

# Report on the 2023 remuneration policy and on the amounts paid in 2022

**Posteitaliane**



Growing sustainably.  
For a carbon neutral 2030

*This document has been translated into English solely for the convenience of the international reader. In the event of inconsistency between the terms used in the Italian version and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document.*

## Statement from the Chairman of the Remuneration Committee

Dear Shareholders,



in my capacity as Chairman of the Remuneration Committee, I am pleased to present, together with the Directors Daniela Favrin and Elisabetta Lunati, the “Report on the 2023 remuneration policy and on the amounts paid in 2022”

(the “Report”), approved on March 29, 2023 by the Board of Directors.

First of all, I would like to thank you for expressing your appreciation at the last Shareholders’ meeting, which was reflected in the level of consensus achieved, among the highest in Italy on remuneration issues.

As the Remuneration Committee, since we took office, our main objective has been to lead the definition of a remuneration policy that, in support of the Group’s strategy, would be aligned to corporate values and based on principles of fairness and merit, “no pay for failure”, moderation, transparency, long-term vision and capable of attracting, motivating and retaining the best professionals in a particularly complex and challenging context.

In this regard, at the end of our three-year term of office and in the light of the significant commitment and quality of the contribution made to the Committee’s activities, I would like to take this opportunity to express my heartfelt gratitude to the Directors Daniela Favrin and Elisabetta Lunati. This document is, in fact, the result of constant attention to the highest market standards and fruitful, ongoing engagement with investors and proxy advisors.

Once again this year, the Report has been designed around the immediacy and effectiveness of the presentation of information, both with regard to the 2023 Remuneration Policy and the Amounts paid in 2022.

Consistent with previous years, the 2023 Remuneration Policy ensures a link with the Strategic Plan, providing, within the variable incentive schemes, a responsible approach to the

conscious management of business risks and a self-financing mechanism based, with reference to profitability targets, on threshold levels set at the budget value. In addition, the provision of predetermined, measurable and mutually complementary economic-financial and ESG performance indicators confirms the company’s ability to drive its management action in the new macro-economic scenario, also in the light of the new challenges the Group is facing.

This is confirmed by the 2023-2025 Performance Share LTIP, linked to specific ESG pillars, “Green transition”, through the solid commitment to reducing tCO<sub>2</sub>e emissions and, “Creating value for the country”, through the Polis project consistent with Poste Italiane’s mission to promote the development of the local communities. The objective of the Polis Project - as part of the Complementary Plan to the NRRP (National Recovery and Resilience Plan), in which Poste Italiane participates - is to promote the economic, social and territorial cohesion of the country and to overcome the digital divide in small towns and inland areas.

Poste Italiane, as the largest employer in Italy, has always placed the well-being of its employees at the centre of its interests with the aim of constantly improving their condition and that of their families. People represent the key element for achieving the Group’s strategic targets: human capital, respect for each person, the working conditions, caring, professional development and skills are all crucial elements for creating a competitive advantage which generates sustainable and shared value. These pivotal elements of the People Strategy are closely linked to the Group’s Remuneration Policy and sustainability strategy, and are therefore also adequately represented in this year’s Report.

As further evidence that the Remuneration Policy is centered around people, in November 2022 Poste Italiane obtained the Equal Salary Certification attesting to the gender neutrality of its remuneration policies. This certification once again confirms the Group’s strong commitment to pay equity between women and men and, at the same time, to creating an inclusive work

environment that guarantees equal opportunities for its people to work and grow professionally.

In conclusion, the Remuneration Committee believes that the 2023 Remuneration Policy, based on principles of transparency, moderation and fairness, presents an effective and balanced remuneration strategy to support the Group in pursuing its objectives of sustainable value creation in the interest of all stakeholders.

On behalf of all my fellow members of the Committee, I would like to thank you, the Shareholders, for your usual willingness to engage in dialogue and for your interest in the “Report on the 2023 remuneration policy and on the amounts paid in 2022”, and I sincerely hope that the improvements made will once again meet with a positive response and contribute to consolidating our virtuous path, as evidence and recognition of the commitment made by Poste Italiane.

Sincerely yours,  
**Giovanni Azzone**

Chairman of the Remuneration Committee  
Poste Italiane S.p.A.

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## Introduction

This document, containing the Report on the 2023 remuneration policy and on the amounts paid in 2022 (“Report”) was prepared by Poste Italiane S.p.A. (hereinafter also “Poste Italiane”, “Parent Company” or “Company”) pursuant to Legislative Decree no. 58/1998 (“CLF” or “TUF”), updated by the amendments introduced by Legislative Decree no. 49 of May 10, 2019 - articles 114-*bis* and 123-*ter* - and of the “Regulations for Issuers”, updated by the amendments introduced by resolutions no. 21623 and 21625 of December 10, 2020 and no. 21639 of December 15, 2020 – art. 84-*quater*.

The Report on the 2023 Remuneration Policy (“Remuneration Report 2023” or “Remuneration Report”) sets out in a clear and understandable manner:

- a) the Company policy on remuneration of the members of the management bodies, supervisory bodies (without prejudice to the provisions of article 2402 of the Italian Civil Code), the general managers and the Key Management Personnel, with regard to 2023;
- b) the procedures used for adoption and implementation of said policy.

Furthermore, the first section illustrates the contribution made by the remuneration policy to the business strategy and to the pursuit of the targets of shared value creation for all stakeholders, also considering the working conditions of the Company’s employees. The main action points of the People Strategy are illustrated in the 2023 Remuneration Report, highlighting the most relevant topics regarding the development of the Poste Italiane Group’s personnel and confirming the link between the remuneration policy and the business strategy.

The Remuneration Report 2023 also illustrates how Poste Italiane has taken into account the vote expressed during the Shareholders’ Meeting held on May 27, 2022.

The Report on amounts paid in 2022, in a clear and comprehensible manner and, individually for the members of the Board of Directors and Board of Statutory Auditors, for the General Managers and, in aggregate form, for the Key Management Personnel:

- a) provides an adequate representation of each of the items that are part of the remuneration, including the treatments envisaged in the event of termination of office or employment, highlighting their consistency with the Company’s remuneration policy for the 2022 financial year;
- b) analytically illustrates the remuneration paid in the 2022 financial year for any reason and in any form by Poste Italiane and its subsidiaries or associates, indicating any components of the above-mentioned remuneration that refer to activities carried out in financial years prior to 2022 and also highlighting the remuneration to be paid in one or more subsequent financial years for activities carried out in 2022, possibly indicating an estimated value for that items that cannot be objectively quantified in the 2022 reference year;
- c) illustrates how the Company took into account the vote cast the previous year on the second section of the Report.

In line with the market’s best practices, this Report is accompanied by an additional document referred to as “Remuneration Highlights 2023”, drawn up to provide the market with an immediate overview of the key elements of the remuneration and incentive policies for 2023.

As regards personnel identified as working for BancoPosta RFC and, in particular, those classified as Material Risk Takers (“Risk Takers” or “MRTs”), details are provided in the “*Guidelines for BancoPosta RFC’s remuneration and incentive policy for 2023*” or “Annex”, drawn up in accordance with Bank of Italy Circular 285/2013 and article 450 of Regulation (EU) no. 575 issued by the European Parliament and Council on June 26, 2013 (the so-called Capital Requirements Regulation, or “CRR”), integrated by Implementing Regulation (EU) no. 637 adopted on March 15, 2021.

Poste Italiane's remuneration and incentive policies are based on the Company's governance model and on the regulatory framework in effect at the time, and they comply with the recommendations of the Corporate Governance Code, which the Company adopted on December 17, 2020 (specifying that adoption of the previous Self-Regulatory Code had been resolved by the Board of Directors on July 31, 2015).

The policies described in this document apply to Poste Italiane SpA and its subsidiaries (hereinafter, collectively, also "the Group" or "Poste Italiane Group"). The content of this Report is to be used as guidance in the case of subsidiaries subject to specific regulatory requirements such as, for example, Poste Vita S.p.A., Poste Assicura S.p.A. or BancoPosta Fondi S.p.A. SGR, which adopt specific remuneration policies compliant with these regulatory requirements.

In preparing this Report and the relative "Annex", Poste Italiane was supported by the consulting firm *WTW*.

On March 29, 2023, the Poste Italiane's Board of Directors, on the recommendation of the Remuneration Committee, decided to submit (i) the 2023 Report on remuneration policy to a binding vote by the Shareholders' Meeting, called to approve the 2022 Financial Statements, and (ii) the Report on amounts paid in 2022 to a non-binding vote. At the same meeting of March 29, 2023, the Poste Italiane's Board of Directors, on the recommendation of the Remuneration Committee, also resolved to submit the Annex referring to BancoPosta RFC to a binding vote by the Shareholders' Meeting called to approve the 2022 Financial Statements.

The text of this document will be made available for inspection at the Company's registered office and in the Remuneration section of the Company's website for at least ten years, at least twenty-one days prior to the Shareholders' Meeting, called to approve the financial statements for the year ended 2022, in line with statutory requirements. The information circulars regarding equity-based incentive plans can be found in the same section of the Company's website at <https://www.posteitaliane.it/en/remuneration.html>.

Overview

<p><b>FIXED REMUNERATION</b></p>	<p><b>CEO-GM</b> The Board of Directors appointed for the 2023-2025 term of office shall determine, on the recommendation of the Remuneration Committee and in consultation with the Board of Statutory Auditors, the compensation pursuant to art. 2389, paragraph 3 of the Italian Civil Code, for the office of Chief Executive Officer. Also on the recommendation of the Remuneration Committee, the Board of Directors shall resolve on the remuneration envisaged for the General Manager. For the 2020-2022 term of office, the fixed amount of total remuneration is €1,255,000 per year.</p> <p><b>KMP (Key Management Personnel)</b> The gross annual fixed pay is in keeping with the role held, the scope of the responsibilities assigned, and the experience and skills required for each position, also taking into account specific market benchmarks. The Company's benchmarking is conducted with reference to market medians.</p>																
<p><b>BENEFITS</b></p>	<p>Benefits are defined in line with market practices and assigned in consideration of the role held and responsibilities assigned.</p>																
<p><b>PAY MIX</b></p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><b>CEO-GM - Pay mix at maximum</b></p> <table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Gross annual fixed remuneration</td> <td>33.3%</td> </tr> <tr> <td>Short-term variable remuneration</td> <td>23.9%</td> </tr> <tr> <td>Long-term variable remuneration</td> <td>42.8%</td> </tr> </tbody> </table> </div> <div style="text-align: center;"> <p><b>KMP- Median pay mix at maximum</b></p> <table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Gross annual fixed remuneration</td> <td>34.1%</td> </tr> <tr> <td>Short-term variable remuneration</td> <td>27.5%</td> </tr> <tr> <td>Long-term variable remuneration</td> <td>38.4%</td> </tr> </tbody> </table> </div> </div>	Category	Percentage	Gross annual fixed remuneration	33.3%	Short-term variable remuneration	23.9%	Long-term variable remuneration	42.8%	Category	Percentage	Gross annual fixed remuneration	34.1%	Short-term variable remuneration	27.5%	Long-term variable remuneration	38.4%
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<p><b>SHORT-TERM VARIABLE INCENTIVE SCHEME</b> <b>MBO 2023</b></p>	<p><b>CEO-GM</b> Hurdle Condition: Group EBIT. Qualifying Conditions: CET1, LCR and RORAC for BancoPosta and Solvency II Ratio for Poste Vita. Performance targets: economic/financial (weight 40%), risk-adjusted profitability (weight 20%), ESG (weight 40%). Payout: deferral of 60% of the incentive over 5 years (pro rata); payment takes place with 45% in cash and 55% in rights to receive Poste Italiane's ordinary shares, subject to a retention period of one year. Incentive level: the maximum amount assigned is 71.7% of fixed remuneration.</p> <p>It is understood that the maximum ratio of variable remuneration to fixed remuneration of 2:1 must be observed.</p> <p>Application of non-compliance, Malus and Clawback mechanisms is envisaged.</p>																



	<p><b>KMP</b></p> <p>Performance Gate: Group EBIT.</p> <p>Performance Targets differentiated and attributable to the following categories: economic-financial (20% weighting), ESG (40% weighting), function-specific targets (40% weighting).</p> <p>Payout: differentiated, in line with the related regulations.</p> <p>Incentive levels: differentiated by level of responsibility and complexity of the role, included within a target of between 30% and 65% of the gross annual fixed pay.</p> <p>It is understood that the reference regulations must be respected. Application of non-compliance, Malus and Clawback mechanisms is envisaged.</p>
<p><b>ONE-OFF PAYMENTS</b></p>	<p>One-off payments may not be assigned to the CEO-GM and KMP of Poste Italiane.</p>

<p><b>LONG-TERM VARIABLE INCENTIVE SCHEMES</b></p> <p><b>LTIP</b></p> <p><b>2023-2025</b></p>	<p><b>CEO-GM</b></p> <p>Hurdle Condition: Group cumulative EBIT.</p> <p>Qualifying Conditions: BancoPosta's CET1, LCR and RORAC.</p> <p>Performance Targets: Group cumulative EBIT (weight 40%), relative Total Shareholder Return (weight 20%) and ESG (weight 40%), with a focus on green transition and creating value for the country.</p> <p>Payout: vested Poste Italiane's ordinary Shares are awarded in the amount of 40% (up-front portion), at the end of the performance period, 60% in five annual portions deferred over a period of five years (the first three equal to 10% of the total Shares vested and the remaining two equal to 15%). Both up-front and deferred portion are subject to a retention period of one year.</p> <p>Incentive level: the maximum amount assigned is 128.3% of fixed remuneration.</p> <p>It is understood that the maximum ratio of variable remuneration to fixed remuneration of 2:1 must be observed.</p> <p>Application of non-compliance, Malus and Clawback mechanisms is envisaged.</p> <p><b>KMP</b></p> <p>Hurdle Condition: Group cumulative EBIT.</p> <p>Performance Targets: Group cumulative EBIT (weight 40%), relative Total Shareholder Return (weight 20%) and ESG (weight 40%), with a focus on green transition and creating value for the country.</p> <p>Payout: differentiated, in line with the related regulations.</p> <p>Incentive levels: the assignment at target varies between a minimum of 20% up to a maximum of 100% of the gross annual fixed pay.</p> <p>It is understood that the reference regulations must be respected. Provision is made for the application of non-compliance, Malus and Clawback mechanisms.</p>
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<p><b>SHARE OWNERSHIP GUIDELINES</b></p>	<p><b>CEO-GM</b></p> <p>Target amount: 1 gross annual fixed pay.</p> <p>Timing and manner of reaching target amount: until expiry of term of office/termination of employment; 50% of the Shares available under the Performance Share LTIP to be held, unless the target amount has already been reached.</p>
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**KMP**

Target amount: ½ gross annual fixed pay.

Timing and manner of reaching target amount: whilst belonging to the KMP category; 25% of the Shares available under the “Performance Share LTIP” to be held, unless the target amount has already been reached.

**TERMINATION OF  
EMPLOYMENT****CEO-GM**

The amount resulting from the implementation of these provisions/agreements is, in any event, capped at 24 months of gross global remuneration, including an amount equivalent to the indemnity in lieu of notice, if any, as contractually established.

The above amount is determined based on the following predefined formula:

- 10 months if termination occurs during the first year in service;
- 16 months if termination occurs during the second year in service;
- 24 months if termination occurs during the third or a subsequent year in service.

**KMP**

The amount resulting from application of clauses that regulate ex-ante the economic aspects relating to the termination of the relationship may not exceed a maximum of monthly payments of the effective global compensation, including gross annual fixed pay, the average of the amount received in short-term variable pay for the last three years (or for the period of employment, if shorter) and usually the value of any benefits awarded, as defined below:

- 10 months if termination occurs during the first year as KMP;
- 16 months if termination occurs during the second year as KMP;
- 24 months if termination occurs during the third year as KMP and following.

It should be noted that the amount, as defined above, includes an amount equivalent to the indemnity in lieu of notice, if any, as contractually established.

It is understood that for KMP subject to specific supervisory regulations on remuneration, payments on termination of employment shall be paid according to the reference legislation.

The Company does not, normally, enter into non-competition agreements.

# REPORT ON THE 2023 REMUNERATION POLICY

**Posteitaliane**  
**SECTION ONE**

Report on the 2023 remuneration policy and on the amounts paid in 2022

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## 1 The 2023 remuneration policy: introduction, principles, term and key changes

The remuneration policy is a key lever in promoting the sustainable success of Poste Italiane which translates into the creation of long-term shared value for investors, employees, customers, suppliers, citizens and Italy as a whole.

Poste Italiane is the largest employer in Italy and is unique in terms of size, recognisability, organisational complexity, wide-spread presence across the country and degree of diversification of its business. The Group is an omnichannel distribution platform that has been providing mail and logistics services for over 160 years, leveraging the most extensive infrastructure in Italy. Furthermore, it is recognised as one of the country's leading financial, insurance and payment service provider. Finally, it is present in the telecommunications and energy markets.

Over the years, the Group has developed and strengthened its model as an omnichannel distribution platform, anticipating the evolution of customer needs and confirming the implementation of an anti-fragile strategy that has enabled Poste Italiane to react successfully even in times of uncertainty.

By leveraging a consolidated approach, the remuneration policy follows the evolution of the various sectors in which the Group operates - given a context of profound transformation and technological innovation - supporting the alignment among the targets set in the Strategic Plan, the Group's People Strategy and its business strategies.

The main new elements of this Remuneration Policy is the Performance Share LTIP 2023-2025, which features ESG objectives with a weighting of 40% and related to the sustainability strategy pillars "Creating value for the country" and "Green Transition". Specifically:

- the Polis project will be the focus of the objectives related to the "Creating value for the country" pillar, designed to ensure that the 16 million Italians living in municipalities with fewer than 15,000 inhabitants have equal access to the many services of the public administration. Polis is the tool with which Poste Italiane confirms its mission as a system Company supporting the economic development, cohesion and social solidarity of the country, while improving the quality of life of citizens and supporting Italy's digital transformation;
- the reduction of tCO<sub>2</sub>e emissions is the focus of the objectives related to the "Green Transition". Poste Italiane, in fact, observes and encourages a cultural approach to environmental protection, through more conscious behaviour regarding energy, water resources and waste management, aimed at a transition of its activities, positively impacting the community in which it operates.

The central importance of the sustainability pillars "People Development" and "Diversity & Inclusion" within the Remuneration Policy is confirmed, among other things, by the Equal Salary certification obtained by Poste Italiane in November 2022 for the next three-year period, which attests to the gender-neutrality of its remuneration policies. This certification, in fact, confirms pay equity between women and men in the organisation and the company's solid commitment to creating an inclusive work environment that guarantees equal opportunities for its people to work and grow professionally.

It should also be noted that the update of the Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023 is aimed at ensuring an even better risk alignment of management remuneration in the current uncertain environment.

Lastly, as confirmation of the constant attention paid to maintaining alignment between the interests of management and shareholders, note should be taken of the proposal to convert into rights to receive shares - for beneficiaries belonging to BancoPosta's Material Risk Takers - a portion of the bonus vested under the five-year Deliver 2022 LTIP, for which the achievement of the objectives defined for the five-year

performance period ending December 31, 2022 has been verified. Further details on this matter are provided in the Report on amounts paid in 2022, in the Information Circular 2023 on Share-Based Incentive Plans and in the Annex “Guidelines for BancoPosta RFC’s remuneration and incentive policy for 2023”.

The remuneration policy illustrated in this Report is valid for a period of one year.

## 1.1. The Reward Strategy

All of the components of the remuneration strategy are inspired and developed organically, in line with the strategic vision and the values of the Group, based on the five principles outlined below, in continuity with 2022.

FIGURE 1. THE GUIDING PRINCIPLES OF THE REWARD STRATEGY



### Fairness and moderation

Virtuous conduct to support long-term and sustainable growth can only emerge in a context where merit and individual contribution are rewarded, regardless of gender, age and/or other personal characteristics.

At the same time, and without compromising on competitiveness, the remuneration components are centred around a moderate approach. Pay levels are generally not higher than the market median.

### Long-term focus

Among its stakeholders, Poste Italiane is considered a partner in the pursuit of lasting and sustainable value. The adoption of a long-term vision is at the heart of both strategic business

choices, also in the ESG sphere, and of the Reward Strategy, which envisages, for long-term variable incentive plans, an almost ten-year time horizon (between performance, deferral and retention periods), guaranteeing the link between incentives and Group results.

### Transparency

Compliance with rules, integrity of conduct, loyalty, honesty and clarity are essential values to ensure the proper functioning of organisational processes as well as the reputation and reliability of Poste Italiane. These values are key not only to the achievement of the short-term objectives, but also to the adoption of a virtuous cycle in the long term.

The principles of transparency and compliance with rules represent two cornerstones of Poste Italiane’s internal and external relationships. In this context, the incentive plans clearly and accurately present the performance indicators during both the assignment phase and final assessment.

To summarise, transparency is a shared value that is essential to the development of long-lasting relationships.

## Dialogue with investors and other stakeholders

Promoting a constant dialogue with investors and other stakeholders on remuneration matters is one of Poste Italiane's priorities, because on the one hand it facilitates the implementation of the best market practices and, on the other, represents an active stimulus for continuous improvement with positive effects on shared value creation.

Thanks to this process of improvement, the Report on the 2022 remuneration policy, in line with previous years, was also met with broad shareholder approval, also with reference to the votes expressed by minorities only. Poste Italiane recognises the importance of ongoing and collaborative dialogue with stakeholders, through which the Company identifies priorities and material topics on which to focus its ESG commitment. In fact, the Multistakeholder Forum, held annually, includes an extensive programme of meetings with customers, associations, investors, suppliers and partners aimed at continuing the discussion process, sharing ideas and projects, and identifying the main lines of the sustainability strategy.

### No pay for failure

The remuneration policy is aimed at supporting the implementation of the business strategy, with reference to economic/financial and ESG performance. The key indicators are set at challenging levels, the achievement of which guarantees, in particular, the self-financing of all the incentive systems. It is standard practice in Poste Italiane's remuneration policy to set the threshold values of profitability indicators equal at least to the budget and Strategic Plan levels. In addition, to ensure financial sustainability over time, the variable incentive schemes are subject to strict malus and clawback clauses and lock-up/deferral/retention periods.

## 1.2. The link between the Reward Strategy and the Business Strategy

The guiding principles of the Reward Strategy described above represent the building blocks of the remuneration policy, aimed at ensuring an appropriate balance between the fixed and variable short and long term components.

The remuneration policy is closely linked to the Strategic Plan through the variable remuneration component. In particular, the incentive systems include short and long term economic, financial and ESG performance indicators.

For many years, EBIT, a key objective of the incentive schemes that guarantees sustainability, has been the summary indicator of the results common to all Group businesses and is measured annually and multi-annually. In continuity with last year, the focus on cost discipline is complemented by a strong focus on revenues.

The Poste Italiane Group's sustainability strategy, based on eight pillars, is an integral part of its business strategy. In fact, the Group is fully aware that achieving the objectives of the Strategic Plan requires the adoption of a business model that i) contributes to achieving a low-carbon economy ii) that is inclusive and iii) protects people and the communities we operate in, maintaining a constant dialogue with them over time. These elements are also reflected in the incentive schemes that include ESG targets related to the pillars of the sustainability strategy.

The Reward Strategy, which translates into a fair and transparent Remuneration Policy, supports the effective implementation of the strategic priorities in the context of the People Strategy shown below.



### 1.3. The contribution of all people to value creation: the People Strategy

Poste Italiane is the largest employer in Italy and the most important challenge is to synergically foster the talent and skills of the four different generations that work in the Group. Encouraging the full expression and exchange of these skills and experiences between the different generations represents the cornerstone on which Poste Italiane’s People Strategy is based.

The organisation achieves its strategic targets when people feel a strong sense of belonging and develop, in a condition of well-being, their creativity. To do this, it is necessary to ensure a work environment in which people fulfil their expectations and aspirations.

Poste Italiane has always placed the wellbeing of its employees at the centre of its interests. To do so Poste Italiane promotes its commitment to occupational health and safety, provides support for active parenting, focuses on training people, safeguarding their well-being and allowing balance work and private life. Modern and flexible work tools and models are also offered with the aim of responding to specific personal and professional working needs. Poste Italiane undertakes to constantly improve the condition of its employees and their families.

People represent the key element for achieving Group’s targets: human capital, respect for each person, the working conditions, caring, professional development, skills are all crucial elements for creating competitive advantage which generates sustainable and shared value.

The enhancement of people’s distinctive skills, in all forms and manifestations, at the various levels of the organisation represents another strategic lever of the People Strategy, fundamental for supporting the Group’s growth.

Another important milestone was reached in this area, over the course of 2022: Poste Italiane, in fact, is the first among the large FTSE MIB companies to receive the “EQUAL-SALARY” certification, and the largest in the world by number of employees to be certified by the Equal Salary Foundation. This recognition attests to the importance that Poste Italiane assigns to the constant respect for the principles of pay equity and the ongoing commitment to the development of Diversity & Inclusion policies.

FIGURE 2. THE MAIN ACTION AREAS OF THE GROUP 2023 PEOPLE STRATEGY



## Innovation

Poste Italiane has consolidated its role as a strategic pillar for the country building on the Group's integrated omnichannel distribution platform. In this highly transformative context, professional roles are being redefined to be more in line with current demands, existing roles are changing and new positions are being created at all levels of the organisation.

Poste Italiane supports the development of technical and managerial skills, digital, creative and collaborative skills, as well as "emotional skills", with the aim of ensuring the creation of a working environment that can foster the achievement of economic and financial results and, at the same time, enable the fulfilment and well-being of people.

Our objective centres around the enhancement of human capital, focusing skills towards future scenarios and interdependently aligning our organisation and business processes to the deep transformation already underway within the Group, in which people are an enabling and key determinant factor.

An organisational culture focused on change, on continuous learning and on innovation is essential to equip people with the skills to learn, listen, apply knowledge flexibly to new scenarios and use technology in an appropriate way.

To this end, Poste Italiane is continuing along the path of developing a widespread culture of innovation through "INSIEME 24SI", the people engagement platform aimed at the Group's entire staff and designed to gather contributions and ideas for the implementation of the company's strategy. An open space which promotes and facilitates working together on the implementation of the Strategic Plan, in line with the objectives of responsible growth and the digitisation and social cohesion process, fostering a proactive approach and innovating the way of working. The initiative is cyclical and will run for the duration of the Strategic Plan: the first edition, which ended in June 2022, saw around 100 teams take part in the innovation marathon, during which the proposed ideas were discussed in more detail and pitches presented to the panel of in-house managers. Ten prototype solutions, currently being implemented, have been selected that can generate a positive impact inside and outside the company. The second edition was launched in September 2022, in which around 650 ideas were put forward which, through the various steps set out in the process, enabled the selection of the 10 most significant projects, which are currently at the "acceleration" phase. In 2022 this initiative was awarded the Assochange 2022 prize in recognition of the company's commitment to spreading an inclusive culture based on innovation at all levels of the organisation.

## Talent Acquisition

The Poste Italiane Group is required to anticipate emerging needs for new key skills in line with the evolution of the various businesses in which the Group operates. Technical and managerial skills and their different profiles in terms of age, gender and experience are a key enabling factor for the success of the Group in the long-term.

Regarding the talent acquisition strategy, it is essential that Poste Italiane preserves its attractiveness, offering opportunities to build professional of unique skills and experiences thanks to a diversified, innovative and rapidly changing business. Poste is committed to raising awareness and orienteering younger resources towards career paths that can contribute to their professional development in the medium and long term, making Poste a leader in the economic and social evolution of the country. At the same time, the talent acquisition policy is aimed at attracting professional candidates with distinctive experiences and skills that can support the development of the business, also leveraging the Company's cultural and value model. The goal is not only the increase of knowledge, but also the enhancement of the know-how of doing, being and becoming.

## Training, Development and Talent Management

The Poste Italiane Group is also committed to maintaining an internal market of talent, promoting appropriate actions to upgrade the necessary skills and, at the same time, making a significant contribution to the transformation of existing roles and the creation of new professional positions at all levels of the organisation, combining people's abilities and aspirations with the needs and opportunities of the business.

It also promotes a diversified training offer for skills development that, in addition to the technical-specialist dimension (always in line with the drivers of the strategic plan, service models and regulations in force) aims at the consolidation of soft skills as well as emotional skills. Moreover it aims at the development of an innovation and business-oriented mind-set as the main driver of competitive advantage in the market. The training offer combines transversal upskilling and reskilling plans with individual plans aimed at specific segments of the population or even individuals, from newly recruited staff to managers.

In this regard, Poste Italiane is committed to improving the learning experience through the adoption of innovative and increasingly engaging formats and the use of knowledge sharing methodologies, periodically monitoring the efficacy, efficiency and quality of the training programmes delivered.

A wide-ranging and well-structured system of policies, programmes and tools has been implemented, aimed at the growth and enhancement of people with a view to strengthening the employee experience, favouring an organisational culture that places its central focus on people being able to fully express themselves personally and professionally.

Consistent with these principles, the objectives of the development programmes are aimed at supporting business growth through the knowledge of the potential of staff, the enhancement of talent, through the implementation of a structured talent identification process, the support of motivation, the consolidation of experience and the strengthening of skills, leaving no one behind. This includes the definition and updating of Succession Plans of key roles, aimed at identifying possible successors, starting with managers with potential, also and a key process to ensure an adequate representation of women in positions of responsibility.

With an approach focused on continuous learning, Poste Italiane empowers people to have a positive impact on individual and business performance. This through promoting a better knowledge of their own skills and abilities, the organisation and the broader external context, an organisational culture increasingly oriented towards widespread and responsible leadership, laying the foundations for growth and development of talent.

## Reward Strategy

The remuneration strategy of the Poste Italiane Group aims to ensure the alignment between the interests of the management and the company workforce with those of its stakeholders. In accordance with the Group's business strategy and People Strategy, the remuneration strategy is based on a multi-year time frame with focus on long-term value creation, and it combines financial and non-financial objectives, within a scenario of healthy and prudent management of current and future risks.

The principles of the Reward Strategy described earlier in this Report are tangibly reflected in the remuneration components, developed organically with the aim of attracting the most talented candidates on the market and motivating and retaining key personnel.

## Caring, Welfare and Relations with Social Partners

The Poste Italiane Group's welfare strategy is structured around the goal of improving the well-being of the employees and their families, emphasising the centrality of the needs of each individual.

The Company is committed to increasing its responsibility in this area through the promotion of an inclusive culture with benefits for employees and their families and a growing attention on personalised care, a positive work-life balance, the support and development of the younger generations, protecting the vulnerable diverse family; all these actions generate at the same time a positive effect on the sense of belonging and corporate identity.

Poste Italiane makes sure that protecting and supporting its employees is at the centre of its work, while simultaneously ensuring constant dialogue with unions.

Improving working conditions has always been a priority of the Poste Italiane Group; in this regard, it is essential to maintain a constant dialogue with workers' representatives both during normal operation and in the event of significant organisational changes, through periodic meetings with trade unions. Thanks to continuous engagement and by focusing on the constructive outcomes of the Group's multilateral approach, Poste Italiane is able to guarantee adequate and fair solutions on issues that may have significant impacts on the organisation, on the business and, in particular, on human capital.

In 2022 Poste Italiane was certified by IMQ, one of the most authoritative accredited certification bodies at international level, according to the standard ISO 30415:2021 Human resource management - Diversity and inclusion for its ability to integrate the principles of diversity and inclusion in all processes of planning, direction, control, coordination and delivery of postal, financial, insurance and digital services. The affirmation of an inclusive culture generates individual and collective benefits and enriches the experience of all Poste Italiane people at every level of responsibility.

Last but not least, and confirming the virtuous path undertaken, in 2023, for the fourth consecutive year, Poste Italiane was certified by the Top Employers Institute, in particular for its Learning, Work-environment, Business & Ethics, Sustainability and Diversity & Inclusion policies.

### Health and Safety

Poste Italiane believes that a culture of safety is a fundamental asset in order to reduce injuries and foster constant improvement in the management systems adopted.

The protection of occupational health and safety is a key value, which all people must be inspired by in carrying out their daily activities. Additionally, the Group is committed to take all the necessary measures to reduce accidents, workplace injuries and occupational illnesses, promoting the psychophysical well-being of people through policies, prevention programmes, information and awareness campaigns.

In line with the challenges and objectives of the Strategic Plan, one of the goals of the People Strategy is to strengthen internal engagement as a strategic lever able to generate widespread and sustainable benefits in the long term for all stakeholders.

#### 1.4. Preserving the value of all people: the neutrality of remuneration policies with respect to gender

The Poste Italiane Group encourages the development of a culture based on respect for and appreciation of diversity which, in all its forms and manifestations and at the various levels of the organisation, is one of the greatest resources for the creation of long-term sustainable value. The conscious management of diversity in an inclusive manner, in addition to creating shared social value, determines a competitive advantage for the entire Group, protecting resources and their abilities, and is an enabling element for the involvement and commitment of people to the company's objectives.

The Group safeguards the value of its people and promotes the protection of their psychophysical, moral and cultural integrity through working conditions that respect individual dignity and rules of conduct.

The adopted approach aims to develop and evolve the way in which diversity issues are dealt with, moving from an approach aimed at protecting and integrating diversity to a proactive strategy to overcome any barriers and eliminate the factors that may prevent people from being included in the labour market.

In this context, since 2020 Poste Italiane's Board of Directors has adopted the Policy on Diversity and Inclusion.



In 2022 Poste Italiane concluded, with extremely positive results, the assessment process on equal pay between men and women, achieving the "Equal Salary" Certification issued by the Equal Salary Foundation, an independent Swiss non-profit organisation. The certification was developed in collaboration with the University of Geneva, complying with international standards and best practices and applying a rigorous methodology approved by the European Commission.

The award was conferred at the end of a well-structured audit process, aimed at verifying the neutrality of remuneration policies with respect to gender, which flanked the precise analysis of the remuneration levels of the entire company population with a phase of listening to Poste Italiane people (through surveys, interviews and focus groups) focused on the knowledge and the perception of the company's commitment to inclusion and diversity. In addition, a further phase was

dedicated to assess the policies adopted by the company for the management and development of its employees.

Poste Italiane has started the certification process on a voluntary basis in order to monitor the results of its commitment to improve the well-being of its people and in line with the objectives of the Strategic Plan. Obtaining this certification confirms the soundness of the Group's human resources management and development policies, remuneration policies and Diversity and Inclusion policies.

Promoting the development of a culture based on fairness and merit also in remuneration policies and career paths is fundamental to Poste Italiane's strategy to ensure the Group's competitiveness and generate positive effects for the country. The certification also underlines the validity of the company's model based on inclusion and valuing diversity and makes Poste Italiane a national reference in the application of Diversity and Inclusion principles.

The Poste Italiane Group also guarantees that decisions regarding remuneration, including incentive systems, are not based on gender, nor on any other distinct attributes and qualities (age, sexual orientation and identity, disability, health, ethnic origin, nationality, language, political opinions, social and economic conditions, religious beliefs), are based on merit and professional skills aligned with the principles that inspire the Reward Strategy.

Equal remuneration represents for Poste Italiane a significant element of the remuneration policy, offering to all of its resources equal access to Company opportunities.

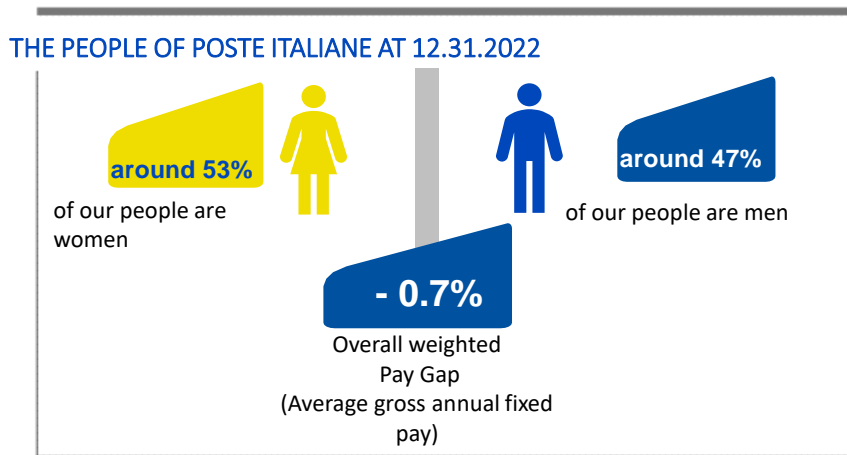
Poste Italiane is committed to:

- analyse the evolution of the gender pay gap;
- implement the action plan to effectively monitor, pursue and maintain over time the gender neutrality of the remuneration policy;
- clarify any significant differences in remuneration and implement further corrective actions;

- ensure equal opportunities for development and professional growth according to meritocratic principles.

The pay gap is calculated weighing the spread measured for uniform population bands (that is with the same degree of complexity and level of responsibility associated with the role) for the relative weight of the gender more represented in Poste Italiane (female) and, as represented in the figure below, the results show an extremely limited gap, of 0.7%, in line with the previous year.

FIGURE 3. GENDER PAY GAP OF POSTE ITALIANE PERSONNEL



It should be noted that Poste Italiane was reconfirmed for the fourth consecutive year in the Bloomberg Gender Equality Index (GEI), the world’s benchmark index on gender equality, with an even higher score and a rating above the average of the companies examined.

## 1.5. Measuring the value generated for shareholders

### Pay-for-Performance

In order to ensure competitiveness and effectiveness, in accordance with the principle of fairness and moderation, the Remuneration Policy must be consistent with long-term sustainable performance.

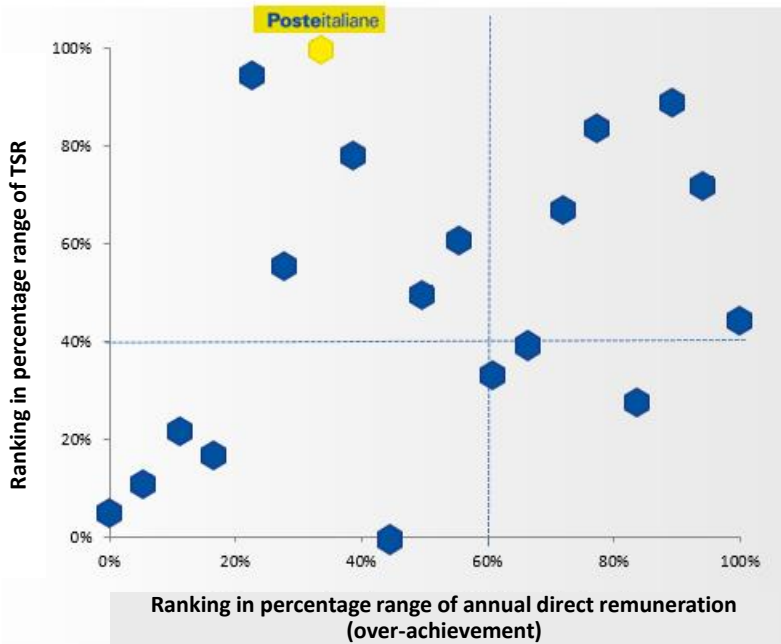
A valid reference for assessing the adequacy of remuneration, and its alignment with the expectations of all stakeholders, is the “pay for performance”, which measures the degree of alignment between the Company’s performance and the remuneration levels paid, also with respect to the *Peer Group* used for the remuneration comparison illustrated in paragraph 3.

In the light of the fact that the Shareholders’ Meeting convened for May 8, 2023, will be called, among other things, to renew the Board of Directors, it was deemed useful to extend the Total Shareholder Return observation period from the beginning of the first term of office of the current CEO-GM’s term (April 27, 2017), until the end of 2022.

This analysis highlights for Poste Italiane a positioning in the area of high performance - in terms of TSR - to which is linked a level of Annual Direct Remuneration of the CEO-GM (as at 12/31/2022) that is lower than the median of the reference sample, as shown in the figure below. Moreover, Poste Italiane’s Total Shareholder Return was the highest of the companies included in the Peer Group analysed over the same period.



FIGURE 4. PAY FOR PERFORMANCE 27 APRIL 2017-31 DECEMBER 2022 CEO-GM OF POSTE ITALIANE



**Peer group:**

Allianz, AXA, Banco BPM, Bpost, CTT - Correios de Portugal, Deutsche Post, Enel, Eni, Generali Assicurazioni, Intesa Sanpaolo, Leonardo, Nexi (listed from 15 April 2019), PostNL, Snam, Terna, TIM, UniCredit, Unipol and Poste Italiane.

Source: Bloomberg and WTW.

Total Shareholder Return (TSR) from April 27, 2017 to December 31, 2022.

Annual Direct Remuneration (ADR): latest available figure.

**Shareholder support for the remuneration policy**

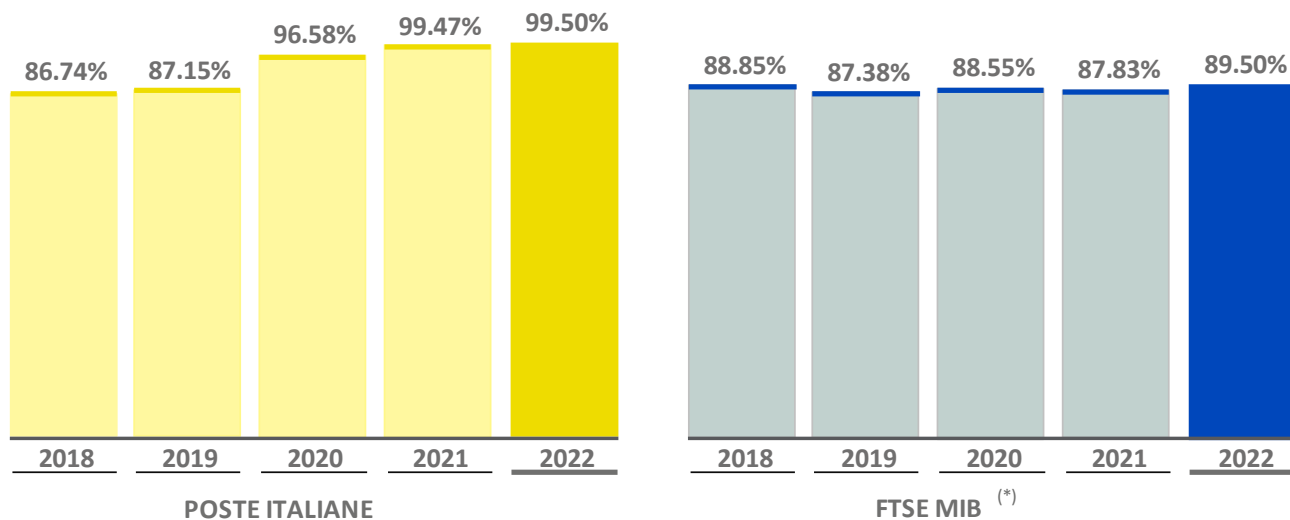
The 2022 Remuneration Policy reported a broad consensus among shareholders, an appreciation confirmed by the favourable vote at the Shareholders’ Meeting of May 27, 2022, also with reference to the votes expressed by minorities only.

The past outcomes of the voting at the Annual General Meetings on the Remuneration Report in the last five years are provided below:

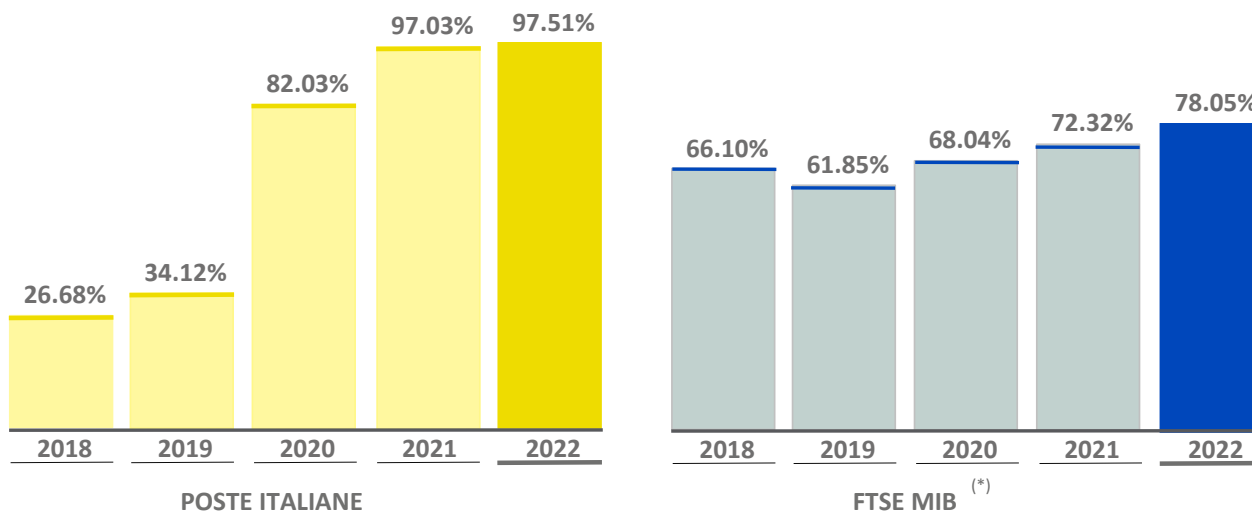


FIGURE 5. OUTCOME OF AGM VOTES ON REMUNERATION (2018-2022)

**TOTAL VOTES IN FAVOUR**



**VOTES IN FAVOUR OF MINORITY SHAREHOLDERS**



(\*) The reference is to a Panel composed of about 30 issuers included in the FTSE MIB index, selected according to the criteria of capitalisation and registered office in Italy.

NB: "Non-voting" shares are not considered.

Source: Georgeson.

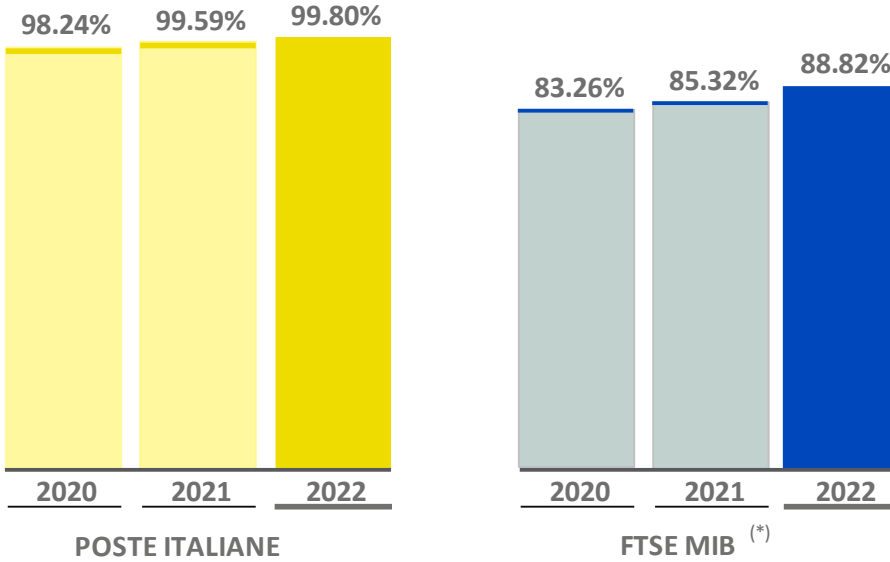
The outcome of the vote held during the Shareholders' Meeting was assessed within the context of the overall governance of the Group's remuneration and incentive policies.

In line with the guiding principles of the Reward Strategy, Poste Italiane is committed to maintaining a constructive and ongoing dialogue with its shareholders on remuneration subjects as well, aimed at improving and ensuring a more effective public disclosure, based on the best Italian and international standards. This approach - combined with moderation and the link with Group's business strategies, in the interest of the stakeholders - has led to further improvements in AGM results compared to 2021, a year in which Poste Italiane already represented a market leader.

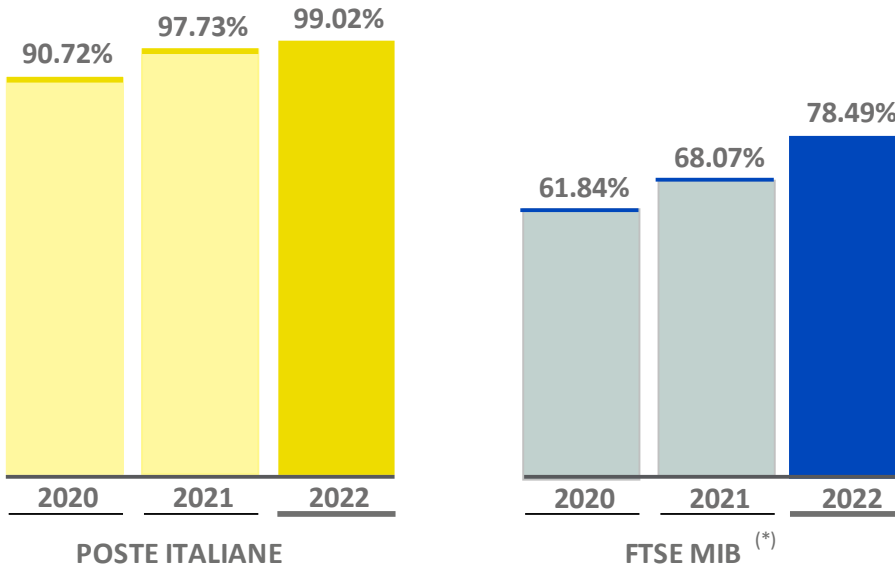
In 2022, the Report on Amounts Paid, which was put to the vote at the Shareholders' Meeting for its third time, recorded an improvement on the previous year, and the consensus was broadly above the average for companies on the FTSE MIB.

FIGURE 6. OUTCOME OF AGM VOTES - REPORT ON AMOUNTS PAID (2020-2022)

**TOTAL VOTES IN FAVOUR**



**VOTES IN FAVOUR OF MINORITY SHAREHOLDERS**



(\*) The reference is to a Panel composed of about 30 issuers included in the FTSE MIB index, selected according to the criteria of capitalisation and registered office in Italy.

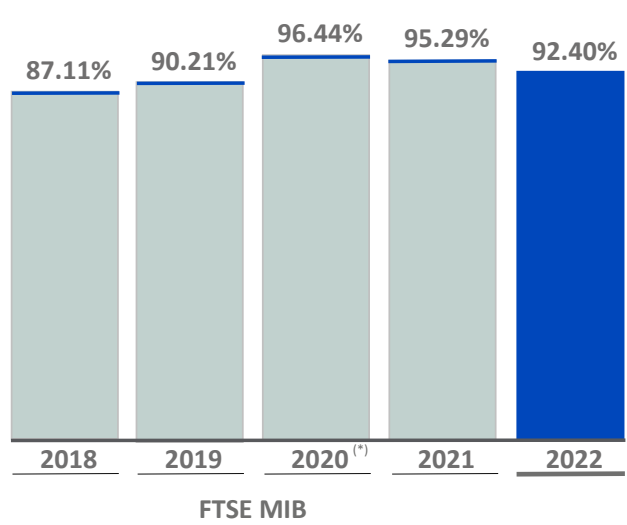
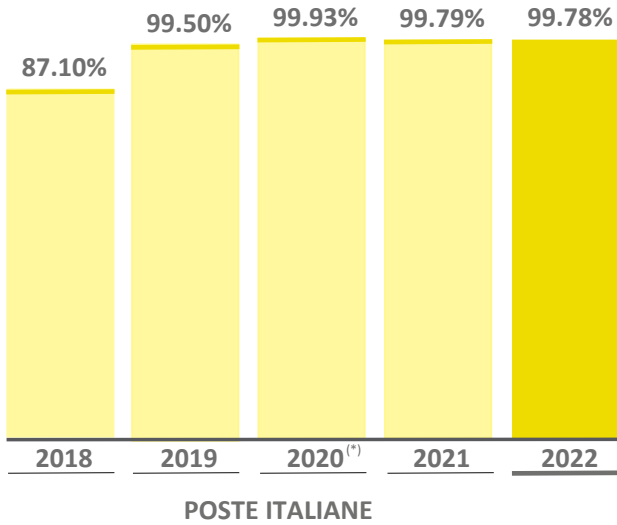
NB: "Non-voting" shares are not considered.

Source: Georgeson.

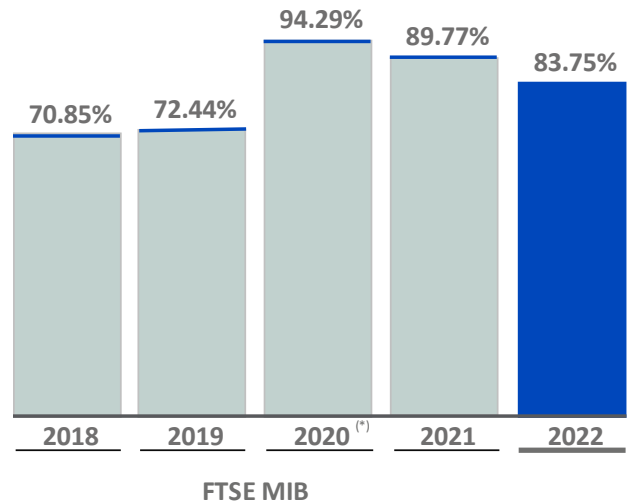
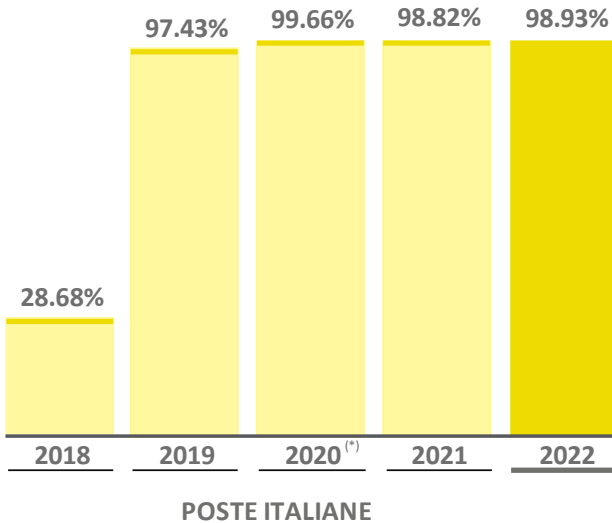
The 2022 equity-based incentive plans (short and long term) obtained a broad consensus of 99.78% of the total votes in favour, and 98.93% of the minority shareholders alone.

