

BANCA MEDIOLANUM S.P.A.
**Report of the Board of Directors on
2023 Group Policies on remunera-
tion and salaries paid**



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Letter of The Chairperson of The Remuneration Committee

Dear Shareholders,

In my capacity as Chairperson of the Remuneration Committee, I am pleased to present to you our 2023 Report on remuneration policy and salaries paid.

In full continuity with 2021, our business model confirmed its solidity in 2022, despite a particularly complex and challenging scenario. The excellent results achieved in terms of Net Income, Assets under Management, Loans and Net Inflows, combined with an index of capital strength that remains at a level of excellence, are ample proof of this.

We continue on our path of organic growth, which combines innovation and development of human capital in a combination that we believe to be inseparable. In this context, our remuneration policy continues to be a valuable link between our People, our Customers and innovation.

Our way of doing business, and our values, are reflected in our remuneration and incentive systems, which are confirmed as an effective and transparent tool for attracting, motivating and retaining talent, as well as rewarding merit. This is why we are committed to formulating clear, effective, neutral remuneration policies oriented towards the best performance (with attention to risks) and ESG sustainability, always with the aim of creating long-term value.

This year's Report follows the path outlined in the 2022 document, providing extensive and detailed disclosure, in line with best market practices and *stakeholder* expectations, appropriately taking into account the evidence that emerged during the 2022 Shareholders' Meeting vote, and the recommendations and indications of investors and *proxy advisors* that we have brought together as part of a careful and targeted relationship activity.

The main innovation for 2023 is the launch of a new Long-Term Incentive Plan. The Plan aims to incentivise selected key people in our Top Management with respect to *KPIs* that reflect our strategic *milestones*. As described in detail below, the Plan provides for:

- a performance period of 3 years (2023-2025);
- a set of financial and ESG sustainability KPIs selected on the basis of the Group's strategic priorities defined in the multi-year business strategy
- an access gate based on risk-adjusted value creation, capitalisation, capital and liquidity criteria, verified annually for the entire performance period;

- a cash bonus and equity instruments with a 6-years payment schedule;
- *malus* and *clawback* provisions, as required by law.

We have always placed a significant emphasis on integrating our ESG strategy into our incentive systems. To best represent this aspect, we have included in this year's document a special section "ESG Sustainability and Remuneration Policies", which gathers and highlights the interconnections between our remuneration approach and the ESG materiality matrix.

Our remuneration policy has always been developed within the context of sound *governance* and constant, open and productive dialogue between the Remuneration Committee, the Board of Statutory Auditors and the relevant functions. I would like to express my particular thanks to the Directors and Committee members, Anna Eugenia Omarini and Giovanni Lo Storto.

Lastly, in my conviction that this Report will prove satisfactory, I would like to thank you, dear Shareholders, for your interest in reading our Report.

Warm regards,

Mario Notari
Chairperson, Remuneration Committee

Foreword

This document is drawn up by Banca Mediolanum S.p.A. (hereinafter also the "Parent Company") pursuant to Article 114-*bis* and 123-*ter* of Italian Legislative Decree 58/1998 (Consolidated Finance Act) and Article 84-*quater*¹ of the Issuer Regulations and in conformity with Bank of Italy measure "Supervisory Provisions for Banks, Circular No. 285 of 17 December 2013, 37th update of 24 November 2021"² (hereinafter the "Provisions" or the "Supervisory Provisions") and applies to the entire banking Group³ (hereinafter the "Group").

The Supervisory Provisions for Banks divide Italian banks into two categories for issues pertaining to remuneration policies, namely:

- banks that are smaller or that have less complex operations (banks with assets equal to or less than €5 billion);
- banks other than those in the smaller category, identified on a residual basis with respect to the former.

In accordance with said law, the Mediolanum Bank Group, in terms of all assets at the end of the applicable financial year, now belongs to the category of banks other than those in the smaller category⁴.

The Group policies defined by Banca Mediolanum are also transmitted by the foreign subsidiaries which adopt them based on each of their characteristics and in observance of the limits applicable to them by the regulations of the sector and/or of their respective countries in force at the time.

Purpose and Structure of the Document

Pursuant to Article 123-*ter* of Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Finance), as amended⁵, the information for the Shareholders' Meeting of Banca Mediolanum S.p.A. regarding the 2023 policies and implementation of the remuneration and incentive policies in 2022 is provided below.

The information is drawn up in accordance with Schedule 7-*bis* of Annex 3A of Consob Issuers' Regulation No. 11971⁶ and provides for two separate sections, on which the Shareholders' Meeting is required to express its opinion separately. Section I is subject to binding vote⁷ while Section II is subject to advisory vote⁸. This content is supplemented by the requirements indicated in Directive (EU) No 575/2013 in the update introduced by Regulation (EU) No. 876/2019 (CRR II).

¹As amended by Consob by Decision no. 21623 of 11 December 2020 in order to incorporate Directive (EU) 2017/828 relating to the encouragement of long-term shareholder engagement ("SRD II").

²In compliance with the provisions of Bank of Italy Circular No. 285, it should be noted that the Asset Management Companies of the Banking Group apply the industry regulations, as governed – inter alia – by Directive UCITS V, by the relevant ESMA guidelines, by the joint Bank of Italy-CONSOB Regulation acknowledging Directive UCITS V, by Annex 2 of the implementing regulation of articles 4-*undecies* and 6, paragraph 1, letters b) and c-*bis*), of the Consolidated Finance Act, as well as by the national regulatory provisions.

³This Report, therefore, does not cover the remuneration policies of the insurance sector of the Mediolanum Financial Conglomerate, for which the sector regulations pursuant to ISVAP (today IVASS) Regulation No. 38/2018, which the subsidiary Insurance Companies are required to apply, without prejudice to the necessary alignment with the main principles defined by the Parent Company in the remuneration policies it has approved.

⁴Total Assets calculated for prudential purposes pursuant to Bank of Italy Circular No. 285 of 17 December 2013 (EU Regulation 575/2013).

⁵ Italian Legislative Decree 49/2019 of 10/6/2019.

⁶As amended by Consob by Decision no. 21623 of 11 December 2020 in order to incorporate Directive (EU) 2017/828 relating to the encouragement of long-term shareholder engagement ("SRD II").

⁷In accordance with paragraph 3-*ter* of article 123-*ter* of the Consolidated Finance Act, "if the shareholders' meeting does not approve the remuneration policy submitted for voting in accordance with paragraph 3-*bis*, the company will continue to pay remuneration in accordance with the most recent remuneration policy approved by the shareholders' meeting [...]. The company submits a new remuneration policy to the shareholders' vote at the latest at the subsequent shareholders' meeting as envisaged in Article 2364, second paragraph or the shareholders' meeting envisaged in Article 2364-*bis*, paragraph 2 of the Italian Civil Code".

⁸In accordance with paragraph 6 of article 123-*ter* of the Consolidated Law on Finance "subject to the provisions of article 2389 and 2409-*terdecies*, first paragraph, letter a) of the Civil Code and article 114-*bis*, the shareholders' meeting called in accordance with article 2364, second paragraph, or article 2364-*bis*, second paragraph, of the Civil Code, will decide in favour or against Section II of the report provided for in paragraph 4. The decision is not binding. The result of the voting is made available to the public in accordance with Article 125-*quater*, paragraph 2".

- **SECTION I - Report on the Remuneration Policy**

- illustrates the Group policy on remuneration of the personnel, and particularly of the administration and supervisory bodies (subject to the provisions of article 2402 of the Italian Civil Code), the general managers and key management with reference at least to the following year, and the key personnel (hereinafter also "MRTs Personnel") identified pursuant to the Bank of Italy provisions;
- illustrates the procedures used for adopting and implementing this policy.

- **SECTION II - Report on the Remuneration Paid:**

- illustrates detailed information on implementation of the policies of the previous year and the operation mechanisms of the incentive systems adopted, showing the consistency with the company's policy on remuneration matters relating to the applicable financial year;
- provides an adequate representation of each of the items making up the remuneration and analytically explains the remunerations paid during the year of reference for any reason and in any form by the Company and by subsidiaries or associates, highlighting any components of these remunerations referring to activities carried out during years prior to the one of reference and also providing the remunerations to be paid during one or more years afterwards for the activity carried out during the year in question, indicating an estimated value for the components not objectively quantifiable during the year of reference where necessary.

The report on the remuneration policy and on the remuneration paid will be made available for at least ten years on the Company website (www.bancamediolanum.it) under the section "Corporate Governance" subject to the prohibition on accessibility of the personal data contained in Section II of the report once that period has elapsed⁹.

⁹ As provided for under Article 9-ter, paragraph 2 of Directive 2007/36/EC.

Our Principles

The Group's Remuneration Policy is based on principles shared at the global level, which represent a guide for our approach to remuneration and incentives.

Fairness	<i>Our remuneration policies are fair, transparent and neutral with respect to everyone. We consider diversity an essential value and inclusion as one of the key elements that enable our people to express their unique potential.</i>
Merit	<i>Our policies reward merit, in terms both of the results referred to our business strategy and the related goals, and in broader terms of conduct, in line with our way of doing business, characterised by ethics and transparency, aware of the impact of our behaviour.</i>
Competitiveness	<i>We constantly monitor market trends to define fair and balanced remuneration solutions, able to attract, motivate and retain, to support our business priorities and human capital management strategy.</i>
Sustainability and Responsibility	<i>We adopt remuneration policies that incorporate our sustainable business attitude and reflect our way of doing business with "economic responsibility", by contributing to the creation of corporate value with responsibilities to our customers and staff, always with a view to limiting risks.</i>
Compliance	<i>The regulations and guidelines expressed at national and international level by the Authorities form the basis for constructing our remuneration policies. We develop our policies within a context of sound governance, which calls for the constant involvement of the Remuneration Committee and Control Functions. We promote constant dialogue with our stakeholders, investors and proxy advisors to best adopt their recommendations and indications.</i>

Executive Summary

The 2023 Remuneration Policy represents essential structural continuity with previous financial years, while introducing certain elements that adopt the regulations and increasing the level of *disclosure* of information, in both Section I and Section II of the document.

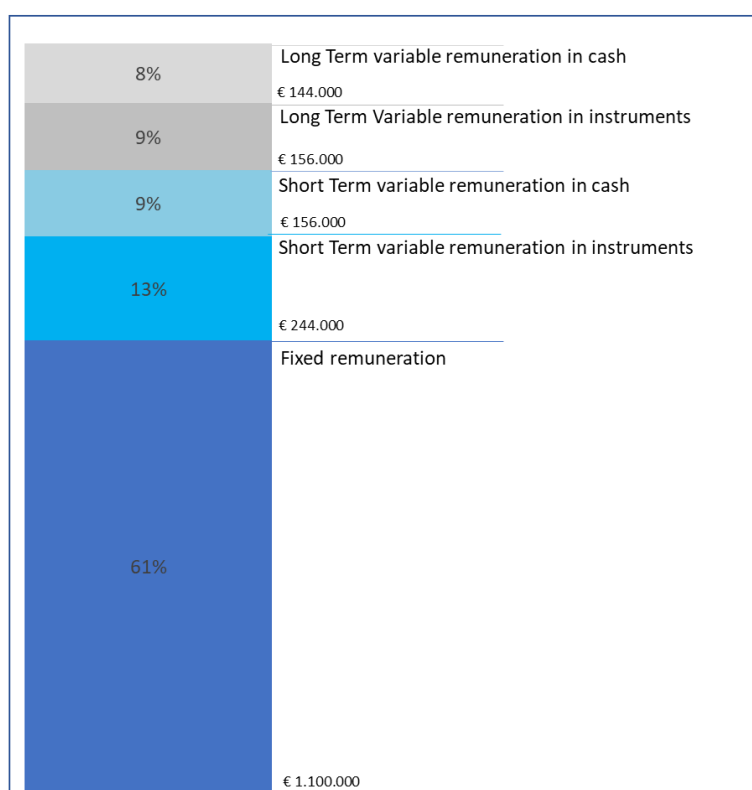
The following section contains a summary of the main key features, with the main new elements introduced in 2023:

ELEMENT	CONTENT	REFERENCES
Governance	A description of the roles and responsibilities of the company Bodies and Functions which are part of the remuneration and incentive processes.	Section I § 1
ESG sustainability and remuneration policies	The interconnections between our remuneration approach and the ESG materiality matrix are highlighted. This section brings together the principles and measures adopted to ensure the neutrality of the remuneration policy.	Section I § 3.1 NEW ELEMENT FOR 2023
Fixed remuneration for Employees/Emoluments for Directors	<p>The purpose of fixed remuneration is to:</p> <ul style="list-style-type: none"> • reward experience and expertise in the role; • ensure competitiveness in the salary package; • enable adequate remuneration including in the absence of variable components. <p>Fixed remuneration is tailored to the role and structured to such an extent as to allow the variable component to be considerably reduced or eliminated in connection with the correct results for the risks actually attained.</p>	Section I § 4.1
Recurrent Remuneration for the Sales Network	As stipulated in the regulations, a "recurrent" component is identified in the remuneration of the Sales Network, which represents the most stable part of the remuneration of the Financial Advisor, subject to a non-subordinate agency contract.	Section I § 5
Short-term incentives for the Employees and Non-Recurrent Remuneration for the Sales Network	<p>The short-term incentive system seeks to reward the annual performance of the beneficiaries, by creating a link between remuneration and individual and company's annual performance.</p> <p>There is a correlation with the Consolidated Net Income and an access gate based on:</p> <ul style="list-style-type: none"> • Risk-adjusted value creation; • Capitalisation; • Liquidity; • Capital. <p>Individual performance is assessed based on objectives of a financial and non-financial nature.</p> <p>At least 50% of the variable remuneration for Significant Personnel is composed of instruments, with at least 40% deferred.</p> <p>For the Significant Personnel, deferred payment of 4-5 years of the variable remuneration is envisaged, for an amount greater than €50,000 or 1/3 of the total annual remuneration.</p>	Section I §4.6.1-5.1.1 Section II §5 (<i>execution of 2022 Plans</i>)
2023-2025 long-term incentive plan	<p>For performance during 2023-2025, an LTI plan is envisaged in line with the Group's multi-year business strategy, aimed at a limited number of top managers particularly critical for the development of the business (so-called "<i>top key people</i>")</p> <p>In addition to the access gate in line with the provisions for the short-term incentive plan, the Plan provides for performance objectives that reflect strategic priorities in terms of:</p> <ul style="list-style-type: none"> - Capitalisation and value creation - Corporate sustainability - ESG & Climate/Environmental governance <p>The incentive consists of cash and equity instruments and 60% of the total amount is paid over a period of 6 years.</p>	Section I § 4.6.2. NEW ELEMENT FOR 2023 Section II § 4 (<i>execution of the 2020-2022 LTI Plan</i>)

ELEMENT	CONTENT	REFERENCES
Treatment in the case of early termination of an employment contract or agency agreement	In line with the regulatory provisions, maximum limits and rationales are defined for determining severance pay and any other amounts agreed in the event of early termination of employment.	Section I § 4.6.4 – 5.2
Other forms of remuneration	Description of any other elements of the remuneration, not specifically governed in the remuneration policies and not ordinary/recurrent, that may be – in line with the regulations – adopted in particular situations for specific requirements, and carefully assessed.	Section I § 4.6.6- 5.4
Malus and Claw-back	Appropriate mechanisms are defined for the ex-post correction of the variable remuneration, such as <i>Malus</i> and <i>Claw-back</i> in operation both during payment and once payment of the variable remuneration has been made.	Section I § 8

Remuneration data of the Chief Executive Officer of Banca Mediolanum S.p.A.

The maximum remuneration package (target) of the Chief Executive Officer for 2023 is shown below.



The table shows the **maximum values in Euro, annualised and rounded**, of the elements of fixed and variable remuneration in cash and instruments attributable to the Chief Executive Officer for the year of performance 2023.

The elements of the remuneration to be assigned for the 2022 performance year, also based on the performance levels actually achieved as ascertained in line with the defined governance, are shown in Section II.

SECTION I

Report on the Remuneration Policy

1. Governance

The bodies and parties involved in preparing and approving remuneration policies are described in detail below, with their roles specified, in addition to the bodies or parties responsible for the correct implementation of said policies.

The corporate control functions of the Parent Company and the subsidiaries work together and exchange all important information in order to ensure adjustment to legislation and correct functioning of the remuneration policies.

1.1. Shareholders' Meeting

In applying the current regulations of reference, in addition to what is already regulated by the by-laws, in order to increase the degree of awareness and to monitor the total costs, benefits and risks of the remuneration and incentive system chosen, the Shareholders' Meeting of Banca Mediolanum S.p.A.:

- decides in favour or against the remuneration policies set out in Section I for the members of the bodies with strategic supervisory, management and control responsibilities and for the remaining personnel that the Board of Directors has prepared.¹⁰ The resolution is binding, and the result of the vote is disclosed to the public;
- approves the financial instrument-based remuneration plans;
- expresses itself with an advisory vote on the report relating to the remuneration paid set out in section II;
- may raise the limit of the ratio of the variable and fixed components of the personal remuneration of its personnel and allow the other banks in the Group to raise that limit for the personnel that work there under the conditions and within the limits established by the current *pro tempore* primary and secondary regulations;¹¹
- approves the criteria for determining the remuneration to be agreed upon in the case of early termination of employment or early termination of office, including the limits set for said remuneration, in compliance with the legislation, also regulatory, in effect at the time;
- receives information on the evolution of the remuneration dynamics, also with regard to the sector trend;
- receives adequate information on implementation of the remuneration Policies with the aim of examining the actual methods for applying said policies, particularly regarding the variable components, and of assessing consistency with the policies and the goals set.

1.2. Board of Directors

In its function of strategic supervision, the Board of Directors processes and reviews the remuneration Policies of the Group with the support of the Remuneration Committee at least once a year, and is responsible for their proper implementation.

It ensures that the remuneration Policies, including any financial instrument-based plans, are adequately documented and:

- sends to the Shareholders' Meeting for approval;
- accessible within the company structure, also concerning the consequences of any infringement of regulations or codes of conduct or ethics.

After consulting with the Board of Statutory Auditors, it resolves on the distribution or calculation of the remunerations for the Directors holding special offices, depending on whether or not the Shareholders' Meeting has included said remunerations in the total amount for the remuneration of the Directors.¹²

¹⁰ These are understood to include the remuneration policies and practices for the key parties and the credit intermediaries in accordance with the Order of the Bank of Italy No. 81/2019 (pursuant to paragraph 7 below) adopted by the strategic supervision body in charge also for their correct implementation and to make any changes to them, subject to the opinion of the remuneration committee and the contribution of the human resources function and the corporate control functions. The Shareholders' Meeting shall approve the policies at least once a year.

¹¹ See Article 10 of the By-laws.

¹² See Article 24 of the By-laws.

Please note that the executive Directors do not have proposal-making powers, nor do they take part in resolutions concerning the decisions on their remuneration, as a conflict of interest might exist.

Having recourse to the Remuneration Committee and the responsible company functions:

- it approves the process of identifying the key personnel, the significance criteria adopted and the list of roles considered 'significant' as a consequence;
- it approves the outcomes of any exclusion procedure of the key personnel and periodically reviews the relative criteria;
- it defines, with its approval, the Group¹³ remuneration Policies, the remuneration and incentive systems of the personnel identified as key, also considering proposal-making powers assigned to the Chief Executive Officer, and of the managers and personnel of highest level of the corporate control functions, particularly of the following parties:
 - directors with executive offices;
 - general managers;
 - managers of the organisational first line;
 - those who directly report to the Board of Directors, the Chief Executive Office and the General Manager;
 - managers and personnel of the highest level of the corporate control functions (Compliance, Anti-money Laundering, Risk Management and Internal Audit);
- ensures that the responsible corporate functions (particularly Human Resources, Administration, Accounting and Financial Statements, Career, Commercial Network Planning and Organisation, Planning, Control and Investor Relations, Compliance, Anti-money Laundering, Risk Management and Internal Audit) are involved in the process of defining remuneration policies with procedures such as to preserve the judgement autonomy of the functions required to perform controls, also *ex post*;
- with particular reference to the corporate functions with control duties, it also seeks guidance from the opinion of the Board of Statutory Auditors for its assessments not connected with economic parameters regarding the functionality of the overall internal controls system;
- if the Shareholders' Meeting has not already done so, it sets the remuneration of the Chairperson of the Board of Directors, any Directors assigned special offices and the Chief Executive Officer;
- receives proposals from the Remuneration Committee regarding the remuneration and the remuneration and incentive systems of the members of bodies with strategic supervision and management function of the foreign banking companies of the Group also in relation to the economic results achieved and the achievement of specific objectives, monitoring their application;
- it implements and updates the financial instrument-based incentive systems, including identification of the recipients, determination of the amount of financial instruments due to each one of them, identification of the Group performance indicators, and the carrying out of every action, fulfilment, formality and communication necessary or expedient for the management and/or implementation of the financial instrument-based incentive systems, including the relevant implementation regulations;
- ensures implementation of the remuneration and incentive policies by seeking guidance from the Chief Executive Officer and General Manager;
- is informed on the attainment of the objectives set for paying the variable remuneration tied to economic parameters and to the functioning of the risk correction and deferment mechanisms adopted, with particular reference to the 'key personnel';
- checks that the remuneration Policies are consistent with the healthy and prudent management and long-term strategies of the Company and Group as a whole to ensure that the incentive systems are adequately correct to guarantee the following of the legal, regulatory and by-law provisions as well as any codes of ethics or conduct, fostering adoption of compliant behaviour;
- assesses and approves any proposals to change the process of identifying the key personnel, the significance

¹³ These are understood to include the remuneration policies and practices for the key parties and the credit intermediaries in accordance with the Order of the Bank of Italy No. 81/2019 (pursuant to paragraph 7 below) adopted by the strategic supervision body in charge also for their correct implementation and to make any changes to them. For the purpose of the remuneration policies, the body uses the assistance of the remuneration committee, the human resources function and the corporate control functions. These policies will have to be revised at least once a year and the compliance function or the internal audit function will also be involved in order to ensure there are no gaps or inadequate aspects in the remuneration policies and practices.

criteria adopted and the list of corporate roles that, as a result, are considered "more significant" and remuneration and incentive policies prepared to submit to the approval of the Shareholders' Meeting and applicable implementation regulations;

- approves the "Report on the Remuneration Paid" prepared for the Shareholders' Meeting regarding implementation of the remuneration Policies for all corporate roles;
- as part of the periodic review of the remuneration policies, analyses the neutrality of the remuneration policies with respect to gender and submits the gender salary gap and its evolution over time for verification;

1.3. Remuneration Committee

The Remuneration Committee provides support to the Board of Directors regarding remuneration, ensuring that the criteria underlying the remuneration and incentive system of the Bank and the Group are consistent with the management of risk profiles, capital and liquidity.

