



FIDEURAM
ASSET MANAGEMENT UK

Remuneration and Incentive Policies

June 2024

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Document Control

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1 Introduction

These “Remuneration and Incentive Policies of Fideuram Asset Management UK Limited” (hereinafter also the “Policies”) have been designed based on the Fideuram Asset Management (Ireland) (hereinafter also “FAMI” or the “Parent Company”) Remuneration and Incentive Policies and on the Intesa Sanpaolo Group’s Remuneration and Incentive Policies (hereinafter also the “Group Policies”). The Policies are compliant with European and national regulations in the Asset and Investment Management industry respectively, as regards those aspects that are not in conflict with, not governed by or more restrictive than the Group Policies.

The Policies gather in a systematic and structured way the principles that underpin the remuneration and incentive system for all staff of Fideuram Asset Management UK Limited (hereinafter the “Company” or “FAM UK”), the roles and responsibilities of the Bodies and structures responsible for its elaboration, approval and implementation. The remuneration and incentive system of the Company is updated at least annually.

The “Remuneration and Incentive Policies of Fideuram Asset Management UK Limited” is divided into three sections:

- “Section A: Procedures for adopting and implementing the Remuneration and Incentive Policies” which show the roles and responsibilities of the corporate Bodies and functions involved in the process of defining the Company’s Remuneration and Incentive Policies;
- “Section B: Remuneration and incentive principles, systems and tools”, which details the remuneration and incentive systems of the Company;
- “Section C: Criteria for the identification of personnel with a material impact on the risk profile of the asset management Company, the UCITs and the portfolio management companies of the Company”, which describes the principles and criteria used to identify the Company’s risk takers.

Additionally, the annex “*Incentive System for the Portfolio Managers of Fideuram Asset Management UK Limited*” describes the rules regulating the incentive system for Portfolio Managers of the Company and constitutes an integral part of the Policies.

2 Regulatory framework

For the purposes of this document, the set of rules in force within the Intesa Sanpaolo Group (hereinafter also the “Group” or the “ISP Group”) shall apply with specific reference to:

- “Guidelines regarding the remuneration, incentives and identification of Risk Takers” which define the roles and responsibilities of the Bodies and structures involved in the processes of elaboration, approval and application of the Group’s and individual Group Companies’ Policies, designing and implementation of specific incentive initiative, as well as identification and updating of the ISP Group Risk Takers list;
- “2024 Remuneration Discipline” of the Intesa Sanpaolo Group which describe (i) the Remuneration and Incentive Policies which define the principles of the Group’s remuneration and incentive system, (ii) the Implementing Provisions which govern the application criteria and the most important operating mechanisms regarding the structure of the remuneration and incentive system and (iii) the Rules for identifying Risk Takers;

- “Report on the remuneration policy and the remuneration paid” of the Intesa Sanpaolo Group S.p.A., submitted to the approval of the Shareholders’ Meeting, which contains the ISP Group’s Remuneration and Incentive Policies for 2024 (prepared in line with the afore-mentioned Guidelines) and the procedures used for their adoption and implementation.

For anything that is not regulated, not in conflict with or more restrictive than the banking sector regulation (Directive 2013/36/EU of 26 June 2013, recently amended by Directive (EU) 2019/878, the so-called “CRD V” and Bank of Italy Circular no. 285 of 17 December 2013 and subsequent updates), in compliance with which the Group regulations referred to above were defined, the regulatory framework of the asset and investment management sector shall apply.

With reference to sector regulations, the Policies are prepared in compliance with:

- Prudential Sourcebook for MiFID Investment Firms (MIFIPRU) issued by the Financial Conduct Authority;
- MIFIDPRU Remuneration Code (SYSC 19G).

Additionally, considering that FAM UK is controlled by FAMI, these Policies also comply with:

- the UCITS V Directive (2014/91/EU);
- Guidelines on Sound Remuneration policies (hereinafter the “ESMA Guidelines”) issued by the Securities and Market Authority (hereinafter “ESMA”), under the UCITS Directive. The provisions of the ESMA Guidelines have been considered and are referenced where applicable in this Remuneration Policies.

These Policies also take into account the provisions of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainability-Related Disclosures Regulation - SFDR).

Based on the UK laws and regulations, considering in particular the extent of the net assets managed, the Company qualifies as a “Small and non-connected investment firm” (SNI) for the purposes of MIFIPRU and of the MIFIDPRU Remuneration Code.

Section A - Procedures for Adopting and Implementing the Remuneration and Incentive Policies

3 Roles, Responsibilities and Governance of the Remuneration Policies

In order to ensure that the remuneration and incentives systems are consistent with sound and prudent management of the Company and respect the interests of all stakeholders, based on principles of fairness, sustainability and competitiveness, FAM UK has defined the roles and responsibilities of the Corporate Bodies and corporate functions involved in the process of defining the Remuneration and Incentive policies.

Specifically, those roles and responsibilities are defined in line with the ISP Group Regulations and in compliance with the Local and European Regulations listed under previous paragraph.

3.1 The Shareholder

FAMI, as sole shareholder:

- approves:
 - a limit on the ratio between the variable and fixed components of remuneration paid to individual employees set at more than 100%;
 - plans based on financial instruments;
 - the criteria for defining the remuneration to be recognized in view of or upon the early termination of the employment relationship (so-called “Severance”), including its maximum limit in terms of annual fixed remuneration and maximum amount;
- approves the compensation payable (fee) to the Members of the Board of Directors;
- is informed at least annually about how the Remuneration and incentive Policies have been implemented (so-called ex post report). Specifically, the information reported in the ex-post report shall be disaggregated by Rules and Functions;
- is informed about the reports prepared by the Internal Audit Function at the end of any audit about the compliance and the correct implementation of the remuneration procedures and, if any, the corrective measures to be adopted.

3.2 The Board of Directors

The Board is set up so as to enable it to exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk.

The Board of Directors is responsible for:

- approving and amending, , the Policies, taking into account the long-term interests of shareholders, investors and other stakeholders in the Company. The Policies includes also the Criteria for the identification of personnel with a material impact on the risk profile of the Company (so called “Risk Takers”);
- approving and updating the list of personnel with a material impact on the risk profile of the Company containing also indication of those who have an impact on ISP Group risk profile (so-called “ISP Group Risk Takers”);
- overseeing the remuneration of the senior staff responsible for heading the Control Functions;
- approving the compensation payable (fee) to the Members of the Board of Directors with specific roles (eg. the Chairman) and members of committees established within the Board;
- approving the fixed pay levels for the Managing Director, the Heads of the main business areas and corporate functions, those who report directly to the Managing Director and the Heads of Control Functions;
- with regard to the Managing Director, the Heads of the main business areas and corporate functions, those who report directly to the Managing Director and the Heads of the Control Functions, approving and reviewing the assignment of the KPIs and targets of the performance scorecards, the assessment of the level of achievement of the KPIs against performance targets and the amount of the bonus to be paid;
- submitting to the Resolution of the Shareholders the proposal of:

- a limit on the ratio between the variable and fixed components of remuneration paid to individual employees set at more than 100%;
 - plans based on financial instruments;
 - the criteria for defining the remuneration to be recognized in view of or upon the early termination of the employment relationship (so-called “Severance”), including its maximum limit in terms of annual fixed remuneration and maximum amount;
- approving and submitting to the Resolutions of the Shareholders at least annually the ex-post report. Specifically, the information reported in the ex-post report shall be disaggregated by Roles and Functions;
- approving the funds basket to be used to pay part of the variable compensation;
- being informed, at least on an annual basis, about the funding of the bonus pool at Company level.

3.3 Compliance and Risk Management

The Compliance and Risk Management function takes part in the process of definition of the Company's remuneration policies (that include also the Criteria for the identification of Risk Takers), by assessing both the alignment of the remuneration structure with the risk profile of the Company and the compliance of the policies with the rules of the Articles of Association, the Code of Ethics or other standards of conduct applicable to the Company or to the Group, in order to avoid legal and reputational risk-taking inherent with the relationships with investors.

In particular, it provides a written opinion taking into account remarks made by the Compliance and Risk Functions of the Parent Company (within their remits) with reference to:

- the compliance of the Company's Remuneration and Incentive Policies;
- the identification of the Risk Takers, including the self-assessment of the size and complexity of the Company;
- the remuneration structure, with particular attention to: i) the balance between fixed and variable component, ii) the procedures for payment of the variable component for the different categories of personnel and the application of the adjustment mechanisms to the ex-post risk, iii) the overall compliance with the ex-ante risk adjusted mechanisms.
- the definition of the incentive system and the use of indicators (risk adjusted) to consider the risks assumed;
- the alignment of the variable remuneration related to the annual incentive system in respect to the risk's level of the Company and of the funds managed;
- the identification of funds basket to be used to pay part of the variable compensation in line with the current remuneration Policies provisions.

Moreover, the Compliance and Risk Management function involves:

- through the Chief Risk Officer of the Parent Company in order to verify the consistency of the policies and incentive systems specific to FAM UK with the Private Banking Division and ISP Group propensity to risk;

- the Compliance Function of the Parent Company in order to verify the consistency of the Company's specific Policies and incentive systems with respect to those of the Private Banking Division and the Intesa Sanpaolo Group.

3.4 Human Resources

FAMI's Human Resources function, consistently with the centralised management model:

- draws up the Company's Remuneration and Incentive Policies that include also the Criteria for the identification of Risk Takers. In this process, it involves the individual corporate functions insofar as their competences and it is supported by the Resources, Organization and Change Management of Fideuram, which coordinates the process of defining and managing the Remuneration Policies;
- identifies (and periodically reviews) the Risk Takers list and submits it to the Board of Directors, after sharing it with the Intesa Sanpaolo's Remuneration Policies & Learning department and the verification of the Compliance Function;
- proposes to the Board of Directors the fixed remuneration pay levels for the Managing Director, the Heads of the main business areas and corporate functions, those who report directly to the Managing Director and for the Heads of Control Functions for a subsequent approval by the Board;
- with regard to the Managing Director, the Heads of the main business areas and corporate functions, those who report directly to the Managing Director and the Heads of Control Functions, proposes to the Board of Directors the assignment of the KPIs and targets of the performance scorecards, the assessment of the level of achievement of the KPIs against performance targets and the amount of the bonus to be paid for a subsequent approval by the Board;
- proposes to the Board of Directors and monitors the incentive systems for the Company's employees;
- informs the the Board of Directors, at least on an annual basis, about the funding of the bonus pool at Company level for acknowledgement by the Board.

3.5 Internal Audit Function

The Internal Audit function is outsourced to Intesa Sanpaolo. The Internal Audit function of Intesa Sanpaolo conducts an annual audit to check that the remuneration practices are consistent with the approved policies and are in line with the legislation in this area and it also checks the correct implementation of the process for identifying Risk Takers.

Any discrepancies found during the audit are brought to the attention of the Governing Bodies and the functions responsible for adopting any corrective actions required, which assesses the significance of such discrepancies in order to promptly notify the competent Supervisory Authorities.

It delivers an annual report to the Company's Board of Directors, containing the results of the audits carried out.

3.6 Other Desks

FAMI's Managing Director, the Managing Director and the Head of Operations and Outsourcing Control of the Company support FAMI's Human Resources function in establishing the criteria for the identification of the "Risk Takers at Company level", to support the deployment of the remuneration criteria, in the context of the Remuneration Policies, considering the possibility to impact on the Company and Funds risk profile.

The Finance Desk of Fideuram-ISPB supports the Human Resources Desk in the proposal of economic - financial goals to be included in the performance measures of the "Legal Entity Risk Takers" of the Company.

4 Compensation of Board of Directors' Members

The compensation payable to the Members of the Board of Directors, is defined by Intesa Sanpaolo as the ultimate controlling shareholder and as the entity that exercises a management and coordination role under the terms of the relevant civil law and banking regulations.

The remuneration policy for the Members of the Board of Directors is therefore in line with the following principles, applied uniformly across the Group, in compliance with the regulatory framework of the different countries in which Intesa Sanpaolo operates through its subsidiaries:

- the remuneration paid to the Members of the Board of Directors is commensurate with their tasks and responsibilities. Directors' remuneration is specifically determined with the aim of achieving uniformity and standardisation in line with Group Standards, taking into consideration the size of the balance sheet, the income statement and the organisational complexity of the Company, as well as other aspects of an objective and qualitative nature represented by the nature of the activity carried on by the Company, its operational risk profile and its geographical location. Similar criteria are also used to set the remuneration for Directors entrusted with specific tasks pursuant to article 2389 of the Italian civil code and similar provisions in foreign legislation;
- as a general rule, there are no provisions for variable components in the remuneration package, nor incentivising bonuses linked to results, nor profit sharing clauses or share subscription rights at a predetermined price. Any exceptions to this principle may only occur through justified dispensations, in compliance with any relevant regulations in force;
- in general, there are no differences in Directors' remuneration whether they are Group employees, freelance professionals, self-employed, etc. The emoluments of the Group employees appointed as Directors of subsidiaries are paid to the Company that maintains the employment relationship, unless otherwise agreed with the relevant Group HR function.

Board of Directors' Members are entitled to be reimbursed for the expenses incurred in the performance of their role.

5 Fideuram Asset Management UK Ltd Remuneration and Incentive Policies

In compliance with the Group Policies, the present chapter describes Principles, remuneration and Incentive Systems and Instruments (Section B) and the Criteria for the identification of personnel with a material impact on the risk profile of the Company, the UCITS and the portfolios managed by FAM UK (Section C); the mentioned Sections, jointly, represent Fideuram Asset Management UK Limited overall Remuneration and Incentive Policies.

It should be noted that all EUR amounts throughout the policy must be converted in GBP using the exchange rate published by the Commission for financial programming and the budget for the last month of the Company's financial year.

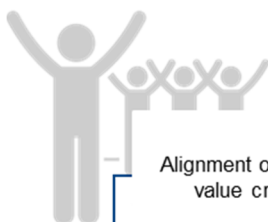
Section B - Remuneration and incentive principles, systems and instruments

This Section describes the remuneration and incentive principles, systems and instruments defined for 2024 and addressed to the staff of the Company.

5.1 Purposes and principles of the remuneration and incentive Policies

The Policies aim to align the management's and personnel's behaviour with the interests of all Stakeholders, guiding their action towards the achievement of sustainable medium-long term objectives within the framework of a prudent assumption of current and prospective risks, as well as to contribute to making FAM UK an "Employer of choice" for its ability to attract, motivate and retain top resources.

In line with the principles adopted by Intesa Sanpaolo Group, the Policies of the Company are inspired by the following principles:



STAKEHOLDERS' INTEREST

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



CORRELATION BETWEEN REMUNERATION AND RISK TAKING

- direction of management and personnel conduct towards the achievement of objectives within a **framework of rules** aimed at controlling corporate risks
- remuneration systems aligned with prudent **financial and non-financial risk** management policies (including legal and reputational risks), in line with what is defined in the Group Risk Appetite Framework
- definition of a sufficiently high fixed component to allow the variable portion to reduce significantly, even down to zero, upon occurrence of specific conditions



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

- definition of a set of Incentive Systems in order to drive performance over a **multi-year accrual** period and to share the medium-long term results consequent to the implementation of the Business Plan



MERIT

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



EQUITY

- **correlation** between fixed remuneration and the level of responsibility, measured through the Global Banding System or the seniority/professional role
- **differentiation** of salary brackets and the ratio of the variable component to the total remuneration according to the relevant professional category and/or geographical market, with the Banding bracket or the seniority/professional role being equal



GENDER NEUTRALITY

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



SUSTAINABILITY: expenses reduction deriving from application of the policies to values compatible with the available economic and financial means

- selective reviews of fixed remuneration based on strict **market benchmarks**
- mechanisms to **adjust allocations** to the total incentive provisions according to the profitability and the results achieved by the Group
- **appropriate caps** on both total incentives and the amount of individual bonuses



REGULATORY COMPLIANCE

- compliance with **legislative and regulatory provisions, with codes of conduct and other self-regulation provisions** with focus on the Risk Takers (and among these on the so-called Top Risk Takers, including the Key Managers) and on the Control Functions
- **fairness in customer relations**

Focus: Gender neutrality

The Company pays great attention to “Diversity, Equity and Inclusion” issues and undertakes to implement and disseminate a policy aimed at the inclusion of all forms of diversity, both inside and outside the Company. In this regard, in line with what was established by the ISP Group, the Company implemented the “Diversity, Equity and Inclusion Principles” pursuant to which specific commitments were undertaken to guarantee gender equality in HR processes and in human resource management. Compliance with these commitments is monitored periodically including for the purpose of implementing corrective measures.