FIGURE 7. OUTCOME OF AGM VOTES - VARIABLE EQUITY-BASED INCENTIVE PLANS (2018-2022)

**TOTAL VOTES IN FAVOUR**



**VOTES IN FAVOUR OF MINORITY SHAREHOLDERS**



(\*) In 2020, Poste Italiane submitted only a variable incentive plan focused on short-term equity-based instruments for approval by the Shareholders' Meeting; only FTSE companies that submitted a short-term plan for approval were considered.

NB: "Non-voting" shares are not considered.

Source: Georgeson.

In recent years, interaction with other market operators has provided valuable insights on the Group's remuneration policy, contributing to the positive feedback resulting - as noted in this paragraph - in positive outcomes during the Shareholders' Meeting.

In 2022, the key proxy advisors issued recommendations for a vote in favour of all points of the agenda regarding remuneration, with no particular concerns raised.

## 2 Governance of remuneration and incentive policies

The process of preparing Poste Italiane's remuneration and incentive policies involves a number of different actors in line with the requirements established by law, by the Company's By-laws and by its organisational and governance model.

With regard to Poste Italiane's Board of Directors (BoD), the related remuneration policy is defined:

- by the Shareholders' Meeting, which determines the remuneration payable to members of the Board of Directors at the time of their appointment and throughout their term of office;
- by the Board of Directors, which determines the remuneration payable to Directors with delegated powers, in consultation with the Board of Statutory Auditors. Moreover, the Board of Directors, on the recommendation of the Remuneration Committee, defines the remuneration for Directors participating to the Board Committees.

The Board of Directors, in line with the recommendations of the Corporate Governance Code, is supported, as regards remuneration issues, by the Remuneration Committee, made up of non-executive Directors - the majority of whom (including the relative Chair) hold the independence requirements - having propositional and advisory functions on the matter.

Information on the Corporate Governance processes applicable to the remuneration and incentive policies adopted for BancoPosta RFC is provided in the Annex "*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023*".

With regard to the subsidiaries subject to regulators' supervision regarding remuneration (for example, by the Bank of Italy for asset management activities or the insurance regulator, IVASS, for insurance activities), reference should be made to their own remuneration and incentive policies drawn up and approved in keeping with the Corporate Governance processes.

### 2.1. Shareholders' Meeting

With regard to remuneration, the Shareholders' Meeting:

- determines the remuneration payable to members of the Board of Directors and the Board of Statutory Auditors at the time of their appointment and throughout their term of office;
- votes on any equity-based plans for Directors, employees or other staff, in accordance with art. 114-*bis* of the CLF;
- holds a binding vote to approve the Report on the remuneration policy of Poste Italiane SpA, in accordance with art. 123-*ter*, paragraph 3-*ter* of the CLF;
- holds a non-binding vote to approve the Poste Italiane S.p.A.'s Report on amounts paid, in accordance with art. 123-*ter*, paragraph 6 of the CLF.

It is recalled that, in line with the provisions of the BancoPosta RFC Regulation, the Shareholders' Meeting may vote on the management body's proposal to set a limit to the ratio of individual variable to fixed component above 1:1 and, in any event, within the maximum limits set by the applicable regulations. Poste Italiane's Shareholders' Meeting of May 28, 2021 approved, for certain categories of the most significant personnel of the BancoPosta RFC, including the CEO-GM, the proposal to raise the limit on the ratio between the variable and fixed components of individual remuneration to 2:1.

Please note that the Shareholders' Meeting convened for May 8, 2023 will be called, among other things, to renew the Board of Directors and the compensation pursuant to art. 2389, paragraph 1, of the Italian Civil Code.

## 2.2. Board of Directors

With regard to remuneration, the Board of Directors, with the support of the Remuneration Committee:

- determines the remuneration policies and levels of pay for Directors with delegated powers, in consultation with the Board of Statutory Auditors, and for the General Manager, the Head of the Internal Auditing Function, the Head of the BancoPosta function and the Manager Responsible for Financial Reporting; it is understood that the Chairperson and CEO-GM abstain from voting in relation to the remuneration decisions that concern them;
- sets the performance targets linked to the variable remuneration plans for executive Directors and verifies their achievement. It is understood that, as required by law, the CEO-GM must abstain during votes regarding decisions on their performance targets;
- defines the main characteristics and strategic priorities of the variable remuneration plans of Key Management Personnel and verifies their achievement;
- approves the remuneration policies for the current year for Directors and Key Management Personnel and submits them for binding approval by the Shareholders' Meeting;
- approves the report on amounts paid for the previous year for Directors, Auditors and Key Management Personnel and submits them for non-binding approval by the Shareholders' Meeting;
- approves any equity-based plans and submits them for the vote by the Shareholders' Meeting.

The Board of Directors appointed for the 2023-2025 term will determine the remuneration for Directors with delegated powers.

Matters relating to the implementation of remuneration policies were discussed in five Board of Directors' meetings in 2022.

The Board of Directors for the 2020-2022 term is made up of 7 non-executive directors, which, in addition to the Chairperson (non-executive who meets the independence requirements set forth in article 2, recommendation 7 of the new Corporate Governance Code, as well as the independence requirements set out in article 148, paragraph 3 of the Consolidated Finance Law) and the Chief Executive Officer, for a total of 9 members. 5 non-executive directors meet the independence requirements set out in article 2, recommendation 7 of the new Corporate Governance Code, as well as the independence requirements set out in article 148, paragraph 3, of the CLF.

In the context of the Diversity policy for Administrative and Auditing Bodies of Poste Italiane, criteria have been identified regarding the qualitative and quantitative composition of the Board of Directors in order to ensure the effective fulfilment of the tasks and responsibilities allocated to the management body, also thanks to the inclusion of Directors who provide sufficient diversity in terms of the competences required to effectively understand current business, risks and long-term opportunities associated with the Group's activities.

FIGURE 8. COMPOSITION OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES FOR THE 2020-2022 TERM (FROM JANUARY 26, 2022)

POSITION	NAME AND SURNAME	Remuneration Committee	Nominations and Corporate Governance Committee	Control and Risk Committee	Sustainability Committee	Related Parties and Connected Parties Committee
Director	Giovanni Azzone <sup>1,2</sup>					
Director	Bernardo De Stasio <sup>1,2</sup>					
Director	Daniela Favrin <sup>1</sup>					
Director	Davide Iacovoni <sup>1</sup>					
Director	Mimi Kung <sup>1,2</sup>					
Director	Elisabetta Lunati <sup>1,2</sup>					
Director	Roberto Rossi <sup>1,2</sup>					

**Directors with delegated powers**

**CHAIR** Bianca Maria Farina <sup>1,2</sup>      **CEO AND GENERAL MANAGER** Matteo Del Fante

Chair Member

(1) Non-executive Director.  
 (2) Independent Director pursuant to Consolidated Law on Finance and the Corporate Governance Code for listed companies.

### Derogations from the remuneration policies

As envisaged by art. 123-ter, paragraph 3-bis of the CLF (updated in 2019), in the case of exceptional circumstances, Poste Italiane may temporarily waive its remuneration policies, without prejudice to respect of the legislative and regulatory restrictions. Exceptional circumstances generally refer to situations in which waiving of the remuneration policy is necessary for the pursuit of long-term interests and sustainability of the Company overall or to ensure its capacity to remain on the market. The process is summarised below.

The Board of Directors, on the recommendation of the Remuneration Committee and in consultation with the Related and Connected Parties Committee and the Control and Risk Committee (and other Board Committees possibly involved on issues of competence), in accordance with the Guidelines on the Management of transactions with Related and Connected Parties of Poste Italiane S.p.A., limited to the remuneration policy items indicated in paragraph 4.1 of the first section of this document, may temporarily waive the remuneration policy in the aforementioned circumstances. Information concerning any exceptions (including, in particular, the elements to which the exception refers, the description of the circumstances that made the exception necessary, and the procedure followed for the application of the exception and the remuneration paid as a result of this procedure) will be described in the Report on amounts paid which is put to vote at the Shareholders' Meeting the year after the application of the exception.

In any case, there may be no exceptions to the principle under which the CEO-GM and Key Management Personnel of Poste Italiane may not be assigned one-off payments or defined variable components other than those described in this document.

## Remuneration Committee

The Remuneration Committee is responsible for providing advice and making recommendations regarding remuneration and incentive schemes. The composition, mandate, powers and operating procedures of the Committee are governed by specific regulation approved by Poste Italiane's Board of Directors.

In general, the Poste Italiane's Remuneration Committee consists of at least three non-executive Directors, one of whom with the role of Chair. The majority of members, including the Chair, must meet the independence requirements provided for in art. 148, paragraph 3 of the CLF and art. 2, recommendation 7 of the Corporate Governance Code. In addition, at least one Committee member must have appropriate expertise and experience in financial matters or remuneration policies and risk, capital and treasury management. This is assessed by the Board of Directors at the time of appointment to the Committee.

Committee meetings are attended by the Board of Statutory Auditors and, by invitation, other competent corporate bodies and functions. As a rule, meetings are also attended by the Head of BancoPosta's Risk Management and Outsourcing Governance function when the Committee is to discuss matters relating to BancoPosta's activities.

The following figure shows the composition of the Committee at December 31, 2022. Please note that the Chair of the Remuneration Committee is a director elected from list of Institutional Investors.

FIGURE 9. COMPOSITION OF THE COMMITTEE AT DECEMBER 31, 2022



1. Candidate of List no. 2 – Institutional Investors, for the appointment of the members of the Board of Directors 2020-2022.

The Remuneration Committee, at the moment of drafting of this document, has been assigned, among others, the following advisory and consultative tasks:

- making proposals to the Board of Directors, or expressing opinions on the remuneration of Executive Directors, other Directors who hold particular offices and managers with strategic responsibilities in accordance with current regulations;
- assisting the Board of Directors in the drawing up the Company's policy on the remuneration of the members of the Board of Directors, general managers and managers with strategic responsibilities with reference to at least the following financial year and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, of the members of the control bodies, in accordance with the regulations in force, periodically assessing the adequacy, overall consistency and concrete application of the Policy adopted and making use of the information provided by the Chief Executive Officer regarding the implementation of this Policy;
- to submit proposals or express opinions to the Board of Directors on setting of performance targets regarding the variable component of remuneration of the Chief Executive Officer-General Manager;
- monitoring the actual application of the remuneration policy and verifying the achievement of the performance objectives;



- making proposals regarding the remuneration, including the variable component, of the Head of Poste Italiane’s Internal Control Function, in agreement with the Control and Risk Committee established within the Board of Directors;
- making proposals regarding the remuneration of the Manager Responsible for Poste Italiane’s Financial Reporting;
- examining, in advance, the annual report on remuneration policy and amounts paid drafted for public disclosure in preparation of the Shareholders’ Meeting called to approve the financial statements;
- performing any additional tasks assigned by the Board of Directors.

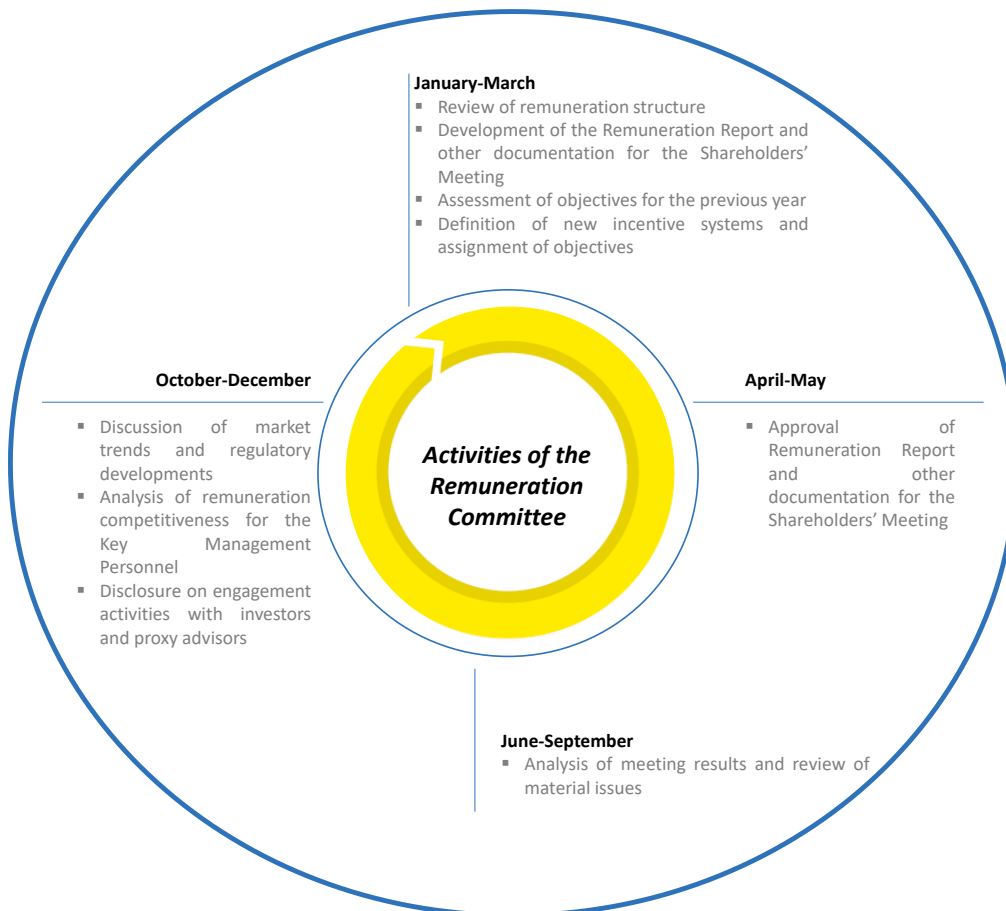
With regard to the responsibilities of the Remuneration Committee in respect of BancoPosta RFC, reference should be made to the Annex “*Guidelines for BancoPosta RFC’s remuneration and incentive policy for 2023*”.

The Committee, through its Chair, reports to the Board of Directors on the activities carried out by the Committee at the first available meeting, whenever deemed necessary.

The Committee has the right to access (within the limits of its assigned responsibilities) the information and corporate functions necessary in order to fulfil its role and may avail itself of external consultants or independent experts at the Company’s expense, within the limits of the overall budget approved by the Board of Directors for all Board Committees.

The Remuneration Committee meets periodically and with sufficient frequency to enable it to carry out its duties, in accordance with an annual calendar that normally follows the cycle of activity shown below:

FIGURE 10. THE REMUNERATION COMMITTEE’S CYCLE OF ACTIVITY



## Other Board Committees

When required by internal regulations and corporate governance processes, specific issues relating to remuneration and incentives are discussed by the Control and Risk Committee, Sustainability Committee and/or the Related and Connected Parties Committee in order to provide an opinion. The Committees may, if necessary, be supported by the relevant internal functions or external consultants.

Furthermore, the Control and Risk Committee is responsible for supporting the Remuneration Committee in making remuneration proposals, even variable, for the Head of the Internal Auditing function of Poste Italiane S.p.A. and checks that the incentives underlying BancoPosta RFC's remuneration and incentive scheme are consistent with the Risk Appetite Framework.

As regards the competences of the other Committees relating to BancoPosta RFC, please refer to the Annex "Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023".

### 2.3. Board of Statutory Auditors

The Board of Statutory Auditors attends Remuneration Committee meetings, providing the opinions required by law and, with regard to the compensation of Directors with delegated powers in accordance with art. 2389, paragraph 3 of the Italian Civil Code, also checking consistency with the general policies adopted by the Company.

### 2.4. Other entities

The Corporate Affairs function ensures compliance with the Corporate Governance processes and contributes to the definition and assessment of ESG indicators. Said function also, among the duties and responsibilities assigned to it in relation to aspects of Human Resources and Organisation, draws up proposed remuneration policies to submit to the Remuneration Committee, without prejudice to the need to comply with the specific requirements for BancoPosta RFC. At the request of the Remuneration Committee, Corporate Affairs/Human Resources and Organisation also provides expert assistance in preparing the material necessary for the Committee to carry out its duties, including with the support of other functions that are specific process owners.

At the time of writing, the Head of "Affari Societari" always within the Corporate Affairs function, is also the Secretary to the Remuneration Committee and is responsible for assisting the Chair and the Committee in carrying out their roles and for minuting Committee meetings.

The Administration, Finance and Control function contributes to the process of setting and assessing achievement of the financial indicators on which incentive schemes are based and assesses their economic-financial sustainability.

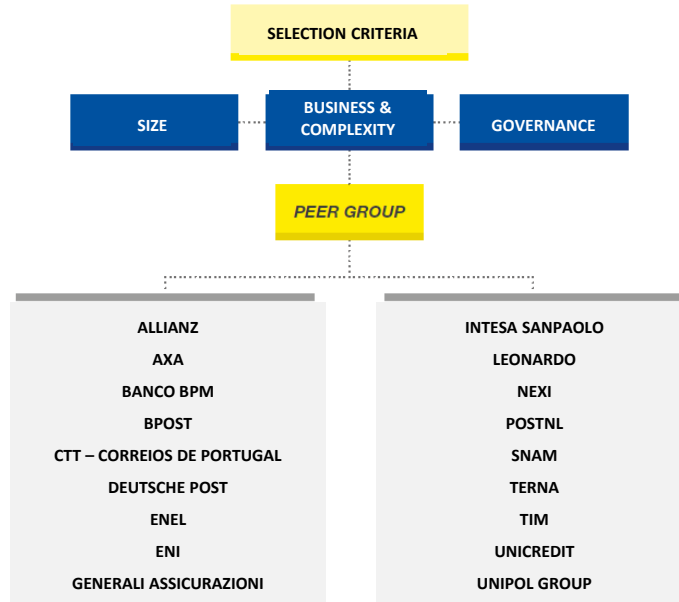
With regard to BancoPosta RFC, reference should be made to the Annex "*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023*" for information on the duties and responsibilities of the Head of BancoPosta and the other related functions.

### 3 Market practices

The Company regularly monitors market trends, also through salary benchmarking conducted by major international industry players, with the aim of ensuring the competitiveness of its remuneration packages.

The 2023 peer group used to benchmark the remuneration of the Chief Executive Officer and General Manager was not changed compared to the one used in 2022:

FIGURE 11. PEER GROUP



The peer group was selected from a larger sample of Italian and European companies comparable to Poste Italiane in nature.

In particular, with regard to “Size”, the process took into account market capitalisation, revenue and number of employees. In terms of “Business & Complexity”, the different sectors in which the Poste Italiane Group operates were considered (with a focus on the Italian banking sector, given that the CEO-GM is subject to banking regulations, as well as in the insurance, payment services, logistics and parcel sector) in addition to the complexity of operations. Finally, with regard to “Governance”, the peer group includes a number of companies where the Ministry of the Economy and Finance and Cassa Depositi e Prestiti S.p.A. own an equity investment or who are regulated by AGCOM (the Italian Communications Authority), provided that they are listed on the FTSE MIB.

For the salary benchmarking process for Key Management Personnel, the Company uses a panel of companies with characteristics consistent with those selected for the CEO-GM; where deemed significant, reference may be made to industry panels (for example, for roles in financial services).

Remuneration levels are generally moderate; the Company’s benchmarking is normally conducted with reference to market medians.

## 4 Remuneration and incentive policies for 2023

### 4.1 Remuneration items

The key remuneration items are the fixed component, variable remuneration (short and long-term) and severance payments on termination of employment.

The pay mix between fixed and variable component, balanced between the monetary and non-monetary component, is linked to the role held and the responsibilities assigned. In this regard, Poste Italiane uses a job evaluation framework for the various roles, certified periodically by an independent consulting firm.

#### Fixed components

Fixed remuneration reflects technical, professional and managerial skills.

Competitiveness, attractiveness, meritocracy and the assignment of greater responsibilities may lead to the recognition of adjustments to fixed remuneration.

Proposed adjustments to gross annual fixed pay follow a structured process, based on objective, non-discretionary criteria.

Fixed remuneration is also determined taking into account internal equity values and market benchmarks (as noted, the Company's benchmarking is conducted with reference to market medians).

Certain non-monetary benefits are also provided in accordance with the applicable statutory requirements and in line with market practices. Benefits<sup>1</sup> are subject to specific guidelines, which require the application of common criteria depending on the category of employee concerned.

#### Variable components

Variable remuneration is the incentive component directly linked to company and individual performance, according to a meritocratic approach that recognises and rewards results reached on the basis of predetermined, transparent, measurable and verifiable objectives.

Incentives linked to variable remuneration are paid at the end of an accurate verification process of the results actually achieved.

Variable remuneration is paid in the form of cash and financial instruments, over an annual and multi-year time horizon.

Variable pay is capped depending on the category of beneficiary.

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<sup>1</sup> Managers are not normally provided with insurance cover or pension schemes other than those envisaged in the market practices and in the National Collective Labour Agreement for the management personnel of companies producing goods and services (the "NCLA"). The Chairperson, General Manager and KMP are provided with supplementary health cover in addition to that provided under the NCLA. Members of the Board of Directors and Board of Statutory Auditors, the General Manager, the Manager Responsible for Financial Reporting and executives and employees in management or supervisory roles are provided with accidents and D&O coverage.

The CEO-GM and KMP of Poste Italiane may not receive one-off payments or other variable components other than as described in this document.

All the incentive schemes are linked to the achievement of predetermined levels of performance and subject to malus and clawback provisions, as described in greater detail below.

**Other items**

In exceptional circumstances, newly hired personnel may receive specific awards, including a signing bonus (also in instalments).

In accordance with the Company’s policies, there are and it is possible to stipulate provisions/agreements governing aspects of termination of employment in line with the Company’s long-term strategies, values and interests (including therein any non-competition agreements).

**4.2 Share Ownership Guidelines (SOGs)**

The Poste Italiane Share Ownership Guidelines apply to people in the following roles:

- Chief Executive Officer and General Manager;
- Key Management Personnel included among the beneficiaries of the “Performance Share LTIP”.

The nature of the guidelines differs according to the category of role:

FIGURE 12. SUMMARY OF SOGS FOR CEO-GM AND KMP

Beneficiaries	Target amount	Timing and manner of reaching target amount
CEO-GM	1 gross annual fixed pay	until expiry of term of office/termination of employment; 50% of the Shares available under the “Performance Share LTIP” to be held, unless the target amount has already been reached
KMP	½ gross annual fixed pay	whilst belonging to the KMP category; 25% of the Shares available under the “Performance Share LTIP” to be held, unless the target amount has already been reached

The above persons undertake to hold a percentage of the shares available under the “Performance Share LTIP”, until the target amount has been reached.

**4.3 Board of Directors**

The remuneration policy for members of the Board of Directors is differentiated as follows:

- Chairperson of the Board of Directors;
- Chief Executive Officer and General Manager (CEO-GM);
- other Directors.

On a general basis and for all the members of the Board of Directors, the Shareholders’ Meeting held on May 15, 2020 determined - based on a proposal submitted by the Ministry of the Economy and Finance - the compensation payable pursuant to art. 2389, paragraph 1 of the Italian Civil Code to members of the Board of Directors in office in the period 2020-2022. The 2023 Shareholders’ Meeting shall resolve, for the

2023-2025 term, the compensation pursuant to art. 2389 paragraph 1 of the Italian Civil Code, on the proposal of the reference shareholder.

No attendance fees were provided for the 2020-2022 term of office for participation in Board of Directors' meetings or Board Committees' meetings.

It remains understood that for the Chairperson of the Board of Directors and the other Directors, with the exception of the CEO-GM, remuneration is in no way linked to the results achieved by Poste Italiane.

As required by law, the Chairperson, Chief Executive Officer and General Manager must abstain during votes regarding decisions on their remuneration and not take part in discussions on this matter.

In particular, the remuneration of other Directors consists of a fixed component, determined by the Shareholders' Meeting and applicable for the full term of office. As indicated above, the Shareholders' Meeting held on May 15, 2020, with regard to the term of office 2020-2022, determined the compensation payable pursuant to art. 2389, paragraph 1 of the Italian Civil Code as €40,000 per annum (except as specified in paragraph 4.3.1 below with reference to the Chairwoman of the Board of Directors). There are no forms of variable remuneration.

Directors are reimbursed for any out-of-pocket expenses incurred in carrying out their duties, within the limits established by the Board of Directors.

The additional remuneration for the members of the internal board Committees, for the 2020-2022 term of office, resolved by the Board of Directors on June 10, 2020, after hearing the opinion of the Board of Statutory Auditors and the Remuneration Committee, are reported in the second section of this document.

The Board of Directors appointed for the 2023-2025 term shall determine, in accordance with the decision procedure described above, the compensation for participation by the Directors in the internal board Committees, as Chair or Member. It is understood that the Board of Directors may modify the compensation, if necessary, with respect to what was decided for the 2020-2022 term, also in consideration of specific market benchmarking.

### 4.3.1 Chairperson of the Board of Directors

The remuneration of the Chairwoman of the Board of Directors consists of a fixed component, by way of compensation, approved by the Shareholders' Meeting of May 15, 2020, for the 2020-2022 term, in accordance with art. 2389, paragraph 1 of the Italian Civil Code and equal to €60,000 per annum.

In addition to the above, on December 17, 2020, the Board of Directors, on the recommendation of the Remuneration Committee and in consultation with the Board of Statutory Auditors, awarded further compensation to the Chairwoman of the Board of Directors for the 2020-2022 term (pursuant to art. 2389, paragraph 3 of the Italian Civil Code). This additional compensation is equal to €420,000 per year. There are no forms of variable remuneration.

It should be noted that the Shareholders' Meeting of May 8, 2023, in accordance with the decision procedure described above, shall determine the compensation pursuant to art. 2389, paragraph 1 of the Italian Civil Code. Furthermore, it should be noted that the Board of Directors appointed for the 2023-2025 term shall determine, in accordance with the decision procedure described above, the compensation pursuant to art. 2389, paragraph 3 of the Italian Civil Code, for the office of Chair of the Board of Directors. It is understood that the Board of Directors may modify the compensation, if necessary, with respect to what was decided for the 2020-2022 term, also in consideration of specific market benchmarking.

The Chairperson is reimbursed for any out-of-pocket expenses incurred in carrying out her duties, within the limits established by the Board of Directors.

As required by law, the Chairperson abstains during votes regarding decisions on her remuneration and does not take part in discussions on this matter.

The final component of the remuneration package consists of certain benefits provided in accordance with the applicable statutory requirements and in line with market practices.

### 4.3.2 Chief Executive Officer and General Manager (CEO-GM)

Remuneration of the Chief Executive Officer and General Manager includes a fixed component, a short-term variable component and a long-term variable component.

From 2021, as resolved by the Shareholders' Meeting of May 28, 2021, the maximum ratio of variable remuneration to fixed remuneration is 2:1, which is also expected to be maintained for 2023.

Note that the gross annual fixed remuneration for the 2020-2022 term is €1,255,000 and the total value of the incentives receivable under the schemes (both short and long-term) cannot exceed double the same fixed amount (maximum ratio 2:1).

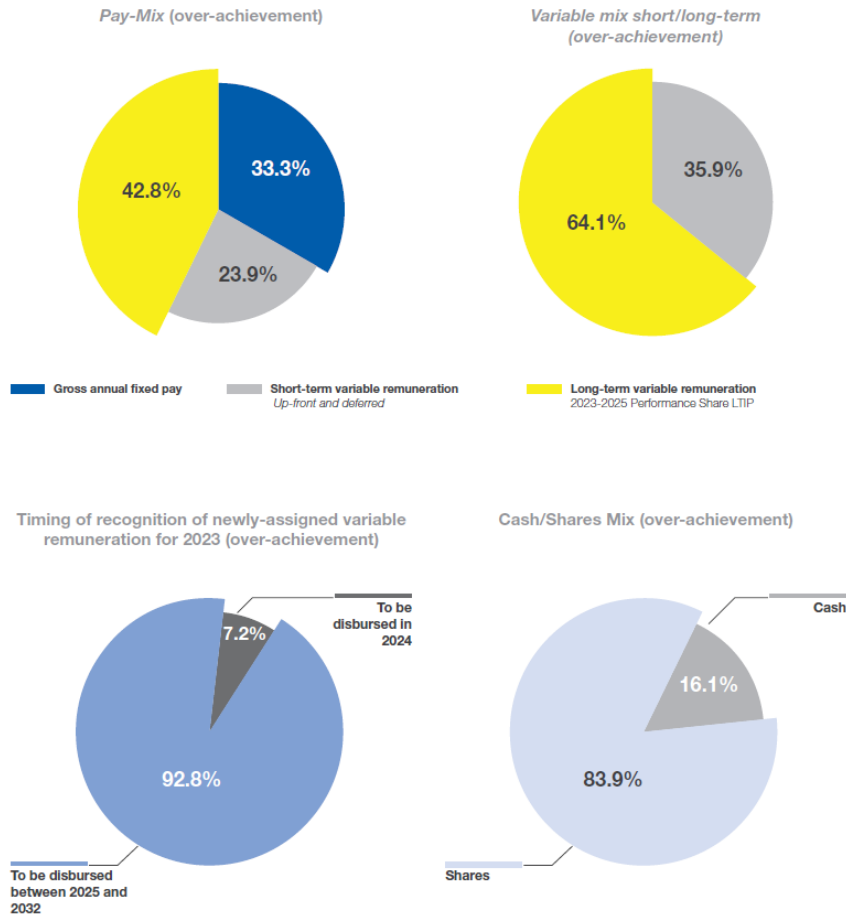
The Board of Directors appointed for the 2023-2025 term shall determine, in accordance with the decision procedure described in the above paragraphs, the compensation pursuant to art. 2389, paragraph 3 of the Italian Civil Code, for the office of Chief Executive Officer. Also on the recommendation of the Remuneration Committee, the Board of Directors shall resolve on the remuneration envisaged for the General Manager. It is understood that the Board of Directors may modify the compensation, if necessary, with respect to what was decided for the 2020-2022 term, also in consideration of specific market benchmarking.

Certain benefits are provided in accordance with the applicable statutory requirements and in line with market practices.



In light of these elements, the following chart shows the CEO-GM Pay Mix for 2023, assuming over-achievement of results. It also illustrates the mix between the short-term and long-term variable component, a specific focus on the timing of variable remuneration and a breakdown between the monetary and equity components:

FIGURE 13. CEO-GM PAY-MIX OF OVER-ACHIEVEMENT



This Pay Mix has been calculated on the basis of awards under the short and long-term incentive schemes thus, in the event of over-achievement, considering the entire value of the “2023-2025 Performance Share LTIP”.

The mix between the short-term and long-term variable component, assuming over-achievement of results, foresees prevalence of the latter over the short-term.

With respect to the timing of recognition of the newly defined variable remuneration for 2023, less than 10% may be paid in 2024 in the case of over-achievement performance, while more than 90% may be paid between 2025 and 2032.

Also with reference to variable remuneration, as shown in the last chart and again in case of over-achievement, almost 85% may be paid in the form of shares.

As a member of the Board of Directors, the Chief Executive Officer is also reimbursed for any out-of-pocket expenses incurred in carrying out the duties strictly related to his role, within the limits established by the Board of Directors.

As required by law, the CEO-GM abstains during votes regarding decisions on his remuneration and does not take part in discussions on this matter.



## Gross annual fixed compensation

The CEO-GM receives gross annual fixed compensation, which consists of a component relating to the position of Director and one relating to his position as a manager of the Company in his role as General Manager<sup>2</sup>.

## Variable remuneration

The variable remuneration of the CEO-GM consists of the short-term variable incentive scheme (“MBO” STI) and the 2023-2025 Performance Share LTIP. The “MBO” STI scheme rewards the achievement of targets on an annual basis, the “Performance Share LTIP” on a three-year basis.

The “MBO” STI scheme and the “Performance Share LTIP” enable the Company to maintain an ongoing link between variable remuneration and performance over the long-term, strengthening the alignment with investors’ interests, also given that the new Plan results in the awarding of Poste Italiane’s ordinary shares. These plans also aim to support the effective implementation of the Strategic Plan. In this regard, it is noted incentive plans are subject to deferral and retention mechanisms. Moreover, each of the variable remuneration portions in financial instruments (both up-front and deferred) is subject to ex-post risk adjustments (malus and clawback provisions) that, based on individual performance and/or conduct, may result in a significant reduction in the amount payable (potentially to zero) and, under certain conditions, in the application of a clawback provision.

All the management incentive schemes include performance hurdles related to Group EBIT, as summary indicator of the economic and financial sustainability common to all Poste Italiane’s businesses. Achievement of the hurdle makes it possible to award the bonus earned, in relation to the assigned targets and in line with the risk tolerance levels linked to BancoPosta RFC’s capital, liquidity and risk-adjusted profitability (also “risk-adjusted earnings”).

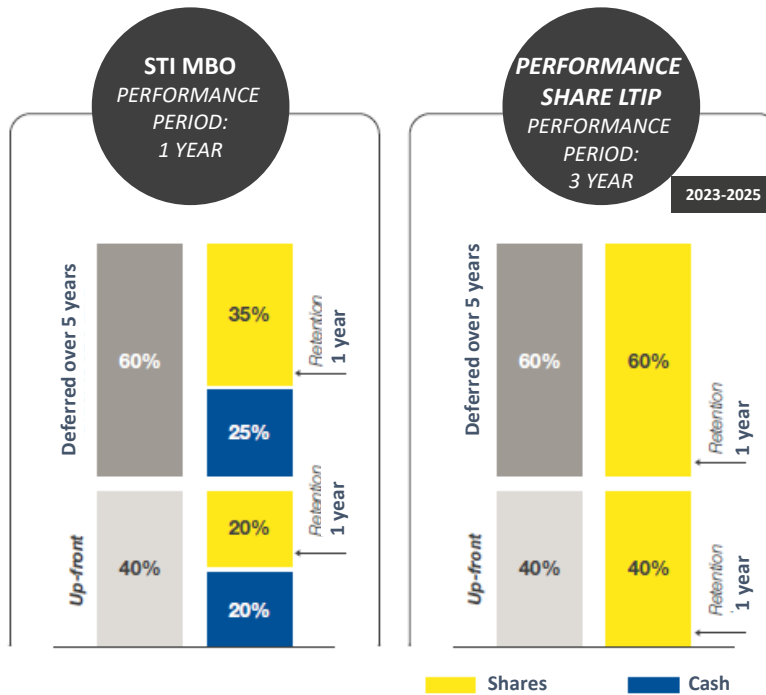
As a Material Risk Taker, within the scope of application of the “*Guidelines for BancoPosta RFC’s remuneration and incentive policy for 2023*”, the structure of the CEO-GM remuneration envisages a cap on total variable remuneration based on a 2:1 ratio between the variable (both short and long-term) and fixed component, in addition to deferral and retention periods.

Further details are provided below.

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<sup>2</sup> The CEO-GM position as General Manager is governed by the provisions of the National Collective Labour Agreement for the management personnel of companies producing goods and services (the “NCLA”). In the 2020-2022 term, the fixed gross annual remuneration was as follows: €490,000 as Chief Executive Officer (consisting of €40,000 in remuneration determined by the Shareholders’ Meeting in accordance with art. 2389, paragraph 1 of the Italian Civil Code and €450,000 in remuneration in accordance with art. 2389, paragraph 3 of the Italian Civil Code) and €765,000 in gross annual remuneration for the employment relationship as “Dirigente” in his role as General Manager.

FIGURE 14. VARIABLE REMUNERATION OF THE CEO-GM



As mentioned above, the Board of Directors, on the recommendation of the Remuneration Committee, sets the performance targets linked to variable remuneration for the CEO-GM and assesses achievement of the performance targets, with the CEO-GM always abstaining in any votes on the matter.

**Short-term variable incentive scheme (“MBO STI”, “MBO” or “STI”)**

Short-term variable remuneration aims to strengthen the focus on the creation of value for stakeholders by linking the incentives awarded on annual targets with actual performance over the same period. Key terms of the MBO STI scheme for the CEO-GM have been defined also based on the applicable statutory requirements. The amount that can be accrued, subject to the rules illustrated below, is up to a maximum of 71.71% of gross fixed compensation for 2023, and falls within the limit of the 2:1 ratio between the variable and fixed component.

The plan is based on a structured process for defining objectives and the associated incentives and is characterised by:

- a hurdle and certain qualifying conditions;
- various performance targets, each with a specific weighting assigned.

A maximum level of over-performance has been set, above which the incentive remains constant, as well as a hurdle, below which the incentives do not apply and there is, therefore, no payment due.

**Hurdle and qualifying conditions**

The “MBO” scheme envisages a hurdle condition represented by the “Poste Italiane Group’s target EBIT”, set at the level of the budget, achievement of which enables the CEO-GM to access the bonus earned on the basis of assigned targets. Moreover, in order to ensure the long-term sustainability of the businesses of BancoPosta RFC and the Poste Vita Insurance Group, the enabling conditions for the “MBO” scheme also include the following provisions:

FIGURE 15. HURDLE AND QUALIFYING CONDITIONS FOR THE CEO-GM’S “MBO” SCHEME

Hurdle Condition	Qualifying Conditions
Group earnings: EBIT € 2.45 bn	BancoPosta’s capital adequacy: <b>CET 1</b>
	BancoPosta’s short-term liquidity: <b>LCR</b>
	BancoPosta’s risk-adjusted earnings: <b>RORAC</b>
	Poste Vita Insurance Group’s capital adequacy: <b>Solvency II Ratio</b>

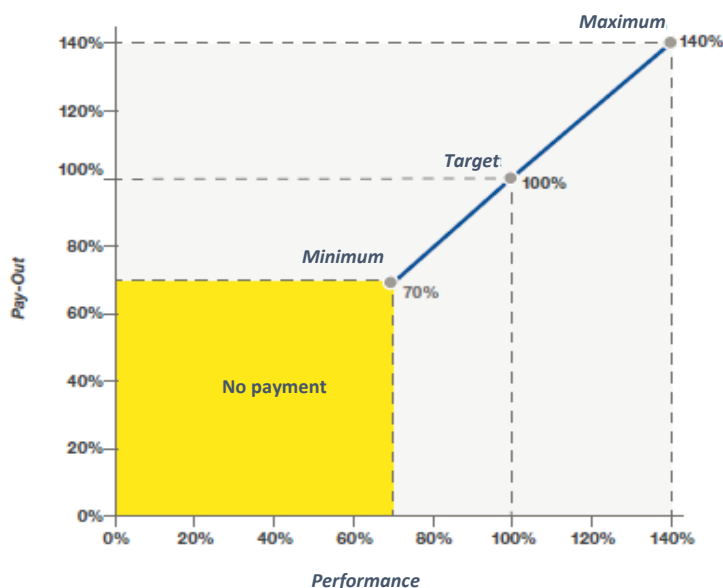
The qualifying conditions’ parameters are set at risk tolerance levels established in the Risk Appetite Framework adopted by BancoPosta RFC and the Poste Vita Insurance Group.

It should be noted that, for prudential reasons, the BancoPosta’s RORAC was also included as a qualifying condition for the 2023 MBO short-term incentive scheme.

**Performance targets**

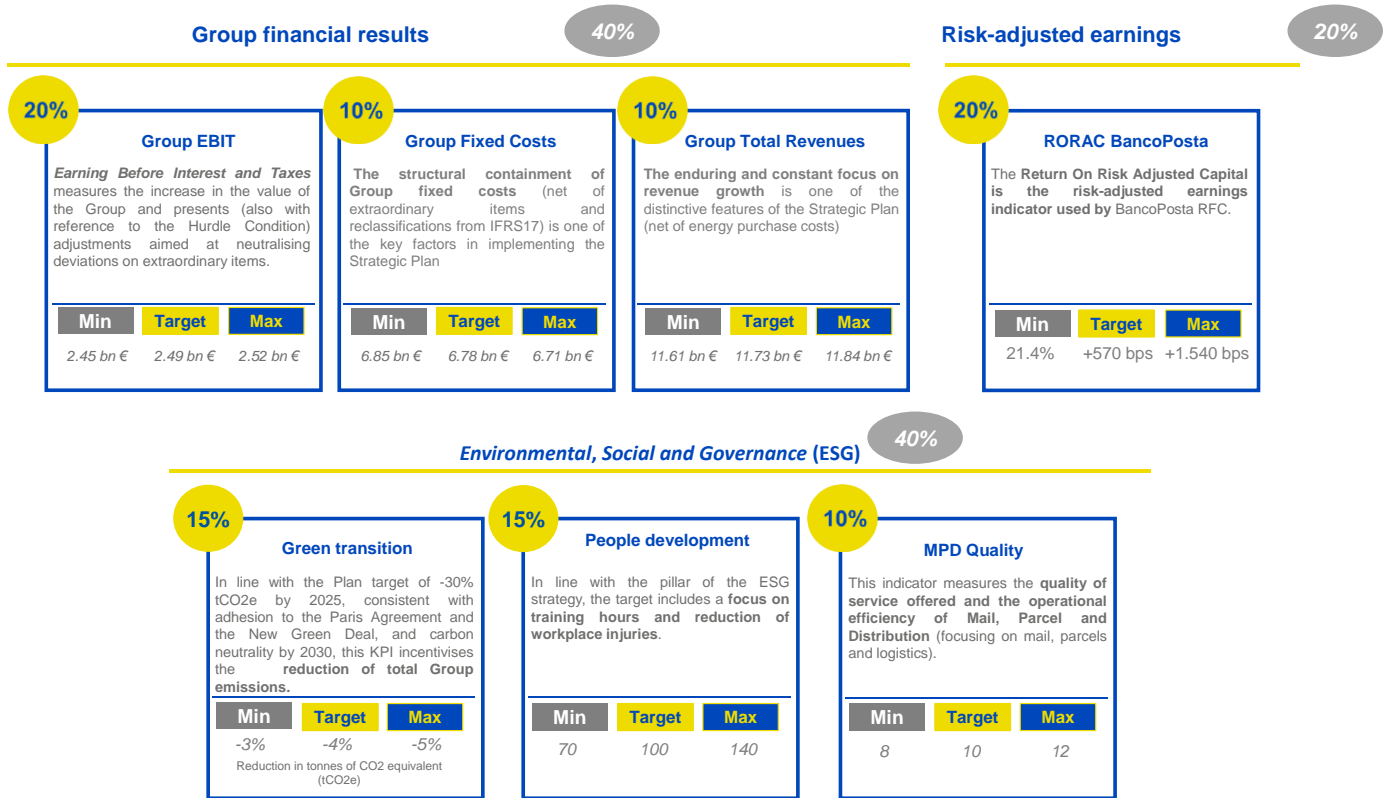
The performance targets for 2023 are linked to the objectives in the Strategic Plan. Provided below is the incentive curve for the “MBO” scheme, which links the overall weighted level of achievement of performance targets to the pay-out level (no bonus is envisaged for performance lower than the minimum threshold):

FIGURE 16. CEO-GM “MBO” INCENTIVE CURVE



The figure below outlines the performance targets for the 2023 “MBO” scheme of the CEO-GM. The targets are linked to the Strategic Plan and relate to the following three areas:

FIGURE 17. “MBO” SCHEME PERFORMANCE TARGETS FOR THE CEO-GM IN 2023



NOTE: The values of Group EBIT, Group Fixed Costs and Group Total Revenues are rounded to the second decimal place. With regard to EBIT, any changes in the scope of consolidation (positive and negative) generated by M&A and restructuring costs related to redundancies (budgeted at €0.14 billion in 2023) will be neutralised.

With reference to the Poste Vita Insurance Group, starting from a solid capital position, Solvency II Ratio will continue to be maintained in line with managerial ambitions. As shown in figure 15, it is one of the qualifying conditions for the 2023 MBO Plan.

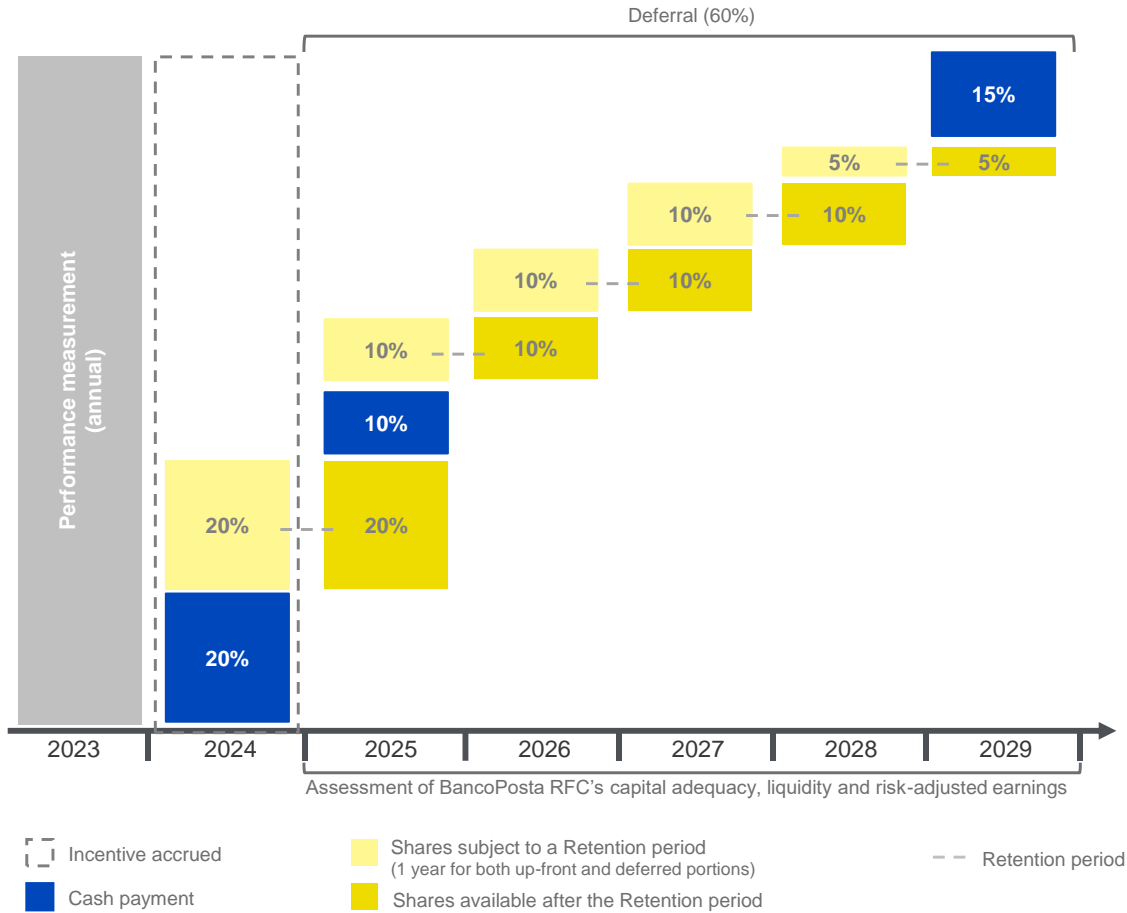
The focus on margins is one of the key elements of the Strategic Plan: EBIT, the key objective of the incentive schemes that guarantees their sustainability, represents the overall indicator of performance across all of the Group’s business and is measured on an annual and multi-annual basis. In continuity with last year, the MBO scheme envisages a strong focus on total revenue development alongside the focus on cost discipline.

The centrality of the sustainability objectives, defined in line with the pillars of the ESG strategy, is also guaranteed in 2023, the year in which protection of the environment and people development are also confirmed as key elements of the Group’s strategy, just as the quality of the service offered in the parcel sector continues to be a relevant element for our customers in the light of the growth of e-commerce in Italy. In particular, the objectives linked to the pillar of people development include a focus on training hours (5 million hours) and reducing injuries (initiatives to strengthen occupational health and safety controls are being developed with the aim of reducing workplace injuries by 2%).

Payout

Actual disbursement under the “MBO” scheme envisages deferral of 60% of the incentive over 5 years (pro rata); the payment takes place in cash for 45% of the total bonus earned and in rights to receive Poste Italiane’s ordinary Shares for the remaining 55%, as shown below:

FIGURE 18. METHOD OF PAYMENT UNDER “MBO” SCHEME FOR THE CEO-GM



The number of rights to receive Shares vested will be defined based on the arithmetic mean of Share prices recorded during the thirty stock exchange trading days prior to the date of resolution by the Board of Directors, which will verify achievement of the Hurdle Condition and Qualifying Conditions, and the achievement of the Performance Targets.

The rights to receive Shares are subject to a one-year retention period for both the up-front and deferred portions. One-year retention periods, in view of the overall timing of variable remuneration, which also includes the 5-year deferral period subject to malus provisions and at least a further 5 years subject to clawback provisions, are compatible with the prospective levels of risk to which the Poste Italiane Group’s operations are exposed, in particular those of BancoPosta.

Payment of the deferred portion will take place, each year, provided that the risk tolerance levels for BancoPosta RFC’s capital adequacy, liquidity and risk-adjusted profitability are met. The same risk tolerance levels must also be complied with at the end of the retention periods.

It should be noted that, in view of the use of Poste Italiane’s ordinary shares, the Company will ask the Shareholders’ Meeting to be held on May 8, 2023 to approve the “Information Circular” prepared in accordance with art. 114-bis of the CLF.

For the CEO-GM, deferral and/or retention periods are currently underway for MBO Plans referring to previous years for which the hurdle condition, the qualifying conditions and the targets defined with respect to the performance year have already been verified. The deferral and/or retention components, in line with the remuneration policies approved from time to time, are subject to malus and clawback conditions, for which reference should be made to the relevant Remuneration Reports and Information Circulars already approved.

### Long-term variable incentive scheme (LTIP)

Long-term incentive scheme aim to strengthen the focus on value creation for stakeholders, in line with the Strategic Plan, by linking the incentives awarded with long-term objectives and effective performance over the same period. Key terms of the LTIP have been defined also in light of the applicable statutory requirements.

The CEO-GM is the beneficiary of the “2023-2025 Performance Share LTIP”, submitted for approval at the Shareholders’ Meeting of May 8, 2023, the specifics of which are explained in the following paragraph. The “2023-2025 Performance Share LTIP”, entirely in the form of Poste Italiane’s ordinary Shares, is based on profitability, shareholders return and ESG targets over a period of 3 years, with the aim of maximising execution of the Strategic Plan, in compliance with the Risk Appetite Framework of BancoPosta RFC.

It is understood that, as part of the long-term variable component of the current Chief Executive Officer and General Manager, the “2021-2023 Performance Share LTIP”, assigned in 2021, and the “2022-2024 Performance Share LTIP”, assigned in 2022, are still underway. For more information, please refer to the previously approved Reports on Remuneration policy which should be considered as transcribed within this document. Please note that, as described in par. 4.2 “Share Ownership Guidelines (SOGs)”, the CEO-GM is subject to the Poste Italiane Share Ownership Guidelines and, therefore, until the expiry of the mandate/employment relationship, is committed to maintaining 50% of the Shares available under the “Performance Share LTIP” unless the target amount has already been reached.

### 2023-2025 Performance Share LTIP

Ensuring alignment with best market practices, the “2023-2025 Performance Share LTIP” is characterised by the following elements:

- the award of a bonus in the form of Poste Italiane’s ordinary Shares;
- the use of economic-financial and ESG indicators;
- the use of the relative Total Shareholder Return (“rTSR”), which envisages different levels of performance based on the level of Poste Italiane’s TSR compared with the TSR achieved by the FTSE MIB index;
- deferral of a significant portion of the incentive for the CEO-GM (60%) over 5 years, providing for a one-year retention period for both the up-front and deferred portions, both subject to the malus and clawback provisions;
- a requirement to hold 50% of the Shares available under the “Performance Share LTIP” for the entire term of office/employment, in line with the provisions of the “Share Ownership Guidelines”.

The award, subject to the rules outlined below, is equal to a maximum of 128.29% of fixed compensation for the CEO-GM and is included within the limit of the 2:1 ratio between the variable and fixed component.

The number of rights to receive shares granted was defined on the basis of the arithmetic mean of the share prices recorded in the thirty trading days prior to February 22, 2023, the date of the Board of Directors meeting that resolved to grant the Plan.

It should be noted that, in view of the use of Poste Italiane’s ordinary shares, the Company will ask the Shareholders’ Meeting to be held on May 8, 2023 to approve the “Information Circular” prepared in accordance with art. 114-*bis* of the CLF.

**Hurdle and qualifying conditions**

The “2023- 2025 Performance Share LTIP” envisages a hurdle condition represented by the Poste Italiane Group’s cumulative EBIT over a three-year period, with awards under the LTIP dependent on achievement of the hurdle.

