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BANCA MONTE DEI PASCHI DI SIENA S.P.A.

ORDINARY SHAREHOLDERS' MEETING

11 April 2024 (single call)

INFORMATION DOCUMENT

pursuant to article 84-*bis* of Consob Regulation no. 11971 of 14 May 1999,

as subsequently amended.

RELATING TO THE

**2024 INCENTIVE SYSTEM AND RELATED PAYMENT MODALITIES IN FAVOUR OF THE
MONTEPASCHI GROUP PERSONNEL BASED ON PHANTOM SHARES**



INFORMATION DOCUMENT PURSUANT TO THE COMBINED PROVISIONS OF ARTICLE 114-BIS OF THE CONSOLIDATED FINANCIAL ACT (TUF) AND ARTICLE 84-BIS OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS SUBSEQUENTLY AMENDED.

Foreword

The Remuneration Policies of Montepaschi Group outlined in the Remuneration Report (both as defined below) for the year 2024 and submitted for the necessary prior approval of the Shareholders' Meeting of Banca Monte dei Paschi di Siena S.p.A. (hereinafter "**BMPS**" or "**Bank**"), in application of the provisions of the applicable remuneration legislation (see below) - require for the "**Identified Staff**" of Montepaschi Group (hereinafter also the "**Group**"), *i.e.* those persons whose activities have a significant impact on the Group's risk profile, the activation of the **2024 Incentive System** (the "2024 Incentive System", as defined below). This system represents a strategic lever for:

- enhancing the value of human capital;
- guaranteeing sustainable development in the ESG (Environment, Social and Governance) area through the adoption of incentive parameters related to the achievement of the Group's strategic guidelines on environmental, social and governance issues;
- ensuring alignment between management and the interests of Shareholders and investors;
- facilitating the achievement of the challenging objectives defined for 2024 by creating value and the prerequisites for the full execution of the 2022-2026 Business Plan in the period 2022-2026.

In application of the provisions of the applicable regulatory framework, the payment method applied to the Identified Staff is subject to the rules of combination and deferral of cash and financial instruments; it is therefore necessary to use Phantom Shares to support the plan.

It should be noted that - still in accordance with the provisions of supervision regarding remuneration policies and practices issued by the Bank of Italy¹ (hereinafter referred to as the "**Supervisory Provisions**" or simply the "**Circular**") and the Group's Remuneration Policies - the Phantom Shares will also be used within the context of any agreements for termination of employment or early termination of office, for the part exceeding the cost of notice (so-called "**Severance**"). In line with the applicable legislation, the Phantom Shares, to be assigned with reference to Severances, will be paid according to the methods envisaged for variable remuneration (payment in cash and financial instruments, deferral, retention) and are subject to the same *malus* and claw-back rules described below.

¹ See Bank of Italy Circular No. 285 of December 17, 2013, as subsequently amended and supplemented, Part One - Title IV - Chapter 2 - Section III.



This information document is prepared pursuant to Article 114-*bis* of the Consolidated Financial Act (TUF) and Article 84-*bis* of the Regulation adopted by Consob with resolution No. 11971 of 14 May 1999, as subsequently amended (hereinafter the “**Issuers’ Regulations**”), and also in the numbering of the relevant paragraphs, is consistent with the guidelines contained in Schedule 7 of Annex 3A of the Issuers' Regulations.

This information document may be updated and/or supplemented, pursuant to article 84-*bis*, paragraph 5 of the Issuers’ Regulations, in the implementation phase of the 2024 Incentive System, with currently unavailable information and in any case as soon as it is available.

Please note that, for the purpose of the detailed information contained herein, the 2024 Incentive System is to be considered “of major importance” pursuant to article 114-*bis*, paragraph 3 of the Consolidated Financial Act (TUF) and article 84-*bis*, paragraph 2 of the Issuers’ Regulations.

Definitions

For the purposes of this information document, the terms indicated below have the following meaning:

Directors	The Executive Directors of the Bank and the Group.
Shares	The Bank’s ordinary shares.
Beneficiaries	The Identified Staff of the Group who have been granted a Severance and/or accrued a bonus in line with the 2024 Incentive System to be paid in part in financial instruments, in accordance with current regulations.
Bonus Pool	Amount intended to finance, under the conditions set out in the Remuneration Policy in force, the <i>2024 Incentive System</i> . It is part of the consolidated personnel cost, approved at the end of the budgeting process for the reference year.
Civil Code	The Italian Civil Code, approved by Royal Decree no. 262 dated 16 March 1942, as subsequently amended.
Corporate Governance Code	The corporate governance code for listed companies prepared by the Corporate Governance Committee and sponsored by Borsa Italiana S.p.A. as applicable at the time.
Remuneration Committee	The Bank’s Remuneration Committee in office at the time.



