



INTESA SANPAOLO
WEALTH MANAGEMENT
Luxembourg

REMUNERATION AND INCENTIVE POLICY

2025

Intesa Sanpaolo Wealth Management SA (Lux)

Remuneration and Incentive Policy

2025

Contents

1.	LEGAL BACKGROUND	3
2.	DEFINITIONS	4
3.	PROCEDURES FOR ADOPTION AND IMPLEMENTATION OF THE REMUNERATION AND INCENTIVE POLICY	5
3.1	The role of Corporate Bodies and Functions	5
3.1.a	Shareholders' Meeting	6
3.1.b	Board of Directors	6
3.1.c	Nomination and Remuneration Committee	6
3.1.d	Authorized Officers	7
3.2	Human Resources Department	7
3.3	Finance Department	7
3.4	Risk Management Function	7
3.5	Compliance Function	8
3.6	Internal Audit Function	8
4.	REMUNERATION POLICY OF THE CORPORATE BODIES	8
5.	INTESA SANPAOLO WEALTH MANAGEMENT SA (LUX) REMUNERATION AND INCENTIVE POLICY	8
	Section A – Principles, remuneration and Incentive Systems and Instruments	9
5.1	Purposes and principles of the Remuneration and Incentive Policy	9
5.2	Segmentation of personnel	11
5.3	Remuneration components	12
5.4.1	Fixed remuneration	12
5.4.2	Variable remuneration	14
5.4	The remuneration pay mix	15
5.4.1	General criteria	15
5.4.2	Ratio between variable remuneration and fixed remuneration	15
	Personnel for whom the variable-to-fixed remuneration cap is equal to 200%	16
5.5	Annual Incentive Systems for Intesa Sanpaolo Wealth Management SA (Lux) personnel	16
5.5.1	Activation conditions for Annual Incentive System (Gate)	17
5.5.2	Bonus Funding	19
	Calculating the Group bonus pool	19
	Bonus pool correction mechanism for risks	20
5.5.3	The Annual Incentive System for Risk Takers and Middle Managers (excluding Team Leaders and Wealth Managers)	21
5.5.3.1.	Incentive System for Risk Takers of Banks at a “non-contingent” loss	25
5.5.3.2.	Incentive System for Risk Takers and Middle Managers of start-up companies	25
5.5.4	Incentive System for Team Leaders and Wealth Managers (including any Risk Taker)	25
5.5.5	Entry Period Bonus for newly recruited Team Leaders and Wealth Managers (including any Risk Taker)	26
5.5.6	The Annual Incentive System for Professionals (excluding Team Leaders and Wealth Managers)	26
5.5.7	Individual access conditions	27
5.5.8	Malus Conditions	27
5.5.9	Clawback mechanisms	29
5.6	Payment methods of variable remuneration	29
5.7	ISP Group Long-Term Incentive Plans	34
5.7.1	Performance Share Plan	34
5.8	Termination of the employment agreement	39
5.8.1	Severance	39
5.8.1.1	Definition	39
5.8.1.2	Maximum limits of severance amount	40
5.8.1.3	Accumulation of severance with variable remuneration	40
5.8.1.4	Payment methods	41
5.8.1.4	Severance Criteria	41
5.9	Prohibition of hedging strategies	41

SECTION B – RULES FOR IDENTIFYING STAFF WHOSE PROFESSIONAL ACTIVITIES HAVE A MATERIAL IMPACT ON	
INTESA SANPAOLO WEALTH MANAGEMENT SA (LUX) RISK PROFILE	44
5.10 Scope	44
5.11 Definitions and rationales of application	45
5.11.1 Managerial Responsibility	45
5.11.2 Control Function	45
5.11.3 Subordinated Control Function	46
5.11.4 Material Business unit	46
5.11.5 Subordinated business unit or subordinated operating / company unit	46
5.12 Application of the Rules at Intesa Sanpaolo Wealth Management SA (Lux) Level	46
5.12.1 Qualitative Criteria	46
5.12.2 Additional Criteria at Individual Bank Level	49
5.12.3 Quantitative Criteria	49

1. Legal background

The issue of remuneration of financial intermediaries has been gaining growing attention by international bodies and regulators, aiming to guide issuers and intermediaries towards the adoption of remuneration systems that are consistent with the principles - strengthened following the economic and financial crisis - governing the process for drawing up and approving the ISP Group Remuneration and Incentive Policies, their remuneration structure and their transparency.

In particular, according to these principles, remuneration systems must take into account current and future risks and the level of capital strength of each intermediary, and ensure remuneration based on results actually achieved and sustainable over time.

The Remuneration and Incentive Policy of Intesa Sanpaolo Wealth Management SA (Lux) is defined in compliance with the following regulations¹:

1.1 Local regulations:

- The amended Law of 5 April 1993 in relation to the financial sector (the “LFS”);
- Law of 20 May 2021 (only in French). Transposing the Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures;
- Circular CSSF 22/797 Application of the Guidelines of the European Banking Authority (EBA) on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04) and repeal of Circulars CSSF 17/658 and 11/505;
- CSSF Circulars 23/841, 15/622, 14/594, 14/585, 12/552, 10/497, 10/437 and 06/273;
- National “Code du Travail” and “Collective Bargaining Agreement for Banks”.

1.2 European regulations:

- Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 (CRD V) amending Directive 2013/36/EU (CRD IV) as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures;
- Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 (CRR) as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012;
- Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (RMVU);
- Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector published in 2019 and in force from 2021, which establishes - among other things - that financial market participants must include information in their remuneration policies on how those policies are consistent with the integration of sustainability risks;
- Commission Delegated Regulation (EU) No 923/2021 of 25 March 2021 implementing and integrating the Directive 2019/878 of the European Parliament with regard to Regulatory Technical Standards (RTS) providing qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution’s risk profile;
- Commission Delegated Regulation (EU) No 527/2014 of 12 March 2014 supplementing Directive (EU) No 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the classes of instruments that adequately reflect the credit quality of an institution as a going concern and are appropriate to be used for the purposes of variable remuneration;
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets

¹ The Bank is subject to the regulation applicable to ISP Group that is the Consolidating Institution if the local law does not foresee more restrictive provisions.

in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MIFID II);

- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 (so-called MiFID II Delegated Regulation) supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
- Guidelines on certain aspects of the MIFID II remuneration requirements of the European Securities and Markets Authority (ESMA) updated in April 2023;
- Recommendation EBA/GL/2021/04 of the European Banking Authority (“Guidelines on sound remuneration policies under Directive 2013/36/EU);
- Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.

1.3 Italian regulations:

- Circular n. 285 of 17 December 2013, issued by Bank of Italy, that deals with “Provisions regarding remuneration and Incentive policies”.

1.4 ISP Group regulations:

- Guidelines on remuneration, Incentives and identification of Risk Takers;
- Intesa Sanpaolo Report on remuneration policy and compensation paid, that includes the ISP Remuneration and Incentive Policies and the Rules for identifying Risk Takers;
- Remuneration Discipline, that is composed of:
 - o Section A, that deals with Principles, remuneration and incentive Systems and Instruments addressed to all personnel of the Group and those special categories governed by the agency contract;
 - o Section B, that deals with the Rules for identifying Risk Takers both at Intesa Sanpaolo Group level, at level of sub-consolidating Groups and Banks that do not have their own remuneration policies.

Both Sections are supplemented, where necessary, by Technical Rules that are implementing provisions - reported in specific boxes - which set out the operational content of the Remuneration and Incentive Policies in order to ensure their precise implementation.

1.5 The following documents complete the sources:

- Principles for sound compensation practices issued by Financial Stability Forum (now Financial Stability Board) on 2 April 2009;
- Principles for sound compensation practices, Implementation standards, issued by Financial Stability Board on 25 September 2009;
- Compensation principles and standards assessment methodology, issued by Basel Committee for Banking Supervisory in January 2010;
- Supplementary Guidance to the FSB Principles and Standards on Sound Compensation Practices - The use of compensation tools to address misconduct risk, issued by the Financial Stability Board on 9 March 2018;
- European Commission Recommendation of 30 April 2009 on the regime of remuneration for Directors of listed companies;
- Range of Methodologies for Risk and Performance Alignment of Remuneration, issued by the Basel Committee for Banking Supervision in May 2011;
- Guidelines on System of Governance issued by the European Insurance and Occupational Pensions Authority – EIOPA – on 14 September 2015.

2. Definitions

Term	Definition
Bank or ISP WM	Intesa Sanpaolo Wealth Management SA (Lux)
ISP	Intesa Sanpaolo S.p.A.
Fideuram or the Sub-holding	Fideuram Intesa Sanpaolo Private Banking
Fideuram Group	Fideuram Intesa Sanpaolo Private Banking and its Subsidiaries, including ISP WM
ISP Group	Intesa Sanpaolo S.p.A and its subsidiaries, including ISP WM
Division or PB Division	Private Banking Division
Intesa Sanpaolo Wealth Management SA (Lux) Policy	The Remuneration and Incentive Policy of Intesa Sanpaolo Wealth Management SA (Lux)
ISP Group Remuneration and Incentive Policies or ISP Group Policies	Remuneration and Incentive Policies approved by Intesa Sanpaolo S.p.A. valid for ISP and all its Subsidiaries in place from time to time. ISP Group Policies includes also the Rules for identifying Risk Takers
Group Risk Takers	Staff whose professional activities have a material impact on the risk profile of the Intesa Sanpaolo Group identified in compliance with CRD V and the EU Regulation No. 923/2021
Legal Entity Risk Takers	Staff whose professional activities have a material impact on the risk profile of Intesa Sanpaolo Wealth Management SA (Lux). Among Legal Entity Risk Takers, those who have also a material impact on Intesa Sanpaolo Group risk profiled are named Group Risk Takers.
Legal Entity Top Risk Takers	The Members of the Board of Directors, the CEO, the Deputy CEO and their direct reports, provided that they have managerial responsibility as defined in the paragraph 5.11.1.
Authorized Officers	The CEO, the Head of Products and Investment Services, the Chief Financial Officer, the Chief Compliance Officer, the Chief Operation Officer and the Heads of Wealth Management.
Control Functions	Risk Management, Compliance & AML and Internal Audit

3. Procedures for adoption and implementation of the Remuneration and Incentive Policy

In line with the ISP Group Regulations (including “Guidelines on remuneration, Incentives and identification of Risk Takers”) acknowledged by Intesa Sanpaolo Wealth Management SA (Lux) and in compliance with the Local and European Regulations listed under paragraph 1 above, here below are described the main roles and responsibilities of Corporate Bodies and Functions/Departments of the Bank for the adoption and implementation of its Remuneration and Incentive Policy.

3.1 The role of Corporate Bodies and Functions

3.1.a Shareholders' Meeting

The annual Shareholder's Meeting fixes the remuneration to be paid to the Board of Directors for the following period until next Annual Shareholder's Meeting. The relevant resolutions determine cash remuneration of President, Vice-President (if any) and other members of Board of Directors. No other kind of remunerations (e.g. variable remuneration, participation in the profit, options and other benefits, compensations of costs, insurance premiums, fees and other additional payments) is expected unless executive members are designated. Moreover, it approves (if any) – only after and in compliance with ISP Shareholders Meeting approval – a limit on the ratio between the variable and fixed components of remuneration paid to individual employees set at a maximum of 200%.

3.1.b Board of Directors

The Board is responsible for approving and reviewing the Intesa Sanpaolo Wealth Management SA (Lux) Remuneration and Incentive Policy. Moreover it:

- supervises the implementation of the remuneration rules and reviews the processes and practices related to remuneration and compliance with the Intesa Sanpaolo Wealth Management SA (Lux) and ISP Group Policies, taking into account the long-term interests of Shareholders, the medium and long-term strategies and corporate objectives of the Bank and its risk profile;
- with the support of the Nomination and Remuneration Committee, analyses, on an annual basis, the neutrality of the remuneration and incentive policies with respect to gender and checks the gender pay-gap and its evolution over time, adopting, where necessary, the appropriate corrective actions;
- is responsible for approving the list of Legal Entity Risk Takers identified according to the criteria set out in the CRD V and the EU Regulation No. 923/2021 and in the transposing Law of 20 May 2021, including the exclusions (if any);
- approves the fixed pay levels for the CEO and the Heads of Control Functions;
- approves the remuneration plans based on financial instruments;
- is responsible for the definition of the variable remuneration accrued by CEO and to Heads of Control Functions and, in this context, also approves and reviews the assignment of the performance scorecards, the assessment of the performance scorecards targets and the assignment of the KPIs and targets, the assessment of the level of achievement against performance targets and the amount of the yearly bonus to be paid;
- is informed, at least on an annual basis, about the funding of the bonus pool at Bank level.

3.1.c Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been set up by the Board of Directors in order to support it in all activities concerning remuneration.

In particular, the Committee:

- independently assesses the Policies and provides support to the Board of Directors concerning the adoption and regular review of its general principles;
- assesses, on an annual basis, the neutrality of the remuneration and incentive policies with respect to gender and checks the gender pay-gap and its evolution over time, proposing the appropriate corrective actions, where necessary, to the Board of Directors;
- ensures the adequacy of the information provided to shareholders on remuneration policies and practices, in particular on a proposed higher maximum level of the ratio between fixed and variable remuneration;
- reviews, before the approval of the Board of Directors, the list of Legal Entity Risk Takers identified according to the criteria set out in the CRD V and the EU Regulation No. 923/2021, including possible exclusions;
- is responsible for the preparation of decisions on remuneration to be taken by the Board of Directors in its supervisory function, in particular regarding the remuneration of the members of the Management body including the CEO as well as of other Risk Takers;
- with regard to the CEO and the Heads of Control Functions, assesses the variable remuneration accrued and, in this context, reviews also the assignment of the KPIs and targets of the performance

scorecards, the assessment of the level of achievement against performance targets and the amount of the bonus to be paid.

3.1.d Authorized Officers

As required by the LFS, at least two persons must be responsible for the management of the institution, including the implementation of the Remuneration and Incentive Policy. Those persons must be empowered effectively to determine the direction taken by the business and must possess adequate professional experience by virtue of their having previously carried on similar activities at a high level of responsibility and autonomy. CSSF and ECB are responsible for the authorisation of those Officers based on their professional repute and experience. They are Legal Representative of the Bank with joint signature (except for CEO). Their areas of competences are determined by the Board of Directors and stated in the Powers & Authorities document, issued and regularly updated by the Board.

3.2 Human Resources Department

The Resources Department is responsible for:

- drawing up Intesa Sanpaolo Wealth Management SA (Lux) draft updates of Remuneration and Incentive Policy;
- providing the Nomination and Remuneration Committee and the Board of Directors with the data and information to analyse, on an annual basis, the neutrality of the remuneration and incentive policies with respect to gender and to check the gender-pay gap and its evolution over time;
- identifying (and periodically reviewing) the Legal Entity Risk Takers list according to the criteria set out in the CRD V, in the EU Regulation No. 923/2021 and in the transposing Law of 20 May 2021 (including possible exclusions) and sharing it with the Authorized Officers and PB Division HR Department;
- proposing to the Board of Directors (through its Chairman) the fixed remuneration pay levels for the CEO and the Heads of Control Functions;
- proposing to the Board of Directors (through its Chairman) the variable remuneration accrued by the CEO and the Heads of Control Functions, and, in this context, also the assignment of the KPIs and targets of the performance scorecards, the assessment of the level of achievement against performance targets and the amount of the yearly bonus to be paid;
- informing the Board of Directors (through its Chairman), at least on an annual basis, about the bonus pool amount allocated to the Bank.

3.3 Finance Department

The Finance Department in collaboration with the Planning and Control Department of Fideuram, is involved in defining Intesa Sanpaolo Wealth Management SA (Lux) Remuneration and Incentive Policy, in order to ensure the consistency of the Incentive Systems with:

- the strategic short-and medium-long term objectives of the Bank;
- the capital strength and the liquidity level of Intesa Sanpaolo Wealth Management SA (Lux), Fideuram Group and of ISP Group.

In collaboration with the Planning and Control Department of Fideuram, supports the Departments in charge in identifying (and periodically monitoring) the parameters used to evaluate performance targets, on which the granting of Incentives is based.

In addition, it provides data for the identification of Legal Entity Risk Takers according to the criteria set out in the CRD V and the EU Regulation No. 923/2021S and in the transposing Law of 20 May 2021.