In line with the statutory requirements applicable to BancoPosta RFC’s business, in addition to the hurdle condition, the CEO-GM must meet all the following qualifying conditions at the same time:

*FIGURE 19. HURDLE AND QUALIFYING CONDITIONS FOR THE “2023-2025 PERFORMANCE SHARE LTIP” FOR THE CEO-GM*

Hurdle Condition	Qualifying Conditions
<b>Group cumulative three-year EBIT: € 6.9 bn</b>  <i>Value rounded</i>	BancoPosta’s capital adequacy: <b>CET 1</b>
	BancoPosta’s short-term liquidity: <b>LCR</b>
	BancoPosta’s risk-adjusted earnings: <b>RORAC</b>

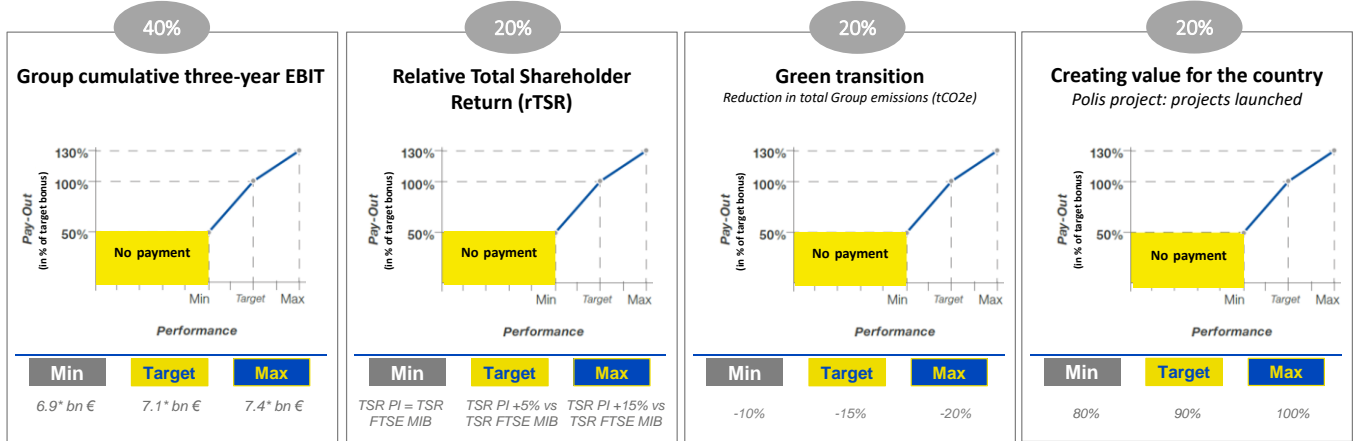
CET1, LCR and RORAC are set at the risk tolerance thresholds established in the Risk Appetite Framework adopted by BancoPosta RFC in accordance with the related regulatory requirements.



Performance targets

The performance targets of the “2023- 2025 Performance Share LTIP” are outlined below:

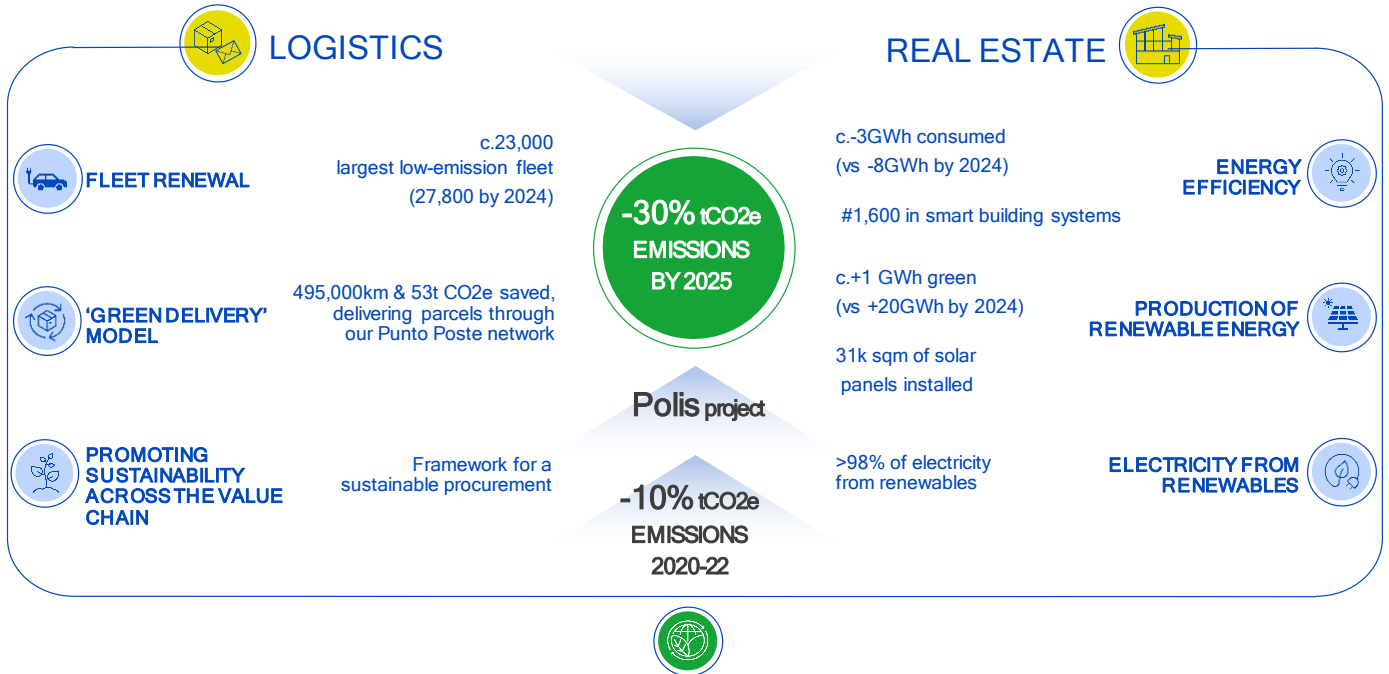
FIGURE 20. PERFORMANCE TARGETS AND WEIGHTINGS FOR THE “2023-2025 PERFORMANCE SHARE LTIP” FOR THE CEO-GM



A maximum level of over performance has been set, above which the incentive remains constant, as well as a hurdle, below which the incentives do not apply and there is, therefore, no payment due.

The three-year EBIT target is defined on the basis of the sum of the EBIT that will be reported annually. The “Relative Total Shareholder Return” compares Poste Italiane and FTSE MIB performance.

FIGURE 21. GREEN TRANSITION



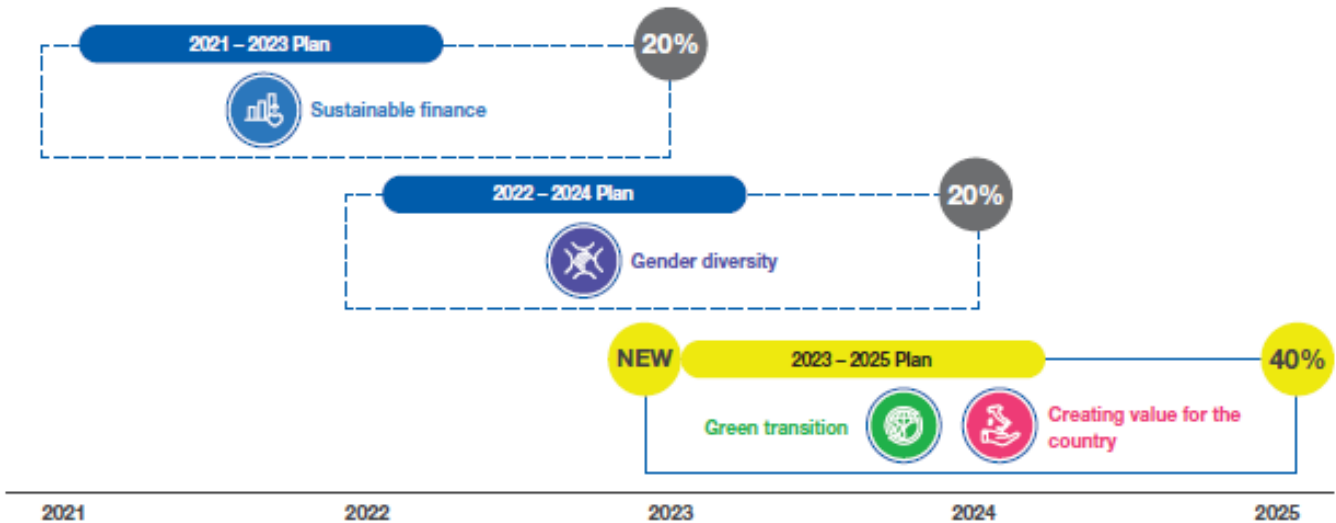
The “Green Transition” target is intended to measure the reduction of the Group’s total emissions (tCO2e) over the 2023-2025 time horizon. This KPI, monitored over the long term, supports and reinforces the one present in the MBO System, starting from 2021, since attainment of the emissions reduction target at 2025 must also be based on achievement of the short-term objectives.

Finally, the objective “Creating value for the country” takes into account the progress of the sites renovation work related to the “Polis Project” already described in the first part of this document (percentage calculated based on the ratio of the number of initiatives launched to the total number of initiatives that can be physically implemented). Further information on ESG objectives can be found in the relevant section of the Annual Report 2022.

Please note that since 2019 the Performance Share LTIP has been assigned yearly and has been based on targets that are consistent with the strategic priorities of Poste Italiane. Therefore, against two ESG objectives linked to the “Green Transition” and “Creating value for the country” pillars, defined for the 2023-2025 Performance Share LTIP, the focus remains on two other key pillars of the Group’s ESG strategy, linked to Sustainable Finance, included in the 2021-2023 Performance Share LTIP, and Diversity & Inclusion, introduced for the 2022-2024 Performance Share LTIP.

FIGURE 22. FOCUS ON ESG TARGETS

ESG TARGETS SUPPORTED BY THE PERFORMANCE SHARE LTIP

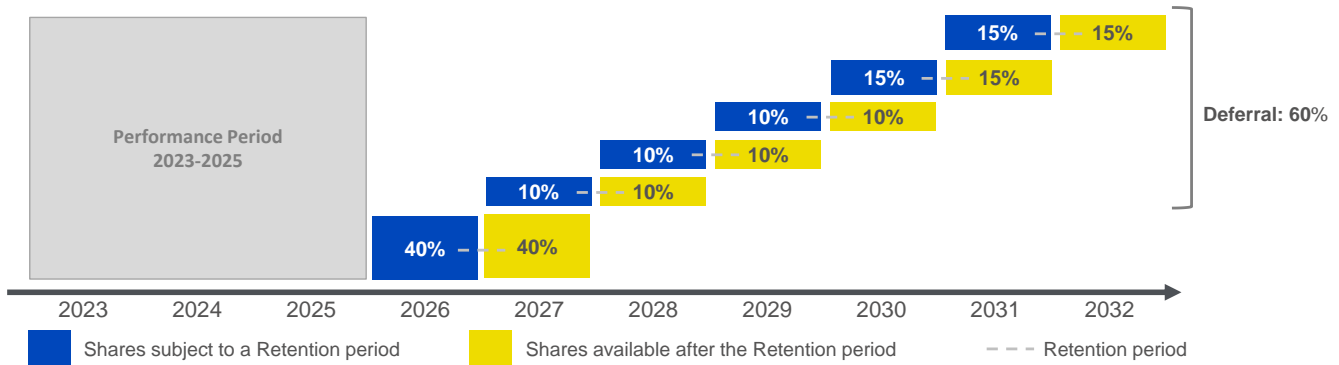


Payout

The number of shares to be granted is quantified at the end of the three-year performance period within the cap determined at the time of the assignment, once the level of achievement of the specific objectives has been confirmed. Rights to receive Shares are granted as follows:

- 40% (the up-front portion), at the end of the performance period;
- 60% in five deferred annual instalments over a five-year period (the first three equal to 10% of the total rights accrued and the next two equal to 15% of the total rights accrued).

FIGURE 23. METHOD OF PAYMENT UNDER THE “2023-2025 PERFORMANCE SHARE LTIP” FOR THE CEO-GM



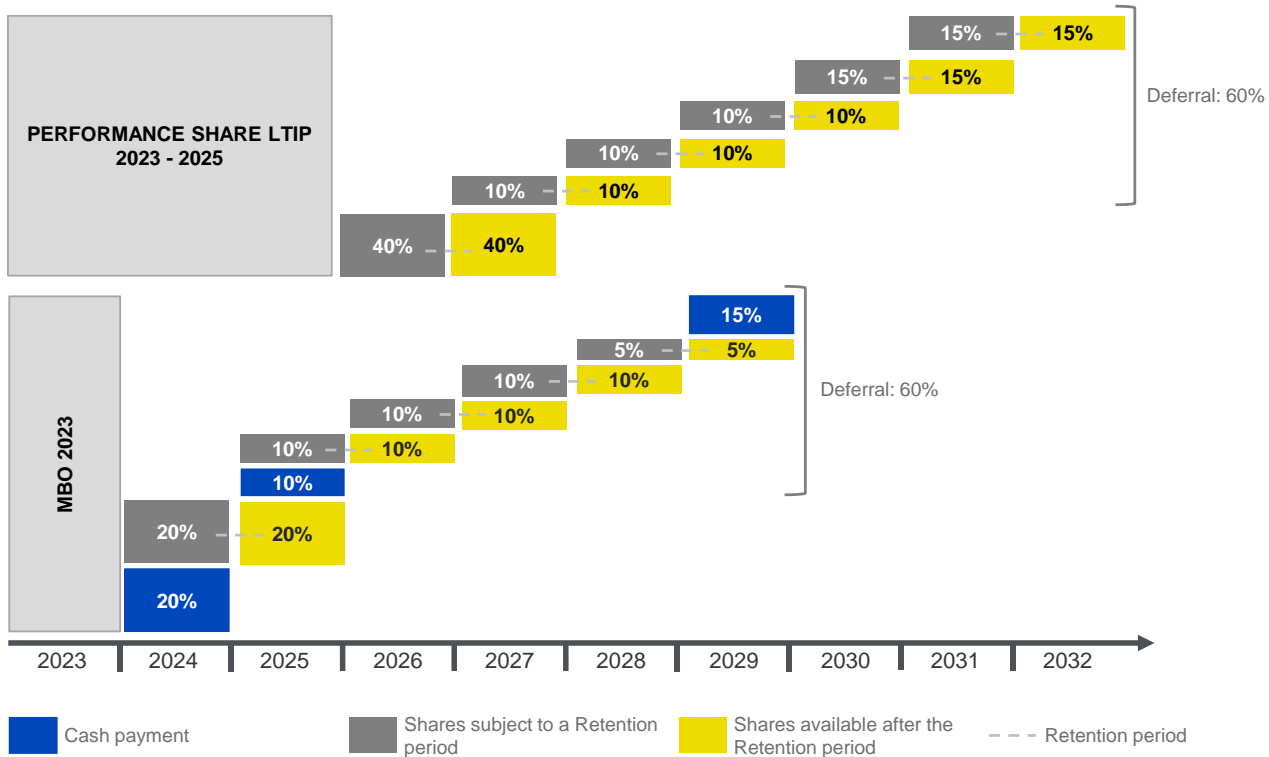
Both the up-front and deferred portions are subject to a one-year retention period. One-year retention periods, in view of the overall timing of variable remuneration, which also includes the 5-year deferral period subject to malus provisions and at least a further 5 years subject to clawback provisions (and in any event within the time limit set by the related statute of limitations), are compatible with the prospective levels of risk to which Poste Italiane Group’s operations are exposed and, in particular, those of BancoPosta.

At the end of the retention period for the up-front portion, the shares vested will be available provided that the risk appetite levels for BancoPosta RFC’s capital adequacy, liquidity and risk-adjusted profitability have been complied with.

At the end of the deferral period and the retention periods for the deferred portions, compliance with the risk tolerance levels for BancoPosta RFC’s capital adequacy, liquidity and risk-adjusted profitability will be verified.

Summary of short-term and long-term incentive schemes 2023

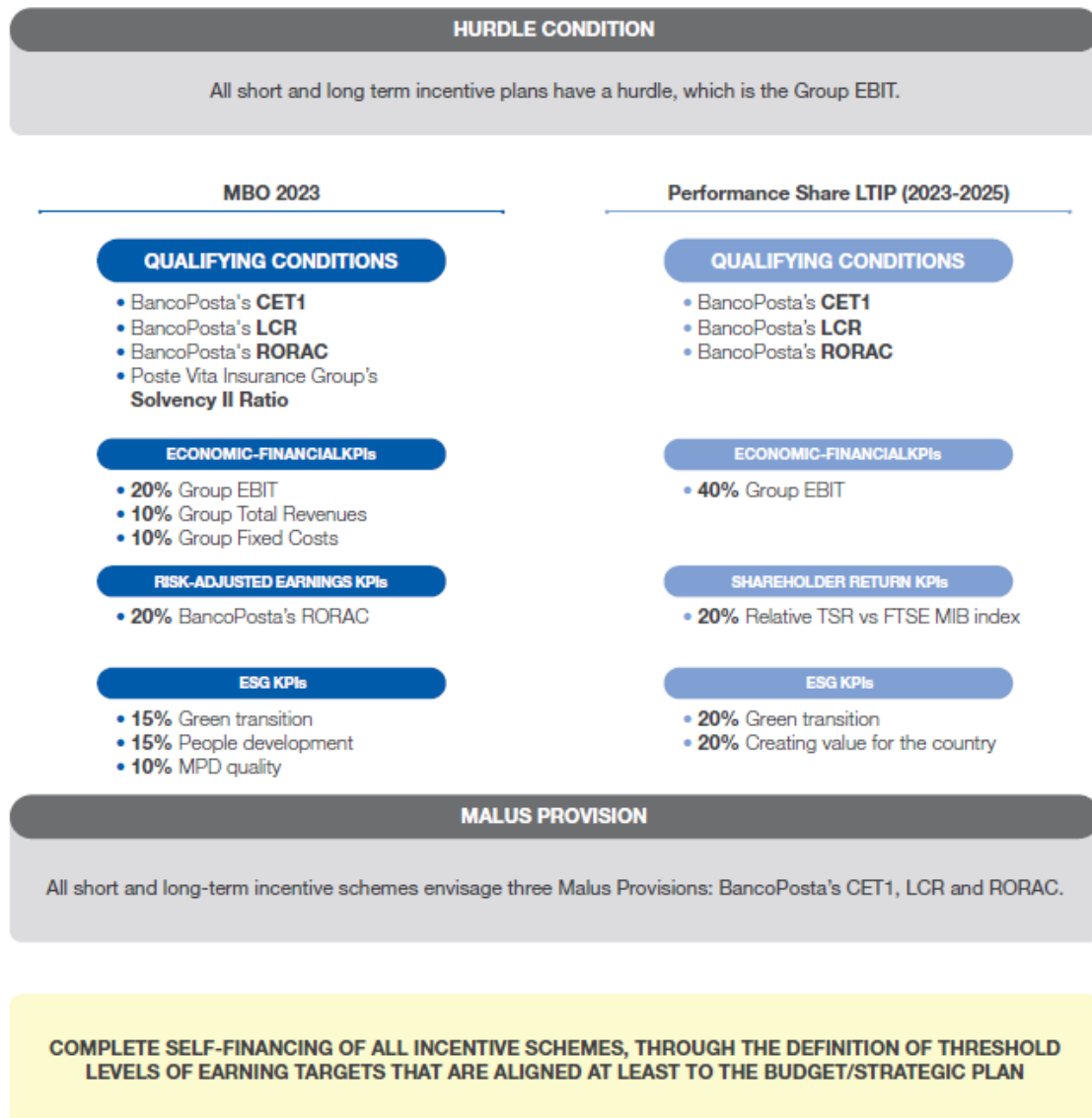
FIGURE 24. VARIABLE REMUNERATION PAYOUT FOR THE CEO-GM



The structure of the payout over time involves the award of variable remuneration over a total period through to 2032, including performance, deferral and retention periods. Given the performance achieved, less than 10% of newly-assigned variable remuneration for 2023 will be effectively paid out in 2024, following approval of the financial statements for 2023, whilst the remaining portion is spread out over time. Each payment is subject to verification of BancoPosta RFC’s capital adequacy, liquidity and risk-adjusted profitability parameters.

Please also note that in 2021 and 2022, three-year Performance Share LTIPs were assigned, the performance period of which is 2021-2023 and 2022-2024, respectively; finally, it should be noted that, with reference to the five-year Deliver 2022 LTIP, whose performance period ended on December 31, 2022, following the proposal to convert a portion of the bonus vested in rights to receive Poste Italiane’s ordinary shares, in line with what is described in the Information Circular prepared pursuant to Article 114-*bis* of the CLF, submitted to the Shareholders’ Meeting of May 8, 2023, a retention period of up to two years is envisaged (for more details please refer to “Report on the amounts paid in 2022” and the “Guidelines for BancoPosta RFC’s remuneration and incentive policy for 2023”).

FIGURE 25. CONDITIONS AND PERFORMANCE TARGETS OF VARIABLE REMUNERATION FOR THE CEO-GM



Application of Malus and Clawback mechanisms is envisaged for the up-front and deferred portions.

## Severance payments on termination of employment

In line with market practice, there are and it is possible to stipulate provisions/agreements that regulate ex-ante the economic aspects of early termination of office/employment, with the aim of avoiding the risk of current or future disputes, thus avoiding the risks inevitably connected to a court litigation that could potentially damage the Company's reputation and image, whilst also providing greater legal certainty.

The amount resulting from the implementation of these provisions/agreements is, in any event, capped at 24 months of gross global remuneration, calculated as indicated below, including an amount equivalent to the indemnity in lieu of notice, if any, as contractually established.

Without prejudice to the above cap of 24 months of gross global remuneration, in the case of the Chief Executive Officer and General Manager, the above amount is determined on the basis of the following formula:

- 10 months if termination occurs during the first year in service;
- 16 months if termination occurs during the second year in service;
- 24 months if termination occurs during the third or a subsequent year in service.

For the above purpose, conventionally defined overall gross remuneration is calculated taking into account the latest amount of gross annual fixed pay received as a Manager, the latest amount of gross annual fixed remuneration received as Chief Executive Officer (including portions received according to paragraphs 1 and 3 of art. 2389 of the Italian Civil Code) and total gross annual short-term variable remuneration payable at target and the annual value of the long-term variable remuneration, still at target.

The above total gross amount determined shall replace any indemnity/indemnification provided under the National Collective Agreement in the event of dismissal, and shall be paid upon signature of a settlement containing a full waiver, by the CEO-GM, in connection with the employment and the positions held, as part of an all-inclusive and final settlement.

There is, normally, no non-competition agreement.

The final amount payable shall take into account the risk-adjusted performance and the individual conduct, as described in the section on clawback provisions. In addition, this remuneration may be paid only upon the condition that BancoPosta RFC's minimum capital adequacy and liquidity requirements are satisfied.

The above payments shall not prejudice the further mandatory entitlements due in any case of termination in accordance with the law or the national collective agreement, including by way of example the so-called TFR.

In compliance with the applicable regulations, any amount payable to the CEO-GM in the event of early termination of his appointment as General Manager or as a Director, will be paid as follows:

- 40% of any remuneration payable on termination of employment: 50% in cash and the remaining 50% in rights to receive Poste Italiane's shares, subject to a one-year retention period; this portion shall be subject to verification of BancoPosta RFC's minimum capital adequacy and liquidity requirements;
- 60% shall be deferred over a period of 5 years pro-rata; over half of the deferred payment shall be made in rights to receive Poste Italiane's shares, in line with the arrangements for "MBO" STI; the deferred portions shall be subject to verification of BancoPosta RFC's minimum capital adequacy and liquidity requirements and, as regards the component in rights to receive shares, to a one-year retention period;
- it is understood that a sum equivalent to the indemnity in lieu of notice, when due according to the National Collective Labour Agreement, will be deducted from the total amount and paid in accordance with the statutory requirements in force;

- the total amount payable is subject to malus and clawback provisions, applicable up to the entire amount paid within 5 years of payment of each portion and, in any event, within the time limit set by the related statute of limitations, under the circumstances defined in the “*Guidelines for BancoPosta RFC’s remuneration and incentive policy*”;
- the number of rights to receive shares assigned will be defined based on the arithmetic mean of share prices recorded during the thirty stock exchange trading days prior to the date of termination.

It should be noted that for the “2023-2025 Performance Share LTIP”, as highlighted in the Information Circular to be approved at the Shareholders’ Meeting of May 8, 2023, the effects determined by the termination of employment are as follows:

- if, before the award date for the shares, the employment relationship is terminated and the beneficiary is classed as a “good leaver”, the granting of the shares under the plan will take place at the natural end of the related performance period and the envisaged deferral/retention periods, provided that the plan terms and conditions have been complied with, and subject to confirmation of achievement of the performance targets; in this case, however, the rights will be granted and, the shares thus awarded, always under the conditions provided for in the terms and conditions and on a pro-rata basis until the date of termination of the beneficiary’s employment;
- if the employment relationship is terminated before the award date for the shares, the beneficiary classed as a “bad leaver” will automatically lose all the rights deriving from the plan, which will become ineffective, and the beneficiary will not have the right to receive any payment or compensation for whatever reason from the Company.

It should also be noted that for the “2023 Short-Term Incentive Plan” focused on equity-based instruments, described in the Information Circular to be approved at the Shareholders’ Meeting of May 8, 2023, the effects determined by the termination of employment are as follows:

- if, before payment of the bonus (and thus the effective award of the shares), the employment relationship is terminated and the beneficiary is classed as a “good leaver”, the granting of the bonus (and thus the related portion in shares) under the Plan will take place at the natural end of the related performance period and the envisaged deferral and retention periods, provided that the plan terms and conditions have been complied with, and subject to confirmation of achievement of the relevant performance targets; in this case, however, the rights will be granted and, the shares thus awarded, always under the conditions provided for by terms and conditions, on a pro rata basis until the date of termination of the beneficiary’s employment;
- if the employment relationship is terminated before payment of the bonus (and thus also the effective award of the shares), the beneficiary classed as a “bad leaver”, will automatically lose all the rights deriving from the plan, which will become ineffective, and the beneficiary will not have the right to receive any payment or compensation for whatever reason from the Company.

For further details, and with reference to the other share-based incentive plans in place, please refer to the relevant Information Circulars approved from 2018 to 2023 to be construed as re-transcribed herein.

#### 4.4 Board of Statutory Auditors

The Statutory Auditors’ remuneration is in no way linked to Poste Italiane’s performance. The fees paid to Statutory Auditors consist solely of a fixed component, determined on the basis of the commitment required in order to carry out their duties.

The Shareholders’ Meeting held on May 27, 2022 appointed the Board of Statutory Auditors for the term of three years, with expiry as at the date of the meeting to be held to approve the financial statements for the



year ended December 31, 2024. In the same meeting, the fees payable to the Chairperson and each standing Auditor of the Board were determined for each year in office, respectively equal to €80,000 and €70,000 respectively, in continuity with the previous term of office.

No attendance fees are payable for participation in meetings.

Statutory Auditors have the right to be reimbursed for any duly documented travel expenses incurred in carrying out their duties.

#### 4.5 Key Management Personnel (“KMP”)

The term Key Management Personnel, within the context of the Company, refers, in general, to the heads of the various functions reporting directly to the CEO-GM, as well as the Manager Responsible for Financial Reporting.

KMP with particular responsibilities are subject to remuneration policies in line with the related statutory requirements and the provisions of the Group’s Corporate Governance processes.

With reference to short-term incentives, payment is entirely up-front and in cash; for KMP subject to specific supervisory regulations on remuneration, bonus payments are deferred over 3-5 years partly in cash and partly in financial instruments.

With reference to long-term incentives, the payment is entirely in financial instruments and is subject to lock-up or deferral and retention periods consistent with the specific arrangements for regulated sectors.

The pay-out arrangements for BancoPosta RFC’s Material Risk Takers are described in detail in the Annex “*Guidelines for BancoPosta RFC’s remuneration and incentive policy for 2023*”.

The incentive schemes for Key Management Personnel operating in regulated sectors are subject to specific regulatory requirements applicable to those sectors. For more details on the Group Companies subject to supervisory regulations on remuneration, please refer to the final paragraph of this Report on the 2023 remuneration policy “Specific arrangements for regulated sectors”. These specific arrangements apply to Key Management Personnel that fall into the scope of application of the remuneration and incentive policies of Group Companies subject to supervisory regulations on remuneration.

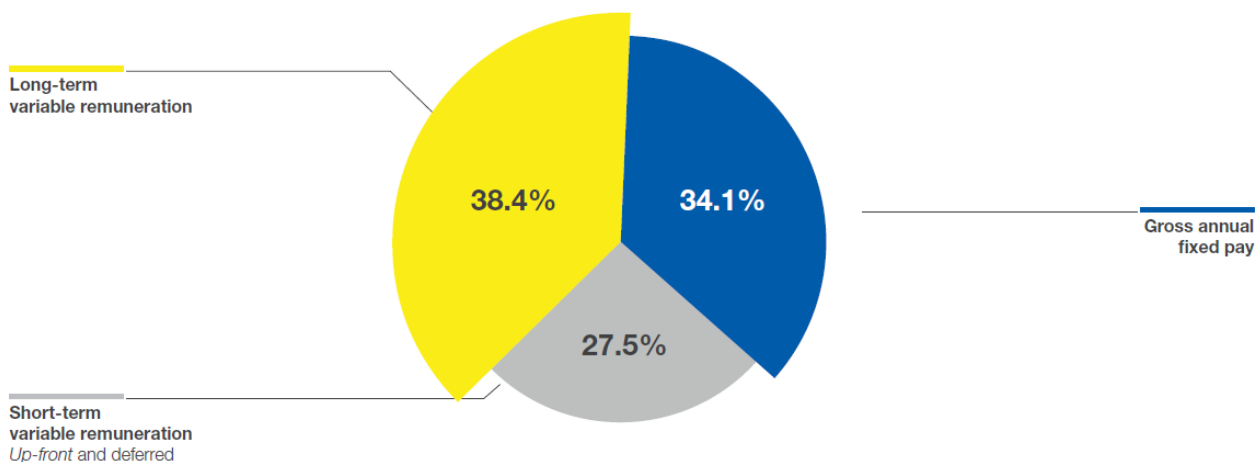
#### *Pay Mix*

The impact of variable incentive schemes in relation to total remuneration is defined in line with the overall objectives of long-term value creation, taking into account the specific characteristics of the individual businesses in which Poste Italiane operates.



The following Pay Mix for KMP is currently calculated on the basis of the median of the gross annual fixed pay and the variable components (short and long-term), assuming over-achievement of the performance targets:

FIGURE 26. ILLUSTRATION OF MEDIAN KMP PAY-MIX AT OVER-ACHIEVEMENT



The variable remuneration component for KMP is awarded in accordance with their specific business segments and with the responsibilities of the roles compared to the reference market.

The target assignment levels are between 30% and 65% of the gross annual fixed pay, with reference to the short-term variable incentive scheme and between 20% and 100% of the gross annual fixed pay, with reference to the long-term variable incentive scheme.

This is without prejudice to the limits defined by the supervisory regulation on remuneration for the KMP subject to said specific regulatory requirements.

### Gross annual fixed pay

The gross annual fixed pay for KMP is coherent with the role held, the scope of the responsibilities assigned, the experience and skills required for each position, the degree of excellence demonstrated and the overall quality of the individual’s contribution to the Company’s performance, also taking into account specific market benchmarks.

### Variable remuneration

The variable component for KMP usually involves participation in the short-term “MBO” incentive plan and the “2023-2025 Performance Share LTIP”.

#### Short-term variable incentive scheme (“MBO”)

The “MBO” 2023 scheme includes:

- a performance gate;
- performance targets, each with a specific weighting.

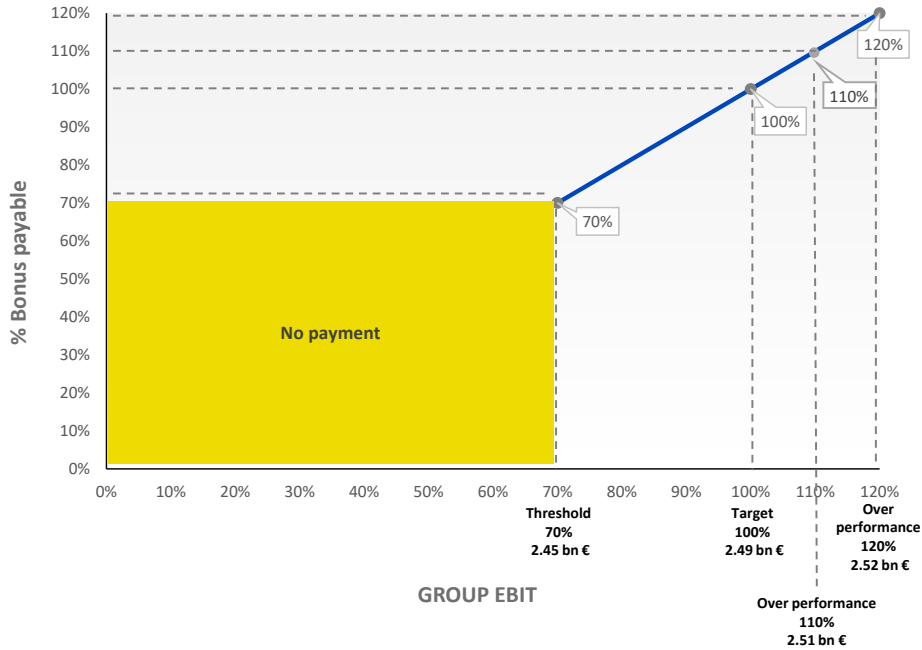
The plan is based on a structured process for defining objectives and the associated incentives. A maximum level of over performance has been set, above which the incentive remains constant, as well as a hurdle, below which the incentives do not apply and there is, therefore, no payment due.

Performance gate and performance targets

The “MBO” scheme for KMP provides for a performance gate, achievement of which enables access to the bonus in addition to achievement of the objectives assigned.

The performance gate is represented by the Poste Italiane “Group’s EBIT”. The bonus payable if the threshold of the performance gate is achieved corresponds to 70% of the bonus vested. Over performance may result in payment of up to 120%<sup>3</sup> of the individual bonus payable, as shown below:

FIGURE 27. PERFORMANCE GATE



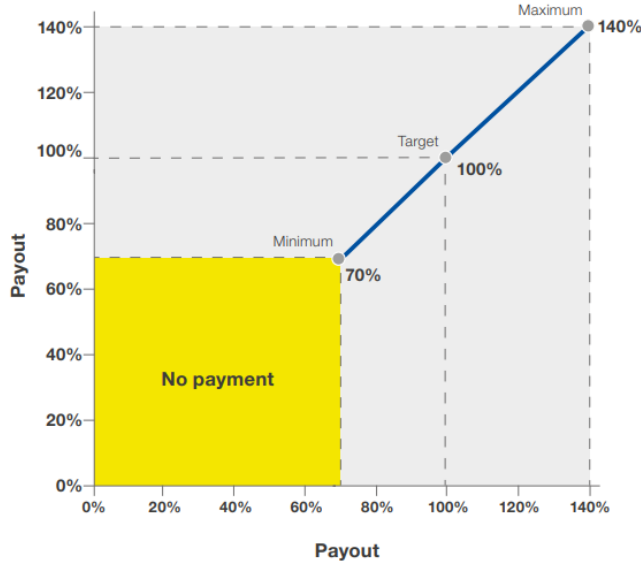
Application of the performance gate between the Target level and Over Performance is related to achievement of specific levels of assessment of the overall individual performance.

<sup>3</sup> For some KMP subject to supervisory regulations on remuneration, the maximum limit is 110%.

Incentive curve

Provided below is the incentive curve for the “MBO” scheme, which links the overall weighted level of achievement of performance targets to the pay-out level:

FIGURE 28. “MBO” INCENTIVE CURVE



The target assignment levels are between 30% and 65% of the gross annual fixed pay.

The performance targets for 2023 are linked to the objectives set in the Strategic Plan and are specifically defined and usually fall within the following macro-categories:

FIGURE 29. TYPES OF PERFORMANCE INDICATORS

Performance gate: Poste Italiane Group EBIT	
Performance targets	
20%	<p><b>Economic-financial</b></p> <p>Attention to the “margins” is one of the fundamental elements of the Strategic Plan; in keeping with what is envisaged for the CEO-GM, a focus on Costs and/or Revenues is provided for; these are expressed with respect to the perimeter of competence.</p>
40%	<p><b>Function-specific targets</b></p> <p>These are qualitative-quantitative indicators linked to the 2023 priority projects that will help achieve the objectives of the Strategic Plan. The aim is to enhance the contribution of each function to the effective implementation of the Plan. Functional-specific targets may also include economic-financial KPIs or be linked to projects, organizational efficiency, etc..</p>
40%	<p><b>ESG</b></p> <p>They represent the targets differentiated by function to be identified within the KPIs that fuel the Group’s ESG strategy, summarised in 8 pillars, also on the basis of the results of the materiality analysis. By way of example, ESG KPIs may be assigned to the Green Transition, to the Customer Experience and to Diversity &amp; Inclusion, always within the scope of the priorities that emerged from the materiality analysis.</p>

*It is understood that for some KMP there will be different schemes in compliance with the reference regulations.*

The theoretical bonus accrued on achievement of the targets assigned may be zeroed if the overall individual performance, assessed using an appraisal process, is deemed to be inadequate.

The targets assigned to KMP within the framework of the “MBO” scheme generally relate to the above areas, subject to compliance with specific regulatory requirements and the Group’s corporate governance processes.

## Payout

The individual bonus payable under the “MBO” scheme is paid according to different procedures in line with the related statutory requirements. The payment is entirely up-front and in cash, except for KMP subject to specific supervisory regulations on remuneration for which the bonus payment is deferred over 3-5 years partly in cash and partly in financial instruments.

Variable remuneration is in any event subject to clawback provisions.

For certain KMP, deferral and/or retention periods are currently underway for MBO schemes referring to previous years - for which the hurdle condition, the qualifying conditions and the targets defined with respect to the performance year have already been verified. The deferral and/or retention components, in line with the remuneration policies approved from time to time, are subject to malus and clawback provisions, for which reference should be made to the relevant remuneration and incentive policies and Information Circulars already approved.

## Long-term variable incentive schemes

The KMP are, as a rule, beneficiaries of the “2023-2025 Performance Share LTIP”, which, except for a few differences described in the following paragraphs, is aligned in terms of purpose, objectives and main characteristics with the one illustrated above for the CEO-GM.

It is understood that for the KMP subject to specific supervisory regulations on remuneration (including, by way of example, the BancoPosta MRTs and the “Risk Takers” of the Poste Vita Insurance Group), incentive systems aligned to the reference regulations and to the provisions of the Group’s Corporate Governance processes apply.

Please also note that, as described in paragraph 4.2 “Share Ownership Guidelines (SOGs)”, KMP who are beneficiaries of the “Performance Share LTIP” are subject to the Poste Italiane Share Ownership Guidelines and, therefore, for the period in which they are part of the plan, are committed to maintaining 25% of the Shares available under the “Performance Share LTIPs” unless the target amount has already been reached.

## “2023-2025 Performance Share LTIP”

In line with the information provided in relation to the CEO-GM, the “2023-2025 Performance Share LTIP” for KMP involves the granting of rights to receive Poste Italiane’s ordinary Shares at the end of a three-year performance period. The maximum number of shares reflects the complexity and responsibilities involved in the beneficiary’s role and their strategic importance.

For beneficiaries, the award at target level varies between a minimum of 20% up to a maximum of 100% of the gross annual fixed pay, in line with the percentages described in the Information Circular submitted for approval by the Shareholders’ Meeting of May 8, 2023.

The effectiveness of the Plan is subject to its approval by the Shareholders’ Meeting scheduled for May 8, 2023.

## Hurdle

The hurdle for KMP, as for the CEO-GM, is represented by the “Poste Italiane Group’s cumulative EBIT over a three-year period”.

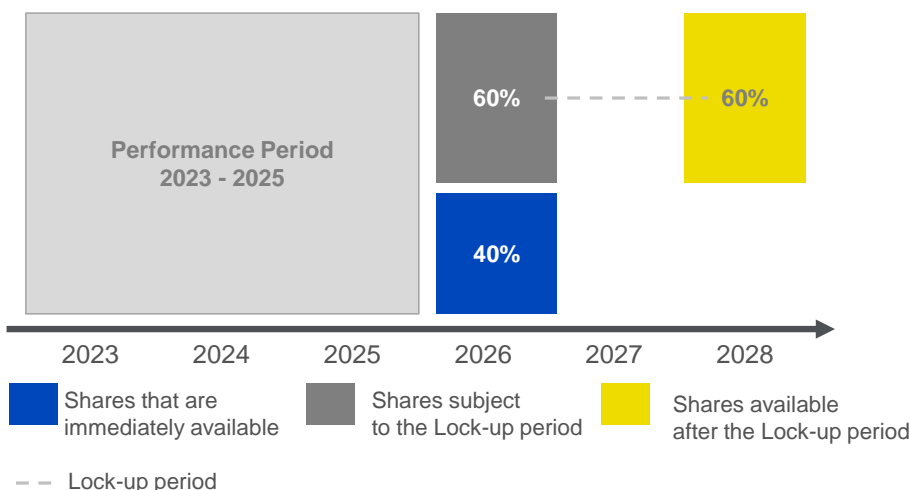
## Performance targets

The performance targets for KMP are the same as those assigned to the CEO-GM.

Payout

Plan arrangements for payouts for KMP not subject to specific supervisory regulations on remuneration are as follows:

FIGURE 30. METHOD OF PAYMENT UNDER THE “PERFORMANCE SHARE LTIP”



The number of rights to receive Shares is quantified at the end of the three-year performance period within the cap determined at the time of the assignment; 60% of the rights will be subject to a two-year lock-up period.

KMP identified as among the BancoPosta’s MRTs also have to meet certain qualifying conditions, in addition to the hurdle, and award mechanisms that are in line with statutory requirements, as described in the “Guidelines for BancoPosta RFC’s remuneration and incentive policy for 2023”.

Other long-term incentive plans

Please note that as part of the long-term variable component of certain KMP, the “2021-2023 Performance Share LTIP”, assigned in 2021, and the “2022-2024 Performance Share LTIP”, assigned in 2022, for which reference should be made to the Report on the Remuneration Policy, to be understood as re-transcribed herein, as well as to the Information Documents, already approved, also remain for certain KMP. Finally, it should be noted that for the KMP belonging to the perimeter of the BancoPosta’s MRTs who are beneficiaries of the five-year Deliver 2022 LTIP, whose performance period ended on December 31, 2022, following the proposal to convert a portion of the accrued bonus into rights to receive Poste Italiane’s ordinary shares, in line with the description in the Information Circular prepared pursuant to art. 114-bis of the CLF, submitted to the Shareholders’ Meeting of May 8, 2023, a retention period of up to two years is envisaged. For KMP subject to specific supervisory regulations on remuneration, long-term incentive schemes are envisaged that are fully recognised in financial instruments characterised by hurdle conditions, qualifying conditions, performance targets and payout methods (deferred and subject to retention) consistent with the reference regulations (see also section 6 of this document).

Severance payments on termination of employment

In accordance with reference practices, there are and it is possible to stipulate provisions/agreements governing ex ante the aspects of termination of employment in line with the Company’s long-term strategies, values and interests.

These agreements are defined taking into account the applicable regulations, collective or individual contracts and market practices within the framework of a general and final transaction for which the payments and disbursements due under the provisions of the law and the NCLA, such as the so-called “TFR”, remain unaffected.

The amount resulting from application of the clauses that regulate ex-ante the economic aspects relating to the termination of the relationship may not exceed a maximum of monthly payments of effective global compensation, including gross annual fixed pay, the average of the amount received in short-term variable pay for the last three years (or for the period of employment, if shorter) and usually the value of any benefits awarded, as defined below<sup>4</sup>:

- 10 months if termination occurs during the first year as KMP;
- 16 months if termination occurs during the second year as KMP;
- 24 months if termination occurs during the third year as KMP and following.

It should be noted that the amount, as defined above, includes an amount equivalent to the indemnity in lieu of notice, if any, as contractually established.

In the event of termination due to dismissal, the legislation from time to time in effect and the National Collective Labour Agreement apply.

The Company, normally, does not enter into non-competition agreements for Key Management Personnel.

The above principles apply on termination of employment even if there have been no specific ex ante agreements.

In the case of certain personnel operating in roles subject to specific regulatory requirements, specific forms of payment required by the applicable regulations are used, as described in the relevant remuneration and incentive policies. For example, as described in the “*Guidelines for BancoPosta RFC’s remuneration and incentive policy for 2023*”, 40% or 60% of remuneration payable to certain categories of BancoPosta RFC’s personnel on early termination of employment must be deferred for a period of 4 or 5 years, with a part to be settled in Poste Italiane’s ordinary shares subject to retention provisions. Such payments linked to the early termination of employment are also covered by malus and clawback provisions.

It should be noted that for the “2023-2025 Performance Share LTIP”, as highlighted in the Information Circular to be approved at the Shareholders’ Meeting of May 8, 2023, the effects determined by the termination of employment are as follows:

- if, before the award date for the shares, the employment relationship is terminated and the beneficiary is classed as a “good leaver”, the granting of the shares under the plan will take place at the natural end of the related performance period and the envisaged deferral/retention/lock-up periods, provided that the plan terms and conditions have been complied with, and subject to confirmation of achievement of the performance targets; in this case, however, the rights will be granted and, the shares thus awarded, always under the conditions provided for in the terms and conditions and on a pro-rata basis until the date of termination of the beneficiary’s employment;
- if the employment relationship is terminated before the award date for the shares, the beneficiary classed as a “bad leaver” will automatically lose all the rights deriving from the plan, which will become ineffective, and the beneficiary will not have the right to receive any payment or compensation for whatever reason from the Company.

<sup>4</sup> Without prejudice to respect of mandatory provisions and any prior individual agreements still in effect.

It should also be noted that for the “2023 Short-Term Incentive Plan” focused on equity-based instruments, for BancoPosta RFC’s Material Risk Takers (“MBO”), described in the Information Circular to be approved at the Shareholders’ Meeting of May 8, 2023, the effects determined by the termination of employment are as follows:

- if, before payment of the bonus (and thus the effective award of the shares), the employment relationship is terminated and the beneficiary is classed as a “good leaver”, the granting of the bonus (and thus the related portion in shares) under the plan will take place at the natural end of the related performance period and the envisaged deferral and retention periods, provided that the plan terms and conditions have been complied with, and subject to confirmation of achievement of the relevant performance targets; in this case, however, the rights will be granted and, the shares thus awarded, always under the conditions provided for by terms and conditions, on a pro rata basis until the date of termination of the beneficiary’s employment;
- if the employment relationship is terminated before payment of the bonus (and thus also the effective award of the shares) the beneficiary classed as a “bad leaver” will automatically lose all the rights deriving from the plan, which will become ineffective, and the beneficiary will not have the right to receive any payment or compensation for whatever reason from the Company.

For KMP not subject to banking regulations on remuneration, the theoretical bonus matured for the MBO 2023 will not be disbursed if, at the end of the performance period, the employment relationship has already been terminated or is under notice; it is understood that in the event that the employment relationship is terminated during the performance period due to i) the death of the beneficiary or ii) the permanent disability of the beneficiary to a measure equal or greater than 66%, the bonus shall be disbursed to the heirs or to the beneficiary on an accrual basis according to the rules and timelines set out in the Regulation.

For further details, and with reference to the other share-based incentive plans in place, please refer to the relevant Information Circulars approved from 2018 to 2023 to be understood as re-transcribed herein.



## 5 Clawback provisions

In line with best market practices and applicable statutory requirements, variable remuneration is subject to clawback provisions on the occurrence of certain events.

Variable remuneration is subject to the achievement of predetermined performance targets linked to the Company's risk profile and is not, therefore, guaranteed.

On occurrence of the following situations, variable remuneration is subject to ex-post risk adjustments that may entail a request for return of all or a part of the variable remuneration paid. Such provisions apply to the beneficiaries of both short and long-term variable incentive plans.

The process of applying clawback provisions is carried out in accordance with the related internal procedure adopted by the Company and approved by the Board of Directors on March 18, 2019 and updated on December 14, 2022. This procedure involves the interdisciplinary participation of multiple functions with different skills involved in the various stages of the process, which are: activation, assessment, finalisation of the information report, closure of the procedure and mandatory requirements. The bodies or functions responsible for the decision to proceed with the clawback of all or a part of the variable pay already disbursed vary according to the profile of the individual involved in the procedure. Any decision regarding the CEO-GM or Key Management Personnel is taken by the Board of Directors on the recommendation of the Remuneration Committee.

Clawback provisions are applied also taking into account the related legal, social security and tax considerations, regardless of the fact that the employment relationship is still in place or has ended.

Within 5 years of disbursement of each incentive and, in any event, within the time limit set by the related statute of limitations, the Company may request the clawback of any amounts disbursed, up to the entire amount paid, without prejudice to the right to claim for any further damages, in the event of:

- conduct not in compliance with the law, regulations, or the By-laws, the Code of Ethics, the Organisational Model pursuant to Legislative Decree 231/01 and/or the Poste Italiane Group's Integrated Policy applicable to the Company or one of the Group companies, and that has resulted in significant losses for the Company, a Group company or for customers;
- further conduct not in compliance with the law, regulations, the By-laws, the Code of Ethics, the Organisational Model pursuant to Legislative Decree 231/01 and/or the Poste Italiane Group's Integrated Policy applicable to the Company or one of the Group companies, and that gave the Beneficiary an advantage in terms of the incentives due;
- violations of the obligations set out in article 26 or, where applicable, article 53, paragraphs 4 et seq. of the Consolidated Law on Banking or of the obligations in respect of remuneration and incentives;
- fraud or gross misconduct on the part of the beneficiary to the detriment of the Company or another Group company;
- payment of the Bonus on the basis of information that was subsequently revealed to be inaccurate and/or misleading.

The occurrence of one or more of the above circumstances shall result in the application of malus provisions for any portions of incentives yet to be paid. This applies to both cash payments and the award of shares/equity instruments.

## 6 Specific arrangements for regulated sectors

The remuneration and incentive schemes described are designed to meet the specific requirements of the sectors in which the Poste Italiane Group operates.

The specific requirements applicable to personnel who work within BancoPosta RFC, and who are, therefore, subject to the banking sector regulations issued by the Bank of Italy, are set out in the “*Guidelines for BancoPosta RFC’s remuneration and incentive policy for 2023*”, annexed to this Report.

The specific requirements of the insurance sector (Poste Vita Insurance Group), which is thus subject to the regulations issued by IVASS (the insurance regulator), are, in terms of solvency requirements and risk management policies, reflected in the remuneration and incentive policies drawn up and approved in accordance with the Corporate Governance processes of the relevant subsidiaries.

In particular, for “Key Personnel” of the Poste Vita Insurance Group the award of variable remuneration is conditional on the maintenance of an adequate level of capital within the Insurance Group, in line with the principle of sound and prudent risk management. The structure of the short-term variable incentive scheme MBO 2023 is in line with that described for Poste Italiane with certain specific elements: the bonus pay-out is deferred over 3 years and subject to a retention period of one year for 50% (linked to other performance indicators of the Poste Vita Insurance Group). Good leaver/bad leaver clauses are in place, in line with those described in the paragraph “Severance payments on termination of employment” relative to KMP.

With reference to the LTIP, the “2023-2025 Insurance LTIP” includes certain specific elements linked to the reference legislation. In particular, specific access requirements are defined (Solvency II Ratio) in addition to the hurdle condition (EBIT of the Poste Italiane Group) and KPIs associated with the Poste Vita Insurance Group (on top of the Poste Italiane Group EBIT and ESG KPIs, Poste Vita’s RORAC is included among the relevant KPIs); the methods of payment are in line with the 2023-2025 Performance Share LTIP of Poste Italiane but are subject to a retention period of one year for 100% (linked to other performance indicators of the Poste Vita Insurance Group). Good leaver/bad leaver clauses are in place, in line with those described in the paragraph “Severance payments on termination of employment” relative to KMP. Lastly severance payments on early termination of the employment relationship are deferred, for the Key Personnel of the Poste Vita Insurance Group, for 40% over 3 years and subject to malus and clawback provisions.

The specific nature of the asset management sector (BancoPosta Fondi SGR S.p.A.) is taken into account in the remuneration and incentive policy drawn up and approved in accordance with the Corporate Governance processes of BancoPosta Fondi SGR S.p.A. in line with the regulatory requirements established jointly by the Bank of Italy and Consob, designed to ensure that the remuneration and incentive schemes adopted are consistent with the operating results and financial position of the manager and the UCITS managed. At the time of writing, there are no KMP subject to sector regulations issued jointly by the Bank of Italy and Consob.

In all of the above segments, stricter remuneration and incentive policies apply to specific categories of personnel (e.g. BancoPosta RFC’s Material Risk Takers):

- 40 who assume relevant risks for BancoPosta RFC;
- 16 identified by Poste Vita S.p.A. (including the 4 heads of key functions);
- 12 identified by Poste Assicura S.p.A. (including the 4 heads of key functions);
- 20 identified by BancoPosta Fondi SGR S.p.A. (including the Directors of the SGR).

The above numbers are updated to the last identification process conducted by each Company.

# REPORT ON AMOUNTS PAID IN 2022

# SECOND SECTION

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## INTRODUCTION

Poste Italiane again achieved a strong performance in 2022, representing an improvement compared to the previous period. These results were driven by an increase in revenue and investments aimed at seizing growth opportunities.

All businesses contributed to the improvement in revenues:

- “Insurance Services” reported an increase in revenues driven by both the life segment, where volumes and margins increased, and the non-life segment, with contributions from all product lines;
- “Financial Services” revenues mainly benefited from the increase in net interest income due to the rise in interest rates during the year;
- in the “Payments and Mobile” business, revenues grew significantly, thanks to organic growth in the payments and telecommunications business and supported by the acquisition of LIS in 2022;
- in the “Mail and Parcels” business, revenues recorded from both mail and parcels were broadly stable compared to the previous year.