Individual Communications	The contractual documentation and communications sent to the individual Beneficiaries.
Board of Directors	The Bank's Board of Directors in office at the time.
CRO	Chief Risk Officer Department. Structure that performs the Risk Control Function according to the definition of the supervisory regulations, guaranteeing the adequacy and effectiveness of the Group's risk management system.
Date of Approval	The date of final approval of the Regulation by the Board of Directors.
Awarding Date (2024 Incentive System)	The date on which the Board of Directors approves the draft Separate Financial Statements for 2024 and, at the same time, verifies that the access conditions defined for the 2024 Incentive System have been exceeded.
Business Day	Each calendar day except Saturdays, Sundays and other days when the Milan Stock Exchange is usually not open for trading.
Phantom Shares	Financial instruments in synthetic form convertible into cash, free of charge and non-transferable, by deed <i>inter vivos</i> , for any reason, usable for the 2024 Incentive System or for Severances, the conversion of which gives the individual Beneficiaries the right to receive the related monetary amount, under the terms and conditions set forth in the Regulation and the Individual Communications.
Identified Staff or PPR (Personale Più Rilevante)	The staff, whose professional activities may have a significant impact on the risk profile of the entity, is identified annually on the basis of a structured and formalised assessment defined on the basis of the Circular and Regulatory Technical Standards (EU Delegated Regulation no. 923 of 25/3/2021).
Remuneration Policies	The remuneration policies of Montepaschi Group, as outlined in the Remuneration Report.
Potential Beneficiaries	The employees and/or Directors of Montepaschi Group included in the Identified Staff, who, on the basis of the Circular and the Remuneration Policies, may be beneficiaries of a bonus, in line with the <i>2024 Incentive System</i> , or Severance to be paid by means of a component in financial instruments.



Relationship	The employment and/or administrative relationship in place between the Beneficiaries and the Bank or the other companies of the Group.
Regulation	The Regulation of the 2024 Incentive System under article 3.2.
Report on Remuneration	The 2024 report on the remuneration policy and on compensation paid pursuant under article 123- <i>ter</i> of the Consolidated Financial Act, approved by the Shareholders' Meeting of Banca Monte dei Paschi di Siena S.p.A.
Scorecard	<i>Set</i> of individual indicators/KPIs assigned <i>ex ante</i> on which the performance is measured.
2024 Incentive System	The short-term incentive system envisaged for 2024 in the Group Remuneration Report submitted to the approval of the Bank's Ordinary Shareholders' Meeting.
TUB (Testo Unico Bancario, Consolidated Law on Banking)	Italian Legislative Decree no. 385 of 1 September 1993, as amended.
TUF (Testo Unico Finanza, Consolidated Financial Act)	Italian Legislative Decree no. 58 of 24 February 1998, as amended.
Normal Value	The normal value of the Shares (determined pursuant to article 9, paragraph 4, of the Consolidated Income Tax Act (TUIR).

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1. BENEFICIARIES.

The beneficiaries of the 2024 Incentive System are the Directors and employees of Montepaschi Group included in the Group's "Identified Staff" (identified on the basis of the criteria established in the Regulations in force at the time and approved by the Board of Directors) pursuant to the Circular and the Group's Remuneration Policies.

1.1 List by name of beneficiaries who are members of the Board of Directors or the Managing Board of the issuer of the financial instruments, of the issuer's parent companies and of the companies directly or indirectly controlled by the latter.

The parties for which - pursuant to article 84-*bis*, paragraph 3 of the Issuers' Regulations and related Annex 3A, Schedule 7 - the disclosure by name is required:

- the Chief Executive Officer and General Manager of Banca Monte dei Paschi di Siena S.p.A., Luigi Lovaglio.



1.2 Categories of employees or independent contractors of the issuer of the financial instruments and of the latter's parent companies or subsidiaries.

In addition to the name referred to in point 1.1 above, the 2024 Incentive System is intended for Group employees belonging to the Identified Staff group. It should be noted that, at the date of this information document, the number of these employees is 124, including the Chief Executive Officer (also General Manager).

This without prejudice to cases in which, as stated in the Supervisory Provisions, the annual remuneration paid is lower than the materiality threshold of EUR 50,000 and at the same time lower than or equal to one third of the total annual individual remuneration.

1.3 List of individuals covered by the 2024 Incentive System belonging to the groups referred to in paragraph 1.3, letters a), b) and c) of Annex 3A, Schedule 7 of the Issuers' Regulations.

The 2024 Incentive System's potential beneficiaries include individuals belonging to the groups referred to in section 1.3, letter a) and b) of Annex 3A, Schedule 7 of the Issuers' Regulations.²³

In particular, to date (subject to changes in the current 2024 Incentive System), the Potential Beneficiaries include individuals with managerial responsibilities, who have regular access to inside information and can make managerial decisions that may impact the Bank's evolution and future prospects, *i.e.*, in addition to the Chief Executive Officer and General Manager of the Bank, Luigi Lovaglio, the "Key managers" identified, pursuant to the regulations in force, in the managers of the Departments and the other managers of structures reporting directly to the Chief Executive Officer and to the Board of Directors.