3.4 Risk Management Function

The Risk Management Function, in collaboration with the Risk Management Function of Fideuram:

- assesses that the remuneration and incentive systems of the CEO are aligned with the Risk Appetite Framework and take into account the overall risks, capital and liquidity parameters (i.e. verifies the risk adjusted KPIs) and provides a written opinion;
- reports all identified compliance risks and issues to the Authorized Officers and to the Nomination and Remuneration Committee and Board of Directors;

- participates in the ex-post risk adjustment of variable remuneration;
- assists the Nomination and Remuneration Committee and the Board of Directors in risk management matters.

3.5 Compliance Function

The Compliance Function, in collaboration with the Compliance Function of ISP:

- verifies if the Policy is compliant with the applicable external and internal regulations (including ISP Group Remuneration and Incentive Policies) and provides a written opinion;
- reports all identified compliance risks and issues to the Authorized Officers and to the Nomination and Remuneration Committee and Board of Directors;
- assesses if the list of Risk Takers identified is compliance with the applicable external regulations and provides a written opinion;
- assists the Nomination and Remuneration Committee and Board of Directors in compliance matters.

3.6 Internal Audit Function

On an annual basis, the Internal Audit Function, in collaboration with the Audit Function of ISP, verifies the compliance of the remuneration implementation procedures to the relevant Policy and, in that context, it also checks the correct implementation of the process for identifying Legal Entity Risk Takers, informing the Board of Directors on the results of the verifications conducted.

4. Remuneration Policy of the Corporate Bodies

The remuneration for members of the Board of Directors is formally decided by the Bank Shareholders' Meeting, following the indication defined by ISP in its capacity as ultimate majority Shareholders and entity responsible for management and coordination activities, pursuant to the relative statutory and banking regulations.

Members of the Board of Directors receive remuneration according to their assigned duties and responsibilities.

Variable remuneration amounts, bonuses linked to results, profit-sharing clauses or options to buy shares at predetermined prices are not normally envisaged. Exemptions from this principle are envisaged only on an exceptional and justified basis, in accordance with the ISP Group Remuneration Policies and the relative supervisory regulations in force.

Members of the Board of Directors have the right to reimbursement of the expenses incurred as a result of their office.

Finally, a specific insurance policy is granted to Board Members (so-called "D&O policy").

5. Intesa Sanpaolo Wealth Management SA (Lux) Remuneration and Incentive Policy

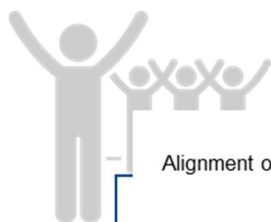
In compliance with the ISP Group Remuneration and Incentive Policies, the present chapter describes Principles, remuneration and Incentive Systems and Instruments (Section A) and Rules for identifying staff whose professional activities have a material impact on the risk profile of Intesa Sanpaolo Wealth Management SA (Lux) (Section B); the mentioned Sections, jointly, represent the ISP WM overall Remuneration and Incentive Policy.

Section A – Principles, remuneration and Incentive Systems and Instruments

This Section describes Principles, remuneration and Incentive Systems and Instruments defined for 2025 and addressed to all personnel of Intesa Sanpaolo Wealth Management SA (Lux).

5.1 Purposes and principles of the Remuneration and Incentive Policy

In line with the principles adopted by the Intesa Sanpaolo Group, the Remuneration and Incentive Policy of ISP WM is based on the following principles:



STAKEHOLDERS' INTEREST

Alignment of management and personnel conduct with the interests of all **Stakeholders**, with a focus on value creation for **Shareholders**, as well as social impact on **Communities**



CORRELATION BETWEEN REMUNERATION AND RISK TAKING

- guidance of Management and Personnel behaviors towards the achievement of objectives within a **regulatory framework** of risk prevention
- remuneration and Incentive Systems compliant with **financial and non-financial risk** management policies (included legal and reputational risks), in a prudential approach as provided by the Risk Appetite Framework of the Bank and the ISP Group
- definition of a fixed remuneration high enough to allow the variable component to be reduced significantly, even down to zero, upon occurrence of specific conditions



ALIGNMENT WITH MEDIUM AND LONG-TERM OBJECTIVES in accordance with the Risk Tolerance

- definition of a set of Incentive Systems in order to drive performances over a **multi-year accrual** period and to share medium and long-term results following the ISP Group Business Plan realization



MERIT

- **remuneration flexibility**: variable components are linked to the results achieved and the risks taken
- **competitiveness**: focus on key staff members with high managerial skills, to whom competitive salary brackets, compared with the reference market, are reserved
- best performers **recognition** through above-average bonuses



EQUITY

- **correlation** between fixed remuneration and level of responsibility, measured through the Global Banding System or the Seniority/professional role
- **differentiation** of salary brackets and the ratio of the variable component to the total remuneration according to professional categories and /or geographical market, within the same Band or seniority/professional role
- attention to **gender pay-gap**



GENDER NEUTRALITY

- **recognition of an equal level of remuneration**, for the same activities carried out, regardless of gender
- attention to the **gender pay-gap** and its **evolution over time**



SUSTAINABILITY: expenses reduction deriving from policies application to values compatible with medium and long-term strategies and annual targets

- selective reviews of fixed remuneration based on rigorous **market benchmarking**
- mechanisms of **allocations adjustment** to the overall incentive provisions according to the Group profitability and the results achieved
- determination of **appropriate caps** both on total incentives and the amount of individual bonuses



REGULATORY COMPLIANCE

- compliance with **legislative and regulatory requirements, conduct codes and other self-regulatory provisions** with a focus on Group Risk Takers, on Legal Entity Risk Takers and Control Functions
- **fairness in customer relations**

Focus: Gender Neutrality

The Bank, in line with Intesa Sanpaolo Group, pays great attention to the issues of "Diversity, Equity and Inclusion" and is committed to implementing and disseminating, within and outside the Bank, a policy in favour of the inclusion of all forms of diversity. In this context, the Bank, in compliance with Intesa Sanpaolo, adopts the "Principles on Diversity, Equity and Inclusion", within which it made specific commitments aimed at ensuring gender equality in HR processes and in people management. Compliance with these commitments is monitored periodically, also in order to set corrective measures.

The Bank adopts gender-neutral Remuneration and Incentive Policies that contribute to pursuing complete equality among staff. They ensure, for the same activity carried out, that the personnel have an equal level of remuneration, also in terms of the conditions for its recognition and payment.

In particular, the Bank guarantees that the definition of the remuneration and incentive systems and the taking of decisions regarding remuneration are independent of gender (as well as of any other form of diversity such as affective-sexual orientation, marital status and family situation, age, ethnicity, religious belief, political and trade union membership, socio-economic condition, nationality, language, cultural background, physical and psychological conditions or any other characteristic of the person also linked to the expression of one's thought) and are based on merit and professional skills and are inspired to principles of fairness.

In order to make it possible to apply gender-neutral Policies and to be able to evaluate their effectiveness, the Bank in line with the Group adopts:

1. systems for measuring organizational positions that take into account the responsibilities and complexity managed by the various roles.

Specifically, for the management cluster, the Group has adopted the Global Banding System (see below) based on grouping in homogeneous categories managerial positions that are similar by levels of complexity/responsibility managed, measured using the international IPE (International Position Evaluation) methodology.

Instead, the cluster of professionals is segmented on the basis of the career title assigned according to certain criteria (i.e. seniority, autonomy, complexity, but also skills, economics, impact and exposure) – in order to enhance in a granular way the level of professional contribution provided in their operations and the progressive specialisation of skills – or of the professional profile to which they belong;

2. for the management cluster, market remuneration references associated with each Global Banding bracket and differentiated according to the professional category they belong to and according to the geography. On the other hand, as regards the cluster of professionals at seniority and/or career title levels, market trend references differentiated on the basis of the professional category they belong to and, when relevant, geography are associated;
3. incentive/reward systems linked to objective parameters that therefore allow to recognize merit and performance.

Finally, on an annual basis, the Board of Directors – with the support of the Nomination and Remuneration Committee – analyses the gender neutrality of the policies and checks the gender pay gap and its evolution over time in accordance with the methodology defined by the regulations. In summary, the gender pay gap is calculated for positions of equal value and country by country, making a distinction for: (i) Risk Takers, excluding members of the Board of Directors; (ii) the members of the Board of Directors in its management function and supervisory function; (iii) the remaining personnel.

It is noted that:

- for the calculation of the gender pay gap for the Risk Takers and Middle Managers the ISP Group Global Banding System is applied; instead for professionals, a conversion mechanism has been identified that aligns the work measurement system in place in the Bank with the Group's career title;
- the reasons for the eventual gender pay gap are appropriately documented and, where necessary, corrective measures are taken.

5.2 Segmentation of personnel

The Remuneration and Incentive Policy of ISP WM is based on personnel segmentation logics that allow the operational adaptation of the principles of merit and fairness in order to suitably differentiate the total remuneration and arrange mechanisms of payment that are specific for the various personnel cluster, with a particular focus also on those of a regulatory importance for which more stringent requirements are set.

The distinction of the population into macro segments also allows to take into account the **remuneration** and **working conditions** of employees both in the declination of policies in **specific** remuneration and incentive systems and in the adoption of remuneration decisions **tailored** to each macro segment.

When applying these logics, the following macro segments are identified²:

- Risk Takers;
- Middle Managers;
- Professionals.

Among the segment of Risk Takers, it is distinguished those who operate in Intesa Sanpaolo Wealth Management SA (Lux) and have a material impact on both ISP WM and the ISP Group risk profile (so-called “**Group Risk Takers**”) and those who have an impact only on the Bank risk profile (so-called “**Legal Entity Risk Takers**”)³.

In addition, the Members of the Board of Directors, the CEO, the Deputy CEO and their direct reports provided that they have managerial responsibility as defined in the paragraph 5.11.1 are **Legal Entity Top Risk Takers**⁴.

On the first working day of January, 2025 the Legal Entity Risk Takers were 33 people out of which 13 were also identified as ISP Group Risk Takers⁵.

Other Middle Managers are those who do not belong to the Risk Takers segment and, according to job titling of the Global Banding System adopted by the ISP Group, are identified with the title of:

- Senior Director, the roles that define business/function policies and plans, and drive their implementation, through the managerial responsibility of human and economic resources;
- Head of⁶, the roles that define or contribute to defining programmes and plans for their own organisational structure, also in coordination with other corporate structures, and ensure their implementation by taking managerial responsibility for human resources and, possibly, financial responsibility.

While waiting for all the organizational units to be weighted for the purpose of attributing a specific job title to that position, all the persons that are responsible for an organizational unit are considered Middle Managers.

5.3 Remuneration components

Employee remuneration is broken down into the following:

- a) fixed component;
- b) variable component.

5.4.1 Fixed remuneration

The fixed component is the component of the remuneration that is stable and irrevocable in nature and determined on the basis of pre-established and non-discretionary criteria such as: the contractual

² For the sake of completeness, in addition to the macro segments applied to the employees, please note that, as at the date of approval of this document, there are also 2 Tied Agents who carry out the intermediation activities in investment services on behalf of the Bank, in full compliance with MiFID II obligations.

³ It is noted that, in the following paragraphs, unless otherwise specified, the term “Risk Taker” is generally understood to refer to both segments.

⁴ The Top Risk Takers are identified solely with reference to significant Banks. Reference is made to banks considered significant pursuant to art. 6, paragraph 4, of Regulation (EU) 1024/2013 (the so-called Regulation of the Single Supervisory Mechanism).

⁵ The ISP Group Risk Taker will be approved by ISP Board of Directors subject to compliance opinion.

⁶ It is noteworthy that in this context the “Head of” are those defined as such by ISP Group Global Banding System on the basis of the weight of the role determined with the Mercer International Position Evaluation (IPE).

framework, the role held, the responsibilities assigned, the particular experience and the expertise acquired by the employee.

The following are considered fixed components of remuneration⁷:

- the **gross annual base salary** which reflects the level of professional experience and seniority of the personnel;
- the **allowances** assigned in a non-discretionary manner and not tied to any kind of performance indicator. This type of fixed remuneration is assigned to:
 - Risk Takers belonging to the Control Functions⁸;
 - expatriate personnel in order to cover for any differences in cost, quality of life and/or remuneration levels of the target reference market;
- allowances and/or **remunerations deriving from offices held in Corporate Bodies**, provided that these are not reversed to the companies to which they belong;
- any **benefits** designed to increase employee motivation and loyalty of the resources and assigned on a non-discretionary basis. These may be of a contractual nature (e.g., supplementary pension, health benefits, etc.) or the result of remuneration policy decisions (e.g., company car) and, therefore, have different treatment with respect to different categories of personnel.

As regards the **allowances** envisaged for Risk Takers in the **Control Functions**, the rationale behind their introduction lies in the need to ensure that this role is provided with an adequate level in terms of total remuneration with respect to the responsibilities managed. In fact, a limit to the ratio between variable remuneration and fixed remuneration is established by ISP Group Policies as required by Italian Regulation issued by the Bank of Italy, and it is set at 33%, despite this limit is not found in similar local regulations.

The allowances are fixed remuneration because they are:

- assigned to the structure heads of the Control Functions belonging to a predefined segment of personnel (i.e. Risk Takers);
- not tied to any kind of performance indicator;
- uniquely defined as a percentage of the gross annual remuneration and differentiated according to the respective Banding bracket;
- communicated to the interested parties by means of an individual letter;
- paid as long as the person continues to hold a managerial role identified as belonging to the Control Functions in a predefined segment of personnel (i.e. Risk Takers);
- approved by the Board of Directors on proposal of the Nomination and Remuneration Committee.

The amount of the allowance paid according to the title attributed under the Global Banding System and to the role held is detailed below:

- for the Senior Directors: 30% of the gross annual remuneration;
- for the Head of: 15% of the gross annual remuneration.

The **allowances paid to expatriate personnel** are aimed at ensuring the equity of the net remuneration treatment between the amount received in the country of origin and in the target country, so as to cover for any differences in cost, quality of life and/or remuneration levels of the target reference market.

The allowance established for expatriate personnel is fixed remuneration because it is:

- assigned to all expatriate personnel, in the event of a negative differential between the target country and the country of origin;

⁷ Please note that the remuneration of the Tied Agents is exclusively composed by a recurring component (equivalent to the fixed remuneration). The recurring component consists of commissions, which represent the stable and ordinary portion of remuneration, calculated by reference to the net remuneration received by the Bank from the funds deposited in the accounts of the Clients.

⁸ Based on the Group model, the Data Protection Officer (DPO) is identified within the Compliance function. If a legal entity of the Group adopts a different organisational positioning, such role is equated to the local compliance function for the purposes of the application of the Remuneration Policies

- not tied to any kind of performance indicator;
- defined on the basis of predefined and country-specific parameters, provided by a specialist consulting firm;
- communicated to the interested parties by means of an individual letter;
- paid as long as the person actual stays in the country in question.

5.4.2 Variable remuneration

The variable component is linked to the employee's performance and aligned to the results actually achieved and the risks prudentially assumed, and consists of:

- short-term variable component paid through the annual Incentive systems (see paragraph 5.5);
- long-term variable component paid through
 - the Performance Share Plan addressed to, among the other Managers, the CEO of the Bank, the other Group Risk Takers and those who expatriate from Italy⁹;
 - the LECOIP 3.0 Plan addressed to Professionals of Intesa Sanpaolo Group expatriated from Italy¹⁰;
- any variable short- and long-term components, tied to the period of employment in the company (non-competition, one-off retention, special indemnity and similar agreements) or extraordinary agreements (entry bonus, buy-out);
- any discretionary benefits.

The distinction of the variable remuneration component into a short-term portion and a long-term portion encourages the attraction and retention of staff, allowing the performance to be directed on a more than annual accrual period and the medium-long term results deriving from the implementation of the Business Plan to be shared.

It is noteworthy that **Guaranteed bonuses**, in compliance with the ISP Group Policies, are not foreseen.