Poste Italiane set new records in 2022: its EBIT more than doubled compared to 2017. This was due to a virtuous process which drove the growth of the main economic-financial indicators, both in terms of levels and quality, achieving at the same time an increase in terms of shareholder returns.

The restructuring of the logistics network, the modernisation of existing infrastructure and the development of new state-of-the-art logistics hubs were key growth factors. The insurance and financial services offer was enhanced to include innovative products and services, with a multi-channel approach, supported by a focus on staff training and significant active labour policies.

Below some key indicators are illustrated to summarise the main results achieved in the virtuous path undertaken by the current management:

FIGURE 1. OUTLOOK OF POSTE ITALIANE’S RESULTS, 2017 VS 2022

	2017	2022	
<b>Parcel revenues/ MPD market revenues</b>	19%	38%	
<b>TFA (€bn)</b> (o.w. capital guaranteed)	510 (97%)	562 (93%)	
<b>Payment transactions (#bn)</b> (o.w. % e-comm.)	0.9 (18%)	2.3 (26%)	
<b>Life average reserves (€bn)</b>	105	148	
<b>Protection GWP (€m)</b>	210	520	
<b>Gruppo Posteitaliane</b>	<b>Value added/FTE (€k)</b>	59	75
	<b>Capex (€m)</b>	467	810
	<b>Shareholders’ equity (€bn)<sup>1</sup></b>	7	11
	<b>ESG indices &amp; ratings (#)</b>	0	16
	<b>New channel revenues<sup>2</sup></b>	7%	22%

<sup>1</sup>. Shareholders equity net of revaluation reserves and taking into consideration the dividend proposed for 2022; <sup>2</sup>. New channel revenues refer to Digital, LIS & 3<sup>rd</sup> party points of sales addressable markets, excluding recurring revenues from TFA’s management and those related to public tender contracts.

As can be seen from the figure above, the company recorded very positive results during the reporting period. For example, in the logistics sector, the share of revenues attributable to parcels doubled, and in the insurance sector the protection gross premiums more than doubled. The company’s focus on the opportunities offered by new technologies is increasingly materialising in the evolution of payment tools:

one example is the steady growth in the number of digital transactions. In the above-mentioned reporting period, value creation per FTE increased significantly (+25%). As evidence of the Group's commitment on a sustainability path for the creation of shared value for its stakeholders, since 2017 Poste Italiane has been included in the most prestigious ESG indices and ratings (such as the Dow Jones Sustainability Indices both World and Europe, the FTSE4Good index, the Euronext MIB ESG Index and the MSCI rating).

Moreover, Poste Italiane was reconfirmed for the fourth consecutive year in the Bloomberg Gender Equality Index (GEI), the World's benchmark index on gender equality, with a higher score and a rating above the average of the companies examined. Furthermore, in November 2022 Poste Italiane obtained the Equal Salary certification, which attests to the gender-neutrality of its remuneration policies. This certification, in fact, confirms the pay equity between women and men in the organisation and the company's solid commitment to creating an inclusive work environment that guarantees equal opportunities for its people to work and thrive professionally.

It is clear that the foundations have been consolidated to continue creating value for long-term sustainable shareholder returns, while also acknowledging the needs of Poste Italiane's broader stakeholder base.

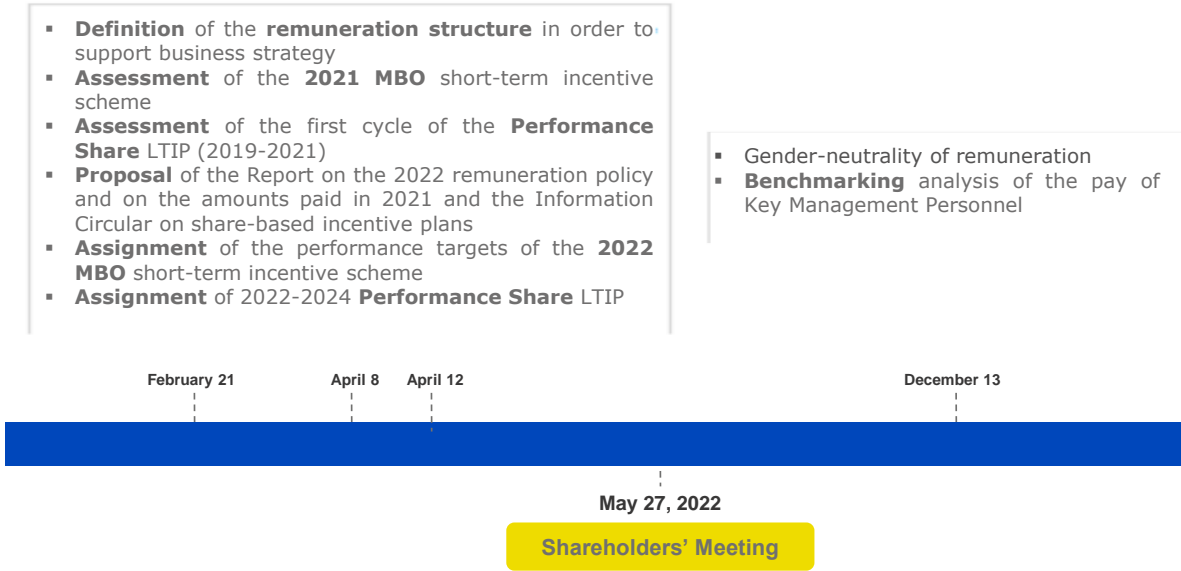


# 1 Amounts paid in 2022

## 1.1 Remuneration Committee and shareholder vote

The Remuneration Committee met on 4 occasions in 2022 and dealt with the following matters:

FIGURE 2. MATTERS DEALT WITH BY THE REMUNERATION COMMITTEE IN 2022



The Report on the 2022 Remuneration Policy reported a broad consensus among shareholders, an appreciation confirmed by the favourable meeting vote, also with reference to the votes expressed by minorities only.

The outcome of the vote held during the Shareholders' Meeting on May 27, 2022 was assessed within the context of the overall governance of the Group's remuneration and incentive policies. Poste Italiane remained committed to maintaining a constructive and ongoing dialogue with investors and proxy advisors on remuneration issues as well, aimed at improving and ensuring an increasingly effective public disclosure, in line with the best Italian and international standards. This approach – combined with moderation and the direct link of the Group's remuneration policies with business strategies, in the interest of all stakeholders – led to further improvements in consensus in 2021, although its Remuneration Policy was already considered market best practice.

In 2022, the Report on amounts paid recorded an improvement comparing to the previous year, and the consensus was broadly above the average for companies on the FTSE MIB.

Finally, it is worth noting that, in 2022, the key proxy advisors issued recommendations for a vote in favour of all points of the agenda regarding remuneration, with no particular concerns raised.

This Report on amounts paid was therefore developed with a view to increasing disclosure to the market in order to guarantee the interests of all stakeholders.

No waiver was applied to 2022 pursuant to the provisions of Article 123-ter, paragraph 3-bis of the Consolidated Law on Finance updated in 2019. Moreover, in 2022 there were no cases of activation of claw-back mechanisms.

## 1.2 Trend in Poste Italiane's remuneration and performance over the 2019-2022 period

Below is comparative information on the change in the following elements:

- i. the company's results;
- ii. the total remuneration of each of the individuals for whom information in this Report on amounts paid is provided by name;
- iii. the average gross annual remuneration for employees.

**FIGURE 3. COMPARATIVE TABLE: DEVELOPMENT OF CEO-GM'S TOTAL REMUNERATION, AVERAGE EMPLOYEE REMUNERATION AND COMPANY PERFORMANCE<sup>1</sup>**

		2022	2021	2020	2019	Percent change 2022 vs 2021
<b>Company results</b>	Net profit (€bn)	1.5	1.6	1.2	1.3	-4.4%
	Dividends per share (€)	0.65	0.59	0.49	0.46	10.2%
<b>Chief Executive Officer and General Manager</b>	Matteo Del Fante (€ k) (*)	2,476	2,415	1,822	2,060	2.5%
<b>Employees</b>	Wages and salaries (€ k) (**)	32	32	31	32	-0.6%

Amounts rounded to the nearest unit except for net profit and dividends per share.

(\*) Includes fixed remuneration, cash portion of up-front and deferred short-term variable incentive (MBO) scheme and fair value of equity remuneration.

(\*\*) The item wages and salaries, shown in the Financial Report, refers to personnel not indicated by name in Table 1. Average per capita amount for the Poste Italiane Group (in 2022, around 120,000 average annual Full Time Equivalents).

Poste Italiane reported solid results with a record high 2022 EBIT, more than doubling compared to 2017; also in terms of Net Profit (at €1.5bn), the 2017 level has been doubled (€0.7bn). All segments contributed to underlying operating profitability progression, confirming once again robust foundations for future growth. The transformation programme, based on 'Deliver 2022' Strategic Plan has been fully implemented with all key targets achieved.

Starting from July 2022 and in line with the trade union agreements entered into, Poste Italiane non-management staff were granted a salary increase in application of the National Collective Labour Agreement. Considering the impact of this increase on all of 2022, the reduction in the average remuneration of employees (between 2022 and 2021, in part related to exogenous factors) would have been more than offset.

For the CEO-GM, there was no increase in fixed remuneration in 2022, despite a remuneration position below the market median. The slight increase in total remuneration compared to 2021 shown in the table thus derives solely from the fair value of the variable remuneration based on financial instruments (Poste Italiane's shares not yet delivered and subject to additional malus provisions) and is mainly related to the deferred/retained portions of previous years (awards from 2018 onwards). In addition, despite the Group's significantly improved results, the payout of the 2022 MBO Scheme is also lower than that of the 2021 MBO Scheme.

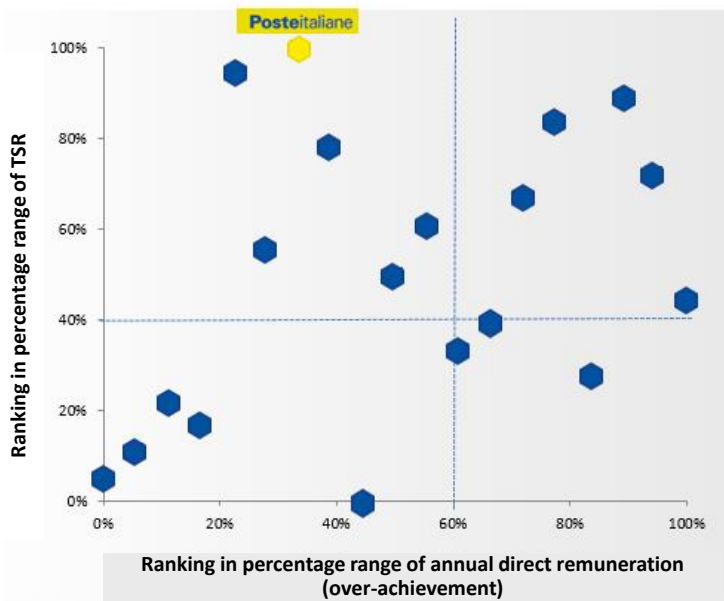
<sup>1</sup> Pursuant to the Regulations for Issuers, Form no. 7-bis of Annex 3A.

The total fixed remuneration of the CEO-GM has remained unchanged since 2017, the year in which Matteo Del Fante’s first term of office began. In addition, the variable remuneration under the 2022 remuneration policy, within the limit of the ratio to fixed remuneration of up to 2:1, also remained unchanged from the previous year.

For an illustration of all the elements useful for an overall assessment of Poste Italiane’s multi-year performance, attention should be drawn to the analysis of pay for performance, considering a period starting from the first term of office began for the current CEO-GM (April 27, 2017) until the end of 2022 as the period of observation for total shareholder return.

This analysis shows Poste Italiane was a top performer in terms of TSR, linked to a level of annual direct remuneration of its CEO-GM (as at 12/31/2022) below the median of the reference sample, as shown in the figure below.

FIGURE 4. PAY FOR PERFORMANCE FOR APRIL 27, 2017 TO DECEMBER 31, 2022, CEO-GM OF POSTE ITALIANE



**Sample group:**

Allianz, AXA, Banco BPM, Bpost, CTT - Correios de Portugal, Deutsche Post, Enel, Eni, Generali Assicurazioni, Intesa Sanpaolo, Leonardo, Nexi (listed from April 15, 2019), PostNL, Snam, Terna, TIM, UniCredit, Unipol and Poste Italiane.

Based on data from Bloomberg and WTW.

Total shareholder return (TSR) from April 27, 2017 to December 31, 2022.

Annual Direct Remuneration (ADR): latest available figure.

The above confirms that the overall remuneration levels of the CEO-GM are moderate, as also highlighted by the annual remuneration benchmarks.

The remuneration of the Chairperson of the Board of Directors, the other Directors and the Statutory Auditors is in no way linked to the results achieved by Poste Italiane.

For more information on the composition of the remuneration, refer to the details contained in Table 1.

**FIGURE 5. COMPARISON INFORMATION TABLE: DEVELOPMENT OF THE TOTAL REMUNERATION OF THE CHAIRPERSON OF THE BOARD OF DIRECTORS, OTHER DIRECTORS, CHAIRPERSON OF THE BOARD OF STATUTORY AUDITORS AND STATUTORY AUDITORS<sup>2</sup>**

values in €k		2022	2021	2020	2019	Percent change 2022 vs 2021	Office (where not indicated, office held throughout the period)
<b>Chairperson of the Board of Directors</b>	Maria Bianca Farina	480	480	480	480	0.0%	
<b>Board Directors</b>	Giovanni Azzone	89	83	83	83	7.8%	
	Bernardo De Stasio	111	118	73	-	-6.3%	Office held since May 15, 2020
	Daniela Favrin	83	83	52	-	0.0%	
	Davide Iacovoni *	83	83	52	-	0.0%	
	Elisabetta Lunati	83	83	52	-	0.0%	
	Mimi Kung	75	75	75	75	0.0%	
	Roberto Rossi	83	83	83	83	0.0%	
<b>Chairperson of the Board of Statutory Auditors</b>	Mauro Lonardo	80	80	80	80	0.0%	
<b>Statutory Auditors</b>	Serena Gatteschi	42	-	-	-	n.a.	Office held since May 28, 2022
	Gianluigi Fiorendi	42	-	-	-	n.a.	
	Anna Rosa Adiutori	28	70	70	42	-59.7%	Office held from May 29, 2019 to May 27, 2022
	Luigi Borrè	28	70	70	42	-59.7%	

Values rounded to the unit

\*Paid to employer

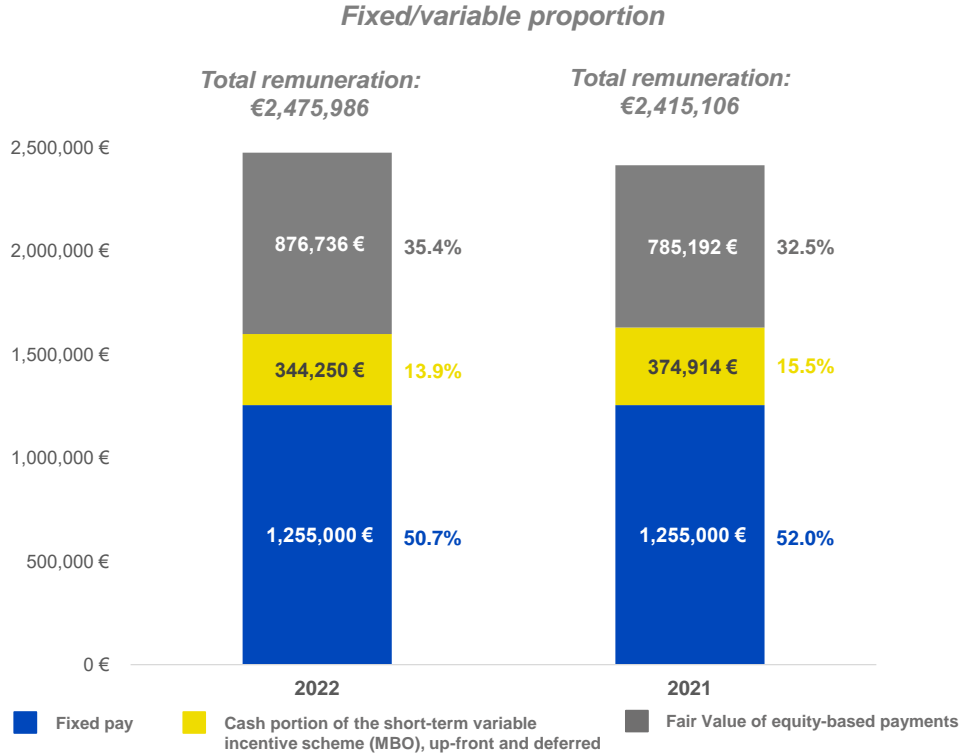
The remuneration for board members and auditors is unchanged from 2021; the percentage changes shown in the figure above are solely attributable to:

- the change – already described in the Report on the 2022 remuneration policy – in the Chairperson of the Nominations and Corporate Governance Committee from Director Bernardo De Stasio to Director Giovanni Azzone;
- the appointment of two new statutory auditors.

<sup>2</sup> Pursuant to the Regulations for Issuers, Form no. 7-bis of Annex 3A.

The details of the proportion of the fixed and variable remuneration of the CEO-GM are provided below, according to the best available estimates for the year 2022 (at the time of writing). This is an *ex-post* view whereas an *ex-ante* view is provided in the Report on the Remuneration Policy in respect of the over-achievement allocations for the year.

FIGURE 6. PROPORTION OF FIXED TO VARIABLE REMUNERATION FOR THE CEO-GM WITHIN TOTAL REMUNERATION (2021 - 2022)



Data source - Information tables Form 7-bis Annex 3A Regulation for Issuers, Report on amounts paid in 2022 and 2021

This chart confirms that fixed remuneration in 2022 is unchanged from 2021 and that the component vested in connection with the 2022 MBO Scheme (and, consequently, the related cash portion) even decreased. The slight increase shown thus derives solely from the fair value of the variable remuneration based on financial instruments (Poste Italiane’s shares not yet delivered) and is mainly related to the deferred/retained portions of previous years (vested from 2018 onwards). Please note that these deferral and retention periods are linked to strict malus and clawback clauses.

### 1.3 Chairperson of the Board of Directors

The Chairperson of the Board of Directors was paid a gross annual sum of €480,000, representing fixed remuneration approved by the Shareholders’ Meeting of May 15, 2020, for the 2020-2022 term, pursuant to art. 2389, paragraph 1 of the Italian Civil Code, and the remuneration approved by the Board of Directors on December 17, 2020 pursuant to art. 2389, paragraph 3 of the Italian Civil Code, determined on the proposal of the Remuneration Committee in consultation with the Board of Statutory Auditors.

There are no forms of variable remuneration.

## 1.4 Other Directors

The other Directors received payment of the remuneration determined by the Shareholders’ Meeting of May 15, 2020 in accordance with art. 2389, paragraph 1 of the Italian Civil Code, amounting to €40,000 gross per annum.

Additional pay for participation in Board Committees was also disbursed, as approved by the Board of Directors on June 10, 2020, in consultation with the Board of Statutory Auditors on the proposal of the Remuneration Committee. There are no forms of variable remuneration.

In 2021 a review of the positioning of remuneration for participation in board committees with respect to the peer group had shown a substantial alignment with the first quartile of the market. On the basis of these findings, in light of the significant, continuous commitment of the members of the committees, and in view of the complexity of Poste Italiane’s business, the Board of Directors – at the proposal of the Remuneration Committee, in consultation with the Board of Statutory Auditors – had resolved to revise the remuneration for participation in the board committees with effect from 2022, as shown below:

		<u>Remuneration</u>
● Remuneration Committee	Chair	35,000 euro
	Member	22,500 euro
● Nominations and Corporate Governance Committee	Chair	35,000 euro
	Member	22,500 euro
● Control and Risk Committee	Chair	50,000 euro
	Member	35,000 euro
● Related and Connected Parties Committee	Chair	35,000 euro
	Member	22,500 euro
● Sustainability Committee	Chair	35,000 euro
	Member	22,500 euro

Following the 2022 Shareholders’ Meeting, the members of the committees in question irrevocably and fully waived, from the effective date (January 1, 2022), the adjustment of the remuneration granted as described in the Report on the 2022 remuneration policy approved by the Company’s Shareholders’ Meeting on May 27, 2022.

In light of the above, the remuneration paid for the members of the Board committees in 2022 – valid for the entire 2020-2022 term – is shown below:

*FIGURE 7. COMPENSATION FOR PARTICIPATION IN BOARD COMMITTEES FOR THE 2020-2022 TERM*

		<u>Remuneration</u>
● Remuneration Committee	Chair	25,000 euro
	Member	17,500 euro
● Nominations and Corporate Governance Committee	Chair	25,000 euro
	Member	17,500 euro
● Control and Risk Committee	Chair	35,000 euro
	Member	25,000 euro
● Related and Connected Parties Committee	Chair	25,000 euro
	Member	17,500 euro
● Sustainability Committee	Chair	25,000 euro
	Member	17,500 euro

## 1.5 The Board of Statutory Auditors

The Board of Statutory Auditors in office was elected by the Shareholders' Meeting of May 27, 2022, which also determined the related remuneration for the full term of office, that is until approval of the financial statements for 2024. In line with the prior term, the Chairperson was paid remuneration of €80,000 gross per annum, with each of the standing Auditors receiving €70,000 gross per annum.

## 1.6 Chief Executive Officer and General Manager

### Gross annual fixed compensation

The CEO-GM was paid gross annual fixed compensation of €1,255,000.<sup>3</sup>

### Benefits

The CEO-GM received additional benefits in line with market practices for similar roles and in compliance with the applicable statutory requirements.

### Variable remuneration

The following pages describe the assessment of incentive schemes whose performance period ended in 2022. In addition, reference is made to the schemes for which units subject to deferral/retention accrued in 2022 according to the established conditions.

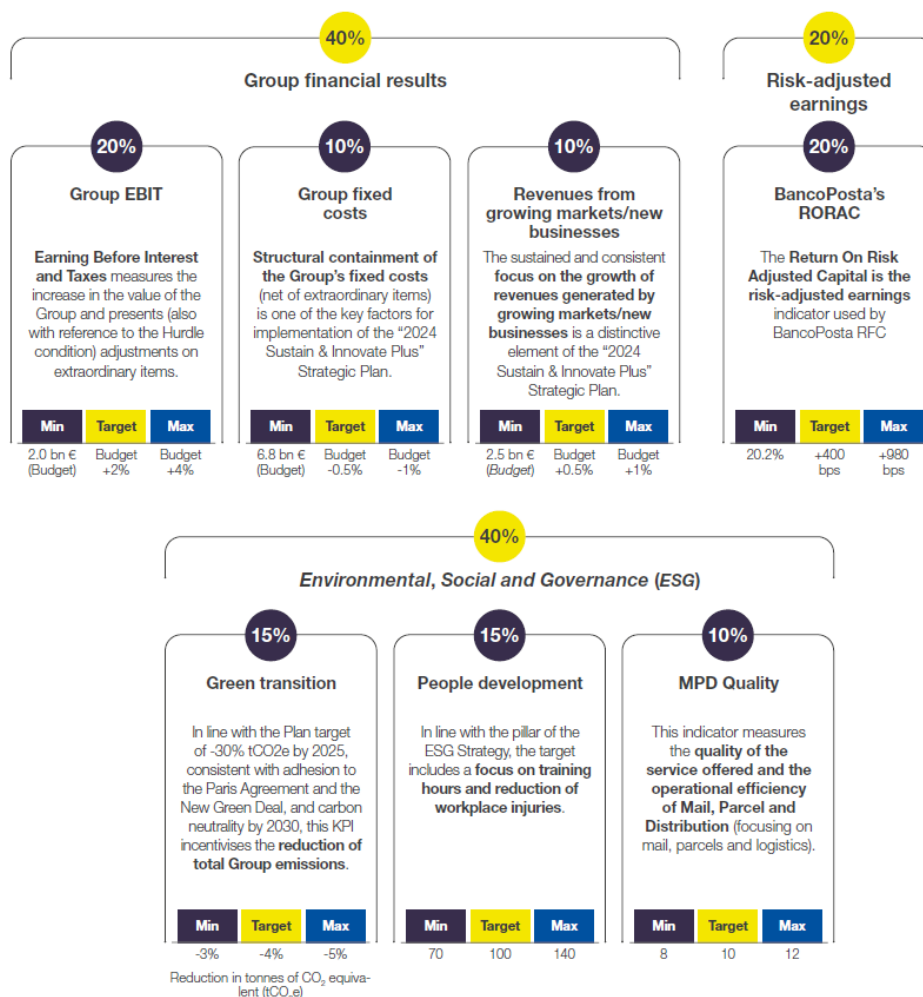
The targets of the "MBO" short-term variable incentive scheme for the 2022 performance period were as follows.

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<sup>3</sup> Of which €490,000 as Chief Executive Officer (consisting of €40,000 in remuneration determined by the Shareholders' Meeting in accordance with art. 2389, paragraph 1 of the Italian Civil Code and €450,000 in remuneration in accordance with art. 2389, paragraph 3 of the Italian Civil Code) and €765,000 in gross annual remuneration for the employment relationship as "Dirigente" in his role as General Manager.



FIGURE 8. "MBO" SCHEME PERFORMANCE TARGETS FOR THE CEO-GM IN 2022



The level of achievement of the hurdle and qualifying conditions and performance targets set by the Board of Directors is shown below.

FIGURE 9. HURDLE AND QUALIFYING CONDITIONS FOR THE "MBO" SCHEME FOR THE CEO-GM IN 2022

Conditions (ON/OFF)	Threshold value	Final value
Group <b>EBIT</b> (€bn)	2.02	<b>2.19</b>
BP RFC's capital adequacy <b>CET 1</b>	15%	<b>20%</b>
BP RFC's short-term liquidity <b>LCR</b>	330%	<b>369%</b>
Poste Vita Insurance Group's <b>Solvency Ratio</b>	150%	<b>253%</b>

Rounded values

In particular, the hurdle and qualifying conditions set in 2022 were all met, thereby granting full access to the scheme.

The following table, on the other hand, shows the level of achievement of each performance target assigned with regard to the MBO short-term incentive scheme for 2022.

FIGURE 10. ASSESSMENT OF “MBO” TARGETS FOR THE CEO-GM IN 2022

Targets	Weighting	Minimum	Target	Maximum	Final value
<b>Group EBIT</b> (€bn)	20%	2.02	2.06	2.10	<b>2.19</b> (maximum)
<b>Group fixed costs</b> (€bn)	10%	6.78	6.74	6.71	<b>6.48</b> (maximum)
<b>Revenue from growth markets/new businesses</b> (€bn)	10%	2.54	2.56	2.57	<b>2.45</b> (not achieved)
<b>BancoPosta’s RORAC</b>	20%	20.2%	24.2%	30.0%	<b>36.8%</b> (maximum)
<b>Reduction of total Group emissions (tCO2e)</b>	15%	-3%	-4%	-5%	<b>-5%</b> (maximum)
<b>People development</b>	15%	70	100	140	<b>140</b> (maximum)
<b>MPD Quality</b>	10%	8	10	12	<b>8</b> (minimum)

Rounded values

Overall, the assessment of the targets’ achievement (economic-financial, sustainability and risk-adjusted profitability) is more than positive, amounting to 119% of the target level (compared to a maximum value of 140%).

Therefore, based on the assessment of hurdle and qualifying conditions and on the performance targets illustrated above, in implementation of the contents of the Report on the 2022 Remuneration Policy, the Chief Executive Officer and General Manager qualified for an incentive under the MBO scheme for 2022 of €765,000.00. This sum will be paid as follows:

- 40% up-front in 2023, including 20% payable in cash and 20% in rights to receive ordinary Shares of the Company, subject to a 1-year retention period;
- the remaining 60% deferred for 5 years (pro rata), with 25% payable in cash and 35% in rights to receive ordinary Shares of the Company, subject to a 1-year retention period (the last deferred portion, equal to 15% of the total incentive, will be paid in cash in 2028).

Only a sum of €153,000.00 (up-front in cash) will therefore be paid in 2023.

The group EBIT and fixed costs in 2022 were achieved at the maximum level, due in part to overall revenue growth and robust cost discipline. However, the KPI related to revenues growth from markets/new businesses (energy, P&C, motor, fibre, parcels, e-money) did not reach the threshold level. In particular, the challenging targets set by the Group were not achieved, despite a better parcels performance (which had a preponderant weight within this KPI) compared to 2021, but negatively impacted, particularly in the first half of the year, by the well-known macro-economic context.

Looking at the ESG indicators set for the 2022 MBO, Poste Italiane achieved positive performance, as detailed below:

- as part of its Strategic Plan, Poste Italiane has set a clear and ambitious roadmap of reducing total tCO2e emissions by 30% by 2025. In 2022 numerous initiatives were taken to accelerate the green

transition and improve the energy efficiency of offices and facilities, leading to a -5% emissions reduction which is above the target level;

- the People development indicator was at its highest level (reduction of accidents, together with the provision of more than five million hours of training);
- the threshold level was reached for the MPD quality target, an overall indicator of the quality of service provided and operational efficiency in Mail, Parcels and Distribution. This performance was once again linked to the challenging objectives set and the negative impact from macro-economic context, which was mainly related to the first half of the year.

Finally, it should be noted that the conditions of BancoPosta RFC’s capital adequacy and liquidity have been verified, and therefore, following approval of the Annual Report for 2022, the portions in cash and equity-based instruments that have reached the end of the deferral and/or retention periods relating to the 2017, 2018, 2019, 2020 and 2021 short-term incentive schemes (“MBO”) will be recognised.

With reference to the medium/long-term incentive plans, the performance period of which ended in 2022, it should be noted that the third cycle (2020-2022) of the “Performance Share LTIP”, awarded to the CEO-GM during 2020, matured, as did the Five-year Deliver 2022 Plan. In addition, with reference to the first cycle (2019-2021) of the “Performance Share LTIP”, the end of the retention period was reached for the up-front portion for which the disbursement conditions were met on the basis of the capital adequacy, liquidity and risk-adjusted profitability of BancoPosta RFC.

The assessment of such incentive systems is shown in Tables 1, 3A and 3B (Consob Form 7-bis), and on the following pages further details are provided on achievement of the hurdle and qualifying conditions and on the level of achievement of the performance targets.

**FIGURE 11. HURDLE AND QUALIFYING CONDITIONS FOR THE “2020-2022 PERFORMANCE SHARE LTIP” FOR THE CEO-GM (AWARDED IN 2020)**

Hurdle	Threshold value	Final value
Cumulative Group <b>EBIT</b> over a three-year period (€bn)	5.3	<b>6.2</b>
Qualifying conditions	Threshold value	Final value
BancoPosta RFC’s capital adequacy: <b>CET 1</b>	15%	<b>20%</b>
BancoPosta RFC’s short-term liquidity: <b>LCR</b>	330%	<b>369%</b>
BancoPosta RFC’s risk-adjusted profitability: <b>RORAC</b>	16%	<b>37%</b>

*Rounded values*

The following chart shows the level of achievement of the performance targets assigned in 2020, namely the three-year cumulative Group EBIT (with 60% weighting) and the relative Total Shareholder Return (with 40% weighting):

**FIGURE 12. ASSESSMENT OF TARGETS FOR “2020-2022 PERFORMANCE SHARE LTIP” FOR THE CEO-GM (AWARDED IN 2020)**

First Target	Weighting	Minimum	Target	Maximum	Final value
Cumulative Group <b>EBIT</b> over a three-year period (€bn)	60%	5.3	5.5	5.8	6.2 <i>(maximum)</i>
<i>Rounded values</i>					
Second Target	Weighting	Minimum	Target	Maximum	Final value
<b>Relative Total Shareholder Return (rTSR)</b> (TSR: Poste Italiane vs FTSE MIB)	40%	TSR PI = TSR FTSE MIB	TSR PI +5% vs TSR FTSE MIB	TSR PI +15% vs TSR FTSE MIB	<FTSE MIB <i>(not achieved)</i>

In particular, EBIT was well above the maximum level set. The value considered is the sum of the EBIT values recorded in the MBOs for the three-year period 2020-2022 and, consequently, takes into account what was approved by the Shareholders’ Meeting in the relevant Reports on amounts paid.

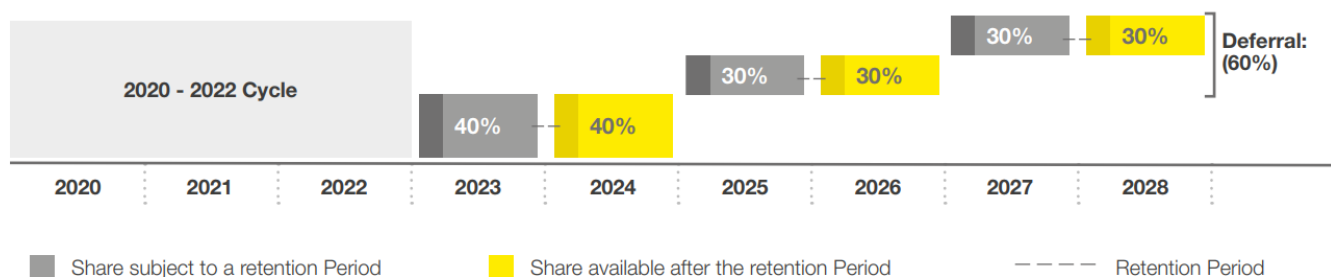
The total shareholder return of Poste Italiane, recorded over the period 2020-2022, was below the level of the FTSE MIB total shareholder return, so the target was not achieved. The Poste Italiane’s TSR was in any case positive and +6.53% in a three-year period characterised by the well-known external macroeconomic shocks. Moreover, as already mentioned, the Poste Italiane’s TSR was excellent in the two terms of office of the current management (the best among all its peers).

The overall result of the 2020-2022 Performance Share LTIP is 78% of the target level.

Poste Italiane has once again shown that it applies the principle of “no pay for failure” in a timely, rigorous manner, and no bonuses or other payments were provided for performances that, while very positive, fell short of the challenging targets.

In the case of the CEO-DG, there are 25,379 rights to receive Poste Italiane’s ordinary Shares deriving from the implementation of the “Performance Share LTIP”, to be paid in accordance with the methods described below:

**FIGURE 13. METHOD OF PAYMENT FOR SECOND CYCLE (2020-2022) OF THE “PERFORMANCE SHARE LTIP”**



Both the up-front and deferred portions are subject to a one-year retention period. In the case of the up-front portion, at the end of the retention period the Shares vested will be available provided that the BancoPosta RFC capital adequacy, liquidity and risk-adjusted profitability levels have been complied with. At the end of the deferral period and the retention periods for the deferred portions, compliance with the

threshold levels for BancoPosta RFC's capital adequacy, liquidity and risk-adjusted profitability will be verified.

Finally, the capital adequacy, liquidity and risk-adjusted profitability conditions for BancoPosta RFC were met. Therefore, following approval of the Annual Report for 2022, the shares relating to the first cycle (2019-2021) of the "Performance Share LTIP" that have reached the end of the retention period will be delivered. Specifically, 19,621 Poste Italiane's shares will be delivered to the CEO-GM in 2023.

In reference to the five-year Deliver 2022 LTIP, the level of achievement of the hurdle condition and qualifying conditions, as well as the level of achievement of the performance targets assigned in 2018, i.e. five-year cumulative Group revenue (with 60% weighting) and five-year cumulative personnel expenses (with 40% weighting), are set out below:

FIGURE 14. HURDLE AND QUALIFYING CONDITIONS FOR THE "FIVE-YEAR DELIVER 2022 LTIP" FOR THE CEO-GM (AWARDED IN 2018)

Hurdle	Threshold value	Final value
Cumulative Group <b>EBIT</b> over a five-year period (€bn)	8.0	9.6
<b>Qualifying conditions</b>		
BancoPosta RFC's capital adequacy: <b>CET 1</b>	15%	20%
BancoPosta RFC's short-term liquidity: <b>LCR</b>	330%	369%
BancoPosta RFC's risk-adjusted profitability: <b>RORAC</b>	24%	37%

*Rounded values*

FIGURE 15. ASSESSMENT OF TARGETS OF THE "FIVE-YEAR DELIVER 2022 LTIP" FOR THE CEO-GM (AWARDED IN 2018)

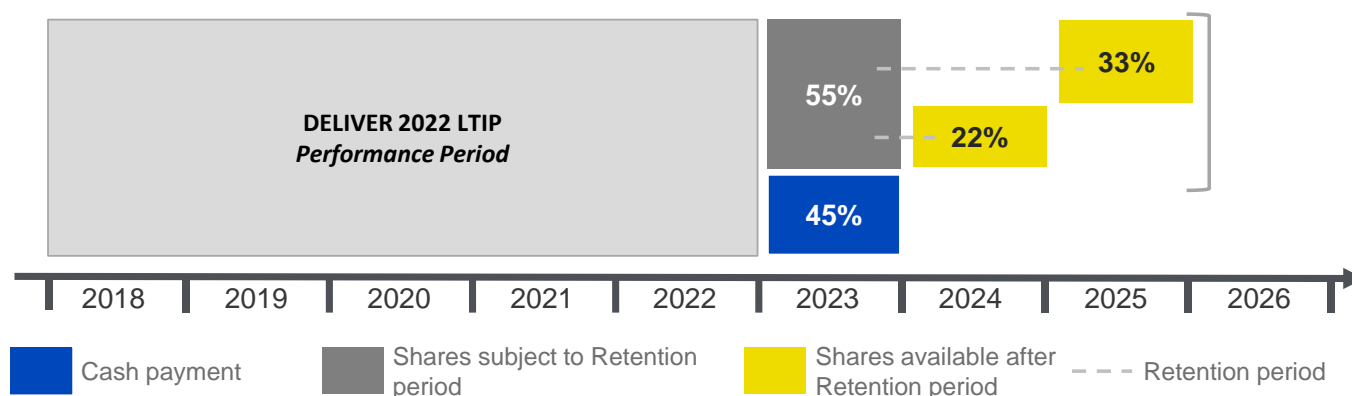
First Target	Weighting	Minimum	Target	Maximum	Final value
Cumulative five-year <b>revenue</b> (€bn)	60%	54.5	55.0	55.6	56.5 (maximum)
<i>Rounded values</i>					
Second Target	Weighting	Minimum	Target	Maximum	Final value
Cumulative five-year <b>personnel expenses</b> (€bn)	40%	29.2	28.9	28.6	28.1 (maximum)
<i>Rounded values</i>					

Both targets registered an excellent level of achievement, above the maximum level, for the five-year performance period (2018-2022). The overall pay-out was consequently 130% of the target level.

In the light of conversion into financial instruments subject to the approval of the 2023 Shareholders' Meeting, the Plan envisages the payment of 45% of the bonus up front in cash in 2023, compared to 75% originally envisaged. The remaining 55% of the bonus, originally planned in cash, will be paid in Rights to receive Shares subject to Retention Periods of 1 and 2 years. More specifically, 22% of the aggregate Bonus vested is subject to a Retention Period of one year from the Vesting Date and 33% of the aggregate

Bonus vested is subject to a Retention Period of two years from the Vesting Date. For the CEO-GM, the number of Shares resulting from this conversion is 99,648.

FIGURE 16. METHOD OF PAYMENT OF “FIVE-YEAR DELIVER 2022 LTIP”



In light of the above, for the CEO-GM, a portion of €798,750 is expected to be paid in 2023 (for further details, please refer to the detailed table contained in the 2023 Information Document on Equity-Based Incentive Plans).

Since this is a conversion, no new awarding is envisaged with respect to what is appropriately described between 2018 and 2022 in the Company’s remuneration and incentive policies, approved annually by the Shareholders’ Meeting. The proposed conversion is linked to legislative changes in recent years and the goal of maintaining a constant alignment between the interests of management and shareholders. The conversion will take place considering the arithmetic mean of the share prices recorded during the 30 trading days prior to the conversion date of March 29, 2023.

Delivery of the Shares at the end of each Retention Period will take place subject to verification of the risk tolerance level of conditions linked - in addition to capital adequacy and liquidity, originally envisaged - also to risk-adjusted profitability with reference to BancoPosta RFC, as well as confirmation of Poste Italiane’s inclusion in at least two internationally recognised sustainability indices.

## 1.7 Key Management Personnel

### Gross annual fixed pay

The gross annual fixed pay payable to existing Key Management Personnel (KMP) was subject to selective limited increases in 2022, above all with regard to those KMP whose pay was usually below market medians, taking into account the strategic nature and complexity of their roles.

### Benefits

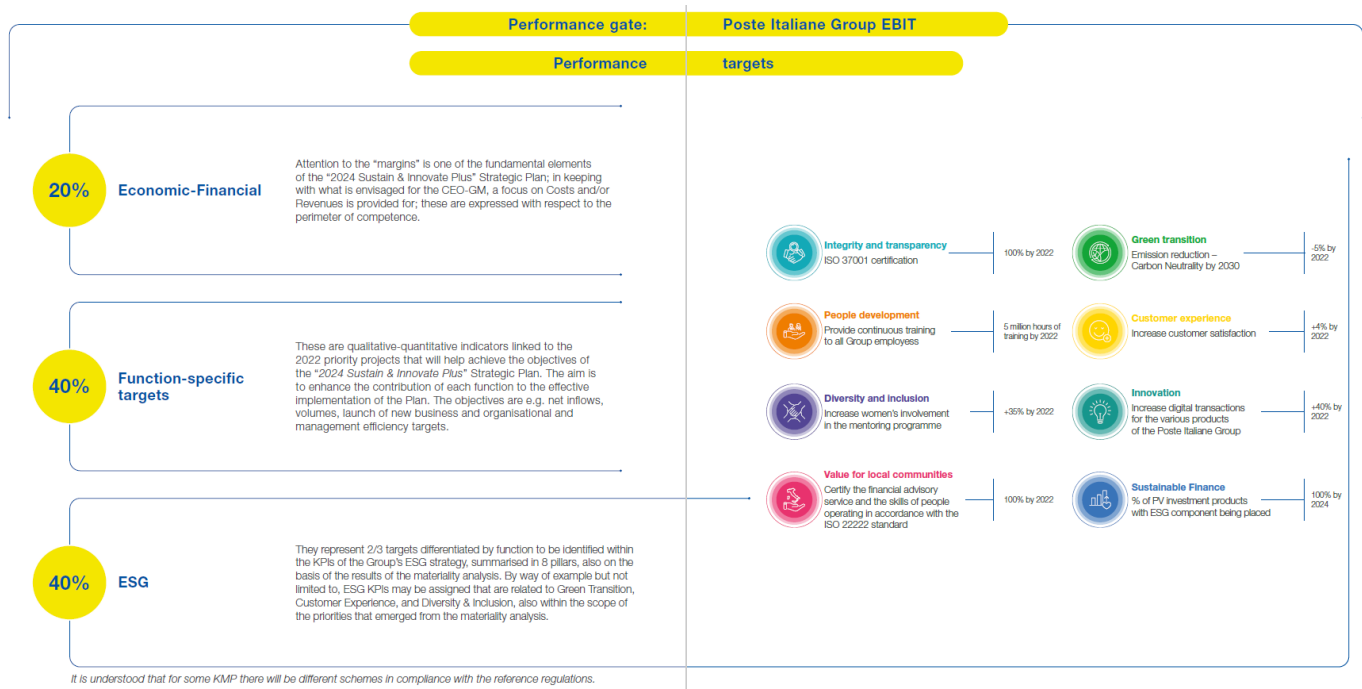
Key Management Personnel received additional benefits in line with market practices for similar roles.

### Variable remuneration

For Key Management Personnel, the values for short-term incentives with reference to the 2022 performance period are shown in the information tables on the following pages (Form 7-bis, Table 1, Table 3A and Table 3B).

Key Management Personnel has been assigned performance targets relating to the economic-financial, sustainability and function-specific target macro areas. The target achievement level is differentiated at the individual level and is generally higher than target.

FIGURE 17. "2022 MBO" FOR KMP



The average target achievement level for KMP is above the target and about 125% of the target (compared to a maximum of 140%).

Note that the second cycle (2020-2022) of the "Performance Share LTIP" awarded in 2020 also vested in 2022. The summary of this cycle is shown in Table 3A, with reference made to Figures 11 and 12, already discussed in the paragraph dedicated to the CEO-GM. For BancoPosta Material Risk Takers, shares relating to the first cycle (2019-2021) of the Performance Share LTIP that have reached the end of the retention period will be delivered, in line with what has already been described for the CEO-GM.

In further reference to the Five-year Deliver 2022 LTIP, see the information already provided in the section on the CEO-GM, with the sole exception of the BancoPosta non-MRTs, for whom the payout scheme approved at the time of the award remains in place, as also illustrated last year in Poste Italiane's Report on remuneration and incentive policy. In the case of the Three-Year Deliver LTIP (awarded in 2018 and assessed in 2020 – for more details, please refer to the Guidelines for BancoPosta RFC's remuneration and incentive policy for 2021), the conditions for disbursement of the deferred portion in cash were met (inclusion of Poste Italiane in at least one internationally recognised sustainability index - e.g. Dow Jones Sustainability World Index, Dow Jones Sustainability Europe Index, Euronext MIB ESG Index and the MSCI rating - and compliance with the capital adequacy and liquidity parameters of BancoPosta RFC – CET 1 and LCR).



Tables – CONSOB Form 7-bis\*

TABLE 1: REMUNERATION PAID TO MEMBERS OF THE BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS, GENERAL MANAGERS AND OTHER KEY MANAGEMENT PERSONNEL

**Board of Directors 1 of 2**

Name and surname or category (A)	Position (B)	Period in office (C)	Expiry of term of office (D)	Fixed pay (1)	Fee for Board Committees membership (2)	Variable non-equity payments (3)		Benefits in kind (4)	Other remuneration (5)	Total (6)	Fair Value of equity-based payments (7)	Severance indemnity at end of term or upon termination of employment (8)	
						Bonuses and other incentives	Profit sharing						
1 Maria Bianca Farina Chairwoman		01/01/2022 - 12/31/2022	a.p.p.r. 2022 financial statements	€ 480,000				€ 7,555		€ 487,555			
				(I) Remuneration from company preparing financial statements									
				(II) Remuneration from subsidiaries and associates									
(III) Total				€ 480,000			€ 7,555		€ 487,555				
2 Matteo Del Fante Chief Executive Officer and General Manager		01/01/2022 - 12/31/2022	a.p.p.r. 2022 financial statements	€ 1,255,000 <sup>(1)</sup>		€ 344,250		€ 8,382		€ 1,607,632	€ 876,736		
				(I) Remuneration from company preparing financial statements									
				(II) Remuneration from subsidiaries and associates									
(III) Total				€ 1,255,000	€ 344,250		€ 8,382		€ 1,607,632	€ 876,736			
Notes: (1) Of which €490,000 as Chief Executive Officer (consisting of €40,000 in compensation determined by the Shareholders' Meeting in accordance with art. 2389, paragraph 1 of the Italian Civil Code and €450,000 in remuneration in accordance with art. 2389, paragraph 3 of the Italian Civil Code) and €765,000 as General Manager.													
3 Giovanni Azzone Director		01/01/2022 - 12/31/2022	a.p.p.r. 2022 financial statements	€ 40,000	€ 49,496 <sup>(1)</sup>			€ 513		€ 90,009			
				(I) Remuneration from company preparing financial statements									
				(II) Remuneration from subsidiaries and associates									
(III) Total				€ 40,000	€ 49,496		€ 513		€ 90,009				
Notes: (1) Of which €25,000 for the office of Chairperson of the Remuneration Committee, €24,496 as member (from 01/01/2022 to 01/26/2022) and then as Chairperson (from 01/27/2022 to 12/31/22) of the Appointments and Corporate Governance Committee.													
4 Bernardo De Stasio Director		01/01/2022 - 12/31/2022	a.p.p.r. 2022 financial statements	€ 40,000	€ 70,534 <sup>(1)</sup>					€ 110,534			
				(I) Remuneration from company preparing financial statements									
				(II) Remuneration from subsidiaries and associates									
(III) Total				€ 40,000	€ 70,534				€ 110,534				
Notes: (1) Of which: €35,000 as Chairperson of the Control and Risk Committee, €17,500 for participation in the Related and Connected Parties Committee and €18,034 as Chairperson (from 01/01/2022 to 01/26/2022) and then member (from 01/27/2022 to 12/31/22) of the Appointments and Corporate Governance Committee.													

\* The amounts included in the tables are computed on an accruals basis in respect of fixed remuneration and the short-term incentive plan ("MBO"). The variable pay shown in the tables is based on an estimate of the amount payable at the time of preparing this document, whilst awaiting approval of the Company's financial statements by the Shareholders' Meeting.

Board of Directors 2 of 2

Name and surname or category (A)	Position (B)	Period in office (C)	Expiry of term of office (D)	Fixed pay (1)	Fee for Board Committee membership (2)	Variable non-equity payments		Benefits in kind (4)	Other remuneration (5)	Total (6)	Fair Value of equity-based payments (7)	Severance indemnity at end of term or upon termination of employment (8)
						Bonuses and other incentives (3)	Profit sharing					
<b>5 Daniela Farin</b>	<b>Director</b>	<b>01/01/2022 - 12/31/2022</b>	appr. 2022 financial statements	€ 40,000	€ 42,500 <sup>(1)</sup>			€ 513		€ 83,013		
			(I) Remuneration from company preparing financial statements									
			(II) Remuneration from subsidiaries and associates									
			<b>(III) Total</b>	€ 40,000	€ 42,500			€ 513		€ 83,013		
Notes:												
<sup>(1)</sup> Of which €25,000 for the office of Chairperson of the Sustainability Committee and €17,500 for membership in the Remuneration Committee.												
<b>6 Davide Iacovoni</b>	<b>Director</b>	<b>01/01/2022 - 12/31/2022</b>	appr. 2022 financial statements	€ 40,000	€ 42,500 <sup>(1)</sup>					€ 82,500 <sup>(2)</sup>		
			(I) Remuneration from company preparing financial statements									
			(II) Remuneration from subsidiaries and associates									
			<b>(III) Total</b>	€ 40,000	€ 42,500					€ 82,500		
Notes:												
<sup>(1)</sup> Of which €25,000 for membership in the Control and Risk Committee and €17,500 for membership in the Sustainability Committee.												
<sup>(2)</sup> Paid to employer.												
<b>7 Mihai Kung</b>	<b>Director</b>	<b>01/01/2022 - 12/31/2022</b>	appr. 2022 financial statements	€ 40,000	€ 35,000 <sup>(1)</sup>			€ 513		€ 75,513		
			(I) Remuneration from company preparing financial statements									
			(II) Remuneration from subsidiaries and associates									
			<b>(III) Total</b>	€ 40,000	€ 35,000			€ 513		€ 75,513		
Notes:												
<sup>(1)</sup> Of which €17,500 for membership in the Appointments and Corporate Governance Committee and €17,500 for membership in the Related and Connected Parties Committee.												
<b>8 Elisabetta Lunati</b>	<b>Director</b>	<b>01/01/2022 - 12/31/2022</b>	appr. 2022 financial statements	€ 40,000	€ 42,500 <sup>(1)</sup>					€ 82,500		
			(I) Remuneration from company preparing financial statements									
			(II) Remuneration from subsidiaries and associates									
			<b>(III) Total</b>	€ 40,000	€ 42,500					€ 82,500		
Notes:												
<sup>(1)</sup> Of which €25,000 for the office of Chairperson of the Related and Connected Parties Committee and €17,500 for membership in the Remuneration Committee.												
<b>9 Roberto Rosi</b>	<b>Director</b>	<b>01/01/2022 - 12/31/2022</b>	appr. 2022 financial statements	€ 40,000	€ 42,500 <sup>(1)</sup>					€ 82,500		
			(I) Remuneration from company preparing financial statements									
			(II) Remuneration from subsidiaries and associates									
			<b>(III) Total</b>	€ 40,000	€ 42,500					€ 82,500		
Notes:												
<sup>(1)</sup> Of which €25,000 for membership in the Control and Risk Committee and €17,500 for membership in the Sustainability Committee.												