In line with the ISP Group’s provisions, the Company adopts a gender-neutral Remuneration and Incentive Policies, which contributes towards achieving complete equality of personnel. It ensures that personnel have the same level of remuneration for the same work, including insofar as the conditions for payment and recognition.

In particular, the Company ensures that the definition of remuneration and incentive systems and the adoption of decisions regarding remuneration are not influenced by gender (or any other forms of diversity such as affective-sexual orientation, marital status and family situation, age, ethnicity, religious beliefs, political membership and trade union membership, socio-economic condition, nationality, language, cultural background, physical and mental conditions or any other characteristic of the person including those linked to the expression of his/her own thoughts) but are based on professional merit and skills and inspired by the principles of fairness.

To apply a gender-neutral Policy and assess its efficacy, the Company adopts:

- systems for measuring organisational positions that acknowledge the responsibilities and complexities managed by the various roles.

Specifically, for the management the Company has adopted the Global Banding System (see “Focus: Global Banding System” below) that is based on the grouping in homogeneous categories of managerial positions with similar levels of complexity and responsibilities, measured using the IPE (International Position Evaluation) methodology.

On the other hand, the professional cluster is segmented based on seniority, i.e. the degree of work complexity that characterises the activities monitored (5 levels have been identified, the highest of which corresponds to the role of Coordinator); a mapping model is also being implemented for this population which provides for the attribution of a career title based on certain criteria that integrate those of seniority (i.e. autonomy, complexity but also skills, economics, impact and exposure) in order to enhance in a more granular way the level of professional contribution provided in their operations and the progressive specialization of skills;

- for the management, market remuneration references associated to each Global Banding bracket and differentiated according to the professional category and geographical area. Regarding the professional cluster at senior levels, annual market

Focus: Gender neutrality

- references are associated on the basis of their professional category and geographical area;
- incentive/reward systems linked to objective parameters that allow merit and performance to be recognised.

5.2 Personnel segmentation

The Policies are based on personnel segmentation logics that allow the principles of merit and fairness to be defined operationally in order to differentiate the total remuneration in an appropriate manner, as well as to provide for specific mechanisms for its payment for the different clusters of personnel, with particular focus on those with regulatory relevance for which more stringent requirements are envisaged.

In application of these logics, the following macro segments are identified:

- **Risk Takers;**
- **Middle Management¹;**
- **Professionals.**

¹ All the Heads of Organisational Units not already included in the Risk Taker cluster are considered.

Focus: Risk Takers

As an investment management company, the Company identifies the personnel whose professional activities have a material impact on the institution's risk profile (so-called "Company Risk Takers") based on the provisions of the applicable regulations as per Section C of these Policies.

In particular, the Legal Entity Risk Takers segment consists of:

- i. *Executive and non-executive members of the Board of Directors, including the Managing Director;*
- ii. *Members of Senior Management who report directly to the Managing Director;*
- iii. *Heads of control functions;*
- iv. *Employees that individually or collectively assume significant risks for the Company and for the managed assets;*
- v. *Personnel whose total remuneration is in the same wage ranges as sub categories ii) and iv) if their activities have or could have a significant impact on the risk profile of the Company or of the managed assets.*

Furthermore, as a Company belonging to a banking group, among the Company Risk Takers, those who have a significant impact on the risk profile of the ISP Group (so-called "**ISP Group Risk Takers**") are also identified in application of the provisions of Directive (EU) 2019/878 (so-called CRD V) as amended by the Directive 2019/878/EU and by the Delegated Regulation (EU) 2021/923 which concretely implements and integrates the provisions of the Directive and pursuant to Circular 285/2013 and represented in the "Rules for identifying Risk Takers" set out in the Intesa Sanpaolo's Policies.

On the first working day of January 2024 FAM UK Company Risk Takers, were 7 people, including executive and non-executive members of the Board of Directors. Among these, it should be noted that two of them are also identified as Group Risk Takers at the same date.

Focus: Global Banding System

The Company adopts the ISP Group Global Banding System that is based on the grouping in homogeneous categories of managerial positions with similar levels of managed complexity and responsibilities, measured using the IPE (International Position Evaluation) methodology.

Linked to Global Banding, a job titling system has also been adopted that clearly identifies the responsibilities and the contribution of the roles, overcoming the purely hierarchical and organisational forms of logic. In particular, the title of:

- Chief is used to identify those roles that define and/or exert a strong influence on the medium-long term strategies of the ISP Group or define the strategy of a Division, with an impact on the ISP Group's results in the medium-long term period;

Focus: Global Banding System

- Executive Director is used to identify those roles that define and/or exert a strong influence on the function/business/country strategies, in line with the Division/Group strategies, and ensure their implementation even in highly complex contexts;
- Senior Director is used to identify those roles that define business/function policies and plans and lead their implementation by taking the managerial responsibility for financial and human resources;
- Head of is used to identify those roles that define or contribute to defining plans and programmes for their own organisational structure, also in coordination with other company structures, and ensure their implementation by taking managerial responsibility for human resources and, possibly, financial responsibilities.

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

Focus: External competitiveness of remuneration

Within the scope of defining total remuneration, FAM UK pays constant attention to the external competitiveness in order to attract and retain the best resources. Taking into account market data and practices, the Company aims to align overall remuneration to median values, without prejudice to the possibility of making appropriate differentiations for particularly critical positions and/or resources of high management skills.

5.3 Remuneration components

The remuneration package is composed of:

- Fixed Remuneration;
- Variable Remuneration.

5.3.1. Fixed remuneration

The fixed component is the component of remuneration that is stable and irrevocable and is determined based on pre-established and non-discretionary criteria such as: the contractual framework, the role held, the responsibilities assigned, the particular experience and competence matured by the employee.

The fixed remuneration consists of:

- **gross annual remuneration**, which reflects the level of professional experience and seniority of the staff;
- **indemnities** assigned in a non-discretionary manner and not linked to any type of performance indicator. This type of fixed remuneration is assigned to expatriate personnel, to cover any differences in cost, quality of life and/or salary levels specific to the target market;
- **indemnities and/or fees resulting from positions held in Corporate Bodies**, provided that they are not paid to the company to which they belong;

- any **benefits** aimed at increasing the motivation and loyalty of resources and assigned on a non-discretionary basis. These may be of a contractual nature (e.g. supplementary pension, health care, etc.) or derive from choices of remuneration policies (e.g. company car) and, therefore, provide for different treatment for different categories of personnel.

The **indemnities** paid to **expatriate staff** are designed to ensure fair net remuneration between what is received in the country of origin and the country of destination, thus covering any differences in cost, quality of life and/or remuneration levels specific to the market of destination.

Those allowances are fixed remuneration because they are:

- assigned to all expatriate personnel, in the event of a negative differential between the target country and the country of origin;
- not tied to any kind of performance indicator;
- defined on the basis of predefined and country-specific parameters, provided by a specialist consulting firm;
- communicated to the interested parties by means of an individual letter;
- paid as long as the person continues to be resident in the country in question.

5.3.2. Variable remuneration

The variable component is linked to personnel performance and proportional to the results achieved and the prudential risks taken, and consists of:

- annual incentive systems (see paragraphs 5.5.3 and 5.5.4);
- long-term variable components and, specifically:
 - the Performance Share Plan addressed to the management of the Intesa Sanpaolo Group, including the ISP Group Risk Takers and those who expatriate from Italy² (see paragraph 5.7);
 - the LECOIP 3.0 Plan addressed to Professionals of Intesa Sanpaolo Group expatriate from Italy³;
- the Carried Interests, i.e. the share in the profits of the Undertakings for Collective Investment in Transferable Securities (UCITS) or Alternative Investments Funds (AIF) received by personnel as compensation for the management of the UCITS or AIF⁴;
- any short-term or long-term variable components, linked to permanence in the Company (non-competition agreements, one-off retention agreements) or exceptional (entry bonus, buy-out);
- any discretionary benefits.

The distinction of the variable component of remuneration into a short-term component and a long-term component favours the attraction and retention of resources, makes it possible to orient performance over a more than annual accrual period and to share the medium/long-term results arising from the implementation of the Business Plan of Intesa Sanpaolo Group.

² As they have an Italian employment contract.

³ As they have an Italian employment contract.

⁴ However, the portion of *pro rata* profit assigned to personnel by virtue of any investments made by them in the UCITS or AIF, provided that they are proportional to the actual percentage of participation in the UCITS or AIF and not exceeding the return recognised to the other investors does not constitute remuneration. For a proper implementation of the regulation, managers must therefore be able to clearly identify the portions of profit which exceed the *pro rata* profit of the investments and that qualify as carried interest.

Remuneration may not be paid in forms, instruments or methods aimed at avoiding regulatory provisions.

Focus: Carried Interest

With reference to the personnel of the “Investments” area, Carried Interest may be introduced, if new AIFs are managed, as a further possible component of variable remuneration. The Carried Interest provides the use of equity instruments with strengthened rights, i.e. that imply a participation in the profits that is proportionally greater than that of the other investors. This instrument aims to strengthen the alignment of the management’s interest with the interest of shareholders and investors.

Consequently, Carried Interest is subject to the achievement of a minimum return and it is postponed. In line with market best practices, Carried Interest is awarded:

- upon exceeding a certain minimum return threshold (hurdle rate);
- according to the European Waterfall model (“on a whole-fund basis”), i.e. calculated and paid only at the end of the entire investment’s life.

It should be noted that, for the aforementioned personnel, in line with the provisions of the Bank of Italy Regulation implementing Articles 4-undecies and 6, paragraph 1, letters b) and c-bis) of the Consolidated Law on Finance as last amended⁵, Carried Interest is not included in the ratio between the variable and fixed components of remuneration. Moreover, in accordance with the “Guidelines on sound remuneration policies under the AIFMD” issued by ESMA⁶, Carried Interest may be paid cash upfront since, taking into account the remuneration conditions set out above, the requirements on risk alignment of variable remuneration, award process and pay-out process⁷ (including, *inter alia*, those concerning deferral, payment in instruments, ex-post correction mechanisms) are deemed to be met.

At present, the Company does not yet use such a remuneration tool for its personnel.

Focus: Guaranteed bonuses

No granting of guaranteed bonuses is provided.

⁵ In particular by the Measure of 23 December 2022 amending the Bank of Italy Regulation of 5 December 2019.

⁶ ESMA, Guidelines on sound remuneration policies under the AIFMD, paragraph XII.V.

⁷ In the ESMA Guidelines, it is clarified that the provisions on, *inter alia*, deferral and payment in instruments, malus and claw-back are deemed to be met when: “a) an AIFM must first return all capital contributed by the investors of the AIF it manages and an amount of profits at a previously agreed hurdle rate (if any) to the investors of the AIF, before the identified staff of the AIFM may receive any variable compensation for the management of the relevant AIF; and b) the compensation received by the identified staff of the AIFM is subject to clawbacks until the liquidation of the relevant AIF”.

Focus: Entry Bonus and Buy-out

To encourage the attraction of new personnel, it is possible to offer:

- an entry bonus to be paid upon hiring, without prejudice to the accurate assessment and analysis of market practices. According to the Supervisory Regulations, this type of bonus is not subject to any requirement applicable to variable remuneration, including those on variable remuneration cap and pay-out schemes, if recognized in a single instalment (known as **welcome bonus**). It should be noted that, in any case, the mentioned bonus can be assigned only once to the same staff member at ISP Group level;
- a bonus as indemnification for the deferred variable remuneration reduced or cancelled by the previous employer due to termination of the contract. This type of bonus (**buy-out**) cannot, however, compensate new personnel for reductions or cancellations of remuneration due to malus or clawback mechanisms and it is in any case subject to all the rules governing variable compensation, including those on variable remuneration cap and pay-out schemes.

Focus: One-off retention

Any retention bonuses tied to the period of employment of the personnel:

- are paid for a certain period of time or until a given event;
- are awarded not before the end of this period or upon the occurrence of the event;
- contribute to the calculation of the cap between the variable and fixed component of remuneration;
- are subject to the payment methods of the variable remuneration.

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

Furthermore, multiple retention bonuses (for example, an individual retention bonus and another one deriving from a collective plan) may be awarded to the same staff member in exceptional and suitably justified cases, providing that the payment of the retention bonuses takes place at different times and provided that there are specific reasons for the recognition of each of them.

As regards retention bonuses, the Company – in line with Intesa Sanpaolo Group definition and the industry practises – envisages a **minimum duration agreement** (or **stability agreement**), i.e. an agreement with which the beneficiary undertakes not to exercise the right to withdraw from the employment agreement for the duration of the Agreement, against a payment made at the end of such period, and which provides a penalty in case of breach of the commitment.

Focus: Discretionary pension benefits

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

- in the case of resources who are not entitled to receive a pension, they shall be invested in UCITS units managed by the Company or other related instruments, equity or equity related instruments

Focus: Discretionary pension benefits

- or other equivalent non-monetary instruments that are equally effective in terms of aligning incentives, held by the Company for a period of no less than five years and subject to ex-post adjustment mechanisms related to the Group's performance net of risk;
- in the case of resources entitled to a pension, they shall be invested in UCITS units managed by the Company or other related instruments, equity or equity related instruments or other equivalent non-monetary instruments that are equally effective in terms of aligning the incentives and subject to a holding period of not less than five years;
- they contribute to the calculation of the cap between the variable and fixed component of remuneration.

5.4 Pay mix

5.4.1. General Criteria

The term "pay mix" refers to the weight, in percentage terms, of the total remuneration, of the fixed component and the variable part.

The Company, in full compliance with the regulatory indications, adopts a pay mix appropriately balanced in order to:

- i. allow flexible management of labor costs, as the variable part may contract significantly until it is zeroed in relation to the level of results achieved in the reference year or when the ISP Group is not able to maintain or restore a solid base of capital;
- ii. discourage behaviors focused on achieving short-term results, especially if deriving from the assumption of high risks.

5.4.2. Variable-to-fixed remuneration ratio

To achieve the aforementioned purposes, it is the practice of the ISP Group and the Company to establish ex-ante maximum and balanced limits to the variable remuneration for all staff clusters, by defining specific "caps" to increase bonuses in relation to any over-performance.

In compliance with current sector regulations, as well as Group Policies, the maximum limit on variable remuneration compared to the fixed remuneration is:

- 400% for Personnel belonging to the Investment Area (including Risk Takers);
- 200% for ISP Group Risk Takers not belonging to the Control Functions;
- 100% of the fixed remuneration for the remaining personnel not belonging to the Control Functions;
- 33% of the fixed remuneration for personnel belonging to the Control Functions.

The components of variable remuneration included in the cap are:

- the short-term component relating to the Incentive Systems;
- the long-term component assigned through the Long-Term Incentive Plans; this component has an impact on the pro-rata variable remuneration for the entire accrual period;
- any variable short- and long-term components, tied to the period of employment in the company (stability, non-competition, one-off retention agreements) or extraordinary agreements;

- severance payments in the event of termination of the employment agreement or early termination of the office, except for the amounts agreed and paid:
 - based on a non-competition agreement, for the portion which, for each year of duration of the agreement, does not exceed last year's fixed remuneration;
 - within an agreement reached in order to settle a current or potential dispute (independently from the context in which the agreement is drawn up), if calculated according to a predefined calculation formula approved previously by the Resolutions of the Shareholders, as provided in paragraph 5.8.

