



REMUNERATION POLICY AND REPORT 2022

FINECO



This is an English translation of the original Italian document. The original version in Italian takes precedence

LETTER FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE



Dear shareholders,

as Chairman of the Remuneration Committee, I am pleased to present you FinecoBank Group's Remuneration policy and report.

The document starts with an "Executive Summary", which summarizes the features of the new Remuneration policy and report and the main results achieved in 2021. Then two Sections follow: the "2022 Remuneration policy" which describes the key principles of our approach to remuneration and incentive systems for Employees and Financial Advisors, as well as Fineco's compensation practices; the "2021 Remuneration report", which provides detailed information on the results of the processes implemented in the previous financial year.

Also in 2022, we propose a clear and easily accessible Policy, oriented towards rewarding performance and merit thanks to promoting the value of equity, sustainability, diversity of human resources and development of people's strategic skills. Our approach is based on the concept of transparency, as an element able to protect and strengthen our reputation and to create value over long term, in the interest of all the stakeholders. Thus, the remuneration structure of the Chief Executive Officer and the criteria by which the incentives are linked to the economic-financial and social responsibility objectives in the short and medium-long term, are clearly and transparently presented in both the policy and the report.

FinecoBank Group closed 2021 with a strong growth, with results, that confirm an ongoing acceleration in a more challenging and complex context than ever t which proves the efficacy of a balanced and diversified business model. A path that is based on the quality of products and services, operational efficiency, innovation and, above all, an approach oriented towards transparency and great respect for the client. The Group business model is able to face every stage of the market and to generate a balanced flow of revenues, thanks to a strategy oriented towards a path of long-term sustainable and organic growth, and capable of generating value for all our stakeholders through a process of transforming customer liquidity into more efficient forms of savings. Fineco's digital DNA continues to represent a solid basis for the achievement of important economic-financial objectives and a positive footprint in the wider ecosystem, in line with its corporate purpose: "supporting customers in the responsible management of their savings in order to create the conditions for a more prosperous and equitable society".

In this context, our Bank is constantly engaged in combining values such as people development, corporate social responsibility and business activity, which are fundamental for improving risk management and being highly competitive in the market.

Our governance model aims at ensuring full cooperation between the bodies involved and the adequate control of all the Group's remuneration processes, so that informed decisions are taken independently and promptly, in order to avoid conflicts of interest.

With the aim to strengthen the connection with the stakeholders' interests, the Remuneration Committee has been working closely with the Bank's management to ensure that the remuneration and incentive systems are in line with the Bank's strategy and, in general, with the evolving context in which the Group operates.

In line with previous years and in order to better re-

spond to its tasks, the Remuneration Committee took part in each phase of the remuneration processes, ensuring consistency with best market practices and verifying the alignment with the “pay for performance” principle that guides the Group’s incentive systems.

The 2022 Remuneration Policy confirms the close correlation with the strategic objectives set out in the multi-year plan, with reference to both the economic-financial objectives and the environmental, social and governance impact. In light of the changes to the regulation on the remuneration applicable to banking groups resulting from the publication of the 37th update of Circular 285 which implemented CRD V and the related guidelines published by the European Banking Authority, we have further clarified the principle of gender neutrality of the remuneration policy, which has been core to the Group’s remuneration philosophy. In addition, we have updated the payout mechanism of our annual incentive system by including the new provisions relating to deferral thresholds, thus completing the adjustments already put in place in 2021, confirming once again the importance for the Fineco Group to monitor closely the evolution of the regulatory framework.

The overall structure of the Remuneration policy and

report remain intact, , as well as the main elements and mechanisms of the incentive systems also considering the feedback received from shareholders and proxy advisors during the engagement campaign, as well as the great consensus achieved during the 2021 AGM .

As Chairman of the Remuneration Committee, I would like to express my sincere thanks to the Directors Giancarla Branda and Paola Giannotti De Ponti for the meaningful contribution to the discussion and for the continuous attention in searching for effective and balanced solutions.

On behalf of the Remuneration Committee, I would like to thank you Shareholders for the constant willingness to compare and share each need and point of view, and for the time you will spend reading our 2022 Remuneration policy and report, trusting in your positive appreciation.

Sincerely,

GIANMARCO MONTANARI

Chairman of the Remuneration Committee



OUR COMPENSATION APPROACH

The principles set in FinecoBank Group's (hereinafter also "Fineco Group" or "Group" or "FinecoBank Group")¹ Remuneration policy and report provides the framework for the design of reward programs.

The Group's compensation approach, coherent with the regulations and the best market practices, guarantees the link to the performance and the market framework, and the alignment with the business strategy and the long-term shareholders' interest.

