with Strategic Responsibilities, whose annual variable remuneration is higher than the regulatory threshold but less than or equal to 424,000 Euro, the Bonus is paid according to the following modalities (see Figure 4):

- 60% up-front, of which 50% in cash and 50% in financial instruments;
- 40% deferred, of which 50% in cash and 50% in financial instruments, over a time horizon of 4 years, to be paid in the absence of Malus conditions.

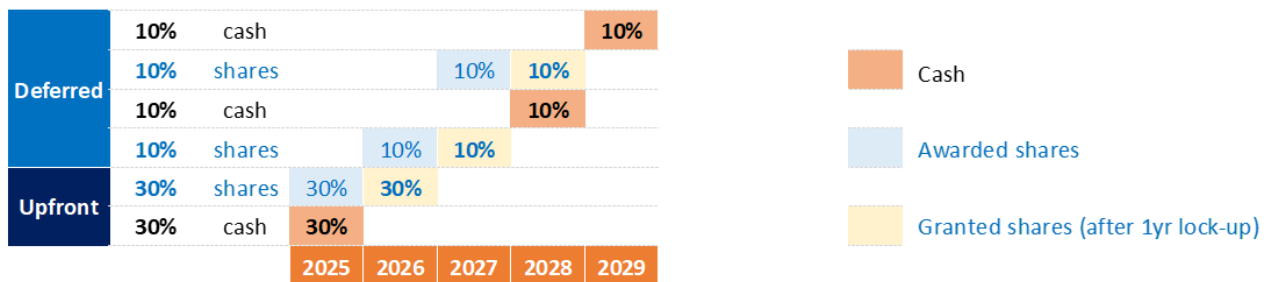


Figure 4 - MRT Bonus pay-out scheme in case of variable remuneration ≤ 424K Euro

It should be noted that, for the MRT, the Bonus is paid in cash entirely up-front if the annual variable remuneration⁽²⁾ does not exceed 50,000 Euro and does not represent more than one third of the total annual remuneration (so-called regulatory threshold).

In the case of the remaining staff of the illimity Group companies, any Bonus accrued upon achieving the assigned objectives and having met the access conditions is paid in cash and up-front.

The shares awarded, both for the part disbursed up-front and for the deferred part, are subject to a lock-up period of 12 months, starting from the Delivery Date, during which they are not available to the Beneficiary and cannot, therefore, be transferred to third parties or pledged.

In line with the regulatory provisions, the Beneficiaries acquire the right to the recognition of any dividends distributed during the period of unavailability and have the right to vote.

The accrued shares are, moreover, subject to the Malus and Claw-back conditions, that are contractual clauses that allow to reduce - up to zero - the variable remuneration that still has to be paid to the employee (Malus) and/or to demand the restitution, even partial, of the variable remuneration already paid (or variable remuneration already paid) against negative ex post evaluations of company or individual performance, or in the event of fraudulent conduct or gross negligence of the employee (Claw-back). These conditions are regulated within the internal procedure "Process for the application of the Malus and Claw-back mechanisms related to individual conduct". It is specified that the variable short-term component may be reduced to zero by applying a correction in the event of failure to complete compulsory in-house training by 31 December each year, or in case of particularly negative score (1 or 2 on a scale of 1-10) obtained on the skills related to the area of the report ("partnership maker" and "team booster").

Finally, to strengthen the Group's commitment to sustainable finance objectives, an individual corrector has been introduced for managerial figures within the relevant Divisions/ Competence Line that allows to increase, keep unchanged or reduce the theoretical bonus in the range +10%, -10% (and with linear progression in the intermediate levels), according to the achievement of specific objectives shared by the CFO structure with impacted roles.

Possible revisions of the Plan

The MBO Plan may be subject to adjustments or corrections, carried out with the exclusive competence of the Board of Directors, in order to maintain its substantial characteristics and to reflect any mergers, divisions, increases in capital or other capital transactions, including the grouping or splitting of shares, own shares transactions or other extraordinary operations of illimity the execution and processing of which, irrespective of when announced, should change the current perimeter of the Company (the "**Extraordinary Event**") or, in the case of capital increases of the Company or of other Group Companies, free of charge or for payment or extraordinary distribution of dividends or other events that may, even if only potentially, affect the economic value of the Plan, also following future legislative or regulatory changes, without prejudice to the maintenance of prudential supervisory requirements.

For the purposes of any corrections, the Board of Directors of the Company will proceed according to

⁽²⁾ Taking into account all forms of variable remuneration, possibly according to a pro-rata criterion; for example, the Annual Variable Incentive Plan MBO and the Long-Term Incentive Plan (LTI).

the rules commonly accepted by the practice of the financial markets. In case of change of control ex art. 93 TUF even if this does not result in the obligation to promote a takeover bid, promotion of a takeover bid on the Company's shares or a resolution of transactions from which the revocation of the Company's share listing may result from the Electronic Stock Market organised and managed by Borsa Italiana S.p.A., the Board of Directors may, in relation to the aims of the MBO System and the deferral mechanisms, modify the characteristics of the Plan initially established. In this case, in derogation of the provisions of the Regulation, the Board of Directors may, after consulting the Remuneration Committee, make any amendments deemed necessary and appropriate to keep the Plan Rules unchanged, within the limits allowed by law, in force from time to time, the substantial and economic contents of the MBO System (by way of example, not exhaustive, acceleration of the Vesting with reference to the deferred components, etc.).

Provision at the service of the Plan

For the implementation of the MBO 2024 Incentive System, it should be noted that the current availability of treasury shares in the portfolio, equal to no. 88,445, does not cover the amount of necessary shares. As described in the dedicated Shareholders' Meeting point, therefore, the purchase of no. 1,000,000 own shares is required, equal to approximately 1.19% of the Bank's shares, to be used both for the MBO 2024 and subsequent Incentive System and for further Incentive Systems. Please refer to this documentation for further details.

Final considerations

All the additional features of the MBO 2024 Plan are represented in the specific Information Document, prepared pursuant to art. 114-*bis* of the TUF and art. 84-*bis* of the Issuers Regulation, made available to the public in the terms and methods provided for by art. 84-*bis* of the Issuers Regulation itself and attached to this Explanatory Report. Finally, it should be noted that the MBO 2024 Plan based on financial instruments is to be considered of "particular relevance", pursuant to art. 114-*bis*, paragraph 3, of the TUF and art. 84-*bis*, paragraph 2 of Consob Regulation no. 11971/1999 and subsequent amendments (the "Issuers Regulation").

* * *

The Board of Directors, that approved the report on 8 February 2024, delegating its finalization to the Chair on 8 March 2024, accordingly submits the following proposed resolution to the Shareholders' Meeting.