With specific reference to the cap set for the Fund Managers, the increase up to a maximum of 400% was defined in accordance with the faculty granted by the update of the Supervisory Regulations published on the Official Journal of the Italian Republic on 12 November 2018. This update has, in fact, introduced a novation about maximum limits to variable remuneration, attributing to Intermediaries the right to derogate from those established by Community legislation for personnel working in the Asset Managements, SICAVs and SICAF subsidiaries.

This change, approved by the Shareholders' Meeting of Intesa Sanpaolo in 2019, is due to the need to foster international growth in Wealth Management, and to attract and retain key resources in countries other than Italy in which there are both independent players, who have no regulatory restrictions about variable remuneration limits, and operators belonging to local Banking Groups, who often derogate from the cap requirement in their subsidiaries belonging to the asset management sector.

The resources of the Company to which the increase in the cap would be applied up to 400% are n. 6 out of which n. 0 ISP Group Risk Taker and n. 0 person identified as Risk Taker at Company level⁸.

⁸ Data as at 2 January 2024.

5.5 Annual Incentive Systems

Annual Incentive Systems adopted by the Company, in accordance with the ISP Group:

- are aimed at achieving the medium and long-term objectives set out in the Business Plan;
- consider the Fideuram Group and ISP Group's Risk Appetite and Risk Tolerance – as expressed in the RAF – as well as the SGR's capital requirements and the risk / return profile of the various assets managed;
- are aimed at promoting value creation goals for the current year, within a framework of sustainability, given that the premiums paid are related to the available financial resources as well as to align the conduct of management and staff with the interests of all Stakeholders and, in particular among these, of investors / customers.

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

STEP	OBJECTIVE	MECHANISM	
BONUS POOL	Solidity and sustainability in a prudential approach	Gate and Funding	<ul style="list-style-type: none"> • The bonus pool is activated only if main capital and liquidity requirements are satisfied, namely the minimum regulatory conditions of solidity at ISP Group, Fideuram Group and Company level, together with the economic and financial sustainability condition (see par. 5.5.1) • The funding of the bonus pool at Group level (quantum), as far as relevant for the SGR, is based on the available resources resulting from economic and financial results achieved, adjusted for the non-financial risks incurred (see par. 5.5.2)
BONUS ALLOCATION	Alignment of behaviors and managerial conduct with medium and long-term objectives of the Group Business Plan within a framework of risk prevention	Incentive Systems	INCENTIVE SYSTEMS FOR SPECIFIC CLUSTERS Incentive system for all Group Risk Takers and for Legal Entity Risk Takers and Middle Managers not belonging to the Fund Managers category (see par 5.5.3) Fund Managers Incentive System (see par 5.5.4) Professionals (see par 5.5.6)
BONUS PAY-OUT	Adjustment based on conduct/ monitoring the impact of managerial conduct over time	Individual access conditions	Failure to satisfy individual access conditions precludes any bonus payout and the settlement of deferred portions to be paid during the year (see par. 5.5.7)
		Malus conditions	Failure to satisfy malus conditions leads to the reduction, even down to zero, of the deferral portions of bonus to be paid during the year (see par. 5.5.9)
		Claw-back	Return of bonuses already paid as a result of disciplinary measures due to personnel fraudulent behavior or serious misconduct (see par. 5.5.10)

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

The Policies of the Company are also consistent with the provisions on the integration of sustainability risks pursuant to Regulation (EU) 2019/2088 of 27 November 2019 of the European Parliament and of the Council.

In particular, consistency is guaranteed at the annual Incentive System's level:

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

- on the one hand, allocating within the scope of the Incentive System of all ISP Group Risk Takers and those Legal Entity Risk Takers and Middle Management who do not belong to the “category of Fund Managers” a specific “ESG” KPI among the strategic action objectives (see paragraph 5.5.3);
- on the other hand, foreseeing for the population belonging to the “category of Fund Managers” (i.e. ISP Group Risk Takers, Company Risk Takers, Middle Management and Professionals), a mechanism that corrects the bonus associated with the activity carried out in terms of sustainability risk management (see paragraph 5.5.4).

5.5.1 Activation conditions

The annual incentive systems for the Company’s personnel are subject to the minimum activation conditions required by the Regulator, and failure to achieve even one of these results in the non-activation of the annual Incentive Systems.

The activation conditions are based, on a priority basis, on the principles envisaged by the prudential regulations on capital strength and liquidity, represented by the consistency with the limits established by the RAF at ISP Group level, Fideuram Group level (to which FAM UK belongs to) and Company level, as well as the principles of financial sustainability of the variable component of the remuneration represented by the verification the availability of sufficient economic and financial resources to meet the expenditure needs.

The conditions set are:

- At ISP Group Level (Group conditions)

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

In particular, the Gross Income (condition of sustainability) is measured net of: (i) profits from the buyback of the Bank’s own liabilities, (ii) fair value of the Bank’s own liabilities and (iii) income components arising from accounting policies following changes to the internal model on core deposits.

- At Fideuram Group Level (sub-holding conditions)

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

(*) limit calculated at sub-holding level (i.e. Fideuram)

- At Company Level:
 1. Capital requirements at least equal to 110% of the regulatory capital.

It should be noted that failure to comply with the capital requirements at Company level constitutes a non-activation condition of all the Incentive Systems of FAM UK to which the resources are addressed, even when the Group and/or subholding ones are positively verified.

5.5.2 Group Bonus funding and deployment at Company level

All incentive systems for the Company's personnel are financed by a structured bonus pool mechanism that ensures its financial sustainability.

In particular, as far as relevant to FAM UK, the financing mechanism of the Bonus Pool at ISP Group level is:

- defined with a "top down" approach;
- determined according to the ISP Gross Income achieved at the consolidated balance sheet level;
- allocated to finance all the Private Banking Division's annual incentive systems and, within the Private Banking Division (to which FAM UK belongs to), these of the Company.

In line with the provisions of the Group Policies and consistently with the principle of financial sustainability, the bonus pool allocated to the Private Banking Division is "modulated" depending on the level of the Gross Income reached by the same. In case that this level is lower than the predefined access Threshold, only a portion of the Division bonus pool is available (once the ISP Group gates are activated).

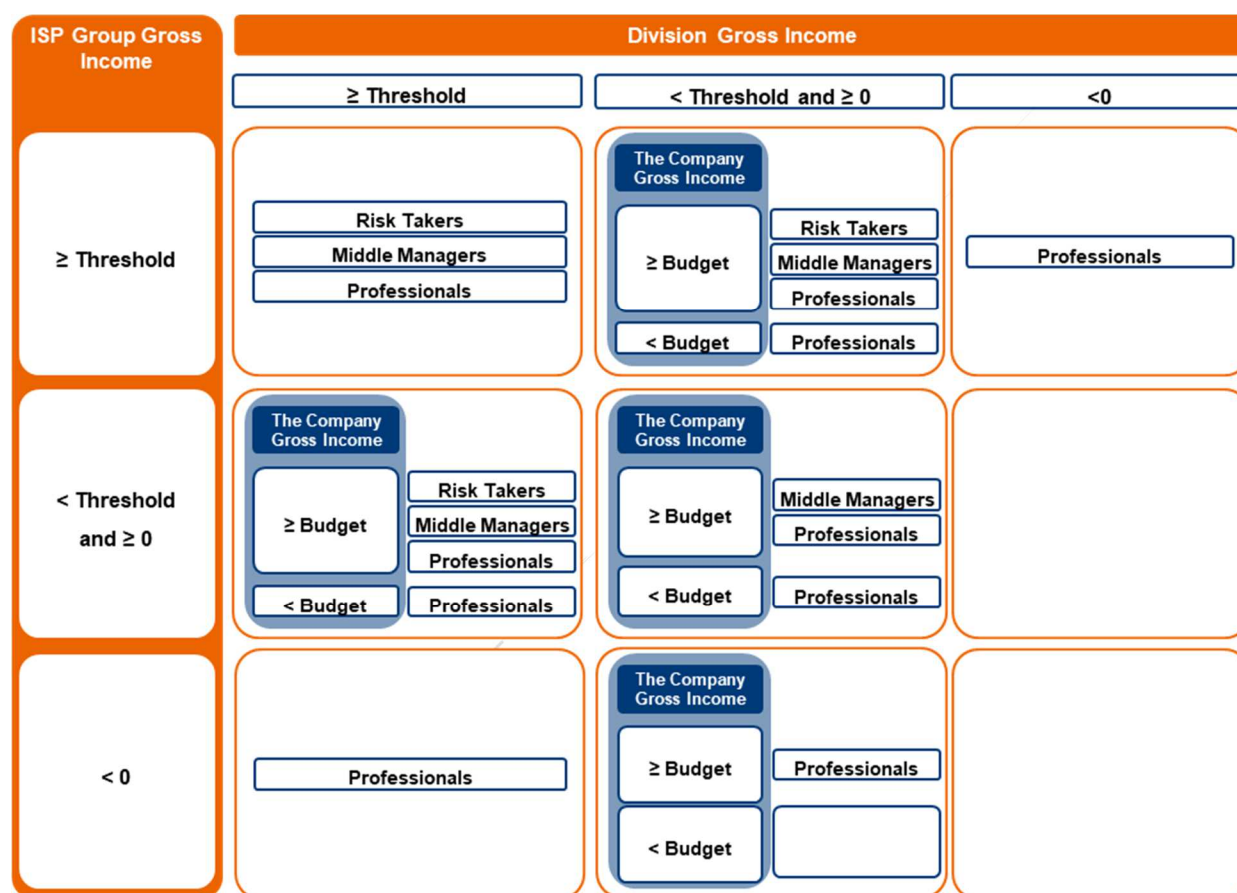
In addition, the portion of the bonus pool so allocated to the Division is subject to the following correction mechanisms based on:

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

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

Finally, as regards the population clusters eligible for the annual Incentive Systems, these depend on the level of achievement of the Gross Income at ISP Group, Division and, in some specific cases, also at Company level.

The following is a schematic representation of the population clusters eligible for the Incentive Systems, according to ISP Group, Private Banking Division and Company's Gross Income.



As “Budget” it is meant the agreed budget lines defined as a target.

5.5.3 Incentive system for all Intesa Sanpaolo Group Risk Takers, and for Legal Entity Risk Takers and Middle Managers not belonging to the Fund Managers category

The incentive system for all ISP Group Risk Takers and for Legal Entity Risk Takers and the Middle Managers not belonging to the Fund Managers category is designed to address managerial behaviors and actions towards the achievement of the objectives set in the Business Plan, consistently with the

interests of the Company, of the managed individual and collective assets and of the investors, to reward the best annual performances evaluated according to a perspective to optimize the risk / return ratio.

This System is formalized through the so-called Performance Scorecards which:

- for Risk Takers and Middle Managers with the title of Senior Director in the Business, Governance Functions and in the Control Functions as well as those with the title of Head of limited to the Business Functions, are managed through the Managers' Performance Accountability (MAP) system;
- for Middle Managers with the title of Head of in the Governance and Control Functions⁹, are managed through the aHead system.

The Performance Scorecards of Risk Takers and Middle Managers (i.e., the Senior Directors in all the Functions and the Heads of in the Business Functions) include financial KPIs and non-financial KPIs.

Financial and non-financial - quantitative KPIs clustered within 4 drivers in line with the Bank Strategy and ISP Group Business Plan		
KPIs	Growth	Expressed according to a risk/return approach through: <ul style="list-style-type: none"> • direct correlation between each objective (and the related target) with risks taken • balance among the different objectives
	Profitability	
	Productivity	Not directly related to risks but somehow linked to the sustainability of results over time
	Cost of Risk/Sustainability	Aimed at risks reduction and/or mitigation as defined by the RAF
	Non-financial – qualitative KPIs	
	<ul style="list-style-type: none"> • Are linked with strategic actions or projects that represent the enabling factors for the achievement of financial KPIs or that contribute to the achievement of the Business Plan objectives • Promote or encourage virtuous behaviour (good conduct) especially in reference to those businesses and areas that require direct customer relationship 	

The identification of the KPIs and of the relative targets as well as the performance evaluation are carried out by the competent functions taking into consideration the economic-equity indicators considered most significant for the achievement of the budget objectives, which can be periodically monitored through the internal reporting tools available both to Company and/or Division and/or consolidated level.

The process of identifying the aforesaid KPIs provides for the involvement of the Compliance and Risk Management function in order to ensure respectively the compliance of the KPIs with the limits fixed in the ISP Group and Fideuram Group RAF and with the Company's capital requirement, as well as the compliance thereof with the applicable legislation.

⁹ Including Managers with similar roles to the *Head Of*.

This allows the selection of a complex mix of qualitative and quantitative parameters – anyway transparent, objective and measurable – allowing a 360-degree evaluation of company’s performances both in terms of profitability and prudentially-assumed risks.

Focus: Examples of qualitative and quantitative KPIs contained in the Performance Scorecards

Financial and non-financial – quantitative KPIs	
Growth	Asset Under Management
Profitability	Performance of managed products
Productivity	Cost/Income
Cost of Risk/Sustainability	Operating Loss/Operating income
Non-financial – qualitative KPIs	
Managerial Qualities	Risk Culture – Promoting awareness with respect to the ‘emerging risks’ (for Control Functions)
Strategic Actions/Projects	ESG

The Performance Scorecards for all Risk Takers and Middle Managers (i.e. the “Senior Directors” of all the Functions and the “Heads Of” of the Business Functions only) have a three-fold structure:

- Group section, containing at least one quantitative KPI measured on the ISP Group scope and common to all the Scorecards, except those intended to the Control Functions. For 2024, the Net Income was assigned as transversal ISP Group KPI;
- structure section, containing KPIs that are consistent with the strategic drivers of the Company within ISP Group Business Plan and the levers used by the Risk Taker/Middle Managers. The reporting boundary is FAM UK or, in any case, the area of responsibility;
- non-financial – qualitative section: containing KPIs relating to the taking of actions envisaged by ISP Group Business Plan or the measurement of managerial skills (possibly also individual), whose

reporting is usually objectified by identifying drivers defined ex ante which guide the ex-post assessment and/or subject to evaluation by the Head. For 2024, in continuity with the previous financial year and in line with Group Policies, the “Environmental, Social and Governance (ESG)” KPI identified among the strategic actions is assigned. Furthermore, for the Risk Takers in Corporate Control Functions, for 2024 a transversal KPI has been confirmed, represented by the objective of *“Risk Culture – Promoting awareness at all levels of the organisation regarding emerging risks, with a particular focus on the risks related to climate change and technological innovation, by means of education, awareness raising and training”*.

Focus: ISP Group “ESG” cross KPI

FAM UK is aware that its impact on the social and environmental context in which it operates is significant and therefore chooses to focus not only on profit, but also on creating long-term value for the Company, its people, its customers, the community and the environment.

The Company wishes to be responsible and generate long-term value, in the awareness that innovation, development of new products and services and the responsibility of businesses can help reduce the impact on society of phenomena such as climate change and social inequality.

Regulators and all the Company’s Stakeholders have shown a growing interest in environmental, social and governance factors as well.

In light of the above and pursuant to the provisions of Regulation (EU) 2019/2088 the Company, also in line with the 2022-2025 Business Plan defined by the ISP Group, has decided to include a specific “ESG” KPI among the strategic action objectives that will be assigned to all management, in line with the guidelines defined by the Intesa Sanpaolo Group.

The ESG KPI is evaluated at ISP Group level, with a view to recognising the Group’s commitment as a whole, and at the level of the Division to which FAM UK belongs, to enhance the action areas of the individual Group structures. In particular:

- the presence of Intesa Sanpaolo in the sustainability indices of specialised companies will be assessed at ISP Group level;
- the following are assessed at the Division level to which FAM UK belongs:
 - specific ESG projects/actions (such as, for example, % incidence of AuM present on managed savings products classified as Articles 8 and 9 - YoY growth -, maintenance of the customer satisfaction index indicator at excellence levels);
 - the achievement of Diversity & Inclusion expressed in line with the Group Principles on gender neutrality.