Particular attention is paid to the following kind of variable remuneration:

- **Entry bonus**, that is a one-off bonus that may be paid upon hiring to attract new personnel, without prejudice to the accurate assessment and analysis of market practices. In compliance with ISP Group Policies, this type of bonus is not subject to any requirement applicable to variable remuneration, including variable remuneration cap and pay-out schemes, if recognized in a single instalment (c.d. **welcome bonus**). It should be noted that the mentioned bonus can be assigned only once to the same single staff member at Group level;
- **Buy-out**, that is a bonus aimed at recognizing the deferred portions of the variable remuneration reduced or cancelled by the previous employer due to the termination of the employment contract. Anyway, this kind of bonus cannot compensate new personnel from reductions or cancellations of compensation due to malus or claw back mechanisms and it is in any case subject to all the rules governing variable remuneration, including those on variable remuneration cap and pay-out schemes;
- **One-off retention**, that is a retention bonus tied to the period of employment of the personnel. This is paid for a certain period of time or until a given event, recognised not before the end of this period or upon the occurrence of the event and it contributes to the calculation of the cap between the variable and fixed component of remuneration, on a linear pro-rata basis during the retention period. In compliance with ISP Group Policies, this type of bonus is subject to the pay-out schemes of the variable remuneration and both ex ante and ex post correction mechanisms.

It is understood that the recognition of the retention bonus cannot lead to a situation in which the total variable remuneration is no longer linked to the performance of the individual, the single business unit, as well as the Bank and the Group.

Furthermore, multiple retention bonuses (for example, an individual retention bonus and another one deriving from a collective plan) may be awarded to the same staff member in exceptional and suitably

⁹ As they have an Italian employment contract.

¹⁰ As they have an Italian employment contract.

justified cases, providing that the payment of the retention bonuses takes place at different times and provided that there are specific reasons for the recognition of each of them;

- **special indemnity**, that is addressed to two Wealth Managers (WMs), as of today not identified as Risk Takers, in order to promote generational transition and retain the WM customers in case of termination of the employment relationship. Specifically, such indemnity is given only in case of retirement (or death) of the WM and if the client portfolios she/he managed are transferred to another WM in ISP WM. The indemnity may be given for a period of 36 months overall, split in four different instalments. Each instalment is calculated on the basis of the formula provided applied on the portfolios inherited by the WM in ISP WM. In particular:
 - the first instalment is related to the period starting from the end of the quarter in which the employment relationship terminates (so-called “year n”) to the end of the year
 - the second and third instalments are related to the years n+1 and n+2
 - the fourth instalment is related to the period starting from the year n+3 to the end of the quarter in which there is the recurrence of termination of employment.

It is noted that each instalment of the special indemnity is subject to the pay-out schemes of the variable remuneration and both ex ante and ex post correction mechanisms.

Finally, should **discretionary pension benefits** be introduced – which are currently not envisaged – these will be assigned to beneficiaries in accordance with the applicable regulations, according to which they are similar to variable remuneration, and, therefore:

- in the case of resources who are not entitled to receive a pension, they shall be invested in Intesa Sanpaolo shares or other related instruments, held by the bank for a period of at least five years and subject to ex-post adjustment mechanisms related to the Group's performance net of risk;
- in the case of resources entitled to a pension, they shall be awarded to the employee through Intesa Sanpaolo shares or other related instruments subject to at least a five years' retention period;
- they contribute to the calculation of the cap between the variable and fixed component of remuneration.

5.4 The remuneration pay mix

5.4.1 General criteria

The term “pay mix” refers to the weight of the fixed and variable components expressed as a percentage of total remuneration, as described above.

In accordance with the regulatory guidelines, Intesa Sanpaolo Wealth Management SA (Lux), in compliance with the ISP Group Remuneration and Incentive Policies, adopts a pay mix that is appropriately balanced, in order to:

- allow flexible management of labour costs, as the variable portion may significantly decline, even down to zero, depending on the performance actually achieved during the year in question or when the Group is not able to maintain or restore a solid capital base;
- discourage behaviour focused on the achievement of short-term results, particularly if these involve taking on greater risk.

5.4.2 Ratio between variable remuneration and fixed remuneration

In order to achieve the above objectives, in Intesa Sanpaolo Wealth Management SA (Lux), in line with the ISP Group Policies, ex ante limitations in terms of balanced maximums for variable remuneration have been established through the definition of specific caps on the increase of bonuses in relation to any over-performance.

This cap to the variable remuneration is determined in general in 100% of the fixed remuneration with the exception of the roles belonging to the Control Functions (all of them, independently from the position covered whether managerial or non-managerial), which a cap of 33% of the fixed remuneration is assigned to.

The components of variable remuneration included in the cap are:

- the short-term component relating to the Incentive Systems;
- any variable short- and long-term components, tied to the period of employment in the Bank or extraordinary agreements (e.g. special indemnity, buy-out);
- the long-term component assigned through the Long-Term Incentive Plans, i.e. the Performance Share Plan or LECOIP 3.0; this component has an impact on the pro-rata variable remuneration for the entire accrual period;
- severance payments in the event of termination of the employment agreement or early termination of the office, excluding the amounts agreed and recognised (see paragraph 5.8):
 - o based on a non-competition agreement, for the portion which, for each year of duration of the agreement, does not exceed the last year of fixed remuneration;
 - o within an agreement reached in order to settle a current or potential dispute (independently from the context in which the agreement is drawn up), if calculated according to a predefined calculation formula provided by the Labour Code Law;
 - o severance payments mandatory under the Labour Code Law and the Collective Bargaining Agreement.

Personnel for whom the variable-to-fixed remuneration cap is equal to 200%

In compliance with the ISP Group Remuneration and Incentive Policies and ISP Shareholders' Meeting decisions and subject to ISP WM Shareholders' Meeting approval, the maximum limit of the variable-to-fixed remuneration cap is equal to 200% for:

- the Group Risk Takers not belonging to the Control Functions;
- specific professional clusters and highly profitable business segments. In particular, this increase is carried out, in line with the principle of external competitiveness, for Team Leader and Wealth Managers.

5.5 Annual Incentive Systems for Intesa Sanpaolo Wealth Management SA (Lux) personnel

The Annual Incentive systems adopted by Intesa Sanpaolo Wealth Management SA (Lux), in line with the ISP Group Remuneration and Incentive Policies, is directed at reaching the medium and long-term objectives included in the Group Business Plan, taking into account the Bank, Fideuram Group and the ISP Group Risk Appetite and Risk Tolerance and aiming to encourage objectives of value creation for the current year, in a framework of sustainability, given that the bonuses paid are related to the financial resources available.

Reported below is a summary of the operating mechanisms and the main characteristics of the Annual Incentive systems. Further details are provided in the following paragraphs.

STEP	OBJECTIVE	MECHANISM	
BONUS POOL	Solidity and sustainability in a prudential approach	Gate and Funding	• The bonus pool is activated only if main capital and liquidity requirements are satisfied, namely the minimum regulatory conditions of solidity at ISP WM, Fideuram Group and ISP Group level, together with the economic and financial sustainability condition (see par. 5.5.1) • The level of funding of the bonus pool (quantum) is defined, once the activation conditions have been verified: • for a portion based on the available resources deriving from the economic-financial results achieved (ISP Group Gross Income) – so-called “Gross income-based bonus pool”; • for a portion in relation to the commission earned by the network employees in the context of the Wealth Management & Protection activities – so-called “commission-based bonus pool” (see par. 5.5.2).
BONUS ALLOCATION	Alignment of behaviors and managerial conduct with medium and long-term objectives of the Group Business Plan within a framework of risk prevention	Incentive Systems	INCENTIVE SYSTEMS FOR SPECIFIC CLUSTERS Incentive System for: • Risk Takers and Middle Managers • Professionals INCENTIVE SYSTEMS FOR BUSINESS SEGMENT Incentive System for: • Team Leaders and Wealth Managers
BONUS PAY-OUT	Adjustment based on conduct/ monitoring the impact of managerial conduct over time	Individual access conditions	Failure to satisfy individual access conditions precludes any bonus payout and the settlement of deferred portions to be paid during the year (see par. 5.5.6)
		Malus conditions	Failure to satisfy malus conditions leads to the reduction, even down to zero, of the deferral portions of bonus to be paid during the year (see par. 5.5.7)
		Claw-back	Return of bonuses already paid as a result of disciplinary measures due to personnel fraudulent behavior or serious misconduct (see par. 5.5.8)

5.5.1 Activation conditions for Annual Incentive System (Gate)

The Annual Incentive Systems for Intesa Sanpaolo Wealth Management SA (Lux) personnel are subject to the minimum activation conditions requested by the Regulator and non-achievement of even only one of those conditions shall result in non-activation of the Annual Incentive Systems.

These conditions are based, on a priority basis, on the principles envisaged by the prudential regulations concerning **capital strength** and **liquidity**, represented by the consistency with the limits set as part of ISP WM, Fideuram Group and ISP Group RAF as well as the principles of **financial sustainability** of the variable component that consist in checking the availability of sufficient economic-financial resources to meeting the expenditure requirement.

These conditions are as follows:

At ISP Group level

Capital strength condition	Common Equity Tier 1 (CET1) Ratio	≥	Hard limits set by the RAF at ISP Group level
	Leverage Ratio	≥	
	Minimum requirement for own funds and eligible liabilities (MREL)	≥	Early Warning set by the RAF at ISP Group level
	Assessment of the results of the ICAAP and of the Recommendations on distributions by competent authorities and European Supervisory Authorities		
Liquidity condition	Net Stable Funding Ratio (NSFR)	≥	Hard limits set by the RAF at ISP Group level
Sustainability condition	No loss and positive Gross Income*	>	Ø

* The Gross Income is measured net of: (i) profits from the buyback of the ISP's own liabilities; (ii) fair value of the ISP's own liabilities; (iii) income components arising from accounting policies following changes to the internal model on core deposits.

At Fideuram Group level:

Capital strength condition	Common Equity Tier 1 (CET1) Ratio	≥	Hard limits set by the RAF at Fideuram Group level
	Leverage Ratio	≥	
	Minimum requirement for own funds and eligible liabilities (MREL)	≥	Early Warning set by the RAF *
Liquidity condition	Net Stable Funding Ratio (NSFR)	≥	Hard limits set by the RAF at Fideuram Group level
Sustainability condition	No loss and positive Gross Income	>	Ø

* Limit calculated at the Sub-holding level (i.e., Fideuram).

At Intesa Sanpaolo Wealth Management SA (Lux) level:

Capital strength condition	Common Equity Tier 1 (CET1) Ratio	≥	Hard limits set by the RAF at ISP Wealth Management Lux level
	Leverage Ratio	≥	
	Assessment of the results of the ICAAP and of the Recommendations on distributions by competent authorities and European Supervisory Authorities		
Liquidity condition	Net Stable Funding Ratio (NSFR)	≥	Hard limits set by the RAF at ISP Wealth Management Lux level

In addition, the Legal Entity Top Risk Takers are subject to a further gateway condition:

Liquidity condition	Liquidity Coverage Ratio (LCR)	≥	Hard limits set by the RAF at ISP Wealth Management Lux level
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It is specified that failure to respect these limits set at Bank level constitutes non-activation condition for all the Incentive Systems of the Bank, also when those at Fideuram Group and/or ISP Group level are positive.

In particular, please note that:

- in case of loss or negative Gross Income at the level of individual Bank, the CEO, the Deputy CEO and any Risk Takers identified therein shall be excluded from the annual Incentive System and the economic resources intended to finance the bonus pool of that Bank shall be reduced;
- the condition of no loss or positive Gross Income is verified on the basis of the results of the individual balance sheet drawn up according to the local accounting principles of the individual Bank.

5.5.2 Bonus Funding

Calculating the Group bonus pool

The Incentive Systems are financed by a structured bonus pool mechanism that ensure their financial sustainability.

Specifically, the bonus pool consists of the following two portions:

- a portion correlated with the performance of an ISP Group economic indicator consisting of the ISP Group Gross Income, intended to finance most of the Group annual Incentive Systems (so-called "Gross Income-based bonus pool");
- a portion that is self-funded, as related to the commission earned by the network employees in the context of the Wealth Management & Protection activities (so-called "commission-based bonus pool"). This portion is intended to finance the annual Incentive Scheme for the Team Leaders and Wealth Managers.

Focus: Gross income-based bonus pool

In accordance with ISP Group Remuneration and Incentive Policies and consistently with the principle of financial sustainability, the gross income-based bonus pool funding at Group level is defined by the Parent Company and determined on the basis of ISP Group's Gross Income achieved.

This Bonus Pool is subsequently allocated to the Division with a **top-down** approach based on the level of **Gross Income achieved** by the Division and aims to **fund all the Division's annual incentive systems**, including the Banks's Risk Takers and Middle Managers annual incentive systems.

In case this level of Gross Income reached by the Division is below the pre-defined Access Threshold, only a portion of the Division bonus pool is available (once the ISP Group gates are activated).

The identification of the clusters of eligible employees depends on both **ISP Group and the Division Gross Income** and, in some specific cases, also on **the Bank** Gross Income in respect of the level provided in its budget.

The **clusters of employees eligible** for the Incentive Systems are represented here below:

Focus: Gross income-based bonus pool

ISP Group Gross Income	Division Gross Income		
	$\geq$ Threshold	$<$ Threshold and ≥ 0	< 0
$\geq$ Threshold	Risk Takers Middle Managers Professionals	The Bank Gross Income $\geq$ Budget $<$ Budget Risk Takers Middle Managers Professionals	Professionals
$<$ Threshold and ≥ 0	The Bank Gross Income $\geq$ Budget $<$ Budget Risk Takers Middle Managers Professionals	The Bank Gross Income $\geq$ Budget $<$ Budget Middle Managers Professionals	
< 0	Professionals	The Bank Gross Income $\geq$ Budget $<$ Budget Professionals	

If the Gross Income reached by the Bank is negative, the Risk Takers are not eligible, independently of ISP Group and the Division positive Gross Income.

Focus: Commission-based bonus pool

The amount of the bonus pool allocated to finance the Incentive System for the Team Leaders (TLs) and Wealth Managers – that provide for a direct correlation between business results and bonus – is determined according to the commissions generated by the network.

Specifically, the Wealth Manager bonus is financed individually based on a specific formula linked to the Net Revenues generated by the TL/WM in each sector where he/she operates.

Bonus pool correction mechanism for risks

The above two portions of the bonus pool (i.e. gross income-based bonus pool and commission-based bonus pool) – determined according to the rules described in the previous paragraph – are subject to the application of ex-post risk correction mechanisms based on **non-financial risks** and the **Economic EVA** (Economic Value Added).

Specifically, with reference to:

- non-financial risks and, in particular:
 - the risk related to Operation Loss, a reduction of 10% of the bonus pool allocated to the Division is provided in case of breach of the “hard limit” set in the ISP Group RAF;
 - the Integrated Risk Assessment, the reduction of the bonus pool allocated to the Division is differentiated according to the level of residual risk (i.e., a reduction of 10% in case of residual risk equivalent to the 4th level or 5% in case of residual risk equivalent to the 3rd level);

- Economic EVA, a reduction is provided on the basis of the level of deviation from the Economic EVA target. More in detail, this mechanism acts as a de-multiplier if the target level is exceeded beyond a certain tolerance level. In particular, it is provided a reduction of 10% of the bonus pool of the Division in case of failure to achieve the 90% of the Economic EVA target assigned at budget.

5.5.3 The Annual Incentive System for Risk Takers and Middle Managers (excluding Team Leaders and Wealth Managers)

The Incentive System for the Risk Takers and Middle Managers aims to guide the behavior and managerial actions towards reaching the objectives set for the Bank's strategy and in the Business plan and to reward the best annual performance assessed with a view to optimize the risk/return ratio.

This System is formalised through Performance Scorecards which:

- for Risk Takers and Middle Managers with the title of *Senior Director* in the Business, Governance Functions and in the Control Functions as well as those with the title of *Head of* limited to the Business Functions, are managed through the Managers' Performance Accountability (MAP) system;
- for Middle Managers with the title of *Head of* in the Governance and Control Functions, are managed through the aHead system.

The Performance Scorecards of Risk Takers and Middle Managers (the *Senior Directors* in all the Functions and the *Heads of* in the Business Functions) include both KPIs of a financial and non-financial nature.