The Remuneration Committee has the power to provide proposals, consultancy and instructions, expressed in the formulation of proposals, recommendations and opinions with the aim of allowing the Board of Directors to adopt its own decisions with greater knowledge of facts.

In line with the recommendations of the Code of Corporate Governance and the applicable regulatory framework, the Remuneration Committee comprises three Directors, all non-executive, with the majority (including the party elected as Chairperson) meeting the independence requirements. A member also needs to have adequate awareness and experience in financial matters or remuneration policies. The members of the current Remuneration Committee were appointed on 15/04/2021.

Furthermore, for fulfilment of its duties the Committee prepares its own budget previously approved by the Board of Directors with the help of internal and external consultants. In any event, the Remuneration Committee has access to corporate information relevant for this purpose and has the financial resources to ensure its operational independence.

No Director takes part in the Remuneration Committee meetings during which proposals concerning their own remuneration are presented.

The Remuneration Committee:

- has the task of proposing remuneration for personnel whose remuneration and incentive systems are determined by the Board of Directors, including directors and key management as well as establishing the performance objectives related to the variable component of said remuneration;
- has advisory tasks regarding determination of the criteria for the remuneration of all key personnel;
- submits proposals to the Board of Directors, and monitors application of the decisions taken, regarding remuneration, and more generally for the remuneration and incentive system of the members of bodies with strategic supervision and management function of the foreign banking companies of the Group also in relation to the economic results achieved and the achievement of specific objectives;
- with reference to the above points, provides consulting on:
 - the process adopted to draw up and monitor the remuneration policies;
 - identification of the key personnel;
- also making use of the information received from the responsible corporate functions, expresses an opinion on the outcomes of the key personnel identification process, including any exclusions;
- supports the Board of Directors in the verification of the overall consistency, adequacy and actual application of the Group remuneration policies approved by the General Meeting with respect to sound and prudent management and long-term strategies of the Group; in this regard:
 - submits proposals to the Board of Directors on the matter;
 - monitors the application of the decisions adopted by the Board of Directors on the remuneration of the Chairperson, Deputy Chairperson, the CEO, the Directors holding special offices, the General Manager and, more generally of the 'key personnel'; to that end, receives the appropriate information from the control functions;
 - in connection with the point above, directly supervises the correct application of the rules on the remuneration of the internal control function managers, in close collaboration with the Board of Auditors;

- reports on the activity carried out, prepares communications and submits proposals and reasoned opinions to the Board of Directors in enough time to prepare the board meetings called to discuss the question of remunerations;
- collaborates with other committees within the Board of Directors and in particular with the Risk Committee;
- ensures the involvement, in the processing and control process of the remuneration and incentive policies and practices, of the following applicable corporate functions: Human Resources, Career, Commercial Network Planning and Organisation, Planning, Control and Investor Relations, Compliance Function, Risk Management and Internal Audit Function;
- provides an opinion, making use of the information received by the competent company functions, on the achievement of performance objectives which are linked to the incentive plans and on the ascertainment of other conditions for the payment of remuneration.
- as part of the periodic review of the remuneration policies, analyses the neutrality of the remuneration policies with respect to gender and submits the gender salary gap and its evolution over time for verification;
- provides appropriate feedback on the activities carried out to the corporate bodies, including the General Meeting of Shareholders.

With reference to Mediolanum Gestione Fondi SGR p.a., the Remuneration Committee of Banca Mediolanum S.p.A. carries out functions concerning the remuneration policies and the incentive systems of the subsidiary and in particular:

- it formally reviews a series of hypotheses to verify how the remuneration system will react to future events, whether external or internal, also subjecting them to retrospective tests;
- it verifies the alignment of the remuneration and incentive system with the strategy, risks and interests of the manager and the UCITs and managed AIFs;
- ensures the involvement of the relevant governance bodies/company functions, in line with what has been established by the sector legislation in effect at the time.

1.4. Chief Executive Officer

As part of the powers assigned to him/her¹⁴, the Chief Executive Officer:

- orders that the remuneration and incentive system be conformed based on the remuneration policies approved by the Board of Directors (and by the Shareholders' Meeting) and communicates these policies to the Administrative Bodies of the Group Companies;
- has proposal-making powers regarding the Group remuneration Policies;
- as part of preparation of the draft financial statements, receives specific information relating to the following from the Human Resources function and from the structures in charge of supervision also of the Chief Financial Officer (in particular Administration, Accounting and Financial Statements and Planning, Control and Investor Relations):
 - the application status of the remuneration and incentive policies (including implementation of any financial instrument-based remuneration plans) for the various corporate roles, including Sales Network, summarising the resolved remunerations and rights accrued by the recipients of the aforesaid policies;
 - the results of the surveys on the evolution of the remuneration dynamics and on the Company's positioning as compared to the reference market;
 - the controls carried out on implementation of the remuneration policies;
 - any proposals to amend these policies.

With reference to the last point, sends specific summarised information to the Board of Directors and to the Remuneration Committee.

The Chief Executive Officer also has proposal-making powers regarding:

¹⁴See Article 24 of the By-laws.

- the company parties to bring back into the category 'key personnel';
- the remuneration and incentive systems of the 'key personnel', except for the personnel belonging to company functions with control duties and, more generally speaking, company functions with duties potentially in conflict of interest with the powers of the Chief Executive Officer and General Manager.

Please note that the Chief Executive Officer does not have proposal-making powers, nor does he/she take part in the resolutions concerning the decisions on his/her own remuneration, as a conflict of interest might exist.

1.5. Human Resources

With reference in particular to the Directors and employees, the Human Resources Department participates in defining the remuneration and incentive policies, supporting the responsible company bodies and functions.

The Human Resources Department works with the Bodies and the responsible company departments in defining remuneration Policies after first analysing the applicable legislation, studying trends and market practices on the subject, and examining applied national collective bargaining agreements and existing supplementary internal agreements that have been negotiated with Trade Union Organisations.

Furthermore, also with the possible support of the responsible company functions:

- submits the variable remuneration structure to the responsible Bodies, with particular reference to the mechanisms applied to the 'key personnel';
- performs analyses on the evolution of the remuneration dynamics and on the Company's positioning as compared to the reference market;
- verifies, for the areas within its remit and in compliance with the established governance, the application of the remuneration policies in line with the principles and rules defined at any given time, including - where provided for - in coordination with the competent functions (including the Compliance Function and the Risk Management Function) for the purposes of performing the checks provided for in the internal and external regulations;
- provide its support to the Compliance Function, ensuring consistency with the policies and human resources management procedures and the bank's remuneration and incentive systems;
- in observance of the guidelines issued internally, deals with the technical aspects tied to the formulation and application of the financial instrument-based plans;
- submits amendments of the remuneration Policies following any internal organisational and/or regulatory framework of reference changes to the responsible Bodies and verifies any impact they may have;
- proposes the rules underlying the organisation and functioning of the "key personnel" identification process with reference to the Employees and the Directors. In this regard, the Department assesses the significance of the MRTs Personnel, also in agreement with the Sales Network Administration function, and submits the list of roles identified as "key personnel" to the Remuneration Committee.

1.6. Sales Network Administration

The Sales Network Administration Structure collaborates with the Bodies and responsible company functions in defining remuneration and incentive policies of the sales network after first analysing the applicable legislation, and studying trends and market practices on the subject.

Furthermore, also with the possible support of the responsible company functions (and in particular with the *Compliance* Function as far as the regulatory aspects are concerned):

- handles the implementation of the remuneration and incentive policies;
- in observance of the guidelines issued internally, deals with the technical aspects tied to the formulation and application of the financial instrument-based plans;
- checks the impact deriving from a possible update of the remuneration and incentive policies on the existing remuneration system, and points out any problems in applying new policies.

1.7. Career, Commercial Network Planning and Organisation

The Career, Commercial Network Planning and Organisation Division defines career development and management policies of the Sales Network and relevant remuneration model compared to the reference market in compliance with the regulations and legislation. In this area it develops a system for measuring the performance of the Family Banker on the basis of quantitative and qualitative parameters.

To that end, the Career, Commercial Network Planning and Organisation Division:

- in agreement with the Sales Network Administration function, submits the structure of the non-recurring component to the responsible Bodies, with particular reference to the mechanisms applied to the “most significant personnel”. In this regard, the Division:
 - identifies the *performance* indicators and correction mechanisms for risk both ex ante and ex post against which to adjust parameters and potentially adjust the variable component in the final balance;
 - identifies the solutions for balancing remunerations based on financial instruments (or equivalent instruments) and the remunerations paid in cash;
 - also considering the previous points, it identifies the applicable deferred payment systems;
- defines the remuneration and career model of the Sales Network in agreement with the Chief Financial Officer;
- submits the amendments to the policies following any organisational changes of the Sales Network Personnel and/or of the applicable regulatory context;
- verifies, for the areas within its remit and in compliance with the established governance, the application of the remuneration policies in line with the principles and rules defined at any given time, including - where provided for - in coordination with the competent functions (including the Compliance Function and the Risk Management Function) for the purposes of performing the checks provided for in the internal and external regulations;
- proposes the rules underlying the organisation and functioning of the "key personnel" identification process for the sales network structures. In this regard, the Division assesses the significance of the MRT personnel also in agreement with the Human Resources Department and submits to the assessment of the Remuneration Committee:
 - the assessment methodology used (categories and roles included in the analysis, areas of significance, classification criteria, scales of assessment and overall assessment logics);
 - the list for identifying the 'key personnel' on the basis of the results of the significance assessment conducted on them;
- defines the Sales Network assessment model while adopting/keeping one or more commercial ratings, synthetic indicators of monitoring the quality of the processes and of the Family Banker activities, coordinating with the other company functions and in particular with the Compliance Function and the Sales Network Administration Sector;
- defines the rewarding model and the hierarchies at the basis of the Sales Network incentive system;
- is the contact inside the Sales Network Department in the area of inter-functional projects having an impact on the Sales Network remuneration system.

1.8. Planning, Control and Investor Relations

The division in question contributes to the definition of the remuneration Policies and, at the request of the Bodies and responsible company functions, provides data and information helpful for determining objectives to assign to the company figures for which a part of the variable remuneration tied to the expected results is planned, and for checking the results they have achieved.

1.9. Risk Management

The Function in question contributes to the definition of the remuneration and incentive policies and puts forward opinions on the adoption of adequate *performance* measurement indicators, able to reflect the Company's profitability over time and to take into account current and future risks of the cost of capital and liquidity necessary to cope with the activities undertaken.

If necessary, it also takes part in identifying the key personnel, in collaboration with the other responsible company functions and, if necessary, draws up and sends the request for exclusion to the competent Authority.

To this regard, the Manager of the Risk Management Function attends, upon invitation, the remuneration Committee meetings to ensure that the incentive systems are adequately correct to taken into account all the risks taken by the Bank according to methodologies consistent with those that the Bank adopts for managing risks for regulatory and internal purposes.

1.10. Compliance

The Function in question assesses the adequacy and compliance of the policies and remuneration practices adopted with legislation in effect at the time and their correct functioning.

It takes part in defining incentive systems on the topics it is responsible for by way of support to the other functions involved.

It particularly carries out the following *ex-ante* control activities:

- it checks compliance of the remuneration and incentive policies against the internal and external regulatory framework;
- it checks that the content of the report to the Shareholders' Meeting and to the public meet the regulatory Supervisory requirements;
- it checks the proper regulatory definition of the criteria for identifying the key personnel, in collaboration with the other responsible company functions.

It checks, *ex post*, that application of the remuneration policies complies with the regulations, also by random checks on proper implementation of the relevant principles.

The evidence found and any anomalies are brought to the knowledge of the remuneration Committee, the Board of Directors and the Board of Statutory Auditors for adoption of any necessary corrective measures.

1.11. Internal Audit

The Internal Audit Function annually checks the methods through which it is ensured that the remuneration practices comply with the regulatory context inside the Company. In particular, it verifies that the remuneration practices comply with the approved policies and with the regulations in effect at the time, with particular reference to the following issues:

- implementation of the process for identifying and updating the list of "key personnel";
- observance of the authorisation procedure for approval of the remuneration policies;
- observance of the rules and procedures set out in the remuneration policies approved by the Shareholders' Meeting, with particular attention to the "key personnel".

The evidence found, with any anomalies recorded specified, is brought to the knowledge of the Bodies and responsible company functions so they can carry out any necessary improvement actions and, following a significance assessment and where explicitly provided for, so they can prepare adequate information to send to the European Central Bank or to the Bank of Italy. The results of the check conducted are brought to the knowledge of the Shareholders' Meeting once a year.

1.12. Independent Auditors

In accordance with the reference framework for listed companies, the independent auditors tasked with auditing the financial statements verify the preparation, by the directors, of Section II of the report on the remuneration paid. The task assigned to the independent auditors is merely to check the publication of information, without expressing an opinion on it or its consistency with the financial statements or compliance with the law, similar to the provisions for the audit of the preparation of the declaration of a non-financial nature in accordance with Italian Legislative Decree 254/2016.

2 Identification of Key Personnel

In compliance with the applicable current regulatory provisions, the Company conducts the evaluation process meant to identify the "Key Personnel" (hereinafter also "*Identified Staff*" / "*Risk Takers*" / "*MRTs*"), That is, the category of individuals whose job activity has or can have a significant impact on the Group's risk profile.

To identify the key personnel, the Mediolanum Banking Group applies Delegated Regulation (EU) No. 923 of 25 March 2021.

The process establishes the criteria and procedures used to identify the key personnel, the means of personnel evaluation, the role carried out by the bodies and company functions responsible for the processing, monitoring, and review of the identification process.

The parent company Banca Mediolanum S.p.A. applies the cited regulations considering all group companies, whether they are the target audience of the roles on an individual basis or not, ensuring overall consistency with the identification process for the entire Group, as well as coordination between the provisions and other rules that may be applicable to each company, also based on respective sector.

To implement Directive (EU) No 878/2019 (CRDV), the identification process is carried out by all the banks belonging to Mediolanum Banking Group on an individual basis at least once a year.

The outcomes of the key personnel identification process are properly justified and made official.

2.1 Personnel recognition and analysis

By Personnel we mean the members of the bodies with a strategic supervisory function, management and control, employees and collaborators of the banking group.

The Parent Company seek guidance from the relevant corporate functions, Career Compensation & Network Office Management, Administration, Accounting and Financial Statements, and Human Resources to gather the information needed for the process.

The Group companies contribute actively, providing the data and information helpful in the identification process based on that required by the parent company. The Risk Management function participates in the process providing instructions on identification of and assignment of value to the risk indicators under Delegated Regulation (EU) No 923/2021 (for example for identification of the so-called Material Business Unit, to be understood as a corporate unit or subsidiary) in order to consider the actual ability of the individual corporate figures to affect the Group's risk profile.

In cooperation with the Compliance, Organisation, and Corporate Affairs functions, when necessary, the organisational and size information is gathered and analysed, such as organisational structure, formalised delegated powers, etc.

SCOPE OF RELEVANCE	INFORMATION SOURCES
Powers delegated	Powers delegated Company Sheets Corporate Governance Project
Responsibilities and Assignments	Service Structure Corporate Function Chart Committees' Regulation *Operational Service Manager* of the individual companies
Material Business Unit	Consolidated regulatory capital requirements
Characteristics of the remuneration	Policies, regulation, and data concerning remuneration and incentives

Specifically for the purposes of carrying out this process, an operational/methodological approach is adopted characterised by evaluation of the criteria under Delegated Regulation (EU) No. 923/2021 and the Supervisory Provisions, with regard both to the qualitative and quantitative criteria.¹⁵

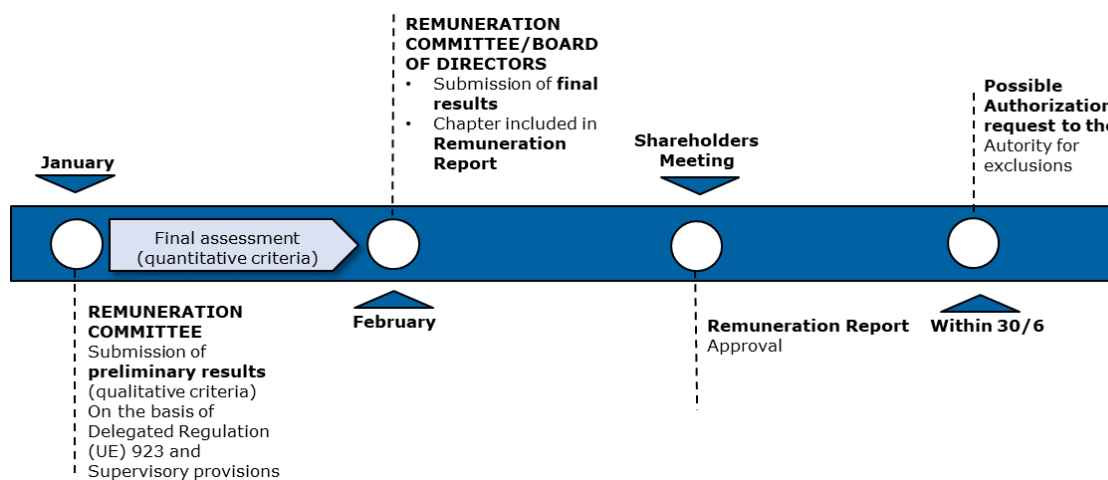
In addition to the criteria provided for in the legislation, an additional qualitative criterion is used to identify Key Personnel within the context of the Sales Network, corresponding to 'business risk', represented by the risk of loss for the network of customers and considerable volumes managed by the Financial Advisor.

For the purposes of the analysis relating to the quantitative criteria, in compliance with the provisions of Article 7, point 4 of the aforementioned Delegated Regulation, the Banking Group takes into consideration the overall remuneration accrued during the year prior to the reference year.

In particular, for employees – from a more prudential perspective – the maximum variable remuneration target eligible for disbursement is considered.

The process for recognising the Group's Key Personnel is structured within the context of sound governance that involves the Remuneration Committee and the Board of Directors, in addition to the competent company functions, as indicated above.

The overall analysis conducted at least annually and the recognition are carried out in accordance with the time frames and passages described herein.



2.2 Outcomes and Relative Formalisation

The relevant corporate functions submit the outcomes of the process of key personnel identification to the Remuneration Committee which gives an opinion on the roles identified with reference to each of the criteria considered based on the Delegated Regulation.

Specifically, the Remuneration Committee is submitted specific documentation that gives the roles identified in order to evaluate their respective responsibilities, and the lists of names of the individuals with those offices and roles.

The outcomes also highlight:

- the number of personnel identified as key,
- the number of individuals identified for the first time,
- Comparison with the outcomes of the process recorded last year.

The outcomes of the process and the related remarks formulated by the Remuneration Committee are submitted

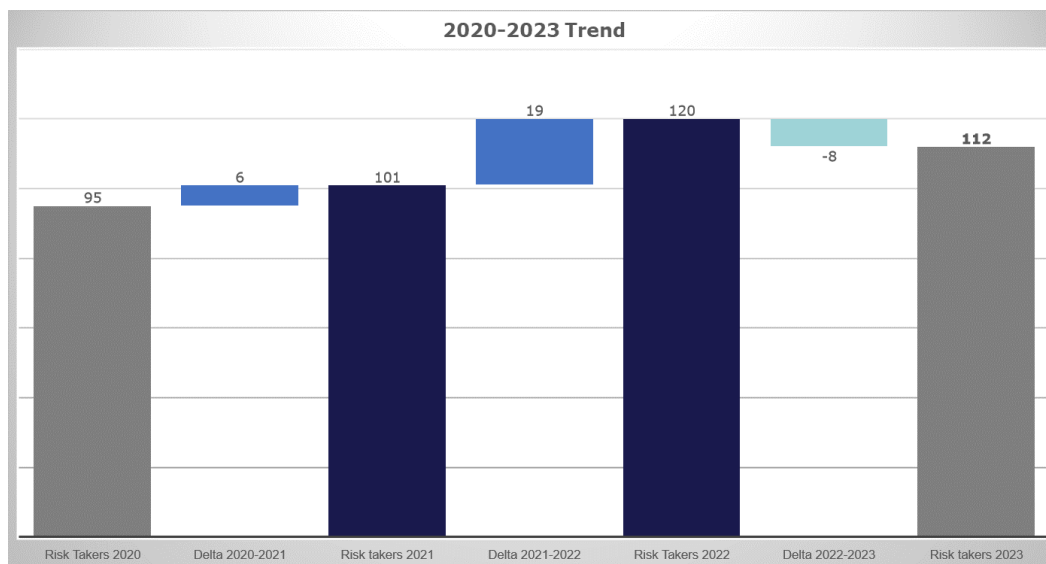
¹⁵ With reference to the determination of the total revenues for the identification of the Key Personnel in accordance with the quantitative criteria, if these include bonuses in shares resulting from the attainment of objectives described in applicable internal documents, and these shares have not yet been made available in the securities dossier, they will be measured at the closing price of the last stock exchange trading day of the year in which the bonus accrued.

to the Board of Directors.

The main information on the process of key personal identification and the related outcomes constitute an integral part of the Remuneration Policy and as such are submitted to the Shareholders' Meeting for approval.

With regard to this year's identification process, 112 individuals were classified as Key Personnel, 57 of which were directors and employees of the Group and 55 of which collaborators belonged to the sales network. Compared to 2022 the number is 8 units lower.

The graph below shows the trend of Key Personnel over the last 3 years.



In particular, note the consistent increase in recent years (in particular 2021 and 2022) in the number of parties identified as Key Personnel. The trend is mainly due to:

- the increase in the Assets Under Management of the Sales Network, with a significant impact on the total annual remuneration received by Family Bankers;
- aspects of organic growth of the Group, as regards the roles identified among the employees.

2.3 Exclusions

In the process of identifying the key personnel, particular emphasis is placed on the roles and individuals identified based on quantitative criteria and in particular that set forth in article 6, paragraphs 2 and 3 of Delegated Regulation (EU) No 923/2021.

If, considering the total remuneration earned the previous financial year, individuals not classified as significant based on the qualitative criteria are identified as key personnel, these undergo additional careful analysis to evaluate their effective ability to take on significant risk for the Group, and thus, possible exclusion.

This analysis is conducted by the relevant corporate functions (Human Resources, Organisation, Career Management, remuneration and the Sales Network and Administration, Accounting and Financial Statements) based on the evaluations and considerations provided by the Group control functions, Compliance and Risk Management in particular, also concerning how much one exceeds different pay thresholds set by regulations.