Moreover, all Risk Takers and Middle Managers are evaluated on one KPI weighted up to 20% chosen from the KPIs assigned to any intermediate organizational level among the Division/Function and one’s own area of responsibility. Only in particular cases, it’s possible to provide an additional KPI chosen

from the KPIs assigned to any intermediate organizational level among the Head of the Division/Function of the ISP Group and one's own area of responsibility as long as the maximum total weight of the two KPIs is in any case equal to 20%.

Each KPI is assigned a weight equal to at least 10% to ensure the relevance of the objective, and no more than 30% to guarantee appropriate weighting of the numerous objectives.

The performance evaluation period (accrual period) is annual.

Focus: Structure of the Performance Scorecard for Risk Takers and Middle Managers (i.e. the “Senior Directors” in all the Functions and the “Heads Of” of the Business Functions only)

The sum of the weights allocated to the KPIs in each section equals the overall weight of the section; this weight varies according to the macro area the Risk Takers and Middle Management belong to.

Here is a summary representation of the Performance Scorecard for each category.

Risk Takers of the Business and Governance Functions and Middle Managers (i.e. the “Senior Directors” in all the Functions and the “Heads Of” of the Business Functions only):

Strategic Driver/KPIs		Weight range on the Performance Scorecard	
		BUSINESS	GOVERNANCE
Structure Objectives financial and non-financial – quantitative ¹	Growth	45% - 55%	50% - 60%
	Profitability		
	Productivity		
	Cost of risk/Sustainability		
Group Objectives – cross-functional	Net income	10%	10%
Non-financial objectives – qualitative	ESG	15%	15%
	Other managerial skills (if any)	30% - 20%	25% - 15%
	Strategic actions/Projects – consistent with the Business Plan and measured either through quantitative parameters or on the basis of strategic drivers		

Risk Takers and Middle Management (limited to the “Senior Directors”) of the Control Functions:

Strategic Driver/KPIs

Weight range on the Performance Scorecard

Focus: Structure of the Performance Scorecard for Risk Takers and Middle Managers (i.e. the “Senior Directors” in all the Functions and the “Heads Of” of the Business Functions only)

Structure Objectives non-financial – quantitative	Productivity	CONTROL FUNCTIONS
	Cost of risk/Sustainability	
Group Objectives – cross-functional	Profitability	45% - 70%
	ESG	
Non-financial objectives – qualitative	Risk Culture – Promoting awareness at all levels of the organisation regarding “emerging” risks ¹ with a particular focus on the risks related to climate change and technological innovation, through of information, awareness and training	The Group financial objective is not envisaged
	Other managerial skills (if any)	15%
	Strategic actions/Projects – consistent with the Business Plan and measured either through quantitative parameters or on the basis of strategic drivers	10% - 15%
		30% - 0%

Focus: Risk Culture cross KPI identified for 2024 for Control Functions

KPI “Risk Culture - Promoting awareness at all levels of the organisation with respect to the emerging risks, with a particular focus on those connected to climate change and technological innovation, through information, awareness and training actions”

The evaluation scope of the KPI, for the Managers of the Control Functions present in the Division, corresponds to the respective scope.

The evaluation is carried out on the basis of the following drivers:

- *Top Management (“tone from the top”)*:
 - Number of initiatives, their qualitative rating and type of risks treated in Induction to the Corporate Bodies;
 - Number of initiatives, their qualitative rating and type of risks treated in training initiatives addressing the Top and Senior Management;
- Internal personnel of the Function:
 - Number of initiatives, their qualitative rating and type of risks treated in training initiatives addressing the staff of functional areas;
 - Number of initiatives, their qualitative rating and type of risks treated in training initiatives addressing personnel from the Guidance and control functions;
- Other personnel:
 - Number of initiatives, their qualitative rating and type of risks treated in training initiatives addressing personnel other than the Top and Senior Management and the personnel from the Control Functions;
 - Extent/dissemination of the initiatives;
- Level of learning of the recipients of the training initiatives measured through specific test;

Focus: Risk Culture cross KPI identified for 2024 for Control Functions

- Job rotation initiatives among company functions, taking into account the specificities of the activities carried out.

Focus: Structure of the Performance Scorecard for Middle Managers with title of Head of in the Governance and Control Functions

The Middle Managers Performance Scorecards with the title of Head of in the Governance Functions and in the Control Functions provide for quantitative and qualitative KPIs and a tripartite structure structured as follows:

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

Each KPI is assigned a weight of at least 10% to ensure the significance of the objective and no more than 30% to ensure adequate weighting of the multiple objectives.

The score range of the performance scorecard is 75% - 125%.

The scorecards with scores below the minimum level (75%) do not, under any circumstances, allow the award of the bonus.

The total amount due is assigned annually based on the evaluation of the results of the individual performance scorecard¹⁰ and is defined with different calculation methods depending on the population cluster. This calculation is based on the so-called Division "ranking" for ISP Group Risk Takers, while it is linked to the evaluation of results for Legal Entity Risk Takers and Middle Management.

¹⁰ It should be noted that the individual performance scorecards with a score below the minimum level (i.e. 75% for Middle Managers with the title of Head Of in the Governance Functions and in the Control Functions, 80% for the Risk Takers of the Business and Governance Functions and Middle Managers with title of Senior Director and with title of Head Of of limited to Business functions, 90% for Risk Takers and Middle Managers with title of Senior Director in Control Functions and similar roles) do not allow, in any case, the awarding of the bonus.

This ranking is obtained by ordering the scores of the results of the individual performance scorecards, assigned to each ISP Group Risk Taker. For the purpose of determining the bonus, this ranking is then broken down into brackets.

With particular reference to the Intesa Sanpaolo Group Risk Takers belonging to the category of Fund Managers, in addition to the possible bonus accrued according to the position reached in the abovementioned Division "ranking" and given the availability of the allocated bonus pool, an Extra Bonus related to the Performance of Managed Products is provided when the KPI "Performance of Managed Products"¹¹ exceeds the target level set within the Performance Scorecard. In particular, when the "Performance of Managed Products" is above the target level, the Extra Bonus amount increases linearly up to the maximum range of the brackets shown below.

In any case, if the KPI "Performance of Managed Products" does not reach the "threshold" level, no bonuses will be paid to the ISP Group Risk Takers belonging to Fund Managers category.

The tables below sintetically represent the ranking mechanism for ISP Group Risk Takers belonging to Business and Governance functions and for those (among them) belonging to the Fund Managers category. In particular, the following are:

- the reference bonus awarded to each ranking bracket;
- the minimum and maximum range of the brackets within which a possible proposal for the increase/reduction of the bonus by the Direct Head must be included;
- the Extra Bonus provided for those belonging to the Fund Manager category if the KPI "Performance of Managed Products" exceeds the threshold.

Ranking brackets for ISP Group Risk Takers belonging to Business and Governance functions (not belonging to Fund Managers category)			
Bracket	Reference bonus based on the ranking	Minimum Bracket	Maximum Bracket
1	Max Bonus opportunity ¹²	110% Fixed remuneration	Max Bonus opportunity ¹³
2	100% Fixed remuneration (+/-10%)	80% Fixed remuneration	130% Fixed remuneration
3	60% Fixed remuneration (+/-10%)	40% Fixed remuneration	80% Fixed remuneration
4	30% Fixed remuneration (+/-10%)	0% Fixed remuneration	50% Fixed remuneration

Ranking brackets for ISP Group Risk Takers belonging to Fund Managers category				
Bracket	Reference bonus based on Ranking	Bracket minimum	Bracket maximum	Extra Bonus for Performance managed products > target

¹¹ For more details on the indicator, please refer to the focus of paragraph 5.5.4.

¹² The maximum opportunity bonus corresponds to 200% of the fixed remuneration, net of any allowances for the year arising from all other forms of variable remuneration.

¹³ See previous note.

1	150% Fixed remuneration	110% Fixed remuneration	Bonus opportunity max	+200% Fixed remuneration
2	100% Fixed remuneration (+/-10%)	80% Fixed remuneration	130% Fixed remuneration	+ 180% Fixed remuneration
3	60% Fixed remuneration (+/-10%)	40% Fixed remuneration	80% Fixed remuneration	+ 150% Fixed remuneration
4	30% Fixed remuneration (+/-10%)	0% Fixed remuneration	50% Fixed remuneration	+100% Fixed remuneration

Finally, it is noteworthy that the evaluation of the performance scorecard covers a period of one year and that the pro-quota bonus may be paid only if the person has been employed for at least six months.

Moreover, the payment of this variable remuneration component requires that the employment relationship exist at the time of payment of the first upfront portion of the bonus, without prejudice to the provisions regarding Severance.

5.5.4 Fund Managers Incentive System

The population of the Fund Managers¹⁴ (both UCITS and Portfolio Management) is the recipient of a specific Incentive System aimed at supporting the achievement of the performance objectives of the products managed in risk / return terms over a multi-year period.

The incentive system applied to the Fund Managers category also takes into account the integration of sustainability risks within the scope of the investment process, as governed in the document *“Integration of sustainability Risks into the Remuneration and Incentive Policies of Fideuram Asset Management UK Limited”*.

Focus: Integration of sustainability risks in the investment process

In line with Regulation (EU) 2019/2088, FAM UK has adopted a specific *“Sustainable and responsible investment Policy”* available on the Company’s website which describes the methods for integrating “sustainability risks”¹⁵ for products – mutual funds and portfolio management – managed by the Company.

The Company has therefore envisaged specific methodologies for the selection of financial instruments, suitably graded according to the characteristics and objectives of the individual products managed, which take into account environmental, social and governance (ESG) factors and principles of Sustainable and Responsible Investments (SRIs).

The criteria for the selection and monitoring of issuers based on ESG and SRI profiles supplement the traditional financial analyses of the risk/return profiles of the issuers that the Company takes into consideration when making its investment choices, to prevent environmental, social and governance conditions from having a significant actual or potential negative impact on the value of the investments of the managed assets.

¹⁴ Included Group and Company Risk Takers.

¹⁵ What is meant is an environmental, social or governance event or condition which could have a significant actual or potential negative impact on the value of the investment if it came to pass.

For the purposes of the Incentive System, the reference population is divided into n. 6 clusters according to role (Head of Investment Management Function, Investment Management Team Leader, Head of Investment Support Function, Senior Portfolio Manager, Associate Portfolio Manager and Investment Support Specialist).

Within the 6 clusters, several Reference Bonuses are identified, representing the target bonus and awarded to the Fund Manager based on the evaluation of some specific criteria (i.e. AUM managed, number of products managed, commercial relevance and level of innovation of the products managed, performance track record, managed complexity, seniority in the role, qualitative performance, managerial assessment, leadership assessment).

The System is formalized through a Performance Scorecard with two sections:

- a quantitative section in which a synthetic KPI (“Performance of Managed Products”) is identified, which measures in a normalised and weighted form the performance of the funds managed by a Manager;

Performance of Managed Products KPI:

For the purpose of evaluating the performance of the products managed, a balanced set of quantitative indicators is used, differentiated according to the type of products managed.

As regards the **managed products compared to a benchmark**, the reference indicators are:

- Excess Return (ER);
- Information Ratio (risk-adjusted performance indicator) that expresses the return of a portfolio compared to that of its reference benchmark in relation to the relative risk measured by the Tracking Error Volatility (TEV).

With regard to the **flexible products** instead, reference is made to the following indicators:

- absolute return;
- *Sharpe Ratio*¹⁶ (risk-adjusted performance indicators);
- *downside* protection measures based on Drawdown¹⁷.

As regards the reporting, reference is made to the report prepared by the Compliance and Risk Management Function.

- a non-financial – qualitative section that focuses on the Manager’s managerial or professional skills.

Qualitative KPIs:

¹⁶ The Sharpe Ratio is calculated by using the gross return with respect to the Barclays Euro Treasury Bills “risk free” index and is a measure of the risk premium calculated per unit of volatility, where a higher indicator indicates a higher value creation per unit of risk assumed.

¹⁷ The drawdown represents the loss accrued by an investment, measured as the difference between a relative maximum point (“peak”) and the subsequent minimum point (“trough”).

Quantitative performance indicator has been properly complemented in order to enhance the achievement of individual (non-financial – qualitative) objectives by each manager, which can measure the achievement of KPIs related to the Business Plan implementation or to behavioural/managerial skills, whose reporting is usually objectified by defining project milestones and/or assessment drivers which guide *ex post* assessment made by each Direct Head.

A total of two non-financial – qualitative objectives is set, which correspond to a total amount of 20 points (overtarget) for each scorecard. Each objective therefore weighs a maximum of 10 points.

The bonus accrued by each Fund Manager is a deterministic function of the overall score achieved by the Performance Scorecard.

For application purposes, the following additional details are provided below regarding the structure of the Performance Scorecards:

- the KPI evaluation scale;
- the mechanism for calculating the score on the Performance Scorecard.

KPI evaluation scale

The evaluation scale for the KPIs differs according to the type of objective.

For financial – quantitative KPIs (performance objectives *of the managed products*) the level of achievement of these KPIs is mathematically determined on the basis of the following evaluation scale, which is differentiated according to the type of indicator adopted:

- excess return (for managed vs benchmark products), absolute return and drawdown measures with respect to asset allocation portfolios (for absolute/total return products)

Minimum	Threshold	Target	Overtarget
-100%	0%	+50%	+100%

- risk-adjusted return measures

Threshold	Target	Overtarget
0%	+50%	+100%

The quantitative performance indicator of the MBO "Performance of Managed Products" for each Fund Manager is the result of the aggregation of the performance of individual products and / or asset management. The relative evaluation scale is reported below:

Minimum	Threshold	Target	Overtarget
-100%	0%	+50%	+100%

As far as individual non-financial – qualitative objective KPIs are concerned, the score is expressed based on evaluation drivers and the report on activities performed on the basis of the following discrete evaluation scale:

Below expectations	Partially in line with expectations	In line with expectations	Above expectations	Outstanding
-10	-5	0%	+5	+10

The mechanism for calculating the scores on the Performance Scorecard

The score of the performance scorecard is determined by the algebraic sum of the score related to the performance objective of the managed products and that related to the two non-financial - qualitative objectives.

Therefore, the performance scorecard range is equal to 0% - 120% because, if the score related to the performance objective of the managed products is below zero (i.e., threshold), the qualitative assessment is not effective.

The scorecards with scores below the minimum level (0%) do not enable the award of the bonus in any event¹⁸.

Finally, it should be noted that the incentive curves on the basis of which the bonus actually accrued are calculated according to the score obtained by the Performance Scorecard are differentiated to recognize the different degree of contribution to the results of the clusters of the roles targeted by the Incentive System.

Therefore, these clusters of roles are grouped into two macro clusters:

- a) Investment Management Head of Function, Team Leader, Senior Portfolio Manager

¹⁸ In any case, for the professional population, the payment of the bonus is subject to a professional evaluation at least equal to "in line with expectations".

- b) Investment Support Head of Function, Investment Management Associate/Portfolio Manager and Investment Support.

To the first macro cluster is associated a more competitive incentive curve.

In any case, the maximum bonus that can be awarded is set at six times the Reference Bonus, notwithstanding the cap defined for personnel belonging to the Investment Area (i.e. 4:1).

For more details on the Incentive System please refer to the document “Incentive System for the Portfolio Managers of Fideuram Asset Management UK Limited”.

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

A specific and selective Annual Incentive System is envisaged for the Risk Takers and Middle Managers belonging to start-up companies.

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

For the purpose of determining the incentive due, the Company’s performance is measured with respect to the achievement of the milestones envisaged (e.g. Company Profit/Loss) by the specific multi-year Business Plan for the start-up, in line with the medium-long term objectives characterizing all the Company Incentive Systems. In compliance with the principle of financial sustainability, the maximum incentive to be accrued is, in any case, limited and compatible with the economic and financial context of the Company.

5.5.6 The Annual Incentive System for Professionals

The Incentive System for the Professionals aims to reward the best annual performance assessed with a view to optimise the risk/return ratio.

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

UpPER is Intesa Sanpaolo Group’s performance appraisal system where 3 performance areas, so called “outcomes” (i.e. non-financial KPIs), that identifies critical successful factors when performing jobs. At the beginning of the process, those outcomes are chosen by the manager from a list, which is specific to each job family. Each outcome is associated to 3 adjectives, which detail the expected levels of performance and the way to achieve it.