KPIs	Financial and non-financial - quantitative KPIs clustered within 4 drivers in line with the Bank Strategy and ISP Group Business Plan	
	Growth	Expressed according to a risk/return approach through: • direct correlation between each objective (and the related target) with risks taken • balance among the different objectives
	Profitability	
	Productivity	Not directly related to risks but somehow linked to the sustainability of results over time
	Cost of Risk/Sustainability	Aimed at risks reduction and/or mitigation as defined by the RAF
	Non-financial – qualitative KPIs	
	• Are linked with strategic actions or projects that represent the enabling factors for the achievement of financial KPIs or that contribute to the achievement of the Business Plan objectives • Promote or encourage virtuous behaviour (good conduct) especially in reference to those businesses and areas that require direct customer relationship	

Focus: Integration of sustainability risks into the Incentive Systems (Regulation (EU) 2019/2088)

The Bank Remuneration and Incentive Policies, in line with ISP Group ones, are consistent – among the others - with the provisions on the integration of sustainability risks pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27th November 2019.

In particular, consistency is guaranteed at annual Incentive Systems level by attributing specific KPIs to all the management on the basis of the activity performed in terms of sustainability risks management.

In fact, it should be noted that as part of the Incentive System for Risk Takers and Middle Managers (excluding Team Leaders and Wealth Managers), an "ESG" KPI has been provided among the strategic action objectives (see below).

The KPIs identification process and the relative target setting and performance evaluation are described below, considering most significant financial indicators for the achievement of the budget objectives, periodically monitored through internal reporting tools and available at Bank level and/or Division and/or consolidated level.

The Performance Scorecards for all Risk Takers and Middle Managers guarantee the balance between the area of responsibility and the managerial solidarity/teamwork, and it includes KPIs whose scope is:

- **ISP Group** for:
 - o the CEO, the other Risk Takers and Middle Managers in Business and Governance function who are evaluated on a financial KPI that is common to all the Scorecards of Risk Takers and Middle Managers. For 2025 the Net Income is assigned as Group transversal KPI;
- **Intesa Sanpaolo Wealth Management SA (Lux)** for:
 - o all the clusters of population since everybody is evaluated on at least either one financial or non-financial KPI whose scope is the Bank;
 - o Risk Takers and Middle Managers who are evaluated also on a non financial-qualitative KPI relating to the actions envisaged by ISP Group Business Plan, whose evaluation is usually objectified by identifying project milestones and/or drivers. For 2025, in line with ISP Group Remuneration and Incentive Policies, the “Environmental, Social and Governance (ESG)” is identified among the strategic actions and is assigned as Group transversal KPI with a weight of 15%;
 - o Risk Takers and Middle Managers belonging to Control Functions only, for 2025 an additional Group transversal KPI has been chosen and it lies in the “Risk Culture – Promoting awareness at all levels of the organisation regarding *emerging* risks, with a particular focus on the risks related to climate change and technological innovation, by means of educational, awareness raising and training initiatives” with a weight of 10%.

Finally:

- o all Risk Takers (except for CEO) and Middle Managers in Business and Governance Functions are evaluated on one KPI weighted up to 20% in common with the higher hierarchical line in ISP WM;
- o all Risk Takers and Middle Managers in Control Functions, considering that they functionally report to the relevant Control Function set at ISP level or Fideuram level (for Risk Management), are evaluated on one KPI chosen from the KPIs assigned to any intermediate organizational level among the Head of ISP/Fideuram Control Function and one's own area of responsibility.

Here below it is a summary of the different scopes of the KPIs assigned to each cluster of population:

Scope	Business and Governance Functions			Control Functions
	CEO	Deputy CEO	Other Risk Takers and Middle Managers	Risk Takers and Middle Managers
	ISP Group			⊗
	The Division			☑
	Financial and non-financial KPIs			Non-financial KPIs
	Environmental Social and Governance (ESG)			
	⊗	⊗	⊗	Risk Culture

☑ = 1 KPI up to 20% chosen from the KPIs assigned to any intermediate organizational level among the Division and one's own area of responsibility for Risk Takers in Company Control Functions and 1 KPI up to 20% in common with the higher hierarchical line in ISP WM for Risk Takers in Business and Governance Functions

Focus: Group transversal KPI "ESG"

The Bank, as part of Intesa Sanpaolo Group, is aware of having a significant impact on the social and environmental context in which it carries out its business, choosing to act not only on the basis of profit, but also with the aim of creating long-term value for the Bank, its people, its customers, the community and the environment.

It aims to be a responsible financial intermediary that generates collective value, aware that innovation, development of new products and services and corporate responsibility can contribute to reducing the impact on society of phenomena such as climate change and social inequalities.

Furthermore, environmental, social and governance factors are issues of increasing interest to Regulators, as well as to ISP Group and Bank Stakeholders.

In light of the foregoing, in line with the commitment to strengthening its own leadership in social, cultural and environmental sustainability and consistently with the ISP Group 2022-2025 Business Plan, as well as in line with the provisions of Regulation (EU) 2019/2088, in continuity since 2020, the Bank provides a specific "ESG" KPI among the strategic action objectives that will be assigned to all Risk Takers and Middle Managers.

The evaluation of the ESG KPI takes place both at Group level, in order to assess and eventually recognizing the commitment of the Group as a whole, and at Division level, in order to align the Bank and Division strategies on ESG issues with particular reference to the principles of "Diversity & Inclusion", and Bank level, in order to enhance the areas of action on which the Bank has direct influence. Specifically:

- at Group level, the presence of Intesa Sanpaolo in the sustainability indexes of specialized companies will be assessed;
- at Division level, the achievement of the commitments on Diversity & Inclusion expressed in line with the Group Principles on gender neutrality;
- at Bank level, alignment to the PB Division and ISP Group strategy on ESG issues through a local communication/information campaign aimed to enhance the ESG Culture and employee engagement on the topics of social, environmental and culture sustainability among colleagues also through participation to training initiatives.

To each KPI is assigned a weight equal to at least 10% to ensure the relevance of the objective and up to 30%.

The sum of the weights assigned to the KPIs of each section is equivalent to the overall weight of the section; this weight varies according to the macro-area pertaining to the population.

Here below it is a summary of the weight of the different kind of KPIs that are included in the Performance Scorecards:

Weight range on Performance Scorecard

	Business Functions	Governance Functions	Control Functions
Financial Objectives	55% - 65%	60% - 70%	⊗
Non-Financial Objectives	45% - 35%	40% - 30%	100%

For what regards the structure of the Performance Scorecard of Middle Managers with the title of Head of in the Governance Functions and in the Control Functions, as reported above, those are managed through the **aHead system**. Such Performance Scorecards provide for both quantitative and qualitative KPIs and have a three-fold structure as follows:

- **structure section** (30%-50% weight), containing KPIs consistent with the strategic drivers relating to productivity and the cost of risk/sustainability, with particular reference to the following categories: processes/activities, projects/initiatives, cost management and risk management;
- **transversal section** (10% weight), containing a KPI shared at Division level;
- **qualitative section** (40% -60% weight), containing managerial indicators related to the skills of the Group's leadership model.

In any case, the total amount due is attributed annually based on the evaluation of the results of the individual Performance Scorecard. In particular, this calculation is ranking-based for the Group Risk Takers and is connected to the evaluation of the results for the Legal Entity Risk Takers and other Middle Managers.

With specific reference to all Group Risk Takers the bonus amount is defined annually according to the position achieved in the "internal ranking" of:

- Private Banking Division Group Risk Takers, for Business and Governance Risk Takers;
- the respective Control Functions, for the Heads of Control Functions.

Such rankings¹¹ are obtained by ordering the scores of the results of the individual performance scorecards, constructed according to the criteria illustrated above, assigned to each Private Banking Division Group Risk Taker / Group Risk Takers of the Control Functions.

For what regards the evaluation of the results and the definition of the individual awarding of the bonus for the other Legal Entity Risk Takers and other Middle Managers, they are at the discretion of the Direct Head.

In any case the individual bonus is defined taking into account the results of the performance evaluation, both in absolute and relative terms. In other words, the bonus proposal must be consistent with the relative level of performance achieved (i.e. the Legal Entity Risk Takers or Middle Manager with the best performance score should receive a bonus as a percentage of the fixed remuneration that is higher than the other colleagues).

Finally, regardless of the cluster of population, the accrued bonus is subject to corrective mechanisms based on the level of achievement of the KPIs against excessive risk taking, which act as de-multipliers of the bonus itself. Specifically:

Risk	Recipients	Relevant limits and trigger events	% bonus reduction
AML Risk	Executive Committee Members (excluding Control Functions)	Failure to comply with respect of the thresholds of the CB Policy in terms of concentration for AFC risk of the Bank total AuM both at cluster and single Country level ¹²	Max -10%
Residual Risk	Risk Takers (RT) and Middle Management (MM)	Detection of residual risk at medium-high / high levels (Q-factor)	max -20%
Conduct Risk	RT and MM	Failure to comply with the expected levels for the mandatory training ¹³	-10%

With specific reference to the Q-Factor, it acts as a possible de-multiplier of the bonus achieved which is reduced by:

- 20% in case of a "very high" Q-Factor;
- 10% in case of a "high" Q-Factor.

The Q-Factor is based on factors relating to the control system and also considers other elements that are useful for the evaluation (Operational Losses, Findings of the Supervisory Authorities, Trends and weights of the critical issues in the Tableau de Bord of the Audit Function). The evaluation is based on a quantitative scale to which the residual risk judgement corresponds: Very High, High, Medium, Low.

¹¹ For more detail about the internal ranking for Group Risk Takers, please see the ISP Group Remuneration Discipline.

¹² This condition can be not applied if, according to the Cross-Border Policy, for each overlimit (i) a specific mitigation measure, with the related deadline, is defined and approved by Board of Directors and (ii) such measure is implemented according to the defined deadline.

¹³ For the Executive Committee Members (excluding Control Functions) mandatory training regarding AML topics are also provided.

Finally, it is noteworthy that:

- the evaluation of the performance scorecard covers a period of one year;
- the bonus won't be paid if the total score of the performance evaluation is lower than 75% for Middle Managers with Head of title in both the Governance Functions and Control Functions, 80% for Risk Takers in the Business and Governance Functions and Middle Managers with Senior Director title and Head of title limited to the Business Functions, 90% for Risk Takers and Middle Managers with Senior Director title in Control Functions;
- the pro-quota bonus may be paid only if the person has been employed for at least six months; in the event of transfer between organizational units, the evaluation will be carried out with reference to the performance related to the prevalent role held during the year. In any case, the payment of this variable remuneration component is subject to the existence of the employment relationship at the time of disbursement of the first upfront portion of the bonus, without prejudice to the Termination of the employment agreement provisions (see paragraph 5.8).

5.5.3.1. Incentive System for Risk Takers of Banks at a “non-contingent” loss

Within the framework of the Annual Incentive Systems, a specific and selective Annual Incentive System is envisaged for the Risk Takers belonging to the Bank at a “non-contingent” loss.

The System is targeted at Risk Takers specifically appointed to recover/contain the loss from the first year of appointment (and up to a maximum of three consecutive years) and, starting from the second year, in case of improved results, according to what set out in the specific long-term recovery plan (Business Plan), it may be extended to the other Risk Takers, not specifically appointed to recover/contain the loss, possibly operating in the Bank.

For the purposes of determining the Incentive due, the performance of the Bank at a loss is measured in terms of year-on-year improvement.

With reference to any other Risk Takers not specifically appointed to recover/contain the loss, and not belonging to Control Functions, the System shall be applicable starting from the second year and the maximum Incentive to be accrued shall not exceed 50% of the bonus theoretically due against the outcome of the performance evaluation.

Indeed, for those who belong to the Control Functions, taking into account that the variable remuneration cannot exceed the 33% of the fixed one, the maximum incentive to be accrued shall not exceed 75% of the bonus theoretically due against the outcome of the performance evaluation.

5.5.3.2. Incentive System for Risk Takers and Middle Managers of start-up companies

Similarly, to what stated for Banks at a “non-contingent” loss, a specific and selective Annual Incentive System is envisaged for the Risk Takers and Middle Managers belonging to start-up companies.

The System aims to support the alignment of Risk Taker and Middle Management performance with the growth objectives of the Business Plan for a period of time that allows the start up to achieve a positive and/or minimum level of profitability (up to a maximum of three consecutive years), within ISP Group context where anyway the capital, liquidity and sustainability conditions shall be met.

For the purpose of determining the incentive due, the performance of the start-up is measured with respect to the achievement of the milestones (i.e. Company Income/Loss) set by the specific long-term plan for the start-up, in line with the medium-long term objectives characterizing all the ISP Group Incentive Systems.

In compliance with the principle of financial sustainability, the maximum incentive to be accrued is, in any case, limited and compatible with the economic and financial context of the Bank.

5.5.4 Incentive System for Team Leaders and Wealth Managers (including any Risk Taker)

There is a specific Incentive Scheme addressed to Team Leaders and Wealth Managers (including any Risk Taker) aimed at promoting the active participation of personnel in the pursuit of the Bank's commercial, economic and financial objectives, consistently with customers' actual needs and in line with their risk profile, and to reward the personnel's effective contribution to prompt and efficient risk management.

The Scheme provides that the annual bonus is determined according to the Net Revenues, directly generated by the activity of the WMs within the ISP Wealth Management Lux and, with reference to TLs,

the ones generated by the supervised WMs' activity are also considered. Specifically, the annual bonus is calculated as a percentage of the Net Revenues generated net of costs (e.g., TlS/WMs fixed remuneration, car rental fee, benefit, ...). Clients under DDD status (Deal de Direction¹⁴) will not be included in the calculation of the parameters determining the bonus.

In order to strengthen the monitoring of the quality of customer relations, depending on the results of a specific "annual Risk Scorecard", a reduction down to 100% of the annual bonus calculated may be applied in the event of non-compliance with the scorecard criteria.

The Incentive Scheme is regulated in detail in the Regulations of the Incentive Scheme for Team Leader and Wealth Manager.

The bonus accrued is subject to the demultiplier mechanism related to the mandatory training described in the paragraph 5.5.3. Specifically, failure to comply with the expected mandatory training will lead to a 10% reduction of the bonus accrued.

Finally, it is noteworthy that:

- the pro-quota bonus may be paid only if the person has been employed for at least six months;
- WMs performance scorecard system prevails in case of WMs who are also RTs.

5.5.5 Entry Period Bonus for newly recruited Team Leaders and Wealth Managers (including any Risk Taker)

In order to enhance the speed of growth of the growth of new assets, with a profitable contribution to the Bank's net results, a specific Entry Period Bonus is provided for newly recruited Team Leaders and Wealth Managers. The Bonus is determined as a percentage of the Net New Money booked during the entry period (up to 24 months), weighted by the ROA generated. In order to strengthen the quality of customer relation, the Bonus is subject a reduction depending on the results of a specific annual Risk Scorecard.

Moreover, the payment of the Entry Period Bonus is subject to all the conditions foreseen for the variable remuneration, including but not limited to the activation conditions (see par. 5.5.1), individual access conditions (see par. 5.5.7), malus and clawback conditions (see par. 5.5.8 and 5.5.9).

Finally, the Entry Period Bonus accrued is subject to the demultiplier mechanism related to the mandatory training described in the paragraph 5.5.3. Specifically, failure to comply with the expected mandatory training will lead to a 10% reduction of the bonus accrued.

5.5.6 The Annual Incentive System for Professionals (excluding Team Leaders and Wealth Managers)

The Incentive System for Professionals (excluding Team Leaders and Wealth Managers) aims to reward the best annual performance assessed with a view to optimise the risk/return ratio.

The individual awarding of the bonus is at the discretion of the Direct Head, taking into account the results of the performance evaluation, both in absolute and relative terms. In other words, the bonus proposal must be consistent with the level of performance achieved, also taking into account Peers.

The performance evaluation is carried out and documented through UpPER.

UpPER is Intesa Sanpaolo Group's performance appraisal system where 3 performance areas, so called "outcomes" (i.e. not-financial KPIs), that identifies critical successful factors when performing jobs. At the beginning of the process, those outcomes are chosen by the manager from a list, which is specific to each job family. Each outcome is associated to three adjectives, which detail the expected levels of performance and the way to achieve it.

The evaluation is expressed in a 7-level evaluation scale (Inadequate, Below Expectations, Partially In Line with Expectations, In Line With Expectations, Above Expectations, Highly Above Expectations and Excellent).

¹⁴ Deal de Direction (DDD) is a mechanism that can be applied in the event of a Wealth Manager leaving the company (due to resignation, retirement, agreement, ...) and his/her client portfolio, or part of it, is assigned by the Bank to another Wealth Manager. The income generated by such clients, for a maximum period of three years, does not enter into the calculation of the variable remuneration of the Wealth Manager to which the Bank offered the clients. At the end of DDD, the clients become to all intents and purposes clients of the Wealth Manager and are therefore included in the normal assessment logic for the calculation of the bonus.