1.4 Description and number of beneficiaries, broken down by categories as set out in paragraph 1.4, letters a), b) and c) of Annex 3A, Schedule 7 of the Issuers' Regulations.

As regards the methods to identify the 2024 Incentive System's Beneficiaries, please refer to paragraphs 1.1, 1.2 and 1.3 above.

The description and number, broken down by categories, of the 2024 Incentive System's Beneficiaries identified by the Board of Directors as belonging to the categories indicated in item 1.4, letter a) of Annex 3A, Schedule 7, of the Issuers' Regulations, will be provided in accordance with the Regulations in force.

² That is, the General Manager of the Bank (who, at present, also holds the position of Chief Executive Officer; see, in particular, paragraph 1.1. above).

³ The recipients, as of today, only potential and of whom no names can be provided, since there are currently no other Key Management Personnel of the issuer of financial instruments who, during the financial year, has received higher total remuneration than the highest total remuneration allocated to the members of the Board of Directors and General Managers of the issuer of financial instruments.



2. REASONS FOR ADOPTING THE 2024 INCENTIVE SYSTEM.

2.1 Objectives to be achieved through the awarding of the 2024 Incentive System.

The 2024 Incentive System allows the Bank to comply with the provisions of the Circular on remuneration policies and has as its purpose:

- the value enhancement of human capital;
- guaranteeing sustainable development in the ESG (Environment, Social and Governance) area through the adoption of incentive parameters related to the achievement of the Group's strategic guidelines on environmental, social and governance issues;
- ensuring alignment between management and the interests of the Shareholder and investors;
- facilitating the achievement of the challenging objectives defined for 2024 by creating value and the prerequisites for the full execution of the Business Plan in the period 2022-2026.

The 2024 Incentive System also aims to attract and retain highly qualified personnel and to support management motivation, recognising merit and enhancing professional development.

The system was developed in accordance with the objectives defined within the planning and development processes of the Risk Appetite Framework ("**RAF**"). It should be noted that in no way does the 2024 Incentive System induce risks to be assumed in excess of the degree of risk appetite established by the company strategies.

The 2024 Incentive System - in compliance with regulatory provisions (use of financial instruments, deferral of time, *malus* and claw-back clauses described below) - was deemed by the Board of Directors to comply with the principles illustrated in the Remuneration Report prepared pursuant to article 123-*ter* of the Consolidated Financial Act (TUF), submitted annually to the approval of the Bank's Shareholders' Meeting.

2.1.1 Additional information for so-called significant plans pursuant to article 84-*bis*, paragraph 2 of the Issuers' Regulations.

(a) 2024 Incentive System Guidelines

The principles on which the 2024 Incentive System is based can be summarised as follows:

- constitute an important management lever to motivate the Bank's PPR to achieve the objectives of the 2022-2026 Business Plan;
- provide for an entry gate mechanism that allows the payment only in the presence of adequate levels of capital strength, liquidity and profitability of the Group;
- be part of a framework of overall economic and financial sustainability of the Group's business;



- align the Bank's management with the long-term interests of all stakeholders through the pursuit of results that have a positive impact on ESG (Environment, Social, Governance) factors.

(b) Main elements of the 2024 Incentive System

Based on the principles mentioned above, the 2024 Incentive System was developed, at individual level and upon reaching the maximum level of performance, without prejudice to the availability of the Bonus Pool, to provide for the definition of individual bonuses of an amount not exceeding in any case 100% of the fixed remuneration.

The limits of the variable remuneration for the Identified Staff are broken down as follows, based on the PPR Cluster to which the resource receiving the variable remuneration belongs, as described in the Remuneration Report:

<i>PPR Cluster</i>	<i>max % of variable to fixed</i>
I Cluster	-
II Cluster	100% (*)
III Cluster	80% (*)
IV Cluster	-
V Cluster	60% (*)
Total	

(*) Without prejudice to the limit of one third for the Company Control Functions.

2.2 Key variables, including in the form of performance indicators considered for the purposes of awarding the plans based on financial instruments.

The 2024 Incentive System provides for access mechanisms or “gates” relating to the Group's capital, liquidity and operational risk conditions (Tier1 Ratio, Net Stable Funding Ratio, Risk Adjusted Return On Capital). Once the gates are exceeded, the total amount of the Bonus Pool is related to the Group's Net Operating Income.

<i>Prerequisite</i>		<i>Profit for the year > 0</i>
Tier 1 Ratio	>	2024 Risk tolerance RAF
NSFR	>	2024 Risk tolerance RAF
RAROC		Positive

The funding model proposed, in line with regulatory provisions and with market practices, correlates the amount of available resources (actual Bonus Pool) with the income results actually achieved.



The proposed mechanism ensures a symmetry between the amount of the Bonus Pool and the results, allowing a significant reduction, down to zero, in the event of failure to achieve the targets.