The evaluation is expressed in a 7-level evaluation scale (Inadequate, Below Expectations, Partially in Line with Expectations, In Line with Expectations, Above Expectations, Highly Above Expectations and Excellent). Finally, the bonus accrued by the Professional is subject to the demultiplier mechanism related to the mandatory training and specifically, failure to comply with mandatory training fulfillment within the expected deadlines will lead to a 10% reduction of the bonus accrued.

5.5.7 Individual access conditions

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

- disciplinary measures involving at least the suspension from service and pay for a period equal to or greater than one day, also due to serious findings received from the control functions;
- in the event of violations sanctioned by the supervisory Authorities of the obligations in matters of professionalism, integrity and independence and following in relation to related parties and obligations regarding remuneration and incentives set out in CRD V, involving a sanction of an amount equal to or greater than € 30,000;
- behaviors that do not comply with the provisions of the law, regulations, the articles of association or any ethical or conduct codes established ex ante by the Group or the Company and from which a “significant loss” has resulted for the Group, for the Company, for managed funds or for customers.

In particular, failure to verify the conditions of individual access entails the non-payment of the bonus for the year in which the compliance breach was committed, as well as canceling the deferred portions whose vesting conditions refer to the same year.

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

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

are subject to claw-back (possibly also by offsetting with additional amounts due as variable remuneration). In the event of termination of the employment agreement, the company reserves the right to evaluate the application of this mechanism in terms of costs and benefits.

Furthermore, if the bonus pertaining to the year in which the compliance breach was committed was subject to deferral mechanisms, the disbursement of any unpaid portions is definitively ceased. Lastly, it should be noted that these claw-back mechanisms are also taken into account when defining any ongoing disputes with personnel.

With exclusive reference to the Fund Managers, two additional access conditions are envisaged:

1. a condition of compliance with the structure of limits established for the individual product is defined which, in the presence of significant and persistent exceedances of the limits, acts as a possible de-multiplier of the bonus achieved up to a possible zeroing.

In particular, in the presence of significant and persistent exceedances of the limits, a reduction equal to:

- 20% in the case of the severity level of the "average" exceedance¹⁹;
- 50% in the event of a "high" severity level²⁰.

In any case, the deduction can lead to the cancellation of the bonus in case of exceedances that can negatively impact the assets of the Company.

- the payment of the bonus must be subject to:
 - for those in this category that are ISP Group Risk Takers, reaching at least the threshold level of the "Performance of Managed Products" KPI within the Performance Scorecard;
 - for those in this category who are identified as Legal Entity Risk Takers or who belong to the Middle Management and Professionals segment, reaching a score equal to or greater than zero in the quantitative section of the Performance Scorecard, corresponding to the "Performance of Managed Products".

5.5.8 Corrective mechanisms

The bonus accrued based on the level of achievement of the KPIs is subject to the possible application of the following corrective mechanisms:

Risk	Recipients	Relevant limits and trigger events	% bonus reduction
Residual Risk	Risk Takers (RT) and Middle Management (MM)*	Detection of residual risk at medium-high / high levels (Q-factor)	max -20%
ESG Risk	RT, MM* and Professional belonging to the Fund Managers category	Deviation of the sustainability rating class of the portfolio with respect to the target	-10% / +10%
Conduct Risk	RT and MM as well as Professional belonging to the Fund Managers category	Failure to comply with the expected deadline/results for the compulsory training ²¹	-10%

(*) Regardless of the Incentive System to which they are recipients

With specific reference to the mechanism that measures the residual structure risk level (Q-Factor), it acts as a possible de-multiplier of the bonus achieved which is reduced by:

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

¹⁹ A situation characterized by more than 10% of working days with an exceeding of the limit greater than 20% of the limit itself is considered an average level of severity.

²⁰ It is considered a high level of severity in the presence of more than 10% of the working days characterized by exceeding the limit greater than 30% of the limit itself.

²¹ For avoidance of doubt, compulsory training includes both courses assigned through the Apprendo platform and the local ones defined by the Company and assigned and communicated to all the staff.

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

Finally, with reference to the corrective mechanism of the bonus linked to the activities carried out in terms of sustainability risk management (the “**sustainability corrective mechanism**”), It is specified that this mechanism is based on a comparison between the “sustainability rating class” of the single Fund Manager’s portfolio (i.e. the rating class determined on the basis of the average score of the single product managed by the individual Manager with reference to ESG factors) and the related target level identified (i.e. the rating class determined on the basis of average score of the parameter – product benchmark, benchmark or investment universe – associated with the Manager).

Depending on the deviation of the sustainability rating class of the portfolio compared to the target, the sustainability corrective mechanism may confirm the Manager’s bonus determined within the scope of the Incentive System or act to increase or decrease the rating. In particular:

- if the Fund Manager Portfolio’s sustainability rating class is one notch higher than the target rating, the bonus is increased by 5%;
- if the Fund Manager Portfolio’s sustainability rating class is two or more notches higher than the target rating, the bonus is increased by 10%;
- if the Fund Manager Portfolio’s sustainability rating class is one notch below the target rating, the bonus is reduced by 5%;
- if the Fund Manager Portfolio’s sustainability rating class is two or more notches below the target rating, the bonus is reduced by 10%;
- if the Fund Manager Portfolio’s sustainability rating class is in the same class as the target rating, the bonus is confirmed.

The corrective factor determined at the single product level is aggregated at the manager level according to the aggregation rules used for the determination of the MBO Performance Indicator.

The methods for calculating the rating are set forth in the documents “*Incentive System for the Portfolio Mangers of Fideuram Asset Management UK Limited*” and “*Integration of sustainability Risks into the Remuneration and Incentive Policies of Fideuram Asset Management UK Limited*”.

5.5.9 Malus Conditions

In case of deferment (see paragraph 5.55.6), each deferred portion is subject to an ex post adjustment mechanism - the so-called malus condition - according to which the relative amount recognized, and the number of any assigned financial instruments may be reduced, to zero, in the year in which the deferred portion is paid, in relation to the level of achievement of the minimum conditions set by the Regulator regarding the sound capital base and liquidity, as well as the condition of financial sustainability.

Those conditions are:

- **at Intesa Sanpaolo Group level**

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

In particular, the Gross Income (condition of sustainability) is measured net of: (i) profits from the buyback of the Bank's own liabilities, (ii) fair value of the Bank's own liabilities and (iii) income components arising from accounting policies following changes to the internal model on core deposits.

- **at Fideuram Group level**

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

(*) limit calculated at sub-holding level (i.e. Fideuram)

- **at Company level:**

1. Capital requirement at least equal to 110% of the regulatory capital;
2. Absence of loss and positive Gross Income.

In the event that one of the conditions of capital strength or of liquidity does not occur individually, the deferred portion is reset to zero; if the sustainability condition (Gross Income) is not met, the deferred portion is reduced by 50%.

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

5.5.10 Claw-back Mechanism

The Company reserves the right to activate claw-back mechanisms for all personnel, namely the return of bonuses already paid as required by regulations, as part of:

- initiatives and disciplinary measures envisaged in the face of fraudulent behavior or gross negligence of the personnel;
- behaviors that do not comply with the provisions of the law, regulations, articles of association or any ethical or conduct codes established ex ante by the ISP Group and from which a "significant loss" has arisen for the Company or customers.

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

5.6 Payment method for the short-term variable remuneration

The remuneration payment methods are regulated by specific indications in the Group Policies, defined in accordance with the Supervisory Provisions taking into account the specific regulatory requirements for the asset management sector.

Below are the schemes for paying the variable remuneration adopted by the Company.


Deferral

- Deferred amount**
- ① 70% of variable remuneration is deferred for a period of **5 years** in the event of:
 - variable remuneration awarded to the **ISP Group and Legal Entity Risk Takers belonging to the Fund Managers category**, if the amount exceeds the materiality threshold and exceeds 300% of the fixed remuneration
 - ② 60% of variable remuneration is deferred for a period of **5 years** in the event of:
 - “**particularly high**” amount of remuneration, for each cluster of staff
 - remuneration awarded to the **ISP Group and Legal Entity Risk Takers belonging to Fund Managers category**, if the amount exceeds the materiality threshold and is between 200% and 300% of the fixed remuneration
 - remuneration awarded to **Fund Managers category** (no Risk Taker), if the amount exceeds the materiality threshold and exceeds 300% of the fixed remuneration
 - ③ 50% of variable remuneration is deferred for a period of **4 years** in the event of remuneration awarded to:
 - remuneration awarded to the **ISP Group Risk Takers belonging to the Fund Manager category**, if the amounts exceeds the materiality threshold and is comprised between 100% and 200% of the fixed remuneration
 - other **ISP Group Risk Takers**, if the amount exceeds both the materiality threshold defined at Group level and 100% of fixed remuneration
 - ④ 60% of variable remuneration is deferred for a period of **3 years** in the event of remuneration awarded to:
 - remuneration awarded to **Legal Entity Risk Takers belonging to the Fund Manager category**, if the amounts exceeds the materiality threshold and is comprised between 100% and 200% of the fixed remuneration
 - other **Legal Entity Risk Takers**, if the amount exceeds the materiality threshold and higher than 100% of fixed remuneration
 - remuneration awarded to **Fund Managers category** (no Risk Takers) if the amounts exceeds the materiality threshold and is comprised between 200% and 300% of the fixed remuneration
 - ⑤ 40% of variable remuneration is deferred for a period of **4 years** in the event of remuneration awarded to:
 - **ISP Group Risk Takers belonging to the Fund Manager category**, if the amount exceeds the materiality threshold and is equal to or lower than 100% of fixed remuneration
 - other **ISP Group Risk Takers**, if the amount exceeds the materiality threshold and equal to or lower than 100% of fixed remuneration
 - ⑥ 40% of variable remuneration is deferred for a period of **3 years** in the event of remuneration awarded to:
 - **Legal Entity Risk Takers belonging to the Fund Manager category**, if the amount exceeds the materiality threshold and is equal to or lower than 100% of fixed remuneration
 - other **Legal Entity Risk Takers**, if the amount exceeds the materiality threshold and equal to or lower than 100% of fixed remuneration
 - **Fund Managers category** (no Risk Takers) if the amount exceeds both the materiality threshold and is comprised between 100% and 200% of the fixed remuneration
 - **Middle Managers and Professionals** if the amount exceeds both the materiality threshold and 100% of fixed remuneration
 - ⑦ 40% of variable remuneration is deferred for a period of **2 years** in the event of remuneration awarded to:
 - **Legal Entity Risk Takers** (not belonging to the Fund Managers category) accrue variable remuneration higher than 100% of fixed remuneration but equal to or lower than the materiality threshold
 - **Fund Managers category** (no Risk Takers), if the amount exceeds the **materiality threshold** and is equal to or lower than 100% of fixed remuneration, or if it is equal to or lower than the materiality threshold and exceeds 100% of fixed remuneration
 - **Middle Managers and Professionals**, if the amount exceeds the **materiality threshold** and is equal to or lower than 100% of fixed remuneration, or if it is equal to or lower than the materiality threshold and exceeds 100% of fixed remuneration

Up-front amount

The remaining part of the variable remuneration is paid out up-front.

For each cluster of staff the variable remuneration is entirely paid out up-front, if the amount is **equal to or lower than both the materiality threshold and 100% of fixed remuneration**

Focus: “Particularly high” amount of variable remuneration

In line with the provisions of the Group Policies and therefore with the Supervisory Regulations of the banking sector, at least every three years the Intesa Sanpaolo Group is obliged to define the “**particularly high**” amount of variable remuneration, as the lower between:

- the 25% of the average Italian high earners total compensation, as reported in the last EBA report. Such amount is equal to € 435.011 according to the EBA report on the December 2019 data;
- 10 times the average total remuneration of Intesa Sanpaolo Group employees. Intesa Sanpaolo calculated this amount as the average of the remuneration paid to employees in the years 2019, 2020 and 2021 equal to € 475.667.

For greater prudence, the smaller between the two above-mentioned amounts (i.e., 435,011 euro – gross) is rounded down and, as a consequence, for the three-year period 2022-2024, variable remuneration of over € 400,000 is considered “particularly high”.

It should be noted that Group Companies that pay remuneration in a currency other than the euro must convert this amount using the exchange rate published by the Financial Planning and Budget Committee for the last month of the Company's financial year.

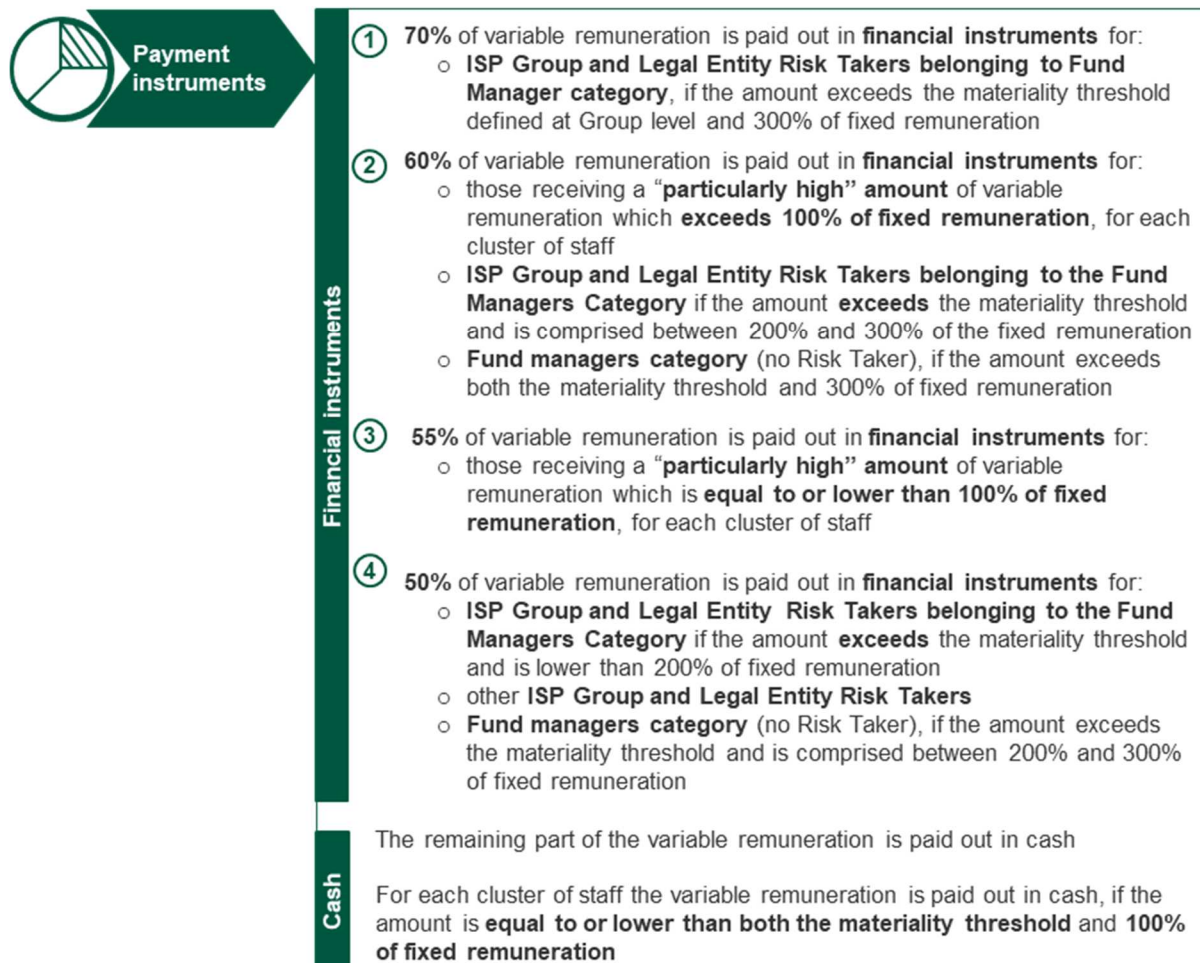
Focus: Materiality threshold

In line with the ISP Group Policies, the Company has defined a materiality threshold, differentiated by personnel cluster, beyond which the variable remuneration is considered “significant”.