The bonus accrued is subject to the demultiplier mechanism related to the mandatory training and specifically, failure to comply with mandatory training fulfillment within the expected deadlines will lead to a 10% reduction of the bonus accrued.

Finally, it is noteworthy that the pro-quota bonus may be paid only if the person has been employed for at least six months.

5.5.7 Individual access conditions

The payment of the individual bonus is, in any case, subject to the verification of the absence of the so-called individual compliance breaches i.e.:

- disciplinary measures involving at least the suspension from service and pay for a period equal to or greater than one day, including those resulting from serious findings received from the Bank's control functions;
- in case of breaches specifically sanctioned by the Supervisory Authorities regarding the requirements of professionalism, integrity and independence and following on the matter of transactions with related parties and of the obligations regarding remuneration and Incentives referred to in CRD V, if involving a penalty of an amount equal to or greater than 30,000 euro;
- behaviours non-compliant with the legal and regulatory provisions, the Articles of Association or any codes of ethics and conduct established ex ante by the Bank and the Group and from which a "significant loss" derived for the Bank or for customers.

If the compliance breach is ascertained in a year following the one in which it was committed:

- the bonus pertaining to the year in which it was committed, or, in the event of deferral, the shares already paid out of the same; as well as
- any deferred portions whose vesting conditions refer to the year in which it was committed

they are subject to claw-back (possibly also through offsetting with additional amounts due as variable remuneration) within the 5 years following the payment. In the event of termination of the employment relationship, the Bank reserves the right to evaluate the application of this mechanism in terms of opportunity.

Furthermore, if the bonus pertaining to the year in which the compliance breach was committed was subject to deferral mechanisms, the disbursement of any unpaid shares is definitively ceased.

In particular, failure to verify the individual access conditions implies both the non-payment of the bonus accrued in the same year of the compliance breach is committed and the deletion of the deferred portions of the accrual conditions referred to the same year. Finally, it should be noted that these claw-back mechanisms are also taken into account in the definition of any ongoing legal disputes with personnel.

5.5.8 Malus Conditions

In case of deferral (see paragraph 5.6), each portion is subject to an ex-post adjustment mechanism - the so-called malus conditions - according to which the relative amount recognised and the number of financial instruments assigned, if any, may be reduced, even to zero, in the year in which the deferred portion is paid, in relation to the level of achievement of the minimum conditions set by the Regulator regarding the **capital strength** and **liquidity**, represented by the consistency with the respective limits set as part of the Bank, Fideuram Group and ISP Group RAF, as well as the condition of **financial sustainability**.

Those conditions are:

- **At ISP Group level:**

Capital strength condition	Common Equity Tier 1 (CET1) Ratio	≥	Hard limits set by the RAF at ISP Group level
	Leverage Ratio	≥	
	Minimum requirement for own funds and eligible liabilities (MREL)	≥	
	Assessment of the results of the ICAAP and of the Recommendations on distributions by competent authorities and European Supervisory Authorities		
Liquidity condition	Net Stable Funding Ratio (NSFR)	≥	Hard limits set by the RAF at ISP Group level
Sustainability condition	No loss and positive Gross Income*	>	Ø

* The Gross Income is measured net of: (i) profits from the buyback of the ISP's own liabilities; (ii) fair value of the ISP's own liabilities; (iii) income components arising from accounting policies following changes to the internal model on core deposits.

At Fideuram Group level

Capital strength condition	Common Equity Tier 1 (CET1) Ratio	$\geq$	Hard limits set by the RAF at Fideuram Group level
	Leverage Ratio	$\geq$	
	Minimum requirement for own funds and eligible liabilities (MREL)	$\geq$	
Liquidity condition	Net Stable Funding Ratio (NSFR)	$\geq$	Hard limits set by the RAF at Fideuram Group level
Sustainability condition	No loss and positive Gross Income	$>$	$\emptyset$

* Limit calculated at the Sub-holding level (i.e., Fideuram).

At Intesa Sanpaolo Wealth Management SA (Lux) level:

Capital strength condition	Common Equity Tier 1 (CET1) Ratio	≥	Hard limits set by the RAF at ISP Wealth Management Lux level
	Leverage Ratio	≥	
	Assessment of the results of the ICAAP and of the Recommendations on distributions by competent authorities and European Supervisory Authorities		
Liquidity condition	Net Stable Funding Ratio (NSFR)	≥	Hard limits set by the RAF at ISP Wealth Management Lux level
Sustainability condition	No loss and positive Gross Income	>	Ø

It is specified that the condition of absence of loss and positive Gross Income, both at Fideuram Group and ISPWM level, is verified based on the results of the individual financial statements prepared in accordance with the local accounting principles of the Bank.

In case one of the conditions of capital strength or of liquidity does not occur individually, the deferred portion is brought down to zero; if the condition of sustainability is not met, the deferred portion is reduced by 50%.

In addition, the Legal Entity Top Risk Takers are subject to a further malus condition:



In case the abovementioned liquidity conditions is not met, the deferred portion of the Legal Entity Top Risk Takers is reduced by 50%.

For the verification of the malus conditions it shall be considered the perimeter of the Legal Entity where the person was employed when awarded the bonus to which the deferred portions are referred to.

5.5.9 Clawback mechanisms

Intesa Sanpaolo Wealth Management SA (Lux) reserves the right to activate clawback mechanisms, namely the return of bonuses already paid as required by regulations, also taking into account the relative legal, contribution and fiscal profiles, as part of:

- disciplinary initiatives and provisions envisaged for fraudulent behaviour or gross negligence by personnel;
- behaviour non-compliant with the legal and regulatory provisions, Articles of Association or any codes of ethics and conduct established ex ante by the Bank and from which a “significant loss” derived for the Bank or the customer.

These mechanisms may be applied in the 5 years following the payment of the individual portion (up-front and deferred, if any) of variable remuneration.

5.6 Payment methods of variable remuneration

The remuneration payment methods are governed by specific instructions in the Supervisory Provisions concerning remuneration with particular reference to the deferral obligations, the type of payment instruments and the retention period envisaged for the possible portion paid as financial instruments.

Illustrated below are the methods for the payment of the variable remuneration adopted by Intesa Sanpaolo Wealth Management SA (Lux), in compliance with ISP Group.

It is noteworthy that, those payment layouts take into account that Intesa Sanpaolo Wealth Management SA (Lux), is classified as a significant bank according to the article 6, comma 4 of the RMVU, which require the size, the importance for the economy of the Union or any participating Member State and the significance of cross-border activities to be taken into account.



Deferred amount	① 60% of the variable remuneration is deferred for a period of 5 years in the case of: ○ variable remuneration of a “particularly high” amount, regardless of the macro segment to which the receiver belongs ② 50% of the variable remuneration is deferred for a period of 5 years in the case of remuneration paid: ○ to Top Risk Takers of Legal Entities if the amount is higher than both the materiality threshold and 100% of the fixed remuneration ③ 40% of the variable remuneration is deferred for a period of 5 years in the case of remuneration paid: ○ to Top Risk Takers of Legal Entities if the amount is higher than the materiality threshold and equal to or lower than 100% of the fixed remuneration ④ 50% of the variable remuneration is deferred for a period of 4 years in the case of remuneration paid: ○ to other Risk Takers if the amount is higher than both the materiality threshold and 100% of the fixed remuneration ⑤ 40% of variable remuneration is deferred for a period of 4 years in the case of remuneration paid: ○ to other Risk Takers if the amount is higher than the materiality threshold and equal to or lower than 100% of the fixed remuneration ⑥ If 40% of variable remuneration is deferred for a period of 3 years in the case of remuneration paid: ○ to Middle Managers and Professionals, if the amount is higher than both the materiality threshold and 100% of the fixed remuneration ⑦ 40% of variable remuneration is deferred for a period of 2 years in the case of remuneration paid: ○ to Middle Managers and Professionals, if the amount is higher than the materiality threshold and equal to or to or lower than 100% of the fixed remuneration, or equal to or to or lower than the materiality threshold and higher than 100% of the fixed remuneration
	The remaining amount of the variable remuneration is paid out up-front. Regardless of the pertinent macro segment, the variable remuneration is entirely paid up-front if the amount is equal to or lower than the materiality threshold and equal to or lower than 100% of the fixed remuneration
Up-front amount	

With regard to the “**Particularly high**” amount of variable remuneration, as required by the Provisions of the Bank of Italy, at least every three years Intesa Sanpaolo is obliged to define the «particularly high» amount of variable remuneration, as the lower between:

- i) 25% of the average overall (gross) remuneration of the Italian high earners, resulting from the most recent report published by the EBA.

This value equals, according to the report published by the EBA with reference to the date of December 2022, 436,933 euro (gross);

- ii) 10 times the average overall remuneration of the employees of the Intesa Sanpaolo Group.

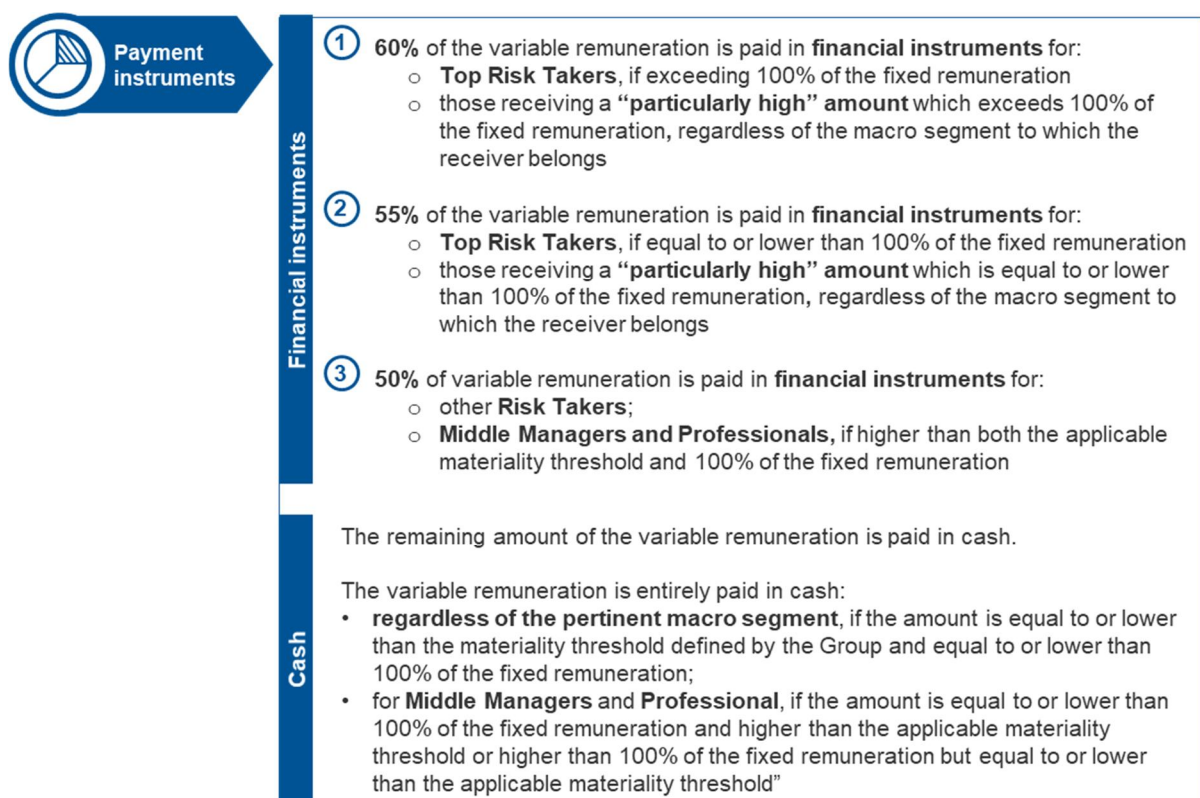
Intesa Sanpaolo calculated this amount as the average remuneration paid to employees in 2022, 2023 and 2024, equal to 548,560 euro (gross).

For greater prudence, the smaller between the two above-mentioned amounts (i.e., 436,933 euro – gross) is rounded down and, as a consequence, the variable remuneration exceeding 400,000 euro (gross) for the three-year period 2025-2027 is considered particularly high.

The Bank, in line with Intesa Sanpaolo Group, has defined its materiality threshold, differentiated by clusters of personnel, beyond which the variable remuneration is considered “significant”.

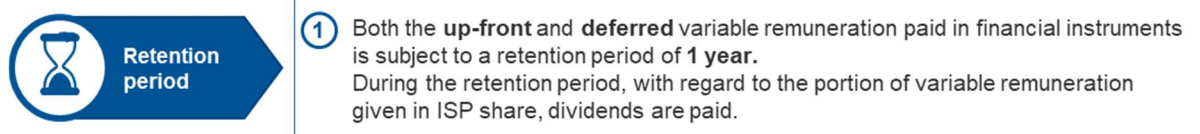
In particular:

- for **Risk Takers** (including Top ones), in accordance with the applicable legislation, the variable remuneration is considered "significant" if it exceeds the amount of **50,000 euro** (gross) or if it **represents more than one third** of the total remuneration;
- for **Middle Managers and Professionals** the materiality threshold that is differentiated according to the area of activity (i.e. staff/business) in which they operate. Specifically, the materiality threshold is equal to:
 - 80,000 euro** gross, in line with ISP Group practices, for Middle Managers and Professionals who operate in staff areas;
 - 150,000 euro** gross for Middle Managers and Professionals (specifically, the TLs, WMs and those who operate in the business areas "Wealth Management", "Products and Investment Services" and "Treasury and Dealing") in order to reduce a potential competitive disadvantage factor in the attraction and retention of the best resources in businesses characterised by high competitive pressure (i.e. high cost of living, strong wage dynamics and high resignation rates) on human resources.



In compliance with the Supervisory Provisions, the financial instruments used by the Intesa Sanpaolo Group to pay the variable remuneration are Intesa Sanpaolo shares.

In addition, it should be noted that interests on the cash deferred portions of the bonus may accrue. Those interests are calculated in line with market rates; the specific rate used is common to all ISP Group and it is communicated to the Bank by HR Division.



In accordance with the indications above, the Bank, in compliance with Intesa Sanpaolo Group Remuneration and Incentive Policies, has defined the following accrual and settlement layouts depending on the category of personnel (Legal Entity Top Risk Takers, other Risk Takers, Middle Managers and Professionals) the amount of the variable remuneration (higher or lower than the particularly high amount or the materiality threshold) and the weight of the variable remuneration compared to the fixed remuneration (greater than or equal to/lower than 100%).

In particular, for **all those who**, regardless of the macro-segment they belong to, **accrue a «particularly high» amount of variable remuneration**, the following two schedules are envisaged, depending on the weight of the variable remuneration compared to the fixed remuneration:

1. Layout 1: if the variable remuneration **exceeds 100% of the fixed remuneration**, 40% of the payment will be up-front (of which 20% in cash and 20% in financial instruments) and 60% (of which 20% in cash and 40% in financial instruments) on a deferral time horizon of 5 years.

Reported below is the accrual and settlement layout:

VESTING SCHEDULE		2026	2027	2028	2029	2030	2031
CASH (40%)		20%			4%	4%	12%
FINANCIAL INSTRUMENTS (60%)		20%	12%	12%	8%	8%	
PAYOUT SCHEDULE		2026	2027	2028	2029	2030	2031
CASH (40%)		20%			4%	4%	12%
FINANCIAL INSTRUMENTS (60%)			20%	12%	12%	8%	8%

2. Layout 2: if the variable remuneration is **equal to or lower than 100% of the fixed remuneration**, 40% of the payment will be up-front (of which 20% in cash and 20% in financial instruments) and 60% (of which 25% in cash and 35% in financial instruments) on a deferral time horizon of 5 years.