The key principles set forth in the 2022 remuneration policy (Section I) (also "Compensation Policy") reflect the most recent regulations in terms of remuneration and incentive policies and practices, in order to develop— in the interest of all stakeholders – remuneration systems that are aligned with the Group's Multi Year Plan 2020-2023 (the Strategic Plan) strategies. Through achievable and objectively measurable objectives over a defined time period, annual or multi-year, the incentive systems are consistent with corporate values and objectives, including those of sustainable finance that take into account environmental, social and governance (ESG) factors, with the long-term strategies linked to company results and to prudent risk management policies. The FinecoBank Group, in fact, is committed to developing a sound and effective risk management, throughout mechanisms for correcting the systems themselves in order to maintain consistency with the reference framework for determining the risk appetite and with the levels of capital and liquidity necessary to support all undertaken activities and, in any case, such as to avoid distorted incentives that could lead to a breach of law or to excessive risk-taking.

In the definition of the remuneration policies, the Group also considers its employees' compensation and working conditions, as shown by the inclusion of a specific performance indicator (People Engagement) among the goals set for the 2021-2023 Long

Term Incentive Plan.

Overall, the attention towards our people needs is also represented by the confirmation of FinecoBank as 2022 Italy Top Employer. The self-titled Institute annually awards this certification to companies that stand out for their HR strategies and policies, offering their employees the best working conditions. In particular, FinecoBank stands out for its focus on enhancing resources and developing competencies, favouring a positive and challenging workplace.

Furthermore, FinecoBank is committed to ensuring that the Compensation Policy is gender neutral, thus concurring to pursue equal opportunities for professional development and remuneration. In this context, the Multi Year Plan sets specific objectives relating to "gender neutrality", both with a compensation focus, with particular attention to the Gender Pay Gap, and with the aim to preserve diversity and equal opportunities, for which a specific Global Policy has been adopted.

During 2021 and in the first months of 2022, FinecoBank continued the dialogue with shareholders and proxy advisors, which raised valuable insights on the remuneration approach and specific suggestions for an effective disclosure to the public, based on national and international standards, which were taken into account in drafting this document.

¹ Instead, the term "FinecoBank S.p.A." refers to the Italian legal entity (hereinafter also "Fineco", "FinecoBank" or the "Bank")

■ KEY ELEMENTS OF OUR 2022 COMPENSATION APPROACH

1. Fundamentals

- Pay for sustainable performance
- Clear and transparent governance
- Compliance with regulatory requirements and principles of good professional conduct
- Continuous monitoring of market trends and practices (Benchmark) and motivation and retention of all staff, with particular focus on talents and mission-critical resources
- Alignment with the Group's ESG strategy

Details – Section I paragraph 2

Our Compensation Policy Fundamentals ensure a correct definition of competitive compensation levels, internal equity and transparency.

In order to align the remuneration policies to the strategy set out in the Group 2020-2023 Multi Year Plan, they take into account goals linked to sustainability, intended as the capacity to create and maintain value for all the stakeholders in the medium-long term.

Our remuneration governance model aims to ensure clarity, reliability and transparency in the remuneration decision-making processes through an adequate control of the Group's remuneration processes and ensuring that decisions are made appropriately in an independent, informed and timely manner.

The Remuneration policy and report are aligned to the national and international regulatory requirements. For example, it considers also: Legislative Decree no. 385/1993, Legislative Decree no. 58/1998 (TUF), the European Directives as transposed into Italian law (European Directive 2017/828 Shareholder Rights Directive II, EU Dir. 36/2013 as amended by EU Dir 878/2019), the EU Reg. 575/2013 no. CRR and the EU Delegated Regulation no. 923/2021, the Issuers' Regulation (Consob); the Circular of the Bank of Italy no. 285/2013 as updated from time to time; the March 19 2019 Bank of Italy Provision (Provisions on transparency of banking and financial operations and services - fairness of relations between intermediaries and customers).

The involvement of the Company Control Functions Compliance and Chief Risk Officer² assures full compliance of compensation policies and processes: guaranteeing the coherence with the Risk Appetite Framework, in line with sectorial regulations.

2. Continuous monitoring of market trends and practices (Benchmark)

Through benchmarking, we aim to implement a competitive remuneration structure for effective retention and motivation of our key resources and to deliver compensation that is consistent with the creation of long-term value for stakeholders. For comparative analysis, a peer group is defined.

Details – Section I paragraph 2.2

The Remuneration Committee, with particular reference to the population of FinecoBank Group's Identified Staff, through the support of an independent external consultant identifies the peer group, defined considering a panel of comparable companies, based on which specific comparative analysis on compensation are carried out (Benchmark). As a compensation policy objective, the fixed component of the remuneration for Identified Staff targets the market median.