In particular:

- for ISP Group Risk Takers, in compliance with the regulations applicable to the Intesa Sanpaolo, the variable remuneration is considered “significant” if it exceeds the amount of € 50,000 or if it represents more than one third of the total remuneration;
- for Company Risk Takers, Middle Management and Professionals, the materiality threshold is differentiated according to the area of activity in which they operate. Specifically, it is equal to:
 - **€ 80,000** gross, in line with ISP Group practices, for Company Risk Taker, Middle Managers and Professionals who operate in staff areas and business areas (excluding the Investments Area);
 - **€ 150,000** gross for Middle Managers and Professionals who operate in **Investment Area** in order to reduce a potential competitive disadvantage factor in the attraction and retention of the best resources in countries other than the Group's domestic market and in businesses characterised by high competitive pressure (i.e., high cost of living, strong wage dynamics and high resignation rates) on human resources.

Below are the financial instruments for the variable remuneration payment adopted by the Company:



It should be noted that interest in line with market rates is calculated on deferred bonus portions paid in cash.

The rate used for the calculation of interest is that defined based on the return on BTP Italian government bonds (source Bloomberg), as an alternative investment valuation.

Focus: Financial Instruments

The Regulation for the personnel in significant asset management companies provides that a substantial part of the variable remuneration is composed of units or shares of the UCITS or AIFs managed, or of a combination that takes into account as much as possible the proportion of these, or of equivalent equity interests, instruments linked to units or shares or from other equivalent non-monetary instruments that are equally effective in terms of aligning incentives. Therefore, in compliance with these provisions, the financial instruments assigned consist of a specific basket of Phantom UCITS representing the asset classes managed by the Company. The Phantom UCITS are a unit of measurement which virtually represent the managed UCITS.

Focus: Financial Instruments

In this context, the Company defines the UCITS basket representing the funds managed by the Company to be assigned to the personnel (i.e. Risk Takers – including those are identified as Group Risk Taker -, Middle Managers and Professionals) belonging or not to the Fund Managers category.

Criteria used to identify the baskets of financial instruments to be assigned to the staff of the Company are detailed in the document "Identification of the financial instruments to be assigned to the staff of Fideruam Asset Management UK Limited for the purposes of the incentive system".

The UCITS managed by the Company are not authorized to be distributed in UK, therefore, the variable remuneration assigned in Phantom UCITS will be paid after the retention period in cash, equivalent to the countervalue of the shares and units of Phantom UCITS that are included in the basket.

For the variable remuneration assigned in UCI units, a holding period is envisaged:



① The **up-front** and **deferred** components of variable remuneration assigned in financial instruments are subject to a retention period of **1 year**

In application of the above, the Company has defined the following pay-out schemes differentiated primarily according to whether they belong to the Fund Managers category.

In particular, for personnel not belonging to the Fund Managers category, in accordance with the provisions of the Group Policies, the schemes are subsequently differentiated according to the category of personnel (ISP Group Risk Taker, Company Risk Taker, Middle Management and Professional), the amount of variable remuneration (higher or lower than the Significant amount or the materiality threshold) and the incidence of variable remuneration compared to the fixed (greater or equal / less than 100%).

Instead, with reference to the personnel belonging to the Fund Managers category, the schemes were further differentiated according to the category of personnel (Risk Taker, Middle Management and Professional), the amount of the variable remuneration (above or below the materiality threshold) and the increasing incidence of variable remuneration compared to fixed (equal to/less than 100%, between 100% and 200%, between 200% and 300%, greater than 300%).

The pay-out schemes are shown below.

Scheme 1

In case that the **ISP Group Risk Takers and Legal Entity Risk Takers belonging to the Fund Managers category** accrue a variable remuneration **higher than the materiality threshold and greater than 300% of the fixed remuneration**, 30% up-front will be paid (of which 15% cash and 15% in units of UCIs) and 70% (of which 15% cash and 55% in units of UCIs) over a 5-year time horizon of deferral.

The pay-out scheme is shown below:

VESTING SCHEDULE		2025	2026	2027	2028	2029	2030
CASH (30%)		15%					15%
FINANCIAL INSTRUMENTS (70%)		15%	14%	14%	14%	13%	
PAYOUT SCHEDULE		2025	2026	2027	2028	2029	2030
CASH (30%)		15%					15%
FINANCIAL INSTRUMENTS (70%)			15%	14%	14%	14%	13%

Scheme 2

In cases where:

- the personnel, regardless of their macro segment, accrue a variable remuneration of a **"particularly high" amount and greater than 100% of the fixed remuneration**,
- the **ISP Group and Legal Entity Risk Takers belonging to the Fund Managers category** accrue a variable remuneration for an **amount greater than the materiality threshold** defined by the Group and **between 200% and 300%** of the fixed remuneration,
- the personnel (non-Risk Taker) **belonging to the Fund Managers category** accrue a variable remuneration **higher than the materiality threshold and greater than 300% of the fixed remuneration**,

40% up-front will be paid (of which 20% in cash and 20% in units of UCIs) and 60% (of which 20% cash and 40% in units of UCIs) over a 5-year time horizon of deferral.

The pay-out scheme is shown below:

VESTING SCHEDULE		2025	2026	2027	2028	2029	2030
CASH (40%)		20%			4%	4%	12%
FINANCIAL INSTRUMENTS (60%)		20%	12%	12%	8%	8%	
PAYOUT SCHEDULE		2025	2026	2027	2028	2029	2030
CASH (40%)		20%			4%	4%	12%
FINANCIAL INSTRUMENTS (60%)			20%	12%	12%	8%	8%

Scheme 3

In case that the personnel, regardless of their macro segment, accrue a variable remuneration of a **"particularly high" amount and equal to or less than 100% of the fixed remuneration**, 40% up-

front will be paid (of which 20 % cash and 20% units in UCIs) and 60% (of which 25% cash and 35% in units of UCIs) over a 5-year horizon of deferral.

The pay-out scheme is shown below:

VESTING SCHEDULE		2025	2026	2027	2028	2029	2030
CASH (45%)		20%		4%	4%	5%	12%
FINANCIAL INSTRUMENTS (55%)		20%	12%	8%	8%	7%	
PAYOUT SCHEDULE		2025	2026	2027	2028	2029	2030
CASH (45%)		20%		4%	4%	5%	12%
FINANCIAL INSTRUMENTS (55%)			20%	12%	8%	8%	7%

Scheme 4

In cases where:

- **the ISP Group Risk Takers belonging to the Fund Managers category** accrue a variable remuneration **above the materiality threshold** and **between 100% and 200% of the fixed remuneration**,
- **the other ISP Group Risk Takers NOT** belonging to the Fund Managers category accrue a variable remuneration **above the materiality threshold** and **above 100% of the fixed remuneration**,

50% up-front will be paid (of which 25% cash and 25% in units of UCIs) and 50% (of which 25% cash and 25% in units of UCIs) over a 4-year horizon of deferral.

The pay-out scheme is shown below:

ACCRUAL SCHEDULE		2025	2026	2027	2028	2029
CASH (50%)		25%		6,25%	6,25%	12,5%
FINANCIAL INSTRUMENTS (50%)		25%	12,5%	6,25%	6,25%	
SETTLEMENTSCHEDULE		2025	2026	2027	2028	2029
CASH (50%)		25%		6,25%	6,25%	12,5%
FINANCIAL INSTRUMENTS (50%)			25%	12,5%	6,25%	6,25%

Scheme 5

In cases where:

- **the Intesa Sanpaolo Group Risk Takers (belonging or not to the Fund Managers category)** accrue a variable remuneration **higher than the materiality threshold but equal to or less than 100% of the fixed remuneration**

60% up-front will be paid (of which 30% in cash and 30% in units of UCIs) and 40% (of which 20% cash and 20% in units of UCIs) over a 4-year horizon of deferral.

The pay-out scheme is shown below:

ACCRUAL SCHEDULE	2025	2026	2027	2028	2029
CASH (50%)	30%		5%	5%	10%
FINANCIAL INSTRUMENTS (50%)	30%	10%	5%	5%	

SETTLEMENT SCHEDULE	2025	2026	2027	2028	2029
CASH (50%)	30%		5%	5%	10%
FINANCIAL INSTRUMENTS (50%)		30%	10%	5%	5%

Note: Arrows in the original diagram indicate the flow of payments from the Accrual Schedule to the Settlement Schedule. A red arrow points from 2025 CASH to 2025 CASH. A green arrow points from 2026 FINANCIAL INSTRUMENTS to 2026 FINANCIAL INSTRUMENTS. An orange arrow points from 2027 CASH to 2027 CASH. A yellow arrow points from 2028 CASH to 2028 CASH. A purple arrow points from 2029 CASH to 2029 CASH.

Scheme 6

In cases where:

- the **Legal Entity Risk Takers belonging to the Fund Managers category** accrue a variable remuneration **higher than the materiality threshold and between 100% and 200% of the fixed remuneration**,
- the **other Legal Entity Risk Takers NOT belonging to the Fund Managers category** accrue a variable remuneration **higher than the materiality threshold and higher than 100% of the fixed remuneration**,
- the **personnel (not Risk Taker) belonging to the Fund Managers category** accrue a variable remuneration **higher than the materiality threshold and between 200% and 300% of the fixed remuneration**,

40% up-front will be paid (of which 20% in cash and 20% in units of UCIs) and 60% (of which 30% cash and 30% in units of UCIs) over a 3-year horizon of deferral

The pay-out scheme is shown below:

ACCRUAL SCHEDULE	2025	2026	2027	2028
CASH (50%)	20%		10%	20%
FINANCIAL INSTRUMENTS (50%)	20%	20%	10%	

SETTLEMENT SCHEDULE	2025	2026	2027	2028
CASH (50%)	20%		10%	20%
FINANCIAL INSTRUMENTS (50%)		20%	20%	10%

Scheme 7

In cases where:

- **Legal Entity Risk Takers belonging to the Fund Managers category** accrue variable remuneration **higher than the materiality threshold** but **equal to or lower than 100% of fixed remuneration**,
- **the other Legal Entity Risk Takers** not belonging to the the Fund Managers category accrue variable remuneration **higher than the materiality threshold** but **equal to or lower than 100% of fixed remuneration**,

60% is paid up-front (of which 30% in cash and 30% in units of UCIs) and 40% (of which 20% in cash and 20% in units of UCIs) over a 3-year time horizon.

The pay-out scheme is shown below:

ACCRUAL SCHEDULE	2025	2026	2027	2028
CASH (50%)	30%		7%	13%
FINANCIAL INSTRUMENTS (50%)	30%	13%	7%	

SETTLEMENT SCHEDULE	2025	2026	2027	2028
CASH (50%)	30%		7%	13%
FINANCIAL INSTRUMENTS (50%)		30%	13%	7%

Scheme 8:

In cases where:

- **personnel** (not Risk Takers) **belonging to the Fund Managers category** accrue variable remuneration **exceeding the materiality threshold and between 100% and 200% of fixed remuneration**,
- **Middle Management and Professionals** (not belonging to the Fund Managers category) accrue variable remuneration **higher than the materiality threshold and 100% of fixed remuneration**,

payment is fully in cash, of which 60% is paid up-front and 40% over a 3-year time horizon.

The pay-out scheme is shown below:

ACCRUAL SCHEDULE	2025	2026	2027	2028
CASH (100%)	60%	13%	14%	13%

SETTLEMENTSCHEDULE	2025	2026	2027	2028
CASH (100%)	60%	13%	14%	13%

Scheme 9:

In cases where:

- **Legal Entity Risk Takers** (not belonging to the Fund Managers category) accrue variable remuneration **higher than 100% of fixed remuneration but equal to or lower than the materiality threshold**,
- **Middle Management and Professionals** (not belonging to the Fund Managers category) as well as **personnel** (not Risk Takers) **belonging to the Fund Managers category** accrue variable remuneration **equal to or lower than 100% of fixed remuneration but exceeding the materiality threshold or exceeding 100% of fixed remuneration but equal to or lower than the materiality threshold**,

payment is fully in cash, of which 60% is paid up-front and 40% over a 2-year time horizon.

The pay-out scheme is shown below:

ACCRUAL SCHEDULE	2025	2026	2027
CASH (100%)	60%	20%	20%

SETTLEMENT SCHEDULE	2025	2026	2027
CASH (100%)	60%	20%	20%

5.7 Long-Term Incentive Plans

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

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

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

- the Management of the Intesa Sanpaolo Group, including the ISP Group Risk Takers and those who expatriate from Italy²², among the other Managers²³;
- the Professionals of Intesa Sanpaolo Group of the Italian perimeter expatriate from Italy²⁴.

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

5.7.1 Performance Share Plan

The long-term Performance Share Plan is aimed at:

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

²² As they have an Italian employment contract.

²³ As approved by Intesa Sanpaolo Shareholders' meeting on April 29th, 2022, for Managers it is meant all Management of the Group in the Italian and foreign perimeter. With reference to the foreign perimeter, Group Risk Takers and selected Strategic Managers are included only if the granting of ISP shares complies with the Bank Remuneration and Incentive Policies.

²⁴ As they have an Italian employment contract.

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

Key Features of the Performance Share Plan	
Element	Application
Beneficiaries	Management of the Intesa Sanpaolo Group, including the ISP Group Risk Takers and those who expatriate from Italy (overall about 3.000 staff members). Currently, there are no beneficiaries in FAM UK.
Financial Instrument	Performance Shares ("PSP Shares") – shares subject to performance conditions.
Operating Model	<p>Intesa Sanpaolo (ISP) grants the beneficiaries the right to accrue a certain number of PSP Shares at the end of the Plan provided that gateway conditions are met and performance objectives are achieved.</p> <p>Specifically, the number of financial instruments that accrue depends on the level of achievement of the performance objectives as well as specific sustainability targets.</p>
Methodology for the calculation of value at grant	Fair Value of Performance Shares defined on the basis of the Black-Scholes' model, adjusted for the availability constraints and probability of employees being still employed at the end of the Accrual Period as well as of the achievement of the performance conditions set out in the Plan, in compliance with the Fair Value Policy adopted by Intesa Sanpaolo.
Initial Grant	<ul style="list-style-type: none"> • Differentiated according to the job title based on the Global Banding model adopted by the Intesa Sanpaolo Group • In the Company up to 75% of Fixed Remuneration for the entire period (18.75% of the fixed remuneration on an annual basis) for the Managers not belonging to the Control Functions • In the Company up to 50% of gross annual remuneration for the entire period (12.5% of base salary on an annual basis) for the Managers of the Control Functions (if any)
Gateway conditions at Intesa Sanpaolo Group	<p>In line with regulatory requirements.</p> <p>Group-level gates that must be achieved each year of the Plan:</p> <ul style="list-style-type: none"> • CET1 \geq hard limit set by the Group RAF • Leverage Ratio \geq hard limit set by the Group RAF • MREL \geq Early Warning limit set by the Group RAF • NSFR \geq hard limit set by the Group RAF • No loss and positive Gross Income at Group Level • LCR \geq hard limit set by the Group RAF (this condition only applies to Top Risk Takers). <p>Additionally, also the following gates must be achieved:</p> <ul style="list-style-type: none"> • at the launch (2022) and at the end of the Plan, assessment of the result of the ICAAP; • in 2025, assessment of the recommendations (if any) on (dividends) distributions by competent authorities and European Supervisory Authorities, to which a possible reduction of the bonus (down to zero) may follow.