Reported below is the accrual and settlement layout:

VESTING SCHEDULE		2026	2027	2028	2029	2030	2031
CASH (45%)		20%		4%	4%	5%	12%
FINANCIAL INSTRUMENTS (55%)		20%	12%	8%	8%	7%	
PAYOUT SCHEDULE		2026	2027	2028	2029	2030	2031
CASH (45%)		20%		4%	4%	5%	12%
FINANCIAL INSTRUMENTS (55%)			20%	12%	8%	8%	7%

For those who **do not accrue a «particularly high» amount of variable remuneration**, the following schedules are envisaged, based on the pertinent segment and the weight of the variable remuneration compared to the fixed remuneration:

3. Layout 3: for **Legal Entity Top Risk Takers** who accrue a variable remuneration **higher than both 100% of the fixed remuneration and the applicable materiality threshold**, 50% of the payment will be up-front (of which 25% in cash and 25% in financial instruments) and 50% (of which 15% in cash and 35% in financial instruments) on a deferral time horizon of 5 years.

Reported below is the accrual and settlement layout:

VESTING SCHEDULE		2026	2027	2028	2029	2030	2031
CASH (40%)		25%				5%	10%
FINANCIAL INSTRUMENTS (60%)		25%	10%	10%	10%	5%	
PAYOUT SCHEDULE		2026	2027	2028	2029	2030	2031
CASH (40%)		25%				5%	10%
FINANCIAL INSTRUMENTS (60%)			25%	10%	10%	10%	5%

4. Layout 4: for **Legal Entity Top Risk Takers** who accrue a variable remuneration **equal to or lower than 100% of the fixed remuneration and higher than the applicable materiality threshold**, 60% of the payment will be up-front (of which 30% in cash and 30% in financial instruments) and 40% (of which 15% in cash and 25% in financial instruments) on a deferral time horizon of 5 years.

Reported below is the accrual and settlement layout:

VESTING SCHEDULE		2026	2027	2028	2029	2030	2031
CASH (45%)		30%			3%	4%	8%
FINANCIAL INSTRUMENTS (55%)		30%	8%	8%	5%	4%	
PAYOUT SCHEDULE		2026	2027	2028	2029	2030	2031
CASH (45%)		30%			3%	4%	8%
FINANCIAL INSTRUMENTS (55%)			30%	8%	8%	5%	4%

5. Layout 5: for the other **Risk Takers** who accrues a variable remuneration **higher than both 100% of the fixed remuneration and the applicable materiality threshold**, 50% of the payment will be up-front (of which 25% in cash and 25% in financial instruments) and 50% (of which 25% in cash and 25% in financial instruments) on a deferral time horizon of 4 years.

Reported below is the accrual and settlement layout:

VESTING SCHEDULE		2026	2027	2028	2029	2030
CASH (50%)		25%		6.25%	6.25%	12.5%
FINANCIAL INSTRUMENTS (50%)		25%	12.5%	6.25%	6.25%	
PAYOUT SCHEDULE		2026	2027	2028	2029	2030
CASH (50%)		25%		6.25%	6.25%	12.5%
FINANCIAL INSTRUMENTS (50%)			25%	12.5%	6.25%	6.25%

6. Layout 6: for the **Risk Takers** who accrues a variable remuneration **equal to or lower than 100% of the fixed remuneration and higher than the applicable materiality threshold**, 60% of the payment will be up-front (of which 30% in cash and 30% in financial instruments) and 40% (of which 20% in cash and 20% in financial instruments) on a deferral time horizon of 4 years.

Reported below is the accrual and settlement layout:

VESTING SCHEDULE		2026	2027	2028	2029	2030
CASH (50%)		30%		5%	5%	10%
FINANCIAL INSTRUMENTS (50%)		30%	10%	5%	5%	
VESTING SCHEDULE		2026	2027	2028	2029	2030
CASH (50%)		30%		5%	5%	10%
FINANCIAL INSTRUMENTS (50%)			30%	10%	5%	5%

7. Layout 7: for **Middle Managers and Professionals eligible for the 2:1 Cap** who accrue a variable remuneration **higher than both 100% of the fixed remuneration and the applicable materiality threshold**, all of the payment will be in cash of which 60% up-front (of which 30% in cash and 30% in financial instruments) and 40% (of which 20% in cash and 20% in financial instruments) on a deferral time horizon of 3 years.

Reported below is the accrual and settlement layout:

VESTING SCHEDULE		2026	2027	2028	2029
CASH (50%)		30%		7%	13%
FINANCIAL INSTRUMENTS (50%)		30%	13%	7%	
VESTING SCHEDULE		2026	2027	2028	2029
CASH (50%)		30%		7%	13%
FINANCIAL INSTRUMENTS (50%)			30%	13%	7%

8. Layout 8: for **Middle Managers and Professionals** who accrue a variable remuneration **equal to or lower than 100% of the fixed remuneration and higher than the applicable materiality threshold**

or **higher than 100% of the fixed remuneration but equal to or lower than the applicable materiality threshold**, all of the payment will be in cash of which 60% up-front and 40% on a deferral time horizon of 2 years.

Reported below is the accrual and settlement layout:

VESTING SCHEDULE			
	2026	2027	2028
CASH (100%)	60%	20%	20%

PAYOUT SCHEDULE			
	2026	2027	2028
CASH (100%)	60%	20%	20%

5.7 ISP Group Long-Term Incentive Plans

In conjunction with the launch of the 2022-2025 Business Plan, Intesa Sanpaolo Group has confirmed the use of Long-Term Incentive Plans (LTI) for the motivation and loyalty of its resources, whose involvement and enhancement, at all levels of the organization, are key and enabling factors for the achievement of results.

In fact, in line with its principles of inclusiveness and cohesion, the Group believes that shareholding favours the identification (ownership), alignment with medium / long-term objectives and constitutes a desirable form of sharing the value created over time.

With reference to the 2022-2025 LTI Plans, taking into account the levels of ambition and challenge of the new Business Plan, the Group confirms the approach adopted in 2018 that consists in clearly differentiating objectives, purposes and consequently long-term incentive instruments intended respectively to:

- CEO of the Bank, the Group Risk Takers¹⁵ and those who expatriate from Italy¹⁶, among the other Managers¹⁷;
- the Professionals of Intesa Sanpaolo Group of the Italian perimeter (including those who expatriate from Italy and therefore have an Italian employment contract);

With reference to Management, Intesa Sanpaolo Group adopts a Plan explicitly connected to the achievement of the objectives of the ISP Group Business Plan, which has a risk / return profile appropriate to the role held and to the levels of ambition and challenge of such Plan and which provides for the Performance Shares as the financial instrument.

Furthermore, the Group believes that a Retention Plan in substantial continuity with the LECOIP 2.0 Plan is suitable for supporting the motivation of Professionals, with the aim of continuing to strengthen their identification and the spirit of belonging, in line with the inclusive organizational culture of the Group. In light of these considerations, a Retention Plan called "LECOIP 3.0" has been designed for these recipients, which enhances the experience gained through the previous Plans.

The detailed description of LECOIP 3.0 is contained in ISP Group Remuneration and Incentive Policies to which reference is made; on the contrary the detailed description of PSP is contained in the following paragraph.

5.7.1 Performance Share Plan

The long-term Performance Share Plan is aimed at:

- enhancing the alignment with the long-term objectives of the 2022-2025 Business Plan;
- guaranteeing a close link between the Company's performance over time and the long-term variable remuneration of the Managers;
- rewarding the Managers on the basis of the value creation for shareholders;
- enhancing a sustainable performance over time (ESG).

¹⁵ Including Group Risk Takers (if any) who do not hold managerial positions.

¹⁶ As they have an Italian employment contract.

¹⁷ As approved by Intesa Sanpaolo Shareholders' meeting on April 29th, 2022, for Managers it is meant all Management of the Group in the Italian and foreign perimeter. With reference to the foreign perimeter, Group Risk Takers and selected Strategic Managers are included only if the granting of ISP shares complies with the Bank Remuneration and Incentive Policies.

Below is a summary of the main elements of the Performance Share Long-Term Incentive Plan.

Key Features of the Performance Share Plan	
Element	Application
Beneficiaries	The CEO of the Bank, the Group Risk Takers¹⁸ and those who expatriate from Italy, among the other Managers. – (overall about 3.000 staff members of which 11 staff members in ISP WM)
Financial Instrument	Performance Shares (“PSP Shares”) – shares subject to performance conditions.
Operating Model	Intesa Sanpaolo (ISP) grants the beneficiaries the right to accrue a certain number of PSP Shares at the end of the Plan provided that gateway conditions are met and performance objectives are achieved. Specifically, the number of financial instruments that accrue depends on the level of achievement of the performance objectives as well as specific sustainability targets.
Methodology for the calculation of value at grant	Fair Value of Performance Shares defined on the basis of the Black-Scholes’ model, adjusted for the availability constraints and probability of employees being still employed at the end of the Accrual Period as well as of the achievement of the performance conditions set out in the Plan, in compliance with the Fair Value Policy adopted by Intesa Sanpaolo.
Initial Grant	• Differentiated according to the job title based on the Global Banding model adopted by the Intesa Sanpaolo Group • In the Bank up to 75% of Fixed Remuneration for the entire period (18.75% of the fixed remuneration on an annual basis) for the Managers not belonging to the Control Functions • In the Bank up to 50% of gross annual remuneration for the entire period (12.5% of base salary on an annual basis) for the Managers of the Control Functions (if any)
Gateway conditions at Intesa Sanpaolo Group	In line with regulatory requirements. Group-level gates that must be achieved each year of the Plan: • CET1$\geq$ hard limit set by the Group RAF • Leverage Ratio $\geq$ hard limit set by the Group RAF • MREL $\geq$ Early Warning limit set by the Group RAF • NSFR$\geq$ hard limit set by the Group RAF • No loss and positive Gross Income at Group Level • LCR $\geq$ hard limit set by the Group RAF (this condition only applies to Top Legal Entity Risk Takers) Additionally, also the following gates must be achieved: • at the launch (2022) and at the end of the Plan, assessment of the result of the ICAAP; • in 2025, assessment of the recommendations (if any) on (dividends)

¹⁸ Including Group Risk Takers (if any) who do not hold managerial positions.

Key Features of the Performance Share Plan

Element	Application																					
	distributions by competent authorities and European Supervisory Authorities, to which a possible reduction of the bonus (down to zero) may follow.																					
Performance Conditions	<table><tr><th>KPI</th><th></th><th>% of shares accruable at target level</th></tr><tr><td colspan="3">Managers in Business and Governance Functions</td></tr><tr><td> • OI/RWA • Cost/Income • NPL ratio </td><td>The target levels are equivalent to those set in the Business Plan for 2025</td><td> • 30% • 25% • 15% </td></tr><tr><td colspan="3">Managers in Control Functions</td></tr><tr><td colspan="2">Qualitative evaluation of the strength and the overall effectiveness of the internal control system throughout the duration of the 2022-2025 Plan</td><td>70%</td></tr><tr><td colspan="3">All Managers</td></tr><tr><td>Relative TSR</td><td>The performance will be measured against the results achieved by the ISP Peer Group of the Business Plan</td><td>30%</td></tr></table> A pay-for-performance curve is defined for each KPI and provides for the identification of a minimum level (so-called threshold), against which a percentage of shares equal to 50% of those envisaged at target is accruable, which increases up to a maximum level above the target (so-called overtarget) against which the % of shares accruable is up to a maximum of +50% with respect to the target. It is specified that: · for performance levels below the threshold, no portion of shares is accrued · for performance levels higher than the overtarget, no further increases are envisaged in the portion of shares accrued (so-called cap principle). The total amount of shares accruable at the end cannot, in any case, exceed 100% of the shares assigned at target for the set of KPIs. In other words, the only case where it is possible to assign a number of Performance Shares higher than that envisaged at target for a given KPI whose performance is higher than the target is if the performance of another KPI is lower than the respective target (since this does not determine the assignment of Performance Shares corresponding to its target).	KPI		% of shares accruable at target level	Managers in Business and Governance Functions			• OI/RWA • Cost/Income • NPL ratio	The target levels are equivalent to those set in the Business Plan for 2025	• 30% • 25% • 15%	Managers in Control Functions			Qualitative evaluation of the strength and the overall effectiveness of the internal control system throughout the duration of the 2022-2025 Plan		70%	All Managers			Relative TSR	The performance will be measured against the results achieved by the ISP Peer Group of the Business Plan	30%
KPI		% of shares accruable at target level																				
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Managers in Control Functions																						
Qualitative evaluation of the strength and the overall effectiveness of the internal control system throughout the duration of the 2022-2025 Plan		70%																				
All Managers																						
Relative TSR	The performance will be measured against the results achieved by the ISP Peer Group of the Business Plan	30%																				
Performance Accrual Period	In line with the 2022-2025 Business Plan time horizon.																					
De-multipliers based on sustainability targets	1. <u>Composite ESG KPI</u> · composed of a sub-KPI for each of the 3 factors in which ESG (Environmental, Social and Governance) is articulated, whose target level is defined in the 2022-2025 Business Plan <table><tr><th></th><th>Factors</th><th>Weight</th></tr><tr><td>Environmental</td><td>New lending to the green/circular economy and green transition with a major focus on supporting Corporates/SMEs transition</td><td>40%</td></tr></table>		Factors	Weight	Environmental	New lending to the green/circular economy and green transition with a major focus on supporting Corporates/SMEs transition	40%															
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Key Features of the Performance Share Plan

Element	Application						
	<table><tr><td>Social</td><td>Number of employees who successfully completed re-skilling training and were employed in a job in line with their newly acquired skills, or who completed up-skilling training</td><td>40%</td></tr><tr><td>Governance</td><td>% of women in senior roles, new appointments (-1 and -2 organizational levels under the CEO)</td><td>20%</td></tr></table> · acts as a de-multiplier reducing the number of shares that vest at the end of the Plan: - o by 10% if the achievement of the ESG KPI is < the target level but ≥ the threshold level - o by 20% if the achievement of the ESG KPI is < the threshold level · measured at the end of the Accrual Period 2. <u>Capital Target:</u> (applicable only to Business and Governance Functions) · measures the maintenance, for the Plan's time horizon, of the CET1 levels above the target defined in the Group RAF in the timeframe of the Plan; · acts as de-multiplier reducing the number of shares that vest at the end of the Plan by 10% per each year of breach (with a cap of 40% over the entire Accrual Period) · measured throughout the Accrual Period.	Social	Number of employees who successfully completed re-skilling training and were employed in a job in line with their newly acquired skills, or who completed up-skilling training	40%	Governance	% of women in senior roles, new appointments (-1 and -2 organizational levels under the CEO)	20%
Social	Number of employees who successfully completed re-skilling training and were employed in a job in line with their newly acquired skills, or who completed up-skilling training	40%					
Governance	% of women in senior roles, new appointments (-1 and -2 organizational levels under the CEO)	20%					
Individual access conditions	Absence of the compliance breaches as set in the 2022 CBPQ and FBL¹⁹ Remuneration and Incentive Policies. Specifically, in both the abovementioned Policies the following conditions are provided: · disciplinary measures involving suspension from service and pay for a period equal to or greater than one day, including those resulting from serious findings received from the Bank's control functions; · in case of breaches specifically sanctioned by the Supervisory Authorities regarding the requirements of professionalism, integrity and independence and following on the matter of transactions with related parties and of the obligations regarding remuneration and Incentives referred to in CRD V, if involving a penalty of an amount equal to or greater than 30,000 euro; · behaviours non-compliant with the legal and regulatory provisions, the Articles of Association or any codes of ethics and conduct established ex ante by the Bank and the Group and from which a "significant loss" derived for the Bank or for customers.						

¹⁹ It is reminded that ISP WM has been constituted in January 2023 from the merge of FBL and CBPQ.