The relevant functions submit any exclusion proposals of the specific roles/individuals to get the opinion of the Remuneration Committee and then the proposals are brought to the attention of the Board of Directors for approval.

Following the analysis conducted for the year 2023, there were no parties among the employees and Collaborators excluded from the list of key personnel that exceed the quantitative thresholds set by the legislation, such that a request for authorisation would be required from the competent authority.

The internal recognition process requires the documentation and justification of the non-inclusion on the list of Key Personnel of persons with total remuneration jointly equal to or greater than €500,000 and than/to the total

average remuneration granted to the members of the body with strategic supervision and management duties and the top management (and, in any case, with remuneration of less than €750,000), which do not have significant impacts on the risk profile.

To this end, 89 persons among Employees and Family Bankers were identified for whom, once suitable analyses have been conducted with respect to the role held and the essential evidence of the absence of a significant impact on the Group's risk profile, non-inclusion within the key personnel is determined.

3. Reasons and aims pursued with the remuneration policies

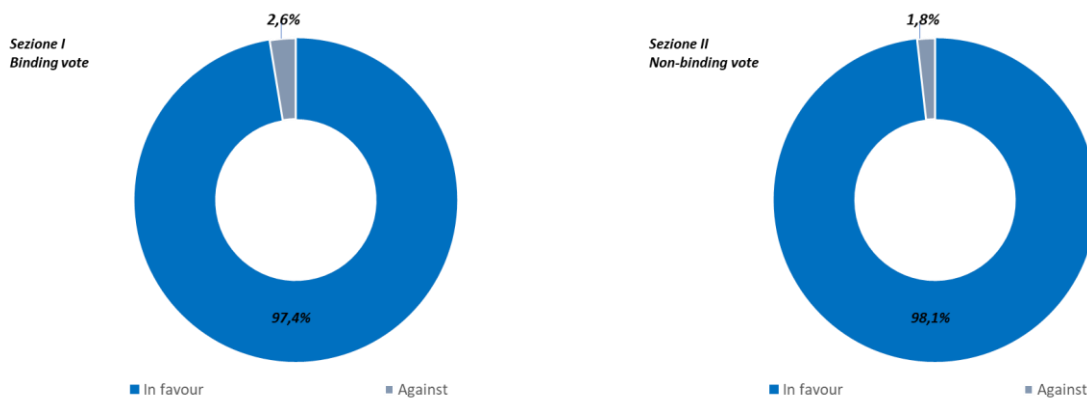
The remuneration policies defined by the Group pursue the objective of attracting and retaining parties having professionalism and capabilities adequate for the company's needs and that of providing an incentive aimed at increasing commitment to improving company *performance* through satisfaction and personal motivation.

The policies are developed within the restrictions imposed by the legal provisions, regulations and corporate governance, guaranteeing the construction of a formal structure in line with the expectations of the regulator, as well as with the indications and recommendations of investors and proxy advisors.

In this context, application of the remuneration policies seeks to ensure constant alignment of the interests of the Shareholders of Banca Mediolanum S.p.A. and of the Group with those of the Management, in both the short-term perspective by maximising the creation of value for the Stakeholders and in the medium/long-term perspective always by carefully managing corporate and sustainability risks and in full compliance with sustainability principles, while pursuing long-term strategies.

The Bank also prizes and strengthens dialogue with its shareholders and institutional investors in the area of remuneration, with the analysis of the shareholders' meeting results being important in order to effect change and for the new issues introduced by these policies, demonstrating how it took account of the reasoning underlying the various resolutions passed at the 2022 Shareholders' Meeting season.

In this regard, the results of the Shareholders' Meeting vote for the 2022 Policies are reported.



3.1 ESG sustainability and remuneration policies

“We focus on people and the planet in our choices and strategies, being mindful that everything is interconnected”.

Environmental, social and governance sustainability issues, as well as risk management in general, are an integral part of the remuneration processes. In this context, a systemic, inclusive and transparent approach is being constantly promoted so as to ensure compliance with the principles of plurality, equal opportunities, fairness and non-discrimination of any individual.

In particular, the remuneration and incentive criteria based on objective parameters tied to performance and in line with the strategic medium/long-term objectives represent the tool capable of stimulating the commitment of all parties to the greatest extent and, as a result, best meeting the Group's interests, linking economic growth with sustainable success.

The remuneration policy, also with reference to the short-term and long-term incentive systems, is therefore an expression of the company strategy as well as the ESG strategic priorities set out in the materiality matrix, defined by the Board of Directors and reported in the Non-Financial Statement.

Moreover, all the incentive systems defined in the Group's remuneration policy call for adequate adjustment for risk, access gates linked to the creation of value, capitalisation, liquidity and capital, and deferred payment systems with a significant shareholder component to ensure sustainability of performance including over the long term, in compliance with the regulatory requirements as well as malus and claw-back provisions.

3.1.1 ESG sustainability in incentive systems

In the context described above and within the established Governance, specific KPIs linked to ESG factors are included in the short-term and long-term incentive systems.

Special attention is paid to indicators with Climate/Environmental and Social impacts, as described below.

ESG and short-term incentive systems

As part of the internal goal-setting processes for the beneficiaries of short-term incentive systems based on individual MBO forms - at each organisational level - specific managerial guidelines are disseminated internally, which set the identification of individual objectives linked to ESG factors related to the responsibilities and decision-making levers of the individual.

With regard to the 2023 short-term incentive of the Chief Executive Officer - in full continuity with previous years and as described in greater detail below - an ESG indicator was included in the individual scorecard, representative of the most significant project initiatives on the subject in 2023, with a weight of 20% on the maximum individual bonus, as represented here:



ESG and long-term incentive systems

In continuity with the previous 2020-2022 Plan, ESG sustainability is also an integral and fundamental part of the new 2023-2025 long-term incentive system. Among the performance parameters of the Plan, dedicated to Senior Managers and Top Key People, an indicator has been included - with a weight of 25% of the Plan's total scorecard - which takes into account the strategic sustainability initiatives over a long period of time, also with reference to climate risks, as represented here:



The details relating to the short-term incentive plan for 2023 and the new 2023-2025 long-term incentive plan are outlined below in the document.

The Sales Network and sustainable performance

Sustainable performance, in terms of correct behaviour and pursuit of the customer's best interest, is a key element of the incentive systems of the Sales Network. In particular – for the purpose of determining the non-recurring remuneration - a qualitative indicator (QPI – *Quality Performance Index*) inspired, inspired by honesty in customer relations criteria, reducing legal and reputational costs, customer protection and retention in keeping with the applicable legal, regulatory and self-governance provisions.

3.1.2 *Neutrality of remuneration policies and analysis of the gender pay gap*

Gender neutrality, the enhancement of diversity, inclusion and meritocracy are among the principles that guide the Group's way of doing business and *people culture*.

Therefore, partly through the remuneration policies, the objective of combating gender differences is continuing, by minimising existing gaps from every perspective, including that of remuneration.

The principles that the Group adopts to ensure neutrality in its remuneration policies are:

- the recognition and full measurement of talent and personal merit, both in the assignment of duties and in training, development and personal growth;
- protecting dignity and integrity, as well as physical and emotional personnel balance.

In this context, within the framework of the Parent Company's annual governance cycle, a specific evaluation is conducted by the Remuneration Committee and the Board of Directors with regard to the Group's gender pay gap.

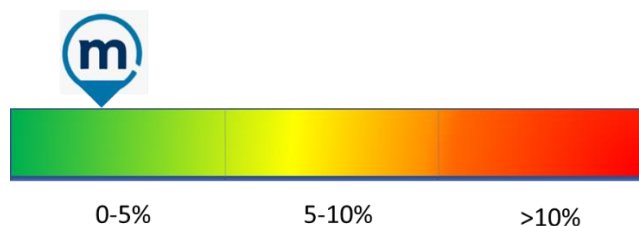
As part of the ongoing monitoring of the issue carried out by the Human Resources Department with the involvement of the Remuneration Committee and the Board of Directors, according to the governance in place, the analysis of the gender pay gap at the banking Group level was carried out, with the support of the consulting company Willis Towers Watson, with reference to the best market standards and *best practice*, and submitted to the Corporate Bodies mentioned above at the meetings of 17 and 19 January 2023.

In compliance with the provisions in the regulations (including the EBA guidelines), the analysis is structured into two macro areas:

- 1) *Equity Pay Gap*, aimed at measuring the so-called “pay gap for work of equal value”, calculated by comparing the pay gap for similar positions;
- 2) *Average Pay Gap*, which represents the gap between the average remuneration of women and the average remuneration of men.

The data submitted to the Remuneration Committee and the Board of Directors - with specific reference to Employees - show that the current gender pay gap that can be quantified at the Group level with the above methodology does not present particularly critical elements or distortions such as to be a symptom of discrimination.

The Banking Group figure relating to the Equity Pay Gap is summarised below¹⁶



Given what is represented in terms of Equity Pay Gap, at present it is not deemed necessary to proceed with specific and targeted corrective actions. On the other hand, the initiatives already in the Plan will continue, aimed at ongoing monitoring of the gender pay gap and continuous awareness of a neutral remuneration and incentive approach.

In addition, the analysis is further deepened by introducing the so-called “adjusted pay gap”, which, through a statistical regression model, aims to purify the average pay gap of non-discriminatory (objective) factors.

In terms of continuous monitoring of the issue, and in line with the regulatory requirements, the activity will be carried out annually and the Group's remuneration policies will contain the main findings that emerge.

4. Remuneration structure of Directors, Statutory Auditors and Employees

The remuneration structure adopted with reference to Directors, Statutory Auditors and Employees provides for a **fixed remuneration**, defined to an extent appropriate to the role held and the extent of responsibilities, reflecting the experience and skills required for each position.

Employees and the CEO may be entitled to a **variable remuneration** that aims to recognise the results achieved establishing a direct connection between the remuneration and the actual results, the Company and the individual, in the short and medium term, in accordance with the risk profile defined. Other non-fixed components of the remuneration package were also classified as variable remuneration, such as non-compete agreements, agreements to extend prior notice and *severance*, in accordance with the currently effective regulations.

4.1 Fixed remuneration

Fixed remuneration compensates the job held and the extent of responsibility, reflecting the experience and capacity required for each position and the level of excellence shown and the overall quality of the contribution to the business results.

Fixed remuneration is also structured to such an extent as to allow the variable component to considerably shrink or be eliminated in connection with the correct results for the risks actually attained.

4.2 Variable remuneration

Variable remuneration aims to recognise – through specific incentive plans – the results achieved establishing a direct connection between the remuneration and the actual results, the company and the individual, in the short, medium and long term, in accordance with the defined risk profile and the sustainability matrix.

The general objectives pursued in relation to the implementation of the incentive plan are to:

- align the recipients' objectives with corporate sustainable growth objectives in *business* in observance of the defined RAF;
- ensure a salary package, with respect to the market, in order to retain and boost the beneficiaries' loyalty;
- have a *pay mix* that is aligned with the best market practices in terms of total remuneration level and composition, keeps the motivation of the recipients high, and is reasonably attractive;

¹⁶ Analysis carried out on data as at 31/12/2021 (fixed remuneration as at 31/12/2021 and variable remuneration paid in 2022 in relation to 2021 performance). 5% is the differential highlighted by the draft European Directive on Pay Transparency, beyond which it is required to provide the rationale for the pay gap.

- ensure sustainable plans through the use of gates, which permit payment – subsequently remeasured according to individual performance – only if certain conditions are met, so as to create long-term value;
- have a remuneration element that allows a cost component to be related to the creation of value by the Group;
- disburse the variable remuneration of the recipients upon attainment:
 - of pre-defined corporate objectives;
 - of the expected individual performance levels;
- being compliant with the regulatory provisions previously mentioned and other codes of ethics and conduct, with particular reference to Key Personnel.

The Company has also implemented for the Managers (i.e. Managerial Staff) and Officers of the Group in Italy, short-term incentive plans, defined in line with the principles and policies regarding the remuneration and incentive systems established and formalised in the Group remuneration policies, which set out to pay a bonus based on individual performance and attainment of certain Mediolanum Group results to the Plan's participants. The plan is annual and can be re-proposed, amended or even cancelled from one year to the next.

As regards the medium to long term, a plan was introduced a three-year *vesting* plan in 2023-2025 for certain people working at the Company who cover key roles with a high level of responsibility and impact on the growth of the business and governance of the Group ("*top key people*"), and who include the Chief Executive Officer of Banca Mediolanum S.p.A.

4.3 Ratio between fixed and variable remuneration

Article 10 of the By-laws of Banca Mediolanum acknowledges that the Ordinary Shareholders' Meeting is entitled to raise the limit of the ratio between the variable and fixed components of the individual remuneration.

Starting from 2015, the Company decided to make use of the possibility to extend the ratio between the variable and fixed components of the individual remuneration up to a maximum of 2:1 for several specific categories of parties considered "Key Personnel", and in particular for: the managers of business units, general managers, sales managers, executive directors (i.e. chief executive officers), managers and key resources working in Asset Management, Investment Banking and in the development of new businesses of the Mediolanum Group companies, to be identified each time based on their specific responsibilities, strategic nature and prevailing market practices regarding specific roles and the measurability of the performance to which the variable component of the remuneration is tied (at present, a maximum theoretical total of 8 people holding roles falling under the above-mentioned categories is considered).¹⁷

This provision, approved by the Shareholders' Meeting on 10 April 2019, will not be subject to a resolution at a shareholders' meeting again since there has been no change in the assumptions at the basis of the increase, the personnel to whom it refers or the extent of the limits.

In accordance with the above, for the identified staff operating at the banks of the Group, the Shareholders' Meeting of the latter is entitled to resolve on the proposal to set a limit higher than 1:1.

In compliance with the provisions of the regulations in force¹⁸, the Company also exercises its right to exclude the personnel belonging to the Group's asset management companies from the above-mentioned limit, in order to maintain its ability to compete under equal conditions on the job market for specific professional figures, which according to established industry practices are paid – both in Italy and abroad – higher levels of the variable component.

Any sums to be paid in the form of discretionary pension benefits or in view of, or upon, early termination of employment or early termination of office also fall within the limit to the variable/fixed ratio, except for sums agreed upon and paid: i) based on a non-entitlement covenant, for the part that – for each year the agreement lasts – does not exceed the last fixed remuneration annuity; ii) in the scope of an agreement between the bank and the

¹⁷ The 2:1 limit also applies to persons identified as Key Personnel of the Sales Network, as specified in the dedicated section of the document.

¹⁸ "The parent company may not apply these provisions to the personnel of an investment firm or asset management company that belongs to the group, identified by the parent company as key or the group, if said personnel carry out activities exclusively for the investment firm or asset management company".

personnel, reached anywhere, to settle an actual or potential dispute, if calculated based on the pre-set formula.

For the remaining portion of the Key Personnel in question, a ratio up to 1:1 between the fixed and variable remuneration is adopted, except for the corporate functions with control duties, in compliance with the Supervisory Provisions, for which the variable remuneration cannot be greater than 33% of the fixed remuneration. For the executive responsible for financial reporting, for the rest of the personnel of the corporate functions of control and of the Human Resources function, the variable component in any event is small.

Lastly, for the general workforce, it is understood that the ratio between the fixed and variable components shall be duly balanced, accurately determined and carefully monitored in relation to the characteristics of the various categories of personnel.

4.4 Using Benchmarks for Directors and Employees

In order to adopt effective remuneration practices that can appropriately support the business and resource management strategies, continuous monitoring of the general market trends for proper definition of competitive remuneration levels and to guarantee internal impartiality and transparency is applied.

Participation in remuneration *benchmarks* referring to specific panels of companies operating in one or more reference markets and corresponding to figures that hold similar roles and position allows for remuneration to be positioned with regard to fixed, variable and total remuneration to be recorded.

These are the reasons why the responsible functions ensure participation in remuneration surveys and studies conducted by the key international and sector players.

With special reference to the Company's Directors, benchmarking was carried out by the company Willis Towers Watson, an independent firm and one of the leading global companies in providing Executive Compensation services. The peers comparison for 2023 – which confirms the one adopted in 2022 – was identified from among the intermediaries that operate in the same business areas in which the Mediolanum Group operates, and relates to companies of equivalent size in terms of revenues, assets or employees. The peer group was identified starting from a panel comprising:

- Italian intermediaries: listed intermediaries included on the FTSE MIB or FTSE Mid Cap indices where their sizes in financial terms are equivalent to those in the Mediolanum Group;
- European intermediaries: intermediaries operating in wealth management in Switzerland, the UK and Spain (countries identified due to the importance of their stock exchanges).

These criteria led to the identification of a peer of 15 institutions (9 Italian and 6 foreign):

PEER	COUNTRY
Anima Holding	(ITA)
Azimut Holding	(ITA)
Banca Generali	(ITA)
Banca Popolare di Sondrio	(ITA)
Banco BPM	(ITA)
BPER	(ITA)
Credito Emiliano	(ITA)
FinecoBank Banca Fineco	(ITA)
Intesa San Paolo	(ITA)
Mediobanca	(ITA)
Janus Henderson Group	(UK)
St James's Place	(UK)
EFG International	(CH)
Julius Baer Group	(CH)
Banco de Sabadell	(ESP)
Bankinter	(ESP)

The benchmarking showed an altogether adequate positioning close to the median levels recorded in the reference

market. More specifically, with regard to the Chief Executive Officer, the positioning was found to be close to the peer median with reference to the fixed remuneration and at levels included among the median and the first quartile of Italian peers and close to the first quartile with respect to the peers as a whole, with reference to total remuneration.

The Group's HR Department also sought guidance from consultancy firms (such as Deloitte and Willis Towers Watson) and professional firms in order to ensure maximum reliability of the support provided and of remuneration surveys carried out by the main specialised consultancy firms collaborating with the trade associations at times.

4.5 Non-executive members of the Board of Directors and members of the Board of Statutory Auditors

The remuneration policies provide that the remuneration allocated by the Shareholders' Meeting to the Directors at the time of their appointment and to the Statutory Auditors shall be commensurate with the responsibilities, tasks and degree of participation of the individual in the meetings of the respective board, with the assumption of all related responsibilities, as well as with best market practices. The use of such parameters makes it possible to provide adequate justification and transparency for the remuneration awarded.

the remuneration due upon appointment for **non-executive Directors** it was resolved by the Shareholders' Meeting of 15 April 2021 (with the right also to determine the remuneration for directors who perform special tasks, if any).

The remuneration for the Chairperson, Deputy Chairpersons and Directors, if any, invested with special offices is determined by the Board of Directors (if this right is not exercised by the Shareholders' Meeting). Reimbursements for expenses incurred in relation to the assignment are added to the approved remuneration.

The remuneration approved is as follows:

ROLE	REMUNERATION
Chairperson*	€450,000
Deputy Chairperson*	€120,000
Members	€75,000

* The Chairperson and Deputy-Chairperson waived part of the amount resolved upon by the Shareholders on 15 April 2021.

There is no remuneration linked to the economic results of the Company, nor agreements or payments for end-of-mandate indemnities.

A liability insurance policy is also envisaged for the Directors and Executives for non-executive members of the Board of Directors in order to hold them harmless from requests for remuneration for non-malicious conduct, with the same maximum for claim and for year.

For participation in the activities of the committees established within the management body, additional remuneration is envisaged, on the basis of resolutions passed by the Board of Directors

Similarly to the remuneration determined for non-executive members of the Board of Directors, the remuneration of the members of the Board of **Statutory Auditors** provides for a remuneration adequate to the competence, professionalism and commitment required by the relevance of the role.

The remuneration is approved by the Shareholders' Meeting of 15 April 2021 in accordance with the provisions of Article 2402 of the Italian Civil Code. Also for the Board of Statutory Auditors, there is no remuneration linked to the Company's economic results, nor agreements or payments for end-of-term indemnities. The remuneration approved is as follows:

ROLE	REMUNERATION
Chairperson	€100,000
Members	€70,000

4.6 Chief Executive Officer and Employees

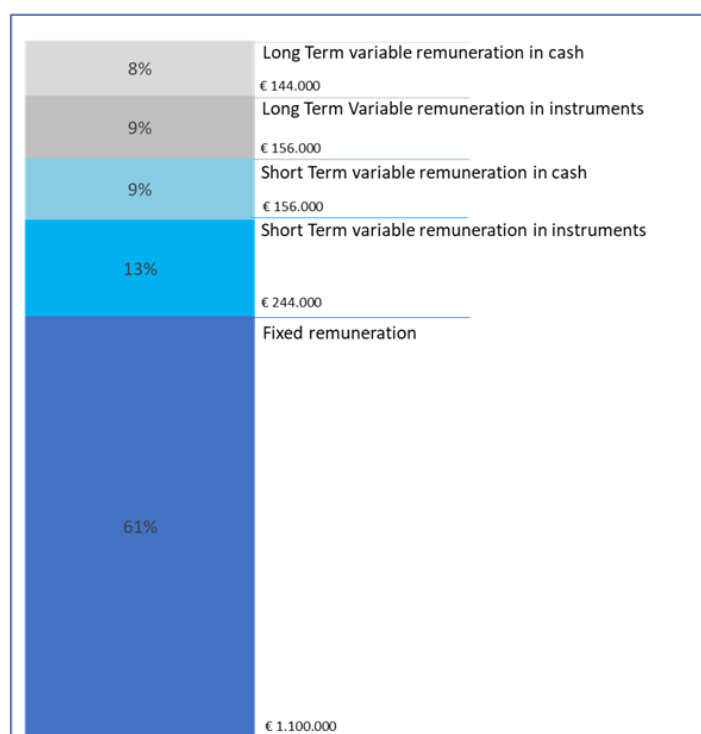
The Board of Directors (if the Shareholders' Meeting does not exercise this right) resolves on the remuneration of the Chief Executive Officer, both as regards the fixed and variable component of the remuneration.

The overall package of the Chief Executive Officer of Banca Mediolanum S.p.A., defined for 2023, in continuity with 2022, provides for:

- fixed remuneration (for the post of director and for the employment relationship);
- short-term variable remuneration in cash and instruments;
- long-term variable remuneration for 2023-2025 in cash and instruments.

During 2022, there were no remuneration interventions with respect to the Chief Executive Officer.

The **maximum remuneration package** (target) of the Chief Executive Officer for 2023 is shown below.