*Board of Statutory Auditors*

Name and surname	Position	Period in office	Expiry of term of office	Fixed pay (1)	Fee for Board Committee membership (2)	Variable non-equity payments (3)		Benefits in kind (4)	Other remuneration (5)	Total (6)	Fair Value of equity-based payments (7)	Severance indemnity at end of term or upon termination of employment (8)
						Bonus and other incentives	Profit sharing					
<b>1</b>	<b>Mauro Leonardo</b>	<b>Chairperson of the Board of Statutory Auditors</b>	<b>01/01/2022 - 12/31/2022</b>	appr. 2024 financial statements								
	(i) Remuneration from company preparing financial statements			€ 80,000						€ 80,000		
	(ii) Remuneration from subsidiaries and associates											
	<b>(iii) Total</b>			<b>€ 80,000</b>						<b>€ 80,000</b>		
<b>2</b>	<b>Anna Rosa Adutori</b>	<b>Standing Auditor</b>	<b>01/01/2022 - 05/27/2022</b>	appr. 2021 financial statements								
	(i) Remuneration from company preparing financial statements			€ 28,192						€ 28,192		
	(ii) Remuneration from subsidiaries and associates											
	<b>(iii) Total</b>			<b>€ 28,192</b>						<b>€ 28,192</b>		
<b>3</b>	<b>Luigi Borrè</b>	<b>Standing Auditor</b>	<b>01/01/2022 - 05/27/2022</b>	appr. 2021 financial statements								
	(i) Remuneration from company preparing financial statements			€ 28,192						€ 28,192		
	(ii) Remuneration from subsidiaries and associates											
	<b>(iii) Total</b>			<b>€ 28,192</b>						<b>€ 28,192</b>		
<b>4</b>	<b>Gianluigi Fiorendi</b>	<b>Standing Auditor</b>	<b>05/28/2022 - 12/31/2022</b>	appr. 2024 financial statements								
	(i) Remuneration from company preparing financial statements			€ 41,600						€ 41,600		
	(ii) Remuneration from subsidiaries and associates											
	<b>(iii) Total</b>			<b>€ 41,600</b>						<b>€ 41,600</b>		
<b>5</b>	<b>Serena Gatteschi</b>	<b>Standing Auditor</b>	<b>05/28/2022 - 12/31/2022</b>	appr. 2024 financial statements								
	(i) Remuneration from company preparing financial statements			€ 41,600						€ 41,600		
	(ii) Remuneration from subsidiaries and associates											
	<b>(iii) Total</b>			<b>€ 41,600</b>						<b>€ 41,600</b>		

**Key management personnel**

Name and surname or category (A)	Position (B)	Period in office (C)	Expiry of term of office (D)	Fixed pay (1)	Fee for Board Committee membership (2)	Variable non-equity payments		Benefits in kind (4)	Other remuneration (5)	Total (6)	Fair Value of equity-based payments (7)	Severance indemnity at end of term or upon termination of employment (8)
						Bonuses and other incentives (3)	Profit sharing (3)					
<b>Key management personnel (13 resources <sup>(1)</sup>)</b>												
(I) Remuneration from company preparing financial statements				€ 5,072,909		€ 3,433,426		€ 150,084		€ 8,656,418	€ 1,798,904	
(II) Remuneration from subsidiaries and associates				(2) € 5,072,909	(3)	(4) € 3,433,426		€ 150,084		€ 8,656,418	€ 1,798,904	€ -
(III) Total				€ 5,072,909		€ 3,433,426		€ 150,084		€ 8,656,418	€ 1,798,904	€ -

Notes:

(1) There is no requirement, under existing regulations, for disclosure on an individual basis, given that in 2022, none of the Key Management Personnel received higher total compensation than the CEO-GM.

(2) Remuneration payable for the role of Director and for specific positions held in Group companies, approved in accordance with art. 2389 of the Italian Civil Code, amounting to a total of €337,449, is paid entirely to Poste Italiane SpA.

(3) Remuneration payable for participation in the Board committees of the Group companies, amounting to a total of €11,860, is paid entirely to Poste Italiane SpA.

(4) Remuneration payable for the role of Director and for specific positions held in Group companies, approved in accordance with art. 2389 of the Italian Civil Code, amounting to a total of €326,657, is paid entirely to Poste Italiane SpA.

**TABLE 3A: EQUITY-BASED INCENTIVE PLANS, OTHER THAN STOCK OPTIONS, FOR MEMBERS OF THE BOARD OF DIRECTORS, GENERAL MANAGERS AND OTHER KEY MANAGEMENT PERSONNEL**

Name and surname (A)	Position (B)	Plan (1)	Financial instruments awarded in prior years and not vested during the year			Financial instruments awarded during the year			Financial instruments vested during the year and not awarded			Financial instruments vested during the year and awarded		Hedging instruments referring to the year
			Number and type of financial instruments (2)	Vesting period (3)	Number and type of financial instruments (4)	Fair value at grant date (5)	Vesting period (6)	Grant date (7)	Market price on Grant Date (8)	Number and type of financial instruments (9)	Number and type of financial instruments (10)	Value at vesting date (11)	Fair Value (12)	
<b>Matteo Del Fante</b>	<b>General Manager (employment contract)</b>													
(U) Remuneration from company preparing financial statement		Short-term incentive scheme for 2022 ("MBO") for Bancoposta RFC's Material Risk Takers Resolution by Shareholders' Meeting 05/27/2022			42,947 Posteitaliane S.p.A.'s ordinary shares	€ 420,752 (1)	5 years	29/03/2023	€ 9,7970 (2)		15,617 (3)	€ 153,000	€ 153,000 (4)	
(U) Remuneration from company preparing financial statement		Short-term incentive scheme for 2021 ("MBO") for Bancoposta RFC's Material Risk Takers Resolution by Shareholders' Meeting 05/28/2021			20,766 Posteitaliane S.p.A.'s ordinary shares						8,306 (3)	€ 81,374	€ 81,374 (4)	
(U) Remuneration from company preparing financial statement		Short-term incentive scheme for 2020 ("MBO") for Bancoposta RFC's Material Risk Takers Resolution by Shareholders' Meeting 05/27/2020			3,044 Posteitaliane S.p.A.'s ordinary shares						2,028 (3)	€ 19,868	€ 19,868 (4)	
(U) Remuneration from company preparing financial statement		Short-term incentive scheme for 2019 ("MBO") for Bancoposta RFC's Material Risk Takers Resolution by Shareholders' Meeting 05/28/2019			1,927 Posteitaliane S.p.A.'s ordinary shares						3,862 (3)	€ 37,856	€ 37,856 (4)	
(U) Remuneration from company preparing financial statement		Short-term incentive scheme for 2018 ("MBO") for Bancoposta RFC's Material Risk Takers Resolution by Shareholders' Meeting 05/29/2018									5,533 (3)	€ 54,207	€ 54,207 (4)	
(U) Remuneration from company preparing financial statement		Performance Share TRP - 2022-2024 Resolution by Shareholders' Meeting 05/27/2022			84,973 Posteitaliane S.p.A.'s ordinary shares	€ 382,414	3 years	22/02/2022	€ 11,3672 (2)				€ 139,974	
(U) Remuneration from company preparing financial statement		Performance Share TRP - 2021-2023 Resolution by Shareholders' Meeting 05/28/2021			111,293 Posteitaliane S.p.A.'s ordinary shares								€ 323,268	
(U) Remuneration from company preparing financial statement		Performance Share TRP - second cycle 2020-2022 Resolution by Shareholders' Meeting 05/28/2019			15,227 Posteitaliane S.p.A.'s ordinary shares						10,152 (3)	€ 99,459	€ 67,209	
(U) Remuneration from company preparing financial statement		Performance Share TRP - first cycle 2019-2021 Resolution by Shareholders' Meeting 05/28/2019			29,432 Posteitaliane S.p.A.'s ordinary shares									
(U) Remuneration from company preparing financial statement		Five-year Deliver 2022 Long-Term Incentive Plan Resolution by Shareholders' Meeting 05/08/2023			99,648 Posteitaliane S.p.A.'s ordinary shares	€ 976,251 (1)	2 years	29/03/2023	€ 9,7970 (2)					
(U) Remuneration from subsidiaries and associates						€ 1,779,437							€ 445,744	€ 876,736
<b>(U) Total</b>														

**Notes:**

(1) Amount obtained by multiplying the number of Posteitaliane S.p.A.'s ordinary shares by the market price at the grant date.  
 (2) Amount estimated by convention as the arithmetic mean of the prices of Posteitaliane's shares in the thirty stock exchange trading days prior to the grant date.  
 (3) Financial instruments subject to a 1-year retention period.  
 (4) Best estimate based on the value at vesting date.  
 (5) Financial instruments for which the performance period has ended, subject to deferral/retention up to 4 years.  
 (6) Financial instruments, for which the performance period has ended, subject to retention up to 2 years.

(A)	(B)	(C)	Financial instruments awarded in prior years and not vested during the year			Financial instruments awarded during the year			Financial instruments awarded during the year and vested			Financial instruments awarded during the year and awarded		(12)
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
Name and surname	Position	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at grant date	Vesting period	Grant date	Market price on Grant Date	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair Value	
<b>Key management personnel</b>														
(1)	(1)	Short term incentive scheme for 2022 ("MI02") for Bancoposta RFC's Material Risk Takers Resolution by Shareholders' Meeting 05/27/2022			27,091 Posteitaliane S.p.A.'s ordinary shares	(1) € 265,411	4/5 years	29/03/2023	(2) € 9,7970	11,096 (3)	11,096 (3)	€ 108,704	€ 108,704	(4) € 33,516
(1)	(1)	Short term incentive scheme for 2021 ("MI01") for Bancoposta RFC's Material Risk Takers Resolution by Shareholders' Meeting 05/28/2021	7,380 Posteitaliane S.p.A.'s ordinary shares	4/5 years						3,421 (3)	3,421 (3)	€ 33,516	€ 33,516	(4) € 33,516
(1)	(1)	Short term incentive scheme for 2020 ("MI00") for Bancoposta RFC's Material Risk Takers Resolution by Shareholders' Meeting 05/15/2020												(4) € 2,998
(1)	(1)	Short term incentive scheme for 2018 ("MI07") for Bancoposta RFC's Material Risk Takers Resolution by Shareholders' Meeting 05/29/2018												(4) € 35,288
(1)	(1)	Performance Share LTP - 2022-2024 Resolution by Shareholders' Meeting 09/27/2022		3 years	175,845 Posteitaliane S.p.A.'s ordinary shares	€ 995,467	3 years	22/02/2022	(2) € 11,3612				€ 346,830	
(1)	(1)	Performance Share LTP - 2021-2023 Resolution by Shareholders' Meeting 05/28/2021	233,513 Posteitaliane S.p.A.'s ordinary shares	3 years									€ 760,087	
(1)	(1)	Performance Share LTP - second cycle 2020-2022 Resolution by Shareholders' Meeting 09/28/2019	15,402 Posteitaliane S.p.A.'s ordinary shares	3 years							203,169 (5)	€ 1,390,443	€ 505,986	
(1)	(1)	Performance Share LTP - first cycle 2019-2021 Resolution by Shareholders' Meeting 05/28/2019	(6) 8,260 Posteitaliane S.p.A.'s ordinary shares	3 years										
(1)	(1)	Three-year Deliver Long-Term Incentive Plan Resolution by Shareholders' Meeting 05/29/2018									510 Phonon Stock	€ 4,995	€ 4,996	(4) € 4,996
(1)	(1)	Five-year Deliver 2022 Long-Term Incentive Plan Resolution by Shareholders' Meeting 09/08/2023			(7) 58,021 Posteitaliane S.p.A.'s ordinary shares	(8) € 568,432	2 years	29/03/2023	(2) € 9,7970					
<b>(10) Total</b>					€ 1,178,309					€ 2,176,445	€ 1,798,908		€ 1,798,908	

**Notes:**

- (1) Amount obtained by multiplying the number of Posteitaliane S.p.A.'s ordinary shares by the market price at the grant date.
- (2) Amount estimated by convention as the arithmetic mean of the prices of Posteitaliane's shares in the thirty stock exchange trading days prior to the grant date.
- (3) Financial instruments subject to a 1-year retention period.
- (4) Best estimate based on the value at vesting date.
- (5) Of which 10,268 subject to a 1-year retention period in line with the provisions for Bancoposta RFC personnel and 115,740 subject to a 2-year lock-up period.
- (6) Financial instruments, for which the performance period has ended, subject to deferral/retention up to 4 years.
- (7) Financial instruments, for which the performance period has ended, subject to retention up to 2 years.

**TABLE 3B: CASH INCENTIVE PLANS FOR MEMBERS OF THE BOARD OF DIRECTORS, GENERAL MANAGERS AND OTHER KEY MANAGEMENT PERSONNEL**

A Name and surname or category	B Position	C1 Plan	C2 Bonus for the year			C3 Bonus for previous years			C4 Other bonuses
			(A) Payable/Paid	(B) Deferred	(C) Deferral period	(A) No longer payable	(B) Payable/Paid	(C) Still Deferred	
<b>Matteo Del Fante (General Manager (employment contract))</b>									
(I) Remuneration from company preparing financial statements	MBO 2022		€ 153,000	€ 191,250	5 years		€ 83,314	€ 124,971	
(I) Remuneration from company preparing financial statements	MBO 2021						€ 31,821		
(I) Remuneration from company preparing financial statements	MBO 2020						€ 20,539		
(I) Remuneration from company preparing financial statements	MBO 2019						€ 27,518		
(I) Remuneration from company preparing financial statements	MBO 2018						€ 798,750		
(I) Remuneration from company preparing financial statements	MBO 2017								
(I) Remuneration from company preparing financial statements	Deliver 2022 LTIP								
(II) Remuneration from subsidiaries and associates									
(III) Total			€ 153,000	€ 191,250			€ 909,582	€ 220,471	
<b>Key management personnel</b>									
(I) Remuneration from company preparing financial statements	MBO 2022		€ 2,868,319	€ 247,107	3/5 years		€ 88,037	€ 116,975	
(I) Remuneration from company preparing financial statements	MBO 2021						€ 6,412		
(I) Remuneration from company preparing financial statements	MBO 2020						€ 28,477		
(I) Remuneration from company preparing financial statements	MBO 2018						€ 29,835		
(I) Remuneration from company preparing financial statements	MBO 2017						€ 4,369,739	€ 1,297,996	
(I) Remuneration from company preparing financial statements	Deliver 2022 LTIP								
(I) Remuneration from company preparing financial statements	Poste Italiane SGr LTIps			€ 318,000			€ 128,820	€ 415,643	
(II) Remuneration from subsidiaries and associates									
(III) Total			€ 2,868,319	€ 565,107			€ 4,616,431	€ 1,865,503	€ -

Notes:

(1) Of which €10,676 related to the performance period (2018-2020).

(2) Remuneration payable for the role of Director and for specific positions held in Group companies, approved in accordance with art. 2389 of the Italian Civil Code, amounting to a total of €98,794, is paid entirely to Poste Italiane SpA.

(3) Remuneration payable for the role of Director and for specific positions held in Group companies, approved in accordance with art. 2389 of the Italian Civil Code, amounting to a total of €227,863, is paid entirely to Poste Italiane SpA.

(4) Remuneration payable for the role of Director and for specific positions held in Group companies, approved in accordance with art. 2389 of the Italian Civil Code, amounting to a total of €158,613, is paid entirely to Poste Italiane SpA.

(5) Remuneration payable for the role of Director and for specific positions held in Group companies, approved in accordance with art. 2389 of the Italian Civil Code, amounting to a total of €97,052, is paid entirely to Poste Italiane SpA.



**TABLES – CONSOB FORM 7-TER**
**TABLE 1: INTERESTS HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS AND GENERAL MANAGERS**

Name and Surname	Position	Company invested in	No. of shares held at end of 2021	No. of shares purchased in 2022	No. of shares sold in 2022	No. of shares held at end of 2022	Title
Maria Bianca Farina	Chairperson	POSTE ITALIANE S.P.A.	5,255	0	0	5,255	Ownership
Matteo Del Fante	Chief Executive Officer and General Manager	POSTE ITALIANE S.P.A.	40,270	7,918	0	48,188	Ownership
Roberto Rossi	Director	POSTE ITALIANE S.P.A.	0	4,000	0	4,000	Ownership

**TABLE 2: INTERESTS OF KEY MANAGEMENT PERSONNEL**

No. of Key management personnel	Company invested in	No. of shares held at end of 2021	No. of shares purchased in 2022*	No. of shares sold in 2022	No. of shares held at end of 2022	Title
13	POSTE ITALIANE S.P.A.	16,975	88,459	0	91,551	Ownership

\*This includes shares arising from the delivery of Poste Italiane's equity-based incentive plans.

**Annex required by art. 84-bis of CONSOB Regulations for Issuers**  
**Short-term incentive scheme for 2022 (“MBO”):**

Name and surname or category	Position	QUADRO 1						
		Financial instruments other than stock options						
		Section 1						
		Instruments relating to outstanding plans approved on the basis of previous shareholder resolutions						
		Date of shareholder resolution	Type of financial instrument	Number of financial instruments	Grant date	Purchase price of instruments	Market price on Grant Date	Vesting period
Matteo Del Fante	General Manager (employment contract)	27/05/2022	Poste Italiane S.p.A.'s ordinary shares	42,947	29/03/2023		€ 9,7970 <sup>(1)</sup>	5 years
Key Management Personnel (2)		27/05/2022	Poste Italiane S.p.A.'s ordinary shares	27,091	29/03/2023		€ 9,7970 <sup>(1)</sup>	4/5 years
Other Risk Taker Beneficiaries (11)		27/05/2022	Poste Italiane S.p.A.'s ordinary shares	38,774	29/03/2023		€ 9,7970 <sup>(1)</sup>	4/5 years

**Notes:**  
<sup>(1)</sup> Amount estimated by convention as the arithmetic mean of the prices of Poste Italiane's shares in the thirty stock exchange trading days prior to the grant date.

**Annex:**

**GUIDELINES FOR  
BANCOPOSTA RFC'S  
REMUNERATION AND  
INCENTIVE POLICY FOR 2023**

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## Introduction

This Annex ("*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023*" or "Guidelines") - in accordance with the "*Report on the 2023 remuneration policy and on the amounts paid in 2022*" of Poste Italiane S.p.A. (hereinafter also "Poste Italiane" or "Company") - defines the remuneration and incentive scheme for Poste Italiane personnel employed in BancoPosta RFC (the "BancoPosta RFC" or "BancoPosta") identified through the "*Guidelines for the Identification of BancoPosta RFC's Material Risk Takers*". The above-mentioned remuneration and incentive scheme is aligned to: (i) BancoPosta RFC organisational and management model; (ii) the existing organisational structure; and (iii) the Company's By-laws and the BancoPosta RFC Regulation. These Guidelines are consistent with the Supervisory Standards.

Part IV, Chapter 1 "BancoPosta" of Bank of Italy Circular 285/2013 requires application of the regulations for banks in respect of "*remuneration and incentive policies and practices*", as contained in the same Circular and in the *European Banking Authority (EBA) guidelines* and *EBA Regulatory Technical Standards ("RTS")* from time to time in effect. In line with the regulatory requirements, BancoPosta is submitting its remuneration and incentive policies for approval by the Shareholders' Meeting called to approve the financial statements for 2022.

In line with the applicable regulatory requirements, this document has been prepared with the aim of providing the Shareholders' Meeting with "*a clear and full description of the remuneration and incentive policies and practices to be adopted, with the aim of explaining: the rationale, purposes and procedures for implementing the remuneration policies, the neutrality thereof with respect to gender, the relevant controls, the nature of the pay structure, the policies' consistency with the established guidelines and objectives, their compliance with the applicable statutory requirements, the main information on the process of identifying material risk takers and the related outcomes (including those relating to any exclusions), any changes with respect to previously approved policies, and developments with regard to pay, including in relation to industry trends*".

It should be noted that this document has also been prepared in compliance with Legislative Decree no. 58/1998 ("*Consolidated Law on Finance - CLF*" or "TUF") – art. 114-*bis* and 123-*ter* – and the Regulations for Issuers – art. 84-*quater*, insofar as applicable, in view of the fact that Poste Italiane S.p.A., of which BancoPosta RFC is a part, is listed on the Borsa Italiana Electronic Stock Market (MTA).

The document is divided into two sections:

- "*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023*";
- qualitative and quantitative disclosures regarding application of the "*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023*".

## 1. Statutory and regulatory framework and scope of application

### 1.1. Preamble – Aim of the document

The “*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023*”, in keeping with statutory requirements and the relevant regulatory framework in effect and with Section I of Poste Italiane “*Report on the 2023 remuneration policy and on the amounts paid in 2022*”, define the remuneration and incentive schemes for BancoPosta RFC personnel, in accordance with the Company's long-term strategies, strategic objectives and performance and Risk Appetite Framework. In this regard, these Guidelines ensure, above all, that the variable component of remuneration is sustainable in respect of the financial position of BancoPosta RFC and do not limit its ability to maintain and achieve adequate levels of capital and liquidity.

### 1.2. Statutory and regulatory framework

Poste Italiane S.p.A. conducts BancoPosta operations - as governed by Presidential Decree no. 144 of March 14, 2001 and subsequent amendments and additions - through an entity with ring-fenced capital, called Patrimonio BancoPosta or BancoPosta RFC, created by the Shareholders' Meeting held on April 14, 2011, in implementation of art. 2, paragraphs 17-*octies* et seq. of Decree Law 225 of December 29, 2010, converted with amendments from Law 10 of February 26, 2011. The same Shareholders' Meeting also approved the BancoPosta RFC Regulation. BancoPosta RFC, which has been separated from Poste Italiane capital outside the ring-fence, constitutes a collection of assets and contractual rights to be used exclusively to meet obligations arising as a result of the operations of BancoPosta RFC and representing the parameter of application for the Bank of Italy's relevant prudential supervisory standards.

On May 27, 2014, the Bank of Italy issued specific Supervisory Standards for BancoPosta (Part IV, Chapter I, “BancoPosta” of Circular 285/2013 “Prudential supervisory standards for banks”) which, in taking into account BancoPosta RFC specific organisational and operational aspects and those of Poste Italiane S.p.A., extended application of the prudential standards for banks to include BancoPosta. This includes the standards relating to the corporate governance of banks (Part I, Title IV, Chapter I “Corporate governance” of the above Circular) and matters relating to remuneration and incentive policies (Part I, Title IV, Chapter 2 “Remuneration and incentive policies and practices” of the above Circular).

Applying the principles, criteria and provisions contained in the above Circular, BancoPosta RFC qualifies as an intermediary of medium to high complexity, in view of its organisational peculiarities and the business in which it operates. These Guidelines are drafted in accordance with the 37th update of the aforementioned Circular 285 issued on November 24, 2021<sup>1</sup> aimed at transposing into the Italian regulatory framework the new rules introduced with the V iteration of the CRD.

In particular, it should be noted that the provisions introduced by the 37th update of Circular 285 of November 24, 2021 concerning the materiality threshold, minimum deferral and gender-neutrality principle of remuneration policies had already been adopted from the 2021 Guidelines.

The remuneration and incentive policy is therefore prepared in line with the Final Report on guidelines for sound remuneration policies drawn up by the European Banking Authority (hereinafter “EBA”) on July 2, 2021 and the supervisory standards governing “remuneration and incentive policies and practices”, based on the regulations applicable to intermediaries comparable with BancoPosta (medium to high complexity), governed by the same Circular, revised by the Bank of Italy on November 18, 2014 in order to apply the provisions of EU Directive 2013/36/EU (“CRD IV”) and XXV revision of October 23, 2018, in order to apply the international guidelines issued from time to time (EBA and FSB/Financial Stability Board).

The following European and international regulations are applied:

<sup>1</sup> Circular no. 285/2013 with the 37th update issued on November 24, 2021, implemented the changes introduced by Directive (EU) 2019/878 (so-called CRD V) amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers, and capital conservation measures. This update stems from the need to adapt to Commission Delegated Regulation (EU) 2021/923 of March 25, 2021, which supplements Directive 2013/36/EU with new “Regulatory Technical Standards” (RTS).

- Directive (EU) no. 878/2019 of the European Parliament and of the Council of May 20, 2019, which amended the previous Directive 2013/36/EU, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD V); these elements have been implemented by the Supervisory Authority in Circular 285/13 and by the national legislator through Legislative Decree 182/2021;
- Commission Delegated Regulation (EU) 2021/923 of March 25, 2021 containing the Regulatory Technical Standards (RTS), which set out the criteria for defining managerial responsibilities, control functions, the relevant operational/business unit and the significant impact on the risk profile of that operational unit/business unit, and the qualitative and quantitative criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution's risk profile;
- Regulation (EU) 575/2013 of the European Parliament and Council of Europe, setting out prudential requirements and specific disclosure rules for reporting on the implementation of remuneration policies, and EBA's "Guidelines for sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU of July 2, 2021);
- Bank of Italy provision on "Transparency of transactions and banking and financial services and the fairness of relations between intermediaries and customers" of March 19, 2019, Section XI, art. 2- quater relative to the remuneration policies and practices for personnel and third parties operating in the sales network;
- Regulation (EU) no. 2088/2019 of the European Parliament and of the Council of November 27, 2019 on sustainability-related disclosures in the financial services sector, effective as of March 10, 2021 (disclosure about the integration of sustainability risks into remuneration policies).

The above regulations should be viewed as an integral part of the rules governing organisational arrangements and corporate governance, forming part of a much broader regulatory framework that also includes specific regulations for listed companies and investment services and activities.

### 1.3. Scope of application

In view of the particular nature of BancoPosta RFC and its relations with Poste Italiane functions, the remuneration and incentive policies described in this document apply to the following entities, insofar as their activities relate to BancoPosta RFC:

- Poste Italiane's Board of Directors (the Chairperson, the Chief Executive Officer and General Manager, other Directors);
- Poste Italiane's Board of Statutory Auditors;
- Poste Italiane's Manager Responsible for Financial Reporting;
- Head of the BancoPosta function;
- BancoPosta RFC's internal control function personnel;
- other Material Risk Takers;
- other BancoPosta personnel not identified as Material Risk Takers.



## 2. Implementation and oversight of remuneration and incentive policies

The process of drawing up BancoPosta RFC remuneration and incentive policies involves a number of different entities, as follows:

- Poste Italiane's Shareholders' Meeting;
- Poste Italiane's Board of Directors;
- Poste Italiane's Remuneration Committee;
- Head of the BancoPosta function, the Heads of BancoPosta RFC's Risk Management and Outsourcing Governance, Compliance and Internal Audit functions;
- Head of the HR Business Partner function, within the Human Resources and Organisation function of Poste Italiane (hereinafter HR Business Partner).

### 2.1. Role of the Shareholders' Meeting

In particular, the Shareholders' Meeting, with regard to BancoPosta RFC, in keeping with what has been determined with reference to Poste Italiane, approves:

- the remuneration and incentive policies for members of the management body, oversight and internal control bodies and all other personnel;
- equity-based plans;
- as part of the remuneration and incentive policies referred to above, the criteria for determining the severance payments in the event of early termination of employment or office, including the limits on such payments in terms of the number of years of remuneration payable and the maximum amount resulting from their application.

In line with the provisions of the BancoPosta RFC Regulation, the Shareholders' Meeting may vote on the management body's proposal to increase the ratio of individual variable to fixed component above 1:1 and, in any event, within the maximum limits set by the applicable regulations. In this regard, it should be noted that the Shareholders' Meeting of May 28, 2021 approved the proposal to raise the maximum incidence of variable remuneration on fixed remuneration from 1:1 to 2:1, for certain categories of BancoPosta's Material Risk Takers.

### 2.2. Role of the Board of Directors

Poste Italiane's Board of Directors, on the recommendation of the Remuneration Committee and in consultation with the Control and Risk Committee, to the extent applicable:

- adopts the "*Guidelines for BancoPosta RFC's remuneration and incentive policy*" to submit, at least annually, to the Shareholders' Meeting for approval;
- determines the remuneration and incentives for the Material Risk Takers identified by the Company, based on the Circular 285/2013;
- approves the Guidelines for the Identification of Material Risk Takers and the perimeter of Material Risk Takers;
- monitors, with the support of the Remuneration Committee, the gender neutrality of remuneration policies and reviews the gender pay gap and its evolution over time.

The Board of Directors, on the recommendation of the Remuneration Committee and in accordance with the Committee's Regulations, determines the remuneration payable to the CEO-GM and the Head of the BancoPosta function, and the compensation for the Manager Responsible for Financial Reporting.

### 2.3. Role of the Remuneration Committee

The composition, duties, powers and related procedures of the Committee in question are governed by specific Regulations, in keeping with the requirements contained in the Supervisory Standards.

Poste Italiane's Remuneration Committee, established also pursuant to articles 95 and 109 of the CRD, currently consists of three non-executive Directors, the majority of which (including the Chairperson) meet the independence requirements<sup>2</sup> provided for in article 2, recommendation 7 of the Corporate Governance Code of listed companies and article 148, paragraph 3 of the CLF. In addition, the Committee has the required number of members with appropriate knowledge, expertise and professional experience concerning financial matters or remuneration policies and risk, capital and treasury management. This is assessed by the Board of Directors at the time of appointment to the Committee.

Committee meetings are attended by the Board of Statutory Auditors and, as a rule, also by the Head of BancoPosta's Risk Management and Outsourcing Governance function when the Committee is to discuss matters relating to BancoPosta's activities.

By invitation of the Chairperson, meetings may also be attended by other members of the Board of Directors, the Head of BancoPosta and external parties, where their presence is designed to enable the Committee to carry out its role in the best possible manner.

In keeping with these requirements, Poste Italiane's Board of Directors has established the Remuneration Committee with responsibility for providing advice and making recommendations regarding remuneration and incentive schemes.

Currently, with regard to its responsibilities relating to BancoPosta RFC, the Remuneration Committee:

- has the task of making proposals to the Board of Directors regarding the remuneration and incentive schemes for top management, as identified by the Company, in accordance with the provisions of the Supervisory Regulations, as well as the compensation of the Head of Bancoposta;
- performs advisory tasks for the Board of Directors regarding the determination of the criteria for the remuneration of all the Material Risk Takers, identified on the basis of the provisions of the Supervisory Regulations;
- oversees the correct application of the rules relating to the remuneration of the heads of BancoPosta control functions, in close cooperation with the Board of Statutory Auditors;
- prepares the documentation to submit to the Board of Directors for the related decisions;
- collaborates with the Control and Risk Committee and the Nominations and Corporate Governance Committee set up within the Board of Directors;
- ensures the involvement of the competent corporate functions in the process of drawing up and controlling remuneration policies and practices;
- pronounces, also making use of the information received from the competent corporate functions, on the achievement of the performance targets to which the incentive plans are linked, as well as on the verification of the other conditions for payment of the compensation;
- provides appropriate reports on the activity it carries out to the corporate bodies, including Shareholders' Meetings;
- performs any additional tasks assigned by the Board of Directors.

Among other things, the Committee ensures that remuneration and incentive schemes are gender-neutral and support equal treatment of personnel.

The Committee, through its Chairperson, reports to the Board of Directors on the activities carried out by the Committee, whenever deemed necessary.

<sup>2</sup> In this regard, reference should also be made to the Guidelines for Sound Remuneration Policies under Directive 2013/36/EU issued by the EBA on July 2, 2021.

The Committee has the right to access (within the limits of its assigned responsibilities) the information and corporate functions necessary in order to fulfil its role and may avail itself of external consultants or independent experts at the Company's expense, within the limits of the overall budget approved by the Board of Directors for all Board Committees.

## 2.4. Duties and responsibilities of the other functions involved

In accordance with their respective responsibilities, the following functions contribute to the process of determining the remuneration and incentive policies and to the process of identifying Material Risk Takers. They are tasked with ensuring ongoing compliance with the related regulatory requirements and the correct functioning of the policies and practices adopted.

The **Head of the BancoPosta function**, with the agreement of the Chief Executive Officer and General Manager, establishes, with the support of the internal functions and the HR Business Partner function, the guidelines to be applied in determining the remuneration and incentive policies for BancoPosta personnel, which are then presented to the Remuneration Committee. This does not affect the roles of the Shareholders' Meeting and the Board of Directors.

The **Head of the BancoPosta function** also ensures oversight and implementation of the "*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023*", with the following support.

The **HR Business Partner function**, activated by the Head of BancoPosta supports the process of formulating the proposal of the "*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023*" - making use of the contribution of specific functions in the Human Resources and Organisation area in accordance with the provisions of the existing Operating Guideline (Critical or important function) - ensuring alignment with the Company's remuneration and incentive policies.

The **Compliance function** checks the consistency and suitability of the "*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023*" and of the objectives assigned in respect of the relevant regulatory requirements and the BancoPosta RFC Regulation.

The **Risk Management and Outsourcing Governance function**, with the support of BancoPosta's Administration, Planning and Control structure, contributes to determining the risk-adjusted financial indicators to which incentive schemes are linked, in line with BancoPosta RFC's capital and liquidity position, the risks assumed as part of its operations and the resulting levels of performance achieved. The Risk Management function also, therefore, provides the Remuneration Committee with the information that the Committee deems necessary in order to ensure consistency with BancoPosta RFC's Risk Appetite Framework (RAF) consistent with the indications in the Supervisory Standards issued by the Bank of Italy. The Head of the Risk Management and Outsourcing Governance function is thus invited to Remuneration Committee meetings when matters having an impact on BancoPosta RFC's risk management and capital and liquidity position are dealt with.

The **Internal Audit function** assesses, at least once a year, the conformity of remuneration practices with the Guidelines approved and the relevant regulatory requirements. It is responsible for reporting any critical issues to the corporate bodies and the competent functions, so as to enable the necessary corrective action to be taken. The results of the assessment conducted must be reported on, at least once a year, to the Shareholders' Meeting.

## 2.5. Process for determination and oversight of the Guidelines for BancoPosta RFC's remuneration and incentive policy: summary

The decision-making process involved in determining the "*Guidelines for BancoPosta RFC's remuneration and incentive policy*" takes the following form:

- The **Head of the BancoPosta function**, with the support of the HR Business Partner function, establishes the guidance to be applied in determining the "*Guidelines for BancoPosta RFC's remuneration and incentive policy*". This guidance, which is validated by Compliance and Risk Management and Outsourcing Governance functions in order to ensure its compliance with the relevant regulatory requirements and risk governance and management policies, is then, with the agreement of the Chief Executive Officer and General Manager, submitted to the Remuneration Committee;
- the **Remuneration Committee** performs the specific support functions for the Board of Directors that it is assigned by the Supervisory Standards issued by the Bank of Italy. The composition, duties and functioning of the Remuneration Committee are governed in detail by the relevant organisational regulations;
- the **Control and Risk Committee** checks that the incentives underlying BancoPosta RFC's remuneration and incentives are consistent with the BancoPosta RFC's Risk Appetite Framework - both *ex ante* and *ex post* - partly on the basis of information received from the Head of the Risk Management and Outsourcing Governance function. The **Related and Connected Parties Committee**, in line with the provisions of the "*Guidelines for the management of transactions with Related and Connected Parties*" adopted by Poste Italiane, provides an opinion on matters relating to remuneration when there is a lack of consistency with the Guidelines for BancoPosta RFC remuneration and incentives from time to time in effect for Key Management personnel;
- the **Board of Directors** submits the "*Guidelines for BancoPosta RFC's remuneration and incentive policy*" to the Shareholders' Meeting and reviews them at least once a year (with particular reference to the provisions relating to Material Risk Takers), and is responsible for their correct implementation. It may take into account the opinions of the above functions, the Remuneration Committee and the Control and Risk Committee, provided that compliance with the Company's policies and the BancoPosta RFC's overall approach, in terms of risk appetite, strategies, long-term objectives, corporate governance model and internal controls, is guaranteed. The Chairperson, Chief Executive Officer and General Manager must abstain during votes regarding decisions on their remuneration and not take part in discussions on this matter;
- At the end of the above process, the **Shareholders' Meeting** approves the "*Guidelines for BancoPosta RFC's remuneration and incentive policy*";
- at least once a year, the **Internal Audit function** assesses the conformity of remuneration practices with the Guidelines approved, as defined in section "*2.4 Duties and responsibilities of the other functions involved*" and the relevant regulatory requirements. The results of the assessment are brought to the attention of the corporate bodies and the competent functions, so as to enable the necessary corrective action to be taken.

## 2.6. Identification of Material Risk Takers

With reference to the activities of BancoPosta RFC, certain members of staff whose professional activities have a material impact on the BancoPosta's risk profile are identified as Material Risk Takers (Risk Takers or MRTs).

The process of identifying MRTs is based on the accurate analysis of positions of responsibility within the organisation in order to assess their relevance in terms of risk-taking.

The analysis is conducted on the basis of the provisions set out in the "*Guidelines for the identification of BancoPosta RFC's Material Risk Takers*" and in accordance with current legislation<sup>3</sup>. The "*Guidelines for the identification of BancoPosta RFC's Material Risk Takers*" were updated and approved by the Board of Directors at its meeting of March 29, 2023.

The analysis is carried out at least twice a year, once on the occasion of the definition of the "*Guidelines for BancoPosta RFC's remuneration and incentive policy*", and the other - as a rule - in October.

However, the perimeter of MRTs may also be updated during the course of the year, in line with the EBA guidelines, to ensure that anyone who has held a role with a material impact on the risks of BancoPosta RFC is identified in the perimeter.

The main phases in the process of identifying Material Risk Takers adopted by BancoPosta are described below, specifically:

FIGURE 1. PHASES IN THE PROCESS OF IDENTIFYING MATERIAL RISK TAKERS



Please note that the process of identifying MRTs described below involves several organisational roles:

- the Board of Directors approves the identification process; it ensures that this process is conducted on an ongoing basis to identify MRTs, consistent with the provisions of the EBA guidelines, in order to ensure that anyone who has held a role with a material impact on the risks of BancoPosta RFC is identified in the perimeter. Moreover, it approves the outcomes of any exclusion process and periodically reviews the related criteria;
- The Remuneration Committee, having consulted the Control and Risk Committee and with the assistance of the Risk Management and Outsourcing Governance function, expresses an opinion on the identification process, including any exclusions of individuals identified on the basis of quantitative criteria;
- the Head of BancoPosta, through the Risk Management and Outsourcing Governance function, initiates the process of identifying Material Risk Takers, activating the contributions of the HR Business Partner and Compliance functions.

The identification process of BancoPosta's Material Risk Takers, with respect to **Phase 1 - Direct Identification of Risk Takers**, can be traced back to an identification on the basis of the qualitative requirements set out in Circular 285/13 Part I Title IV, Chapter 2, Section 1, Paragraph 6, and Commission

<sup>3</sup> Directive (EU) 2019/878 transposed into Italian law by Article 10 of Law no. 53 of April 22, 2021; Supervisory Standards for Banks, Part One, Title IV, Chapter 2 "Remuneration and Incentive Policies and Practices; Commission Delegated Regulation (EU) 2021/923 of March 25, 2021 replacing the previously applicable Delegated Regulation (EU) no. 604/2014.



Delegated Regulation (EU) 2021/923 of March 25, 2021, described in the “*Guidelines for the identification of BancoPosta RFC's Material Risk Takers*”.

In particular, the legislation provides for the identification in question to take place by including certain specific subjects, according to the following criteria:

- all members of the management body with strategic supervision and management functions and senior management<sup>4</sup>;
- all staff members with managerial responsibilities<sup>5</sup> on the internal control functions or relevant business/operational units of the institution<sup>6</sup>;
- a) the staff member who has managerial responsibilities with respect to certain areas<sup>7</sup> (legal affairs; soundness of accounting policies and procedures; finance, including taxation and budgeting; performance of economic analysis; prevention of money laundering and terrorist financing; human resources; development or implementation of remuneration policy; information technology; information security; management of outsourcing arrangements for critical or important functions as referred to in Article 30(1) of Commission Delegated Regulation (EU) 2017/565);
- a staff member who has managerial responsibility for one of the risk categories referred to in Articles 79 to 87 of Directive 2013/36/EU or is a voting member of a committee responsible for the management of one of the risk categories referred to in those articles<sup>8</sup>;
- staff member who, in relation to credit risk exposures of a nominal amount per transaction corresponding to 0.5% of the institution's common equity tier 1 and amounting to at least €5 million, has the power to make, approve or veto decisions concerning such credit risk exposures or is a voting member of a committee that has the power to make the decisions referred to in this point;
- staff member who has the power to approve or vetoing the introduction of new products or is a member of a committee that has the power to do so<sup>9</sup>.

With regard to **Phase 2 - Application of quantitative criteria**, the relevant national and European legislation, as identified above, in addition to the so-called qualitative criteria set out in Phase 1 - Direct Identification of Risk Takers, intends to consider as relevant the BancoPosta staff members who meet one or more of the quantitative criteria separately set out in the applicable legislation.

In particular, the following are identified:

- BancoPosta staff members who were entitled to significant remuneration in the previous year, provided that the following conditions are met<sup>10</sup>:
  - i) the remuneration of the BancoPosta staff member is equal to or greater than €500,000 and equal to or greater than the average remuneration paid to the members of the management body and senior management of the entity referred to in point a)<sup>11</sup>;
  - (ii) the BancoPosta staff member performs professional activity within a relevant operational/business unit and the activity is such that it has a significant impact on the risk profile of the relevant operational/business unit.

<sup>4</sup> See Circular 285/12, Part One, Title IV - Chapter 2 - Section I - Par. 6 “Identification of Material Risk Takers” and Article 92(3)(a), Directive 2013/36/EU (CRD IV) as amended by Directive 2019/878/EU. For further details, please refer to the text of the Directive.

<sup>5</sup> Pursuant to article 1 of Reg. EU 923/2021 persons with managerial responsibilities are defined as those who: a) head an operational unit or a control function and directly report to the management body as a whole or a member thereof, or to senior management.

<sup>6</sup> See Circular 285/12, Part One, Title IV - Chapter 2 - Section I - Par. 6 “Identification of Material Risk Takers” and Article 92(3)(b), Directive 2013/36/EU (CRD IV) as amended by Directive 2019/878/EU. For further details, please refer to the text of the Directive.

<sup>7</sup> See Article 5(a) of Commission Regulation (EU) 2021/923 of March 25, 2021. For further details, please refer to the text of the Regulation.

<sup>8</sup> See Article 5(b) of Commission Regulation (EU) 2021/923 of March 25, 2021. For further details, please refer to the text of the Regulation.

<sup>9</sup> See Article 5(f) of Commission Regulation (EU) 2021/923 of March 25, 2021. For further details, please refer to the text of the Regulation.

<sup>10</sup> See Article 92(3)(c), Directive 2013/36/EU (CRD IV) as amended by Directive 2019/878/EU. For further details, please refer to the text of the Directive.

<sup>11</sup> See Article 92(3)(a), Directive 2013/36/EU (CRD IV) as amended by Directive 2019/878/EU. For further details, please refer to the text of the Directive.

- BancoPosta staff members who were awarded total remuneration of €750,000 or more in the previous financial year or for that year<sup>12</sup>.

Through the above-described analysis based on the above-mentioned qualitative and quantitative criteria, the overall perimeter of BancoPosta RFC's Material Risk Takers is defined.

If BancoPosta, in relation only to the MRTs identified on the basis of the quantitative criteria, deems that it can legitimately exclude one or more identified persons, any exclusion will follow the process described below, in accordance with the provisions of Circular 285/2013 (**Phase 3 - Procedure for the exclusion of Material Risk Takers**).

In particular, the Head of Risk Management and Outsourcing Governance, having consulted with the Head of BancoPosta, determines that the professional activities of the BancoPosta Staff member subject to exclusion do not have a material impact on the entity's risk profile, because the member or its Staff category:

- performs professional activities and has powers only in an operational/business unit that is not relevant or
- has no substantial impact on the risk profile of a relevant operational/business unit through its professional activities<sup>13</sup>.

In this regard, it should be noted that BancoPosta has developed a methodology aimed at verifying the actual ability of staff to affect the risks of BancoPosta RFC and thus to assess the proper implementation of the subject exclusion process.

In particular, the methodology consists of two application dimensions: an organisational dimension, which takes into account the organisational steering capacity of the role and powers delegated to the holder, attributing a specific score in relation to each rational considered, and a risk dimension, which takes into account the specific weights attributed to each type of risk considered<sup>14</sup>.

In the event that the exclusion relates to personnel identified as material risk takers for the quantitative criteria referable to the Regulation (EU) 2021/923, as described above, it is necessary to proceed promptly - and in any case within six months from the end of the previous financial year - to the submission of a request for prior authorisation<sup>15</sup> to the exclusion referred to in Article 6(3) of the Delegated Regulation (EU) no. 923/2021.

The application of the process described, as approved by the Board of Directors on March 29, 2023, led to the identification of 40 MRTs.

in particular, Phase 1 led to the identification as MRTs of 41 positions and the inclusion of 40 related managers within the perimeter as indicated below:

- the members of the Poste Italiane's Board of Directors, including the Chief Executive Officer and General Manager;
- Poste Italiane's Manager Responsible for Financial Reporting;
- the Head of the BancoPosta function;
- the Heads of the functions established to report directly to the Head of BancoPosta, who, at the time of drafting this document, are: *Retail Marketing; Corporate and Public Administration Marketing; Operating Processes; Channel Product Support; Administration, Planning and Control; Compliance; Risk Management and Outsourcing Governance; Internal Audit; Technical Secretariat*;

<sup>12</sup> See Article 6 of Commission Regulation (EU) 2021/923 of March 25, 2021 for the full text.

<sup>13</sup> This condition shall be assessed on the basis of objective criteria, taking into account all relevant risk and performance indicators used by the institution for the identification, management and monitoring of risks in accordance with Article 74 of Directive 2013/36/EU, and on the basis of the duties and powers of the Staff member or Staff category and their impact on the institution's risk profile compared to the impact of the professional activities of the Staff members identified on the basis of the qualitative criteria.

<sup>14</sup> For more details on the exclusion process, see "Guidelines for the identification of BancoPosta RFC's Material Risk Takers".

<sup>15</sup> This authorisation application, in accordance with the new RTSs established by Regulation (EU) 923/2021, does not have to be submitted with regard to staff whose total remuneration is between €500,000 and €750,000.



- the Heads of BancoPosta RFC's control functions (*Risk Management and Outsourcing Governance, Compliance and Internal Audit*) and the managers reporting directly to them;
- the Heads of the Business functions (identified as relevant business units, *Retail Marketing and Corporate and Public Administration Marketing*) and their direct reports;
- the Level II and III Heads of BancoPosta functions dealing with certain areas of activity (see qualitative criteria listed above).

The application of the quantitative criteria<sup>16</sup> did not lead to the identification of additional personnel not already identified as MRTs by the application of the qualitative criteria of Phase 1.

Given the evidence that emerged from the analysis of the quantitative criteria, BancoPosta did not activate the exclusion process.

Compared to the scope of the MRTs described in the Guidelines approved by the 2022 Shareholders' Meeting, the total number of Risk Takers is not increased. There was, however, a change in the perimeter, which is essentially attributable to changes in the organisational structure of specific functions of BancoPosta's assets.

<sup>16</sup> The following were used for the application of quantitative criteria: Fixed remuneration for the previous year; estimated short- and medium-long term variable remuneration whose performance period ended at the end of the previous year; any one-off payments referring to the previous year.

## 3. Elements of the remuneration and incentive policy

### 3.1. Components of Material Risk Takers' remuneration

#### General principles

Total remuneration is determined in order to reflect the effective degree of responsibility and performance, in the certainty that correct remuneration and incentive policies have a positive impact on the conduct of personnel and align individual goals with strategic and risk management objectives.

Material Risk Takers, in accordance with the Circular 285/2013 of Bank of Italy, are required not to take out personal insurance, income protection or any other form of cover that may modify or affect the impact of risk alignment in variable pay plans. The above is confirmed via specific agreements with the personnel concerned.

#### Fixed remuneration

Fixed remuneration, which is stable in nature and defined on the basis of pre-established criteria that do not create incentives to take on risk and do not depend on BancoPosta RFC's performance, consists of a monetary component ("fixed pay") and a component "in kind" ("benefits"). For the Head of Risk Management and Outsourcing Governance, Head of Compliance and Head of Internal Audit, Role Based Allowances are recognised.

Fixed pay is aligned with the role held and the scope of the responsibilities assigned, reflecting the experience and skills required for each position, the degree of excellence demonstrated and the overall quality of the individual's contribution to the BancoPosta RFC's performance. The adequacy of fixed pay is also assessed with reference to relevant market benchmarks. BancoPosta periodically monitors pay trends, including in relation to the industry in which it operates.

Given that the "*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023*" are approved by the Shareholders' Meeting of Poste Italiane, fixed remuneration is determined with regard to the specific perimeter of subjects operating at BancoPosta RFC and/or identified as Material Risk Takers, as indicated below:

- for the Chief Executive Officer and General Manager, see the relevant section 4.1.2;
- for the Head of the BancoPosta function and for the Manager Responsible for Financial Reporting by the Board of Directors on the proposal of the Remuneration Committee;
- for other BancoPosta personnel, by the Head of the BancoPosta function with the support of the HR Business Partner function;

Benefits are provided according to a general policy at Poste Italiane Group level, structured on the basis of homogeneous categories. Benefits are part of fixed remuneration as they are subject to specific guidelines, which require the application of common criteria based on both the complexity of the role held and the specific category of employee. These components are of a stable nature, in line with management to which the person belongs, determined and paid on the basis of predetermined and non-discretionary criteria.

## Variable remuneration

Variable remuneration is directly linked to BancoPosta and individual performance, taking into account the risks assumed in conducting operations (it may, therefore, be significantly reduced, potentially to zero); variable remuneration is assigned or disbursed provided that the Company has not failed to meet its capital adequacy and liquidity requirements after the cost of the variable remuneration itself.

In compliance with existing statutory requirements and the Company's policies, the variable component for Material Risk Takers has the following characteristics:

- (I) it is determined using performance indicators measured taking into account the level of risk assumed and is in keeping with the Risk Appetite Framework and with the risk governance and management policies adopted;
- (II) it is subject to ex-post risk adjustments (malus and clawback provisions), that, based on individual performance or conduct, may result in a significant reduction in the amount payable as variable remuneration, potentially to zero, or the return of any amount already paid.

Variable remuneration consists of the following components:

- a short-term incentive scheme ("MBO"), which aims to link the variable component of remuneration with the Company's short-term results and those of the various functions and individuals (the plan is also closely linked to performance, including with regard to required standards of conduct);
- long-term incentive scheme, 2023-2025 Performance Share LTIP entirely based on rights to receive Shares, focused on profitability, shareholder return and ESG objectives, with a 3-year time horizon, aimed at maximising the execution of the guidelines of the Strategic Plan.

Lastly, as confirmation of the constant attention paid to maintaining alignment between the interests of management and shareholders, note should be taken, also in a prudential perspective, of the proposal to convert into rights to receive shares - for beneficiaries belonging to BancoPosta's Material Risk Takers at December 31, 2022 - a portion of the bonus vested under the five-year Deliver 2022 LTIP, for which the achievement of the objectives defined for the performance period (2018-2022) ending December 31, 2022 has been verified. More details on this are provided in the "Report on the 2023 remuneration policy and on the amounts paid in 2022" and in the 2023 Information Document (or "Information Circular") on Share-based Incentive Plans of Poste Italiane.

In line with statutory requirements, BancoPosta RFC has identified the level of variable remuneration representing the threshold above which variable remuneration is considered "particularly high". At this level, stricter provisions apply with regard to deferral. For this purpose, the amount taken into consideration is 25% of the average total remuneration of Italian high earners (according to the 2022 EBA report, equal to €1,740,044, of which 25% corresponds to €435,011). This amount (€435,011) is lower than the figure corresponding to 10 times the average total remuneration of BancoPosta personnel. This evaluation will be repeated at least by 2025 in order to adjust, if necessary, the criteria for the ex-post alignment with risk, bearing in mind BancoPosta's risk profile and the applicable regulatory requirements.

All the components of short and long-term variable remuneration are, in any event, subject to clawback provisions, as described below.

Signing bonuses are payable, in exceptional circumstances, to newly hired personnel in line with best market practices; the bonus is not payable more than once to the same person either by BancoPosta or by another Poste Italiane Group company and are not subject to the rules on the structure of variable remuneration. Signing bonuses are included in computation of the ratio of variable to fixed remuneration in the first year of employment, unless they are paid in a single tranche at the time of being hired. Except in the aforementioned circumstances, guaranteed bonuses are prohibited.

One-off bonuses are permitted in exceptional cases and limited solely to specific situations, such as the management of major projects, the achievement of extraordinary results or the need to retain key people in the Company. No such payments are made to Directors or Key Management Personnel. The recognition of such remuneration is implemented in compliance with the regulatory provisions in force (by way of example and not exhaustively, impact on the variable/fixed remuneration ratio and eligibility criteria) and with the present “*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023*”.

### Ratio between variable and fixed remuneration

It should be noted that the Shareholders' Meeting of May 28, 2021 approved the proposal to increase the maximum ratio of variable remuneration to fixed remuneration from 1:1 to a maximum of 2:1, for certain categories of BancoPosta's Material Risk Takers.

Below are the roles affected by the decision, specifying the functions to which they belong and the maximum number of resources involved:

- Chief Executive Officer and General Manager, Head of BancoPosta and Senior Management (Material Risk Takers identified from among the heads of the main business functions within BP RFC), for a maximum of 10 individuals the limit of 2:1 is envisaged;
- functions responsible for specific risks: other Material Risk Takers, not belonging to Senior Management, who have responsibility for a key operational/business unit, for a maximum of 10 individuals the limit of 1.5:1 is envisaged.

The adoption of a maximum 2:1 ratio is linked to a remuneration and incentive policy that reflects and promotes sound and prudent risk management, takes account of risk-adjusted performance indicators and does not encourage risk-taking above the tolerance thresholds defined in the RAF, as well as being in line with the strategy, objectives, values and long-term interests of BancoPosta and the Poste Italiane Group.

The reasons for the aforementioned increase proposal are based on the intention to motivate personnel to achieve the objectives of BancoPosta RFC, enabling the implementation of a remuneration strategy that is strongly based on alignment with long-term, sustainable results and, at the same time, flexible, in order to attract and retain key skills and provide incentives to achieve objectives that are consistent with the risk strategy set out in the Strategic Plan. This is in line with the most common practice of peer companies and without impacting fixed costs.

The close correlation between incentive schemes and the protection of prudential requirements in terms of capital and liquidity is ensured by the fact that incentive schemes may only be activated after verification of compliance with the thresholds for capital and liquidity requirements provided for in the BancoPosta RFC's RAF for each reference year, defined by including provisions for the higher costs deriving from variable remuneration, in addition to other specific conditions for individual incentive schemes.

It should also be noted that the adoption of a maximum ratio of 2:1 between variable and fixed remuneration maintains, also for 2023, the same assumptions relating to the increase, the personnel to which it refers and the extent of the limit to the aforementioned report; therefore, it has no impact on the solidity of the capital, nor on BancoPosta RFC's ability to continue to comply with all the suitably defined prudential rules, considering, in particular, the limited number of resources for which this adjustment is required.