Key Features of the Performance Share Plan

Element	Application
Pay-out Schedule	- Differentiated according to whether or not the beneficiary belongs to the Risk Taker segment and, in the latter case, according to the Risk Taker cluster (i.e. Group Top Risk Taker, Top Risk Taker in significant Legal Entities, or other Risk Taker) the amount of the total variable remuneration (higher or lower than the "particularly high" amount or than the "materiality threshold" as will be defined in the Bank 2025 Remuneration and Incentive Policies) and its ratio to the fixed remuneration. - The settlement is fully in Intesa Sanpaolo (ISP) shares. Specifically, in line with both the abovementioned Policies, the following schedules are provided: - for the Group Top Risk Takers and all those who, regardless of the segment they belong to, accrue a "particularly high" amount of overall variable remuneration, 60% of the accrued variable remuneration is deferred over a 5-year time horizon and, depending on the incidence on the fixed remuneration on the variable one, 60%-55% of the same is attributed in shares subject to a retention period (the remaining part is instead attributed in shares not subject to a retention period); - for the Legal Entity Top Risk Takers, depending on the incidence of the fixed remuneration on the variable one, 50%-40% of the accrued variable remuneration is deferred over a 5-year time horizon and 60%-55% of the same is attributed in shares subject to a retention period (the remainder is attributed instead in shares not subject to a retention period); - for the other Risk Takers, depending on the incidence of the fixed remuneration on the variable one, 50%-40% of the accrued variable remuneration is deferred over a 4-year time horizon and 50% of it is assigned in shares subject to a retention period (the remaining part is attributed instead in shares not subject to a retention period); - for the remaining Managers - in the event that the variable remuneration is higher than both the materiality threshold and 100% of the fixed remuneration, 40% of the accrued variable remuneration is deferred over a 3-year time horizon and 50% of the same is assigned in shares subject to a retention period (the remaining part is attributed instead in shares not subject to a retention period); - in the event that the variable remuneration is higher than the materiality threshold but equal to or lower than 100% of the fixed remuneration (or vice versa), 40% of the accrued variable remuneration is deferred over a 2-year time horizon and 100% of the same is paid in shares not subject to a retention period. In any case, regardless of the population cluster, if the variable remuneration accrued is equal to or lower than the materiality threshold and equal to or lower than 100% of the fixed remuneration, the payment takes place upfront entirely in shares not subject to a retention period.
Malus condition	Malus conditions may reduce down to zero the deferred instalments of financial instruments not yet vested. They are symmetrical to the gateway conditions and to the individual access conditions.

Key Features of the Performance Share Plan	
Element	Application
Clawback	In line with the provisions of 2022 CBPQ and FBL Remuneration and Incentive Policies. Specifically, in both the abovementioned Policies the following clawback clauses are provided: - disciplinary initiatives and provisions envisaged for fraudulent behaviour or gross negligence by personnel, also taking into account the relative legal, contribution and fiscal profiles; - behaviour non-compliant with the legal and regulatory provisions, Articles of Association or any codes of ethics and conduct established ex ante by the Bank and from which a “significant loss” derived for the Bank or the customer.
Extraordinary Events	- Eligibility to participate in the PSP is lost in case of resignation, termination for cause or justified reason, mutual termination of employment relationship and similar situations; - In case the beneficiary reaches the retirement age, signs up to the pre-retirement solidarity fund "Solidarity Fund", death of the beneficiary or in case of sale of the subsidiary or a business line where the manager is employed to third parties a prorated payment will take place at the end of the Plan - In case of change of control of ISP, depending on the qualification by the Board of Directors of the takeover as: - o hostile: accelerated pro-rata cash settlement in case of a successful takeover; - o non-hostile: settlement at the end of the PSP in shares of the new entity.

5.8 Termination of the employment agreement

Except for personnel with state pension or seniority pension rights or agreed differently in individual employment agreements, the termination of the employment agreement results in loss of the right to payment of any variable remuneration amounts, even deferred.

Notwithstanding the foregoing, the Bank has the right but not the obligation to award at its entire discretion certain amounts upon termination of the employment agreement through a separate written agreement.

5.8.1 Severance

5.8.1.1 Definition

According to the Regulatory Framework on remuneration, the payment agreed in any way and/or form in view of or upon early termination of the employment agreement or early termination of office for the amount exceeding the provisions of the Luxembourg local law concerning payments related to the notice period constitutes the so-called severance. The non-competition agreement is included among these, depending on the total amount paid.

The Bank has the right but not the obligation to pay, at its entire discretion, a severance package.

The severance components pursuant to Intesa Sanpaolo Wealth Management SA (Lux):



NOT included in the severance amount:

Failed notice period
As provided by Law

Non-competition agreement (the portion
equal to the **last-year fixed remuneration**)



Included in the severance amount:

Exit bonus

**Severance mandatory by Labour Code and
Collective Bargaining Agreement**

Settlement agreement

Non-competition agreement (the portion that
exceeds the **last-year fixed remuneration**)

5.8.1.2 Maximum limits of severance amount

Based on international and national best practices, Intesa Sanpaolo Wealth Management SA (Lux), in compliance with the Local Regulations and the ISP Group Remuneration and Incentive Policies has set a maximum limit equal to **24 months of the fixed remuneration** for compensation paid by way of severance. The adoption of this limit can lead to a maximum disbursement of 2.480.005 euro.

5.8.1.3 Accumulation of severance with variable remuneration

In Compliance with ISP Group Remuneration and Incentive Policies, the compensation paid by way of severance is included in the calculation of the ratio between the variable remuneration due and the fixed remuneration of the last year of employment at the company.

In particular, the compensation paid by way of severance is added to the bonus due for the last year of employment at the company, excluding the amounts agreed and recognised:

- based on a non-competition agreement, for the portion which, for each year of duration of the agreement, does not exceed the last year of fixed remuneration;
- within an agreement reached in order to settle a current or potential dispute (independently from the context in which the agreement is drawn up), if calculated according to a predefined calculation formula provided by the Labour Code Law;
- severance payments mandatory under the Labour Code Law and the Collective Bargaining Agreement.

The Luxembourg Labour Code Law provides the following minimum severance payments in case of termination of the contract by the Employer:

Indemnities	Years of service
No indemnity	Less than 5
1 month of fixed remuneration	5 - 10
2 months of fixed remuneration	10 – 15
3 months of fixed remuneration	15 - 20

Indemnities	Years of service
6 months of fixed remuneration	20 – 25
9 months of fixed remuneration	25 - 30
12 months of fixed remuneration	more than 30

5.8.1.4 Payment methods

The components included in severance are assimilated to the variable remuneration and, as such, are subject to the payment methods depending on the cluster of personnel, the amount and its weight compared to the fixed remuneration (see paragraph 5.6), with the only exception of the portion paid in compliance with the Luxembourg Labour Code. This portion is paid cash and up-front.

5.8.1.4 Severance Criteria

In the ISP Group, the principles for the definition of severance - inspired to both the correlation between severance pay and ongoing performance criteria and the control of potential litigations – are:

- protecting the level of capital strength required by the Regulations;
- “no reward for failure”;
- unobjectability of individual behaviour (consistency with compliance breach absence criteria).

Please also note that the same activation (see paragraph 5.5.1), individual access (see paragraph 5.5.7), malus (see paragraph 5.5.8) and clawback conditions (see paragraph 5.5.9) set for variable remuneration for each population cluster are applied to severance.

5.9 Prohibition of hedging strategies

Intesa Sanpaolo Wealth Management SA (Lux), in line with ISP Group Remuneration and Incentive Policies, does not remunerate or grant any payments or other benefits to personnel that in any way elude the regulatory provisions.

Intesa Sanpaolo Wealth Management SA (Lux) requires its personnel, through specific agreements, not to adopt strategies of personal hedging or insurance strategies on remuneration or other aspects that may alter or undermine the effects of the alignment with company risk inherent in the Remuneration and Incentive Policy and in the related remuneration mechanisms adopted by the Bank and the Group. To this end, as part of the rules to implement the Remuneration and Incentive Policy, Intesa Sanpaolo also defines the types of financial transactions and investments that, if carried out, directly or indirectly, by the Group Risk Takers (if any) and the Legal Entity Risk Takers could constitute forms of hedging compared to the risk exposure as a consequence of applying the Remuneration and Incentive Policy.

#	Financial Instruments category	Description
1.	Derivatives (non-securitized) having as underlying ISP shares	Financial instruments that allow directly or synthetically to take a short position on Intesa Sanpaolo shares: - purchase of put options on ISP shares - sale of call options on ISP shares - linear combinations of the above options (synthetic forwards, collars, etc.) - repurchase agreements on ISP shares (securities lending from brokers on ISP securities and corresponding sale on the market) - Total Return Equity Swap on ISP shares or Contract for Difference on ISP shares

#	Financial Instruments category	Description
		- other derivative instruments (non-securitized) with underlying ISP shares.
2.	Derivatives (non-securitized) with reference entity ISP	Financial instruments that allow directly or synthetically to take a "short position" (short position) on the Intesa Sanpaolo name: - Purchase of protection through Credit Default Swaps with ISP reference entity - Repurchase agreements on ISP bonds (securities lending from brokers on ISP securities and corresponding sale on the market) - Total Return Swaps on ISP bonds - other derivative instruments (non-securitized) with underlying ISP bonds
3.	Other derivative instruments (non-securitized) with underlying assets partially linked to ISP securities	Financial instruments similar to those mentioned above on baskets of shares, stock indexes, baskets of names, credit indices where ISP is present with a weight exceeding 20%.
4.	Short investment instruments (other than non-securitized derivatives) linked to the ISP share	Other financial instruments (such as Certificates and ETFs) with a short investment strategy with underlying: - ISP share - ISP bonds - indexes directly connected to ISP (e.g. ISP Credit Spread) - derivatives in turn connected to an ISP share or bond (ISP stock futures) - basket of shares, stock indexes, basket of names, credit indexes where ISP is present with a weight exceeding 20%. In general, these are financial instruments (other than non-securitized derivatives) which (with or without leverage) benefit from the decline in the value of the underlying. In this regard, the replication of the reference underlying is exactly the opposite of its actual performance, allowing the investor to bet against the underlying asset (and to obtain profits even in bear market circumstances).

It should be noted that the types of transactions and financial investments as described in the abovementioned points 1, 2 and 3 are already prohibited according to Article 6 of the Group Internal Code of Conduct. With reference to the transactions indicated in point 4 (i.e. "short" investment instruments (other than non-securitized derivatives) linked to the ISP share), the Group Internal Code of Conduct prevents all employees from carrying out transactions with leverage effect; however, in order to align the compensation mechanisms to risks, the investment operations in financial instruments linked to the ISP share without leverage as per the aforementioned point 4 are also prohibited by these Provisions.

With reference to Risk Takers only:

- the prohibition of carrying out the operations shown in the table is also extended to the family members of the relevant person, namely:
 - o the spouse of the relevant person or other partner equivalent to the spouse according to the national law;

- o the dependent children of the relevant person;
 - o any other relative of the relevant person who lived for at least one year with the relevant person at the date of the transaction in question;
- it is forbidden, always and in any case, to initiate - directly or indirectly - transactions in breach of the hedging prohibition, including those on the accounts or deposits on which the Risk Taker has a power of attorney also with other financial intermediaries;
- it is required to communicate to the Intesa Sanpaolo Wealth Management SA (Lux) Resources Department the existence or activation of custody and administration accounts with other intermediaries not belonging to the Intesa Sanpaolo Group.

The Internal Audit Function, with the support of ISP Group Chief Audit Officer, performs sample checks on the employees' compliance with the hedging prohibition, in the context of the controls envisaged by the Rules for Personal Operations.

Section B – Rules for identifying staff whose professional activities have a material impact on Intesa Sanpaolo Wealth Management SA (Lux) risk profile

The European regulatory provisions on remuneration and incentive policies (including, among the others, the Directive (EU) 2019/878, so-called CRD V or the Directive, transposed in Luxembourg by the Law of 20 May 2021) state that remuneration policies have to be specified and applied proportionally to roles, contribution and impact of the staff on the Intesa Sanpaolo Group, sub-consolidating Groups²⁰ and the individual Legal Entity risk profile.

The criteria to identify staff that have a material impact on the Intesa Sanpaolo Group risk profile (so-called “Group Risk Takers”), sub-consolidating Groups (so-called “sub-consolidating Groups Risk Takers”), and the individual Legal Entity controlled by Intesa Sanpaolo (so-called “Legal Entity Risk Takers”) are defined by these Rules in accordance with CRD V and with the Regulation (EU) 923/2021 (hereinafter the “Regulation” or also “RTS”), which concretely implements and integrates the provisions of CRD V.

In particular, the Regulation integrates the provisions of Article 92, paragraph 3 of the Directive establishing criteria aimed at defining:

- managerial responsibilities and control functions;
- the material business unit and the significant impact on the risk profile of the material business unit;
- other categories of personnel not expressly indicated in the text of the Directive whose professional activity has an impact on the risk profile of the entity comparable with that of the categories of Risk Takers identified by the Directive.

Therefore, the criteria for identifying the Risk Takers are stated both in the CRD V and they are divided into:

- qualitative criteria, related to roles, decision-making power and managerial responsibility of staff, considering also the internal organisation of the Bank, the nature, scope, complexity of the activities carried out and its belonging to a banking Group;
- quantitative criteria, related to gross remuneration thresholds, both in absolute and relative terms, also taking into account the average remuneration paid to members of the Board of Directors and senior management. Some members of the personnel, subject to authorization by the Supervisory Authority, identified only on the basis of quantitative criteria, can be excluded from the category of Risk Takers, according to objective conditions and in line with specific restrictions set by the Regulation.

Furthermore, in line with ISP Group Remuneration Policies and the EBA Guidelines on sound remuneration policies, it shall be provided for and applied additional criteria to identify additional subjects who assume significant risks.

This document describes:

- the rationales that are applied to identify Risk Takers pursuant to qualitative and quantitative criteria set by CRD V, the above-mentioned Regulation and the additional criteria established in light of the Intesa Sanpaolo Wealth Management SA (Lux) organisational structure and business;
- the way in which the rules to identify Risk Takers must be applied at Intesa Sanpaolo Wealth Management SA (Lux) level (i.e., individual level).

5.10 Scope

The criteria for identifying the Risk Takers provided for by CRD V (adopted through the latest amendment of the Act on Banks) and the Regulation are applied at the consolidated, sub-consolidated and / or individual level²¹.

As for the application at consolidated level, Intesa Sanpaolo, in its capacity as Parent Company, identifies staff that have a material impact on the ISP Group risk profile considering all the Group Legal Entities (including Sub-holdings), whether they are subject or not to prudential supervision rules on an individual basis.

²⁰ In this Section it means the Sub-holdings and their Subsidiaries.

²¹ An exception to this general rule is the quantitative criterion according to which those who fall within the 0.3% of the personnel with the highest remuneration are eligible as Risk Takers, which is applied only at an individual level (see paragraph 5.12.2).

The Legal Entities actively participate in the identification process of ISP Group Risk Takers conducted by Intesa Sanpaolo, provide the latter with the necessary information and follow the instructions received.

The Risk Takers identification at sub-consolidated is not applicable to Intesa Sanpaolo Wealth Management SA (Lux), whilst the identification at Bank level (i.e., individual level) is carried out by the Bank itself. Such process is carried out on the basis of the criteria defined in this document, and it is, in any case, supervised by the Parent Company. In fact, this latter takes care of the overall consistency of the identification process, having regard to the entire Intesa Sanpaolo Group and providing, for this purpose, any additions where it is deemed appropriate.

5.11 Definitions and rationales of application

In compliance with the provisions of the Regulation, the main definitions that allow the definition of the criteria for identifying Risk Takers are shown below.

5.11.1 Managerial Responsibility

Pursuant to Article 1, paragraph 1) of the Regulation, “managerial responsibility” means a situation, in which a staff member:

- a) heads a business unit or a control function and is directly accountable to the management body as a whole or to a member of the management body or to the senior management;
- b) heads one of the functions laid down in Article 5(a) of the Regulation²²;
- c) heads a subordinated business unit, or a subordinated control function in a large institution as defined in Article 4(1), point (146), of Regulation (EU) No 575/2013²³ and reports to a staff member that has the responsibilities as referred to in point (a).

It is noteworthy that the Bank is classified as a large institution as defined in Article 4(1), point (146), of Regulation (EU) No 575/2013.

From an organizational point of view, those who report directly to the Managers referred to in point a) are Heads of structures that are positioned at a hierarchical level equal to a maximum of n-3 with respect to the CEO of the Bank.

For the purposes of applying the definition of managerial responsibility, it is specified that only for the Risk Takers identification (and, specifically, to count the hierarchical level), the Deputies are positioned at the same hierarchical level of role of which they are deputy.

In addition, in line with the Intesa Sanpaolo Group and when in compliance with the Regulation, the subjects with managerial responsibilities are identified taking into account also the Global Banding System adopted by the Group, based on grouping in homogeneous categories managerial positions that are similar for levels of complexity/responsibility managed, measured using the international IPE (International Position Evaluation) methodology.

In this regard, the levels of responsibility that indicate managerial responsibilities are identified by the following titles:

- Executive Director, positions that define and/or exert a strong influence on business/function strategies, consistently with the Division/Group strategies, and lead their implementation even in high-complex contexts;
- Senior Director, positions that define function/business/country policies and plans and guarantee their implementation by taking managerial responsibility for financial and human resources.