Rounded values

The table represents the **maximum values**, annualised and rounded, of the elements of fixed and variable remuneration in cash and instruments attributable to the Chief Executive Officer in relation to the 2023 performance year.

the provisions of the collective agreements of reference and of any supplementary company agreements, as well as of the remuneration and incentive system - which considers the organisational weight of the positions held by employees with reference to the situation of the market of reference and of the budget available for the period - applies to **Employees**.

4.6.1 Short-term variable remuneration

The incentive system requires that each year the indicators and their goal values at the Company and individual levels be defined for the current year after the accounting of the previous year and the Company and function budgets have been defined.

Only assessments not tied to economic and financial parameters are used for the control roles. As required by the regulations, the same *gates* used for the rest of the Company's headcount apply to these personnel.

“Top Management” short-term variable incentive plan for identified staff

Since 2015 the Group has implemented an incentive plan for the *key personnel* called “Top Management” plan in order to ensure compliance of the incentive systems with the regulatory framework of reference.

In continuity with 2022, the 2023 new variable remuneration plan is addressed to the “**Top Management - Key Personnel**”, Directors/Executives who accrue incentives during the year that exceed €50,000 or represent over 1/3 of the annual total remuneration.¹⁹

The plan provides for the allocation of annual variable remuneration through attainment of the **objectives at Group level with a Gate function**, according to a calculation scheme that considers value creation parameters adjusted for risk, capitalisation, capital and liquidity.

The defined plans allow:

- incentives to be created for retention and *commitment* in the Group of the resources that decisively contribute to the success of the Company and the Group;
- a significant component of the variable remuneration to be linked to attainment of certain *performance* objectives, both corporate and, when deemed necessary, individual, so as to align the interests of the recipients with the pursuit of the priority objective of creating shareholder value over a medium/long-term time horizon;
- assistance in retaining the recipients by developing their sense of belonging to the Company and to the Group.

The indicators identified and their targets are defined by the Board of Directors in line with the *Risk Appetite Framework* (RAF) approved by the Risk Committee.

As noted above, these indicators act as “gates” whereby failure to reach the thresholds established in accordance with the RAF will mean that the variable remuneration provided for under the Plan will fall to zero.

The indicators used for the performance year 2023 are in line with those used for the performance year 2022, as shown in the table.

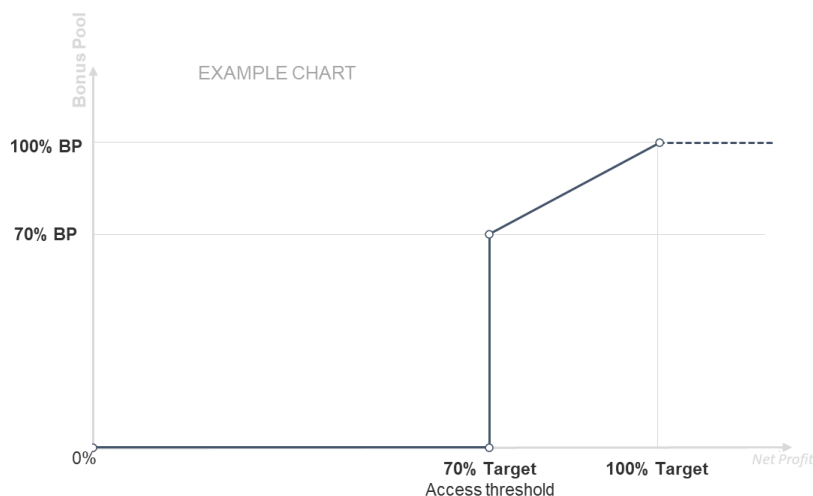
PLAN GATE						
Category	Risk-adjusted value creation	Capitalisation	Capital	Liquidity		
Indicator	RARORAC	Existence of a capital surplus compared to the capital requirements	Total Capital Ratio	Liquidity Cover Ratio (LCR)		
Threshold	RARORAC equal to or greater than 0%	Surplus compared to the regulatory requirements	13%	LCR	higher than	100%

The incentive system is also based on a **Bonus Pool** logic, with an amount **related to the Consolidated Net Income** of the Mediolanum Group, the target value of which is determined by the Board of Directors.

In particular, a specific minimum threshold is defined for the achievement of the Net Income target above which the Bonus Pool is activated; its amount is then distributed in a directly proportional manner, up to the cap of 100%

¹⁹ The variable remuneration plan is also addressed to the “Executives” falling within the category of identified staff, but with variable remuneration below the materiality threshold equal to €50,000 or 1/3 of the total remuneration, as well as to specific figures not included in the category of Key Personnel. For the aforementioned parties, the allocation of short-term variable remuneration envisages a payment mechanism with a 3-year deferral and a payment in instruments of 40% of the bonus (Top Management Plan “Other Personnel”), similarly to what is envisaged for 2022 (see Section II).

in correspondence with the predetermined profit target, as exemplified in the following chart²⁰:



Moreover, disbursement of short-term variable remuneration may also be subject to attainment of **individual financial** and **non-financial** objectives, also through the *management appraisal* process. This represents the tool that the Group has adopted to manage and improve performance, permitting the assessment and development of managerial skills, the sharing and control of the objectives and their degree of attainment.


In particular, with regard to **financial objectives**, it is necessary that the parameters identified as objectives of the incentive plans must have specific features, or be easily identifiable, also with reference to the procurement sources and be objectively measurable.

The **non-financial** objectives:

1. objectively consider the activity conducted by the Company role (activities planned in the previous year for the year of assessment, activities specifically carried out by the structure, etc.) and qualitatively the effectiveness and efficiency of the activity itself;
2. make it possible to assess the achievement of sustainability objectives, through ESG indicators.

On the basis of the above, the following scorecard was then determined for the assignment of short-term incentives for the Chief Executive Officer, which reflects the Group's business and sustainability priorities for 2023, in the context of the long-term strategy defined.

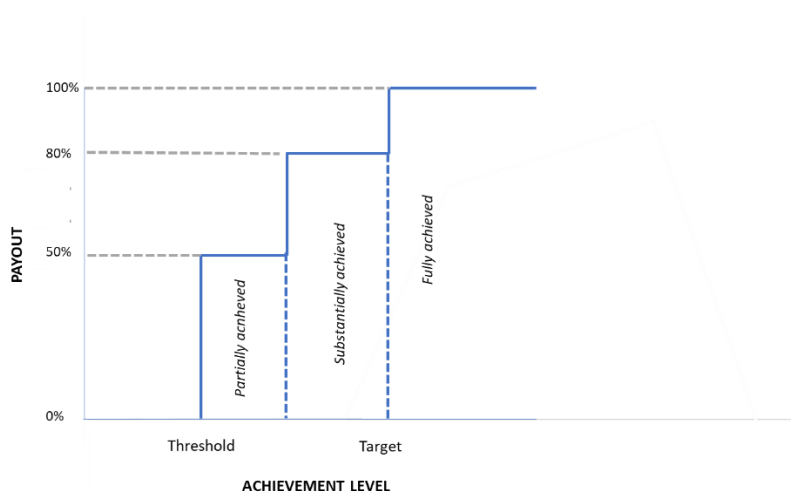
²⁰ The chart shows, by way of example, the 70% threshold percentage with respect to the Net Income target defined by the Board of Directors in 2022, for the purposes of execution of the Top Management Plan – Key Personnel 2022, as explained in greater detail in Section II.

	Goal	KPI	Weight	Parameter
FINANCIAL	Asset under Management and administration (Group)	Total Net Inflows	40%	Vs budget
	Credit (Group)	Loans	15%	Vs budget
	Enhancement of protection products distribution (Italy)	Premiums	15%	Vs budget
NON FINANCIAL	 ESG Climate & Environmental	<i>Climate & Environmental risk management project: respect of the project milestones</i>	20%*	Vs project milestones
		<i>Diversity and inclusion – FB Network employment enhancement</i>		Vs budget
		Growth strategies	Increase of «prima banca» customers	10%

*KPIs related to the ESG Climate & Environmental weight 10% each.

The layout of the performance sheet envisages, as shown graphically below:

- a threshold interval for which the objective is considered “partially achieved”, entailing a 50% pay-out. Below this threshold, the pay-out is 0%;
- an interval for which the objective is considered “substantially achieved”, entailing an 80% pay-out;
- a target level for which the objective is considered “fully achieved”, entailing a 100% pay-out



A payment above 100% of the maximum bonus opportunity is not expected in the event of over-performance.

In order to check the gates and general performance objectives, reference is made to the figures in the financial statements and the RAF, as approved by the applicable corporate bodies.

Bonus disbursement methods

The "Top Management" plan for the key personnel whose accrued incentive component exceeds the significance

threshold described below also stipulates that at least 50% of the incentive will be composed of equity instruments, with at least a 40% quota of the entire amount subject to deferral.

With regard to the Key Personnel, and more especially the Chief Executive Officer, the General Manager and other parties, identified by the Board of Directors with the opinion of the Remuneration Committee, as being similar parties and the managers of the main business areas and company functions, the vesting period is extended to five years and over a 50% portion of the vested portion is paid as equity instruments.

The plan provides for the payment in equity instruments through the allocation of *performance shares*. With reference to the current Chief Executive Officer of the Parent Company Banca Mediolanum S.p.A. only, due to the specific subjective attributes of the person whereby he/she is one of the main shareholders, the recognition of this quota will be in *phantom shares*.

If the variable component vested is a particularly high amount, the deferred portion will be raised to 60%.

On the basis of the criteria currently used to determine the amount that represents a particularly high amount of the variable component, a €435,000 threshold was established for the short term variable component vested during the year, updated in 2022 on the basis of the parameter as can be discerned from the EBA Report "On remuneration benchmarking and High Earners (2019 data)" published in August 2021.

The plan provides for the payment of incentives in cash and shares (with a 1-year *holding* restriction), with payment deferred by 4-5 years in consideration of the relevant employees, as outlined here.²¹

Material Risk Takers with variable remuneration < €435,000 and > €50,000 or 1/3 of total annual remuneration

	Instruments		Cash		Holding Period (1 year)	
	2024	2025	2026	2027	2028	2029
Performance Accrual	Equity 30% (up-front)	Equity 30% (up-front)				
	Cash 30% (up-front)	Equity 5% (deferred I)	Equity 5% (deferred I)			
		Cash 5% (deferred I)	Equity 5% (deferred II)	Equity 5% (deferred II)		
			Cash 5% (deferred II)	Equity 5% (deferred III)	Equity 5% (deferred III)	
				Cash 5% (deferred III)	Equity 5% (deferred IV)	Equity 5% (deferred IV)
					Cash 5% (deferred IV)	
Total	60%	10%	10%	10%	10%	-

²¹In compliance with the provisions of Bank of Italy Circular No. 285, it should be noted that the Asset Management Companies of the Banking Group apply the industry regulations, as governed – inter alia – by Directive UCITS V, by the relevant ESMA guidelines, by the joint Bank of Italy-CONSOB Regulation acknowledging Directive UCITS V, by Annex 2 of the implementing regulation of articles 4-undecies and 6, paragraph 1, letters b) and c-bis), of the Consolidated Finance Act, as well as by the national regulatory provisions. The aforementioned regulatory provisions envisage the deferment of the variable remuneration for a minimum period of 3 years, without prejudice to the proportionality principle, where applicable.

Material Risk Takers with variable remuneration ≥ €435,000

	Instruments	Cash	Holding Period (1 year)
2023			
2024	Equity 20% (up-front) Cash 20% (up-front)		
2025	Equity 20% (up-front) Equity 8% (deferred I) Cash 7% (deferred I)		
2026		Equity 8% (deferred I) Equity 8% (deferred II) Cash 7% (deferred II)	
2027		Equity 8% (deferred II) Equity 7% (deferred III) Cash 8% (deferred III)	
2028		Equity 7% (deferred III) Equity 7% (deferred IV) Cash 8% (deferred IV)	
2029		Equity 7% (deferred IV)	
Total		40%	15%

Top Material Risk Takers (Top Management) with variable remuneration < €435,000 and > €50,000 or 1/3 of total annual remuneration

	Instruments	Cash	Holding Period (1 year)
2023			
2024	Equity 30% (up-front) Cash 30% (up-front)		
2025	Equity 30% (up-front) Equity 7% (deferred I) Cash 1% (deferred I)		
2026		Equity 7% (deferred I) Equity 6% (deferred II) Cash 2% (deferred II)	
2027		Equity 6% (deferred II) Equity 6% (deferred III) Cash 2% (deferred III)	
2028		Equity 6% (deferred III) Equity 6% (deferred IV) Cash 2% (deferred IV)	
2029		Equity 6% (deferred IV) Equity 6% (deferred V) Cash 2% (deferred V)	
2030		Equity 6% (deferred V)	
Total		60%	8%

Top Material Risk Takers (Top Management) with variable remuneration ≥ €435,000

	Instruments	Cash	Holding Period (1 year)
2023			
2024	Equity 20% (up-front) Cash 20% (up-front)		
2025	Equity 20% (up-front) Equity 7% (deferred I) Cash 5% (deferred I)		
2026		Equity 7% (deferred I) Equity 7% (deferred II) Cash 5% (deferred II)	
2027		Equity 7% (deferred II) Equity 6% (deferred III) Cash 6% (deferred III)	
2028		Equity 6% (deferred III) Equity 6% (deferred IV) Cash 6% (deferred IV)	
2029		Equity 6% (deferred IV) Equity 6% (deferred V) Cash 6% (deferred V)	
2030		Equity 6% (deferred V)	
Total		40%	12%

4.6.2 Long-term variable remuneration – the 2023-2025 LTI Plan

In relation to the **three-year performance period 2023-2025** and in line with the Group's business strategy, a new Long-Term Incentive Plan "LTI 2023-2025" is submitted for approval to the Shareholders' Meeting.

The new LTI - in continuity with the previous 2020-2022 Plan, approved by the Shareholders' Meeting of 16 April 2020, is aimed at a small number of 8 Top Managers who are particularly critical for business development (so-called "*top key people*"), including the Chief Executive Officer and the General Manager of the Parent Company Banca Mediolanum.

The Plan envisages a three-year performance from 2023 to 2025 and a time horizon for the payment of the 6-year incentive (as explained below), in relation to the long-term incentive and *retention* purposes to be pursued. The Plan provides for the possibility of disbursing an incentive for a total individual amount equal to 150% of the fixed annual remuneration²².

The Plan has an **Access Gate** similar to the one outlined above for the short-term incentive plan, with indicators and thresholds assessed annually - for each performance year - relating to:

- risk-adjusted value creation
- capitalisation;
- capital;
- liquidity, as explained below.

PLAN GATE - PERFORMANCE 2023

Category	Risk-adjusted value creation	Capitalisation	Capital	Liquidity
Indicator	RARORAC	Existence of a capital surplus compared to the capital requirements	Total Capital Ratio	Liquidity Cover Ratio (LCR)
Threshold Values	RARORAC equal to or greater than 0%	Surplus compared to the regulatory requirements	13%	LCR higher than 100%


The values of those indicators are measured at the level of the Mediolanum financial conglomerate in accordance with the business plan and the *Risk Appetite Framework* (RAF) approved by the Risk Committee.

The performance objectives of the LTI Plan - similar for all potential beneficiaries - were identified with reference to the strategic targets defined in the 2025 multi-year plan. The objectives sheet is divided into clusters representative of the group's priorities in terms of:

- Solidity/Value creation
- Business sustainability
- ESG – Climate & Environmental

Details of the Plan's performance sheet are provided below:

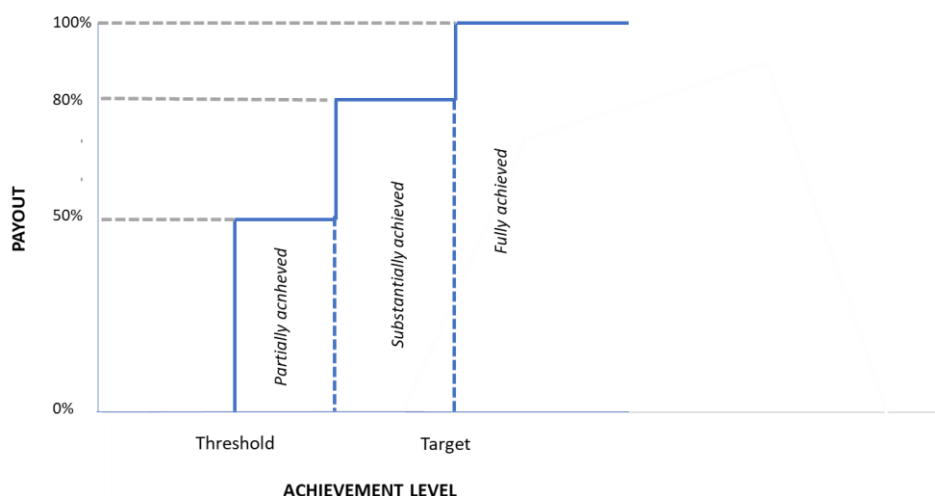
²² For a total bonus currently estimated not exceeding €5,500,000

	KPI	Weight	Measurement	Parameter
SOLIDITY/VALUE CREATION	CET 1	20%	End of period	Vs Risk Appetite
	DPS (from Profit)*	20%	Cumulated 2023-2025	Vs Target
BUSINESS SUSTAINABILITY	Cost/Income	20%	Average 2023-2025	Vs Target
	NPL on total loans	15%	Average 2023-2025	Vs Risk Appetite
 ESG/ENVIRONMENT AL&CLIMATE RISKS	Limitation to offer of Funds with ESG ratings under certain thresholds	15%	End of period	Vs Risk Appetite
	Attainment and maintenance of ISO 14001 certification	5%	End of period	Vs Ambition
	Attainment of certification on gender equality	5%	End of period	Vs Ambition

* For the purposes of the Plan, dividends declared from time to time will be considered.

The layout of the performance sheet envisages, as shown graphically below:²³

- a threshold interval for which the objective is considered “partially achieved”, entailing a 50% pay-out. Below this threshold, the pay-out is 0%;
- an interval for which the objective is considered “substantially achieved”, entailing an 80% pay-out;
- a target level for which the objective is considered “fully achieved”, entailing a 100% pay-out



²³ Exceptions are the indicators regarding the attainment and maintenance of ISO 14001 certification and the attainment of certification on gender equality, calculated as “on/off”.

A payment above 100% of the maximum bonus opportunity is not expected in the event of over-performance.

The indicators, as noted, were selected on the basis of the Group’s strategic priorities. In particular, the KPIs referring to the ESG/*Environmental & Climate*Risks cluster are an expression of the Group’s commitment to sustainable development, as already highlighted in the specific section of the document, dedicated to sustainability in remuneration systems.

Bonus disbursement methods

Following the verification of the achievement of the performance conditions explained above and the subjective conditions (for example, individual *malus*) envisaged by the Regulation, the Plan provides for the disbursement of a cash incentive and financial instruments in the form of *Performance Shares* (in percentages), respectively 48% and 52% of the incentive), similarly to what is applied for the short-term incentive systems for Key Personnel. With reference to the current Chief Executive Officer of the Parent Company Banca Mediolanum S.p.A. only, due to the specific subjective attributes of the person whereby he/she is one of the main shareholders, the recognition of this quota will be in *phantom shares*.

Any bonus is disbursed according to the prudential payment scheme applied in the short-term systems to key top management personnel, with a particularly significant variable remuneration amount, as detailed herein.

	Instruments		Cash		Holding Period (1 year)			
	2023-2025	2026	2027	2028	2029	2030	2031	2032
Performance Accrual		Equity 20% (up-front) Cash 20% (up-front)	Equity 20% (up-front) Equity 7% (deferred I) Cash 5% (deferred I)	Equity 7% (deferred I) Equity 7% (deferred II) Cash 5% (deferred II)	Equity 7% (deferred II) Equity 6% (deferred III) Cash 6% (deferred III)	Equity 6% (deferred III) Equity 6% (deferred IV) Cash 6% (deferred IV)	Equity 6% (deferred IV) Equity 6% (deferred V) Cash 6% (deferred V)	Equity 6% (deferred V)
Total		40%	12%	12%	12%	12%	12%	-

As envisaged by the Plan Regulations, in line with the regulatory provisions and incentive practices adopted by the Group to date, the disbursement of the Bonus portions subject to deferral will be subject to the maintenance of (i) objective conditions of capitalisation, capital and liquidity and risk-adjusted value creation - similarly to the access conditions established with the Gate function, as set forth above; and (ii) subjective conditions, which will be communicated to the beneficiaries (e.g. being in service and absence of disciplinary measures).

The plan also envisages, in exceptional cases, the possibility – according to the established governance – for the Remuneration Committee and the Board of Directors to take into account the value created for the shareholders, the achievement of additional managerial KPIs included in the multi-year plan, the context market and/or remuneration trends, in order to adopt up to a 50% reduction of the bonuses or up to a 20% positive correction of the bonuses, in any case not beyond the target bonus initially established.

4.6.3 Prohibition of personal hedging strategies

In compliance with the Supervisory Provisions, the participants of the incentive plan undertake not to make use of personal hedging or insurance strategies on remuneration or other methods that might alter or invalidate the risk alignment effects inherent in their remuneration mechanisms, with particular reference to the incentive systems.

For the same reasons, the Risk Management Control Function and Planning, Control and Investor Relations Division identify the types of transactions and financial investments which, directly or indirectly made by the key personnel, could have an effect on risk alignment mechanisms. In accordance with the regulatory provisions, particularly for the Key Personnel, adequate procedures and checks are scheduled, along with the procedures and frequency. For the purposes of these checks, the Key Personnel are required to communicate the transactions and

financial investments made (which fall under the types identified in advance).

4.6.4 *Treatment planned in the case of early termination of the employment agreement*

In general, the pension and termination policy must be in line with the corporate strategy and with the objectives, values and long-term interests of the Company.

In the case of early cancellation, dismissal or termination of employment with Banca Mediolanum S.p.A. or with the Group, special compensation for the personnel may be paid in exceptional and carefully assessed cases for the results achieved.

In any case, and with reference to the "Key Personnel", the remuneration that might be granted at the company's discretion, taking account of what is due pursuant to law and defined by the current applicable collective bargaining agreement (usually for subordinate employment) in case of premature termination of employment or of the mandate cannot exceed 2 (two) total annuities and in any case the maximum amount of €5 million. The effective amount must be established for every single case, taking into account the term of office and of the employment, the strategic nature of the office held, performance and the risks assumed. For regulatory purposes, said total annuities might equal a maximum theoretical amount comparable to four fixed annuities. This remuneration must also be subject to specific *malus* and *clawback* mechanisms.