PROPOSAL

*"The Ordinary Shareholders' Meeting of illimity Bank S.p.A. ("**illimity**" or the "**Bank**"),*

- *having regard to Art. 114-*bis* of Legislative Decree, February 24, 1998, n. 58 (the "**TUF**") and 84-*bis* of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions (the "**Issuers Regulation**")*
- *noted the Explanatory Report of the Board of Directors (the "**Report**") and the attached Information Document drawn up pursuant to art. 114-*bis* of the TUF,*

RESOLVES

- *to approve, pursuant to and for the effects of art. 114-*bis* of the TUF and art. 84-*bis* of the Issuers*

Regulation, the establishment of the Annual Incentive System for the financial year 2024 type "Management by Objectives", called "MBO" which provides for the allocation of an incentive, cash and/or ordinary shares illimity and having the characteristics (including conditions and conditions for implementation) indicated in the Explanatory Report provided to the Board of Directors and in the Information Document, giving the Board a mandate to adopt the relevant regulation;

- *to confer on the Board of Directors - and for it to the Chair and the Chief Executive Officer, separately and with express power of sub-delegation - any wider necessary and appropriate power in order to (i) ensure the adoption and full implementation of the MBO 2024 Plan, making any additions and/or amendments of a non-substantial nature deemed necessary and/or appropriate, and (ii) complete all acts, fulfillment, formalities or communication that are necessary or appropriate for the implementation of the MBO Plan for the financial year 2024."*

Milan, 8 March 2024

On behalf of the Board of Directors

The Chair

Attached Annex:

1. Information document prepared pursuant to art. 114-bis of the Consolidated Finance and art. 84-bis of the Issuers Regulation.

**Incentive Plan
MBO 2024
based on financial instruments**

**Information document drawn up in compliance with art. 84-bis of the
Issuers Regulations**



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Premise

Shareholders,

this information document (the "**Information Document**"), drawn up pursuant to art. 84-*bis* and of Schedule 7 of Annex 3A of the Consob Regulation adopted by Resolution no. 11971 of 14 May 1999 and subsequent amendments and additions (the "**Issuers Regulation**"), has as its object the proposal to adopt the MBO Incentive Plan for the 2024 financial year based on financial instruments (also "**MBO System**" or "**Plan**") approved by the Board of Directors of illimity Bank S.p.A. (the "**Company**" or "**illimity**").

On 8 February 2024, illimity's Board of Directors, from the Remuneration Committee, on February 5, 2024, and after consulting the Risk and the Sustainability Committees, each within their respective competence, resolved to submit to the Shareholders' Meeting, called on 24 April 2024, the adoption, pursuant to art. 114-*bis* of Legislative Decree 24 February 1998 n. 58 and subsequent amendments and additions (the "TUF"), of the 2024 MBO Plan.

This Information Document therefore provides information about the Incentive Plan based on financial instruments with reference to the MBO Plan for the year 2024 for the Chief Executive Officer, the Material Risk Takers and the remaining Group staff (with the exception of illimity SGR S.p.A. with a separate incentive mechanism).

This Information Document may be updated, if necessary and in accordance with the terms and conditions prescribed by current legislation, if the proposal to adopt the Plan is approved by the Shareholders' Meeting and in accordance with the resolutions adopted by the same Shareholders Meeting.

It should also be noted that the MBO 2024 Plan described in this Information Document is to be considered "particularly relevant", pursuant to art. 114-*bis*, paragraph 3, of the TUF and art. 84-*bis*, paragraph 2 of the Issuers Regulation.

This Information Document is made available to the public at the registered office of illimity Bank S.p.A., on the authorized storage mechanism "1INFO Storage", available on the website www.1info.it and on the Company's website (www.illimity.com) to the Governance Section.

Definitions

In addition to the terms otherwise defined in this document, the following terms, where they appear in capital letters, shall have the following meanings being understood that the terms and expressions defined in the masculine will also include any feminine expressions and that the terms and expressions defined in the singular will also be defined in the plural.

Shareholders' Meeting	Indicates the Shareholders' Meeting of illimity Bank S.p.A..
Shares	Indicates the ordinary shares of illimity that the Beneficiaries, upon achievement of the objectives of the MBO Plan and the other conditions governed by this Regulation, will receive as to their respective entitlement, proceeds from own shares already in the possession of the Bank and/or any purchase of own shares authorized by the Shareholders' Meeting pursuant to art. 2357 and 2357-ter of the Civil Code.
Beneficiaries	Indicates the recipients of the MBO, that is, all those who, in accordance with the Group Remuneration Policy, at the date of the Communication of participation: <ul style="list-style-type: none"> a) hold a permanent relationship with the Company or with one of the companies controlled by it, directly and/or indirectly, pursuant to articles 2359, first paragraph, of the Civil Code and 93, first paragraph, TUF, with the exception of illimity SGR S.p.A. personnel; b) are not resigning and are not in the period of notice (ex-art. 2118 Civil Code); c) satisfy all the conditions set out in the Plan Regulations.
Remuneration Committee	Indicates the Remuneration Committee of illimity Bank S.p.A. which carries out advisory and proposal functions in accordance with the Group's Remuneration Policy.
Participation Communication	Indicates the communication made by the Beneficiary to the Company through the internal management system of Performance Management (or other means identified by the HR & Organization function of the Company) with which the Beneficiary himself, view and accept its Objectives Sheet, closely linked to what is contained in the present Plan Regulations, and therefore fully and unconditionally adhere to its contents.
Board of Directors	Indicates the Board of Directors of illimity Bank S.p.A..
Adoption Date	Indicates the date on which the Board of Directors approved the adoption of the Short-Term Incentive Plan, i.e. 8 February 2024.

Delivery Date	<p>Indicates the date on which the Beneficiary actually becomes the owner of the assigned shares, after carrying out all the necessary accounting and administrative obligations, subject to the lock-up period.</p>
Maturation Date	<p>Indicates the date on which the Board of Directors checks, during 2025, the passing of the Gates and the achievement of the Objectives.</p>
Deferral	<p>Refers to the deferred payment of a portion of the variable component, in order to take into account the trend over time of the risks assumed by the Company (so-called Malus mechanisms).</p>
Executives with Strategic Responsibilities	<p>Those persons who, pursuant to IAS 24 and the Corporate Governance Code for listed companies, have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.</p>
Gate	<p>Indicates the conditions of capital, liquidity, financial and behavioral conditions (CET1 ratio, Liquidity Coverage Ratio, Net Profit, no violation of regulations or company codes on an individual basis) that must be satisfied in order to activate the System and consequently disburse the Bonus according to the degree of achievement of the objectives.</p>
illimity or Company	<p>Indicates illimity Bank S.p.A., with registered office in Milan, Via Soperga, 9, Parent Company of illimity Bank S.p.A., registered in the Register of Banking Groups no. 245.</p>
Attribution Letter	<p>Indicates the letter by which the amount of the Bonus is communicated to each Beneficiary and, for Beneficiaries entitled to a Bonus also in Shares, the number of the same assigned, after the verification of the Gates and the achievement of the objectives.</p>
Malus e Claw-Back	<p>Contractual clauses that allow to reduce - up to zero - the variable remuneration that the Bank or the individual subsidiary within the scope of the Group must still pay to the employee (Malus) and/or to ask for restitution, even partial, of the variable remuneration already paid (or variable remuneration already paid) against negative ex post evaluations of the company's or individual's performance, or in the event of fraudulent conduct or gross negligence of the employee (Claw-back) as regulated by the procedure "Process for the application of the Malus and Claw-back mechanisms related to individual conduct".</p> <p>In particular, the Malus or the Claw-back are evaluated in the case of significant non-conforming behavior or those that, under the regulations in force at the time when the behavior is actually put in place, originate:</p>