In order to ensure the sustainability of the Bonus Pool with respect to the Group's risk profile, the CRO, on the basis of a multi-dimensional matrix (so-called "CRO Dashboard") whose detailed metrics are measured with reference to the respective relevant thresholds (appetite, limit and tolerance) previously established, carries out an assessment of the overall risk profile with which the Net Operating Income was achieved. The summary assessment of the CRO Dashboard can confirm the Bonus Pool defined through the funding ratio, as well as the proposal of an increase of up to +20% or a decrease of up to -20%.

Consistent with the regulatory provisions on the prevention of the risk of conflicts of interest, the variable component of the personnel pertaining to control functions is related to the control activities carried out within the scope of the assigned responsibilities, having verified that the access conditions are exceeded, and does not change based on income results.

2.3 Elements for the determination of the amount of compensation based on financial instruments, or criteria for its determination.

Once the overall Bonus Pool has been defined, the amount of the bonus awarded is related to the score obtained in the Scorecard, deriving from the level of achievement of the assigned objectives, of an economic-financial, sustainability, or qualitative nature and defined in consistency with the Group Remuneration Policies in force.

The bonus actually awarded may reach the maximum limit⁴ defined in the remuneration policy (1:1 with respect to the fixed remuneration).

The Bank is a "significant" bank according to the Single Supervisory Mechanism (SSM) Regulation and therefore directly supervised by the ECB. It follows that the more stringent provisions set forth in the Supervisory Provisions (Part One, Title IV, Chapter 2, Section III, paragraph 2.1 point 4) concerning the payment of variable remuneration to the Identified Staff should apply for 2024. In particular:

- at least 40% of the variable remuneration (may increase up to 70% in the case of a "particularly high amount"⁵) is subject to a deferral period of no less than four/five years based on the Cluster of Identified Staff to which the variable remuneration Beneficiary belongs;

⁴ Any additional forms of remuneration that, in accordance with regulatory provisions, are considered variable remuneration such as, for example, Compensation for Non-Compete Covenants and/or Compensation for Advance notice period agreements are also included in the maximum limit.

⁵ Established for the year 2024 at EUR 424,260, as reported in the Remuneration Policies.



- at least 50% of the variable remuneration, with reference to both the up-front and the deferred portion, is to be paid in the form of Phantom Shares, to which an adequate retention period is applied.

This is without prejudice to the possibility of derogation in the case of an annual variable remuneration that meets the conditions set out in paragraph 1.2.

The Supervisory Provisions state that, in banks considered to be “significant”, at least as regards the executive directors, the General Manager, the co-General Managers, the Vice General Managers and other similar figures, the managers of the main business areas, functions companies or geographical areas, as well as those who report directly to the bodies with strategic supervision, management and control functions:

- the duration of the deferral period is not less than 5 years;
- more than 50% of the deferred portion is composed of financial instruments.

For banks benefiting from State aid, the Supervisory Provisions provide for the additional criterion for which the variable component of the remuneration of Identified Staff is deferred by a higher percentage than that envisaged, if necessary up to 100%.

Notwithstanding the above, in accordance with the timing and procedures defined in the 2024 Remuneration Policies, any bonus accrued shall be allocated at least 50% in Phantom Shares and a component between 50% and 70% shall be deferred for 5 years.

In consideration of the overall framework of provisions applicable to the Bank, it should be noted that the total remuneration paid to the Bank's staff in each year of permanence in the “State aid” regime, including the fixed component and any variable remuneration percentages that may be paid, may not exceed 10 times the **average (monetary) remuneration of the Bank's employees** in 2022.

With reference to the Senior Managers and Key Functions holders⁶, the variable remuneration percentage accrued (insofar as all the performance conditions have been met) but exceeding - also calculating the fixed component - the aforementioned limit, may be paid subject to the disposal of the equity investment of the Government in the Bank, without prejudice to further deferrals and/or retention periods envisaged on the basis of the scheme governed by the 2024 Remuneration Policies.

⁶ Persons who have a significant influence on the management of the institution, but who are not members of the management body and do not hold the position of managing director (see Guidelines on the assessment of the suitability of members of the management body and key personnel of 2 July 2021).



In line with the 2024 Remuneration Policies, subject to prior approval by the Shareholders' Meeting, verification of the so-called *malus* conditions is envisaged for each assignment, as identified by the Remuneration Policies in effect at that time. In line with the regulations, *ex-post* adjustment mechanisms are included; in particular:

- Individual *malus* clauses relating to the bonus. The bonus can be zeroed on an individual basis if one of the events that may involve the application of the claw-back is detected during the year (or in subsequent years) (see below). In addition, the following may result in the reduction of the bonus, down to zero: failure to complete mandatory training.
- *Malus* clauses for deferred portions of the bonus. The simultaneous fulfilment of the *malus* conditions set forth in the Remuneration Policy in force at the time, assessed on the date closest to the payment itself, is required, failing which the deferred percentage of the year will not be paid:⁷
- Clauses related to individual conduct (so-called *compliance breach* – see below). The bonus may be reduced to zero in the event of the occurrence during the year of one of the events that may lead to the application of the claw-back.
- Claw-back clauses for the entire bonus or individual amounts. *Ex-post* correction mechanisms shall be applied in the event of the occurrence of so-called “compliance breach”, which are (i) behaviours that do not comply with legal, regulatory or statutory provisions or any codes of ethics or conduct applicable to the Bank, resulting in a significant loss for the Bank or its customers; (ii) further behaviours that do not comply with legal, regulatory or statutory provisions or any codes of ethics or conduct applicable to the Bank, in the cases that the latter may set forth; (iii) violations of the obligations imposed pursuant to Article 26 or, when the person is an interested party, Article 53, paragraphs 4 et seq, of the Consolidated Law on Banking or of the obligations relating to remuneration and incentives; (iv) other fraudulent or grossly negligent conduct to the detriment of the Bank.

The Beneficiaries are prohibited from using any so-called hedging in order to cover (through insurance or other instruments) the risk of loss of the right to the award of the 2024 Incentive System pursuant to the Regulation or of a decrease in the value of the Shares or instruments related to them subject to the 2024 Incentive System. In the event of breach of this prohibition, the Bank may consider taking such measures as it deems appropriate, including the forfeiture of the Beneficiary's right to receive the bonus.

2.3.1 Additional information for significant plans pursuant to article 84-*bis*, paragraph 2 of the Issuers' Regulations.

⁷ Without prejudice to the fact that if the requirements set forth in articles 141 or 141-*ter* of the CRD are not met or in the situations pursuant to Article 16-*bis* of Directive 2014/59/EU (BRRD), variable remuneration may be recognised and/or paid within the limits and under the conditions laid out in the provisions implementing the above-mentioned articles.



The amount of remuneration to be paid in the form of financial instruments, according to the methods described, was defined on the basis of current legislation and the Group's remuneration policies.

2.4 Reasons for a possible decision to award compensation plans based on financial instruments not issued by the issuer, such as securities issued by subsidiaries or parent companies or third-party entities; in the event that such instruments are not traded on regulated markets, information on the criteria used for determining the value attributable to them.

Not applicable.

2.5 Evaluations on significant tax and accounting implications that have affected the definition of the 2024 Incentive System.

The accounting standards provide that assignment of Phantom Shares related to the variable remuneration of the personnel will be accounted for on the income statement as a cost in function of the services provided in the reference period (service condition). The cost is equal to the value of the payment at the time of assignment, adjusted for the probabilistic elements related to the 2024 Incentive System (actuarial parameters, etc.). This cost does not take account of the share volatility during the holding period, and must be allocated over the entire vesting period that is expected to close upon activation of the 2024 Incentive System, once the necessary conditions have been met (it being understood that payment of the deferred amounts will be subject to the conditions provided for at that time under paragraphs 3.4 and 4.6 below).⁸⁹ The Phantom Shares will be subject to taxation and social security contributions in accordance with prevailing law in the country of tax residence of each Beneficiary.

2.6 Support to the 2024 Incentive System, if any, by the Special Fund for the promotion of employees' profit sharing, referred to in article 4, paragraph 112 of Italian Law no. 350 of 24 December 2003.

The 2024 Incentive System does not receive any support from the Special Fund for the promotion of employees' profit sharing, referred to in article 4, paragraph 112 of Italian Law no. 350 of 24 December 2003.

3. APPROVAL PROCEDURE AND TIME FRAME FOR GRANTING THE INSTRUMENTS.

3.1 Scope of powers and functions delegated by the Shareholders' Meeting to the Board of Directors to implement the 2024 Incentive System.

At its meeting held on 29 February 2024, the Board of Directors of the Bank resolved to submit to the Shareholders' Meeting of the Bank, called for the day 11 April 2024, the approval of the 2024 Incentive System, as

⁸ Holding Period of Financial Instruments.

⁹ Vesting period or the period within which all vesting conditions (service conditions or performance achievement conditions) specified in the relevant Phantom Share-based payment agreement must be fulfilled.



well as the granting, severally, to the Board of Directors, the Chairperson of the Board of Directors and the Chief Executive Officer, with the power to sub-delegate all the broadest powers necessary or appropriate to implement the 2024 Incentive System in accordance with the provisions of this Information Document, as well as to adopt any further measures and carry out any other activities that may be necessary or even only appropriate to implement what has been resolved upon, also with reference to the Identified Staff of the Companies of the Group, as well as fulfilling regulatory requirements, also at the request of the Supervisory Authorities.

Making the relevant decisions, the Board of Directors shall act after hearing the non-binding opinion of the Remuneration Committee, and with the opinion of the Board of Statutory Auditors, in the cases governed by article 2389, paragraph 3, of the Italian Civil Code.

Information on the criteria that will be adopted for the purpose of the decisions by which the 2024 Incentive System will be implemented and the content of such decisions will be disclosed in accordance with the laws and regulations applicable from time to time.