Any payment of particular compensation in the case of early cancellation, dismissal or termination of the employment must be made with the same methods, established at the time, for paying their variable remuneration, with particular reference to the deferment and *retention* periods and to the deferred portions and those in instruments, not including the sums paid based on a non-entitlement covenant, for the part that does not exceed the last fixed remuneration annuity.

The remuneration for the Key Personnel agreed upon in these circumstances also falls under the calculation of the limit to the variable/fixed ratio, except for the sums agreed upon and paid:

- based on a non-entitlement covenant, for the part that – for each year the agreement lasts – does not exceed the last fixed remuneration annuity,
- in the scope of an agreement between the bank and the personnel, reached anywhere, to settle an actual or potential dispute, if calculated based on the following rule set on the basis of the months paid due to length of corporate service: up to 4 years of service: 14 months; over four and up to six years of service: 20 months; over six and up to 10 years of service: 22 months; over 10 and up to 15 years of service: 26 months; over 15 years of service: 30 months.

The effects of any termination of the employment relationship on the rights assigned within the scope of the variable remuneration plans in place, specifically in the case of termination of the office/termination of the employment relationship, death, pension or invalidity of the beneficiary (as also applies to the indication of the criteria for non subjective facts such as extraordinary transactions on capital with reference to the equity instrument components) are outlined in the related Information Documents and governed by the Assignment Regulations.

4.6.5 *Non-monetary benefits*

The fixed remuneration components contain benefit/perquisite and corporate welfare packages with homogeneous characteristics for those belonging to certain Company employees (e.g. for executives and predetermined brackets) that contribute to the making of an internal impartiality and market competitiveness system.

Generally speaking, special conditions in terms of access to banking and financial products offered by the Group Companies might also be applied for employees, and systems supplementing institutional and welfare social security plans might be contemplated, such as those aimed at providing the same employees and their families guarantees for their health, or to protect them in case of premature death during service.

A liability insurance policy is also envisaged for the Directors and Executives in order to hold them harmless from requests for remuneration for non-malicious conduct, with the same maximum for claim and for year.

Thus far, the Group does not plan to use systems supplementing the social security plans on a discretionary basis. Should such systems be introduced in the future, they will meet the specific requirements of the Regulator.

4.6.6 *Other forms of remuneration*

Any other remuneration elements not specifically regulated in the remuneration policies and that are not standard/recurrent can be adopted in special situations that are carefully assessed and for defined needs, particularly

in the case of recruiting and/or *relocation*, to increase - also temporarily - the level of attractiveness of the proposed remuneration package, as pointed out in the market practices (e.g. entry bonuses, bonuses guaranteed for only the first year, *allowances*, specific benefits such as *housing*).

Forms of remuneration linked to the seniority of the beneficiary (i.e. "retention bonus") may also be awarded. Any such disbursements are granted on a proportional basis with respect to the purposes of retention of the beneficiary, defined with a suitable time frame, and paid until the end of the agreed retention period. Normally, no more than one retention bonus is paid to the same person, except in exceptional and justified cases.

Retention bonuses may not be used to indemnify the beneficiary against reduction or cancellation of the variable remuneration derived from the ex-ante and ex-post adjustment mechanisms, nor can they lead to a situation where the total variable remuneration is no longer associated with individual performance.

These amounts are used in calculating the variable remuneration and are subject to limits on the variable/fixed ratio and subject to ex-ante and ex-post adjustment mechanisms.

All the above elements are defined, in any event, in accordance with the Group policies and rules, where applicable, and only if they are not exceptions, otherwise governed pursuant to paragraph 9 below.

5 Remuneration structure of the Sales Network

The remuneration of the Sales Network consists of various types of commission. It is therefore mostly variable and well-structured, also in consideration of the distinction between:

- Financial Advisors, Aspiring Financial Advisors and Protection Specialists dedicated solely to the sales activities, limited only to what is explicitly stated in the relevant contracts for the latter two;
- Financial Advisors who, in addition to sales activity, carry out supervision, coordination and development activities for other Financial Advisors ("Supervisors and Managers").

The remuneration structure adopted provides for a **recurrent component**, which represents the "stable" remuneration and is proportional to the volume of business generated in favour of the Bank, and a potential incentive **component** known as **non-recurrent**, that aims to recognise the results achieved, establishing a direct connection between the remuneration and the actual results in the short and medium term, of the Company and the individual in accordance with the risk profile defined.

Pursuant to the applicable regulatory provisions, and in compliance with the provisions of Article 10 of the By-laws and in line with the resolutions of the Shareholders' Meeting of Mediolanum S.p.A. of 26 March 2015 for the "Key Personnel" who are part of the Sales Network, the adoption of a maximum ratio between fixed and variable remuneration up to 2:1 is confirmed (a maximum theoretical total of 55 people identified as Key Personnel is considered at present).

The non-recurrent component for the Financial advisors identified as 'Key Personnel' consists of a short-term variable remuneration on an annual basis, of which part is paid *up front* and part is deferred, whether in cash or in instruments, in line with the applicable regulatory framework. For Financial Advisors not identified among the "Key Personnel", any non-recurrent component is composed of short-term variable remuneration, on an annual basis, determined *ex ante* and according to objective criteria. For some selected categories of Consultants not included in the category of identified staff, specific forms of non-recurring share-based remuneration with deferred payment may be envisaged – also for retention purposes²⁴.

As per the regulations, the non-recurrent remuneration is corrected *ex post*, taking into account operational risk indicators such as to promote honest conduct and connection with the legal and reputational risks that might affect the bank, and suitable for facilitating compliance with the rules, protection and retention of customers.

Payment of the non-recurrent component of all Financial Advisors is entirely or partially tied to the prior fulfilment of the equity and liquidity conditions of the bank and of the Group.

Some of the most significant components of the non-recurrent remuneration may include bonuses for managers eligible for incentives and 'contests' for the period and the so-called "incentive allowances".

The distinction between "recurrent" and "non-recurrent" components of the remuneration, the operational risk indicators to which the "non-recurrent" component is anchored (also in view of the *ex post* correction for risks), the conditions for accessing the "non-recurrent" remuneration and the other essential characteristics of the remuneration systems are adequately formalised and documented as required by Circular 285/2013. Without prejudice to what is provided for in this section, the rules established for all personnel, including alignment with the policies of prudent bank risk management and the prohibition to not use personal hedging or remuneration insurance policies, apply to all Financial Advisors.

If the variable component accrued is a particularly high amount, for the key personnel, the portion in equity instruments, the deferred portion and the related deferment period may be further increased on the basis of what was established by the supervisory regulations.

Based on the criteria set to determine values that constitute a particularly high amount of the variable component – in continuity with 2022 – a €435,000 threshold is set for the variable component vested during the year.

5.1 Purpose of non-recurring remuneration

The non-recurring remuneration of the sales network is aimed at pursuing:

- the promotion of the Sales Network's *engagement* in the interests of the shareholders to create value;
- alignment of the market practices of reference;

²⁴ For example, the "Collaborators - Other Personnel Plan".

- compliance with the provisions;
- *retention* of the recipients of resources.

The incentive system makes it possible to:

- foster the loyalty and *commitment* of recipients, thus developing a sense of belonging to resources that make a decisive contribution to the success of the Company and the Group;
- a significant portion of the non-recurrent component to be bound to attainment of certain *performance* objectives, both corporate and, when deemed necessary, individual, so as to align the interests of the recipients with the pursuit of the priority objective of creating value for the shareholders over a medium/long-term time horizon;

As illustrated below, also with reference to the Employee Plan - Key Personnel, the incentive system provides for disbursement of the annual variable remuneration through correlation with a Net Income target indicator, and considering the achievement of objectives at the Group level based on the following elements:

- capitalisation;
- liquidity;
- the level of the capital.

5.1.1 Collaborators Plans

In 2015, the Shareholders' Meeting of Banca Mediolanum S.p.A. resolved approval of the incentive plan for the Sales Network Personnel in order to ensure that the incentive systems *comply* with the applicable regulatory framework.

In continuity with what has been done in previous years, the following is envisaged:

- The variable remuneration plan is addressed to the "Collaborators - Key Personnel",
- The plan is aimed at "non-key" Collaborators in the Network ("Collaborators - other personnel") with managerial roles or otherwise classified (e.g. "private", etc.).

With reference to the **significant personnel of the Sales Network**, the system assigns a short-term incentive, part of which is *up front* and another part deferred, paid in *cash* and in financial instruments.

The variable remuneration plan for "Collaborators" establishes that, for Key Personnel whose accrued incentive component exceeds €50,000 or represents more than 1/3 of the total annual remuneration, 50% of the payment will be in *equity* instruments and a 40% quota of the total variable will be deferred, unless the "Particularly High Amount" threshold is exceeded, as detailed in paragraph 6 (60% deferment).

If the collaborator qualifies as "top management", the vesting period is extended to five years and a portion higher than 50% of the vested amount is paid in equity instruments.

The arrangements for payment of the variable remuneration adopted for the key personnel in the Sales Network are akin to those for key employees, as outlined in paragraph 4.6.1 above.

The determination of the non-recurring remuneration is related to a target Net Income - similar to that adopted for other Employees and explained above – defined annually by the Board of Directors.

The adopted system requires that objectives be reached on both the company level (through the Gate function) and the personal level for the non-recurrent component.

The indicators identified and their Gate targets are defined in line with the Risk Appetite Framework (RAF) approved by the Risk Committee.

In line with the regulations and the approach adopted for the Group's incentive systems, **specific threshold** values are identified. For 2023, the values are as follows:

Category	Capitalisation	Capital	Liquidity
Indicator	Existence of a capital surplus compared to the capital requirements	Total Capital Ratio	Liquidity Cover Ratio (LCR)
Threshold Values	Surplus compared to the regulatory requirements	13%	LCR higher than 100%

In addition, individual financial and non-financial objectives are envisaged, as detailed below.

With reference to the individual financial objectives, in compliance with the assessment systems adopted in the Group, these are defined according to the following main guidelines:

- the result areas must be considerably easy to be influenced by the incentive beneficiary;
- the performance indicators identified for the result areas must be closely related to the total result/value generated by the local/organisational units responsible for them;
- it is necessary to consider objectives as measurable as possible and relating to sales/economic figures tied to the budgets and within the visibility of the Planning, Control and Investor Relations function. To this regard, it is necessary to ensure that the final balance of the performance indicator for the Administration, Accounting and Financial Statements Division can be recorded at the end of the measurement period.

The incentive system of the Financial Advisors is mostly addressed at the deposits activity that can be traced back to macro aggregates. This approach prevents the incentive policies from being able to favour the distribution of specific products in potential conflict of interest for the Bank and for the Network.

Other parameters that are adopted regard the organisational structure of the network, training, recruitment, ever greater adoption of evolved IT tools helpful for better serving the customers and the growth and development of the professional figures within the Sales Network.

The need to adopt non-financial correction criteria on the non-recurrent component paid to the Network, inspired by honesty in customer relations criteria, reducing legal and reputation costs, customer protection and retention in keeping with the applicable legal, regulatory and self-governance provisions is met through a single *performance* indicator (QPI – Quality Performance Index).

This indicator requires that a set of qualitative parameters be used to evaluate the banker’s work, and they also represent the *best practices* commonly adopted by the leading competitors.

The QPI is governed within a specific implementing regulation document.

Other qualitative indicators (e.g. the RUP Manager – Manager Performance Single Rating) are used for Managers and other Network roles.

In addition to the aforementioned indicators, there are the Disciplinary Sanctions (suspensions and revocations) imposed during the entire period of reference.

5.2 Treatment planned in the case of termination of the agency agreement or reduction of the assignment of supervision, assistance, and coordination

The Collaborators of the Sales Network - as mentioned - are not linked to the Bank by an employment relationship, therefore the remuneration and incentive logics have completely different characteristics from those of the employees. In any case, the supervisory regulations of the sector provide for the application of remuneration and incentive categories similar to those of employees also to Financial Advisors.

The remuneration approach that Banca Mediolanum adopts towards the Collaborators of the Sales Network, on the occasion of the termination of the agency relationship, the reduction of the portfolio or the assignment, falls within this context. The Bank, taking into account its business model, has an interest in allocating to its agents, in the event of termination of the agency relationship (or during the same as the scope of activities changes), a part of the value generated in favour of the Bank during the agency relationship, a value commensurate with the volume of business developed and the quality of the activity carried out by the Collaborator. This value is translated into

an amount, with the application of a mathematical formula that guarantees transparency for the agent, and representativeness for the stakeholders of the actual return generated by the agent's activity in favour of the Bank.

The foregoing describes the purposes of the Bonus Indemnities ("Portfolio Indemnity", "Structure Indemnity" and "Manager Financial Advisor Indemnity") recognised in the event of:

1. termination of the agency contract;
2. reduction of the customer portfolio;
3. reduction at the initiative of the Bank of the structure of agents assigned to those who carry out supervision, assistance and coaching activities or coordination of one or more agent structures.

The synoptic frame below summarises the main characteristics of the Bonus Indemnities referred to above.

Treatment type	Recipients	Characteristics	Payment process
Portfolio indemnity	Line agents/managers	<ul style="list-style-type: none"> - in the event of termination of the agency relationship or reduction of the customer portfolio/termination or reduction of the structure of agents under supervision at the Bank's initiative; - amount of the indemnity relating to the value of the customer portfolio/structure managed. 	<p>The Bank disburses the indemnity provided that the portfolio/structure is reassigned to one or more agents who take over in the portfolio or in the supervision of the agent structure and undertake to pay the relative value to the Bank.</p> <p>In the case of Structure Indemnity, the Bank itself may take over if, where for organisational purposes, it intends to carry out the supervision directly. In this case, it will pay the relevant indemnity to the transferring agent.</p>
Structure Indemnity			Agents that carry out supervision, assistance, and coordination activities of several agent structures (so-called Staff Manager)
Manager Financial Advisor Indemnity			

The above-mentioned indemnities are allocated to the former agent according to the terms and conditions set out in the Additional Indemnity and Bonus Regulations, and when paid, will therefore be disbursed – as more detailed in the aforesaid Regulations – against, inter alia, the former financial advisor agent's entry into compliance with a non-competition agreement lasting two years.

The Bank may also decide to propose to the former agent – if considered to be in its strategic interests – to pay a "loyalty bonus" against their proven abstention, for a period to be established following the expiry of the non-competition agreement, from carrying out activities that conflict and/or compete with those carried out by the Bank.

The total amount that can be disbursed for the above-mentioned benefits – including the amounts whose value is paid to the Bank by other agents for the purchase of the portfolio or the relevant structures – and for all other agreements that may be reached in relation to the former financial advisor agent may not in any case exceed in total whichever is the lower sum of 5 (five) annuities of the last recurrent remuneration and €15 million.

Without prejudice to the fact that the sums paid to the key personnel also falls under the calculation of the limit to the variable/fixed ratio, except for the sums agreed upon and paid:

1. based on a non-competition agreement, (i.e. maximum two years), for the part that – for each year the agreement lasts – does not exceed the last annuity of recurring remuneration,
2. in the scope of an agreement between the bank and the personnel, reached anywhere, to settle an actual or potential dispute, if calculated based on the rules under this paragraph and in Annex one to this document.

The applicable legal and regulatory provisions remain unaffected, including the provisions under Part I, Title IV, Chapter 2, Section III, paragraph 2.2.2 and 2.2.3 of Bank of Italy Circular No. 285/2013.

In order to establish the amounts that can be paid under an agreement between the Bank and the personnel to settle a current or potential dispute, the Bank has the right to pay a maximum amount determined pursuant to Annex 1 of this document.

5.3 Conditions applied to products and services offered to the Sales Network by the Bank

The same conditions on the products and services offered by the Bank that are normally applied to the best customers apply to all Financial Advisors.

5.4 Other forms of remuneration

In particular, the non-standard remunerative components refer to those elements of remuneration that are considered to be exceptional (for example: a welcome or exit bonus). This remuneration is limited exclusively to specific situations such as: incentives to recruit new collaborators, the launch of special projects, the achievement of extraordinary results, a high risk that strategic collaborators from the Sales Network will leave. This is in line with the applicable regulations and governance processes, periodically monitored by the functions in charge and subject to disclosure to the Remuneration Committee/Board of Directors.

Forms of remuneration linked to the seniority of the beneficiary (i.e. "retention bonus") may also be awarded. Any such disbursements are granted on a proportional basis with respect to the purposes of retention of the beneficiary, defined with a suitable time frame, and paid until the end of the agreed retention period. Normally, no more than one retention bonus is paid to the same person, except in exceptional and justified cases.

Retention bonuses may not be used to indemnify the beneficiary against reduction or cancellation of the variable remuneration derived from the ex-ante and ex-post adjustment mechanisms, nor can they lead to a situation where the total variable remuneration is no longer associated with individual performance.

These amounts are used in calculating the variable remuneration and are subject to limits on the variable/fixed ratio and subject to ex-ante and ex-post adjustment mechanisms.

6 Provisions on transparency with reference to the Remuneration policies and practices²⁵

The Group remuneration policies include the remuneration policies for personnel and third parties who work in the sales network and who supply retail banking products and services, structured in such a way that does not induce them to pursue their own interests to the detriment of the customers, and:

- consistent with the Company's objectives and values and its long-term strategies;
- with a view to criteria of diligence, transparency and honesty in customer relations, the reduction of legal/reputational risks and customer protection and encouraging customer loyalty;
- also based on non-commercial objectives.

The policies and procedures to manage the human resources are therefore in line with the above-mentioned principles.

In particular, the variable remuneration is linked to quantitative and qualitative criteria. For the measurement and remuneration of the people working in its sales network, policies are adopted that do not give incentives to sell products that do not match the financial needs of the customers.

More specifically, these policies aimed at significant parties ²⁶and the credit intermediaries ensure that:

- a) the remuneration does not give incentives that would encourage the pursuit of their own interests or the interests of the intermediary to the detriment of the customers;
- b) account is taken of every risk that could result in harm to the customers;
- c) the variable remuneration component is anchored to quantitative and qualitative criteria, does not give an incentive to offer a specific product or a specific category or combination of products if this would harm the customer in terms, inter alia, of offering a product that does not match the customers' financial needs, or that is at a higher cost than another product that would have been adequate, consistent and beneficial with respect to the interests, objectives and characteristics of the customer.
- d) For personnel involved in the granting of loans, the forms of incentive-based remuneration shall also take account of credit quality indicators adjusted and aligned with the bank's credit risk appetite.

The variable component is adequately balanced with respect to the fixed component, and correction mechanisms are provided for, similarly to other personnel, that allow for the reduction (also significant) or zero-rating of the variable, if any malus/clawback cases occur as described below (for example in the case of conduct, by the significant parties or the credit intermediaries, that caused or helped cause significant damage to customers or a significant breach of the rules and regulations or codes of ethics or conduct protecting the customers).

With special reference to the variable component of the remuneration of the Sales Network collaborators, this is linked to more than one qualitative variable through the use of indicators that summarise the qualitative results achieved and if the performance is unsatisfactory, determines the reduction or cancellation of the incentive due.

In accordance with the applicable regulatory framework, the following are provided for participants in incentive systems or in general in variable remuneration plans:

1. specific indicators for the personnel in charge of settling claims in order to take account of the results achieved in their management and the quality of the customer relations;
2. the staff in charge of assessing creditworthiness, the remuneration policies that ensure the prudent risk management.

As at the date of drafting this document, the content of this paragraph applies to 4,433 persons, collaborators (4,427) and employees (6), in roles within the sales network of the Italian bank.

These remuneration policies are adequately recorded and kept for at least five years. The significant parties and credit intermediaries will be clearly informed of the remuneration policies and practices that apply to them, before being put in charge of offering the products. In any case, the remuneration policies and practices are easily accessible by the significant parties and the loan intermediaries.

²⁵ They are intended to include the remuneration policies and practices for the significant parties and the credit intermediaries in accordance with the Provision of the Bank of Italy No. 81/2019 "Transparency of the banking and finance transactions and services. Fairness in the relations between intermediaries and customers" adopted by the strategic supervision body also in charge of their correct implementation and to make any changes to them, subject to the opinion of the remuneration committee and the contribution of the human resources function and the corporate control functions. The Shareholders' Meeting shall approve the policies at least once a year.

²⁶ they are relevant with reference to the specific rules on transparency, i.e. the intermediary's staff who offer products to customers, interacting with them, and those to whom these people report at a hierarchical level.

7. Assessment of sustainability relating to the own funds requirements

The current provisions on the subject of remuneration and incentive systems generally dictate specific criteria that which the banks must follow in order to guarantee, among other things, that the system appropriately takes into account current and future risks of the degree of capitalisation and of the levels of liquidity of each intermediary. In the interest of all the stakeholders, the objective is to arrive at remuneration systems in line with the long-term corporate strategies and objectives connected with the corporate results, appropriately corrected to take into account all risks, consistent with the levels of capital and liquidity necessary to cope with the activities undertaken.

With particular reference to the ratio between variable and fixed components of the remuneration, in relation to which - as stated in the forgoing paragraphs - the Bank exercised its right to raise this ratio beyond the 1:1 level, but in any case within the maximum limit of 2:1, the regulations require that the intermediary carry out an assessment process of consistency and sustainability compared to the prudential regulations and, in particular, to capital requirements.

This process is carried out by taking account of both the remuneration of the employees and the collaborators (financial advisors) who can be identified as "key personnel". More specifically, for the latter and owing to the specific nature of the remuneration assigned to them, which makes it by definition not exactly determinable ex ante, their potential impact on capital was estimated both on the year under way and on the two following years (2023-2025 three-year period), prudentially doubling the amount of the recurrent remuneration paid in 2022.

When this process was completed and in consideration of both the limited number of 'key personnel' potentially affected by the 2:1 ration and their remunerations, keeping, and potentially applying the higher limit, does not jeopardise compliance with the prudential regulations and, in particular, that regarding capital requirements in the 2023-2025 three-year period.

8. Malus and Claw Back mechanisms for the Directors, Employees and Sales Network

The Group has implemented *malus* mechanisms based on which it will not liquidate the incentive remuneration in consideration of the performance net of the risks actually assumed or attained, the equity and liquidity situation of the Group or of the single entity (known as *gates*).

These mechanisms can also lead to even a significant reduction or elimination of the variable remuneration itself if performance results are significantly lower than the pre-set objectives.

With particular reference to the activity of the Financial Advisor, the activities affected by the non-recurrent remuneration must observe the principles of honesty in customer relations since the main objective of this activity is to satisfy the interests of the customers in the best possible way in observance of the regulations that govern the distribution of investment products and services.

Claw-back mechanisms are also envisaged (as far as legally applicable), based on which the Group is entitled to request the return of the variable remuneration disbursed for a duration of:

- five years from the time the individual quota (upfront or deferred) was allocated to parties categorised as Key Personnel;
- up to three years in other cases.