With reference to 2023, the parties involved are as follows:

- Chief Executive Officer and General Manager for which the 2:1 limit is confirmed;
- Head of BancoPosta for which the 2:1 limit is confirmed;
- 5 individuals from the Senior Management category and other Material Risk Takers not belonging to the internal control functions with a maximum limit, in a prudential perspective for 2023, of 1,5:1;

The variable component of the remuneration paid to personnel belonging to the internal control functions may not, therefore, exceed one third of the fixed component.

## 4. BancoPosta RFC's remuneration and incentive schemes

The following remuneration and incentive schemes for the Chairperson of the Board of Directors, the Chief Executive Officer and General Manager, other Directors and the Board of Statutory Auditors coincide with those described in the Poste Italiane "Report on the 2023 remuneration policy". The above bodies are responsible for the management, strategic oversight and control of BancoPosta RFC, without receiving any further remuneration in addition to that received as Directors or Statutory Auditors of Poste Italiane S.p.A..

Also note that the Shareholders' Meeting of Poste Italiane S.p.A. continues to have the power to determine the remuneration, as defined by art. 2389, paragraph 1 of the Italian Civil Code, payable to members of the Board of Directors on their election<sup>17</sup>. The Company's By-laws also grant the Board of Directors responsibility for determining a remuneration package for Directors with delegated powers, as defined by art. 2389, paragraph 3 of the Italian Civil Code, on the recommendation of the Remuneration Committee and in consultation with the Board of Statutory Auditors.

For the 2023-2025 term, the Shareholders' Meeting and the Board of Directors, each within the scope of their responsibilities, will set the remuneration parameters for the Chairperson of the Board of Directors, the Chief Executive Officer and General Manager (CEO-GM) and other members of the Board of Directors.

It is understood that, as required by law, the Chairperson, Chief Executive Officer and General Manager must abstain during votes regarding decisions on their remuneration and not take part in discussions on this matter.

It is the sole responsibility of Poste Italiane's Ordinary Shareholders' Meeting to approve the "Guidelines for BancoPosta RFC's remuneration and incentive policy" or any changes thereto.

The remuneration policy for the following categories of personnel is described below:

- Chairperson of the Board of Directors;
- Chief Executive Officer and General Manager;
- other Directors;
- Board of Statutory Auditors;
- Material Risk Takers;
- Company's control functions (Risk Management and Outsourcing Governance, Compliance and Internal Audit);
- other BancoPosta personnel.

### 4.1. Board of Directors

The remuneration policy for members of the Board of Directors is differentiated as follows:

- Chairperson of the Board of Directors;
- Chief Executive Officer and General Manager (CEO-GM);
- other Directors.

On a general basis and for all the members of the Board of Directors, the Shareholders' Meeting held on May 15, 2020 determined - based on a proposal submitted by the Ministry of the Economy and Finance - the compensation payable pursuant to art. 2389, paragraph 1 of the Italian Civil Code to members of the Board of Directors in office in the period 2020-2022. The 2023 Shareholders' Meeting shall resolve, for the 2023-2025 term, the compensation pursuant to art. 2389 paragraph 1 of the Italian Civil Code, on the proposal of the reference shareholder.

<sup>17</sup> Members of the Board of Directors and Board of Statutory Auditors, the General Manager, the Manager Responsible for Financial Reporting, executives and employees in management or supervisory roles are provided with accidents and D&O coverage.

No attendance fees were provided for the 2020-2022 term of office for participation in Board of Directors' meetings or Board Committees' meetings.

It remains understood that for the Chairperson of the Board of Directors and the other Directors, with the exception of the CEO-GM, remuneration is in no way linked to the results achieved by Poste Italiane.

As required by law, the Chairperson, Chief Executive Officer and General Manager must abstain during votes regarding decisions on their remuneration and not take part in discussions on this matter.

In particular, the remuneration of other Directors consists of a fixed component determined by the Shareholders' Meeting and applicable for the full term of office. As indicated above, the Shareholders' Meeting held on May 15, 2020, with regard to the term of office 2020-2022, determined the compensation payable pursuant to art. 2389, paragraph 1 of the Italian Civil Code as €40,000 per annum (except as specified in paragraph 4.1.1 below with reference to the Chairwoman of the Board of Directors). There are no forms of variable remuneration.

Directors are reimbursed for any out-of-pocket expenses incurred in carrying out their duties, within the limits established by the Board of Directors.

The additional remuneration for the members of the internal board Committees, for the 2020-2022 term of office, resolved by the Board of Directors on June 10, 2020, after hearing the opinion of the Board of Statutory Auditors and the Remuneration Committee.

The Board of Directors appointed for the 2023-2025 term shall determine, in accordance with the decision procedure described above, the compensation for participation by the Directors in the internal board Committees, as Chair or Member. It is understood that the Board of Directors may modify the compensation, if necessary, with respect to what was decided for the 2020-2022 term, also in consideration of specific market benchmarking.

#### 4.1.1. Chairperson of the Board of Directors

The remuneration of the Chairwoman of the Board of Directors consists of a fixed component, by way of compensation, approved by the Shareholders' Meeting of May 15, 2020, for the 2020-2022 term, in accordance with art. 2389, paragraph 1 of the Italian Civil Code and equal to €60,000 per annum.

In addition to the above, on December 17, 2020, the Board of Directors, on the recommendation of the Remuneration Committee and in consultation with the Board of Statutory Auditors, awarded further compensation to the Chairwoman of the Board of Directors for the 2020-2022 term (pursuant to art. 2389, paragraph 3 of the Italian Civil Code). This additional compensation is equal to €420,000 per year. There are no forms of variable remuneration.

It should be noted that the Shareholders' Meeting of May 8, 2023, in accordance with the decision procedure described above, shall determine the compensation pursuant to art. 2389, paragraph 1 of the Italian Civil Code. Furthermore, it should be noted that the Board of Directors appointed for the 2023-2025 term shall determine, in accordance with the decision procedure described above, the compensation pursuant to art. 2389, paragraph 3 of the Italian Civil Code, for the office of Chair of the Board of Directors. It is understood that the Board of Directors may modify the compensation, if necessary, with respect to what was decided for the 2020-2022 term, also in consideration of specific market benchmarking.

The Chairperson is reimbursed for any out-of-pocket expenses incurred in carrying out her duties, within the limits established by the Board of Directors.

As required by law, the Chairperson abstains during votes regarding decisions on her remuneration and does not take part in discussions on this matter.



The final component of the remuneration package consists of certain benefits provided in accordance with the applicable statutory requirements and in line with market practices.

#### 4.1.2. Chief Executive Officer and General Manager (CEO-GM)

Remuneration of the Chief Executive Officer and General Manager includes a fixed component, a short-term variable component and a long-term variable component.

From 2021, as resolved by the Shareholders' Meeting of May 28, 2021, the maximum ratio of variable remuneration to fixed remuneration is 2:1, which is also expected to be maintained for 2023.

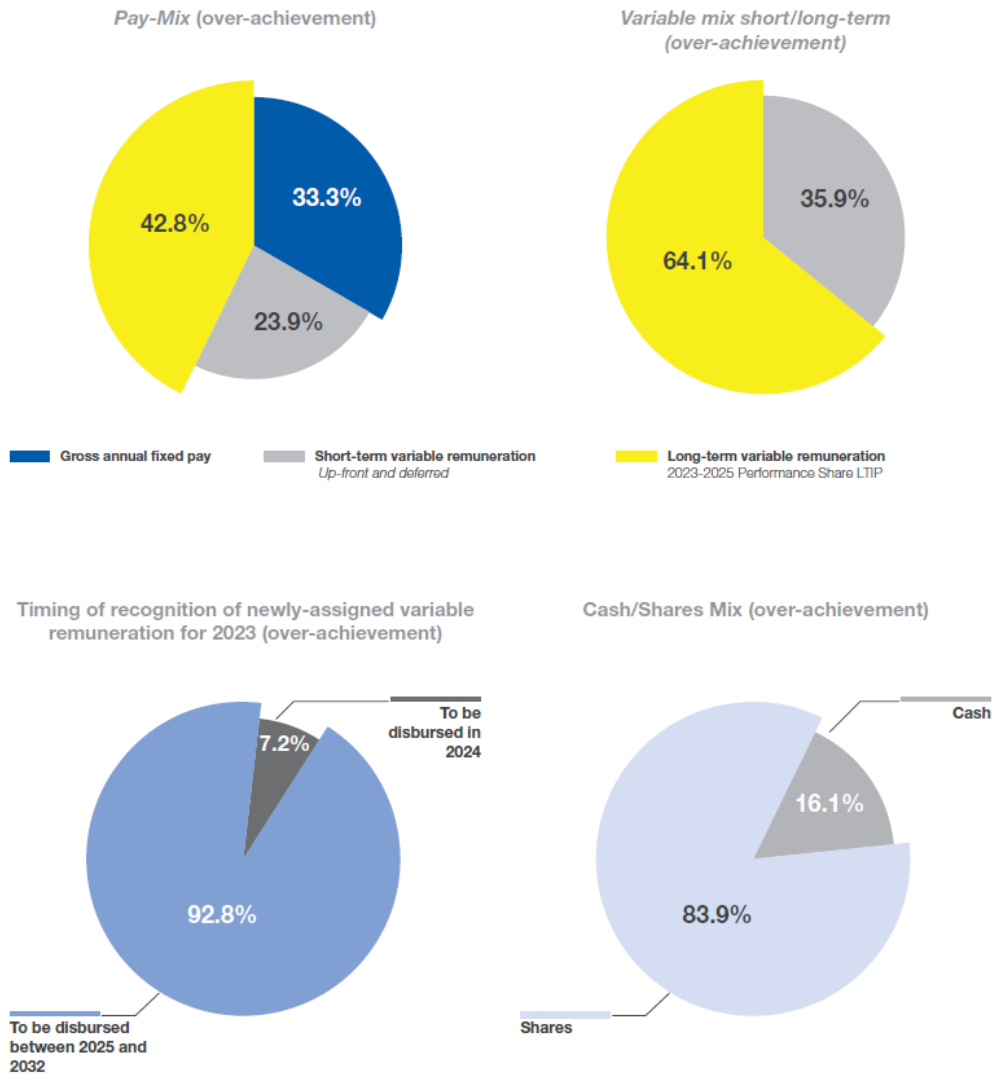
Note that the gross annual fixed remuneration for the 2020-2022 term is €1,255,000 and the total value of the incentives receivable under the schemes (both short and long-term) cannot exceed double the same fixed amount (maximum ratio 2:1).

The Board of Directors appointed for the 2023-2025 term shall determine, in accordance with the decision procedure described in the above paragraphs, the compensation pursuant to art. 2389, paragraph 3 of the Italian Civil Code, for the office of Chief Executive Officer. Also on the recommendation of the Remuneration Committee, the Board of Directors shall resolve on the remuneration envisaged for the General Manager. It is understood that the Board of Directors may modify the compensation, if necessary, with respect to what was decided for the 2020-2022 term, also in consideration of specific market benchmarking.

Certain benefits are provided in accordance with the applicable statutory requirements and in line with market practices.

In light of these elements, the following chart shows the CEO-GM Pay Mix for 2023, assuming over-achievement of results. It also illustrates the mix between the short-term and long-term variable component, a specific focus on the timing of variable remuneration and a breakdown between the monetary and equity components:

FIGURE 2. CEO-GM PAY-MIX OF OVER-ACHIEVEMENT



This Pay Mix has been calculated on the basis of awards under the short and long-term incentive schemes thus, in the event of over-achievement, considering the entire value of the “2023-2025 Performance Share LTIP”.

The mix between the short-term and long-term variable component, assuming over-achievement of results, foresees prevalence of the latter over the short-term.

With respect to the timing of recognition of the newly defined variable remuneration for 2023, less than 10% may be paid in 2024 in the case of over-achievement performance, while more than 90% may be paid between 2025 and 2032.

Also with reference to variable remuneration, as shown in the last chart and again in case of over-achievement, almost 85% may be paid in the form of shares.

As a member of the Board of Directors, the Chief Executive Officer is also reimbursed for any out-of-pocket expenses incurred in carrying out the duties strictly related to his role, within the limits established by the Board of Directors.

As required by law, the CEO-GM abstains during votes regarding decisions on his remuneration and does not take part in discussions on this matter.



## Gross annual fixed compensation

The CEO-GM receives gross annual fixed compensation, which consists of a component relating to the position of Director and one relating to his position as a manager of the Company in his role as General Manager<sup>18</sup>.

## Variable remuneration

The variable remuneration of the CEO-GM consists of the short-term variable incentive scheme ("MBO" STI) and the 2023-2025 Performance Share LTIP. The "MBO" STI scheme rewards the achievement of targets on an annual basis, the "Performance Share LTIP" on a three-year basis.

The "MBO" STI scheme and the "Performance Share LTIP" enable the Company to maintain an ongoing link between variable remuneration and performance over the long-term, strengthening the alignment with investors' interests, also given that the new Plan results in the awarding of Poste Italiane's ordinary shares. These plans also aim to support the effective implementation of the Strategic Plan. In this regard, it is noted incentive plans are subject to deferral and retention mechanisms. Moreover, each of the variable remuneration portions in financial instruments (both up-front and deferred) is subject to ex-post risk adjustments (malus and clawback provisions) that, based on individual performance and/or conduct, may result in a significant reduction in the amount payable (potentially to zero) and, under certain conditions, in the application of a clawback provision.

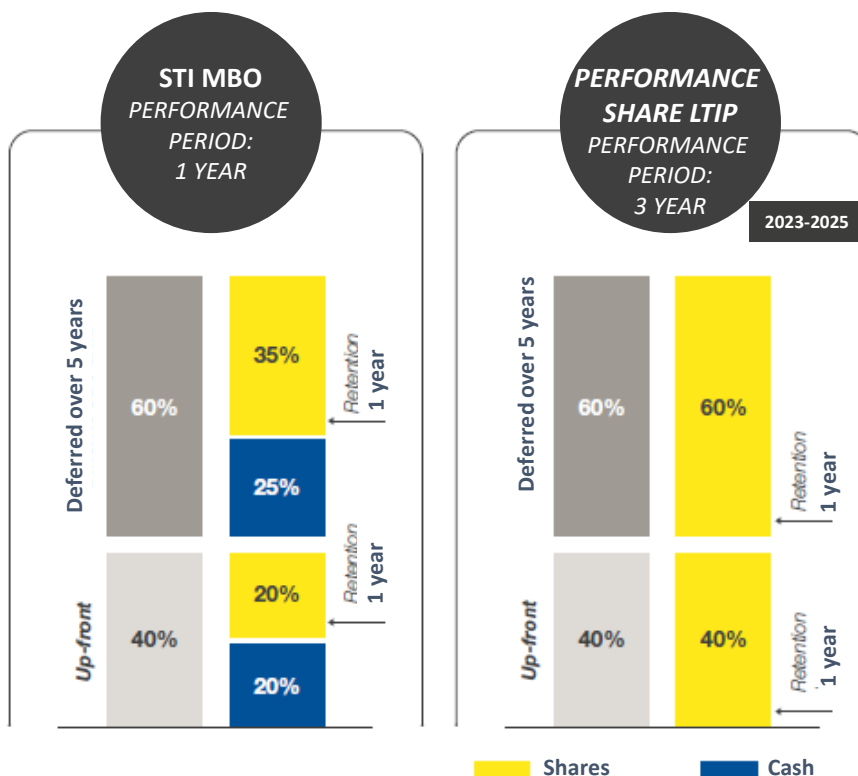
All the management incentive schemes include performance hurdles related to Group EBIT, as summary indicator of the economic and financial sustainability common to all Poste Italiane's businesses. Achievement of the hurdle makes it possible to award the bonus earned, in relation to the assigned targets and in line with the risk tolerance levels linked to BancoPosta RFC's capital, liquidity and risk-adjusted profitability (also "risk-adjusted earnings").

As a Material Risk Taker, within the scope of application of the "*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023*", the structure of the CEO-GM remuneration envisages a cap on total variable remuneration based on a 2:1 ratio between the variable (both short and long-term) and fixed component, in addition to deferral and retention periods.

Further details are provided below.

<sup>18</sup> The CEO-GM's position as General Manager is governed by the provisions of the National Collective Labour Agreement for the management personnel of companies producing goods and services (the "NCLA"). In the 2020-2022 term, the fixed gross annual remuneration was as follows: €490,000 as Chief Executive Officer (consisting of €40,000 in remuneration determined by the Shareholders' Meeting in accordance with art. 2389, paragraph 1 of the Italian Civil Code and €450,000 in remuneration in accordance with art. 2389, paragraph 3 of the Italian Civil Code) and €765,000 in gross annual remuneration for the employment relationship as "Dirigente" in his role as General Manager.

FIGURE 3. VARIABLE REMUNERATION OF THE CEO-GM



As mentioned above, the Board of Directors, on the recommendation of the Remuneration Committee, sets the performance targets linked to variable remuneration for the CEO-GM and assesses achievement of the performance targets, with the CEO-GM always abstaining in any votes on the matter.

### Short-term variable incentive scheme (“MBO STI”, “MBO” or “STI”)

Short-term variable remuneration aims to strengthen the focus on the creation of value for stakeholders by linking the incentives awarded on annual targets with actual performance over the same period. Key terms of the “MBO” STI scheme for the CEO-GM have been defined also based on the applicable statutory requirements. The amount that can be accrued, subject to the rules illustrated below, is up to a maximum of 71.71% of gross fixed compensation for 2023, and falls within the limit of the 2:1 ratio between the variable and fixed component.

The plan is based on a structured process for defining objectives and the associated incentives and is characterised by:

1. a hurdle and certain qualifying conditions;
2. various performance targets, each with a specific weighting assigned.

A maximum level of over-performance has been set, above which the incentive remains constant, as well as a hurdle, below which the incentives do not apply and there is, therefore, no payment due.

**Hurdle and qualifying conditions**

The “MBO” scheme envisages a hurdle condition represented by the “Poste Italiane Group’s target EBIT”, set at the level of the budget, achievement of which enables the CEO-GM to access the bonus earned on the basis of assigned targets. Moreover, in order to ensure the long-term sustainability of the businesses of BancoPosta RFC and the Poste Vita Insurance Group, the enabling conditions for the “MBO” scheme also include the following provisions:

FIGURE 4. HURDLE AND QUALIFYING CONDITIONS FOR THE CEO-GM’S “MBO” SCHEME

Hurdle Condition	Qualifying Conditions
Group earnings: EBIT € 2.45 bn	BancoPosta’s capital adequacy: <b>CET 1</b>
	BancoPosta’s short-term liquidity: <b>LCR</b>
	BancoPosta’s risk-adjusted earnings: <b>RORAC</b>
	Poste Vita Insurance Group’s capital adequacy: <b>Solvency II Ratio</b>

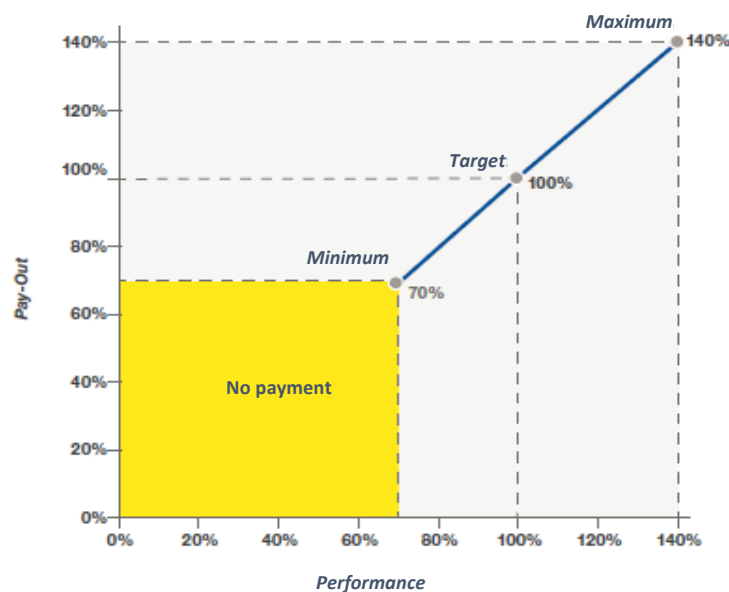
The qualifying conditions’ parameters are set at risk tolerance levels established in the Risk Appetite Framework adopted by BancoPosta RFC and the Poste Vita Insurance Group.

It should be noted that, for prudential reasons, the BancoPosta’s RORAC was also included as a qualifying condition for the 2023 MBO short-term incentive scheme.

**Performance targets**

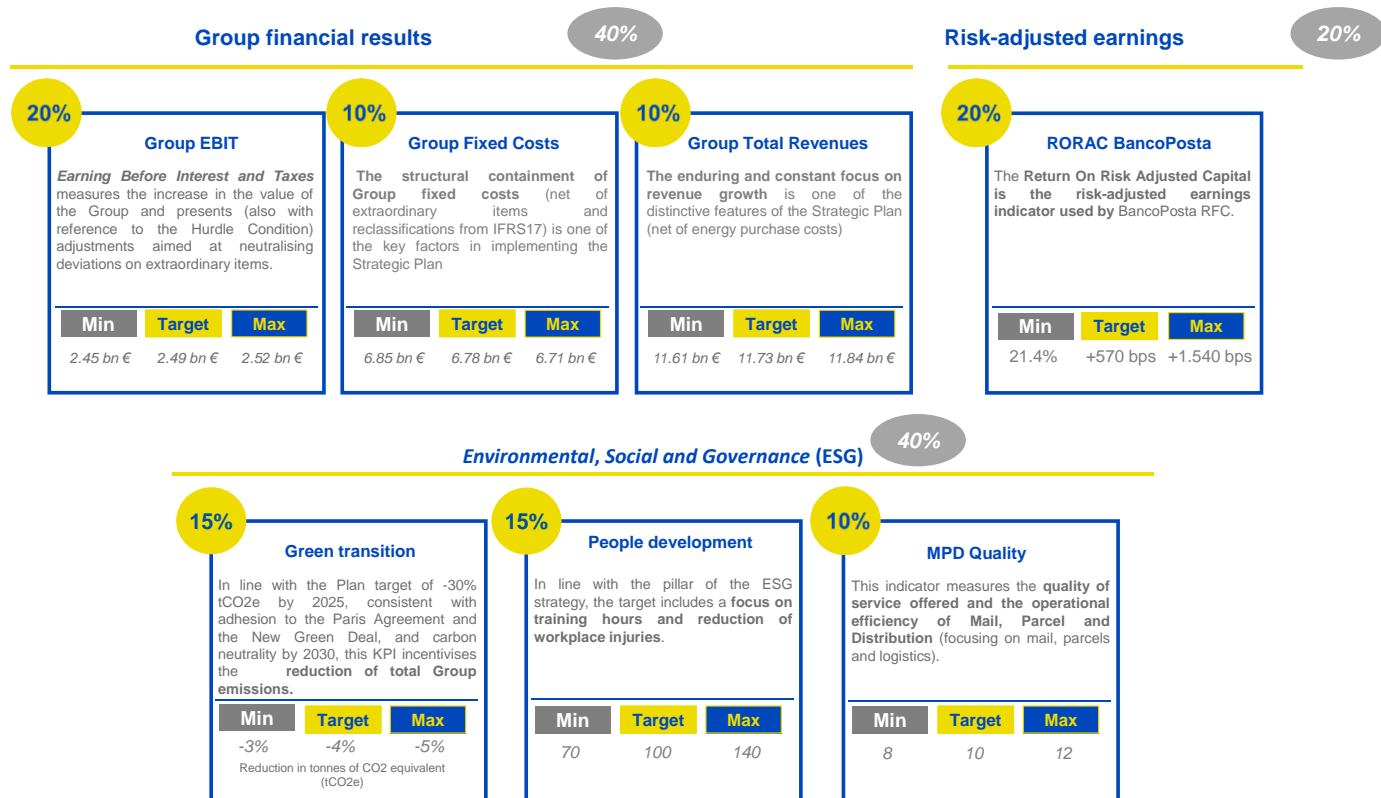
The performance targets for 2023 are linked to the objectives in the Strategic Plan. Provided below is the incentive curve for the “MBO” scheme, which links the overall weighted level of achievement of performance targets to the pay-out level (no bonus is envisaged for performance lower than the minimum threshold):

FIGURE 5. CEO-GM “MBO” INCENTIVE CURVE



The figure below outlines the performance targets for the 2023 “MBO” scheme of the CEO-GM. The targets are linked to the Strategic Plan and relate to the following three areas:

FIGURE 6. “MBO” SCHEME PERFORMANCE TARGETS FOR THE CEO-GM IN 2023



NOTE: The values of Group EBIT, Group Fixed Costs and Group Total Revenues are rounded to the second decimal place. With regard to EBIT, any changes in the scope of consolidation (positive and negative) generated by M&A and restructuring costs related to redundancies (budgeted at €0.14 billion in 2023) will be neutralised.

With reference to the Poste Vita Insurance Group, starting from a solid capital position, Solvency II Ratio will continue to be maintained in line with managerial ambitions. As shown in figure 4, it is one of the qualifying conditions for the 2023 MBO Plan.

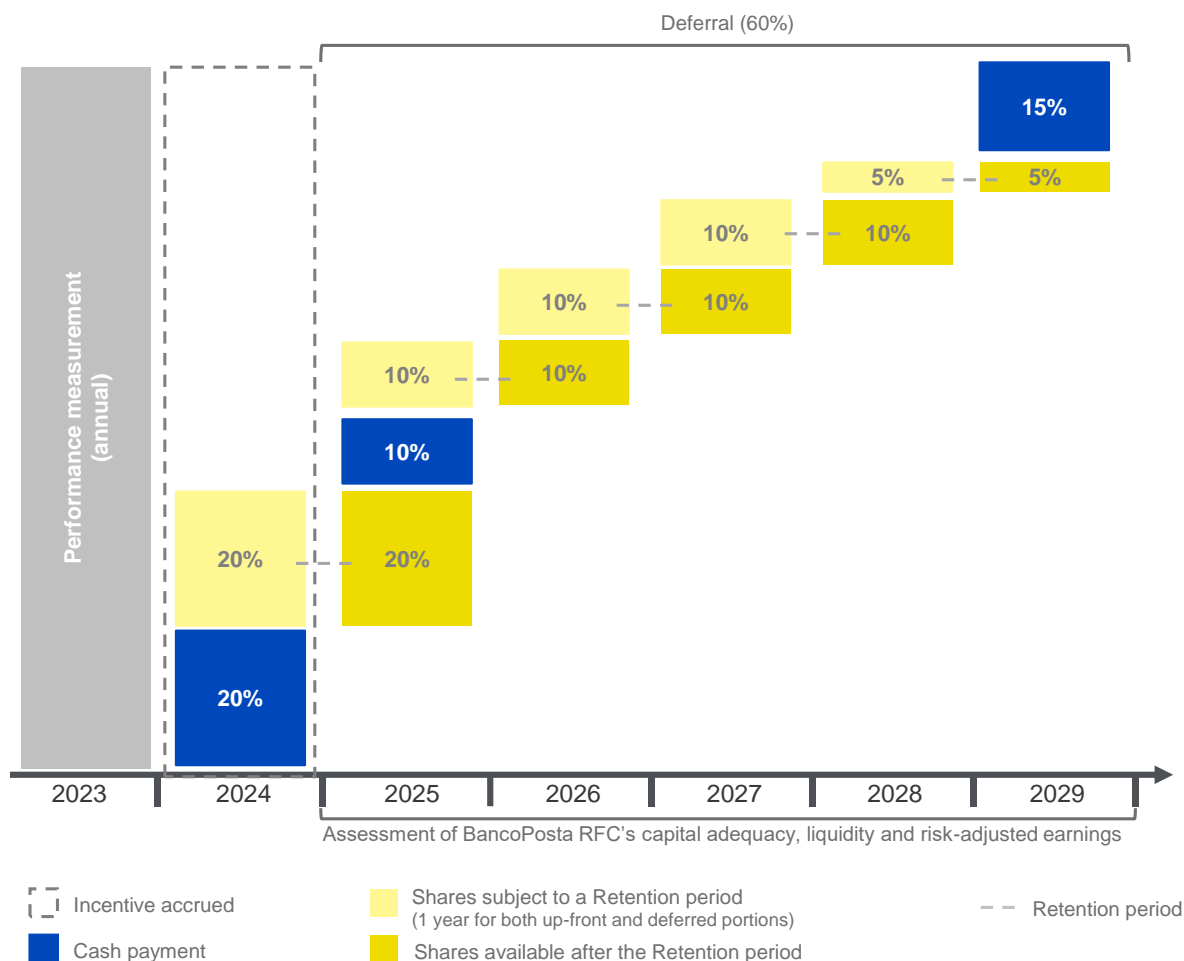
The focus on margins is one of the key elements of the Strategic Plan: EBIT, the key objective of the incentive schemes that guarantees their sustainability, represents the overall indicator of performance across all of the Group’s business and is measured on an annual and multi-annual basis. In continuity with last year, the MBO scheme envisages a strong focus on total revenue development alongside the focus on cost discipline.

The centrality of the sustainability objectives, defined in line with the pillars of the ESG strategy, is also guaranteed in 2023, the year in which protection of the environment and people development are also confirmed as key elements of the Group’s strategy, just as the quality of the service offered in the parcel sector continues to be a relevant element for our customers in the light of the growth of e-commerce in Italy. In particular, the objectives linked to the pillar of people development include a focus on training hours (5 million hours) and reducing injuries (initiatives to strengthen occupational health and safety controls are being developed with the aim of reducing workplace injuries by 2%).

Payout

Actual disbursement under the “MBO” scheme envisages deferral of 60% of the incentive over 5 years (pro rata); the payment takes place in cash for 45% of the total bonus earned and in rights to receive Poste Italiane’s ordinary Shares for the remaining 55%, as shown below:

FIGURE 7. METHOD OF PAYMENT UNDER "MBO" SCHEME FOR THE CEO-GM



The number of rights to receive Shares vested will be defined based on the arithmetic mean of Share prices recorded during the thirty stock exchange trading days prior to the date of resolution by the Board of Directors, which will verify achievement of the Hurdle Condition and Qualifying Conditions, and the achievement of the Performance Targets.

The rights to receive Shares are subject to a one-year retention period for both the up-front and deferred portions. One-year retention periods, in view of the overall timing of variable remuneration, which also includes the 5-year deferral period subject to malus provisions and at least a further 5 years subject to clawback provisions, are compatible with the prospective levels of risk to which the Poste Italiane Group's operations are exposed, in particular those of BancoPosta.

Payment of the deferred portion will take place, each year, provided that the risk tolerance levels for BancoPosta RFC's capital adequacy, liquidity and risk-adjusted profitability are met. The same risk tolerance levels must also be complied with at the end of the retention periods.

It should be noted that, in view of the use of Poste Italiane's ordinary shares, the Company will ask the Shareholders' Meeting to be held on May 8, 2023 to approve the "Information Circular" prepared in accordance with art. 114-bis of the CLF.

For the CEO-GM, deferral and/or retention periods are currently underway for MBO Plans referring to previous years - for which the hurdle condition, the qualifying conditions and the targets defined with respect to the performance year have already been verified. The deferral and/or retention components, in line with the remuneration policies approved from time to time, are subject to malus and clawback conditions, for

which reference should be made to the relevant Remuneration Reports and Information Circulars already approved.

### Long-term variable incentive schemes (LTIP)

Long-term incentive scheme aim to strengthen the focus on value creation for stakeholders, in line with the Strategic Plan, by linking the incentives awarded with long-term objectives and effective performance over the same period. Key terms of the LTIP have been defined also in light of the applicable statutory requirements.

The CEO-GM is the beneficiary of the "2023-2025 Performance Share LTIP", submitted for approval at the Shareholders' Meeting of May 8, 2023, the specifics of which are explained in the following paragraph. The "2023-2025 Performance Share LTIP", entirely in the form of Poste Italiane's ordinary Shares, is based on profitability, shareholders return and ESG targets over a period of 3 years, with the aim of maximising execution of the Strategic Plan, in compliance with the Risk Appetite Framework of BancoPosta RFC.

It is understood that, as part of the long-term variable component of the current Chief Executive Officer and General Manager, the "2021-2023 Performance Share LTIP" assigned in 2021 and the "2022-2024 Performance Share LTIP" assigned in 2022 are still underway. For more information, please refer to the previously approved Reports on Remuneration which should be considered as transcribed within this document. Please note that, as described in par. 4.2 of the "Report on the 2023 remuneration policy" named "Share Ownership Guidelines (SOGs)", the CEO-GM is subject to the Poste Italiane Share Ownership Guidelines and, therefore, until the expiry of the mandate/employment relationship, is committed to maintaining 50% of the Shares available under the "Performance Share LTIP" unless the target amount has already been reached.

### 2023-2025 Performance Share LTIP

Ensuring alignment with best market practices, the "2023-2025 Performance Share LTIP" is characterised by the following elements:

- the award of a bonus in the form of Poste Italiane's ordinary Shares;
- the use of economic-financial and ESG indicators;
- the use of the relative Total Shareholder Return ("rTSR"), which envisages different levels of performance based on the level of Poste Italiane's TSR compared with the TSR achieved by the FTSE MIB index;
- deferral of a significant portion of the incentive for the CEO-GM (60%) over 5 years, providing for a one-year retention period for both the up-front and deferred portions, both subject to the malus and clawback provisions;
- a requirement to hold 50% of the Shares available under the "Performance Share LTIP" for the entire term of office/employment, in line with the provisions of the "Share Ownership Guidelines".

The award, subject to the rules outlined below, is equal to a maximum of 128.29% of fixed compensation for the CEO-GM and is included within the limit of the 2:1 ratio between the variable and fixed component.

The number of rights to receive shares granted was defined on the basis of the arithmetic mean of the share prices recorded in the thirty trading days prior to February 22, 2023, the date of the Board of Directors meeting that resolved to grant the Plan.

It should be noted that, in view of the use of Poste Italiane's ordinary shares, the Company will ask the Shareholders' Meeting to be held on May 8, 2023 to approve the "Information Circular" prepared in accordance with art. 114-bis of the CLF.

**Hurdle and qualifying conditions**

The “2023-2025 Performance Share LTIP” envisages a hurdle condition represented by the Poste Italiane Group’s cumulative EBIT over a three-year period, with awards under the LTIP dependent on achievement of the hurdle.

In line with the statutory requirements applicable to BancoPosta RFC’s business, in addition to the hurdle condition, the CEO-GM must meet all the following qualifying conditions at the same time:

**FIGURE 8. HURDLE AND QUALIFYING CONDITIONS FOR THE “2023-2025 PERFORMANCE SHARE LTIP” FOR THE CEO-GM**

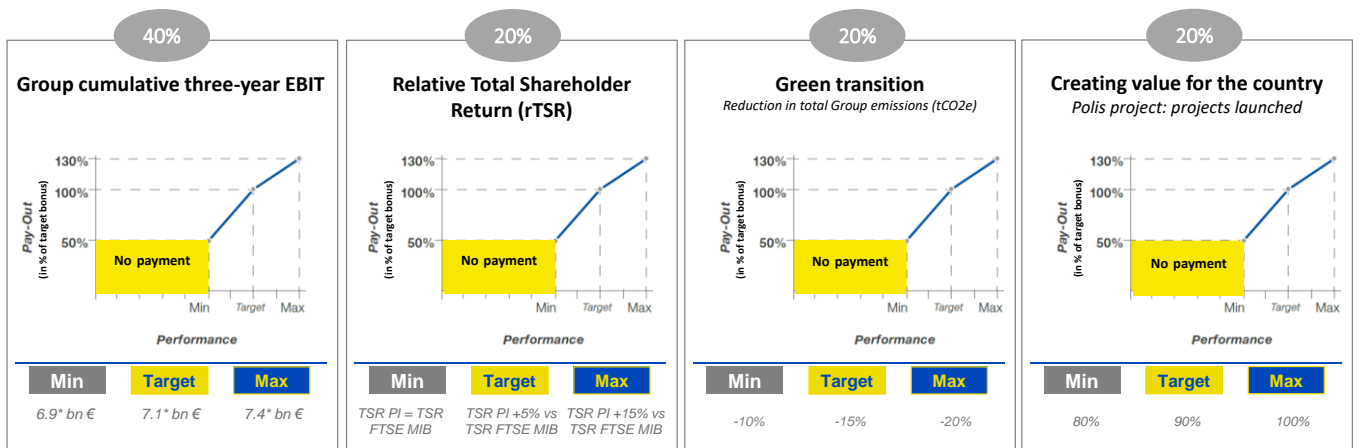
Hurdle Condition	Qualifying Conditions
<b>Group cumulative three-year EBIT: € 6.9 bn</b>	BancoPosta’s capital adequacy: <b>CET 1</b>
<i>Value rounded</i>	BancoPosta’s short-term liquidity: <b>LCR</b>
	BancoPosta’s risk-adjusted earnings: <b>RORAC</b>

CET1, LCR and RORAC are set at the risk tolerance thresholds established in the Risk Appetite Framework adopted by BancoPosta RFC in accordance with the related regulatory requirements.

**Performance targets**

The performance targets of the “2023- 2025 Performance Share LTIP” are outlined below:

**FIGURE 9. PERFORMANCE TARGETS AND WEIGHTINGS FOR THE “2023-2025 PERFORMANCE SHARE LTIP” FOR THE CEO-GM**

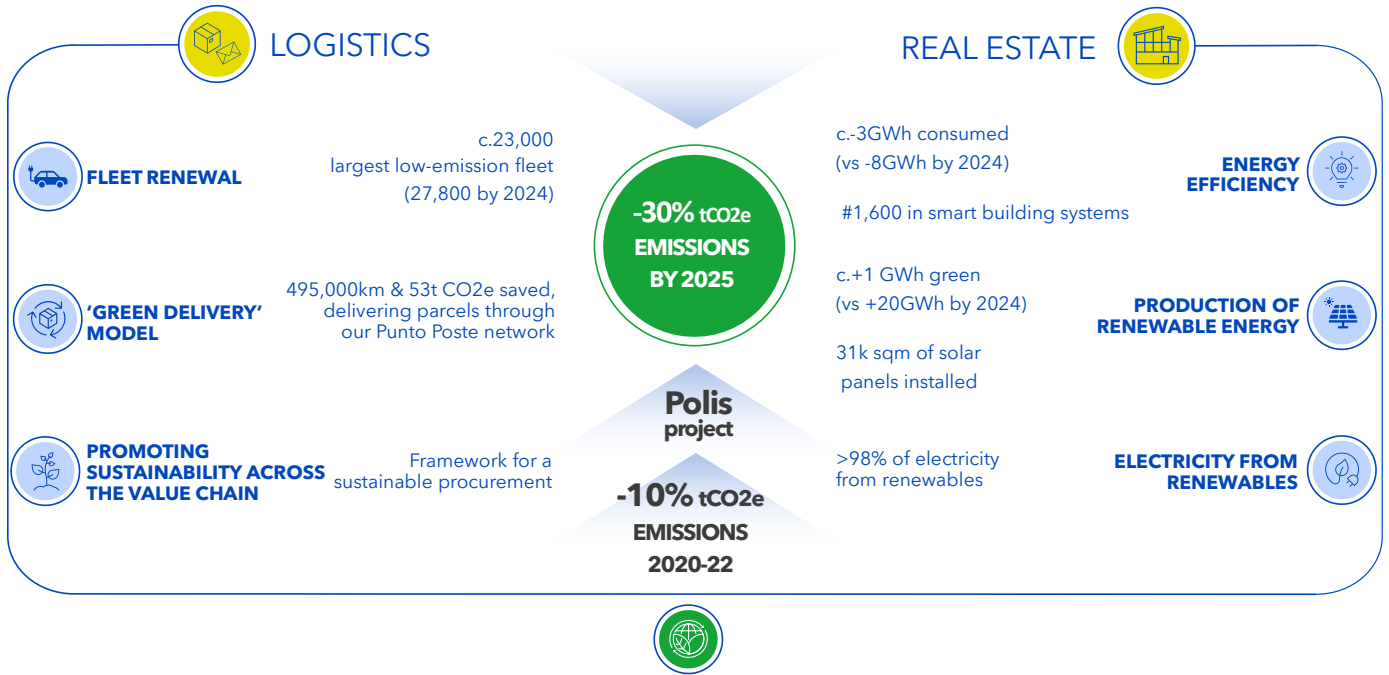


A maximum level of over performance has been set, above which the incentive remains constant, as well as a hurdle, below which the incentives do not apply and there is, therefore, no payment due.

The three-year EBIT target is defined on the basis of the sum of the EBIT that will be reported annually. The “Relative Total Shareholder Return” compares Poste Italiane and FTSE MIB performance.



FIGURE 10. GREEN TRANSITION

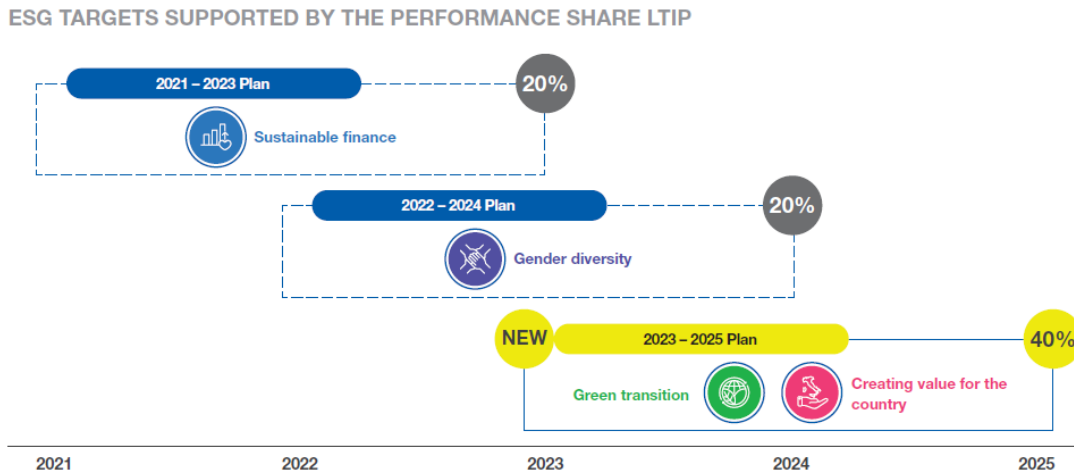


The “Green Transition” target is intended to measure the reduction of the Group’s total emissions (tCO2e) over the 2023-2025 time horizon. This KPI, monitored over the long term, supports and reinforces the one present in the MBO System, starting from 2021, since attainment of the emissions reduction target at 2025 must also be based on achievement of the short-term objectives.

Finally, the objective “Creating value for the country” takes into account the progress of the sites renovation work related to the “Polis Project” already described in the first part of this document (percentage calculated based on the ratio of the number of initiatives launched to the total number of initiatives that can be physically implemented). Further information on ESG objectives can be found in the relevant section of the Annual Report 2022.

Please note that since 2019 the Performance Share LTIP has been assigned yearly and has been based on targets that are consistent with the strategic priorities of Poste Italiane. Therefore, against two ESG objectives linked to the “Green Transition” and “Creating value for the country” pillars, defined for the 2023-2025 Performance Share LTIP, the focus remains on two other key pillars of the Group’s ESG strategy, linked to Sustainable Finance, included in the 2021-2023 Performance Share LTIP, and Diversity & Inclusion, introduced for the 2022-2024 Performance Share LTIP.

FIGURE 11. FOCUS ON ESG TARGETS

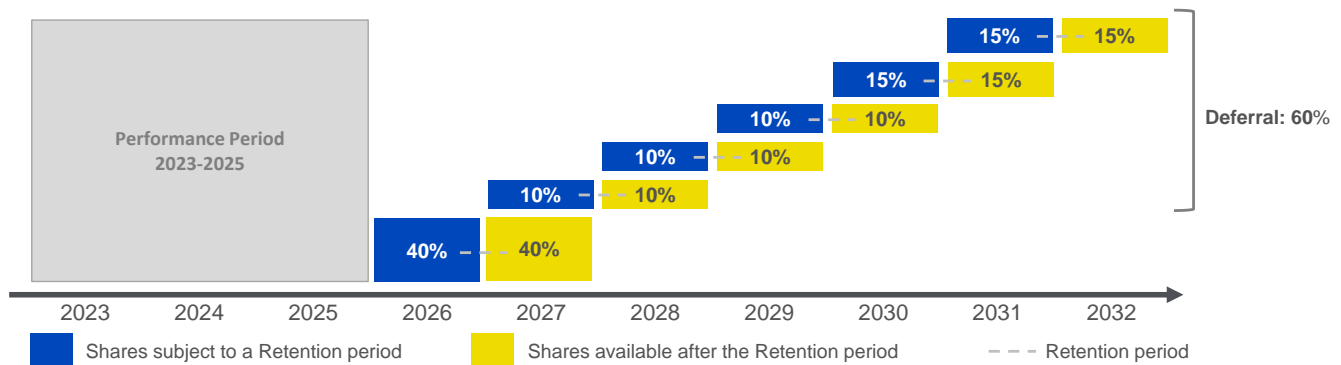


**Payout**

The number of shares to be granted is quantified at the end of the three-year performance period within the cap determined at the time of the assignment, once the level of achievement of the specific objectives has been confirmed. Rights to receive Shares are granted as follows:

- 40% (the up-front portion), at the end of the performance period;
- 60% in five deferred annual instalments over a five-year period (the first three equal to 10% of the total rights accrued and the next two equal to 15% of the total rights accrued).

FIGURE 12. METHOD OF PAYMENT UNDER THE “2023-2025 PERFORMANCE SHARE LTIP” FOR THE CEO-GM



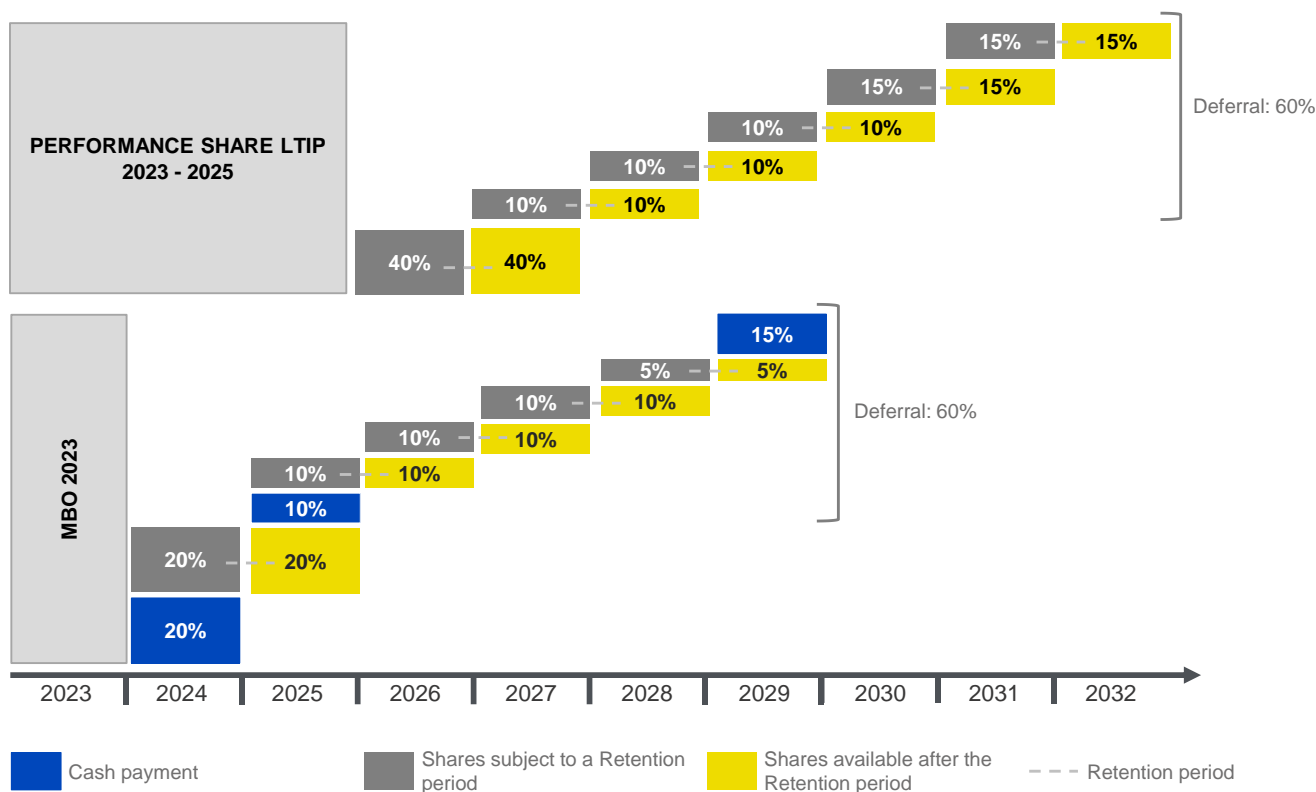
Both the up-front and deferred portions are subject to a one-year retention period. One-year retention periods, in view of the overall timing of variable remuneration, which also includes the 5-year deferral period subject to malus provisions and at least a further 5 years subject to clawback provisions (and in any event within the time limit set by the related statute of limitations), are compatible with the prospective levels of risk to which Poste Italiane Group's operations are exposed and, in particular, those of BancoPosta.

At the end of the retention period for the up-front portion, the shares vested will be available provided that the risk appetite levels for BancoPosta RFC's capital adequacy, liquidity and risk-adjusted profitability have been complied with.

At the end of the deferral period and the retention periods for the deferred portions, compliance with the risk tolerance levels for BancoPosta RFC's capital adequacy, liquidity and risk-adjusted profitability will be verified.

Summary of short-term and long-term incentive schemes 2023

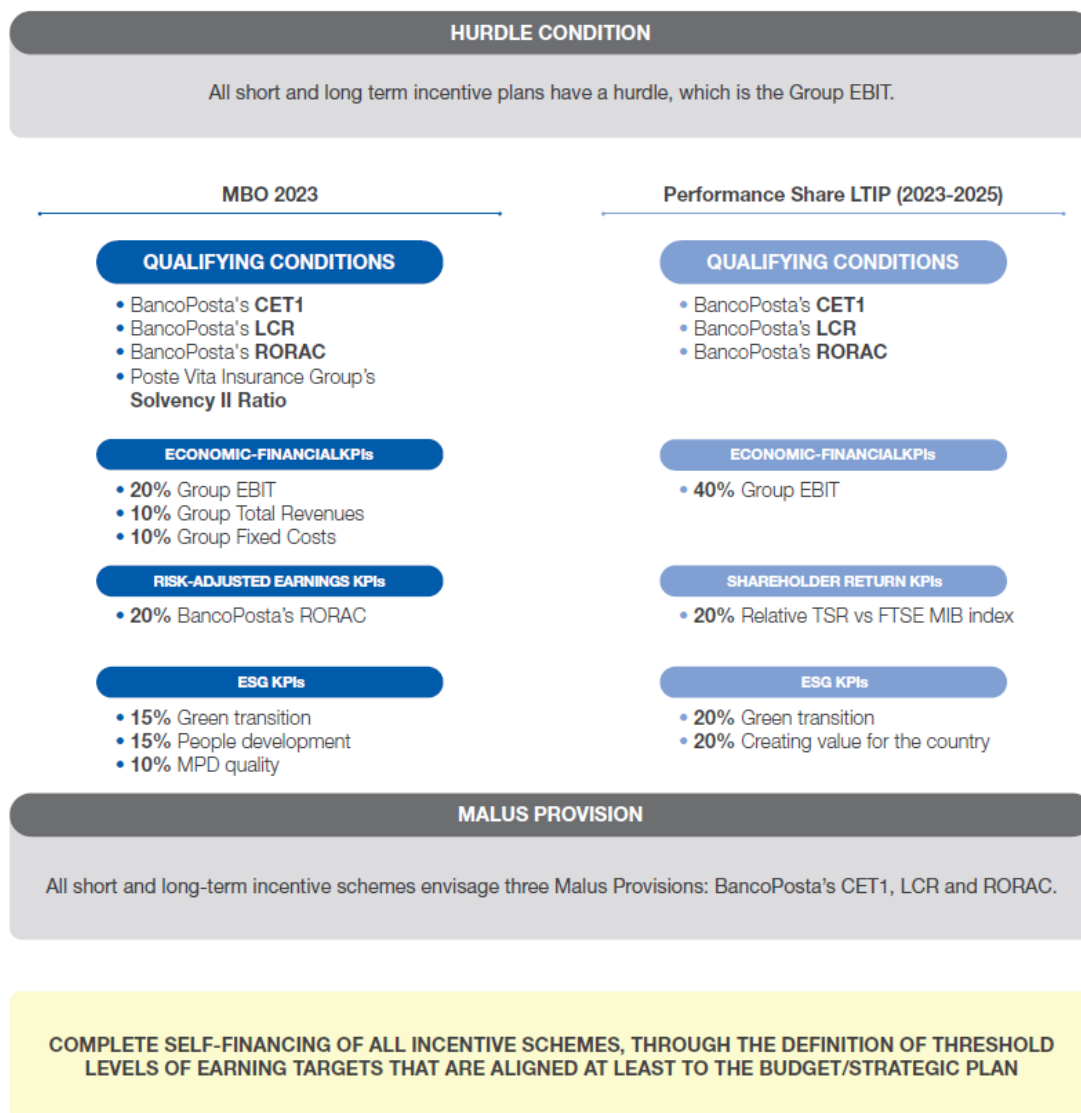
FIGURE 13. VARIABLE REMUNERATION PAYOUT FOR THE CEO-GM



The structure of the payout over time involves the award of variable remuneration over a total period through to 2032, including performance, deferral and retention periods. Given the performance achieved, less than 10% of newly-assigned variable remuneration for 2023 will be effectively paid out in 2024, following approval of the financial statements for 2023, whilst the remaining portion is spread out over time. Each payment is subject to verification of BancoPosta RFC's capital adequacy, liquidity and risk-adjusted profitability parameters.