Key Features of the Performance Share Plan																							
Element	Application																						
Performance Conditions	<table><tr><td>KPI</td><td></td><td>% of shares accruable at target level</td></tr><tr><td colspan="3">Managers in Business and Governance Functions</td></tr><tr><td><ul style="list-style-type: none">• OI/RWA• Cost/Income• NPL ratio</td><td>The target levels are equivalent to those set in the Business Plan for 2025</td><td><ul style="list-style-type: none">• 30%• 25%• 15%</td></tr><tr><td colspan="3">Managers in Control Functions</td></tr><tr><td>Qualitative evaluation of the strength and the overall effectiveness of the internal control system throughout the duration of the 2022-2025 Plan</td><td></td><td>70%</td></tr><tr><td colspan="3">All Managers</td></tr><tr><td>Relative TSR</td><td>The performance will be measured against the results achieved by the ISP Peer Group of the Business Plan</td><td>30%</td></tr></table>		KPI		% of shares accruable at target level	Managers in Business and Governance Functions			<ul style="list-style-type: none">• OI/RWA• Cost/Income• NPL ratio	The target levels are equivalent to those set in the Business Plan for 2025	<ul style="list-style-type: none">• 30%• 25%• 15%	Managers in Control Functions			Qualitative evaluation of the strength and the overall effectiveness of the internal control system throughout the duration of the 2022-2025 Plan		70%	All Managers			Relative TSR	The performance will be measured against the results achieved by the ISP Peer Group of the Business Plan	30%
	KPI		% of shares accruable at target level																				
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Qualitative evaluation of the strength and the overall effectiveness of the internal control system throughout the duration of the 2022-2025 Plan		70%																					
All Managers																							
Relative TSR	The performance will be measured against the results achieved by the ISP Peer Group of the Business Plan	30%																					
<p>A pay-for-performance curve is defined for each KPI and provides for the identification of a minimum level (so-called threshold), against which a percentage of shares equal to 50% of those envisaged at target is accruable, which increases up to a maximum level above the target (so-called overtarget) against which the % of shares accruable is up to a maximum of +50% with respect to the target. It is specified that:</p> <ul style="list-style-type: none">• for performance levels below the threshold, no portion of shares is accrued• for performance levels higher than the overtarget, no further increases are envisaged in the portion of shares accrued (so-called cap principle). <p>The total amount of shares accruable at the end cannot, in any case, exceed 100% of the shares assigned at target for the set of KPIs. In other words, the only case where it is possible to assign a number of Performance Shares higher than that envisaged at target for a given KPI whose performance is higher than the target is if the performance of another KPI is lower than the respective target (since this does not determine the assignment of Performance Shares corresponding to its target).</p>																							
Performance Accrual Period	In line with the 2022-2025 Business Plan time horizon.																						
De-multipliers based on sustainability targets	1. <u>Composite ESG KPI</u>																						
	<ul style="list-style-type: none">• composed of a sub-KPI for each of the 3 factors in which ESG (Environmental, Social and Governance) is articulated, whose target level is defined in the 2022-2025 Business Plan																						
	<table><tr><th></th><th>Factors</th><th>Weight</th></tr><tr><td>Environmental</td><td>New lending to the green/circular economy and green transition with a major focus on supporting Corporates/SMEs transition</td><td>40%</td></tr><tr><td>Social</td><td>Number of employees who successfully completed re-skilling training and were employed in a job in line with their newly acquired skills, or who completed up-</td><td>40%</td></tr></table>			Factors	Weight	Environmental	New lending to the green/circular economy and green transition with a major focus on supporting Corporates/SMEs transition	40%	Social	Number of employees who successfully completed re-skilling training and were employed in a job in line with their newly acquired skills, or who completed up-	40%												
	Factors	Weight																					
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Key Features of the Performance Share Plan			
Element	Application		
		skilling training	
	Governance	% of women in senior roles, new appointments (-1 and -2 organizational levels under the CEO)	20%
	<ul style="list-style-type: none"> acts as a de-multiplier reducing the number of shares that vest at the end of the Plan: <ul style="list-style-type: none"> by 10% if the achievement of the ESG KPI is < the target level but \geq the threshold level by 20% if the achievement of the ESG KPI is < the threshold level measured at the end of the Accrual Period 		
	<p>2. <u>Capital Target</u>: (applicable only to Business and Governance Functions)</p> <ul style="list-style-type: none"> measures the maintenance, for the Plan's time horizon, of the CET1 levels above the target defined in the Group RAF in the timeframe of the Plan; acts as de-multiplier reducing the number of shares that vest at the end of the Plan by 10% per each year of breach (with a cap of 40% over the entire Accrual Period) measured throughout the Accrual Period. 		
Individual access conditions	<p>Absence of the compliance breaches. Specifically:</p> <ul style="list-style-type: none"> disciplinary measures involving suspension from service and pay for a period equal to or greater than one day, also due to serious findings received from the control functions; in the event of violations sanctioned by the supervisory Authorities of the obligations in matters of professionalism, integrity and independence and following in relation to related parties and obligations regarding remuneration and incentives set out in CRD V, involving a sanction of an amount equal to or greater than € 30,000; behaviors that do not comply with the provisions of the law, regulations, the articles of association or any ethical or conduct codes established ex ante by the Group or the Company and from which a "significant loss" has resulted for the Group, for the Company, for managed funds or for customers. 		
Pay-out Schedule	<p>Pay-out schedules:</p> <ul style="list-style-type: none"> Differentiated according to whether or not the beneficiary belongs to the Risk Taker segment and the amount of the total variable remuneration (higher or lower than the "particularly high" amount or than the "materiality threshold" as defined in FAM UK Remuneration and Incentive Policies) and its ratio to the fixed remuneration. Payment will be made for 50% (maximum) in Intesa Sanpaolo shares and for (at least) the remaining 50% in UCI units²⁵. <p>In particular:</p> <ul style="list-style-type: none"> for ISP Group Takers and Legal Entity Risk Takers belonging to the Investment Area who accrue a variable remuneration above the materiality threshold and above 300% of the fixed remuneration, 70% of the accrued variable remuneration is deferred over a 5-year time horizon and 70% of it 		

²⁵ The provision of the funds will be made through the sale of a portion of the accrued ISP shares.

Key Features of the Performance Share Plan	
Element	Application
	<p>is assigned in UCITS units subject to a retention period (the remaining part is attributed instead in shares not subject to a retention period);</p> <ul style="list-style-type: none"> • for (i) personnel, regardless of the macro-segment to which they belong, who accrue a overall variable remuneration of a "particularly high" amount and greater than 100% of the fixed remuneration; (ii) the ISP Group Risk Takers and the Legal Entity Risk Takers belonging to the Investment Area who accrue a overall variable remuneration higher than the materiality threshold and between 200% and 300% of the fixed remuneration; nonché (iii) personnel (non-Risk Takers) belonging to the Investment Area who accrue a total variable remuneration for an amount higher than the materiality threshold and higher than 300% of the fixed remuneration, 60% of the accrued variable remuneration is deferred over a 5-year time horizon and 60% of it is assigned in UCITS units subject to a retention period (the remaining part is attributed instead in shares not subject to a retention period); • for personnel, regardless of the macro-segment to which they belong, who accrue an overall variable remuneration of a "particularly high" amount and equal to or less than 100% of the fixed remuneration, 60% of the accrued variable remuneration is deferred over a 5-year time horizon and 55% of it is assigned in UCITS units subject to a retention period (the remaining part is attributed instead in shares not subject to a retention period); • for (i) the ISP Group Risk Takers belonging to the Investment Area who accrue an overall variable remuneration above the materiality threshold and between 100% and 200% of the fixed remuneration; e (ii) the other ISP Group Risk Takers (not belonging to the Investment Area) who accrue an overall variable remuneration above the materiality threshold and above 100% of the fixed remuneration, 50% of the accrued variable remuneration is deferred over a 4-year time horizon and 50% of it is assigned in UCITS units subject to a retention period (the remaining part is attributed instead in shares not subject to a retention period); • for (i) the ISP Group Risk Takers belonging to the Investment Area who accrue an overall variable remuneration higher than the materiality threshold but equal to or less than 100% of the fixed remuneration; e (ii) the other ISP Group Risk Takers (not belonging to the Investment Area) who accrue an overall variable remuneration above the materiality threshold but equal to or less than 100% of the fixed remuneration, 40% of the accrued variable remuneration is deferred over a 4-year time horizon and 50% of it is assigned in UCITS units subject to a retention period (the remaining part is attributed instead in shares not subject to a retention period); • for (i) the Legal Entity Risk Takers belonging to the Investment Area who accrue an overall variable remuneration above the materiality threshold and between 100% and 200% of the fixed remuneration; (ii) the other Legal Entity Risk Takers (not belonging to the Investment Area) who accrue an overall variable remuneration above the materiality threshold and above 100% of the fixed remuneration; (iii) personnel (non-Risk Takers) belonging to the Investment Area who accrue an overall variable remuneration above the materiality threshold and between 200% and 300% of the fixed remuneration, 60% of the accrued variable remuneration is deferred over a 3-year time horizon and 50% of it is assigned in UCITS units subject to a

Key Features of the Performance Share Plan	
Element	Application
	<p>retention period (the remaining part is attributed instead in shares not subject to a retention period);</p> <ul style="list-style-type: none"> for (i) the Legal Entity Risk Takers belonging to the Investment Area who accrue a variable remuneration higher than the materiality threshold but equal to or less than 100% of the fixed remuneration; (ii) the other Legal Entity Risk Takers (not belonging to the Investment Area) who accrue a variable remuneration higher than the materiality threshold but equal to or less than 100% of the fixed remuneration; (iii) personnel (non-Risk Takers) belonging to the Investment Area who accrue a variable remuneration above the materiality threshold and between 100% and 200% of the fixed remuneration; (iv) Middle Management and Professionals (not belonging to the Investment Area) who accrue a variable remuneration above the materiality threshold and 100% of the fixed remuneration, 40% of the accrued variable remuneration is deferred over a 3-year time horizon and 50% of it is assigned in UCITS units subject to a retention period (the remaining part is attributed instead in shares not subject to a retention period); for (i) the Legal Entity Risk Takers (not belonging to the Investment Area) who accrue an overall variable remuneration higher than 100% of the fixed remuneration but equal to or lower than the materiality threshold; (ii) Middle Management and Professionals (not belonging to the Investment Area) who accrue a total variable remuneration equal to or less than 100% of the fixed remuneration but higher than the materiality threshold or higher than 100% of the fixed remuneration but equal to or lower than the materiality threshold; (iii) personnel (non-Risk Takers) belonging to the Investment Area who accrue a total variable remuneration equal to or less than 100% of the fixed remuneration but higher than the materiality threshold or higher than 100% of the fixed remuneration but equal to or lower than the materiality threshold, 40% of the accrued variable remuneration is deferred over a 2-year time horizon and 50% of it is assigned in UCITS units subject to a retention period (the remaining part is attributed instead in shares not subject to a retention period).
Malus condition	<p>Malus conditions may reduce down to zero the deferred instalments of financial instruments not yet vested.</p> <p>They are symmetrical to the gateway conditions and to the individual access conditions.</p>
Clawback	<p>This mechanism provides for the repayment of the bonus already disbursed as provided for in the regulations, in the context of: (i) initiatives and disciplinary measures envisaged in the face of fraudulent behavior or gross negligence of the personnel, also taking into account the legal, contributory and tax-related profiles in the matter; (ii) behaviors that do not comply with the provisions of the law, regulations, articles of association or any ethical or conduct codes established ex ante by the ISP Group and from which a "significant loss" has arisen for the Company or customers.</p> <p>These mechanisms can be applied in the 5 years following the payment of the single portion (up-front or deferred) of variable remuneration.</p>
Extraordinary Events	<ul style="list-style-type: none"> Eligibility to participate in the PSP is lost in case of resignation, termination for cause or justified reason, mutual termination of employment relationship and similar situations; In case the beneficiary reaches the retirement age, signs up to the pre-

Key Features of the Performance Share Plan	
Element	Application
	<p>retirement solidarity fund "Solidarity Fund", death of the beneficiary or in case of sale of the subsidiary or a business line where the manager is employed to third parties a prorated payment will take place at the end of the Plan</p> <ul style="list-style-type: none"> • In case of change of control of ISP, depending on the qualification by the Board of Directors of the takeover as: <ul style="list-style-type: none"> o hostile: accelerated pro-rata cash settlement in case of a successful takeover; o non-hostile: settlement at the end of the PSP in shares of the new entity.

5.8 Termination of the employment agreement

The Termination of the service of employees for retirement purposes does not invalidate the right to receive the outstanding payments. In all other cases, as rule the outstanding payments are not due unless the Company decides in a different way.

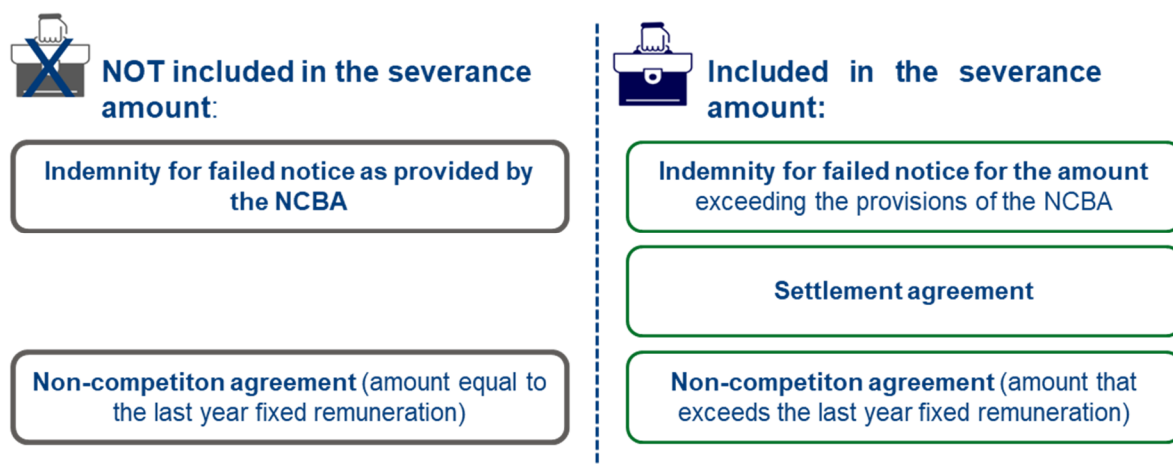
Furthermore, individual ex-ante agreements can be reached for the definition of the remuneration to be granted in the event of early termination of the employment agreement, provided that such agreements must comply with all the conditions set out in the Remuneration Policies and in the Supervisory Provisions. It should be noted that at present there are no individual ex ante agreements.

5.8.1 Severance pay

In compliance with the Group Policies that implement the Supervisory Provisions of the banking sector with regard to remuneration, and with reference to the rules set out for Severance Pay, the asset management company applies the rules defined at the Intesa Sanpaolo Group level.

In this regard, according to the Regulatory Framework on remuneration, the payment agreed in any way and/or form in view of or upon early termination of the employment agreement or early termination of office for the amount exceeding the provisions of the Italian National Collective Bargaining Agreement (NCBA) concerning payments related to the indemnity for failed notice (where required) constitutes the so-called severance. The non-competition agreement is included among these, depending on the total amount paid.

The following is a representation of the compendents of the severance, in compliance with the Supervisory Provisions and the Group Policies:



With regard to the components that are included in the severance payment, the applicable Supervisory Provisions require that the limits and criteria to be submitted to the approval of the Resolutions of the Shareholders should be defined ex ante.

5.8.2 Maximum limits

Based on international and national best practices, the ISP Group has set a maximum limit equal to **24 months of the fixed remuneration** for compensation paid by way of severance. The adoption of this limit can lead to a maximum disbursement of **396,000 GBP²⁶**.

5.8.3 Accumulation of severance with variable remuneration

As required by Bank of Italy Supervisory Provision and in compliance with EBA guidelines, the compensation paid by way of severance is included in the calculation of the variable-to-fixed remuneration ratio of the last year of employment at the Company.

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

- based on a non-competition agreement, for the portion which, for each year of duration of the agreement, does not exceed last year's fixed remuneration;
- within an agreement reached in order to settle a current or potential dispute (independently from the context in which the agreement is drawn up), if calculated according to a predefined calculation formula approved previously by the Shareholders' Meeting.

The Company, in compliance with the Group Policies, adopts the following formula differentiated by cluster of personnel and indexed to the number of years of employment at the company.