3.2 Individuals responsible for the administration of the 2024 Incentive System; roles and responsibilities.

Under the 2024 Incentive System, the Board of Directors is granted all the powers necessary to implement it, including, purely by way of an example, that of approving, as part of the Remuneration Policies endorsed by the Shareholders' Meeting, the proposals with regard to:

- the Regulation of the 2024 Incentive System and any updates thereto;
- the awarding of Phantom Shares to the beneficiaries of the 2024 Incentive System.

To the extent permitted by the regulations, in force at the time, the Board of Directors may delegate its powers to the Chief Executive Officer or other Director(s), with the support of the Chief Human Capital Officer Department, and/or confer specific powers to perform any activity related to the administration of the 2024 Incentive System.

3.3 Any existing procedures for 2024 Incentive System revision in connection with changes in key objectives.

In the event of:

- a) extraordinary operations on the Bank's capital not expressly covered by the Regulation, including but not limited to: mergers, demergers, capital reductions due to losses through cancellation of shares, reductions in the nominal value of shares due to losses, increases of the Bank's capital, whether free or paid, offered to shareholders with or without pre-emptive rights, which may be fulfilled through transfers in kind, grouping or splitting of shares;



- b) changes in the legislation, regulations or Corporate Governance Code;
- c) recommendations from the regulatory bodies and/or the Supervisory Authority;
- d) other events likely to affect the Shares or the 2024 Incentive System;

the Board of Directors, in compliance with the applicable legislation, shall make, independently and without further approval from the Bank's Shareholders' Meeting, any changes and additions to the Regulation as it deems necessary or appropriate to maintain the substantial and financial contents of the 2024 Incentive System unchanged to the extent permitted by the legislation and provisions applicable at the time.

3.4 Description of the procedures to determine the availability and granting of the financial instruments on which the 2024 Incentive System is based.

For the implementation of the 2024 Incentive System, the awarding of Phantom Shares, synthetic shares convertible into a specific cash value for payment to the Beneficiary, is set forth under the terms and conditions set out in the Regulation.

It should be noted that the reference date for calculating the number of Phantom Shares to be awarded to the individual Beneficiary - determined on the basis of the arithmetic average of the prices of the Shares recorded in the 30 days prior to the same date - will be that of the actual awarding of the bonus, *i.e.* the date of approval of the 2024 Financial Statements by the Board of Directors.

The Phantom Shares assigned are then converted into a sum of money to be paid to the Beneficiaries on the expiry date of the relevant minimum holding period (see below, paragraph 4.6), by multiplying the number of assigned Phantom Shares assigned based on the average share price over the last 30 days of the holding period.

3.5 Role of each Director in determining the characteristics of the 2024 Incentive System; possible conflicts of interest of the directors concerned.

The Potential Beneficiaries of the 2024 Incentive System include the Bank's Directors. In this case, the Board's resolution to award Phantom Shares shall be adopted in accordance with the provisions of article 2391 of the Italian Civil Code and, to the extent applicable, of article 2389 of the Italian Civil Code and article 53, paragraph 4 of the Consolidated Law on Banking (TUB).

In identifying the essential elements of the 2024 Incentive System, the Remuneration Committee was involved in the various structuring and processing stages.

3.6 For the purposes of the requirements in article 84-*bis*, paragraph 1, the date of the decision taken by the body responsible for proposing approval of the 2024 Incentive System to the Shareholders' Meeting, and the date of the proposal of the remuneration committee (if any).



The 2024 Incentive System is subject to approval by the Shareholders' Meeting, upon a proposal from the Board of Directors decided by resolution on 29 February 2024, following the favourable opinion of the Remuneration Committee on 27 February 2024 and of the Board of Statutory Auditors, in cases governed by article 2389, third paragraph of the Civil Code.

3.7 For the purposes of the requirements of article 84-*bis*, paragraph 5, letter A), the date of the decision taken by the relevant body with regard to the award of the instruments, and the date of any proposal to that body by the Remuneration Committee (if any).

The Shareholders' Meeting, in its capacity as the relevant body for the approval of the 2024 Incentive System and the related Information Document, is scheduled to be convened on 11 April 2024 in a single call.

The assignment of the Phantom Shares will take place in 2025, following the verification of the achievement of the 2024 results in terms of gates, Bonus Pools and individual performance. Therefore, a precise date cannot be determined as of today. The total number of Phantom Shares will depend on the amount of the bonus awarded pursuant to the Regulation and the average price of the Shares referred to in paragraph 3.4; therefore, it is not possible to determine *ex ante* the total number of Phantom Shares that will be assigned and the relative value.

The information required in this regard by article 84-*bis*, paragraph 5, letter a) of the Issuers' Regulations (or in any case under the laws and regulations applicable from time to time) and currently not available will be provided in accordance with the applicable law.

3.8 Market price recorded on the aforesaid dates for the financial instruments on which the 2024 Incentive System is based, if traded on regulated markets.