Please also note that in 2021 and 2022, three-year Performance Share LTIPs were assigned, the performance period of which is 2021-2023 and 2022-2024, respectively; finally, it should be noted that, with reference to the five-year Deliver 2022 LTIP, whose performance period ended on December 31, 2022, following the proposal to convert a portion of the bonus vested in rights to receive Poste Italiane's ordinary shares, in line with what is described in the Information Circular prepared pursuant to Article 114-bis of the CLF, submitted to the Shareholders' Meeting of May 8, 2023, a retention period of up to two years is envisaged (for more details please refer to "Report on the amounts paid in 2022" and the "Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023").

FIGURE 14. CONDITIONS AND PERFORMANCE TARGETS OF VARIABLE REMUNERATION FOR THE CEO-GM



Application of Malus and Clawback mechanisms is envisaged for the up-front and deferred portions.

### Severance payments on termination of employment

In line with market practice, there are and it is possible to stipulate provisions/agreements that regulate ex-ante the economic aspects of early termination of office/employment, with the aim of avoiding the risk of current or future disputes, thus avoiding the risks inevitably connected to a court litigation that could potentially damage the Company’s reputation and image, whilst also providing greater legal certainty.

The amount resulting from the implementation of these provisions/agreements is, in any event, capped at 24 months of gross global remuneration, calculated as indicated below, including an amount equivalent to the indemnity in lieu of notice, if any, as contractually established.

Without prejudice to the above cap of 24 months of gross global remuneration, in the case of the Chief Executive Officer and General Manager, the above amount is determined on the basis of the following formula:

- 10 months if termination occurs during the first year in service;
- 16 months if termination occurs during the second year in service;

- 24 months if termination occurs during the third or a subsequent year in service.

For the above purpose, conventionally defined overall gross remuneration is calculated taking into account the latest amount of gross annual fixed pay received as a Manager, the latest amount of gross annual fixed remuneration received as Chief Executive Officer (including portions received according to paragraphs 1 and 3 of art. 2389 of the Italian Civil Code) and total gross annual short-term variable remuneration payable at target and the annual value of the long-term variable remuneration, still at target.

The above total gross amount determined shall replace any indemnity/indemnification provided under the National Collective Agreement in the event of dismissal, and shall be paid upon signature of a settlement containing a full waiver, by the CEO-GM, in connection with the employment and the positions held, as part of an all-inclusive and final settlement.

There is normally no non-competition agreement.

The final amount payable shall take into account the risk-adjusted performance and the individual conduct, as described in the section on clawback provisions. In addition, this remuneration may be paid only upon the condition that BancoPosta RFC's minimum capital adequacy and liquidity requirements are satisfied.

The above payments shall not prejudice the further mandatory entitlements due in any case of termination in accordance with the law or the national collective agreement, including by way of example the so-called TFR.

In compliance with the applicable regulations, any amount payable to the CEO-GM in the event of early termination of his appointment as General Manager or as a Director, will be paid as follows:

- 40% of any remuneration payable on termination of employment: 50% in cash and the remaining 50% in rights to receive Poste Italiane's shares, subject to a one-year retention period; this portion shall be subject to verification of BancoPosta RFC's minimum capital adequacy and liquidity requirements;
- 60% shall be deferred over a period of 5 years pro-rata; over half of the deferred payment shall be made in rights to receive Poste Italiane's shares, in line with the arrangements for "MBO" STI; the deferred portions shall be subject to verification of BancoPosta RFC's minimum capital adequacy and liquidity requirements and, as regards the component in rights to receive shares, to a one-year retention period;
- it is understood that a sum equivalent to the indemnity in lieu of notice, when due according to the National Collective Labour Agreement, will be deducted from the total amount and paid in accordance with the statutory requirements in force;
- the total amount payable is subject to malus and clawback provisions, applicable up to the entire amount paid within 5 years of payment of each portion and, in any event, within the time limit set by the related statute of limitations, under the circumstances defined in the *"Guidelines for BancoPosta RFC's remuneration and incentive policy"*;
- the number of rights to receive shares assigned will be defined based on the arithmetic mean of share prices recorded during the thirty stock exchange trading days prior to the date of termination.

It should be noted that for the "2023-2025 Performance Share LTIP", as highlighted in the Information Circular to be approved at the Shareholders' Meeting of May 8, 2023, the effects determined by the termination of employment are as follows:

- if, before the award date for the shares, the employment relationship is terminated and the beneficiary is classed as a "good leaver", the granting of the shares under the plan will take place at the natural end of the related performance period and the envisaged deferral/retention periods, provided that the plan terms and conditions have been complied with, and subject to confirmation of achievement of the performance targets; in this case, however, the rights will be granted and, the shares thus awarded,

always under the conditions provided for in the terms and conditions and on a pro-rata basis until the date of termination of the beneficiary's employment;

- if the employment relationship is terminated before the award date for the shares, the beneficiary classed as a "bad leaver" will automatically lose all the rights deriving from the plan, which will become ineffective, and the beneficiary will not have the right to receive any payment or compensation for whatever reason from the Company.

It should also be noted that for the "2023 Short-Term Incentive Plan" focused on equity-based instruments, described in the Information Circular to be approved at the Shareholders' Meeting of May 8, 2023, the effects determined by the termination of employment are as follows:

- if, before payment of the bonus (and thus the effective award of the shares), the employment relationship is terminated and the beneficiary is classed as a "good leaver", the granting of the bonus (and thus the related portion in shares) under the Plan will take place at the natural end of the related performance period and the envisaged deferral and retention periods, provided that the plan terms and conditions have been complied with, and subject to confirmation of achievement of the relevant performance targets; in this case, however, the rights will be granted and, the shares thus awarded, always under the conditions provided for by terms and conditions, on a pro rata basis until the date of termination of the beneficiary's employment;
- if the employment relationship is terminated before payment of the bonus (and thus also the effective award of the shares), the beneficiary classed as a "bad leaver", will automatically lose all the rights deriving from the plan, which will become ineffective, and the beneficiary will not have the right to receive any payment or compensation for whatever reason from the Company.

For further details, and with reference to the other share-based incentive plans in place, please refer to the relevant Information Circulars approved from 2018 to 2023 to be construed as re-transcribed herein.

## 4.2. Board of Statutory Auditors

The Statutory Auditors' remuneration is in no way linked to Poste Italiane's performance. The fees paid to Statutory Auditors consist solely of a fixed component, determined on the basis of the commitment required in order to carry out their duties.

The Shareholders' Meeting held on May 27, 2022 appointed the Board of Statutory Auditors for the term of three years, with expiry as at the date of the meeting to be held to approve the financial statements for the year ended December 31, 2024. In the same meeting, the fees payable to the Chairperson and each standing Auditor of the Board were determined for each year in office, respectively equal to €80,000 and €70,000 respectively, in continuity with the previous term of office.

No attendance fees are payable for participation in meetings.

Statutory Auditors have the right to be reimbursed for any duly documented travel expenses incurred in carrying out their duties.



### 4.3. Material Risk Takers

In addition to fixed pay and benefits, BancoPosta RFC’s remaining Material Risk Takers also participate in the short-term incentive scheme (“MBO” STI) and in long-term incentive schemes.

#### Short-term variable incentive scheme (“MBO” STI)

##### The link to performance

Short-term variable remuneration for the remaining Material Risk Takers is based on objective, transparent and verifiable criteria. The objectives pursued when deciding on remuneration policies, with particular regard to the determination of variable short-term pay, are as follows:

- (I) to determine simple and readily assessed performance targets;
- (II) to ensure, in determining the above targets, convergence between personal and business objectives;
- (III) to put merit first.

These criteria also aim to provide the maximum in customer satisfaction.

##### Performance Gate

Participation in management short-term incentive scheme (“MBO” STI) is tied to the achievement of specific financial targets determined annually at Group level and represented by the Poste Italiane Group’s EBIT. The performance gate value for Material Risk Takers can vary from a minimum level of 70% to a maximum level of 110%<sup>19</sup>.

The threshold level of the performance gate also acts as a hurdle condition.

##### Compliance with the risk appetite framework

The conditions required by current legislation are linked to the principles of financial sustainability of the variable component of remuneration and therefore represented by the verification of the “quality” of the risk-adjusted income results achieved and the consistency with the risk tolerance levels of the capital adequacy, liquidity and risk-adjusted profitability requirements established within the scope of its reference framework for determining the risk appetite of BancoPosta RFC (“RAF”).

Details are shown below:

FIGURE 15. “COMPLIANCE WITH THE RISK APPETITE FRAMEWORK”

<b>Capital adequacy</b> <i>Common Equity Tier 1</i>	Risk tolerance level approved in the BancoPosta RFC’s Risk Appetite Framework by the Poste Italiane’s Board of Directors
<b>Short-term liquidity</b> <i>Liquidity Coverage Ratio</i>	Risk tolerance level approved in the BancoPosta RFC’s Risk Appetite Framework by the Poste Italiane’s Board of Directors
<b>Risk-adjusted profitability</b> <i>RORAC</i>	Risk tolerance level approved in the BancoPosta RFC’s Risk Appetite Framework by the Poste Italiane’s Board of Directors

It is understood that the activation of the incentive scheme is subject to compliance with all three of the above conditions (also “qualifying conditions”).

<sup>19</sup> For Poste Italiane’s Manager Responsible for Financial Reporting, the maximum value is 120%.



### Bonus Pool for Material Risk Takers

The consolidated economic resources (Bonus Pool) provided for annually in BancoPosta’s operating budget are defined in a bottom-up logic; the total value of the incentives derives from the sum of the 2023 MBO allocations for the Material Risk Takers identified within the BancoPosta Personnel.

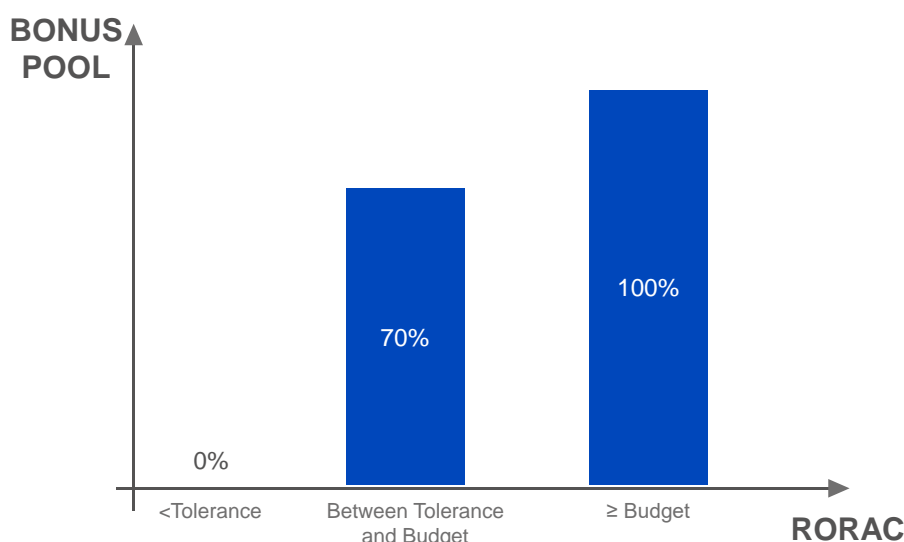
The Bonus Pool, approved by the Board of Directors on the proposal of the Remuneration Committee after consulting the Control and Risk Committee, provides for a direct link with BancoPosta’s RAF in order to confirm the sustainability with respect to the financial situation of BancoPosta RFC and, therefore, not to limit its ability to maintain or achieve a level of capitalisation appropriate to the risks assumed.

The connection is structured in two phases.

#### Phase 1:

The Bonus Pool is determined on the basis of a prudentially defined “funding” with reference to the RORAC according to the following scheme:

FIGURE 16. BONUS POOL



The intervals are referred to as “stepped” intervals, and the operation is explained below:

- for RORAC values lower than the Tolerance level defined in the RAF, the incentive accrued is zero;
- for RORAC values between the Tolerance and the Budget, the incentive accrued is reduced by 30% (de-multiplier applied at 70%);
- for RORAC values equal to or greater than the Budget, the incentive accrued is confirmed.

#### Phase 2

The output of Phase 1 is further adjusted according to a qualitative indicator of the RAF (RAF Quality Index - RQI) and an indicator of the quality perceived by BancoPosta retail customers (Net Promoter Score - NPS).

In particular, the adjustment is made on the basis of the following scheme:

		BancoPosta Retail NPS		
		Low	Medium	High
RQI	Low	-10.0%	-7.5%	-5.0%
	Medium	-2.5%	0.0%	+2.5%
	High	+5.0%	+7.5%	+10.0%

The RAF Quality Index represents the annual average of the scores of the Risk Appetite Framework indicators calculated on a quarterly basis. The score is equal to:

- “0” if the RAF indicator takes a value below Capacity,
- “1” if the RAF indicator takes a value equal to or greater than Capacity but less than Tolerance,
- “2” if the RAF indicator takes a value equal to or greater than the Tolerance but less than the Appetite,
- “3” if the RAF indicator assumes a value equal to or greater than the Appetite.

Please note that, at the time of drafting this document, the indicators are:

- Capital adequacy
  - Common Equity Tier 1 Ratio (CET1R)
  - Total Capital Ratio (TCR)
  - Free Capital Pillar2
- Capital Allocation
  - Capital absorbed by Operational Risks (%)
  - Capital absorbed by Rate Risk (%)
  - Capital absorbed by Credit, Ctp and Currency Risks (%)
- Financial structure
  - Financial leverage (BIS3)
  - Funding Gap
- Liquidity
  - Short-term liquidity (LCR)
  - Medium-/long-term liquidity (NSFR)
- Economic performance
  - Rate Risk ΔNII 1Y +/- 200 bps on Own Funds
  - Cost of Operational Risks (%)
  - Return on Equity (RoE)
  - Return on Risk Adjusted Capital (RORAC)

The Bonus Pool adjustment also includes a qualitative objective linked to the BancoPosta Retail Net Promoter Score, which summarises the assessment of BancoPosta Retail customer experience. The indicator was included in order to emphasise the centrality of the customer in the belief that it is one of the main drivers of business sustainability and success in the medium to long term.

For Poste Italiane's Manager Responsible for Financial Reporting and the Heads of control functions (Risk Management and Outsourcing Governance, Compliance and Internal Audit and the managers directly reporting to them), the *ex-ante* adjustment mechanisms resulting from the reshaping of the Bonus Pool do not apply.

#### Individual performance conditions

Payment of the individual bonus is linked to the degree to which the assigned performance targets are achieved. On assessment, the incentive is vested if the overall percentage achievement of the objectives assigned is at least equal to the threshold.

The targets assigned to Material Risk Takers are specifically formalised.

In the event of performance over-achievement, the individual bonus may also increase up to the maximum predetermined amount.

The theoretical bonus accrued on achievement of the targets assigned may be zeroed if the overall individual performance, assessed using an appraisal process, is deemed to be inadequate.

With reference to Material Risk Takers the performance indicators are mostly risk-adjusted.

Examples of performance indicators for Material Risk Takers are:

- BancoPosta's RORAC;
- BancoPosta's Customer Experience;
- Business projects.

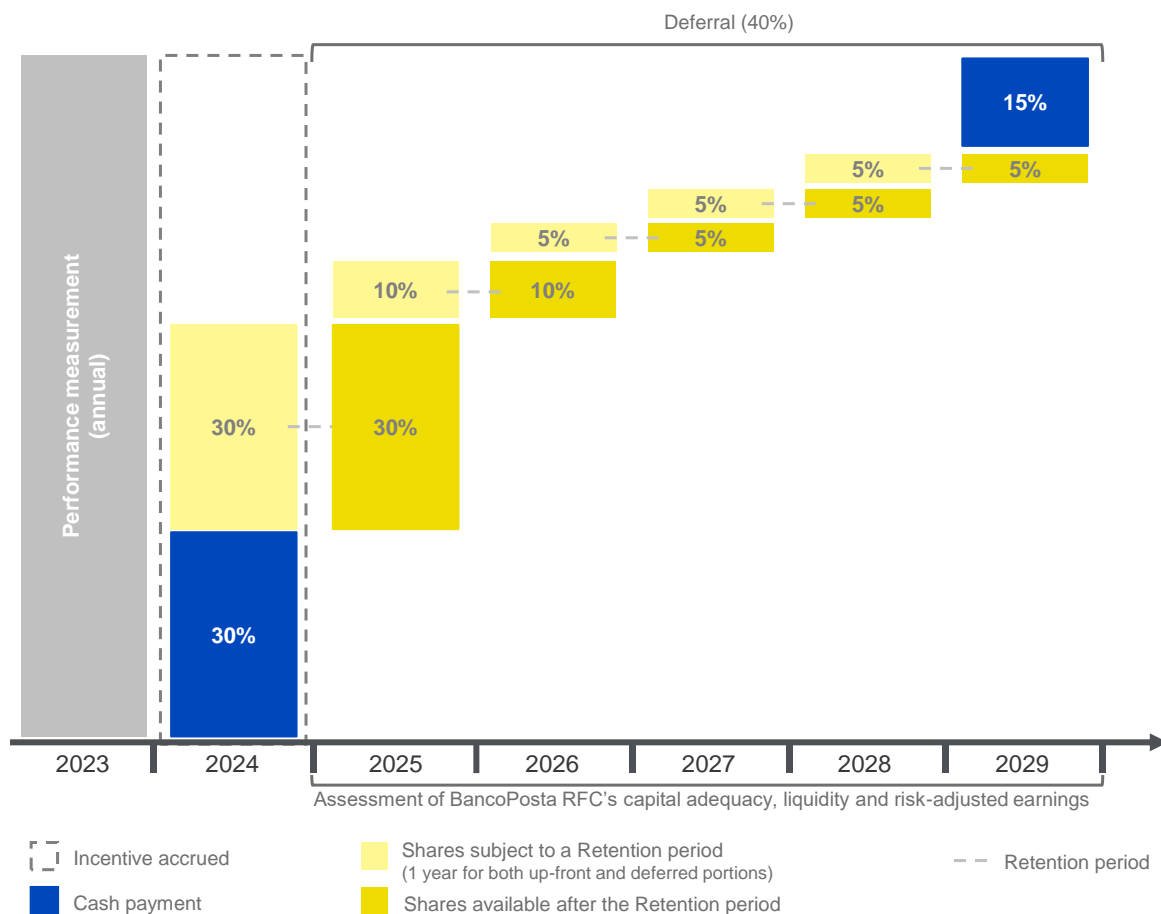
#### Payout

In line with existing statutory requirements and based on the category of personnel involved, the vested bonus will be paid partly up-front and partly at the end of a deferral period, with payment partly in cash and in rights to receive Poste Italiane ordinary Shares.

The payout method of the short-term variable component for the Head of the BancoPosta function is the same as the method used for the CEO-GM.

In the case of personnel identified as Material Risk Takers and belonging to the Senior Management category, 60% of the vested bonus is paid up-front and the remaining 40% is deferred over 5 years. In addition, 45% of the vested bonus will be paid in cash and the remaining 55% in rights to receive Poste Italiane's ordinary Shares, according to the following structure:

FIGURE 17. METHOD OF PAYMENT UNDER "MBO" SCHEME FOR MRTs BELONGING TO THE SENIOR MANAGEMENT CATEGORY (VARIABLE REMUNERATION BELOW THE AMOUNT CLASSIFIED AS STRUCTURALLY HIGH)

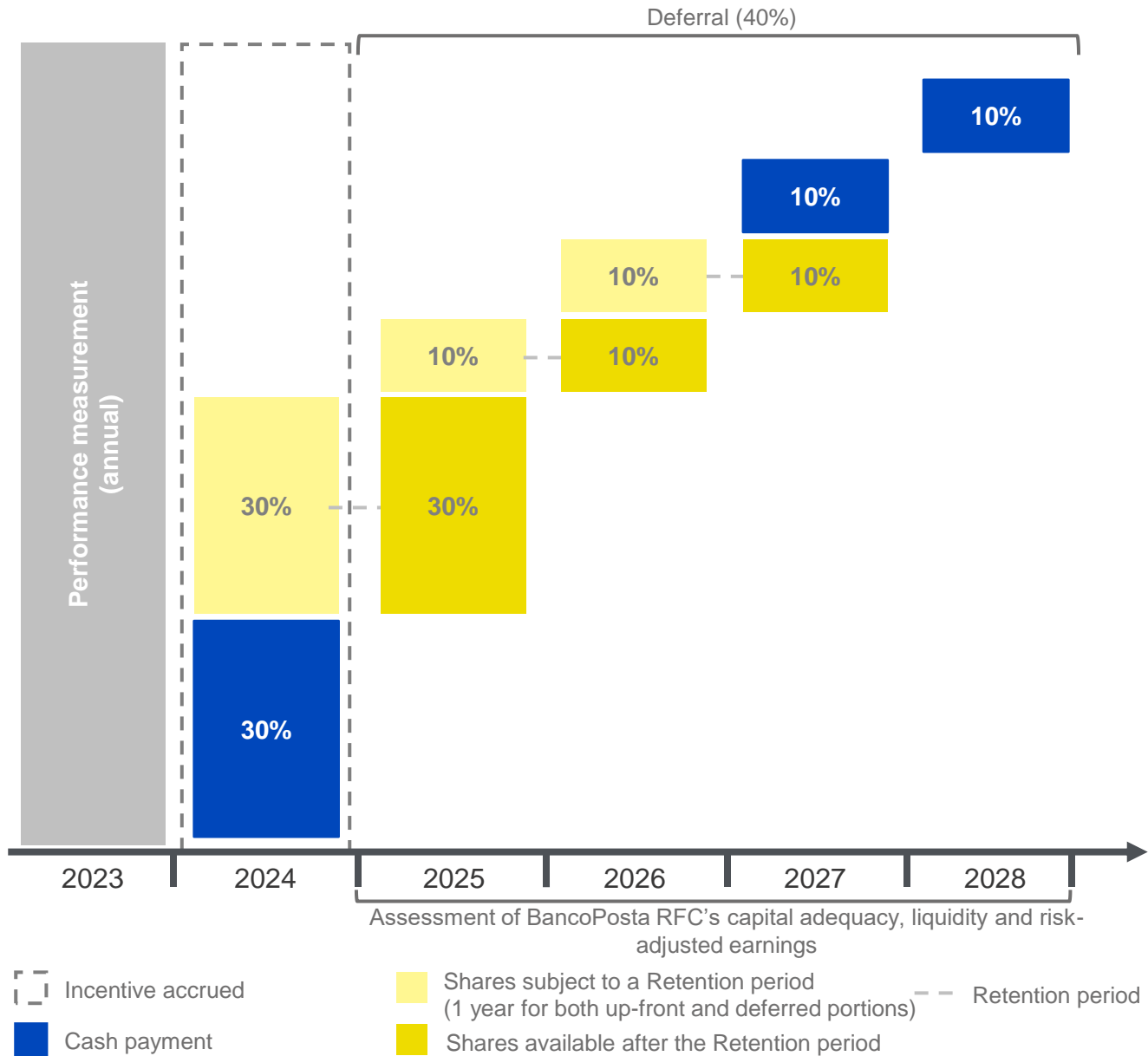


In the event of particularly high variable remuneration - as defined in this document<sup>20</sup>, namely over €435,011 (including any long-term incentives computed on a pro-rata basis) - the payout method is changed, with a deferred component of 60% and payments being structured in line with the approach applied to the CEO-GM and the Head of BancoPosta.

<sup>20</sup> See Paragraph 3.1.

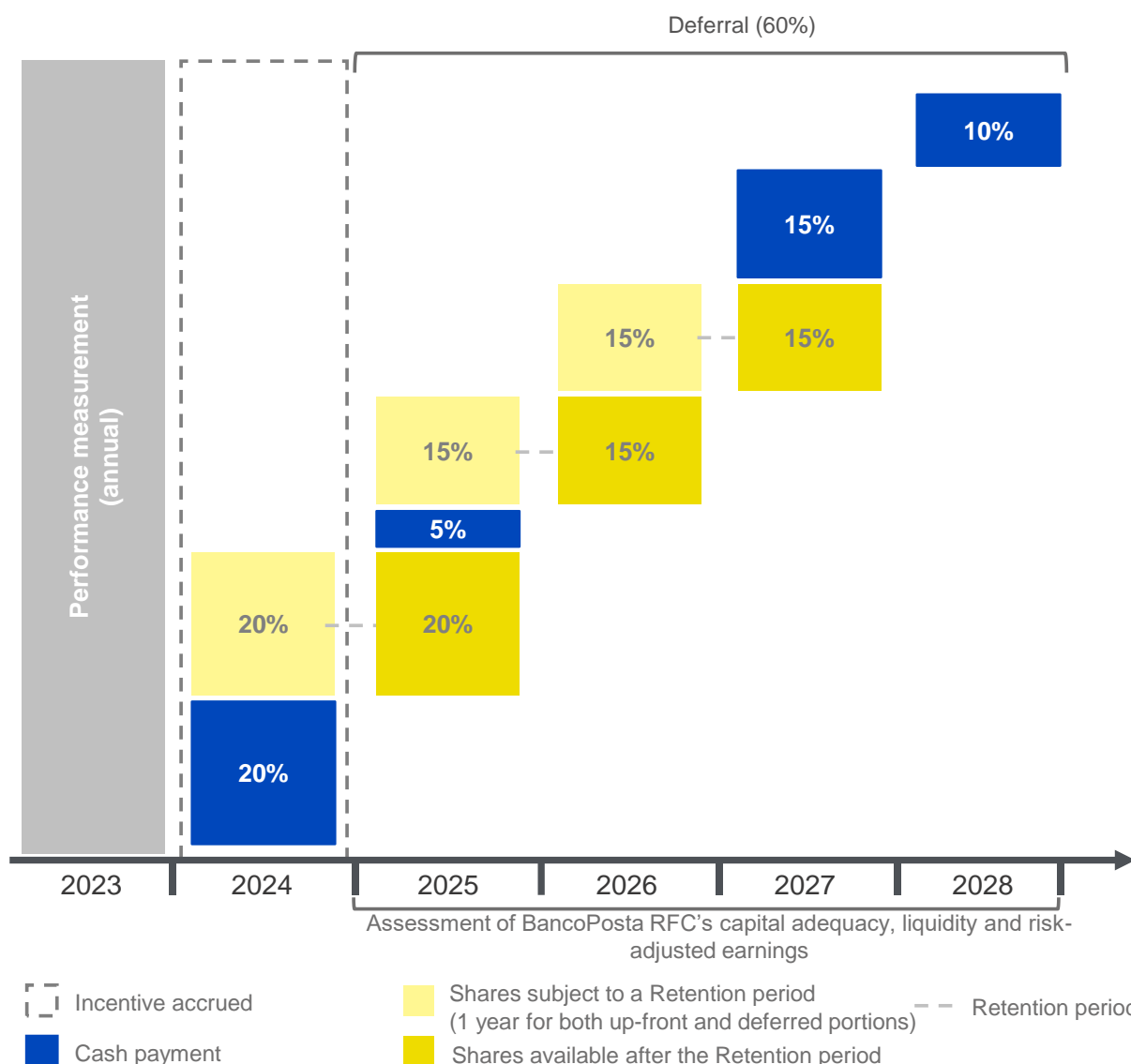
In the case of personnel identified as Material Risk Takers and not belonging to the Senior Management category, 60% of the vested bonus is paid up-front and 40% is deferred over 4 years; both the up-front payment and the deferred portion 50% of the vested bonus will be paid in cash and the remaining 50% in rights to receive Poste Italiane's ordinary shares, as follows and according to the following payout method:

**FIGURE 18. METHOD OF PAYMENT UNDER "MBO" SCHEME FOR MRTS NOT BELONGING TO THE SENIOR MANAGEMENT CATEGORY (VARIABLE REMUNERATION BELOW THE AMOUNT CLASSIFIED AS STRUCTURALLY HIGH)**



In the event of particularly high variable remuneration – as defined in this document, namely over €435,011 (including any long-term incentives computed on a pro-rata basis) - 40% of the vested bonus is paid up-front and 60% is deferred over 4 years; both the up-front payment and the deferred portion 50% of the vested bonus will be paid in cash and the remaining 50% in rights to receive Poste Italiane's ordinary Shares, as follows and according to the following payout method:

FIGURE 19. METHOD OF PAYMENT UNDER "MBO" SCHEME FOR MRTS NOT BELONGING TO THE SENIOR MANAGEMENT CATEGORY (VARIABLE REMUNERATION ABOVE THE AMOUNT CLASSIFIED AS STRUCTURALLY HIGH)



The rights to receive Shares are subject to a one-year retention period for both the up-front and deferred portions (regardless of the payout method).

Payment of the deferred portion will take place each year, provided that payment of the deferred portion is sustainable in respect of BancoPosta RFC's financial position, without limiting its ability to maintain or achieve the risk tolerance level of capital adequacy, liquidity and risk-adjusted profitability.

The same conditions are necessary for the payment of portions subject to retention.

The deferral provisions and equity-based payments will not be applied for variable remuneration below €50,000 and that does not represent more than one-third of the total annual remuneration (also referred to

as the “materiality threshold”). Below this threshold, the payout is entirely up-front in cash, based on the “immateriality” of efforts to align the payout with long-term risk that characterises deferred and/or equity-based payouts.

It should be noted that, in view of the use of Poste Italiane's ordinary shares, the Company will ask the Shareholders' Meeting to be held on May 8, 2023 to approve the “Information Document” prepared in accordance with art. 114-*bis* of the CLF.

#### Long-term incentive scheme (LTIP)<sup>21</sup>

The remaining Material Risk Takers may be beneficiaries of the long term incentive scheme “2023-2025 Performance Share LTIP” defined in line with market practices with the objective of linking a portion of the variable remuneration to the achievement of objectives over a three-year time horizon.

This Plan, except for some differences described in the following paragraphs, is aligned in terms of purposes, objectives and main characteristics with as already described above for the CEO-GM.

The “2023-2025 Performance Share LTIP” envisages, in line with as already indicated for the CEO-GM, the attribution of rights to receive Shares to the beneficiaries at the end of the performance period. The maximum number of rights to receive Shares reflects the complexity and responsibilities involved in the beneficiary's role and their strategic importance.

For all beneficiaries identified as Material Risk Takers (including the Head of the BancoPosta function), the “2023-2025 Performance Share LTIP” has the same characteristics as apply to the CEO-GM (hurdle, qualifying conditions, performance targets and payout method). Please note that the deferral period is prorated over 5 years.

It is understood that, as for the CEO-GM in the context of the long-term variable component, also for the remaining Material Risk Takers, where applicable, the “2021-2023 Performance Share LTIP”, assigned in 2021, and the “2022-2024 Performance Share LTIP”, assigned in 2022, remain.

Lastly, as confirmation of the constant attention paid to maintaining alignment between the interests of management and shareholders, note should be taken, also in a prudential perspective, of the proposal to convert into rights to receive shares - for beneficiaries belonging to BancoPosta's Material Risk Takers at December 31, 2022 - a portion of the bonus vested under the five-year Deliver 2022 LTIP, for which the achievement of the objectives defined for the five-year performance period ending December 31, 2022 has been verified. More details on this are provided in the Report on amounts paid in 2022 and in the 2023 Information Document on Share-based Incentive Plans of Poste Italiane.

#### 4.4. Material Risk Takers belonging to internal control functions

BancoPosta RFC's internal control functions are Risk Management and Outsourcing Governance, Compliance and Internal Audit.

The Material Risk Takers of Company's control functions receive a fixed remuneration at a level appropriate to their significant responsibilities and the commitment associated with their role.

From 2021, following approval by the Shareholders' Meeting of the “*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2021*”, Role Based Allowances of €30,000 gross per annum will be granted exclusively to the Head of Risk Management and Outsourcing Governance, the Head of Compliance and the Head of Internal Audit.

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<sup>21</sup> Personnel belonging to the Company's control functions (at the moment of assignment) are not included among the beneficiaries of the long-term incentive plans.



The Role Based Allowances have the objective of ensuring:

- internal equity, following the increase in the maximum weighting of variable remuneration on fixed remuneration for BancoPosta RFC's Material Risk Takers from 1:1 to 2:1, introduced as of 2021;
- external competitiveness, given the fact that they are widely spread among Poste Italiane's peer banks.

The Role Based Allowances are considered a fixed component of remuneration, exclusively linked to permanence in the specific role, in line with the reference regulatory provisions, as they:

- are based on pre-established criteria;
- are not discretionary and reflect the level of professional experience and seniority of personnel;
- are transparent as regards the individual amount granted to each member of personnel;
- are maintained for a period of time related to the specific organisational role and responsibilities;
- may not be reduced, suspended or cancelled;
- do not offer incentives for risk-taking;
- do not depend on results.

Internal control functions are also applied short-term incentive schemes that reflect the duties assigned, assigning them qualitative objectives that are not linked to the Company's and BancoPosta RFC's performances (except for application of the hurdle and qualifying conditions; it is understood that BancoPosta's RORAC does not apply as a condition of access); constant support in developing a strong, sustainable compliance and risk management culture and in delivering on projects in their areas of responsibility are the key objectives assigned to personnel belonging to the control functions within the scope of the short-term incentive plan ("MBO"). Below are some examples of targets assigned:

- methodological development activities for the measurement, assessment and control of risks;
- execution of intervention/verification programmes defined in relation to the results of inspections by supervisory authorities or internal audits;
- support for BancoPosta's project initiatives and the development of new sustainable business models (including from an ESG perspective);
- strengthening of control activities, development of related support tools and structuring/automation of reporting;
- changes in BancoPosta's internal regulatory and procedural framework and in Company's control functions.

Variable remuneration accounts for a lower proportion of total remuneration than the proportion generally applied in the case of Material Risk Takers; the variable component of the remuneration paid to personnel belonging to the Company's control functions may not, therefore, exceed one third of the fixed component.

For the BancoPosta RFC's control functions (Head of Risk Management and Outsourcing Governance, Head of Compliance, Head of Internal Audit and the managers directly reporting to them) the adjustment mechanisms deriving from redetermining the bonus pool do not apply. In addition, exclusively for the Head of Risk Management and Outsourcing Governance, the Head of Compliance and the Head of Internal Audit, the performance gate may vary from a minimum level of 70% to a maximum level of 100%. Personnel belonging to the Company's control functions do not, as a rule, participate in the "Performance Share LTIP". The need to ensure that the variable component of remuneration does not exceed one third of the fixed component represents a very tight restriction, given that these personnel are included among the beneficiaries of the short-term incentive plan ("MBO" STI).

#### 4.5. Severance payments on termination of employment for the Material Risk Takers

In line with market practice, there are and it is possible to stipulate provisions/agreements that regulate *ex ante* the economic aspects of early termination of office/employment, with the aim of avoiding the risk of current or future disputes, thus avoiding the risks inevitably connected to a court litigation that could potentially damage the Company's reputation and image, whilst also providing greater legal certainty.

The amount resulting from the implementation of these provisions/agreements is, in any event, capped at 24 months of gross global remuneration, calculated as indicated below, including an amount equivalent to the indemnity in lieu of notice, if any, as contractually established.

Without prejudice to the above cap of 24 months, in the case of Material Risk Takers, the above amount is determined on the basis of the following formula<sup>22</sup>:

- 10 months if termination occurs during the first year as Material Risk Takers;
- 16 months if termination occurs during the second year as Material Risk Takers;
- 24 months if termination occurs during the third or a subsequent year as Material Risk Takers.

For the above purpose, conventionally defined gross global remuneration is calculated taking into account the latest amount of gross annual fixed pay, total gross annual short-term variable remuneration payable at target and the annual value of the medium/long-term variable remuneration, still at target. The above total gross amount determined shall replace any indemnity/indemnification provided under the National Collective Agreement in the event of dismissal, and shall be paid only upon signature of a settlement containing a full waiver in connection with the employment and the positions held, as part of an all-inclusive and final settlement.

The final amount payable shall take into account the risk-adjusted performance and the individual conduct, as described in the section on clawback provisions. In addition, this remuneration may be paid only upon the condition that BancoPosta RFC's minimum capital adequacy and liquidity requirements are satisfied.

The above payments shall not prejudice the further mandatory entitlements due in any case of termination in accordance with the law or the national collective agreement, including by way of example the so-called TFR.

In the event of termination due to dismissal, the legislation from time to time in effect and the National Collective Labour Agreement apply.

The Company does not, normally, enter into non-competition agreements. In the case of managers in key roles, whose termination may expose the Company to certain risks, the Company reserves the right to enter into, on a case-by-case basis, non-competition agreements that provide for payment of a sum in respect of the duration and scope of the restrictions resulting from the agreement.

Payments for non-competition agreements are capped at the gross annual salary fixed pay for each year covered by the agreement. Agreements generally have a duration of one year. Payment takes place in the form and within the limits established by related regulations.

Remuneration related to the early termination of employment, with the exclusion of any non-competition agreement remuneration (for the portion that, for each year of the duration of the agreement, does not exceed the last year of gross annual fixed remuneration) and/or contractually obligatory remuneration, are paid according to the procedures described below.

<sup>22</sup> Subject to compliance with mandatory rules.

In the case of the Head of BancoPosta:

- 40% of any remuneration payable on termination of employment: 50% in cash and the remaining 50% in rights to receive Poste Italiane's ordinary shares, subject to a one-year retention period; this portion shall be subject to verification of BancoPosta RFC's minimum capital and liquidity requirements;
- 60% of any remuneration payable on termination of employment is to be deferred over a period of 5 years pro-rata; more than half of the deferred payment is made in rights to receive Poste Italiane's shares, in line with the scheme provided for the payment of the short-term incentive plan (MBO);
- payment of the deferred portions provided is subject to verification of BancoPosta RFC capital adequacy and liquidity threshold requirements and, as regards the component in rights to receive shares, subject to a one-year retention period; the same parameters must be respected at the end of the retention period as well.

In the case of Material Risk Takers belonging to Senior Management:

- 60% of any remuneration payable on termination of employment: 50% in cash and the remaining 50% in rights to receive Poste Italiane's ordinary shares, subject to a one-year retention period; this portion shall be subject to verification of BancoPosta RFC's minimum capital and liquidity requirements;
- 40% of any remuneration payable on termination of employment is to be deferred over a period of 5 years pro-rata; more than half of the deferred payment is made in rights to receive Poste Italiane's shares, in line with the scheme provided for annual variable remuneration;
- payment of the deferred portions provided will take place, provided that BancoPosta RFC capital adequacy and liquidity threshold requirements are complied with and, as regards the component in rights to receive shares, subject to a one-year retention period; the same parameters must be respected at the end of the retention period as well;
- if the total variable remuneration last received is above the level defined in this document as being "particularly high", the payout method is changed, using a structure in line with the one described above for the Head of BancoPosta.

In the case of Material Risk Takers not belonging to Senior Management:

- 60% of any remuneration payable on termination of employment: 50% in cash and the remaining 50% in rights to receive Poste Italiane's ordinary shares, subject to a one-year retention period; this portion shall be subject to verification of BancoPosta RFC's minimum capital and liquidity requirements;
- 40% of any remuneration payable on termination of employment is to be deferred over a period of 4 years pro-rata, with 50% paid in cash and the remaining 50% in rights to receive Poste Italiane's ordinary shares, in line with the scheme envisaged for the annual variable remuneration;
- payment of the deferred portions provided will take place, provided that the BancoPosta RFC capital adequacy and liquidity threshold parameters have been complied with; the same parameters must be respected at the end of the retention period as well;
- if the total variable remuneration last received is above the level defined in this document as being "particularly high", the payout method is changed, with a deferred component of 60%, in line with the payment scheme provided for the short-term incentive plan (MBO).

It should be noted that, for all the above categories, a sum equivalent to any payment due in lieu of notice, as required by the National Collective Labour Agreement, will be deducted from the total amount and paid in accordance with the statutory requirements in force. In addition, the total amount payable is subject to malus and clawback provisions, applicable up to the entire amount paid within 5 years of payment of each

incentive portion and, in any event, within the time limit set by the related statute of limitations, under the circumstances defined in the Guidelines for remuneration and incentive policies from time to time in effect.

In application of the Supervisory Standards relating to remuneration, regarding determination of severance payments linked to the early termination of employment of Material Risk Takers, any remuneration payable to an individual on termination of employment, as described above, is capped at €6.5 million, based on the highest level of the pay scale<sup>23</sup>. This payment is calculated on the basis of the maximum pay for personnel falling within the scope of application of these Guidelines, applying the maximum amount due for all the possible components of remuneration payable in the event of early termination.

The process of determining the amounts payable on termination of employment is structured in such a way as to ensure the economic sustainability of a contemporaneous early termination of a number of individuals "in key roles".

The amount resulting from application of the above principles may lead to payments linked to the overall gross remuneration to the person concerned in proportion to the role held and the scope of the responsibilities assigned, reflecting the experience and skills required for each position, the individual's performance and the overall quality of their contribution to the Company's short and long-term performance.

Severance payments payable on early termination of the CEO-GM, the Head of the BancoPosta function the Manager Responsible for Financial Reporting is reviewed by the Board of Directors, on the recommendation of the Remuneration Committee.

Severance payments to other Material Risk Takers on early termination of employment are reviewed by the CEO-GM and the Head of the BancoPosta function, provided that the BancoPosta RFC's capital adequacy and liquidity have been complied with, based on the review of the Compliance and Risk Management and Outsourcing Governance functions in accordance with the policies agreed with the Remuneration Committee.

Both the Board of Directors, on the one hand, and the CEO-GM, on the other, in agreement with the Head of the BancoPosta function, within the cap determined by the Shareholders' Meeting, evaluate the above in view of the individual's performance in the various roles held over time and having particular regard to the BancoPosta RFC's capital and liquidity position.

No amount is payable under one or more of the circumstances provided for in the clawback.

The above principles apply on termination of employment even if there have been no specific *ex-ante* agreements.

#### 4.6. Remuneration of other BancoPosta personnel (non-Material Risk Takers)

Other BancoPosta personnel (not identified as Material Risk Takers) receive fixed remuneration consisting of a cash component ("fixed pay") and an "in kind" component ("benefit").

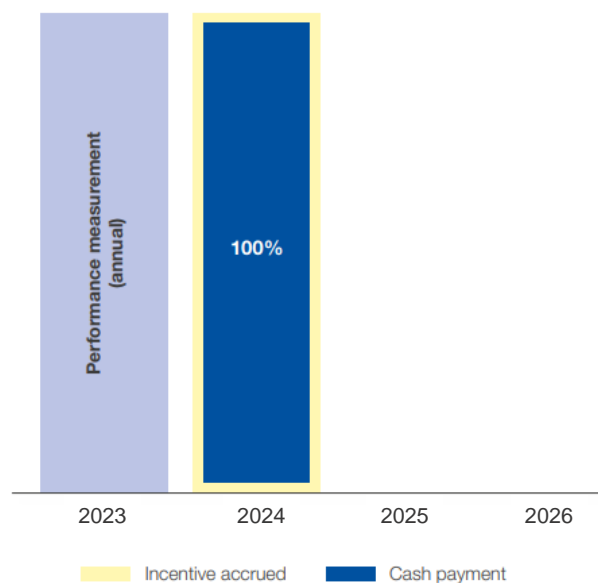
In line with the Group's policies, variable remuneration for BancoPosta personnel not identified as Material Risk Takers is directly linked to Company and individual performance, taking into account the risks assumed

<sup>23</sup> The following example is described only to comply with the regulatory requirement by the "XXV revision of Bank of Italy Circular". The Circular requires a cap for severance payments, in terms of both the number of years of fixed remuneration payable and absolute amount. The number of years of fixed remuneration on which conventionally defined gross global remuneration is based may, in theory, in the event of recognition of the highest levels of variable remuneration possible, be about 5.2 years. For 2023, the value of the severance payment, thus determined, may not in any case exceed €6.5 million, as specified above.

in conducting operations (it may, therefore, be significantly reduced, potentially to zero). The following forms of variable pay can be used:

- short-term incentive plan (“MBO”): this is in line with certain characteristics of the plan for the Material Risk Takers described above, involving the same conditions of access (e.g. compliance with the RAF and individual conditions). There is no provision for the use of Shares and deferral arrangements for the payment of any accrued bonuses (as shown in the figure below);
- with reference to the performance-related bonus, the national collective labour agreement leaves matters relating to performance-related bonuses to be dealt with in supplementary agreements. The bonus is paid on the basis of the overall performance;
- other bonuses are determined within the scope of the Company’s policies, in keeping with the budget and market practices, in order to ensure internal equity, the sustainability of costs and alignment with market benchmarks for remuneration. Such payments are intended to reward contributions based on individual performance and the conduct observed. They are included in the computation of overall variable pay;
- signing bonuses are allowed in exceptional circumstances, such a bonus may be payable to newly hired personnel in line with the provisions for Material Risk Takers;
- incentive schemes are defined for specific professional roles with intra-annual, annual and multi-annual objectives linked to individual or group performance; these are, in any event, subject to meeting capital adequacy and liquidity requirements.
- a medium-term variable incentive system is defined for “professionals”; these are non-managerial figures who, with their specialist skills, support the effective implementation of the Strategic Plan. The system provides for two-year targets linked to both economic and financial performance and ESG performance, subject in all cases to the fulfilment of capitalisation and liquidity requirements.

FIGURE 20. METHOD OF PAYMENT UNDER “MBO” SCHEME FOR OTHER BANCOPOSTA PERSONNEL (NON-MATERIAL RISK TAKERS)

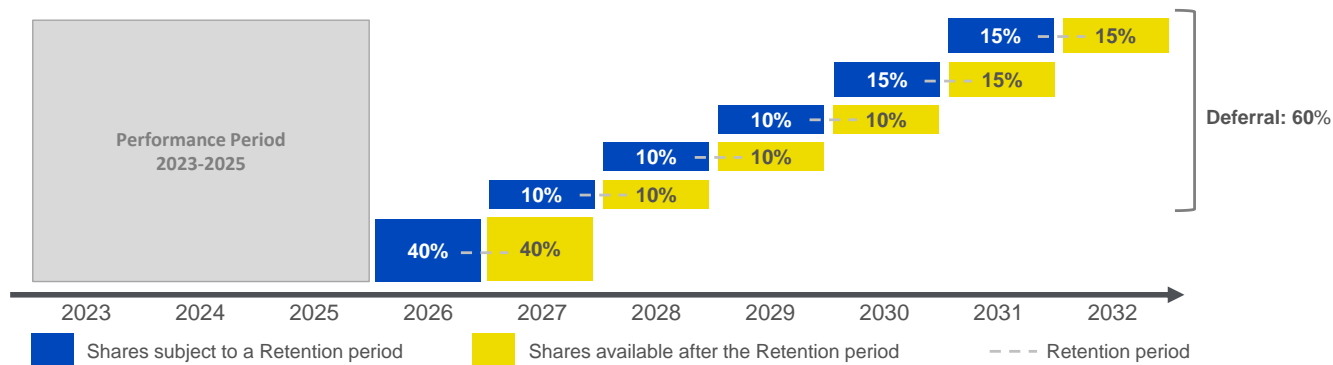


A number of personnel not identified as Material Risk Takers may participate in the “2023-2025 Performance Share LTIP”.

For this category of beneficiary, the “2023-2025 Performance Share LTIP” includes a hurdle, qualifying conditions and performance targets in line with the earlier description provided in relation to the CEO-GM

and beneficiaries identified as Material Risk Takers. In terms of the payout method for the shares, the "Performance Share LTIP" also follows the same structure, as shown below:

FIGURE 21. METHOD OF PAYMENT UNDER "2023-2025 PERFORMANCE SHARE LTIP" FOR BENEFICIARIES NOT IDENTIFIED AS MATERIAL RISK TAKERS



None of the Directors or Key Management Personnel are included in BancoPosta's non-Material Risk Takers.

#### 4.7. Ex-ante and ex-post adjustments (malus and clawback provisions)

##### ALIGNMENT WITH EX-ANTE RISK

In line with best market practices and applicable statutory requirements, variable remuneration is not guaranteed, but is subject to the achievement of predetermined performance targets linked to the BancoPosta RFC's risk profile, taking the form of hurdle conditions, qualifying conditions, Bonus Pool and the targets linked to the various incentive schemes.

Variable components may be guaranteed, in exceptional cases and provided that levels of capital adequacy and liquidity are in line with prudential requirements, when recruiting new personnel and only for the first year of employment. They are not payable more than once to the same person neither by BancoPosta nor by other companies of the Poste Italiane Group and are not subject to regulations on the structure of variable remuneration (deferral and/or equity-based). They are included in computation of the ratio of variable to fixed remuneration in the first year of employment, unless they are paid in a single tranche at the time of being hired. Except in the aforementioned circumstances, guaranteed bonuses are prohibited.

Remuneration designed to compensate new personnel from any reductions in or loss of pay (as a result of malus or clawback provisions) deriving from previous employment, unless it is guaranteed variable remuneration, is subject to the applicable regulations depending on whether or not the person is identified as a Material Risk Taker and as defined in these Guidelines (e.g. caps on pay, deferral and retention obligations, equity-based payments, malus and clawback provisions, etc.).

##### ALIGNMENT WITH EX-POST RISK

There are a number of specific circumstances, described below, in which ex-post risk adjustments to variable pay are applicable. Such provisions apply to the beneficiaries of both the short- and long-term incentive plans ("MBO" and "LTIP") and also, where applicable, to personnel not included among Material Risk Takers.



## Clawback

In line with best market practices and applicable statutory requirements, variable remuneration is subject to clawback provisions on the occurrence of certain events.

The process of applying clawback provisions is carried out in accordance with the related internal procedure adopted by the Company and approved by the Board of Directors on March 18, 2019 and updated on December 14, 2022. This procedure involves the interdisciplinary participation of multiple functions with different skills involved in the various stages of the process, which are: activation, assessment, finalisation of the information report, closure of the procedure and mandatory requirements. The bodies or functions responsible for the decision to proceed with the clawback of all or a part of the variable pay already disbursed vary according to the profile of the individual involved in the procedure. Any decision regarding the CEO-GM or MRTs is taken by the Board of Directors on the recommendation of the Remuneration Committee.

Clawback provisions are applied also taking into account the related legal, social security and tax considerations, regardless of the fact that the employment relationship is still in place or has ended. Such provisions apply to the beneficiaries of both short and long-term variable incentive plans.

Within 5 years of disbursement of each incentive and, in any event, within the time limit set by the related statute of limitations, the Company may request the clawback of any amounts disbursed, up to the entire amount paid, without prejudice to the right to claim for any further damages, in the event of:

- conduct not in compliance with the law, regulations, or the By-laws, the Code of Ethics, the Organisational Model pursuant to Legislative Decree 231/01 and/or the Poste Italiane Group's Integrated Policy applicable to the Company, including BancoPosta RFC, or one of the Group companies, and that has resulted in significant losses for the Company, a Group company or for customers;
- further conduct not in compliance with the law, regulations, the By-laws, the Code of Ethics, the Organisational Model pursuant to Legislative Decree 231/01 and/or Poste Italiane Group's Integrated Policy applicable to the Company, including BancoPosta RFC, or one of the Group companies, and which gave the beneficiary an advantage in terms of the incentives due;
- violations of the obligations set out in article 26 or, where applicable, article 53, paragraphs 4 et seq. of the Consolidated Law on Banking or of the obligations in respect of remuneration and incentives;
- fraud or gross misconduct on the part of the beneficiary to the detriment of the Company, including BancoPosta RFC, or another Group company;
- payment of the Bonus on the basis of information that was subsequently revealed to be inaccurate and/or misleading.

## Malus

The occurrence of one or more of the aforementioned cases also entails the application of malus mechanisms for the portions not yet disbursed (with reference both to cash payments and awards in Shares linked to them).

Additional malus provisions resulting in the reduction of any deferred portion of incentives, potentially to zero, including the event of failure to comply with the risk tolerance levels for BancoPosta RFC's capital adequacy, liquidity and risk-adjusted profitability parameters determined in compliance with the BancoPosta RFC's Risk Appetite Framework ("RAF") from time to time in effect.

## Other adjustment provisions

Occurrence of one or more of the above circumstances triggering the application of clawback provisions (by way of example, but not limited to, fraud or gross misconduct on the part of the beneficiary to the



detriment of, the Company, including BancoPosta RFC, or another Group company, etc.), results in non-payment of the portions subject to retention periods.

As mentioned, Material Risk Takers, in accordance with the Supervisory Standards issued by the Bank of Italy, are required not to take out personal insurance, income protection or any other form of cover that may modify or affect the impact of risk alignment in variable pay plans.

This is confirmed in specific agreements with the personnel concerned, under which they are required to give notice of the opening of custody accounts with other intermediaries, in addition to any financial investments in special rights, other than instruments traded on regulated markets, where the instruments directly or indirectly underlying the rights are Poste Italiane's Shares.

In compliance with the applicable regulations, Poste Italiane also carries out sample checks on custody accounts held by BancoPosta's Material Risk Takers.