Employees assigned a job title as part of the Global Banding System

ISP Group Tenure (years)	Severance
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²⁶ The fixed remuneration includes the gross annual remuneration, the Company's contributions to the pension fund and any role allowance and/or remuneration received for the office and not transferred.

Up to 2 years	2 months of fixed remuneration
More than 2 and up to 21	2 months of fixed remuneration + half month for each year of employment (starting from the third year)
More than 21	12 months of fixed remuneration

Remaining personnel

ISP Group Tenure (years)	Severance
Up to 2 years	1 month of fixed remuneration
More than 2 and up to 21	1 month of fixed remuneration+ a quarter of month for each year of employment (starting from the third year)
More than 21	6 months of fixed remuneration

5.8.4 Payment methods

The components included in the severance are treated as variable remuneration and as such they are subject to the payment methods reported in the paragraph 5.6 defined in accordance with the Supervisory Provisions, the Regulation and depending on the category of personnel, the amount and its incidence with respect to the fixed remuneration.

5.8.5 Criteria

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

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

Please also note that the same activation (see paragraph 5.5.1), individual access (see paragraph 5.5.7), malus (see paragraph 5.5.9) and clawback conditions (see paragraph 5.5.10) set for variable remuneration for each population cluster are applied to severance.

The payments set for early termination of the employment relationship or for early termination from the office are subject to the aforesaid Regulations only in cases where this would not be contrary to the provisions of law relating to the early termination of the employment relationship in a single country, or to the provisions laid down by the authority.

5.9 Hedging strategies

The Company does not pay or grant payments or other personnel benefits through vehicles, tools or methods that are in any case elusive of the regulatory provisions.

The Company, in line with the provisions adopted by Intesa Sanpaolo, requires its personnel, through specific agreements, not to use personal hedging strategies or insurance on remuneration or other aspects that may alter or undermine the risk alignment effects inherent in the Remuneration and Incentive Policies and the related compensation mechanisms adopted by the ISP Group and FAMI. To this end, within the scope of the rules for implementing the Remuneration and incentive policies, the Intesa Sanpaolo Group also defines the types of financial transactions and investments that, if made, directly or indirectly, by the ISP Group and Legal Entity Risk Takers could constitute forms of hedging with respect to exposure to risks deriving from the attribution of shares of Intesa Sanpaolo or instruments connected to them and following the application of the remuneration and incentive Policies.

These types of financial transactions and investments are:

#	Financial Instruments category	Description
1.	Derivative instruments (non-securitised) having as underlying ISP shares	Financial instruments that allow directly or synthetically to take a short position on Intesa Sanpaolo shares: <ul style="list-style-type: none"> - purchase of put options on ISP shares - sale of call options on ISP shares - linear combinations of the above options (synthetic forwards, collars, etc.) - repurchase agreements on ISP shares (securities lending from brokers on ISP securities and corresponding sale on the market) - Total Return Equity Swap on ISP shares or Contract for Difference on ISP shares - other derivative instruments (non-securitised) with underlying ISP shares.
2.	Derivative instruments (non-securitised) with ISP reference entity	Financial instruments that allow directly or synthetically to take a short position on the Intesa Sanpaolo name: <ul style="list-style-type: none"> - Purchase of protection through Credit Default Swaps with ISP reference entity - Repurchase agreements on ISP bonds (securities lending from brokers on ISP securities and corresponding sale on the market) - Total Return Swaps on ISP bonds - other derivative instruments (non-securitised) with underlying ISP bonds
3.	Other derivative instruments (non-securitised) with underlying assets partially linked to ISP securities	Financial instruments similar to those mentioned above on baskets of shares, stock indices, baskets of names, credit indices where ISP is present with a weight exceeding 20%.

4.	Short investment instruments (other than non-securitised derivatives) linked to the ISP security	<p>Other financial instruments (such as Certificates and ETFs) with a short investment strategy with underlying:</p> <ul style="list-style-type: none"> - ISP share - ISP bonds - indexes directly connected to ISP (e.g. ISP Credit Spread) - derivatives in turn connected to an ISP share or bond (ISP stock futures) - basket of shares, stock indices, basket of names, credit indexes where ISP is present with a weight exceeding 20%. <p>In general, these are financial instruments (other than non-securitised derivatives) which (with or without leverage) benefit from the decline in the value of the underlying. In this regard, the replication of the reference underlying is exactly the opposite of its actual performance, allowing the investor to bet against the underlying asset (and to obtain profits even in bear market circumstances).</p>
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The prohibition on hedging strategies is also applicable to the managed UCIs assigned to the personnel of the Company.

It should be noted that the types of financial transactions and investments as described in the abovementioned points 1, 2 and 3 are already prohibited according to Article 5 of the ISP Group Internal Code of Conduct. With reference to the transactions in point 4 (i.e. short investment instruments (other than non-securitised derivatives) linked to the ISP security), the ISP Group Internal Code of Conduct prevents all employees from carrying out transactions with leverage effect; however, in order to align the compensation mechanisms to risks, the investment transactions in financial instruments linked to the ISP security without leverage as per the aforementioned point 4 are also prohibited by these Provisions.

With reference to Risk Takers only:

- the prohibition of carrying out the transactions shown in the table is also extended to the family members of the relevant person, namely:
 - the spouse of the relevant person or other partner equivalent to the spouse according to the national law;
 - the dependent children of the relevant person;
 - any other relative of the relevant person who lived for at least one year with the relevant person at the date of the transaction in question;

- it is forbidden, always and in any case, to initiate – directly or indirectly – transactions in breach of the hedging prohibition, including those on the accounts or deposits on which the Risk Taker has a power of attorney also with other financial intermediaries;
- it is required to communicate to the People Management & HR Transformation Head Office Department the existence or activation of custody and administration accounts with other intermediaries not belonging to the Intesa Sanpaolo Group.

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

The prohibition relating to these types of financial transactions and investments is to be considered extended and applicable also to the Company personnel if assignee of shares or instruments connected to them of Intesa Sanpaolo deriving from Incentive Systems to which it was or is the recipient (e.g. personnel coming from by Intesa Sanpaolo and transferred to the Company with deferred shares in outstanding shares).

5.10 Remuneration of Delegates

In the event of the delegation of portfolio management, the Compliance and Risk Management Desk verifies that:

- a) the delegate is subject to remuneration obligations equivalent to those applicable to the Company;
- b) the Investment Management Agreement in place contains clauses such as to avoid possible circumvention of the law. In particular, the management delegation contract should explicitly include in the notion of remuneration all the payments made in favor of the "Risk Takers" of the delegated subject as compensation for the execution of portfolio management or risk management activities on behalf of the manager.

The equivalence of the rules applicable to the delegated manager shall be deemed to be respected if (i) the delegate is subject to the CRD, UCITS or AIFM about remuneration disciplines; and (ii) the most relevant staff of the delegate are subject to the rules of CRD, UCITS or AIFM in remuneration disciplines.

Section C - Criteria for the identification of personnel with a material impact on the risk profile of the asset management Company, the UCITS and the portfolio management companies of FAM UK

6 Introduction

In order to graduate the application of the entire discipline according to the effective ability of an individualss to influence the risk profile of the Company, of the UCITS and of the managed portfolios, Risk Takers are identified in accordance with the applicable regulatory provisions as per Section 2.

The criteria used to assess whether the professional activities of personnel have a material impact on the Company's risk profile must:

- be based on a survey and assessment of individual positions (responsibilities, hierarchical levels, activities carried out, operating powers, etc.);
- take into account the internal organisation of the Company, the characteristics, size, nature, scope and complexity of the activities carried out, as well as the number and size of UCITS and managed portfolio.

6.1 Qualitative and Quantitative criteria

As the Company is an investment management company specialised in UCITS management and belonging to a banking group, the Risk Takers identification process takes place at two levels:

- 1st level: at Group level, in application of the provisions of Directive (EU) 2019/878, so-called CRD V or the Directive and with Regulation (EU) 923/2021 which concretely implements and integrates the provisions of the Directive and in accordance with the Circular 285 of the 17 December 2013 of the Bank of Italy, represented by the *“Guidelines on Remuneration, Incentives and identification of Risk Takers”*;
- 2nd level: at Company level, in accordance with the applicable regulatory provisions as per Section 2, and with the *“Criteria for the identification of personnel with a material impact on the risk profile of the asset management company, the UCITs and the portfolio management companies of FAM UK”*.

The Company carried out a self-assessment in order to identify the so-called "Legal Entity Risk Takers" or "Company Risk Takers", that are all individuals whose professional activities have or may have a material impact on the risk profile of the Company or on the managed funds and portfolios.

In addition, given that Intesa Sanpaolo Group has implemented the provisions of Directive (EU) 2019/878 and of the Regulation (EU) 923/2021 in all Group companies through a self-assessment process, some of Company's Legal Entity Risk Takers may be identified also within the perimeter of the Risk Takers of Intesa Sanpaolo Group (so-called "Group Risk Takers").

This process, carried out by FAMI's Human Resources Function with the support of the Compliance and Risk Management Function and the Other Desks, is based on an assessment of each individual position in order to verify the relevance of each subject in terms of risks assumptions with respect to the asset management Company and the funds managed.

The Risk Takers perimeter includes:

- i. Executive and non-executive members of the Board of Directors, including the Managing Director;
- ii. Members of Senior Management who report directly to the Managing Director
 - **Head of Investments²⁷**;

²⁷ The Head of Investment role is currently covered *ad interim* by the Managing Director

- **Head of Operations & Outsourcing Control;**
 - **Head of Compliance and Risk Management;**
- iii. Heads of corporate control functions²⁸:
- **Head of Compliance and Risk Management**
- iv. Employees that individually or collectively assume significant risks for the Company or for the managed assets.
- In order to identify these persons, the Company shall establish the manager's ability of taking risk positions for the managed assets, generating profits or affecting the financial position of the funds/portfolios and of the Company as a whole.
- On the basis of the delegated powers and responsibilities assigned, therefore, there are **no other persons** who can take on significant risk position for the Company and/or the managed assets.
- v. This cluster includes subjects who meet the following both conditions:
- i. Personnel whose total remuneration is in the same wage²⁹ ranges as subcategories ii) and iv) and
 - ii. Personnel that have a substantial impact on the risk profile of the Company, via the assets managed, according to the delegations of power and the related structure of operational delegation.

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

- all components, monetary and non, of both fixed and variable remuneration, are taken into account;
- the fixed remuneration as of 31st December of the previous year and the variable remuneration awarded in the previous year (based on the results of the year before that)³⁰ are included, independently from whether the payment itself was deferred;
- if a performance assessment period (accrual period) of more than one year is provided for the purposes of the award of the variable component, the pro rata remuneration (i.e. relating to the period of the assessment) is taken into account, even if this amount is disbursed later, only at the end of the accrual period;
- the remuneration which has been awarded but has not yet been paid shall be valued as at the date of the award without taking into account the possible application of the reductions in payouts, whether through clawback or malus.

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

According to the above criteria n° 3 Senior portfolio Managers have been entitled to a total remuneration in the same wage ranges of subcategories ii) and iv).

²⁸ The Head of Internal Audit is not identified as Risk Taker at Company level because he/she is outsourced and performed by the Audit Department of Intesa Sanpaolo.

²⁹ Wage analysis included: base salary, bonus, and pension fund.

³⁰ Including the buy-out.

However, it is worth noting that **none** of them has a material impact on the risk profile of the Company, according to the delegations of power and the related structure of operational delegation. In fact, the Board of Directors of the Company has specifically appointed the Head of Investments to implement the decisions taken by the Board, pertaining to investment activities and to define operational limits to be assigned to specific Portfolio Managers.

The Delegation of Investment Powers are carried out considering the General Investments Guidelines given by the Managing Director in his role of supervisor of the investment activities carried out by the Company. The Managing Director Guidelines states limits for each relevant asset class/portfolio group.

The delegations of operational authority are assigned to specific Portfolio Managers by the Head of Investments, through specific documents (i.e.: Delegation of Powers and Structure of operational Delegations), which must be accepted by the appointed person.

In particular, the Structure of operational Delegations introduces several and strict operational limits³¹ applicable to each Portfolio Manager (in relation to each Sub-fund) in the event of buy/sell trades carried out and/or positions held directly by the relevant Portfolio Manager. Any temporary breach to the operational limits should be authorized by the Head of Investments to whom the Company's Board of Directors has assigned Powers to implement all resolutions affecting the investment activities. The assigned delegation of operational authority is valid until it is revoked and authorizes the appointed person to implement, relative to the portfolio to which the delegation refers, buying / selling operations in compliance with the strategies and limits deliberated by the Board of Directors of the Company and of the Managing Director.

By applying the aforementioned criteria v.i) and ii) **no Legal Entity Risk Takers have been identified.**

³¹ By means of example (the list is not intended to be exhaustive and is for illustrative purposes only):

- Bond: duration limit, delta duration versus benchmark, maximum exposure per single issuer (Investment grade and high yield) on NAV, total maximum exposure on corporate high yield on NAV, total maximum exposure of emerging markets bond calculated on NAV, maximum exposure per sovereign issuer on NAV, maximum exposure per corporate issuer on NAV, maximum exposure per Co.Co. bonds on NAV, maximum exposure per distressed securities on NAV, off benchmark securities maximum exposure on assigned portfolio, minimum market exposure calculated on NAV, total securities outside the opportunity set, maximum exposure not rated securities on assigned portfolio per Sovereign and Corporates in Benchmark, maximum exposure not rated securities on assigned portfolio per Sovereign and Corporates off-Benchmark, maximum exposure unlisted securities on assigned portfolio per Sovereign and Corporates in Benchmark;
- Equity: maximum net exposure on NAV, maximum exposure per single issuer on NAV, off benchmark securities maximum exposure on assigned portfolio;
- Commodity: maximum exposure on NAV;
- Derivatives: maximum exposure per OTC derivatives in absolute value on NAV, maximum exposure per credit derivatives in absolute value on NAV, maximum exposure per TRS in absolute value on NAV, maximum exposure per structured securities in absolute value on NAV;
- UCITS: maximum overall exposure on NAV, maximum exposure per single fund on NAV;
- Currency exposure: maximum exposure per single currency on NAV, maximum total exposure non-euro developed countries currencies on NAV, single position maximum exposure on non-Euro Developed Country currency on NAV.

In order to summarize the outcome of the Risk Takers' identification process described above, please find below the list of Risk Takers identified:

- i. Executive and non-executive **members of the Board of Directors**, including the **Managing Director**;
- ii. Members of Senior Management who report directly to the Managing Director:
 - **Head of Investments**;
 - **Head of Operations & Outsourcing Control**;
 - **Head of Compliance and Risk Management**;
- iii. Heads of corporate control functions:
 - **Head of Compliance and Risk Management**;
- iv. Employees that individually or collectively assume significant risks for the Company or for the managed assets: **no subject has been identified**, in addition the Head of Investments, already identified within the previous category n° ii);
- v. Personnel whose total remuneration is in the same wage³² ranges as subcategories ii) and iv) and that has a substantial impact on the risk profile of the Company: **no subject has been identified**.

Finally, it is noteworthy that as the first working day of January 2024, n.2 directors are identified also as Risk Taker at Intesa Sanpaolo Group level.

The aforementioned Risk Takers identification process takes into account the internal organization (organization relatively lean in terms of size, backed by an established group which allows for the outsourcing of some functions and activities, operating under an uncomplicated structure with a relatively low number of organizational levels, requiring a relatively simple governance structure with a low number of committees with decision-making powers, etc.), operational aspects (concentration of powers and delegations in charge of senior level managers; the overall complexity of the Company appears relatively limited in coherence with the size and with the internal organization; the firm manages solely UCITS upon delegation from FAMI and the strategies applied in the funds generally operate on broad market instruments, rather than on single security selection which can require a heavier organisational structure to function and size (about 10 resources) of the Company.

7 Disclosure

The Remuneration Policies of the Company and its updates are published on the corporate intranet in order to make it accessible to employees of the Company and a summary is available on its website.

³² Wage analysis included: base salary, bonus, benefit and pension fund.