	<ol style="list-style-type: none"> 1. a breach of statutory, regulatory or statutory provisions or of any applicable codes of ethics or conduct, resulting in a significant loss for the Bank or for the individual Subsidiary or for the respective client; 2. a breach of specific legal, regulatory or statutory provisions or of any applicable ethical or code of conduct, irrespective of any losses resulting therefrom; 3. a breach of the obligations regarding the members of the company, with regard to the suitability for the performance of the task, the fulfilment of the requirements of professionalism, integrity and independence as well as the fulfilment of the criteria of competence and fairness; 4. a violation of the rules defined in the Policy "Transactions with entities within the single perimeter of the illimity Bank Group"; 5. breach of remuneration and incentive obligations; 6. fraudulent actions against the Bank; 7. activities carried out with negligence or incompetence ("gross negligence") to the detriment of the Bank.
Performance Objectives	Indicates the objectives assigned in the Goal Card.
Vesting Period	Indicates the period of time during which the Beneficiary of the Plan, for which a deferred bonus is provided, gradually accrues the right to its share, available only after the expiry of the same.
Lock-up Period	Indicates the period from the Date of Delivery of the shares, at the end of which the Beneficiary may freely dispose of the shares assigned, or transfer them to third parties or pledge them.
Relevant Persons	Indicates those entities whose activity has or may have a significant impact on the risk profile of the Bank (Material Risk Taker). illimity carries out annually, continuously, the process of identifying the most relevant personnel and periodically brings the results to the Board of Directors for approval
Plan	Indicates the illimity's MBO 2024 Incentive System, submitted for approval by the Shareholders' Meeting on 24 April 2024.
Remuneration Policy	Indicates the Report on the remuneration policy in force from time to time.
Share price	Indicates the price of each Share assigned, determined as equal to the arithmetic mean of the official prices recorded by the ordinary shares of illimity Bank S.p.A. on the Electronic Stock Market organized and managed by Borsa Italiana S.p.A. on the open market days of the period between the day before the Vesting Date and the day of the previous calendar month having the same date as the day

	of the Bonus vesting (or, failing that, the day immediately preceding the latter).
Performance Management Process	Indicates the company process, regulated by a specific internal procedure-regulation, characterized by the assignment of objectives to employees (consistent with illimity's strategic and operational planning) and the subsequent evaluation of the relative degree of achievement.
Work or Collaboration Relationship	Indicates the employment or collaboration relationship existing between the Beneficiary and the Company or one of the companies controlled by it, directly and/or indirectly, pursuant to the articles 2359, first paragraph, of the Civil Code and/or 93, first paragraph, TUF.
Regulation	Indicates the Regulation of the MBO 2024 Annual Variable Incentive Plan, drawn up in accordance with the Group Remuneration Policy and containing the additional terms and conditions of participation in the Plan.
Objectives Card	Indicates the card containing the objectives, appropriately weighted, assigned to the Beneficiaries, accessible through the relevant company systems (Internal Performance Management System).
Target bonus o target reference	It corresponds to the amount payable upon reaching an individual performance of 100%. It is generally expressed as a percentage of the fixed annual remuneration of each Beneficiary.

1. THE BENEFICIARIES

1.1 Name of the addressees who are members of the board of directors or of the management board of the issuer of financial instruments, of the parent companies of the issuer and of the companies directly or indirectly controlled by it

- Corrado Passera, Chief Executive Officer of illimity Bank S.p.A.
- Enrico Fagioli, Head of Corporate Banking of illimity Bank S.p.A.
- Andrea Clamer, Head of Specialised Credit of illimity Bank S.p.A.
- Giovanni Lombardi, General Counsel of illimity Bank S.p.A.
- Sergio Fagioli, Head of Administration, Accounting & Control of illimity Bank S.p.A.
- Andrea Battisti, Chief Executive Officer of Arec neprix S.p.A.
- Renato Ciccarelli, Chief Executive Officer of Abilio S.p.A.
- Marco Sion Raccah, General Manager of Arec neprix S.p.A.
- Filippo Cartareggia, Chief Executive Officer of Quimmo Prestige Agency S.p.A.
- Massimo Bianchi, Head of Investments of illimity Bank S.p.A.
- Paola Benevento, Head of Corporate Governance of illimity Bank S.p.A.
- Iacopo Zucchi, Head of Strategy & Planning of illimity Bank S.p.A.
- Matteo Brucoli, General Manager of Quimmo Agency S.r.l.

1.2 Categories of employees or collaborators of the issuer of financial instruments and of the parent companies or subsidiaries of that issuer

The MBO Plan for the financial year 2024 is intended for the following subjects:

- Chief Executive Officer of illimity Bank S.p.A.;
- Material Risk Taker of the Group (except the MRT of illimity SGR S.p.A.);
- Remaining employees of the Group Companies (except the staff of illimity SGR S.p.A.).

1.3 Name of the beneficiaries of the Plan belonging to the following groups:

a) General Manager of the issuer of financial instruments;

Not applicable as at the date of the Information Document there is no General Manager within the Bank.

b) other executives with strategic responsibilities of the issuer of financial instruments that is not "smaller", pursuant to Article 3, paragraph 1, lett. f), of Regulation no. 17221 of 12 March 2010, in the event that they have received during the year total compensation (obtained by adding together monetary compensation and compensation based on financial instruments) higher than the higher total remuneration attributed to the members of the board of directors, or by the management board, and to the directors-general of the issuer of financial instruments;

Not applicable as no Executives with Strategic Responsibilities of the issuer of financial instruments, during the year, received a higher total remuneration than the higher total remuneration attributed to the members of the Board of Directors of illimity Bank S.p.A..

c) natural persons controlling the issuer of shares, whether employed or engaged in cooperative activities in the issuer of shares;

Not applicable as there are no natural persons controlling the Company.

1.4 Description and numerical indication, separated by category:

a) executives with strategic responsibilities other than those indicated in letter b) of paragraph 1.3.;

At the time of drafting this Information Document, there are 15 Executives with Strategic Responsibilities of the Company identified as Beneficiaries of the aforementioned MBO Plan for the 2024 financial years, including the CEO of illimity Bank S.p.A..

b) in the case of smaller companies pursuant to art. 3, paragraph 1, lett. f), of Regulation no. 17221 of 12 March 2010, the indication by aggregate of all managers with strategic responsibilities of the issuer of financial instruments;

Not applicable as from 2024 illimity is one of the largest banks and operational complexity.

c) any other categories of employees or collaborators for which different characteristics of the Plan have been envisaged (for example, managers, executives, employees, etc.);

The Plan, in general, does not provide for differentiated characteristics for specific categories of employees or collaborators that result in Beneficiaries. It should be noted, however, that the Group's Material Risk Taker, including Executives with Strategic Responsibilities, have more stringent incentive payout methods than those of all employees and in line with regulatory requirements. For further details, please, see below.