The *claw-back* mechanism is activated in the following cases:

- conduct not compliant with legal, regulatory and by-law provisions as well as any codes of ethics or conduct applicable to the bank that caused a significant loss for the bank or for the clientele;
- other behaviour not compliant with legal, regulatory and by-law provisions as well as any codes of ethics or conduct applicable, in the cases that may be envisaged;
- infringements of the obligations imposed pursuant to Article 26 (requirements of professionalism, reputation and independence of the company representatives) or, when the party is an interested party, to Article 53, paragraphs 4 et seq. of the Consolidated Banking Act (conditions and limits set by the Bank of Italy for assuming risk activities with related parties) or of the remuneration and incentive obligations;
- fraudulent or gross negligence conduct to the detriment of the Group.

The above cases also apply as a *malus* condition in addition to the reasons already listed.

9. Duration of the policy and derogations in exceptional circumstances

The duration of this policy is annual.

On an exceptional, non-recurrent basis, subject to the opinion of the Remuneration Committee, the Board of Directors may establish temporary exceptions to the policies described above. In any case, it is subject to the application of the rules provided for under the Procedure for Related Party Transactions.

The right to make exceptions, in exceptional cases, may regard the definition of remuneration components, including fixed, not provided for under the policies, the amount of the variable component due in accordance with the provisions of the remuneration policies, and the payment (or not) of the variable component regardless of the occurrence of the conditions provided for its payment.

"Exceptional circumstances" refer to those situations in which an exception to these policies is necessary in order to pursue the long-term, sustainable interests of the Company as a whole, or to ensure the capacity to remain on the market in a competitive manner. The following cases include but are not limited to examples of exceptional cases: geopolitical/natural events with significant macroeconomic impacts, extraordinary transactions which had not been planned in advance (for example restructuring, reorganisation or reconversion), changes to the organisational, management or administrative structure of the enterprise to the extent of impacting the economic-financial results, the replacement, due to unforeseen events, of members of the authorised bodies, top management roles, that require the prompt renegotiation of their remuneration package, where the presence of certain restrictions contained in the approved policy could limit the ability of the Company to attract managers with professional skills that are most suited to covering the roles provided for or constitute a limit to long-term value creation.

SECTION II

Report on the remuneration paid

1. Implementation of the remuneration policies in 2022

This section aims to represent the decisions and criteria used by the Company to determine the fixed and variable remuneration.

In relation to the comments received during the previous shareholders' meeting, the level of ex-post disclosure of performance and remuneration data was further increased.

In particular, the first part contains detailed information on implementation of the policies from the previous year and on the operational mechanisms of the incentive systems adopted, and the second part provides adequate representation in table format for each of the items making up the remuneration and the salaries paid during the reference year for any reason and in any form by the Company or by subsidiaries or associates pursuant to the CONSOB and Bank of Italy tables are analytically explained.

1.1 Pay mix analysis of the remuneration paid in 2022

The total remuneration of the Chief Executive Officer in 2022 can be broken down as follows between the fixed component paid and the variable component effectively accrued with reference to the performance for the year:

	Fixed remuneration for the position of Director	Fixed salary for the employment relationship	Short Term variable remuneration*	Discretionary Benefits**	Total Remuneration***
Chief Executive Officer Massimo Antonio Doris	€ 600.000	€ 510.714	€ 312.000	€ 8.155	€ 1.430.869
<i>proportion</i>	41,9%	35,7%	21,8%	0,6%	100,0%

* The short-term variable remuneration is considered for the total amount vested for the year of accrual and does not consider the portion actually paid, or the periods of deferment that it is actually subject to.

** The benefits are valued on the basis of what is recognised as taxable income and does not include the amount allocated to the majority of employees

*** With reference to the long-term variable remuneration, the portion attributable to the year on the basis of the maximum level of opportunity corresponding to the three years of performance measurement (2020-2022) amounted to €300,000.

**** The total remuneration does not include the amount defined by law and the national contracts (for example employee severance indemnity, social security contributions).

Further, more detailed information is contained in the annexes, also referring to the other parties for whom they are provided for on a named basis.

The variable target and maximum remuneration awarded to the Chief Executive Officer pertaining to 2022 remained unchanged compared to the previous year. In particular, the short-term maximum variable remuneration upon attainment of 100% of the objectives is a component equalling 26.3% of the total remuneration allocated (excluding the annualised quota of the LTI plan for the 2022 performance year).

In addition to the general indicators (gate and performance objectives) measured at the Conglomerate level, the short-term variable remuneration of the Chief Executive Officer is dependent on the achievement of objectives set out in an individual scorecard.

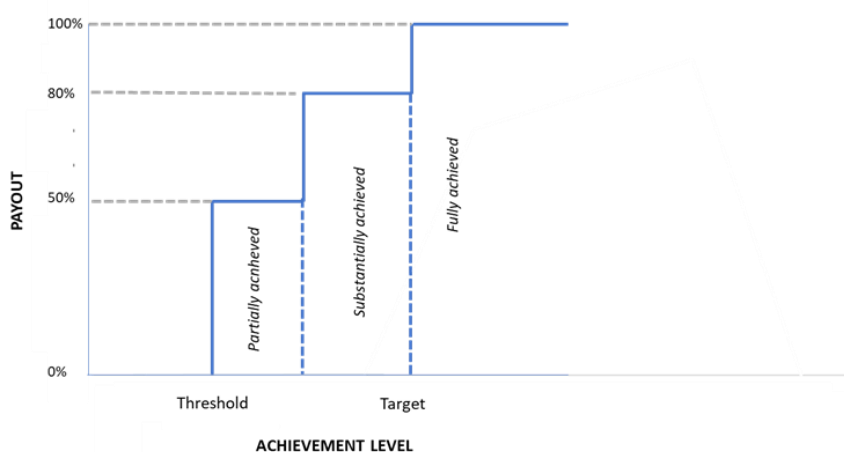
The **performance of the Chief Executive Officer in 2022** with respect to the financial and non-financial objectives and targets included on the individual scorecard related to the 2022 Top Management Key Personnel Plan was assessed by the Remuneration Committee and the Board of Directors in their meetings held respectively on 27 February and 7 March 2023.

Evaluation of the level of achievement of the objectives in the scorecard, resulted in an overall result of **78/100** (as detailed below), resulting in an overall short-term variable remuneration of **€ 312.000**, to be paid in accordance with the rules set out in the 2022 Remuneration Policy and the 2022 Top Management Plan for key personnel.

	Goal	KPI	Weight	Final figure	Payout level	Result
FINANCIAL	Asset under management and administration growth (Group)	Total Net Inflows	40%	8.3 Mrd €		20%
	Credit quality (Group)	NPL on total loans	20%	1.28%		20%
	Enhancement of protection products distribution (Italy)	Premiums	10%	183.9 Mln €		8%
NON FINANCIAL	Sustainable development: Positioning in ESG indices/ratings	YoY improvement of positioning in ESG ratings/indices	20%	5 ratings/indices unchanged or improved		20%
	Multi-target growth strategy	Digital qualified customers growth- Selfy	10%	110.483 total customers o/w 38.853 prima banca		10%

The layout of the performance sheet envisages, as shown graphically below:

- a threshold interval for which the objective is considered “partially achieved”, entailing a 50% pay-out. Below this threshold, the pay-out is 0%;
- an interval for which the objective is considered “substantially achieved”, entailing an 80% pay-out;
- a target level for which the objective is considered “fully achieved”, entailing a 100% pay-out



1.2 Pay analyses and performance 2018-2022

The table set out below, with reference to the last five years, reports the information comparing the annual changes in the results of the Mediolanum Conglomerate, the remuneration of the Chairperson and the Chief Executive Officer and the average gross annual remuneration of the Group employees.

Year	2018	2019	2020	2021	2022
Consolidated Net Income (€mln)	255,7	565,4	434,5	713,1	521,8
YoY Delta	-	+ 121,1%	- 23,2%	+ 64,1%	- 26,8%
Chairman of the Board	€ 600.000	€ 600.000	€ 600.000	€ 450.000	€ 450.000
YoY Delta	-	+ 0,0%	+ 0,0%	- 25,0%	+ 0,0%
Chief Executive Officer fixed remuneration	€ 1.109.615	€ 1.105.495	€ 1.104.121	€ 1.113.736	€ 1.110.714
YoY Delta	-	- 0,4%	- 0,1%	+ 0,9%	- 0,3%
Chief Executive Officer total awarded remuneration	€ 1.229.607	€ 1.402.656	€ 1.511.245	€ 1.513.736	€ 1.430.869
YoY Delta	-	+ 14,1%	+ 7,7%	+ 0,2%	- 5,5%
Chief Executive Officer total maximum theoretical remuneration upon achievement of performance goals (opportunity)	€ 1.509.615	€ 1.505.495	€ 1.804.121	€ 1.813.736	€ 1.810.714
YoY Delta	-	- 0,3%	+ 19,8%	+ 0,5%	- 0,2%
General Manager fixed remuneration	€ 477.354	€ 516.354	€ 577.023	€ 591.505	€ 615.632
YoY Delta	-	+ 8,2%	+ 11,7%	+ 2,5%	+ 4,1%
General Manager total awarded remuneration	€ 676.154	€ 856.354	€ 917.023	€ 931.506	€ 955.632
YoY Delta	-	+ 26,7%	+ 7,1%	+ 1,6%	+ 2,6%
General Manager total maximum theoretical remuneration upon achievement of performance goals (opportunity)	€ 676.154	€ 856.354	€ 1.088.083	€ 1.102.566	€ 1.265.632
YoY Delta	-	+ 26,7%	+ 27,1%	+ 1,3%	+ 14,8%
Average annual gross remuneration of Group employees	€ 49.434	€ 49.932	€ 51.344	€ 50.098	€ 51.105
YoY Delta	-	+ 1,0%	+ 2,8%	- 2,4%	+ 2,0%

* Annual fee for the position. With reference to 2021 and 2022, due to the waiver by the President in office from 09/28/2021 of the previously approved €150,000.

** Comprensiva della remunerazione fissa e della remunerazione variabile di breve termine effettivamente maturata nell'anno.

*** Including the fixed remuneration and the short-term variable remuneration actually accrued during the year

**** Including the theoretical portion for the year (one-third equal to €285,100) relating to the 2020-2022 long-term plan.

***** The average gross annual remuneration of employees was calculated as the arithmetic mean of the remuneration actually paid during the reference year for employees, excluding from the calculation the remuneration of the Chief Executive Officer, the General Manager and the other persons indicated by name in the attached tables.

1.3 Termination of office, exceptions or ex post corrections

With respect to the members of the administration and control bodies, the general managers and the key managers, there was no compensation and/or other benefits allocated during the year for termination of office or the employment relationship.

No exceptional cases occurred that would make it necessary or involve exceptions to the remuneration policy during 2022.

With regard to the same parties mentioned above, during the year there were no circumstances that led to the application of ex post correction mechanisms of the variable remuneration such as *malus* or *claw-backs*.

2. Governance

2.1 Meetings and composition of the Remuneration Committee

In order to guarantee correct implementation and management of the remuneration policies, during 2022 the Remuneration Committee, set up at the Parent Company Banca Mediolanum S.p.A. (consisting of two independent Directors) met 9 times. In 2023, at the date of this Report, 2 meetings of the Remuneration Committee had been held.

3. Fixed remuneration and pay mix

The fixed remuneration of the Directors and Employees was determined by referring to the benchmarks used through ongoing monitoring of the general market trends, in order to define remuneration levels competitive with

the markets of reference and to guarantee internal impartiality. The analysis and monitoring of the trends and remuneration levels were conducted both at the Italian level and internationally, also making use of studies relating to specific sectors and populations (Executive, Asset Management, etc.) and to the foreign countries where the Group is present.

In connection with the Employees, the major reference for the Italian context is the remuneration study promoted by the Italian Banking Association.

With reference to the foreign markets where the Group is present, studies promoted by the companies Willis Towers Watson, Korn Ferry and PWC were used, on the basis of the specific soundness of the sample of companies in the different countries.

With regard to the remuneration paid to the Directors, the comparison with the applicable peers is carried out every year as indicated above in section I in more detail.

With particular reference to Banca Mediolanum S.p.A., the following table explains the individual remuneration currently defined for the company bodies, as decided by the Shareholders' Meeting of 15 April 2021:²⁷

BODY	CHAIRPERSON	MEMBER
Board of Directors*	€450,000	€75,000
Risk Committee	€40,000	€30,000
Remuneration Committee	€25,000	€20,000
Appointment and Governance Committee	€25,000	€20,000
Related Parties Committee	€25,000	€20,000
Board of Statutory Auditors	€100,000	€70,000

* The Chairperson and Deputy-Chairperson waived part of the amount resolved upon by the Shareholders on 15 April 2021.

The remuneration of the control body was decided upon by the Shareholders' Meeting in accordance with the estimated engagement needed to perform the role, the professional competence and the skills required by the members of the Board of Statutory Auditors in accordance with the provisions of Article 2402 of the Civil Code.

With regard to benefits, packages with homogeneous characteristics were offered to the various employee categories for those belonging to the same category.

The main benefits paid during the year 2022 included:

- access to the banking and financial products at facilitated conditions;
- systems supplementing the welfare and social security plans;
- liability insurance policy;
- corporate welfare plans addressed to homogeneous employee categories aimed at providing refunds for school expenses of children, assistance to the elderly, from medical check-ups to recreational activities, in line with the Italian tax legislation.

During 2022, with reference to Directors and Key Employees, only one party (employee) was attributed with a variable annual remuneration target potentially higher than the fixed component.

²⁷ The table refers only to the non-executive members of the Board of Directors and its committees as of the date 31/12/2021. The remuneration package does not provide for any variable remuneration for the company bodies with control functions, i.e. the Board of Statutory Auditors and the non-executive Directors.

4. 2020-2022 LTI Plan

Within the Remuneration Committee and the Board of Directors' meeting of 27 February and 7 March 2023, the level of achievement of the performance indicators relating to the 2020-2022 Long-term Incentive Plan in cash and phantom shares, aimed at the Group's top managers, was assessed. Similarly to the Group Incentive Plans, the structure of the Plan envisaged an access gate based on:

- risk-adjusted value creation
- capitalisation;
- capital;
- liquidity;

The achievement of the target thresholds of the access conditions was verified in each year of performance of the plan, with the outcome shown below.

	KPI	Threshold	Result	
2020	RARORAC	≥0	3,1%	●
	Capital surplus	≥0	459 € mln	●
	LCR	≥100%	382%	●
	TCR	≥12,2%	20,4%	●
2021	RARORAC	≥0	5%	●
	Capital surplus	≥0	1.459 € mln	●
	LCR	≥100%	349%	●
	TCR	≥12,2%	20,9%	●
2022	RARORAC	≥0	2,22%	●
	Capital surplus	≥0	1.563 € mln	●
	LCR	≥100%	299%	●
	TCR	≥12,35%	20,6%	●

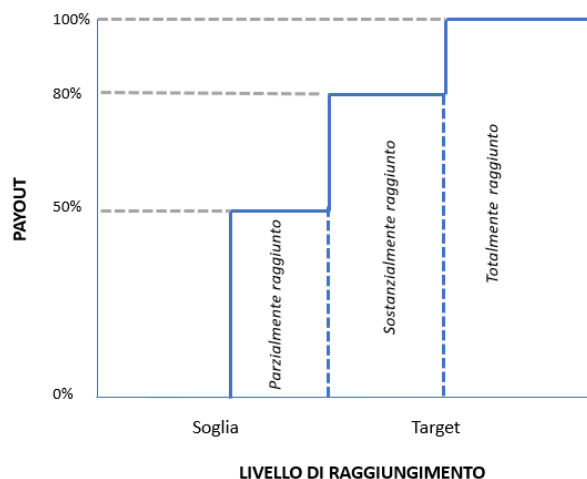
Following the verification of the access conditions, and for the purposes of determining the individual bonuses of the Plan beneficiaries – with the contribution of the competent Internal Functions – the degree of achievement of the objectives pre-defined in the scorecard was determined.

The outcome of the assessment is illustrated below.

	Goal	KPI	Weight	Final figure	Payout level	Result
SOLIDITY	CET 1	Δ vs Risk Capacity (SREP) <i>End of period</i>	30%	+1235 bp		30%
PROFITABILITY AND VALUE CREATION FOR SHAREHOLDERS	DPS	Dividends from profit <i>End of period</i>	30%	1.52 €		30%
CREDIT BUSINESS SUSTAINABILITY	NPL	NPL/Tot loans <i>Average of the period</i>	20%	1.31%		20%
SOCIAL RESPONSIBILITY	ESG Initiatives	ESG Initiatives plan rollout (10sustainability initiatives) <i>End of period</i>	20%	9/10 initiatives completed		20%

The layout of the performance sheet envisages, as shown graphically below:

- a threshold interval for which the objective is considered “partially achieved”, entailing a 50% pay-out. Below this threshold, the pay-out is 0%;
- an interval for which the objective is considered “substantially achieved”, entailing an 80% pay-out;
- a target level for which the objective is considered “fully achieved” which entails a 100% pay-out.



With particular reference to the Chief Executive Officer of Banca Mediolanum S.p.A., on the basis of the assessment of the level of achievement of the objectives as described above, and considering the absence of impeding subjective conditions envisaged by the Plan Regulations, the Board of Directors resolved on the 7 March 2023, subject to the favourable opinion of the Remuneration Committee on 27 February 2023, a total bonus based on the Plan equal to **€ 900.000** (100% of the individual bonus opportunity).

The incentive will be paid in cash and Phantom Shares, as defined by the Internal Regulations and illustrated in the public documentation relating to the Plan, over a time horizon of 4 years, as detailed below.

	Instruments	Cash	Holding Period (1 year)		
	2020-2022	2023	2024	2025	2026
Performance Accrual		Equity 30% (up-front)	Equity 30% (up-front)		
		Cash 30% (up-front)	Equity 10% (deferred I)	Equity 10% (deferred I)	
			Cash 10% (deferred I)	Equity 10% (deferred II)	Equity 10% (deferred II)
				Cash 10% (deferred II)	
Total		60%	20%	20%	-

5. Short-term variable remuneration and non-recurrent component (share performance plans)

	Top Management 2022 - Key Personnel	Top Management 2022 - Other Personnel	Collaborators 2022 - Key Personnel	Collaborators 2022 - Non-Key Personnel
Gate condition	Total Capital Ratio, RARORAC, capitalisation, LCR.		Total Capital Ratio, Capitalisation, LCR.	
Correlation to Profit (bonus pool)	A correlation scale between the bonus pool and the value of the Consolidated Net Income is used, whereby at gate values of lower than 70% of the Target profit, no bonus pool to distribute will be generated; in the case of Consolidated Net Income values of between 70% and 100%, a bonus pool proportional to the result obtained is generated.		Positive economic result of less than 70% of the target profit (with 5% tolerance). As defined for the year 2022, for all other non-recurring remuneration components, a threshold of 20% is applied with respect to the Net Income target	
Upfront portion and deferred portion	<ul style="list-style-type: none"> • 60% of the variable amount is up front; and • the remaining 40% is deferred* 	<ul style="list-style-type: none"> • 60% of the variable amount is up-front; • the remaining 40% is deferred 	<ul style="list-style-type: none"> • 60% of the variable amount is up front; and • the remaining 40% is deferred. 	<ul style="list-style-type: none"> • 100% of the variable amount is deferred.
Portion in equity instruments	50% both of the up-front quota and of the deferred quota.**	100% of the deferred portion is in equity instruments (shares).	50% for both the up-front part and the deferred part.**	100% of the variable portion is in equity instruments (shares).
Performance Period	1 year			
Retention period on the portion in equity instruments	1 year	1 year	1 year	-
Deferment period	4 years ***	3 years	4 years***	9 years
Type of vehicle	Performance Shares****.			
Minimum threshold of application of upfront and deferment	Variable remuneration > €50,000 or accounting for more than 1/3 of the total annual remuneration.			N/A
Parties taking part in the plan	Relevant personnel beyond the above threshold	Personnel considered "Executive", including relevant personnel not exceeding the above threshold	PF identified as "identified staff"	PFs not identified as "identified staff"
Variable CAP compared to Fixed Remuneration	Maximum cap: 200% (for certain specific roles).		Maximum cap: 200%	
	Maximum cap for control functions: 33%.			

* In the case of particularly high amounts, the deferred portion is raised to 60%.

** for MRTs qualified as Top Management, the payment in instruments of an amount exceeding 50% of the total incentive is envisaged.

*** The deferral period is extended to 5 years for MRTs identified as Management personnel.

*** Excluding the Chief Executive Officer for whom the equity-based portions are 'phantom'.

5.1. Top Management Incentive Plan 2022

The characteristics of the 2022 Top Management Plan were explained in detail in Section I of the 2022 Report on the remuneration policy and remuneration paid.

For the purposes of the execution of the Plan, in accordance with the provisions of the Remuneration Policy and internal regulations, the achievement of the thresholds envisaged by the Plan Gate was checked in advance, in terms of RARORAC, excess capital, TCR and LCR, as follows:

KPI	Threshold	Result	
RARORAC	≥0	2,22%	●
Capital surplus	≥0	1.563 € mln	●
LCR	≥100%	299%	●
TCR	≥12,35%	20,6%	●

The values of these indicators are measured at Group level and checked at the end of the period, i.e. at 31/12 of the year the performance is measured (*accrual* period) and at the end of each year prior to that of distribution with reference to any deferred amounts.

Furthermore, for the purposes of determining the Bonus Pool, the correlation between the Consolidated Net Income is also ensured by the following scale:

EFFECTIVE CUMULATIVE CONSOLIDATED NET INCOME	MULTIPLE
< 70% of the Target	0%
= 70% <= 100% of the Target	Directly proportionate (70% - 100%)
> 100% of the Target	100%

With reference to FY 2022, the income earned, on the basis of what is set out in the annual financial Report approved by the Board of Directors of 7 March 2023, is higher than the target established for that year. For reasons of confidentiality, since the long-term plan has not been published, the value of the target profit is not indicated.

To remind, the new variable remuneration plan is addressed to the "Top Management - Key Personnel", Directors/Executives (with a share vested during the year totalling more than €50,000 or that accounts for over 1/3 of the annual total remuneration).

The variable remuneration plan is also addressed to the "Executive" personnel (whether significant under the threshold or non-key) according to specific procedures explained hereunder.