The reference price of the shares on the electronic equity market organised and managed by Borsa Italiana S.p.A., at the end of the stock market session pursuant to the date indicated in the previous paragraph 3.6 (29 February 2024) is EUR 3.780.

3.9 In the case of plans based on financial instruments traded on regulated markets, under what terms and according to what procedures does the issuer take into account, in identifying the timing of the assignment of the instruments in implementation of the plan, the possible coincidence in time between: (i) said assignment or any decisions taken in this regard by the Remuneration Committee; and (ii) the disclosure of any relevant information pursuant to Article 17 of Regulation (EU) no. 596/2014; for example, in the event that such information is: (a) not already public and capable of positively affecting the market prices, or (b) already published and capable of negatively affecting the market prices.

The Board of Directors decided that the 2024 Incentive System should be proposed to the Shareholders' Meeting during the meeting of 29 February 2024.



During the implementation phase of the 2024 Incentive System, information will be provided to the Market, if required, by the legal and regulatory provisions in force from time to time.

4. CHARACTERISTICS OF THE AWARDED INSTRUMENTS.

4.1 Description of the forms in which the 2024 Incentive System is structured.

The 2024 Incentive System is based on the assignment of Phantom Shares intended as financial instruments in synthetic form convertible into cash, for the payment of a percentage of the bonus accrued in accordance with the 2024 Incentive System in favour of the beneficiary personnel of Montepaschi Group, the value of which is related to the market value of the Shares, according to the methods described in paragraph 3.4.

No credit instruments will be given.

4.2 Indication of the period of actual implementation of the 2024 Incentive System, including reference to possible multiple cycles.

The 2024 Incentive System is annual and will therefore be applied with reference to Phantom Shares for the payment of part of the bonus in line with the 2024 Incentive System and the duration of 4 to 5 years of the related deferral schemes in addition to the minimum holding referred to the Remuneration Policies as specified in paragraph 4.6 below.

4.3 End of the 2024 Incentive System.

The 2024 Incentive System provides for mechanisms to defer the payment of part of the bonus. The last possible payments will therefore be made in 2030.

The foregoing is without prejudice to the minimum holding requirements specified in paragraph 4.6 below, which will remain effective until expiry of the period laid down therein.

4.4 Maximum number of financial instruments, also in the form of options, awarded every fiscal year to the persons identified by name or to the listed categories.

There is no maximum number of Phantom Shares to be assigned, as this depends on the benchmark price of the Shares (calculated as described above) and is equal to the ratio of the total bonus to be paid in the form of Phantom Shares to the benchmark price of the Shares. It should be noted that the actual amount is related to the level of achievement of the Bank's objectives and of the individual objectives of the Beneficiaries defined in line with the challenging targets of the 2022-2026 Business Plan, as well as the maintenance of a prudent risk profile, as per assessment of the CRO Dashboard.



4.5 Procedures and terms of implementation of the 2024 Incentive System, specifying whether the actual award of the instruments is subject to the occurrence of certain conditions; description of such conditions and results.

The awarding of Phantom Shares is conditional to the achievement of the economic, financial, sustainability and qualitative objectives established *ex ante*, as detailed in paragraph 2.2. The amount of variable remuneration paid is related to the individual performance of each Beneficiary, based on the score reported in the Scorecard, as described in paragraph 2.3.

As set forth in the Circular and the Remuneration Policies, the Group reserves the right to apply *ex post* correction mechanisms intended, among other things, to reflect corporate performance levels once the risks actually taken have been accounted for, and to take into consideration individual behaviours.

In particular, as already mentioned in previous paragraph 2.3, checks are conducted for each assignment to identify the existence of the conditions defined as *malus*, as set out in the Remuneration Policies.

Any amounts allocated under the 2024 Incentive System may also be subject to claw-back in the cases contemplated by the Remuneration Policies and Individual Communications.

4.6 Any availability constraints existing on the options or the shares received through the exercise of the options, with particular reference to the period within which it is allowed or forbidden to subsequently transfer them to the company or to third parties.

The right to participate in the 2024 Incentive System will be granted to the Beneficiaries on a personal basis and cannot be transferred by agreement *inter vivos* nor be subject to constraints or be the subject of other acts of disposal for any reason whatsoever.

In accordance with the Circular and the Remuneration Policies, part of the Phantom Shares will be awarded as soon as the bonus is granted (namely “up-front percentage”), while the remainder will be awarded on a deferred basis¹⁰ over a total period of four/five years (namely “deferred percentage”).

The Phantom Shares awarded up-front will be converted into cash to be paid to the Beneficiaries only at the end of the retention period (also "minimum holding") of two years from the relevant award.

¹⁰ See paragraph 2.3.



The Phantom Shares awarded on a deferred basis - in accordance with the terms set out in the Remuneration Policies in force at the time - will be converted into cash to be paid to the Beneficiaries only at the end of the minimum holding period of one year after the award.