2. THE REASONS FOR THE ADOPTION OF THE PLAN

2.1 Objectives to be achieved through the allocation of the Plan and additional information

The Regulation of the Annual Incentive Plan MBO (also "Regulation") regulates the operation of the Incentive System "Management By Objectives" for the year 2024 (also "MBO System" or "Plan") drawn up in line with the Group's Remuneration and Incentive Policies submitted for approval by the Shareholders' Meeting on 24 April 2024. The Incentive System aims to recognize the progress of the achievement of the objectives of the Strategic Plan, encourage the adoption of behaviors consistent with long-term planning and support the dissemination of a culture of "value building" consistent with the risk management objectives set out in the Bank's Risk Appetite Framework, in line with applicable regulatory forecasts.

2.2 Key variables, including in the form of performance indicators considered for the purposes of allocating the Plan based on financial instruments and additional information.

The allocation of the variable remuneration related to the MBO is subject to the achievement of objectives and behaviour contained in the Individual Goal Card assigned to each Beneficiary. The evaluation of individual performance is differentiated according to the role and the organizational position and can, therefore, understand with different weighting the following objectives:

- Group objectives (Financial & Risk), in line with the targets defined for 2024 in the budget, in line with the Strategic Plan;
- individual business objectives/strategic initiatives, linked to the business results of the reference area and/or to the implementation of strategic initiatives (assigned according to individual responsibilities regarding the implementation of the Plan guidelines);
- ESG objectives;
- behavioural objectives related to illimity's leadership model..

For the Group's Material Risk Taker who hold corporate control functions, as well as for the Chief HR & Organization Officer and the Managing in Charge of drafting the Financial Statements of illimity Bank S.p.A., the objectives are related to the specific responsibilities of the role (including the ESG objective) and the leadership model of illimity.

The objectives, in fact, are consistent with the type of business of the Group company in which the Beneficiaries operate and with the possible specificity of the applicable sector legislation.

For all, the verification about the absence of behaviors in violation of internal and external regulations.

For each objective and behavior contained in the Goal Card a minimum achievement level (so-called threshold), a target level and a maximum level (so-called overperformance) is defined.

The overall performance at the individual level is defined taking into account the results achieved in each objective and behavior present in the same Card.

The minimum overall performance level is 80% while the maximum level is 120%; against these results, 60% and 130% of the target Bonus are paid respectively. The latter corresponds to the amount payable upon reaching a total performance of 100%.

The Bonus corresponding to intermediate or higher performance levels is calculated by linear interpolation, as represented below in Figure 1.

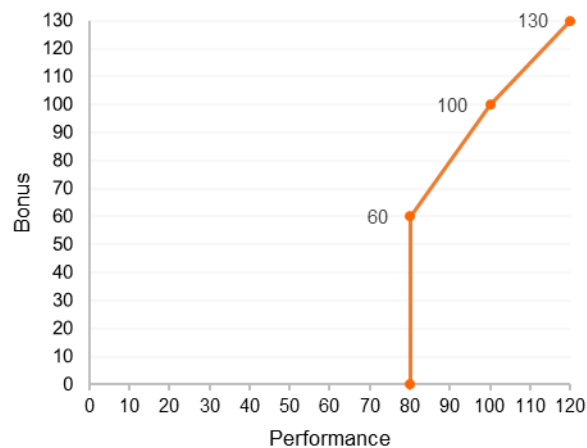


Figure 1 - MBO Incentive Curve

It should also be noted that in case of extra performance at divisional level, it is possible to exceed 130% of the individual Bonus target.

Moreover, in line with the 2024 Remuneration and Incentive Policies, the possible payment of Bonuses is subject to the joint fulfilment of conditions (the "Gate" or "activation gates") which also ensure compliance with the capital stability and liquidity indices defined in the Company's risk appetite assessment procedures.

With reference to 2024, the indicators identified for the purpose of determining the minimum thresholds for the activation of the Company's Incentive System are the following:

- **CET1 Ratio** \geq tolerance threshold established in the RAF as measured at 31/12/2024;
- **LCR** \geq tolerance threshold established in the RAF as measured at 31/12/2024;
- **Net Income del Gruppo** > 0 at 31/12/2024;
- **No breach of laws, regulations or corporate codes at an individual level.**

More generally, in the MBO 2024 System, the link between profitability, risk and remuneration is guaranteed through the direct link between the Bonus Pool and the results of the company's performance and of each Business/Support Division, measured through the use of the pre-bonus Funding KPI Profit

Before Tax (PBT) and the Return on Risk Weighted Assets & RWA-Equivalent (RORWA&E)³, weighing 80% and 20% respectively.

Figure 2 below represents the operating mechanism of the funding curve, approved by the Board of Directors, after a positive opinion, by respective competence, of the Risk Committee and the Remuneration Committee.

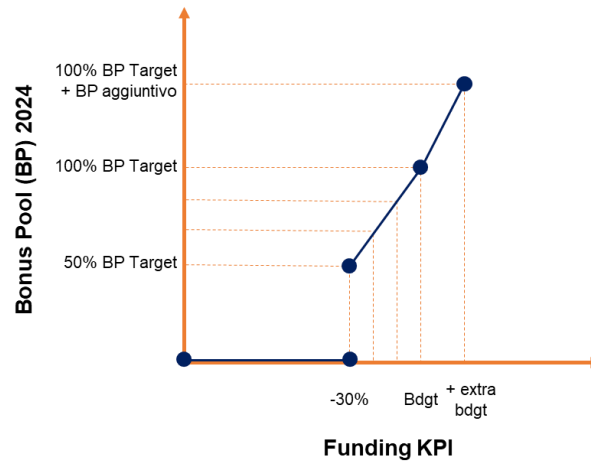


Figura 2 – Bonus Pool MBO 2024 Funding Curve

The size of the overall Bonus Pool and of each Divisional Bonus Pool is approved by the Board of Directors, following the opinion of the Remuneration Committee and the Risk Committee, each on the basis of their respective competences, taking into account the overcoming of the entry conditions and the achievement of the budget objectives.

The Board of Directors, after a motivated opinion from the Remuneration Committee and after consulting the Risk Committee, can confirm, increase up to a maximum of 20% or reduce the Bonus Pool to zero taking into account the results of the assessments made, separately, by the CRO and the CFO.

Consistent with the provisions of the relevant legislation, the payment structure of the Incentive Plan MBO 2024, as represented below, is based on immediate and deferred payment tranches, cash and/or illimity ordinary shares depending on the category of beneficiary staff.

For Material Risk Taker with a variable annual salary value above the regulatory threshold (i.e. 50,000 Euro or at least one third of the total annual remuneration), the first tranche of the total incentive will be paid in cash in 2025 and shares in 2026, subject to the assessment of individual adherence to principles of compliance and conduct; the remaining amount will be paid in several instalments in cash and/or ordinary shares illimity in the period:

- 2027-2030: for Executives with Strategic Responsibilities with a particularly high variable remuneration amount exceeding 424,000 Euro ⁽⁴⁾;
- 2027-2029: for Material Risk Taker (“MRT”).

The component in illimity ordinary shares, both up-front and deferred, is subject to an unavailability period (so-called lock-up period) of 12 months, as defined by the regulations, during which the shares are not available to the Beneficiary and cannot, be transferred to third parties or pledged.