As regards the parties identified as "Key Personnel" who accrue bonuses higher than the threshold referred to above during the year, a system deferring the payment of a part of the amount of the variable remuneration applies in compliance with the Supervisory Regulations in effect at the time, requiring that:

- a considerable portion – at least 50% of the *up front* portion and of the deferred portion – be paid by way of assignment of Performance Shares;
- an adequate percentage – 40%-60% of the variable remuneration – be subject to deferred payment systems for a 4-5 year period and be disbursed pro rata so that the remuneration can take into account the risks taken;
- a specific *retention* period - one year - for both the short-term (upfront) component and the deferred portion paid in financial instruments.

The deferred payments will be made on the condition of the minimum access thresholds (RARORAC, LCR and capitalisation) being passed for the period previous to that of liquidation and on the basis of the Consolidated Net Income as a performance indicator.

The number of Performance Shares assignable to each plan participant is determined by dividing 50% of the bonus accrued (or the higher percentage envisaged by the payment scheme, in relation to the category of subject) by the average price, understood as the arithmetic mean of the official prices of the Banca Mediolanum share during the 30 exchange open days prior to the date of the Shareholders' Meeting.

The resulting shares will actually be assigned and made available to each participant in the plan only at the end of the deferment and *retention* period of each *tranche* and subject to verification of the *malus* conditions.

The plan also requires that in particular circumstances that are individually and singularly assessed (e.g. in the case assignment of shares to specific parties is considered inadvisable) the equivalent value can be paid in lieu of the effective shares at the time of actual assignment (known as phantom shares), thereby keeping the deferment and retention periods and the equity-based correlation entirely unaltered. This determination is made by the Board of Directors upon the proposal of the Remuneration Committee and with the prior abstention of the parties who might be affected by the decision.

Dividends or interest on the financial instruments are not paid, and the instruments are awarded based on the variable remuneration plans during the deferment or retention periods.

Furthermore, in order to create incentives for retention and *commitment* of the other resources in the Group who make a significant contribution to the success of the Company and Group, in any case paying a remuneration component in line with the market practices and encourage retention of the recipients, the Company has decided to also adopt several of the main elements of the regulations on the subject also with reference to other managerial population brackets with less strict rules governing disbursement of the variable under the "Top Management - Key Personnel" plan.

Furthermore, another plan is envisaged for the 'Executives' (whether deemed Key under the threshold or Non-Key) was introduced, according to which:

- 60% of the variable remuneration is disbursed in *cash and up front*;
- an adequate percentage – the remaining 40% of the variable remuneration – is paid in performance shares and subject to deferred payment systems for a 3-year period so that the remuneration can take into account the risks taken;
- the presence of a specific *retention* period – one year – applies to the deferred portion.

The payment of variable remuneration is contingent upon the same access thresholds (RARORAC, TCR, LCR and capitalisation) established for the "Top Management - Key Personnel" correlated to Consolidated Net Income as a performance indicator.

The number of shares assignable to each plan participant is determined by dividing 40% of the bonus accrued by the average price, understood as the arithmetic mean of the official prices of the Banca Mediolanum share during the 30 open exchange days prior to the Shareholders' Meeting.

The resulting shares will be effectively allocated and made available to each participant in the plan only at the end of the deferment and *retention period* and subject to verification of the *malus* conditions.

In compliance with particular supervisory regulations of the sector applicable to Group components, or in the case of particular policies of the local regulators at local level (single country), specific amendments are applied to the general plan and stipulate, for example, payment of the portion in financial instruments (e.g. portions of the managed funds in the case of asset management companies) using vehicles other than the shares of the Parent Company or not assigning real shares, but their corresponding value.

5.2. Collaborators Incentive Plan 2022

The characteristics of the 2022 Collaborators Plan were explained in detail in Section I of the 2022 Report on the remuneration policy and salaries paid.

For the purposes of the execution of the Plan, in accordance with the provisions of the Remuneration Policy and internal regulations, the achievement on 31/12 of the thresholds envisaged by the Plan Gate was checked in advance, in terms of LCR, capital surplus and LCR as follows.

With reference to the year 2022, the values measured at Group level as at 31/12 were the following:

KPI	Threshold	Result	
Capital surplus	≥0	1.563 € mln	●
LCR	≥100%	299%	●
TCR	≥12,35%	20,6%	●

The values of these indicators are measured at Group level and checked also at the end of each year prior to that of disbursement with reference to any deferred amounts.

If even one of the thresholds is not reached, the variable remuneration systems are eliminated for everyone (in exceptional and carefully assessed cases and in any case when there is a positive profit, the Board of Directors, after consulting with the Remuneration Committee, may decide to distribute a reduced portion of the bonus pool, also with reference to specific personnel categories).

The variable remuneration plan is aimed at "Employees – Key Personnel", "Material risk takers" network and provides – by analogy to the mechanism defined for Employees described above – the correlation between the non-recurring remuneration and the Consolidated Net Income, in the event of a positive economic result of no less than 70% of the budget forecast (with 5% tolerance)²⁸.

The variable remuneration plan is also addressed to the 'Non-Key' Network Managers according to specific procedures detailed below.

As regards the Collaborators and Network Personnel identified as "key personnel" and those who have accrued a total remuneration higher than €750,000, a system deferring the payment of a part of the amount of the non-recurring component applies in compliance with the Supervisory Regulations in effect at the time, requiring that:

- an adequate percentage – 40%-60% of the non-recurring component – be subject to deferred payment systems for a 4-5-year period and be disbursed pro rata so that the remuneration can take into account the risks taken;
- a considerable portion equal to at least 50% of the *up front* portion and of the deferred portion – be paid by way of assignment of Performance Shares with the purchase of treasury shares;
- a specific *retention* period – one year – for both the non-recurring component paid upfront and the deferred portion.

The number of shares assignable to each plan participant is determined by dividing 50% of the bonus accrued by the average price of the Banca Mediolanum share during the 30 open exchange days prior to the date of the Shareholders' Meeting.

The resulting shares will be actually assigned and made available to each participant in the plan only at the end of the deferment and *retention* period of each *tranche* and subject to verification of the *malus* conditions.

Furthermore, in order to create incentives for retention and *commitment* of the other resources in the Group who make a significant contribution to the success of the Company and Group, in any case paying a remuneration component in line with the market practices and encourage retention of the recipients, the Company has decided to not only ensure *compliance* with the legislation of reference, but also adopt several of the main elements of the regulations on the subject also with reference to other managerial population brackets with less strict rules governing disbursement of the variable under the "Collaborators - Key Personnel" plan.

More specifically, a 'sub-plan' for Collaborators not identified as "Key Personnel" was introduced, according to which:

- a specific objective is remunerated in performance shares and subject to deferred payment systems for a 9-

²⁸ As defined for the year 2022, for all other non-recurring remuneration components, a 20% threshold is applied with respect to the Net Income target.

- year period so that the remuneration can take into account the risks taken;
- the presence of a specific retention period does not apply to the deferred portion.

Payments of the bonuses will be made on the condition of the same access thresholds (LCR and capitalisation) established for the 'Collaborators - Key Personnel' and on the basis of the economic result as performance indicator.

If even one of the thresholds is not reached, the variable remuneration systems are eliminated for those participating in the plan (in exceptional and carefully assessed cases and in any case when there is a positive profit, the Board of Directors, after consulting with the Remuneration Committee, may decide to distribute a reduced portion of the bonus pool, with reference to only the Sales Network based on the specificities of these specific personnel and the market context distinguishing them).

The resulting shares will be actually assigned and made available to each participant in the plan only at the end of the deferment period and subject to verification of the malus conditions.

5.3. Individual financial and non-financial objectives

In this regard, see the details in paragraph 5.1.1 of Section I.

5.4. Methods for disbursing the non-recurrent component

Generally speaking, incentive bonuses are not provided for in circumstances involving non-compliant conduct or formal disciplinary actions.

All disbursements of the incentives are made only provided that the agency agreement is regularly in effect on the dates scheduled for the disbursements and that all conditions required to attain established result objectives have been met.

As for the disbursement time table, the short-term incentive is liquidated after the results of the year of reference have been tallied, while any medium-/long-term incentive, possibly to be paid in monetary form, is liquidated after the deferment period has elapsed.

6. Incentive plans adopted by the Group relating to previous year that have not yet closed

The systems already adopted by the Group, which retain their effect particularly in their long-term variable remuneration and based on the agreements currently in effect, are described below.

These systems provide for the incentive component to be also formed by a variable medium-/long-term remuneration, typically on a three-year basis and formed entirely by financial instruments.

The component indicated above is paid based on the attainment of certain objectives related to both economic and other types of parameters, and more specifically:

- company objectives, for which the incentive system provides for considering the attainment of the Target Consolidated Net Income referring to the Mediolanum Group as the parameter that defines the annual variable that can be disbursed to each participant in the incentive plans (both short-term and medium-/long-term);
- individual objectives, where provided for, based on the following assessment areas:
 - financial function objectives
 - non-financial function objectives.

6.1. Capital instruments-based plans (2010 Collaborators Plan)

The last assignment of the '2010 Collaborators Plan' dates to the year 2015.

The capital instruments-based plans for the Sales Network provide for exercising assigned options provided that Group results are attained, and more specifically:

- target value of the consolidated net income relating to the entire period of measurement of the results; as an alternative, attainment each year of reference of an amount of Mediolanum S.p.A. bank net inflows positioned

in the 1st quartile of the classification of sales networks published by Assoreti, however subordinate to attainment of a consolidated net income no lower than 70%;

- keeping a certain '*Return on risk adjusted capital*' ('RORAC') level and a capital surplus with regard to the applicable pro tempore capital requirements.

The Board of Directors determines the *vesting period* by assigning options equal to 9 years from the assignment date.

Exercise of the options, and the consequent subscription of the shares by the recipients, are allowed only after the *vesting period* has elapsed, starting from the date the exercising begins and for the next three years. Exercise of the options and the subsequent subscription of the shares must take place in a single payment and for the entire amount during the exercise period.

7. Article 450, paragraph 1, letter h I-II - Aggregate quantitative information on the remuneration recognised for the reference financial year - REM 1

			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	12,0	1,0	2,0	102,0
2		Total fixed remuneration	€ 1.760.490	€ 1.118.869	€ 1.068.814	€ 64.000.875
3		Of which: cash-based	€ 1.755.500	€ 1.110.714	€ 1.054.941	€ 63.397.949
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
7		Of which: other forms	4.990,0	8.155,0	13.873,0	602.926,0
9	Variable remuneration	Number of identified staff		1,0	2,0	102,0
10		Total variable remuneration		€ 312.000	€ 590.000	€ 21.025.412
11		Of which: cash-based		€ 121.680	€ 230.100	€ 10.641.688
12		Of which: deferred		€ 28.080	€ 53.100	€ 4.795.249
EU-13a		Of which: shares or equivalent ownership interests			€ 359.900	€ 9.878.724
EU-14a		Of which: deferred			€ 182.900	€ 4.877.133
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b		Of which: deferred				
EU-14x		Of which: other instruments		€ 190.320		€ 505.000
EU-14y		Of which: deferred		€ 96.720		€ 202.000
15	Of which: other forms					
16	Of which: deferred					
17	Total remuneration		€ 1.760.490	€ 1.430.869	€ 1.658.814	€ 85.026.287

8. EU Model REM 2 – Special payments for personnel whose professional activities have a significant impact on the entity's risk profile (Key Personnel)

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards					
1	Number of identified staff				
2	Total amount				
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Number of identified staff				3
5	Total amount				€ 1.843.079
Severance payments awarded during the financial year					
6	Number of identified staff				4
7	Total amount				€ 5.073.501
8	Of which paid during the financial year				€ 2.501.129
9	Of which deferred				€ 5.335.695
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				
11	Of which highest payment that has been awarded to a single person				€ 1.439.919

9. EU Model REM 3 – Deferred remuneration

	a	b	c	d	e	f	EU - g	EU - h
Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1 MB Supervisory function								
2 Cash-based								
3 Shares or equivalent ownership interests								
4 Share-linked instruments or equivalent non-cash instruments								
5 Other instruments								
6 Other forms								
7 MB Management function	€ 578.360	€ 109.360	€ 469.000				€ 109.360	
8 Cash-based	€ 217.000	€ 69.000	€ 148.000				€ 69.000	
9 Shares or equivalent ownership interests	€ 40.360	€ 40.360					€ 40.360	
10 Share-linked instruments or equivalent non-cash instruments								
11 Other instruments								
12 Other forms	€ 321.000		€ 321.000					
13 Other senior management	€ 896.725	€ 204.725	€ 692.000				€ 204.725	
14 Cash-based	€ 326.700	€ 114.000	€ 212.700				€ 114.000	
15 Shares or equivalent ownership interests	€ 570.025	€ 90.725	€ 479.300				€ 90.725	
16 Share-linked instruments or equivalent non-cash instruments								
17 Other instruments								
18 Other forms								
19 Other identified staff	€ 22.670.961	€ 7.215.573	€ 15.455.387				€ 7.215.573	
20 Cash-based	€ 8.898.752	€ 4.248.548	€ 4.650.204				€ 4.248.548	
21 Shares or equivalent ownership interests	€ 13.011.483	€ 2.883.656	€ 10.127.825				€ 2.883.656	
22 Share-linked instruments or equivalent non-cash instruments								
23 Other instruments								
24 Other forms	€ 760.726	€ 83.368	€ 677.358				€ 83.368	
25 Total amount	€ 24.146.046	€ 7.529.658	€ 16.616.387				€ 7.529.658	

10. EU Model REM 4 – Remuneration of €1 million or more per year

	a	b
	EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	15,0
2	1 500 000 to below 2 000 000	5,0
3	2 000 000 to below 2 500 000	2,0
4	2 500 000 to below 3 000 000	1,0
5	3 000 000 to below 3 500 000	2,0
6	3 500 000 to below 4 000 000	1,0
7	4 000 000 to below 4 500 000	
8	4 500 000 to below 5 000 000	1,0
9	5 000 000 to below 6 000 000	
10	6 000 000 to below 7 000 000	
11	7 000 000 to below 8 000 000	

11. EU Model REM 5 – Information on the remuneration of personnel whose professional activities have a significant impact on the entity's risk profile (Key personnel)

	a	b	c	d	e	f	g	h	i	j
	Management body remuneration			Business areas						
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff	12,0	1,0	13,0	1,0	63,0	6,0	18,0	16,0	104,0
2	Of which: members of the MB	12,0	1,0	13,0						
3	Of which: other senior management							2,0		2,0
4	Of which: other identified staff				1,0	63,0	6,0	16,0	16,0	102,0
5	Total remuneration of identified staff	€ 1.760.490	€ 1.430.869	€ 3.191.359	€ 906.351	€ 71.444.609	€ 2.856.775	€ 8.968.779	€ 2.508.586	€ 86.685.100
6	Of which: variable remuneration	€ 1.760.490	€ 1.118.869	€ 2.879.359	€ 406.351	€ 54.660.046	€ 1.556.775	€ 6.289.279	€ 2.157.237	€ 65.069.688
7	Of which: fixed remuneration		€ 312.000	€ 312.000	€ 500.000	€ 16.784.563	€ 1.300.000	€ 2.679.500	€ 351.349	€ 21.615.412

12. Quantitative information provided pursuant to Article 123-ter of Italian Legislative Decree No. 58 (Consolidated Finance Act) of February 1998; Article 84-quater of CONSOB Issuers' Regulation no. 11971²⁹

TABLE 1: Remuneration paid to the members of the administration and control bodies, to the general managers and to the other top managers.

	Surname and name	Office	Period in which the office was held	Office expiry date*	Fixed remuneration	Fees for participation in Committees	Non equity variable remuneration		Non monetary benefits	Other remuneration	Total	Equity based remuneration fair value	Severance	
							Bonus and other incentives	Profit sharing						
	(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	
1	Provano Giovanni	Chairperson	01/01/2022 - 31/12/2022	31/12/2023										
	(I) Compensation in the company preparing the financial statements					€ 450.000	€ -	€ -	€ -	€ 5.077	€ -	€ 455.077	€ -	€ -
	(II) Compensation from subsidiaries and associates					€ 500	€ -	€ -	€ -	€ -	€ 30.000	€ 30.500	€ -	€ -
	(III) Total					€ 450.500	€ -	€ -	€ -	€ 5.077	€ 30.000	€ 485.577	€ -	€ -
<p>Note:</p> <p>Remuneration in the company that draw s up the financial statements: for the office of Chairman of the Board of Directors for the entire year €450,000, for a collaboration contract in a subsidiary €30,000. Remuneration from subsidiaries and associates: for the office of Chairman of the Board of Directors from 01/01/2022 to 01/20/2022 € 500. Non-monetary benefits: € 5,077 w hich is the total amount relating to the benefits paid, determined on the basis of fiscally relevant.</p>														
2	Doris Annalisa Sara	Deputy Chairperson	01/01/2022 - 31/12/2022	31/12/2023										
	(I) Compensation in the company preparing the financial statements					€ 120.000	€ -	€ -	€ -	€ -	€ -	€ 120.000	€ -	€ -
	(II) Compensation from subsidiaries and associates					€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
	(III) Total					€ 120.000	€ -	€ -	€ -	€ -	€ -	€ 120.000	€ -	€ -
<p>Note</p>														
3	Doris Massimo Antonio	Chief Executive Officer	01/01/2022 - 31/12/2022	31/12/2023										
	(I) Compensation in the company preparing the financial statements					€ 1.110.714	€ -	€ 612.000	€ -	€ 8.154	€ -	€ 1.730.868	€ 181.624	€ -
	(II) Compensation from subsidiaries and associates					€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
	(III) Total					€ 1.110.714	€ -	€ 612.000	€ -	€ 8.154	€ -	€ 1.730.868	€ 181.624	€ -
<p>Note:</p> <p>Fixed compensation for the position of Chief Executive Officer in the company that prepares the financial statements and for the entire year €600,000, compensation for the employment relationship for the entire year w ith the company that prepares the financial statements €510,714. For participation in incentive systems in the company that draw s up the financial statements for the year 2022, a total of €612,000 (see table 3b for details on upfront and deferred cash and equity instruments). The variable component of the remuneration for the year w ill be determined following the completion of the authorization process relating to the incentive plans and disbursed upon consolidation of the balance sheet data; the information reported is therefore, for the variable component, estimated. Non-monetary benefits in the company that draw s up the financial statements: € 8,154, this is the total amount relating to the benefits provided, determined on the basis of w hat is fiscally relevant.</p>														
4	Frasca Francesco	Board Member	01/01/2022 - 31/12/2022	31/12/2023										
	(I) Compensation in the company preparing the financial statements					€ 75.000	€ 60.000	€ -	€ -	€ -	€ -	€ 135.000	€ -	€ -
	(II) Compensation from subsidiaries and associates					€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
	(III) Total					€ 75.000	€ 60.000	€ -	€ -	€ -	€ -	€ 135.000	€ -	€ -
<p>Note</p> <p>Remuneration for participation in committees in the company that prepares the financial statements: €40,000 for the position of Chairman of the Risk Committee for the entire year, €20,000 for the position of member of the Related Parties Committee for the entire year.</p>														

²⁹ Information relating to the remuneration of the Banca Mediolanum S.p.A. issuer.

	Surname and name	Office	Period in which the office was held	Office expiry date*	Fixed remuneration	Fees for participation in Committees	Non equity variable remuneration		Non monetary benefits	Other remuneration	Total	Equity based remuneration fair value	Severance
							Bonus and other incentives	Profit sharing					
	(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
	Gervasoni Anna	Board Member	01/01/2022 - 31/12/2022	31/12/2023									
5	(I) Compensation in the company preparing the financial statements				€ 75.000	€ 20.000	€ -	€ -	€ -	€ -	€ 95.000	€ -	€ -
	(II) Compensation from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
	(III) Total				€ 75.000	€ 20.000	€ -	€ -	€ -	€ -	€ 95.000	€ -	€ -
	<i>Note</i> Remuneration for participation in committees in the company that prepares the financial statements: for the office of member of the Appointments and Governance Committee and for the entire year € 20,000.												
	Gibello Ribatto Paolo	Board Member	01/01/2022 - 31/12/2022	31/12/2023									
6	(I) Compensation in the company preparing the financial statements				€ 75.000	€ -	€ -	€ -	€ -	€ -	€ 75.000	€ -	€ -
	(II) Compensation from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
	(III) Total				€ 75.000	€ -	€ -	€ -	€ -	€ -	€ 75.000	€ -	€ -
	<i>Note</i> 												
	Lo Storto Giovanni	Board Member	01/01/2022 - 31/12/2022	31/12/2023									
7	(I) Compensation in the company preparing the financial statements				€ 75.000	€ 50.000	€ -	€ -	€ -	€ -	€ 125.000	€ -	€ -
	(II) Compensation from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
	(III) Total				€ 75.000	€ 50.000	€ -	€ -	€ -	€ -	€ 125.000	€ -	€ -
	<i>Note</i> Remuneration for participation in committees in the company that prepares the financial statements: €30,000 for the position of member of the Risk Committee and for the entire year and €20,000 for the position of member of the Remuneration Committee and for the entire year.												
	Notari Mario	Board Member	01/01/2022 - 31/12/2022	31/12/2023									
8	(I) Compensation in the company preparing the financial statements				€ 75.000	€ 50.000	€ -	€ -	€ -	€ -	€ 125.000	€ -	€ -
	(II) Compensation from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
	(III) Total				€ 75.000	€ 50.000	€ -	€ -	€ -	€ -	€ 125.000	€ -	€ -
	<i>Note</i> Remuneration for participation in committees in the company that prepares the financial statements: for the office of Chairman of the Remuneration Committee and for the entire year €25,000, for the office of Chairman of the Appointments and Governance Committee and for the entire year €25,000.												