## 5. Remuneration policies and practices for personnel, not belonging to BancoPosta RFC, involved in the sales network of banking, financial and payment products<sup>24</sup> and in customer support and complaint handling activities

BancoPosta, in carrying out the placement of banking, financial<sup>25</sup>, insurance and payment<sup>26</sup> products, as governed by the rules of the Consolidated Law on Banking<sup>27</sup>, the Transparency Provisions<sup>28</sup>, the Consolidated Law on Finance<sup>29</sup>, IVASS Regulations and Regulation 2088/2019, pays constant attention to transparency of the contractual conditions and fairness in the conduct of the sales network, not belonging to BancoPosta RFC, in order to oversee the legal and reputational risks connected to relations with customers, not only through measures of an organisational or procedural nature but also by defining specific remuneration policies for the personal charged with such tasks.

In particular, BancoPosta intends to satisfy the requirements of customers through governance and control of the entire product life cycle in the various phases of processing, distribution, monitoring and review.

With particular reference to the activities of sale and marketing of banking, financial, insurance and payment products, BancoPosta avails itself of the Poste Italiane's functions of the commercial networks (called Post Office Network and Business and Public Administration) through the specific Operating Guideline.<sup>30</sup> To this end, BancoPosta verifies that the remuneration and incentive schemes for sales personnel (hereinafter "sales remuneration and incentive schemes") are compliant with the following principles:

- defined in accordance with the company's objectives and values and with its long-term strategies;
- are inspired by criteria of diligence, transparency, fairness and quality in customer relations, the containment of legal and reputational risks, the protection and retention of customers, and compliance with any applicable self-disciplinary provisions;
- are not based solely on sales objectives but also on qualitative criteria, and do not constitute an incentive to place products that are not appropriate to customers' needs, financial requirements and in ESG terms.

In particular, the persons to whom this guideline is addressed (hereinafter "significant persons") are identified as the personnel who offer products to customers by interacting with them, as well as those to whom they are hierarchically accountable.

The evaluation of remuneration and incentive schemes for sales staff falls within the remit of the "Financial and Insurance Services Committee" (within Poste Italiane), which is chaired by the Head of BancoPosta and involves, among others, participation by the Heads of the sales networks. Within this Committee, after verification by BancoPosta's Compliance Function, the logics are assessed for defining sales incentive schemes, monitoring objectives, the progress of activities carried out and the status of implementation of corrective measures identified as a result of any inefficiencies or non-conformities found.

In defining the sales remuneration and incentive schemes, BancoPosta, in conjunction with the Post Office Network, Business and Public Administration, Human Resources and Organisation, Administration, Finance and Control functions in Poste Italiane, ensures that:

<sup>24</sup> Policy drawn up also pursuant to the Bank of Italy provision on "Transparency of transactions and banking and financial services and the fairness of relations between intermediaries and customers" of March 19, 2019.

<sup>25</sup> The financial products include "financial instruments and any other form of investment of a financial nature" as defined in art. 1 paragraph 1 letter u) and the insurance investment products pursuant to art. 1 paragraph 1, letter w bis 3.

<sup>26</sup> BancoPosta also operates as placement agent of PostePay S.p.A., electronic money institute of the Poste Italiane Group.

<sup>27</sup> Legislative Decree no. 385 of September 1, 1993, "Consolidated Law on Banking", Title VI.

<sup>28</sup> Provision of July 29, 2009 and subsequent amendments on the Transparency of banking and financial transactions and services.

<sup>29</sup> Legislative Decree no. 58 of February 24, 1998, Consolidated Law on Finance, Title II.

<sup>30</sup> Operating Guideline "Sales Networks valid from January 1, 2023 to December 31, 2025.

- the remuneration does not entail incentives that induce personnel of the sales network to pursue their own interests or those of the intermediary to the detriment of customers;
- any risk that could damage customers is taken into account, adopting the appropriate governance measures;
- the variable remuneration component:
  - is anchored to quantitative and qualitative criteria<sup>31</sup>;
  - does not constitute an incentive to offer a specific product, or a specific category or combination of products, when this could result in damage to the customer;
  - is adequately balanced with respect to the fixed remuneration component;
  - is subject to adjustment mechanisms such as to allow a significant reduction (potentially to zero).

BancoPosta also ensures that an appropriate procedure is adopted with regard to the sales incentive scheme, aimed at regulating, among other things, the manner in which the policies are implemented, with particular regard to application of the criteria for determining the variable component, where envisaged, as well as the mechanisms for clear and preventive communication to the relevant parties of the remuneration policies intended for them. In this respect, BancoPosta ensures that the persons for whom such incentive mechanisms are intended are duly informed prior to the commencement of commercial actions by them; in any event, remuneration and incentive policies are always easily accessible.

The perimeter of parties to which the aforementioned remuneration policies and practices apply consists, at 03/15/2022, of 51,325 resources belonging to the following structures and sales positions of the Post Office Network function and the Business and Public Administration function in Poste Italiane:

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<sup>31</sup> In particular, variable remuneration is not only based on the achievement of quantitative targets linked to product sales, but also takes into account other criteria (e.g. customer loyalty and satisfaction levels).

**FIGURE 22. STRUCTURES AND SALES POSITIONS OF THE POST OFFICE NETWORK FUNCTION AND THE BUSINESS AND PUBLIC ADMINISTRATION FUNCTION IN POSTE ITALIANE**

Structure		Sales professionals
<b>Post office network</b>	<b>Post Office</b>	Post Office Manager
		Specialist Financial Consultant
		Counter Operator
		Hospitality Operator
		Support Post Office Collaborator
		Front End Operator
		Post Office Management Specialist
	<b>Branch</b>	Branch Sales Manager
		Area Sales Representative
		Mobile Consultant Specialist
		Premium Consultant Specialist
		Front End Product Specialist
	<b>Macro Area</b>	Small Business Specialist
		Territorial Sales Coordinator
		Protection Products Specialist
Lending Products Specialist		
Premium Specialist		
<b>Business and Public Administration</b>	<b>Financial and Insurance Sales Representative</b>	Sales SBO Specialist
		Head of Sales Specialists
		Sales Specialist
		Account Specialist
		Junior Sales Representative

Lastly, with regard to the activities to support customers and process complaints with the contribution of the Digital, Technology & Operations function in Poste Italiane through the specific Operating Guideline<sup>32</sup>, BancoPosta ensures that the remuneration and incentive schemes for personnel in charge of processing complaints, where existent, envisages indicators that also take into account the results achieved in claims management and the quality of customer relations<sup>33</sup>.

**Other personnel not belonging to BancoPosta RFC**

With reference to the personnel of Poste Italiane (not responsible for the network involved in the sale of banking, financial and payment products and customer support and complaints handling activities) who, through specific Operating Guideline, perform activities for BancoPosta, the MBO STI may include KPIs linked to "service levels" in respect of BancoPosta itself, with a weight of 15%.

<sup>32</sup> Operating Guideline “Digital, Technology and Operations-Operations (Back Office and Customer Care)” valid from January 1, 2021 to December 31, 2022.

<sup>33</sup> Short-Term Variable Incentive Scheme (MBO) Procedure of the Poste Italiane Group.

## 6. Implementation of the remuneration and incentive policy for 2022

Provided below is the description of methods with which the provisions of the “*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2022*” were implemented during the course of the same year. In particular, the decision-making process involving the various corporate functions and bodies is described, along with the definition of remuneration paid in 2022 to the Chairperson and to the members of the supervisory board, the Chief Executive Officer and General Manager, the company's control functions and the remaining Material Risk Takers (the variable pay shown in the tables is based on an estimate of the amount payable at the time of preparing this document, pending approval of the Company's financial statements by the Shareholders' Meeting). In addition, qualitative and quantitative disclosures of the remuneration paid to all material risk takers falling within the scope of application of BancoPosta RFC's remuneration and incentive policies are provided.

### 6.1. Governance of the remuneration process

The “*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2022*” were defined at the Board of Directors' meeting of April 13, 2022, in consultation with the Remuneration Committee and with the Control and Risk Committee, and approved by the Shareholders' Meeting on May 27, 2022.

The Guidelines are available on the Company's website at [www.posteitaliane.it](http://www.posteitaliane.it) (in the section, Governance – Remuneration). Assessments of the implementing methods of remuneration and incentive policies and practices for BancoPosta RFC personnel in 2022 have revealed a general level of adequacy.

The Compliance and Risk Management and Outsourcing Governance functions conducted a prior assessment of the “*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2022*”, respectively confirming their compliance with internal and external regulations and risk policies.

In particular, the Compliance function conducted the appropriate checks to ensure the consistency and suitability of the “*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2022*” and of the objectives assigned in respect of the relevant regulations and the BancoPosta RFC's Regulation.

With the support of BancoPosta's Administration, Planning and Control, the Risk Management and Outsourcing Governance function contributed to determining the risk-adjusted financial indicators to which the incentive schemes were linked, in line with BancoPosta RFC's capital and liquidity position, the risks assumed as part of its operations and the resulting levels of performance achieved. Therefore, in order to provide the Remuneration Committee with the information necessary for consistency with BancoPosta RFC's Risk Appetite Framework (RAF), the Head of the Risk Management and Outsourcing Governance function was invited to Remuneration Committee meetings when matters having an impact on BancoPosta RFC's risk management and capital and liquidity position were discussed.

The Compliance and Risk Management and Outsourcing Governance functions also contributed, insofar as they are responsible, to the process of identifying Material Risk Takers, coordinated by the Supervised HR Business Partner function in support of the Head of the BancoPosta function. In December 2022, there were 39 Material Risk Takers. The total number of MRTs, compared to December 2021, decreased by 1 as a result of normal management turnover.

The Internal Audit function also assessed the conformity of remuneration practices with BancoPosta's policies and the relevant regulatory requirements.

## 6.2. Ex-post disclosures

In accordance with the disclosure requirements regarding the method by which the “*Guidelines for BancoPosta RFC's remuneration and incentive policy for 2022*” were applied and the requirements of “XXV revision of Bank of Italy Circular” and art. 450 of Regulation 575 of June 26, 2013 (the so-called CRR, supplemented by Implementing Regulation (EU) no. 637, adopted on March 15, 2021), key data regarding the incentive schemes implemented in 2022 and the relevant qualitative and quantitative tables are provided below.

In particular, in accordance with the guidelines, the variable remuneration schemes implemented were as follows:

- short-term incentive plan (“MBO”): the plan for 2022 was implemented in line with the stricter requirements for Material Risk Takers, involving qualifying conditions for all participants (performance gates, compliance with the RAF, risk-adjusted profitability and individual qualifying conditions), in keeping with the terms and conditions set out in the Information Circular approved by the Shareholders' Meeting held on May 27, 2022;
- “2022-2024 Performance Share LTIP”, in keeping with the terms and conditions set out in the Information Circular approved by the Shareholders' Meeting held on May 27, 2022;
- Five-year “Deliver 2022 LTIP”, approved in 2018 in line with what was outlined in previous years and, with reference to conversion, the 2023 Information Document.

In addition, the following were paid in 2022:

- performance bonus (so-called “premio di risultato”) – delegated by the National Collective Labour Agreement to second-level supplementary bargaining; the company bonus is linked to objectives for increases in company productivity, quality and profitability;
- one-off payments: these are determined, within the scope of the Company's remuneration policies, in keeping with the budget and market practices, in order to ensure internal equity, sustainability of costs and alignment with market benchmarks for remuneration. Such payments are intended to reward contributions based on individual performance and the conduct observed. They are included in the computation of overall variable pay and are made following confirmation of compliance with the RAF in terms of the total amount paid. Specifically, the total one-off payment recognised in 2022 was €129,000 and involved 43 resources (average per-capita amount of approximately €3,000 gross). No Material Risk Takers were beneficiaries of one-off payments;
- signing bonus: in exceptional circumstances, such a bonus may be payable to newly hired personnel (for 2022, personnel classified as Risk Takers did not receive a signing bonus);
- medium-term variable incentive scheme dedicated to professionals; these are non-management personnel (of the remaining BancoPosta personnel - not Material Risk Takers) who support the effective implementation of the Strategic Plan with their specialist skills. The scheme sets targets over a two-year time horizon linked to both financial and ESG performance and is subject in all cases to the fulfilment of capital adequacy and liquidity requirements.

It is recalled that the CEO-GM and Key Management Personnel of BancoPosta RFC are not included among the beneficiaries of the performance bonus (so-called “premio di risultato”) and one-off payments.

## Focus on the assessment process for variable incentive schemes

The following pages contain the final assessment of the incentive schemes whose performance period ended in 2022 (2022 MBO short-term incentive scheme; second 2020-2022 cycle of the Performance Share LTIP and the Five-Year Deliver 2022 LTIP). In addition, reference is made to the schemes for which units subject to deferral/retention accrued in 2022 according to the established conditions.

### “MBO” short-term incentive scheme for 2022

In terms of the “MBO” short-term variable incentive scheme for the 2022 performance period, the level of achievement of the hurdle and qualifying conditions of access to the scheme is shown below, in relation to BancoPosta RFC. Note that these were exceeded and the related incentives were thus implemented.

FIGURE 23. HURDLE AND QUALIFYING CONDITIONS FOR THE “MBO” SCHEME IN 2022

Conditions (ON/OFF)	Threshold value	Final value
Group <b>EBIT</b> (€bn)	2.02	<b>2.19</b>
BP RFC's capital adequacy <b>CET 1</b>	15%	<b>20%</b>
BP RFC's short-term liquidity <b>LCR</b>	330%	<b>369%</b>
Poste Vita Insurance Group's <b>Solvency Ratio</b>	150%	<b>253%</b>

*Rounded values*

The following table shows, for the CEO-GM, the level of achievement of each performance target assigned with regard to the MBO short-term incentive scheme for 2022.

FIGURE 24. ASSESSMENT OF “MBO” TARGETS FOR THE CEO-GM IN 2022

Targets	Weighting	Minimum	Target	Maximum	Final value
<b>Group EBIT</b> (€bn)	20%	2.02	2.06	2.10	<b>2.19</b> <i>(maximum)</i>
<b>Group fixed costs</b> (€bn)	10%	6.78	6.74	6.71	<b>6.48</b> <i>(maximum)</i>
<b>Revenue from growth markets/new businesses</b> (€bn)	10%	2.54	2.56	2.57	<b>2.45</b> <i>(not achieved)</i>
<b>BancoPosta's RORAC</b>	20%	20.2%	24.2%	30.0%	<b>36.8%</b> <i>(maximum)</i>
<b>Reduction of total Group emissions (tCO<sub>2</sub>e)</b>	15%	-3%	-4%	-5%	<b>-5%</b> <i>(maximum)</i>
<b>People development</b>	15%	70	100	140	<b>140</b> <i>(maximum)</i>
<b>MPD Quality</b>	10%	8	10	12	<b>8</b> <i>(minimum)</i>

*Rounded values*

Further details of the “MBO” scheme for 2022 relating to the CEO-GM are provided in Poste Italiane's Report on amounts paid in 2022.



Finally, it should be noted that the conditions of BancoPosta RFC’s capital adequacy and liquidity have been verified, and therefore, following approval of the Annual Report for 2022, the units in cash and equity-based instruments that have reached the end of the deferral and/or retention periods relating to the 2017, 2018, 2019, 2020 and 2021 short-term incentive schemes (“MBO”) will be recognised.

For the remaining MRTs, the bonus pool (structured on the basis of a prudential adjustment with reference to the RORAC) stood at 110% (the final RORAC value is the same as the CEO-GM). Individual objectives linked to the position held apply, in addition to the indicator normally common to all within the BancoPosta’s RORAC (with a weight between 30% and 50%) for Material Risk Takers not belonging to the Control Functions. Lastly, note that the performance targets for beneficiaries of the company’s control functions are consistent with the assigned duties and provide for the assignment of qualitative indicators that are independent from the results achieved by the Company and by BancoPosta RFC. The conditions of BancoPosta RFC’s capital adequacy and liquidity have also been verified for the remaining MRTs, and therefore, following approval of the Annual Report for 2022, the units in equity-based instruments that have reached the end of the deferral and/or retention periods relating to short-term incentive schemes (“MBO”) of previous years will be recognised.

“Performance Share LTIP”

The hurdle and qualifying conditions for BancoPosta RFC’s beneficiaries under the second cycle (2020-2022) of the “Performance Share LTIP” were also all met, as the following table shows:

FIGURE 25. HURDLE AND QUALIFYING CONDITIONS FOR THE SECOND CYCLE (2020-2022) OF THE “PERFORMANCE SHARE LTIP”

Hurdle	Threshold value	Final value
Cumulative Group <b>EBIT</b> over a three-year period (€bn)	5.3	<b>6.2</b>
Qualifying conditions	Threshold value	Final value
BancoPosta RFC’s capital adequacy: <b>CET 1</b>	15%	<b>20%</b>
BancoPosta RFC’s short-term liquidity: <b>LCR</b>	330%	<b>369%</b>
BancoPosta RFC’s risk-adjusted profitability: <b>RORAC</b>	16%	<b>37%</b>

Rounded values

Satisfaction of the related conditions activated the plan. The following chart shows the level of achievement of the performance targets assigned in 2020, namely the three-year cumulative Group EBIT (with 60% weighting) and the relative Total Shareholder Return (with 40% weighting):

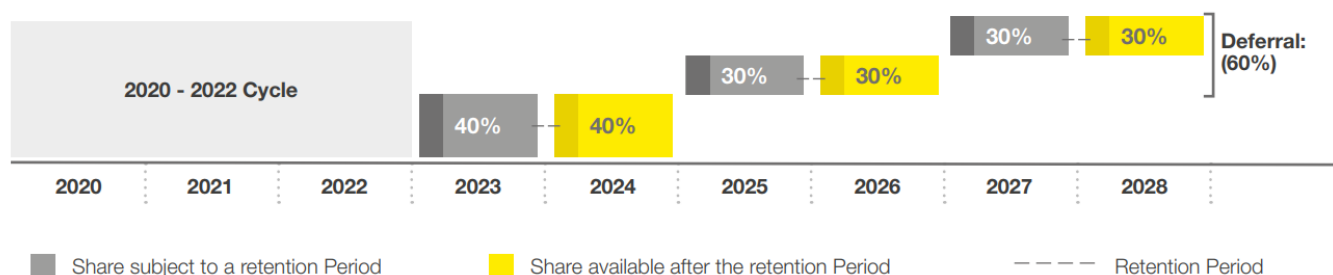
FIGURE 26. ASSESSMENT OF THE PERFORMANCE TARGETS FOR THE FIRST CYCLE (2020-2022) OF THE "PERFORMANCE SHARE LTIP" AWARDED IN 2020

First Target	Weighting	Minimum	Target	Maximum	Final value
Cumulative Group <b>EBIT</b> over a three-year period (€bn)	60%	5.3	5.5	5.8	6.2 <i>(maximum)</i>
<i>Rounded values</i>					
Second Target	Weighting	Minimum	Target	Maximum	Final value
<b>Relative Total Shareholder Return (rTSR)</b> (TSR: Poste Italiane vs FTSE MIB)	40%	TSR PI = TSR FTSE MIB	TSR PI +5% vs TSR FTSE MIB	TSR PI +15% vs TSR FTSE MIB	<FTSE MIB <i>(not achieved)</i>

The hurdle conditions, qualifying conditions and performance targets for beneficiaries of BancoPosta RFC are the same as those for the CEO-GM. Further details on the latter are provided in Poste Italiane's Report on amounts paid in 2022.

The rights to receive Poste Italiane's ordinary shares deriving from the assessment of the Plan will be granted as described below:

FIGURE 27. METHOD OF PAYMENT FOR SECOND CYCLE (2020-2022) OF THE "PERFORMANCE SHARE LTIP"



Both the up-front and deferred portions are subject to a one-year retention period. At the end of the retention period for the up-front portion, the Shares vested will be available provided that the BancoPosta RFC capital adequacy, liquidity and risk-adjusted profitability levels have been complied with. At the end of the deferral period and the retention periods for the deferred portions, compliance with the threshold levels for BancoPosta RFC's capital adequacy, liquidity and risk-adjusted profitability will be verified.

“Five-year Deliver 2022 LTIP”

The hurdle condition and qualifying conditions for BancoPosta RFC’s beneficiaries under the “Five-year Deliver 2022 LTIP” were all met, as the following table shows:

FIGURE 28. HURDLE AND QUALIFYING CONDITIONS FOR THE “FIVE-YEAR DELIVER 2022 LTIP” (AWARDED IN 2018)

Hurdle	Threshold value	Final value
Cumulative Group <b>EBIT</b> over a five-year period (€bn)	8.0	<b>9.6</b>
Qualifying conditions	Threshold value	Final value
BancoPosta RFC’s capital adequacy: <b>CET 1</b>	15%	<b>20%</b>
BancoPosta RFC’s short-term liquidity: <b>LCR</b>	330%	<b>369%</b>
BancoPosta RFC’s risk-adjusted profitability: <b>RORAC</b>	24%	<b>37%</b>

*Rounded values*

Satisfaction of the related conditions activated the plan. The following chart shows levels of achievement of the performance targets assigned in 2018:

FIGURE 29. ASSESSMENT OF TARGETS OF THE “FIVE-YEAR DELIVER 2022 LTIP” (AWARDED IN 2018)

First Target	Weighting	Minimum	Target	Maximum	Final value
Cumulative five-year <b>revenue</b> (€bn)	60%	54.5	55.0	55.6	56.5 (maximum)

*Rounded values*

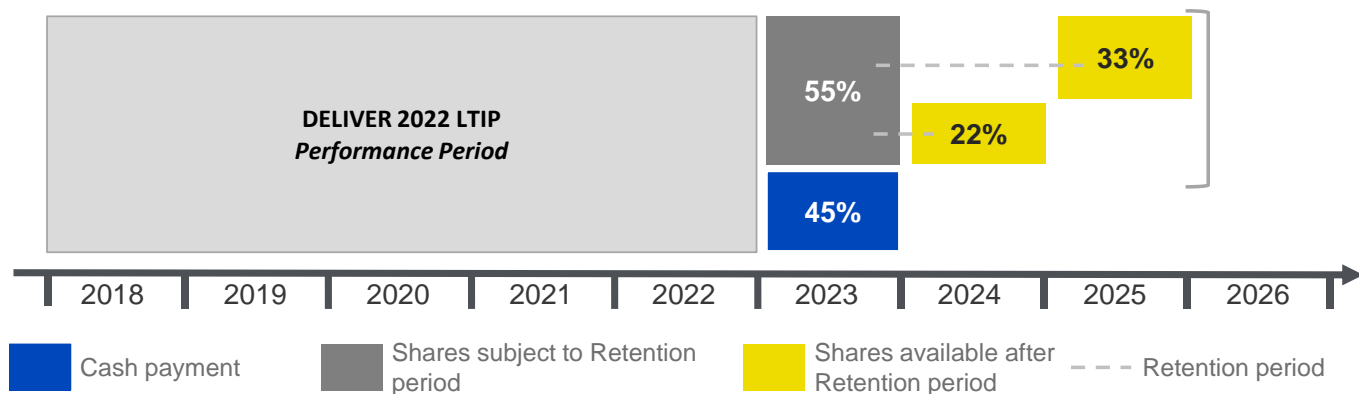
Second Target	Weighting	Minimum	Target	Maximum	Final value
Cumulative five-year <b>personnel expenses</b> (€bn)	40%	29.2	28.9	28.6	28.1 (maximum)

*Rounded values*

The hurdle conditions, qualifying conditions and performance targets for beneficiaries of BancoPosta RFC are the same as those for the CEO-GM. Further details on the latter are provided in Poste Italiane’s Report on amounts paid in 2022.

The Plan, the conversion of which into financial instruments is subject to the approval of the 2023 Shareholders’ Meeting, envisages the payment of 45% of the bonus up front in cash in 2023, compared to 75% originally envisaged. The remaining 55% of the bonus, originally planned in cash, will be paid in Rights to receive Shares subject to Retention Periods of 1 and 2 years. More specifically, 22% of the aggregate Bonus vested is subject to a Retention Period of one year from the Vesting Date and 33% of the aggregate Bonus vested is subject to a Retention Period of two years from the Vesting Date. For the CEO-GM, the number of Shares resulting from this conversion is 99,648.

FIGURE 30. METHOD OF PAYMENT OF THE "FIVE-YEAR DELIVER 2022 LTIP" (AWARDED IN 2018)



In light of the above, for the CEO-GM, a portion of €798,750 is expected to be paid in 2023 (for further details, please refer to the detailed table contained in the 2023 Information Document on Equity-Based Incentive Plans).

Delivery of the Shares at the end of each Retention Period will take place subject to verification of the risk tolerance level of conditions linked - in addition to capital adequacy and liquidity, originally envisaged - also to risk-adjusted profitability with reference to BancoPosta RFC, as well as Poste Italiane's inclusion in at least two internationally recognised sustainability indices.

In the case of the Three-Year Deliver LTIP (awarded in 2018 and assessed in 2020 – for more details, please refer to the Guidelines for BancoPosta RFC's remuneration and incentive policy for 2021), the conditions for disbursement of the deferred portion in cash were met (inclusion of Poste Italiane in at least one internationally recognised sustainability index - e.g. Dow Jones Sustainability World Index, Dow Jones Sustainability Europe Index, Euronext MIB ESG Index and the MSCI rating - and compliance with the capital adequacy and liquidity parameters of BancoPosta RFC – CET 1 and LCR). In the case of the 2019-2021 LTIP, assessed in 2022, the conditions of capital adequacy, liquidity and risk-adjusted profitability of BancoPosta RFC (CET 1, LCR and RORAC) were met for the delivery of the Shares linked to the up-front portion at the end of the retention period. For the CEO-GM, the number of Shares linked to this portion is 19,621 (the CEO-GM is not among the beneficiaries of the three-year Deliver LTIP).

## Report - Tables prepared pursuant to Article 450 of Regulation 575 of June 26, 2013 (CRR)<sup>34</sup> and Implementing Regulation 637 of March 15, 2021

### EU REMA table: remuneration policy

Institutions describe the main elements of their remuneration policies and how they are implemented. In particular, the following elements are described, where appropriate.

Qualitative information	
a)	<p><b>Information on remuneration supervisory bodies. The information includes:</b></p> <ul style="list-style-type: none"> <li>- <b>name, composition and mandate of the main body (management body or remuneration committee as applicable) overseeing the remuneration policy and the number of meetings held by that main body during the financial year;</b></li> </ul> <p>The Board of Directors is made up of 7 directors - plus the Chairperson (non-executive and independent) and the Chief Executive Officer, for a total of 9 members - who are non-executive (5 of whom meet the independence requirements set out in article 2, recommendation 7 of the Corporate Governance Code, as well as the independence requirements set out in article 148, paragraph 3, of the CLF), who make up the five Board Committees.</p> <p>The Remuneration Committee consists of 3 non-executive members, the majority of whom (including the Chairperson) meet independence requirements. In 2022 the Remuneration Committee met 4 times, with an average meeting duration of more than one hour.</p> <p>The Shareholders’ Meeting convened for May 8, 2023 will be called, among other things, to renew the Board of Directors.</p>
	<p>For further details, see the section “<i>Governance of remuneration and incentive policies</i>” of the “<i>Report on the 2023 remuneration policy of Poste Italiane S.p.A.</i>”</p>
	<ul style="list-style-type: none"> <li>- <b>external consultants whose advice has been sought, the body by which they were commissioned, and in which areas of the remuneration framework;</b></li> </ul> <p>In preparing the Report on the remuneration policy of Poste Italiane S.p.A. and the “Guidelines for BancoPosta RFC’s remuneration and incentive policy”, Poste Italiane was supported by the consulting firm WTW.</p>
	<ul style="list-style-type: none"> <li>- <b>a description of the scope of the institution’s remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to subsidiaries and branches located in third countries;</b></li> </ul> <p>In view of the particular nature of BancoPosta RFC and its relations with Poste Italiane functions, the remuneration and incentive policies described in this document apply to the following entities, insofar as their activities relate to BancoPosta RFC:</p> <ul style="list-style-type: none"> <li>- Poste Italiane’s Board of Directors (the Chairperson, the Chief Executive Officer and General Manager, other Directors);</li> </ul>

<sup>34</sup> The variable pay shown in the tables is based on an estimate of the amount payable at the time of preparing this document, whilst awaiting approval of the Company’s financial statements by the Shareholders’ Meeting.

	<ul style="list-style-type: none"> <li>- Poste Italiane's Board of Statutory Auditors;</li> <li>- Poste Italiane's Manager Responsible for Financial Reporting;</li> <li>- Head of the BancoPosta function;</li> <li>- BancoPosta RFC's internal control function personnel;</li> <li>- other Material Risk Takers;</li> <li>- other BancoPosta personnel not identified as Material Risk Takers.</li> </ul>
	<p><b>- a description of the staff or categories of staff whose professional activities have a material impact on the institution's risk profile.</b></p> <p>The process of identifying MRTs is based on an exact assessment of the position held by each individual within the organisation, used to assess the importance of each person in terms of the assumption of risk.</p> <p>The analysis is conducted on the basis of the provisions of the "Guidelines for the identification of BancoPosta RFC's Material Risk Takers" and in accordance with current legislation. The "Guidelines for the identification of BancoPosta RFC's Material Risk Takers" were updated and approved by the Board of Directors at its meeting of March 29, 2023.</p> <p>For further details, see the section "<i>Identification of Material Risk Takers</i>" of this document.</p>

	<p><b>Information relating to the design and structure of the remuneration system for identified staff. Disclosures shall include:</b></p>
b)	<ul style="list-style-type: none"> <li>- <b>an overview of the key features and objectives of remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders;</b></li> </ul> <p>The "Guidelines for BancoPosta RFC's remuneration and incentive policy" are designed to support the generation of sustainable value over the long term. In particular, total remuneration is determined in order to reflect the effective degree of responsibility and performance, in the certainty that correct remuneration and incentive policies have a positive impact on the conduct of personnel and align individual goals with strategic and risk management objectives.</p> <p>The "Guidelines for BancoPosta RFC's remuneration and incentive policy" are submitted by the Board of Directors, at the proposal of the Remuneration Committee in consultation with the Control and Risk Committee, on an annual basis to the Shareholders' Meeting for approval. The annual audit process involves the participation of the various internal corporate functions according to their respective areas of responsibility.</p>
	<ul style="list-style-type: none"> <li>- <b>information on the criteria used for performance measurement and <i>ex ante</i> and <i>ex post</i> risk adjustment;</b></li> </ul> <p>Variable remuneration may be awarded or paid provided that capital adequacy and liquidity levels are at least equal to regulatory limits, also taking into account the total cost of the variable remuneration itself. The variable component for the Material Risk Takers respects the following characteristics:</p> <ul style="list-style-type: none"> <li>- it is determined using performance indicators measured taking into account the level of risk assumed and is in keeping with the Risk Appetite Framework and with the risk governance and management policies adopted;</li> </ul>

- it is subject to *ex-post* risk adjustments (malus and clawback provisions), that, based on individual performance or conduct, may result in a significant reduction in the amount payable as variable remuneration, potentially to zero, or the return of any amount already paid.

For further details, see the sections “*Elements of the remuneration and incentive policy*” and “*Ex-ante and ex-post adjustments (malus and claw back provisions)*” of this document.

- **whether the management body or the remuneration committee where established reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration;**

The “Guidelines for BancoPosta RFC's remuneration and incentive policy” are submitted by the Board of Directors, at the proposal of the Remuneration Committee in consultation with the Control and Risk Committee, on an annual basis to the Shareholders' Meeting for approval.

The 2023 Guidelines provide for a remuneration and incentive policy in continuity with 2022. The main changes introduced for 2023 concern i) the introduction of the 2023-2025 Performance Share LTIP, which envisages, compared to 2022-2024 LTIP, two ESG KPIs with a weight of 40% relating to the pillars of the sustainability strategy “Creating value for the country” and “Green Transition”; ii) the inclusion of an additional condition linked to risk-adjusted profitability (RORAC) regarding the activation and payment of the deferral/retention portions of the short-term variable incentive system (“MBO”); iii) the introduction to the bonus pool of a qualitative indicator of the RAF (RAF Quality Index – RQI) and an indicator of the quality perceived by BancoPosta's retail customers (Net Promoter Score – NPS) in addition to “funding” linked to the RORAC; iv) the proposal to convert into rights to receive shares – for beneficiaries belonging to the perimeter of BancoPosta's Material Risk Takers – of a portion of the bonus accrued under the five-year Deliver 2022 LTIP, for which achievement of the targets set for the five-year performance period ending December 31, 2022 was verified.

- **information on how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee;**

The Material Risk Takers of company's control functions receive a fixed remuneration at a level appropriate to their significant responsibilities and the commitment associated with their role. With effect from 2021, the Head of the Risk Management and Outsourcing Governance, the Head of Compliance and the Head of Internal Audit only receive a role-based allowance of €30,000 gross per annum. Short-term incentive mechanisms are established, consistent with the tasks assigned, by assigning qualitative objectives that are independent of the results achieved by the company and BancoPosta RFC. The ratio of the variable component to the fixed component of remuneration may not exceed one third.

For further details, see the section “Material Risk Takers belonging to Company's control functions” of this document.



- **policies and criteria applied for the award of guaranteed variable remuneration and severance payments.**

Signing bonuses are payable, in exceptional circumstances, to newly hired personnel in line with best market practices; the bonus is not payable more than once to the same person either by BancoPosta or by another Poste Italiane Group company and are not subject to the provisions on the structure of variable remuneration. Signing bonuses are included in computation of the ratio of variable to fixed remuneration in the first year of employment, unless they are paid in a single tranche at the time of being hired. Except in the aforementioned circumstances, guaranteed bonuses are prohibited.

One-off bonuses are permitted in exceptional cases and limited solely to specific situations, such as the management of major projects, the achievement of extraordinary results or the need to retain key people. No such payments are made to Directors or Key Management Personnel. Such bonuses are paid in accordance with the statutory requirements in effect (for example, but not limited to, the ratio of variable to fixed remuneration and eligibility criteria) and these "Guidelines for BancoPosta RFC's remuneration and incentive policy for 2023".

In accordance with supervisory regulations, the Shareholders' Meeting approves the criteria for determining the severance payments in the event of early termination of employment or office, including the limits on such payments in terms of the number of years of fixed remuneration and the maximum amount resulting from the application of the above criteria.

For further details, see the sections "*Elements of the remuneration and incentive policy*" and "*Severance payments on termination of employment for Material Risk Takers*" of this document.

**Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration.**

Variable remuneration and the correlation between risk and performance is determined through a process that aims to remunerate resources on the basis of risk-adjusted performance, in accordance with BancoPosta RFC's risk profile, with a view to business continuity and sustainability of results in the long term.

c)

The activation of the variable short-term incentive scheme ("MBO") is linked to, among other things, the achievement of risk tolerance levels for capital requirements (CET1), liquidity (LCR) and risk-adjusted profitability (RORAC), envisaged within the framework for determining the risk appetite of BancoPosta RFC ("RAF"). There is also a bonus pool mechanism directly linked to the RAF and structured in two phases: Phase 1 – the bonus pool is determined on the basis of "funding" defined from a prudential perspective with reference to RORAC; Phase 2 – the output of Phase 1 is further adjusted according to a qualitative indicator of the RAF (RAF Quality Index - RQI) and an indicator of the quality perceived by BancoPosta retail customers (Net Promoter Score – NPS).

The activation of long-term incentive schemes is also linked to, among other things, the achievement of specific levels of capital requirements (CET1), liquidity (LCR) and risk-adjusted profitability (RORAC) of BancoPosta RFC.

For further details, see the section on “Material Risk Takers” in this document.

**d) The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.**

The Shareholders’ Meeting of May 28, 2021 approved the proposal to raise the maximum ratio of variable remuneration to fixed remuneration from 1:1 to a maximum of 2:1 for BancoPosta RFC’s Material Risk Takers. The variable component of the remuneration paid to personnel belonging to the Company’s control functions may not exceed one third of the fixed component.

For further details, see the section “*Elements of the remuneration and incentive policy*” of this document.

**Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration. Disclosures shall include:**

**e)**

- **an overview of main performance criteria and metrics for institution, business lines and individuals;**

The activation of the short-term variable incentive scheme (“MBO” STI) is subject to specific conditions (see point “c”); examples of performance indicators for Material Risk Takers are:

- BancoPosta’s RORAC;
- BancoPosta’s Customer Experience;
- Business projects.

For long-term incentive schemes, in addition to the activation conditions mentioned above, the performance targets are the same for all beneficiaries.

For further details, see the sections “*Chief Executive Officer and General Manager*” and “*Material Risk Takers*” of this document.

- **an overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance;**

Individual variable remuneration is mainly linked to the performance of BancoPosta RFC and the Poste Italiane Group. With particular reference to the MBO scheme, the individual bonus accrued may be increased up to a maximum level on the basis of excellent performance and may increase up to a maximum level defined for excellent performance and may also be reduced to zero in relation to the degree of adequacy of individual performance as a whole, as measured in the annual performance evaluation system.

With regard to long-term incentive schemes, the performance targets are the same for all beneficiaries and are linked to Group performance.

For further details, see the section “*Material Risk Takers*” of this document

- **information on the criteria used to determine the balance between different types of instruments awarded including shares, equivalent ownership interests, options and other instruments;**

	<p>A significant portion of variable remuneration, measured on an annual, multi-year basis, is deferred and paid as rights to receive Poste Italiane's ordinary shares.</p> <p>For further details, see the section "<i>Material Risk Takers</i>" of this document.</p>
	<p><b>- information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution's criteria for determining "weak" performance metrics.</b></p> <p>If the parameters for the activation of the scheme are not achieved (see point "c"), the variable components will not be paid.</p>

	<p><b>Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance. Disclosures shall include:</b></p>
f)	<p><b>- an overview of the institution's policy on deferral, payout in instrument, retention period and vesting periods of variable remuneration including where it is different among staff or categories of staff;</b></p> <p>For MRTs, a significant part of the MBO scheme is deferred and paid in rights to receive Poste Italiane's ordinary shares. It is paid as annual pro-rata disbursements, depending jointly on the role held and the amount of variable remuneration awarded.</p> <p>For the CEO-GM, the Head of the BancoPosta function and the Risk Takers belonging to senior management with particularly high variable remuneration, 60% of the incentive is deferred over a five-year period (pro-rata); 45% is paid in cash and 55% in rights to receive Poste Italiane's ordinary Shares.</p> <p>The 2023-2025 Performance Share LTIP is entirely based on rights to receive Poste Italiane's ordinary Shares at the end of the three-year performance period. Rights to receive Shares are granted as follows:</p> <ul style="list-style-type: none"> <li>• 40% (the up-front portion), at the end of the performance period;</li> <li>• 60% in five deferred annual instalments over a five-year period (the first three equal to 10% of the total rights accrued and the next two equal to 15% of the total rights accrued).</li> </ul> <p>For further details, see the section "Material Risk Takers" of this document.</p>
	<p><b>- information of the institution's criteria for ex-post adjustments (malus during deferral and clawback after vesting, if permitted by national law);</b></p> <p>For the MBO scheme, payment of the deferred portion will take place, each year, provided that the risk tolerance levels for BancoPosta RFC's capital adequacy, liquidity and risk-adjusted profitability have been complied with. The same risk tolerance levels must also be complied with at the end of the Retention Period.</p> <p>For the 2023-2025 Performance Share LTIP, deferred Shares will take place after verifying the existence of risk tolerance levels of capitalisation, liquidity and risk-adjusted earnings appropriate to the risks assumed. The Shares vested will become available, at the end of the retention period, subject to verification of:</p> <ol style="list-style-type: none"> <li>I. for the up-front portion, compliance with the risk appetite level for BancoPosta RFC's capital adequacy, liquidity and risk-adjusted profitability;</li> <li>II. for the deferred Shares, compliance with the risk tolerance level for BancoPosta RFC's capital adequacy, liquidity and risk-adjusted profitability.</li> </ol>

	<p>Within 5 years of disbursement of each awardable incentive and, in any event, within the time limit set by the related statute of limitations, the Company may request the clawback of any amounts disbursed, up to the entire amount paid, without prejudice to the right to claim for any further damages.</p> <p>For further details, see the sections “<i>Material Risk Takers</i>” and “<i>Ex-ante and ex-post adjustments (malus and claw back provisions)</i>” of this document.</p>
	<p>- <b>where applicable, shareholding requirements that may be imposed on identified staff.</b></p> <p>The CEO-GM and Key Management Personnel are beneficiaries of Poste Italiane’s Share Ownership Guidelines.</p> <p>For further details, see the section “<i>Share Ownership Guidelines (SOGs)</i>” of the “<i>Report on the 2023 Remuneration Policy of Poste Italiane S.p.A.</i>”</p>

	<p><b>The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR. Disclosures shall include:</b></p>
g)	<p>- <b>Information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non cash-instruments, options and other instruments.</b></p> <p>The criteria for the activation of the variable incentive schemes, the performance targets and the methods for paying the bonuses are described in the paragraphs “<i>Chief Executive Officer and General Manager</i>”, “<i>Material Risk Takers</i>” and “<i>Material Risk Takers belonging to Company’s control functions</i>” of this document, respectively.</p>

	<p><b>Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management.</b></p>
h)	<p>See the “<i>Report on amounts paid in 2022</i>” of Poste Italiane S.p.A. and the section “<i>Ex-post disclosures - Aggregate quantitative disclosures</i>” of this document.</p>

	<p><b>Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR.</b></p>
i)	<p>- <b>For the purposes of this point, institutions that benefit from such a derogation shall indicate whether this is on the basis of point (a) and/or point (b) of Article 94(3) CRD. They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.</b></p> <p>There are 19 Risk Takers whose annual variable remuneration does not exceed €50,000 and does not represent more than one-third of their total annual remuneration; their total</p>

remuneration is €1,993k of which fixed €1,606k and variable of €387k (for an average of approximately €20k per resource).

j)

**Large institutions shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR.**

See the “*Report on amounts paid in 2022*” of Poste Italiane S.p.A. and the section “*Ex-post disclosures - Aggregate quantitative disclosures*” of this document.

Aggregate quantitative disclosures

The aggregate amounts shown in the following tables reflect BancoPosta RFC's organisational structure at 12/31/2022.

Table EU REM1: remuneration awarded for the financial year

			a	b	c	d
			Management body - strategic supervision function	Management body - management function	Other senior management	Other MRTs
1	Fixed remuneration	Number of MRTs	8	1	10	20
2		Total fixed remuneration	€ 1,085,030 <sup>1</sup>	€ 1,255,000 <sup>2</sup>	€ 2,344,642	€ 2,189,456
3		Of which, in cash	€ 1,085,030	€ 1,255,000	€ 2,344,642	€ 2,189,456
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
6		(Not applicable in the EU)				
7		Of which: other forms				
8	(Not applicable in the EU)					
Notes:						
<sup>1</sup> This amount does not include the value of benefits, equal to €9,094.						
<sup>2</sup> This amount does not include the value of benefits, equal to € 8,382.						

			a	b	c	d
			Management body - strategic supervision function	Management body - management function	Other senior management	Other MRTs
9	Variable remuneration	Number of MRTs	8	1	10	20
10		Total variable remuneration	€ -	€ 2,788,638	€ 2,335,301	€ 773,017
11		Of which, in cash		€ 1,143,000	€ 923,349	€ 460,717
12		Of which: deferred		€ 191,250	€ 168,884	€ 64,974
EU-13a		Of which: shares or equivalent ownership interests		€ 1,645,638	€ 1,411,952	€ 312,300
EU-14a		Of which: deferred		€ 416,929	€ 475,628	€ 154,871
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b		Of which: deferred				
EU-14x		Of which: other instruments				
EU-14y		Of which: deferred				
15		Of which: other forms				
16		Of which: deferred				
17		Total remuneration (2+10)		€ 1,085,030	€ 4,043,638	€ 4,679,943

*Notes to Table EU REM1:***Total fixed remuneration** means:

- for Directors, pay as defined by paragraphs 1 and 3 of art. 2389 of the Italian Civil Code and for membership in Committees;
- for employees, the gross annual salary for the year ended 12/31/2022, plus the role-based allowance and the value of benefits - based on a taxability criterion.

**Total variable remuneration** is defined as:

- estimate of 2022 "MBO" – up-front and deferred;
- estimate of "Performance Share LTIP", second cycle 2020-2022 – up-front and deferred;
- estimate of "Five-year Deliver 2022 LTIP" – up-front and subject to retention;

**Other members of senior management** mean the senior management and the Head of BancoPosta.

The difference between row EU-13a and EU-14a represents the value of portions of variable remuneration subject to retention for up to 2 years; it is understood that deferred shares will also be subject to one-year retention thereafter.

Information is given for Material Risk Takers as at 12/31/2022. Where MRTs left BancoPosta before the end of the financial year, the remuneration is included.



**Table EU REM2: Special payments to staff whose professional activities have a material impact on the institution's risk profile (Material Risk Takers)**

		a	b	c	d
		Management body - strategic supervision function	Management body - management function	Other senior management	Other MRTs
<b>Guaranteed variable remuneration awards</b>					
1	Guaranteed variable remuneration awards - Number of MRTs				
2	Guaranteed variable remuneration awards - Total amount				
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
<b>Employee termination benefits awarded in previous periods, that have been paid out during the financial year</b>					
4	Employee termination benefits awarded in previous periods, that have been paid out during the financial year - Number of MRTs		1		
5	Employee termination benefits awarded in previous periods, that have been paid out during the financial year - Total amount		€ 415,183		
<b>Employee termination benefits awarded during the financial year</b>					
6	Employee termination benefits awarded during the financial year - Number of MRTs				
7	Employee termination benefits awarded during the financial year - Total amount				
8	Of which paid during the financial year				
9	Of which deferred				
10	Of which employee termination benefits 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				

Table EU REM3: deferred remuneration

	a	b	c	d	e	f	EU-g	EU-h
Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustments during the financial year due to ex-post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1 <b>Management body - strategic supervision function</b>								
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 <b>Management body - management function</b>	€ 1,075,903	€ 299,580	€ 776,323	€ -	€ -	-€ 10,824	€ 152,654	€ 188,748
8 Cash-based	€ 331,303	€ 110,832	€ 220,471	€ -	€ -	€ -	€ 21,214	€ -
9 Shares or equivalent ownership interests	€ 701,467	€ 145,615	€ 555,852	€ -	€ -	-€ 21,898	€ 38,738	€ 145,615
10 Share-linked instruments or equivalent non-cash instruments	€ 43,133	€ 43,133	€ -	€ -	€ -	€ 11,074	€ 92,702	€ 43,133
11 Other instruments								
12 Other forms								
13 <b>Other senior management</b>	€ 524,321	€ 119,185	€ 405,136	€ -	€ -	-€ 6,971	€ 62,433	€ 81,460
14 Cash-based	€ 165,764	€ 37,725	€ 128,040	€ -	€ -	€ -	€ 9,080	€ -
15 Shares or equivalent ownership interests	€ 347,730	€ 70,634	€ 277,096	€ -	€ -	-€ 9,048	€ 18,887	€ 70,634
16 Share-linked instruments or equivalent non-cash instruments	€ 10,826	€ 10,826	€ -	€ -	€ -	€ 2,076	€ 34,465	€ 10,826
17 Other instruments								
18 Other forms								
19 <b>Other MRTs</b>	€ 306,220	€ 139,193	€ 167,026	€ -	€ -	-€ 6,630	€ 42,692	€ 86,663
20 Cash-based	€ 138,400	€ 52,530	€ 85,869	€ -	€ -	€ -	€ 8,137	€ -
21 Shares or equivalent ownership interests	€ 124,255	€ 43,098	€ 81,157	€ -	€ -	-€ 3,870	€ 13,601	€ 43,098
22 Share-linked instruments or equivalent non-cash instruments	€ 43,565	€ 43,565	€ -	€ -	€ -	-€ 2,760	€ 20,954	€ 43,565
23 Other instruments								
24 Other forms								
25 <b>Total amount</b>	€ 1,906,444	€ 557,958	€ 1,348,486	€ -	€ -	-€ 24,426	€ 257,778	€ 356,871

**Notes to Table EU REM3:**

**Columns A, B and C:** for the Shares and instruments linked to the Shares (Poste Italiane's Phantom Stock), the value in euros is defined on the basis of the value of the share in the 30 stock exchange trading days prior to the date of the Board of Directors' meeting that resolved on the assessment of the plan.

**Column F:** correction calculated as the delta between the value at the grant date of the Shares / instruments linked to the Shares (Poste Italiane's Phantom Stock) and the value in euros on the basis of the value of the share in the 30 stock exchange trading days prior to March 29, 2023, the date of the Board of Directors' resolution to submit this document to the Shareholders' Meeting.

**Column Eu-G:** for the Shares and instruments linked to the Shares (Poste Italiane's Phantom Stock), the value in euros is defined on the basis of the value of the share in the 30 stock exchange trading days prior to April 13, 2022, the date of the Board of Directors' meeting that verified that the conditions for payment of deferred remuneration had been satisfied.

Information is given for Material Risk Takers as at 12/31/2022. Where MRTs left BancoPosta before the end of the financial year, the remuneration is included.

**Table EU REM4: remuneration of €1 million or more per year**

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

**Notes to Table EU REM4:**

Information is given for Material Risk Takers as at 12/31/2022.

**Table EU REM5: Information on remuneration of staff whose professional activities have a material impact on the institution's risk profile (Material Risk Takers)**

	a	b	c	d	e	f	g	h	i	j	
	Management body remuneration			Business areas							
	Management body - strategic supervision function	Management body - management function	Total management body	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total	
1	Total number of MRTs									39	
2	8	1	9								
3							4	3	3		
4							3	11	6		
5	€ 1,085,030	€ 4,043,638	€ 5,128,668				€ 1,181,735	€ 1,977,966	€ 4,482,716		
6	€ -	€ 2,788,638	€ 2,788,638				€ 319,098	€ 400,405	€ 2,388,815		
7	1 € 1,085,030	2 € 1,255,000	€ 2,340,030				€ 862,637	€ 1,577,561	€ 2,093,901		

Notes:  
<sup>1</sup> This amount does not include the value of benefits, equal to €9,094.  
<sup>2</sup> This amount does not include the value of benefits, equal to € 8,382.

**Notes to Table EU REM5:**

For **total remuneration**, see the description in the notes to Table EU REM1.

Information is given for Material Risk Takers as at 12/31/2022. Where MRTs left BancoPosta before the end of the financial year, the remuneration is included.

## Focus on gender-neutrality within BancoPosta RFC

The Poste Italiane Group encourages the development of a culture based on respect for and appreciation of diversity which, in all its forms and manifestations and at the various levels of the organisation, is one of the greatest resources for the creation of long-term sustainable value for the entire Company. The conscious management of diversity in an inclusive manner, in addition to creating shared social value, determines a competitive advantage for the entire Group, protecting resources and their talent, and is an enabling element for the involvement and commitment of people to the company's objectives.

This path aims to develop and evolve the way in which diversity issues are dealt with, moving from an approach aimed at protecting and integrating diversity to a proactive strategy to overcome any barriers and resolve the factors that may prevent people from being included in the labour market.

BancoPosta, in accordance with Group's policies, safeguards the value of its people and promotes the protection of their psychophysical, moral and cultural integrity through working conditions that respect individual dignity and rules of conduct.

In this context, in 2020 Poste Italiane's Board of Directors approved the Policy on Diversity and Inclusion. The document aims to set out a clear approach in terms of mission, strategies and active practices in order to foster a collaborative, inclusive working environment receptive to contributions from all employees in order to increase the confidence of staff, customers and civil society in general.



In 2022 BancoPosta actively participated in the assessment process on equal pay for men and women undertaken by Poste Italiane, which culminated in "Equal Salary" certification issued by the Equal Salary Foundation, an independent Swiss non-profit organisation. The certification was developed in collaboration with the University of Geneva, complying with international standards and best practices and applying a rigorous methodology approved by the European Commission.

The award was conferred at the end of a well-structured audit process, aimed at verifying the neutrality of remuneration policies with respect to gender, which flanked the precise analysis of the remuneration levels of the entire company population with a phase of listening to Poste Italiane (surveys, interviews and focus groups) focused on the perception of the company's commitment to inclusion and diversity. In addition, a further phase was dedicated to assess the policies adopted by the company for the management and development of its employees. In particular, BancoPosta was involved in all the steps of the above-mentioned assessment process, with a feedback phase fully dedicated to its people, taking into account the specific peculiarities of the BancoPosta's scope.

Poste Italiane has started the certification process on a voluntary basis in order to monitor the results of its commitment to improve the well-being of its people and in line with the objectives of the Strategic Plan. Obtaining certification confirms the soundness of the Group's human resources management and development policies, remuneration policies and Diversity and Inclusion policies.

BancoPosta also guarantees that decisions regarding remuneration, including incentive systems, are not based on gender, nor on any other form of diversity (age, sexual orientation and identity, disability, health, ethnic origin, nationality, language, political opinions, social and economic conditions, religious beliefs), are based on merit and professional skills aligned with the principles that inspire the Reward Strategy.

In particular, its incentive systems are based on objective parameters, thereby rewarding the results achieved and the merit of those involved.

Gender-neutral equal pay represents one of the main pillars of the Poste Italiane Group's remuneration policy, offering to all its personnel equal access to Company opportunities.

BancoPosta confirms its commitment to:

- continuing to analyse the evolution of the gender pay gap;
- adequately implementing an action plan to maintain the gender neutrality of the remuneration policy over time;
- clarify any significant differences in remuneration and implement the necessary corrective actions;
- ensure constant equal opportunities for development and professional growth according to meritocratic principles.

Assessing the pay gap, which is calculated weighting the differential measured for uniform population bands (i.e., with the same degree of complexity and level of responsibility associated with the role) by the relative weight of the female gender; the gap, as represented in the figure below, is limited at 4.4%, in line with the previous year.

FIGURE 31. GENDER PAY GAP OF BANCOPOSTA PERSONNEL