⁽³⁾ The Divisional RORWA&E is calculated as the ratio between the Divisional PBT and the Average RWA-Equivalent (RWA for credit, operational, market risk specific to each segment + RWA equivalent resulting from the conversion of Goodwill into RWA, reserves from valuations and calendar provisioning). Specifically, the RWA equivalent allows to allocate to the various segments/businesses of the Group the capital consumed by them as a whole, including the impacts resulting from any acquisitions

⁽⁴⁾ Particularly high amount for illimity, i.e. the lower of i) 424K Euro (25% total average remuneration for Italian high earners); ii) 724K Euro (10x total average remuneration of illimity employees).

The number of shares to be allocated, both for the up-front part and for the deferred part, is determined by dividing the variable remuneration to be paid in shares by the Share Price (see Definitions)

The recognition of the deferred quota is, in addition, subject to compliance with the capital and liquidity requirements verified at 31 December of the year preceding the disbursement of the deferred tranche and at least in line with the Gates defined in the Remuneration and Incentive Policies in force and ensuring also that the Group's RORAC, risk-adjusted performance indicator, both positive.

In line with the regulatory provisions, the Beneficiaries shall acquire the right to the recognition of any dividends distributed during the lock-up period and have the right to vote.

Finally, the Bonus is subject to the conditions of Malus and Claw-back, that is contractual clauses that allow to reduce - up to zero - the variable remuneration that still has to be paid to the employee (Malus) and/or to request the restitution, even partial, of the variable remuneration already paid (or variable remuneration already paid) against negative ex post evaluations of company or individual performance, or in the event of fraudulent conduct or gross negligence of the employee (Claw-back). These conditions are expressly regulated within the internal procedure "Process for the application of the Malus and Claw-back mechanisms related to individual conduct".

2.3 Elements underlying the determination of the amount of compensation based on financial instruments, namely criteria for its determination and additional information

For each Beneficiary, the amount of the Target Bonus is a percentage of the fixed remuneration defined according to the responsibilities assigned to the role and strategy of the resource. This amount at the maximum level is, in any case, included in the other variable remuneration components that may be present, within the maximum limits approved by the Shareholders' Meeting.

In this respect, illimity has established the maximum incidences for the different categories of personnel, as reported below:

- Chief Executive Officer: 200%;
- Group Material Risk Takers belonging to the business functions: 200%;
- Group Material Risk Takers belonging to the support functions: 150%;
- Material Risk Takers belonging to the corporate control functions: 33%;
- for the remaining staff, variable remuneration is in all cases limited to 200% for the business functions and 100% for the remaining functions.

It is further noted that – consistent with legislative and regulatory provisions - the variable remuneration of the staff of the corporate control functions, the Human Resources function and the Manager in charge of drafting the Financial Statements remains contained in any case; for this reason, it is envisaged that the fixed remuneration is prevalent than the variable remuneration for these members of staff.

The amount of disbursement depends on the exceeding of the access conditions and the level of achievement of each objective, as explained in point 2.2 above.

2.4 Reasons for any decision to award the Compensation Plan based on financial instruments not issued by the issuer of financial instruments, such as financial instruments issued by subsidiaries or parent companies or companies outside the group to which they belong; where those instruments are not traded on regulated markets, information on the criteria used to determine the value attributable to them

Not applicable, as the 2024 MBO Plan does not provide for the allocation of financial instruments of the type described above.

2.5 Assessment regarding significant tax and accounting implications that have affected the definition of the Plan

There are not significant accounting and tax implications that have affected the definition of the Plan.

2.6 Possible support for the Plan by the Special Fund for encouraging employees participation in companies, referred to in Article 4, paragraph 112, of Law no. 350 of 24 December 2003

Not applicable, as the Plan does not provide support from the Special Fund for the encouragement of employee participation in companies, pursuant to art. 4, paragraph 112, of Law no. 350 of 24 December 2003.

3. APPROVAL PROCESS AND TIMING OF INSTRUMENT ALLOCATION

3.1 Scope of the powers and functions delegated by the Shareholders' Meeting to the Board of Directors for the purpose of implementing the Plan

On 8 February 2024, the Board of Directors of illimity Bank S.p.A. approved the adoption of the MBO 2024 Plan on a proposal from the Remuneration Committee, on 5 February 2024 and after hearing the Risk Committee at the same meeting and the Sustainability Committee, each with its own expertise. At the same time it defined the Implementing Regulations, the Explanatory Report of the Board of Directors and the present Information Document, deciding, therefore, to submit the Plan to the approval of the Shareholders' Meeting of illimity, expected on 24 April 2024.

On 24 April 2024, the ordinary Shareholders' Meeting of illimity will be called upon to approve the Plan and to confer on the Board of Directors all the necessary and/or appropriate powers to implement the Plan, in particular, by way of example and not exhaustive, perform any act, fulfilment, formalities, communication that are necessary or even only appropriate for the management and/or implementation of the Plan, including the adaptation of the relevant Regulation, with the right to delegate its powers, tasks and responsibilities regarding the implementation and application of the Plan to one or more of its members, also several authority and with the option of sub-delegation.

3.2 Indication of the persons in charge of the administration of the Plan and their function of competence.

The body responsible for the administration of the Plan - without prejudice to the prerogatives of the Shareholders' Meeting - is the Board of Directors, which oversees the management of the Plan and unless specifically and differently provided for by the Implementing Regulations, may delegate its powers, tasks and responsibilities to one or more of its members, even in a disjointed manner and with the power to sub-delegate, for the execution of its decisions on the Plan.

Any resolution of the Board of Directors, or of the subjects delegated by it, regarding the interpretation and application of the Plan is final and binding for the interested parties.

3.3 Any existing procedures for the revision of the Plan also in relation to possible changes in the basic objectives

The Plan may be subject to adjustments or corrections, carried out with the exclusive competence of the Board of Directors, in order to maintain its substantial characteristics and to reflect possible mergers, divisions, increases in capital or other capital transactions, including the grouping or splitting of shares, own shares transactions or other extraordinary operations of illimity the execution and processing of which, irrespective of when announced, should change the current perimeter of the Company (hereinafter, the "**Extraordinary Event**") or, in the case of capital increases of the Company or of other Group Companies, free of charge or for payment or extraordinary distribution of dividends or other events that may, even if only potentially, affect the economic value of the Plan, also following future legislative or regulatory changes, without prejudice to the maintenance of prudential supervisory requirements.

Should it be necessary for an Extraordinary Event to modify the Objectives of the Plan, the Board of Directors will determine the changes to be made, on a proposal from the Remuneration Committee and will communicate the new Objectives to the Beneficiaries of the Plan.

In case of Change of Control ex art. 93 TUF even if this does not result in the obligation to promote a takeover bid promotion of a takeover bid on the Company's shares or a resolution of transactions from which the revocation of the Company's share listing may result from the Electronic Stock Market organised and managed by Borsa Italiana S.p.A., the Board of Directors may, in relation to the aims of the MBO System and the deferral mechanisms, modify the characteristics of the Plan initially established. In this case, in derogation of the provisions of the Regulation, the Board of Directors may, after consulting the Remuneration Committee, make any amendments deemed necessary or appropriate to keep the Regulations unchanged, within the limits allowed by law, from time to time, the substantial and economic contents of the MBO System (by way of example, not exhaustive, acceleration of vesting with regard to deferred components, etc.).