	Surname and name	Office	Period in which the office was held	Office expiry date*	Fixed remuneration	Fees for participation in Committees	Non equity variable remuneration		Non monetary benefits	Other remuneration	Total	Equity based remuneration fair value	Severance
							Bonus and other incentives	Profit sharing					
	(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
9	Oliva Laura	Board Member	01/01/2022 - 31/12/2022	31/12/2023									
	(I) Compensation in the company preparing the financial statements				€ 75.000	€ -	€ -	€ -	€ -	€ -	€ 75.000	€ -	€ -
	(II) Compensation from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
	(III) Total				€ 75.000	€ -	€ -	€ -	€ -	€ -	€ 75.000	€ -	€ -
<i>Note</i>													
10	Omarini Anna Eugenia Maria	Board Member	01/01/2022 - 31/12/2022	31/12/2023									
	(I) Compensation in the company preparing the financial statements				€ 75.000	€ 50.000	€ -	€ -	€ -	€ -	€ 125.000	€ -	€ -
	(II) Compensation from subsidiaries and associates				€ -	€ 20.000	€ -	€ -	€ -	€ -	€ 20.000	€ -	€ -
	(III) Total				€ 75.000	€ 70.000	€ -	€ -	€ -	€ -	€ 145.000	€ -	€ -
<i>Note</i> Remuneration for participation in committees in the company that prepares the financial statements: €30,000 for the position of member of the Risk Committee and for the entire year and €20,000 for the position of member of the Remuneration Committee and for the entire year. Remuneration in Subsidiaries and Associates: for the position of Director in a subsidiary and for the entire year € 20,000.													
11	Pierantoni Roberta	Board Member	01/01/2022 - 31/12/2022	31/12/2023									
	(I) Compensation in the company preparing the financial statements				€ 75.000	€ 20.000	€ -	€ -	€ -	€ -	€ 95.000	€ -	€ -
	(II) Compensation from subsidiaries and associates				€ 45.000	€ 25.000	€ -	€ -	€ -	€ -	€ 70.000	€ -	€ -
	(III) Total				€ 120.000	€ 45.000	€ -	€ -	€ -	€ -	€ 165.000	€ -	€ -
<i>Note</i> Remuneration for participation in committees in the company that prepares the financial statements: for the position of member of the Nomination and Governance Committee and for the entire year € 20,000. Remuneration in Subsidiaries and Associated Companies: €45,000 for the position of Director in subsidiaries, €25,000 for the position of member in Committees and for the entire year.													
12	Redaelli Giovanna Luisa Maria	Board Member	01/01/2022 - 31/12/2022	31/12/2023									
	(I) Compensation in the company preparing the financial statements				€ 75.000	€ 15.000	€ -	€ -	€ -	€ -	€ 90.000	€ -	€ -
	(II) Compensation from subsidiaries and associates				€ 45.000	€ 25.000	€ -	€ -	€ -	€ -	€ 70.000	€ -	€ -
	(III) Total				€ 120.000	€ 40.000	€ -	€ -	€ -	€ -	€ 160.000	€ -	€ -
<i>Note</i> Remuneration for participation in committees in the company that prepares the financial statements: for the position of member of the Related Parties Committee and for the entire year € 20,000. Remuneration from subsidiaries and associates: for the position of Director in subsidiaries and for the entire year, a total of €45,000 and for the position of member on Committees and for the entire year, a total of €25,000.													

	Surname and name	Office	Period in which the office was held	Office expiry date*	Fixed remuneration	Fees for participation in Committees	Non equity variable remuneration		Non monetary benefits	Other remuneration	Total	Equity based remuneration fair value	Severance
							Bonus and other incentives	Profit sharing					
	(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
13	Sarubbi Giacinto Gaetano	Board Member	01/01/2022 - 31/12/2022	31/12/2023									
	(I) Compensation in the company preparing the financial statements				€ 75.000	€ 25.000	€ -	€ -	€ -	€ -	€ 100.000	€ -	€ -
	(II) Compensation from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
	(III) Total				€ 75.000	€ 25.000	€ -	€ -	€ -	€ -	€ 100.000	€ -	€ -
	<i>Note</i> Remuneration for participation in committees in the company that prepares the financial statements: for the office of Chairman of the Related Parties Committee and for the entire year € 25,000.												
14	Schiavone Panni Francesco	Chairperson of the Board of Statutory Auditors	01/01/2022 - 31/12/2022	31/12/2023									
	(I) Compensation in the company preparing the financial statements				€ 100.000		€ -	€ -	€ -	€ 25.000	€ 125.000	€ -	€ -
	(II) Compensation from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
	(III) Total				€ 100.000	€ -	€ -	€ -	€ -	€ 25.000	€ 125.000	€ -	€ -
	<i>Note</i> Other fees in the company that draw s up the financial statements: for the position of Chairman of the Supervisory and Control Body and for the entire year € 25,000.												
15	Lunardi Antonella	Board of Statutory Auditors Member	01/01/2022 - 31/12/2022	31/12/2023									
	(I) Compensation in the company preparing the financial statements				€ 70.000	€ -	€ -	€ -	€ -	€ 20.000	€ 90.000	€ -	€ -
	(II) Compensation from subsidiaries and associates				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
	(III) Total				€ 70.000	€ -	€ -	€ -	€ -	€ 20.000	€ 90.000	€ -	€ -
	<i>Note</i> Other fees in the company that draw s up the financial statements: for the office of member of the Supervisory Body and for the entire year € 20,000.												
16	Sala Gian Piero	Board of Statutory Auditors Member	01/01/2022 - 31/12/2022	31/12/2023									
	(I) Compensation in the company preparing the financial statements				€ 70.000	€ -	€ -	€ -	€ -	€ 20.000	€ 90.000	€ -	€ -
	(II) Compensation from subsidiaries and associates				€ 53.000	€ -	€ -	€ -	€ -	€ 14.000	€ 67.000	€ -	€ -
	(III) Total				€ 123.000	€ -	€ -	€ -	€ -	€ 34.000	€ 157.000	€ -	€ -
	<i>Note</i> Other fees in the company that draw s up the financial statements: for the office of member of the Supervisory Body and for the entire year € 20,000. Other fees from subsidiaries and associates: for the office of Chairman of the Board of Statutory Auditors and for the entire year €15,000, for the offices of Statutory Auditor in different subsidiaries and for the entire year, a total of €38,000, for the office of Chairman of the Supervisory Body in a subsidiary company and for the entire year € 3,000 and for the positions of Member of the Supervisory Body in different subsidiary companies and for the entire year € 11,000.												

	Surname and name	Office	Period in which the office was held	Office expiry date*	Fixed remuneration	Fees for participation in Committees	Non equity variable remuneration		Non monetary benefits	Other remuneration	Total	Equity based remuneration fair value	Severance
							Bonus and other incentives	Profit sharing					
	(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
17	Bosisio Gianluca	General Manager	na	na									
	(III) Total				€ 615.632	€ -	€ 625.100	€ -	€ 7.933	€ -	€ 1.248.665	€ 173.092	€ -
	<p><i>Note:</i> For participation in incentive systems in the company that draws up the financial statements for the year 2022, a total of €625,100 (see table 3b for details on upfront and deferred portions of cash and equity instruments). The variable component of the remuneration for the year will be determined following the completion of the authorization process relating to the incentive plans and disbursed upon consolidation of the balance sheet data; the information reported is therefore, for the variable component, estimated and valued at the maximum of the achievable result. Non-monetary benefits: €7,933, which is the total amount relating to the benefits provided, determined on the basis of what is fiscally relevant.</p>												
18	Managers with Strategic Responsibilities		na	na									
	(III) Total				€ 439.308	€ -	€ 455.000	€ -	€ 5.939	€ -	€ 900.247	€ 117.092	€ -
	<p><i>Note:</i> The data relating to Executives with strategic responsibilities refer to the Executive in charge of preparing the corporate accounting documents in the company that prepares the financial statements. For participation in incentive systems in the company that draws up the financial statements for the year 2022, a total of €435,000 (see table 3b for details on upfront and deferred portions of cash and equity instruments). The variable component of the remuneration for the year will be determined following the completion of the authorization process relating to the incentive plans and disbursed upon consolidation of the balance sheet data; the information reported is therefore, for the variable component, estimated and valued at the maximum of the achievable result. Non-monetary benefits: €5,850, which is the total amount relating to the benefits provided, determined on the basis of what is fiscally relevant.</p>												

TABLE 2: Stock options assigned to the members of the administration and control body, to the general managers and to the other top managers.

Surname and name	Office	Plan	Options held at the beginning of the year			Options granted during the year						Options exercised during the year			Options expired during the year	Options held at year end	Options pertaining to the year
			Number of options	Exercise Price	Period of possible exercise (from - to)	Number of options	Exercise Price	Period of possible exercise (from - to)	Fair value at the grant	Grant date	Market price of underlying shares	Number of options	Exercise Price	Market price of underlying shares at the exercise date	Number of options	Number of options	Fair value
(A)	(B)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2)+(5)-(11)-(14)	(16)
1																	
(I) Compensation in the company preparing the financial statements																	
(II) Compensation from subsidiaries and associates																	
(III) Total																	
Note																	
2																	
(I) Compensation in the company preparing the financial statements																	
(II) Compensation from subsidiaries and associates																	
(III) Total																	
Note																	
3																	
(I) Compensation in the company preparing the financial statements																	
(II) Compensation from subsidiaries and associates																	
(III) Total																	
Note																	
4																	
(I) Compensation in the company preparing the financial statements																	
(II) Compensation from subsidiaries and associates																	
(III) Total																	
Note																	

Regarding the above-mentioned Table 2, the information is missing due to the Stock Option plans running out for the personnel considered.

TABLE 3A: Financial instrument-based incentive plans other than stock options for the members of the administration body, general managers and other top managers

Name and surname	Office	Plan	Financial instruments assigned in previous years not vested during the year		Financial instruments assigned during the year					Financial instruments vested during the year and not assigned	Financial instruments vested during the year and attributable		Financial instruments pertaining to the year
			Number and type of financial instruments	Vesting Period	Number and type of financial instruments	Fair value at the assignment date	Vesting Period	Assignment date	Market price at assignment	Number and type of financial instruments	Number and type of financial instruments	Value at assignment	Fair Value
(A)	(B)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Doris Massimo Antonio	Chief Executive Officer												
1	(I) Compensation in the company preparing the financial statements	Top Management Plan for Identified Staff									5,605 Performance Share units	€ 29.000	€ 181.624
	(I) Compensation in the company preparing the financial statements	Top Management Plan for Identified Staff	25.478 Phantom Share units	60% up-front with one year retention, 20% one year deferral plus one year retention, 20% two years deferral plus one year retention	28.010 Phantom Share units	€ 208.002	58% up-front with one year of retention, 42% in 5 years with one year of retention for each deferred portion	07/04/2022	€ 7,426		21.255 Phantom Share units	€ 160.000	
	(II) Compensation from subsidiaries and associates												
	(III) Total					€ 208.002						€ 189.001	€ 181.624
<p>Note</p> <p>The variable component of the remuneration will be determined following the completion of the authorization process relating to the incentive plans and paid upon consolidation of the data in the financial statements; the information reported is therefore, for the variable component, estimated and valued at the maximum of the achievable result.</p>													
Bosio Gianluca	General Manager												
2	(I) Compensation in the company preparing the financial statements	Top Management Plan for Identified Staff	21.656 Performance Share units	60% up-front with one year retention, 20% one year deferral plus one year retention, 20% two years deferral plus one year retention	23.808 Performance Share units	€ 176.798	58% up-front with one year of retention, 42% in 5 years with one year of retention for each deferred portion	07/04/2022	€ 7,426		24.637 Performance Share units	€ 169.993	€ 173.092
	(II) Compensation from subsidiaries and associates												
	(III) Total					€ 176.798						€ 169.993	€ 173.092
<p>Note</p> <p>The variable component of the remuneration will be determined following the completion of the authorization process relating to the incentive plans and paid upon consolidation of the data in the financial statements; the information reported is therefore, for the variable component, estimated and valued at the maximum of the achievable result.</p>													
Dirigente Preposto													
3	(I) Compensation in the company preparing the financial statements	Top Management Plan for Identified Staff	14.650 Performance Share units	60% up-front with one year retention, 20% one year deferral plus one year retention, 20% two years deferral plus one year retention	16.106 Performance Share units	€ 119.603	58% up-front with one year of retention, 42% in 5 years with one year of retention for each deferred portion	07/04/2022	€ 7,426		16.667 Performance Share units	€ 115.001	€ 117.092
	(II) Compensation from subsidiaries and associates												
	(III) Total					€ 119.603						€ 115.001	€ 117.092
<p>Note</p> <p>The variable component of the remuneration will be determined following the completion of the authorization process relating to the incentive plans and paid upon consolidation of the data in the financial statements; the information reported is therefore, for the variable component, estimated and valued at the maximum of the achievable result.</p>													

TABLE 3B: Monetary incentive plans for the members of the administration body, general managers and other top managers

A	B	(1)	(2)			(3)			(4)			
			Surname and name	Office	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri bonus
						(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred				
	Doris Massimo Antonio	Chief Executive Officer										
1	(I) Compensation in the company preparing the financial statements	Top Management Identified Staff (cash portion) ⁽¹⁾	€ 93.600	€ 28.080	5		€ 189.000	€ 112.000				
	(I) Compensation in the company preparing the financial statements	Top Management Identified Staff (equity based) ⁽²⁾		€ 190.320	5							
	(I) Compensation in the company preparing the financial statements	Phantom Share LTI 2020-2022 (cash portion) ⁽³⁾		€ 150.000	3 ⁽⁵⁾							
	(I) Compensation in the company preparing the financial statements	Phantom Share LTI 2020-2022 (equity based) ⁽⁴⁾		€ 150.000								
	(II) Compensation from subsidiaries and associates											
	(III) Total			€ 93.600	€ 518.400		€ -	€ 189.000	€ 112.000	€ -		
<p><i>Note</i></p> <p>The variable component of the remuneration will be determined following the completion of the authorization process relating to the incentive plans and paid upon consolidation of the data in the financial statements; the information reported is therefore, for the variable component, estimated.</p> <p>(1) Columns 2(A), 2(B) and 2(C) represent the monetary portion of the short-term plan for 2022;</p> <p>(2) Represents the equity-based part (Phantom Shares) of the short-term plan for 2022; the actual number of Phantom Share instruments to be assigned will be identified at the 2023 shareholders' meeting;</p> <p>(3) Represents the monetary portion of the 2020-2022 LTI plan. The pro quota disbursable pertaining to the year 2022 is indicated, against the achievement of the maximum level of the objectives defined for the 2020-2022 LTI Plan;</p> <p>(4) Represents the equity based part (Phantom Shares) of the 2020-2022 LTI plan. The pro-rata disbursable pertaining to the year 2022 is indicated, against the achievement of the maximum level of the objectives defined for the 2020-2022 LTI Plan. The actual number of Phantom Share instruments will be identified only at the end of the vesting period;</p> <p>(5) Represents the remaining deferral period (2 years).</p>												
	Bosisio Gianluca	General Manager										
2	(I) Compensation in the company preparing the financial statements	Top Management Identified Staff (cash portion) ⁽¹⁾	€ 102.000	€ 30.600	5		€ 170.000	€ 95.200				
	(I) Compensation in the company preparing the financial statements	Top Management Identified Staff (equity based) ⁽²⁾		€ 207.400	5							
	(I) Compensation in the company preparing the financial statements	Phantom Share LTI 2020-2022 (cash portion) ⁽³⁾		€ 142.550,00	3 ⁽⁵⁾							
	(I) Compensation in the company preparing the financial statements	Phantom Share LTI 2020-2022 (equity based) ⁽⁴⁾		€ 142.550,00								
	(II) Compensation from subsidiaries and associates											
	(III) Total			€ 102.000	€ 523.100		€ -	€ 170.000	€ 95.200	€ -		
<p><i>Note</i></p> <p>The variable component of the remuneration will be determined following the completion of the authorization process relating to the incentive plans and paid upon consolidation of the data in the financial statements; the information reported is therefore, for the variable component, estimated and valued at the maximum of the achievable result.</p> <p>(1) Columns 2(A), 2(B) and 2(C) represent the monetary portion of the short-term plan for 2022;</p> <p>(2) Represents the equity-based part (Phantom Shares) of the short-term plan for 2022; the actual number of Phantom Share instruments to be assigned will be identified at the 2023 shareholders' meeting;</p> <p>(3) Represents the monetary portion of the 2020-2022 LTI plan. The pro quota disbursable pertaining to the year 2022 is indicated, against the achievement of the maximum level of the objectives defined for the 2020-2022 LTI Plan;</p> <p>(4) Represents the equity based part (Phantom Shares) of the 2020-2022 LTI plan. The pro-rata disbursable pertaining to the year 2022 is indicated, against the achievement of the maximum level of the objectives defined for the 2020-2022 LTI Plan. The actual number of Phantom Share instruments will be identified only at the end of the vesting period;</p> <p>(5) Represents the remaining deferral period (2 years).</p>												

A	B	(1)	(2)			(3)			(4)
			Bonus dell'anno			Bonus di anni precedenti			
Surname and name	Office	Piano	(A)	(B)	(C)	(A)	(B)	(C)	Altri bonus
			Payable/Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Dirigente Preposto									
	(I) Compensation in the company preparing the financial statements	Top Management Identified Staff (cash portion) ⁽¹⁾	€ 75.000	€ 22.500	5		€ 115.000	€ 64.400	
	(I) Compensation in the company preparing the financial statements	Top Management Identified Staff (equity based) ⁽²⁾		€ 152.500	5				
3	(I) Compensation in the company preparing the financial statements	Phantom Share LTI 2020-2022 (cash portion) ⁽³⁾		€ 102.500	3 ⁽⁵⁾				
	(I) Compensation in the company preparing the financial statements	Phantom Share LTI 2020-2022 (equity based) ⁽⁴⁾		€ 102.500					
	(II) Compensation from subsidiaries and associates								
	(III) Total		€ 75.000	€ 380.000		€ -	€ 115.000	€ 64.400	€ -

Note
The variable component of the remuneration will be determined following the completion of the authorization process relating to the incentive plans and paid upon consolidation of the data in the financial statements; the information reported is therefore, for the variable component, estimated and valued at the maximum of the achievable result.
(1) Columns 2(A), 2(B) and 2(C) represent the monetary portion of the short-term plan for 2022;
(2) Represents the equity-based part (Phantom Shares) of the short-term plan for 2022; the actual number of Phantom Share instruments to be assigned will be identified at the 2023 shareholders' meeting;
(3) Represents the monetary portion of the 2020-2022 LTI plan. The pro quota disbursable pertaining to the year 2022 is indicated, against the achievement of the maximum level of the objectives defined for the 2020-2022 LTI Plan;
(4) Represents the equity based part (Phantom Shares) of the 2020-2022 LTI plan. The pro-rata disbursable pertaining to the year 2022 is indicated, against the achievement of the maximum level of the objectives defined for the 2020-2022 LTI Plan. The actual number of Phantom Share instruments will be identified only at the end of the vesting period;
(5) Represents the remaining deferral period (2 years).

5.5 Equity investments held

Information on the equity investments held by the members of the administration and control bodies, the general managers and the key management in the Company and in its subsidiaries is provided in table format below.

The number of shares broken down by category is particularly specified by name for the members of the administration and control bodies and for the general managers, and cumulatively for the other top managers, regarding each investee:

- held at the end of the previous year;
- acquired during the reference year;
- sold during the year of reference;
- held at the end of the reference year.

To this regard, the right of ownership and its methods are also clarified. All parties who during the year of reference held offices of member of the administration and control bodies, general manager or top manager, even for a fraction of the year, are included.

TABLE 1: Shareholdings of the members of the administration and control bodies and of the general managers

Surname and name	Office	Participated Company	Number of shares held at the end of the previous year (31/12/2021)		Number of shares purchased in 2022		Number of shares sold in 2022		Number of shares held at the end of the current year (31/12/2022)
Pirvano Giovanni	Chairperson	Banca Mediolanum S.p.A.	337.250	(pi)	1.250	-	-	338.500	
Doris Annalisa Sara	Deputy Chairperson	Banca Mediolanum S.p.A.	14.825.000	(pi)	250.000	-	-	15.075.000	
			23.563.070	(pi) (*)	-	-	-	23.563.070	
			58.869	(c)	15.202	-	-	74.071	
Doris Massimo Antonio	Chief Executive Officer	Banca Mediolanum S.p.A.	14.687.180	(pi)	250.000	-	-	14.937.180	
			70.923 (ps)	(pd)	7.415 (ps)	-	-	78.338 (ps)	
			23.563.070	(pi) (*)	-	-	-	23.563.070	
Sarubbi Giacinto	Board Member	Banca Mediolanum S.p.A.	10.000	(pd)	15.000	-	-	25.000	
			-	(pi)	30.000	-	-	30.000	
			-	(c)	15.000	-	-	15.000	
Sala Gianpiero	Statutory Auditor	Banca Mediolanum S.p.A.	4.250	(pd)	5.150	-	-	9.400	
Bosisio Gianluca	General Manager	Banca Mediolanum S.p.A.	-	(pd)	37.333 (ps)	37.333 (ps)	-	-	

Note:

(pd) direct participation

(pi) indirect participation

(*) The share capital of the company LINA S.r.l. (shareholder of Banca Mediolanum for 3.17%) is jointly owned by Messrs Annalisa Sara Doris and Massimo Antonio Doris (undivided share equal to the entire share capital of the company LINA S.r.l.). For more information, see "Essential information pursuant to article 122 of Legislative Decree 58/1998 and article 130 of Consob Regulation no. 11971/1999" published on the website www.bancamediolanum.it.

(c) spouse

(ps) performance share (all or in part)

TABLE 2: Shareholdings of the other top managers

Number of executives with strategic responsibilities	Società partecipata	Number of shares held at the end of the previous year (31/12/2021)		Number of shares purchased in 2022	Number of shares sold in 2022	Number of shares held at the end of the current year (31/12/2022)
1	Banca Mediolanum S.p.A.	90.557	(ps)	15.441		105.998

(ps) performance share

ANNEX 1 REMUNERATION POLICIES – PARAGRAPH 5.2 - Method calculation Financial Advisory Manager Indemnity

Calculation of the Financial Advisor Manager's indemnity

The Manager Financial Advisor Benefits are calculated exclusively on the indirect commissions (so-called "Over") earned by the agent for the structures for which he/she carries out supervision, assistance, and coordination activity, not including direct commissions.

For Manager Consultants in business as of 1 January 2015, the Manager Consultant Benefits are calculated:

- a) taking the benefits value as of 31 December 2014, for the overs accrued that same year as the base of the calculation;
- b) adding or subtracting from the value under point a) the increases/decreases of the average monthly over from management fees earned in the 12 months prior to the end of the assignment (as Manager Consultant) over the average of the monthly overs for the reference year under the point above, and multiplying that difference by a coefficient of 36.

For manager consultants with structures assigned starting from 1 January 2015, the Manager Consultant Benefits will be calculated on the increase/decrease between the monthly average of commissions from the last 12 sliding months prior to the end of the Consultants Manager assignment (if less than a year, the average of the overs of the actual months worked will be calculated), and the overs generated the first month of the assignment multiplied by a coefficient of 36.

Lastly, the Bank reserves the right to evaluate the application of an improving or negative coefficient up to a maximum of 60, considering elements such as the particular strategic /commercial interest and/or the seniority of the agency relationship of the Financial Advisor.