5.11.2 Control Function

Pursuant to Article 1 paragraph 2) of the RTS, “Control Function” means a function that is independent from the business units it controls and that is responsible to provide an objective assessment of institution's

²² It means the staff with managerial responsibility for legal affairs, the soundness of accounting policies and procedures, finance, including taxation and budgeting, performing economic analysis, the prevention of money laundering and terrorist financing, human resources, the development or implementation of the remuneration policy, information technology, information security, managing outsourcing arrangements of critical or important functions.

²³ ‘Large institution’ means an institution that meets any of the following conditions: (a) it is a G-SII; (b) it has been identified as an other systemically important institution (O-SII) in accordance with Article 131(1) and (3) of Directive 2013/36/EU; (c) it is, in the Member State in which it is established, one of the three largest institutions in terms of total value of assets; (d) the total value of its assets on an individual basis or, where applicable, on the basis of its consolidated situation in accordance with this Regulation and Directive 2013/36/EU is equal to or greater than EUR 30 billion.

risks, review or report on those, including, but not limited to, the risk management function, the compliance function and the internal audit function.

For the purposes of applying the definition of Control Function, in addition to the risk management, compliance and audit functions, the anti-money laundering and validation functions (if any) are also identified. **Subordinated Control Function**

By subordinated Control Function it is meant an organizational unit that carries out control activities, reports directly to the Head of one of the Control Functions referred to in paragraph 5.11.2 and whose Head has a job title of Executive Director and Senior Director.

5.11.3 Material Business unit

Pursuant to Article 142 of Regulation (UE) 575/13, the so-called CRR, "Business unit" is defined as "any independent organizational or legal entity, business lines, geographical locations" (i.e. revenue centers, profit or geographic areas).

Pursuant to Article 1 paragraph 3) of the RTS, a "Business unit" or "Operating / company unit" is defined as "relevant" if it meets at least one of the following criteria:

- a) it has allocated internal capital of at least 2% of the internal capital of the institution as referred to in Article 73 of Directive 2013/36/EU, or is otherwise assessed by the institution as having a material impact on the institution's internal capital;
- b) it is a core business line as defined in Article 2(1), point (36), of Directive 2014/59/EU (so-called BRRD) that is a line "of business and related services that represent significant sources of revenue, profits or franchise value".

With specific reference to the point a), in the Bank there are not material business units because the Bank does not calculate internal capital, not even for ICAPP purpose.

With regards to the point b), in accordance with the provisions established at ISP Group level, the business units that meet one of the following requirements are deemed "core business lines":

1. contribute to the profit of the Bank to an extent at least equal to 5%, calculated on the average of the last 2 years;
2. contribute to the revenue of the Bank to an extent at least equal to 3%, calculated on the average of the last 2 years;
3. contribute to the goodwill of the Bank to an extent at least equal to 10%, calculated on the average of the last 2 years.

In the specific case of the Bank, it should be noted that only the reporting of revenues is conducted down to the operating unit level and, for this reason the identified Material Business Unit are:

- Wealth Management
- Treasury and Dealing
- Investments Services and Products
- Belgium Branch.

5.11.4 Subordinated business unit or subordinated operating / company unit

By subordinated business / company unit it is meant an operational / company unit, as defined by Article 142 of Regulation 575/13, which (i) from an organizational point of view, reports to a material business / company unit, (ii) is positioned at a hierarchical level equal to a maximum of n-3 with respect to the CEO of the Bank and (iii) whose head is assigned a title of Executive Director or Senior Director.

5.12 Application of the Rules at Intesa Sanpaolo Wealth Management SA (Lux) Level

5.12.1 Qualitative Criteria

For each of the identification criteria, this paragraph lists the Supervisory Provisions and, describes the rationale underlying the identification.

Pursuant to the provisions of Article 92, paragraph 3 of the Directive, the following are Risk Takers:

- a) the members of the management body and senior management.

The following are identified:

- a) 1. The members of the Board of Directors of the Bank.
- a) 2. the CEO, the Deputy CEO and their direct reports provided that they have managerial responsibility as defined in the paragraph 5.11.1.

These managers belong to the cluster of so-called Legal Entity Top Risk Takers.

- b) staff members with managerial responsibility over the institution's control functions or material business units.

The following are identified:

- b) 1. the Head of the Risk management function, the Head of the Compliance & AML function, the Head of internal validation functions (if any), the Head of Internal Audit and the Data Protection Officer²⁴
- b) 2. the Senior Directors (if any) who report hierarchically to the staff members identified on the basis of criterion b) 1.

It should be noted that, pursuant to the criterion referred to in point b) 2. those who do not carry out control activities are not Risk Takers.

Furthermore, in the material business units, the following are identified:

- b) 3. the Head of the material business unit as listed in the par. 5.11.4 if, from an organizational point of view, it is positioned at a hierarchical level equal to a maximum of n-3 with respect to the CEO;
- b) 4. the Senior Directors (if any) who are responsible for business structures (i.e. revenue centers, profit or geographical areas) who report to the Head of the material business unit referred to in point b) 3 and who, from an organizational point of view, are positioned at a hierarchical level equal to a maximum of n-3 with respect to the CEO.

The other categories of personnel not expressly indicated in the Directive whose professional activity has an impact on the Bank risk profile, in accordance with the provisions of Article 5 of the Regulation, are the following:

1. The staff member who has managerial responsibility²⁵ for legal affairs, the soundness of accounting policies and procedures, finance, including taxation and budgeting, performing economic analysis, the prevention of money laundering and terrorist financing, human resources, the development or implementation of the remuneration policy, information technology, information security, managing outsourcing arrangements of critical or important functions²⁶.

On the basis of the actual Bank's organizational structure, this criterion identifies the staff members of the bank who are responsible for such functions:

- HR & Organization;
- Finance;
- Operations & IT;
- Legal;
- the Compliance & AML function, as responsible for prevention of money laundering and terrorist financing.

2. the staff member has managerial responsibilities for any of the risk categories set out in Articles 79 to 87 of Directive 2013/36/EU²⁷, or is a voting member of a committee responsible for the management of any of the risk categories set out in those Articles.

²⁴ The employee who covers the position of DPO has not managerial responsibility.

²⁵ According to the provisions of Article 1, point 1) of the Regulations and referred to in paragraph 6.11.1 letter b) of this document, those who are in charge of the functions indicated above have managerial responsibility.

²⁶ As defined in art. 30 (1) of the Delegated Regulation EU 2017/5654.

²⁷ Reference is made to the following risks: Credit and counterparty risk, Residual risk, Concentration risk, Risks deriving from securitisations, Market risk, Interest rate risk deriving from activities other than trading, Operational risk, Liquidity risk and Risk of excessive leverage.

This criterion identifies:

- the members, with voting rights the members with voting rights of Assets and Liabilities Management Committee (ALCO) and Executive Committee, as identified by the corresponding Regulations;
 - the Heads of the structures individually responsible for managing a significant/material portion of the aforementioned corporate risks if, from an organizational point of view, are positioned at a hierarchical level equal to a maximum of n-3 with respect to the CEO of the Bank and if have a job title that denotes levels of managerial responsibility as defined in the paragraph 5.11.1. Those staff members are identified with the support of the Risk Management Department.
3. With regard to credit risk exposures of a nominal amount per transaction which represents 0.5% of the institution's Common Equity Tier 1 capital (Fully Phrased in) and is at least 5 million euro, the individuals referred to in the following points a) and b) are identified.
- a) the staff member has the authority to take, approve or veto decisions on such credit risk exposures
- There are no Risk Takers identified for this criterion because there is nobody with individual responsibility to take or approve decisions on credit risk exposures of at least 5 million euros.
- b) the staff member is a voting member of a committee which has the authority to take the decisions as referred to in point a).
- The voting members of Credit Committee are identified for this criterion.
4. in relation to an institution for which the derogation for small trading book businesses set out in Article 94 of Regulation (EU) No 575/2013 does not apply, the staff member meets one of the following criteria:
- a) the staff member has the authority to take, approve or veto decisions on transactions on the trading book that in aggregate represent one of the following thresholds:
- i. where the standardised approach is used, an own funds requirement for market risks that represents 0,5 % or more of the institution's Common Equity Tier 1 capital; or
 - ii. Where an internal models approach is approved for regulatory purposes, 5% or more of the institution's internal value-at-risk limit for trading book exposures at a 99th percentile (one-tailed confidence interval);
- b) the staff member is a voting member of a committee that has the authority to take the decisions mentioned in point a)
- Considering that the bank does not own a trading book portfolio or internal models for the mentioned portfolio, this criterion does not apply.
5. the staff member heads a group of staff members who have individual authorities to commit the institution to transactions and either of the following conditions is met:
- a) the sum of these authorities equals or exceeds the threshold set out in point 3(a), or point 4(a)(i)
- This criterion identifies the same staff members identified under 3 a).
- b) [...] where an internal model approach is approved for regulatory purposes those authorities amount to 5% or more of the institution's internal value-at-risk limit for trading book exposures at a 99th percentile (one-tailed confidence interval). Where the institution does not calculate a value-at-risk at the level of that staff member the value-at-risk limits of staff under the management of this staff member shall be added up
- There are no Risk Takers identified for this criterion because the Bank does not manage trading books.
- Considering that the bank does not own a trading book portfolio or internal models for the mentioned portfolio, this criterion does not apply.
6. the staff member meets either of the following criteria with regard to decision on approving or vetoing the introduction of new products:
- a) the staff member has authority to take such decisions; or

There are not Risk Takers identified for this criterion since the model of approving new products and services - governed by the "Guidelines for the approval of new products, services and activities intended to a certain customer target" - requires the decisions about approving or forbidding their introduction to be of a Board Committee nature.

b) [...] the staff member is a voting member of a committee that has authority to take such decisions.

On the basis of the actual Bank's organizational structure, this criterion identifies the following staff members:

- The members of the Board of Directors of the Bank.
- The members of the Executive Committee of the Bank.

5.12.2 Additional Criteria at Individual Bank Level

Similarly to the provisions in force at ISP Group level, in addition to qualitative and quantitative criteria (specified in the paragraph below), the Bank has defined additional specific criteria for the organisational roles of the individuals that are able to impact on its risk profile.

In particular all those who, within the Bank, have a title equivalent to Senior Directors (if any) and are heads of structures that are positioned at a hierarchical level equal to n-3 with respect to the CEO²⁸ and who manage a significant/material portion of the risks explicitly set out in the Bank RAF (if any) other than those previously identified in the context of the qualitative criteria or carry out significant "risk mitigation" activities, are identified as Risk Takers. Those staff members are identified with the support of the Risk Management Department.

Finally, the staff members who were identified as Group Risk Takers, even though they were not identified on the basis of the qualitative and quantitative criteria, are considered Risk Takers.

5.12.3 Quantitative Criteria

In line with the provisions of Article 92, paragraph 3 of the Directive, the following are Risk Takers:

- a) staff members for whom the following conditions are jointly met:
- i. their total remuneration in the previous year was, jointly, equal to or greater than EUR 500,000 and the average total remuneration paid to the members of the body with strategic supervision and management functions and the senior management of the entity²⁹:
 - ii. their activity is carried out within a material business unit and has a significant impact on the risk profile of the business unit.

This condition is assessed on the basis of the criteria defined in Article 3 of the Regulation³⁰.

It should be noted that:

- pursuant to this point i), those who have accrued a total remuneration greater than or equal to 500,000 euros gross are Risk Taker, given that the average total remuneration paid to the members of the Board of Directors and of the Legal Entity Top Risk Takers is lower than 500,000 euros gross.
- if only the condition referred to in point i) is met but not that referred to in point ii), the staff member is automatically excluded from the aforementioned quantitative criterion provided for by the CRD V.

Furthermore, without prejudice to the provisions of the Directive, pursuant to Article 6 of the Regulation, the following staff members are identified as Risk Takers:

²⁸ These staff members are identified because the Bank is of greater size.

²⁹ Reference is made to the Top Risk Takers as defined in paragraph 5.12.1.

³⁰ Institutions shall apply within their remuneration policies all of the following criteria to determine whether the professional activities of staff members have a significant impact on the risk profile of a material business unit: (a) the risk profile of the material business unit; (b) the distribution of internal capital to cover the nature and level of the risks, as referred to in Article 73 of Directive 2013/36/EU; (c) the risk limits of the material business unit; (d) the risk and performance indicators used by the institution to identify, manage and monitor risks of the material business unit in accordance with Article 74 of Directive 2013/36/EU; (e) the relevant performance criteria set by the institution in accordance with Article 94(1), points (a) and (b), of Directive 2013/36/EU; (f) the duties and authorities of staff members or categories of staff in the material business unit concerned.

- b) the staff members, including staff members as referred to in Article 92(3), point (c), of Directive 2013/36/EU, (who) have been awarded in or for the preceding financial year a total remuneration that is equal to or greater than EUR 750 000 gross.
- c) where the institution has over 1000 members of staff, the staff members who are within the 0,3 % of staff, rounded to the next higher integral figure, which has, within the institution, been awarded the highest total remuneration in or for the preceding financial year.

Given that at the moment the Bank does not have over 1000 members of staff, the abovementioned criterion does not apply.

The staff member identified in application of the quantitative criteria of Article 6 of the Regulation, may be excluded from the category of Risk Takers if the related professional activities do not have a substantial impact on the risk profile because such member, or the category of staff that the staff member belongs to:

- i) only carry out professional activities and has authorities in a business unit that is not a material business unit; or
- ii) have no significant impact on the risk profile of a material business unit having regard to the criteria set out in Article 3 of the Regulation.

In practice, in line with the Regulatory provisions and with the Intesa Sanpaolo Group provisions, it is possible to nominatively exclude from the category of staff members identified in accordance with the above quantitative criteria those staff members who meet one or more of the following criteria:

- those who in the context of the Global Banding System have the title of Head of³¹ regardless of the business unit in which they operate, because the level of responsibility attributed to these roles only concerns implementation areas which, therefore, have no material impact on the unit risk profile;
- those whose remuneration is the result of their personal history;
- those who do not take the risks explicitly set out in the Bank RAF (if any) or, where they do, do not take them in a material or significant way.

For the purposes of the calculation of the level of remuneration:

- all components, monetary and non, of both fixed and variable remuneration, are taken into account;
- the fixed remuneration as at December 31st of the previous year and the variable remuneration awarded in the previous year (based on the results of the year before that)³² are included, independently from whether the payment itself was deferred;
- if a performance assessment period (accrual period) of more than one year is provided for the purposes of the award of the variable component, the pro rata remuneration (i.e. relating to the period of the assessment) is taken into account, even if this amount is disbursed later, only at the end of the accrual period;
- the remuneration which has been awarded but has not yet been paid shall be valued as at the date of the award without taking into account the possible application of the reductions in payouts, whether through clawback or malus.
- exchange rate used for the preparation of the consolidated financial statements shall be considered.

All amounts shall be calculated before tax and gross of contributions and on a full-time equivalent basis.

If a staff member identified as a Risk Taker pursuant to the qualitative criteria or the additional criteria provided for by these Rules loses the requirements to be considered as such during the year, he/she continues to be identified as a staff member that has a material impact on the risk profile of the Bank if, at the beginning of the year, it had been identified among the quantitative Risk Takers on the basis of the

³¹ "Head of" means the roles that define or contribute to defining programmes and plans for their own organisational structure, also in coordination with other corporate structures, and ensure their implementation by taking managerial responsibility for human resources and, possibly, financial responsibility.

³² Since the buy-out is exclusively aimed at recognizing the deferred portions of the variable remuneration reduced or cancelled by the previous employer due to the termination of the employment contract, this is included among the variable components considered for the purposes of identifying the Risk Takers only in order to verify whether the newly hired personnel is assigned a total remuneration: i) equal to or greater than €500,000 and equal to or greater than the average total remuneration paid to the members of the body with strategic supervision and management functions and to the senior management of the institution and; ii) equal to or greater than €750,000.

provisions of this paragraph, considering the role, the job title assigned in the context of Global Banding and the remuneration received when the aforementioned requirements are lost.

It should be noted that the exclusion proposals referred to in points b) and c) must be suitably motivated, formalized and approved by the Board of Directors before proceeding with the request for prior approval by the Supervisory Authority.