As a result of the aforementioned resolution of the Board of Directors, the Beneficiaries will have the right to receive in advance the deferred tranches due to them. In any case, the applicability of the mechanisms for revoking the attribution and restitution of part or all of the variable remuneration attributed to the mechanisms of Malus and Claw-back in the cases provided for by the Regulation and the Remuneration Policy, in force from time to time.

3.4 Description of the methods through which to determine the availability and assignment of the financial instruments on which the Plan is based (for example: free assignment of shares, capital increases with exclusion of option rights, purchase and sale of own shares)

For the implementation of the MBO 2024 Incentive System, it should be noted that the current availability of treasury shares in the portfolio, equal to n. 88,445, does not cover the amount of necessary shares. As part of the Board of Directors of 18 January 2024 it was requested, pursuant to art. 2357 and 2357-ter of the Civil Code, the purchase of no. 1,000,000 own shares, equal to about 1.19% of the Bank's shares, to be used both for the MBO System 2024 and later and of further Incentive Systems submitted for approval by the Shareholders' Meeting of 24 April 2024.

3.5 Role played by each administrator in determining the characteristics of the Plan; possible recurrence of situations of conflicts of interest for the directors concerned

In identifying the essential elements of the Plan, the Remuneration Committee, composed of non-executive and independent Directors pursuant to art. 26 of Legislative Decree no. 1 September 1993, n. 385 ("TUB"), of Ministerial Decree 169/2020, of articles 3 and 5 of the Corporate Governance Code and of Part One, Title IV, Chapter 1, Section IV par. 2.2 and Chapter 2, Section 2, par. 2 of Circular 285/2013 of the Bank of Italy, in which the presence of the necessary number of members with adequate knowledge

and experience in financial matters or remuneration and risk management policies is ensured. To this end, the Risk and the Sustainability Committee were also involved.

Within 30 (thirty) days from the date of the Meeting of the Company approving the Balance Sheet of illimity, the Board of Directors will verify, after consulting the Remuneration Committee and the Risk Committee, the existence of the conditions defined as Gate, the degree of achievement of the Performance Objectives and to determine the number of Rights actually accrued.

The Board of Directors also resolved to request the Shareholders' Meeting called to decide on the approval of the Plan itself, the appropriate delegations for the execution and administration in order to continue, verified the outcome of the shareholders' vote, with the necessary and appropriate communications and activities, including through the competent corporate functions.

The Chief Executive Officer, as Beneficiary of the Plan, did not participate in the relevant board resolutions.

3.6 For the purposes of art. 84-bis, paragraph 1, the date of the decision taken by the competent body to propose the approval of the Plan to the Shareholders' Meeting and any proposal of the Remuneration Committee

On 8 February 2024, the illimity Board of Directors approved the adoption of the Plan on a proposal from the Remuneration Committee, meeting on 5 February 2024 and, having heard the Risk Committee at the same meeting and the Sustainability Committee, each with its respective competence, have resolved the definition of the Regulation, the Illustrative Report of the Board of Directors, this Information Document and, to submit the new MBO Plan to the Shareholders' Meeting.

3.7 For the purposes of article 84-bis, paragraph 5, lett. a), the date of the decision taken by the competent body on the allocation of the instruments and of the possible proposal to the aforementioned body formulated by the possible Remuneration Committee

The allocations of the financial instruments shall take into account the entry conditions at Group level and the performance achieved with reference to the year 2024, approved by the Board of Directors, on a proposal from the Remuneration Committee.

The Board of Directors, which, during 2025, will then verify the exceeding of the Gates and the achievement of the objectives, at the same time will determine the reference price to be used for the component of the Bonus payable in shares, equal to the arithmetic average of the official prices recorded by the ordinary shares of illimity Bank S.p.A. on the Telematic Stock Market organized and managed by Borsa Italiana S.p.A. on the open market days of the period between the day before the date of the aforementioned Board of Directors and the day of the previous calendar month having the same date as the day on which the Bonus accrues (or, failing that, on the day immediately preceding the latter).

3.8 Market price, recorded on those dates, for the financial instruments on which the Plan is based, if traded on regulated markets

The official closing share price on the following dates is:

- 5 February 2024: 5,0900
- 8 February 2024: 5,0700.

3.9 In the case of plans based on financial instruments traded on regulated markets, the terms and manner in which the issuer takes into account, as part of the identification of the timing of the allocation of instruments implementing the plans, the possible coincidence in time between:

(i) said assignment or any decisions taken in this regard by the remuneration committee and, (ii) the dissemination of any relevant information pursuant to art. 17 of Regulation (EU) no. 596/2014; for example, in the event that such information is: a. not already public and likely to positively influence market prices, or b. already published and likely to adversely affect market prices

The Board of Directors adopts the decisions relating to the allocation of the Plan, subject to its approval by the Shareholders' Meeting, in compliance with current legislation - including with regard to market abuse - and internal company regulations and procedures.

It is specified, in any case, that the right of the Beneficiaries to receive the Bonus (and consequently the actions subject to assignment) will mature at the end of the Performance Period and only after the verification of the Gates and the achievement of predetermined Performance Objectives reported in the Individual Goal Cards.

In addition, Beneficiaries are prohibited from using personal coverage strategies or pay insurance or other aspects that may alter or affect the risk-aligning effects inherent in variable remuneration mechanisms.

4. CHARACTERISTICS OF THE INSTRUMENTS ALLOCATED

4.1 Description of the forms in which the share-based compensation plan is structured; for example, indicate whether the Plan is based on the assignment of: financial instruments (so-called assignment of restricted stock); of the increase in value of these instruments (so-called phantom stock); of option rights that allow the subsequent purchase of financial instruments (so-called option grant) with settlement for physical delivery (so-called stock option) or for cash on the basis of a differential (so-called stock appreciation right)

The 2024 MBO Plan provides for the recognition of an incentive in cash and/or illimity ordinary shares to be paid over a multi-year period, as represented in the graphs below. The right of the Beneficiaries to receive the remuneration provided for by the Plan is conditional on the achievement of certain objectives, present in the Individual Objectives Sheet, as well as the Gate, linked to the maintenance of certain capital and liquidity ratios in line with the provisions of the Risk Appetite Framework, all the absence of legislative or regulatory violations on an individual basis, as well as performance objectives set out consistently with the objectives set out in the Strategic Plan and both the functional and individual responsibilities of each recipient of the aforementioned Plan.

In particular, with regard to Executives with Strategic Responsibilities, whose annual variable component represents a particularly high amount (greater than 424,000 Euro)⁵, the Bonus is paid according to the following modalities (see Figure 3):

- 40% up-front, of which 50% in cash and 50% in financial instruments;
- 60% deferred, of which 40% in cash and 60% in financial instruments, over a time horizon of 5 years, to be paid in the absence of Malus conditions.