4.7 Description of any termination clauses in relation to the awarding of the 2024 Incentive System, in the event that the beneficiaries carry out hedging transactions to neutralise any prohibitions to sell the awarded financial instruments, also in the form of options, or the financial instruments received through the exercise of such options.

Behaviours of the Beneficiaries of the 2024 Incentive System such as those described would constitute a compliance breach and as such shall be handled in accordance with the provisions of the Remuneration Policies in force from time to time.

4.8 Description of the effects of termination of employment.

The 2024 Incentive System provides for good and bad *leaverships clauses*, aimed at governing cases of termination of the employment relationship and/or office before the end of the performance period and during the subsequent period of deferral and/or retention. In particular, without prejudice for any more detailed rules set forth in the 2024 Incentive System Regulation.

- *Good leaverships*: in the event of early termination of the employment or office before the end of the performance measurement period. In particular, for the following cases: termination of the relationship due to mutual consent, termination of the relationship due to accrual of pension requirements or access to extraordinary benefits of the Solidarity Fund for the sector, death or supervening inability to work, the Beneficiaries shall retain all rights in relation to the 2024 Incentive System on a *pro-rata temporis basis* or, if the termination occurs after the performance evaluation period, *with reference to the deferred and/or retention shares*.
- *Bad leaverships*: in all cases of termination of the employment or office other than those indicated above, the Beneficiaries shall lose all rights in relation to the 2024 Incentive System, including any deferred and/or retention amounts not yet disbursed, and they shall not be entitled to receive any compensation or indemnity for any reason whatsoever.

4.9 Other possible causes of cancellation of the 2024 Incentive System.

Except as provided in the previous paragraphs, the 2024 Incentive System does not provide for causes for cancellation. This without prejudice to the application of *malus* and claw-back mechanisms to the occurrence of certain cases, described in the 2024 Remuneration Policies and in line with the regulatory framework in force at the time.



4.10 Reasons behind any provisions for the “redemption” by the company of the financial instruments covered by the 2024 Incentive System, in accordance with articles 2357 et seq. of the Italian Civil Code; beneficiaries of the redemption, specifying whether the latter is intended only for particular categories of employees; effects of termination of employment on said redemption.

Not applicable.

4.11 Any loans or other benefits that the Bank intends to grant for the purchase of the shares in accordance with article 2358, paragraph 3 of the Italian Civil Code.

Not applicable.

4.12 Estimate of the expected cost to the company at the date of the award, as determined on the basis of already defined terms and conditions, stating the total amount and the amount for each financial instrument.

This amount will depend, *inter alia*, on the overall results achieved by the Group (also in terms of CRO Dashboard) and on the individual results achieved by the Beneficiaries included in the Identified Staff, to date no. 124, based on the related Scorecards. The actual amount will be disclosed in the section on remuneration paid in the Report on the remuneration policy and on compensation paid pursuant to article 123-*ter* of the Consolidated Financial Act (TUF), which will be submitted to the Shareholders' Meeting called to approve the Financial Statements as at 31 December 2024.

4.13 Capital dilution effects of the 2024 Incentive System, if any.

Not applicable.

4.14 Any limits to the exercise of voting rights and the award of property rights.

Not applicable.

4.15 If the shares are not traded on regulated markets, all information needed for a complete evaluation of the value attributable to them.

Not applicable.

4.16 Number of financial instruments underlying each option.

Not applicable.

4.17 Expiry of the options.



Not applicable.

4.18 Method (American or European), time frame (e.g. periods of exercise) and exercise provisions (e.g. knock-in and knock-out clauses).

Not applicable.

4.19 Exercise price of the option or methods and criteria for its determination, in particular: a) formula for calculating the exercise price in relation to a given market price; and b) methods for determining the market price taken as reference for calculating the exercise price.

Not applicable.

4.20 If the exercise price is not equal to the market price determined as specified in paragraph 4.19.b (fair market value), reasons for this difference.

Not applicable.

4.21 Criteria on the basis of which different exercise prices are set between the various individuals or categories of beneficiaries.

Not applicable.

4.22 If the financial instruments underlying the options cannot be traded on regulated markets, state the value attributable to the underlying financial instruments or the criteria for determining the value.

Not applicable.

4.23 Criteria for the adjustments necessary as a result of extraordinary operations on capital and other transactions involving changes in the number of underlying instruments (capital increases, extraordinary dividends, grouping and splitting of the underlying shares, mergers and demergers, conversion into other classes of shares, etc.).

Please refer to the comments in paragraph 3.3.

** ** *

The information required in the Schedule, and which is not contained in this Information Document will be provided during the 2024 Incentive System implementation period pursuant to the laws and regulations applicable from time to time.



Table no. 1 of Schedule 7 of Annex 3A of Regulation no. 11971/1999 related to the 2024 Compensation Plans is outlined in Section II, Compensation Paid, of the Remuneration Report, to be approved concurrently with the Shareholders' Meeting of the Bank.