⁵ A particularly high amount of variable remuneration means the lower of: i) 25 percent of the average overall remuneration of Italian high earners, as resulting from the most recent report published by the EBA (424,000 Euro); ii) 10 times the average total remuneration of the Bank's employees (724,000 Euro). For the illimity Group this value is, consequently, equal to 424,000 Euro.

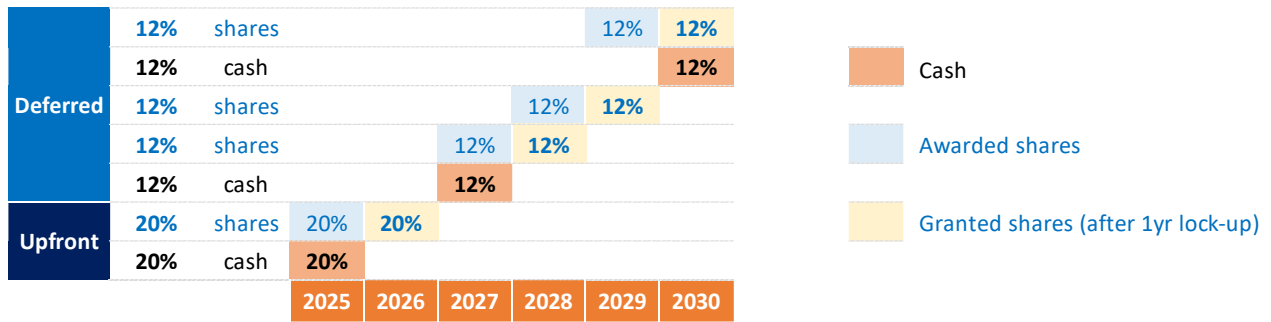


Figure 3 - Executives with Strategic Responsibilities Bonus pay-out scheme in case of variable remuneration > 424K Euro

With reference to the MRT (not Executives with Strategic Responsibilities) whose annual variable component represents a particularly high amount (greater than 424,000 Euro), the Bonus is paid according to the following modalities (see Figure 4):

- 40% up-front, of which 50% in cash and 50% in financial instruments;
- 60% deferred, of which 50% in cash and 50% in financial instruments, over a time horizon of 4 years, to be paid in the absence of Malus conditions.

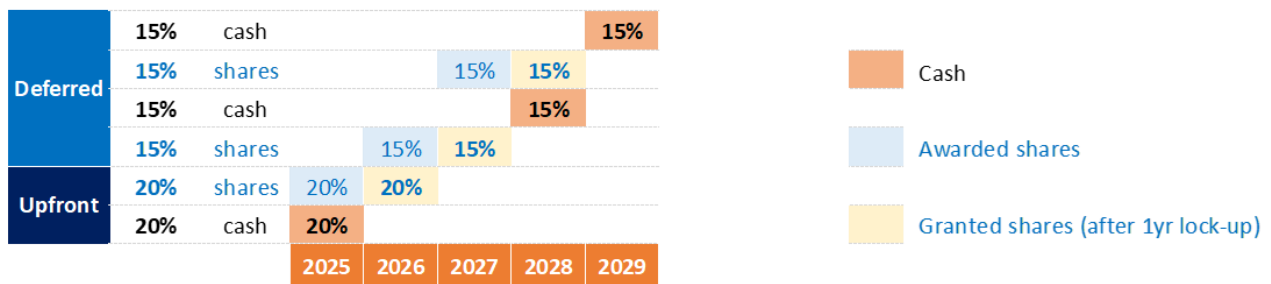


Figure 4 - MRT Bonus pay-out scheme in case of variable remuneration > 424K Euro

For the MRT, including Executives with Strategic Responsibilities, whose annual variable remuneration is higher than the regulatory allowance but less than or equal to 424,000 Euro, the Bonus is paid according to the following modalities (see Figure 5):

- 60% up-front, of which 50% in cash and 50% in financial instruments;
- 40% deferred, of which 50% in cash and 50% in financial instruments, over a time horizon of 4 years, to be paid, in the absence of Malus conditions.

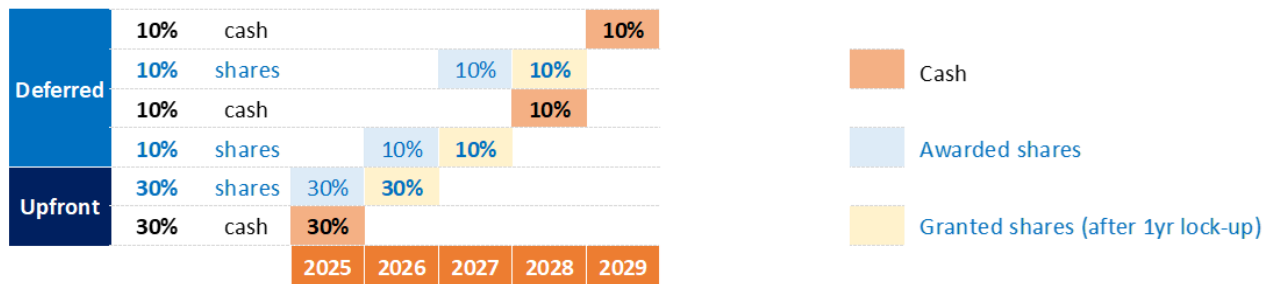


Figure 5 - MRT Bonus pay-out scheme in case of variable remuneration ≤ 424K Euro

It should be noted that, for the MRT, the Bonus is paid in cash entirely up-front if the annual variable remuneration does not exceed 50,000 Euro and does not represent more than one third of the total annual remuneration (so-called regulatory threshold).

In the case of the remaining staff of the illimity Group Companies, any Bonus accrued to the achievement of the assigned objectives and verified the exceeding of the access conditions is paid in cash and up-front.

4.2 Indication of the period of effective implementation of the Plan with reference also to any different cycles foreseen

The Plan is implemented upon the achievement of the Objectives and the occurrence of other conditions defined by the same with reference to the performance year 2024. The provision of the incentive is foreseen during the period 2025-2030, in view of the deferral schemes applied for the different categories of staff, described in the previous point.

4.3 Termination of the Plan

The Plan will have a maximum duration until 2030, the deadline by which any deferred shares in cash and shares for Executives with Strategic Responsibilities will be paid with a particularly high annual variable remuneration.

4.4 Maximum number of financial instruments, also in the form of options, assigned in each fiscal year in relation to the individuals identified by name or to the indicated categories

The number of accrued shares will be determined on the basis of the mechanisms described in paragraphs 2.2, 2.3 and 4, taking into account the type of Beneficiary, the Bonus accrued and the Share Price at the time of attribution.

4.5 Modalities and clauses of implementation of the Plan, specifying whether the effective attribution of the instruments is subject to the occurrence of conditions or the achievement of certain results, including performance; description of these conditions and results

The implementation of the Plan is subject to the verification of the Gates and the achievement of the Performance Objectives in the terms indicated in point 2.2. in line with the requirements of current regulations and the illimity Remuneration and Incentive Policy in line with the objectives set out in the Strategic Plan.

In particular, the accrual of the Rights is subject to the existence of conditions defined as "Gate":

- CET1 Ratio ≥ to the tolerance threshold defined within the RAF at 31/12/2024;

- LCR \geq at the tolerance threshold defined within the RAF at 31/12/2024;
- Net Income of the Group > 0 at 31/12/2024;
- No violation of regulations or company codes at individual level.

Furthermore, ex post correction mechanisms are envisaged (so-called Malus and Claw-back).

In particular, the Bonus may be reduced or eliminated (Malus) upon the occurrence of certain conditions during the Vesting cycle or may be subject to a request for revocation or refund (Claw-back) in whole or in part, upon the occurrence of certain cases of behaviors, within 5 years from the Vesting Date of the same or attribution of deferred shares.

As regulated in the internal procedure "Process for the application of Malus and Claw-back mechanisms related to individual conduct", the Malus and/or Claw-back are assessed in the event of significant non-compliant behavior or those which, pursuant to of the legislation in force at the moment in which the behavior is actually carried out, originate:

- a violation of legal, regulatory or statutory provisions or any applicable codes of ethics or conduct, resulting in a significant loss for the Bank or for the individual subsidiary company or for the respective customers;
- a breach of specific provisions of law, regulation or statute or any applicable code of ethics or conduct, regardless of any loss resulting therefrom;
- a violation of the obligations regarding company representatives, in relation to the suitability to carry out the task, the possession of the requirements of professionalism, integrity and independence as well as the satisfaction of the criteria of competence and correctness;
- a violation of the rules defined in the Policy "Transactions with parties falling within the single perimeter of the illimity Bank Group";
- a violation of remuneration and incentives obligations;
- fraudulent actions to the detriment of the Company;
- activities carried out with negligence or incompetence ("gross negligence") to the detriment of the Bank.

4.6 Indication of any availability constraints on the instruments allocated or on the instruments deriving from the exercise of the options, with particular reference to the deadlines within which the subsequent transfer to the same company or to third parties is allowed or prohibited

In line with the provisions of the 37th update of Circular 285/13 of the Bank of Italy, the component in ordinary shares illimity is subject to a period of unavailability (the lock-up period) of 1 year from the date of delivery of the up-front and deferred shares, during which they are not available to the Beneficiary and cannot, consequently, be transferred to third parties or pledged. It should be noted, however, that the Beneficiaries during the period of unavailability accrue the right to the recognition of any dividends distributed.

4.7 Description of any termination conditions in relation to the allocation of the Plan in the event that the recipients carry out hedging operations that neutralise any prohibition on the sale of the financial instruments assigned, including in the form of options, or the financial instruments resulting from the exercise of those options

Beneficiaries are prohibited from making use of personal coverage strategies or insurance on remuneration or other aspects that may alter or invalidate the risk alignment effects inherent in this Plan.

4.8 Description of the effects of termination of employment

The award of the Bonus provided for under the Plan is intrinsically and functionally linked and conditional on the permanence of the Employment or Collaboration Relationship and the assignment/mandate of the Beneficiary.

In the event of termination of the Employment Relationship or Collaboration during the Vesting period, due to:

- i) voluntary resignation of the Beneficiary or
- ii) termination of the Work or Collaboration Relationship on the initiative of the Company for just cause or justified reason

will determine the status of "Bad Leaver" and the automatic, definitive and irrevocable forfeiture of the Beneficiary from the opportunity of Short Term Variable until that time assigned, but not yet accrued any deferred shares.

Termination of the Employment or Collaboration Relationship due to (i) death or (ii) disabling event such as to determine the impossibility of the Beneficiary to the useful continuation of the Relationship or (iii) retirement, or (iv) resignation for just cause, unjustified dismissal, consensual termination of the Employment or Collaboration Relationship, will determine the status of "Good Leaver" and the Beneficiary (or his heirs) will remain entitled to receive accrued but deferred Bonus shares.

In the event that, before the Maturation Date, the Employment or Collaboration Relationship ceases and the Beneficiary is qualified as "Good Leaver" it is expected that the maturation of the Variable Opportunity will take place at the natural expiration of the relevant period of Vesting and lock-up, without prejudice to the evaluation of the Gates, the achievement of the Performance Objectives and the expected Malus conditions.

4.9 Indication of any causes for cancellation of the Plan

There are no cancellation clauses of the Plan, except as provided for the methods of reviewing the Plan described in point 3.3.

4.10 Reasons relating to the possible provision of a "redemption" by the company of the financial instruments covered by the Plan, pursuant to art. 2357 and subsequent of the Civil Code; the beneficiaries of the redemption indicating whether the same is intended only for particular categories of employees; the effects of the termination of the employment relationship on that redemption

Not applicable.

4.11 Any loans or other facilities that are intended to be granted for the purchase of shares pursuant to art. 2358 of the Civil Code

Not applicable.

4.12. Indication of estimates of the expected burden on the company at the date of its allocation, as determinable on the basis of the terms and conditions already defined, by total amount and in relation to each instrument of the plan

The expected monetary value of this transaction is estimated at a maximum of 5,500,000 Euro calculated as a product between the number of shares required and an estimate of the illimity share price with

reference to the period January/February 2025 in the hypothesis of the allocation of all possible Rights to receive shares and to achieve 100% Gate and Performance Objectives.

4.13. Indication of any dilutive effects on capital determined by the Compensation plan

There is no expected dilutive effect on illimity Bank's capital as the shares disbursed under the 2024 MBO Plan derive from the purchase of own shares on the market and the allocation of shares already owned by the Company.

4.14 Any limits for the exercise of voting rights and the allocation of capital rights

Currently, the MBO 2024 Plan does not provide for limits to the exercise of administrative or capital rights in relation to the shares allocated.

4.15 In the event that the shares are not traded on regulated markets, any information useful to a complete assessment of the value attributable to them

Not applicable.

4.16 - 4.23

Not applicable.

4.24

The information required by Table n.1 provided by the aforementioned paragraph of Schedule 7 of Annex 3A - Issuers Regulation will be provided subsequently, as regulated by art. 84-bis, paragraph 5, letter a) of the same Regulation, as not available at the time of drafting the Document.

COMPENSATION PLAN BASED ON FINANCIAL INSTRUMENTS

Table No. 1 of Schedule 7 of Annex 3A of Regulation No. 1191/1999

Name and surname or Category	Role	TABLE 1						
		Financial instruments other than stock options						
		Section 2						
		Newly assigned instruments based on the decision: <input checked="" type="checkbox"/> of the board of directors' proposal for the Assembly <input type="checkbox"/> of the body responsible for implementing the Assembly resolution						
		Date of relative decides	Date of the relevant meeting resolution	Number of financial instruments assigned	Date of assignment	Possible price of purchase of instruments	Market price at assignment	Vesting Period
Chief Executive Officer of illimity Bank S.p.A		n.a.	Ordinary shares of illimity Bank S.p.A.	n.a.	n.a.	n.a.	n.a.	n.a.
Executives with Strategic Responsibilities		n.a.	Ordinary shares of illimity Bank S.p.A.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Material Risk Takers		n.a.	Ordinary shares of illimity Bank S.p.A..	n.a.	n.a.	n.a.	n.a.	n.a.

The information was not available at the time of drafting of the document.