3. Remuneration system and ESG Strategy

The incentive systems are consistent with corporate values and objectives, including those of sustainable finance which take into account environmental, social and governance (ESG) factors, in line with the FinecoBank Group's 2020-2023 strategic plan. In this context, the Group is also committed to ensuring a gender neutral Remuneration Policy.

Details – Section I paragraph 2.3

Both short and long term incentive systems' goals, they take into account sustainable parameters, intended as the capacity to create and maintain value

² The Risk Management function is represented in FinecoBank by the CRO Department. The two terms are used interchangeably throughout the document.

for all the stakeholders in the medium-long term, in particular through a specific cluster named “Stakeholder Value”.

In order to ensure diversity and equal opportunities, FinecoBank adopted a specific Global Policy on Gender Neutrality, and specific goals related to this topic are included in the 2020-2023 Multi Year Plan. The 2022 scorecard of the CEO reflects the focus on sustainability objectives with a total weight of 30%, confirming the commitments towards environmental, social and governance factors. A new KPI linked to Fineco's score in the main ESG ratings was introduced. The economic-financial objectives remain unchanged, with an incidence of 70%.

The Board of Directors, with the support of the Remuneration Committee, within the periodic review of the Remuneration Policy, analyzes the neutrality of the policies with respect to gender and monitors any gender pay gap (Gender Pay Gap) and the trend over time, according to the methodology described.

4. Share Ownership Guidelines

Share ownership guidelines are confirmed for the Chief Executive Officer and the other Executives with strategic responsibility in order to align the managerial and the Shareholders' interests .

Details – Section I paragraph 2.5

The Chief Executive Officer and the other Executives with strategic responsibility, should ensure appropriate levels of personal investment in FinecoBank shares (equal to 100% of fixed remuneration for the Chief Executive Officer and to 50% for the other Executives with strategic responsibility)

5. Ratio between variable and fixed remuneration

In compliance with the regulatory requirements, a 2:1 maximum ratio between variable and fixed remuneration is confirmed for the employees belonging to the business functions.

Details – Section I paragraph 3.1

For the Identified staff of the Company Control Func-

tions, the variable remuneration cannot exceed 1/3 of the fixed remuneration. For the Head of Human Resources function and the Manager in charge for financial statement, the remuneration is predominantly fixed. For the aforementioned Functions, the incentive mechanisms are consistent with the assigned tasks as well as independent of results from areas under their control.

For the Financial Advisors belonging to Identified Staff, a 2:1 ratio is adopted between the non-recurring and the recurring component of the remuneration.

The adoption of a 2:1 ration between variable and fixed compensation has no implication on the Bank's capacity to continue to respect all prudential rules, in particular capital requirement.

6. Identified Staff definition

The annual process of identifying the Identified Staff at group level is carried out by applying the qualitative and quantitative criteria required by the regulatory provisions introduced by Circular no. 285 of 2013 of the Bank of Italy and the EU Delegated Regulation no. 923/2021.

Details – Section I paragraph 4.1

For 2022 the definition of the Identified Staff has been performed involving Compliance and CRO functions of FinecoBank S.p.A. The self-evaluation led to a total number of Identified Staff for 2022 equal to 23 employees and 15 Financial Advisors.

7. Short Term Incentive System for Employees Identified Staff

FinecoBank's 2022 Incentive System confirms the “Bonus Pool” approach, which provides for a strong link between remuneration, company results, risk profile and sustainable profitability.

Details – Section I paragraph 4.2

Specific entry conditions are defined, which act as ex-ante risk adjustment mechanisms and assess the Group's performance in terms of profitability, capital

and liquidity. Only if all entry conditions are met the bonus pool is confirmed with the possibility of applying further adjustments based on the overall assessment of the risk factors of the so-called “CRO dashboard”.

Once the bonus pool is defined, individual bonuses are determined in line with the annual performance appraisal process, based on the principles of transparency and clarity to ensure a direct link between variable remuneration and performance. Our performance assessment process requires that all Identified Staff are assigned specific individual objectives at the beginning of the year, with an adequate balance between economic-financial factors and non-economic factors (i.e. quantitative-strategic and qualitative-sustainable), also considering performance objectives linked to Risks, Compliance and the adherence to ESG values and factors, thus guaranteeing sustainability in the medium to long term for the Group and all stakeholders.

Individual bonuses, in cash and shares in accordance with the provisions of the law, are delivered in several instalments, over a multi-year period, in line with the long-term interests of the shareholders.

Vested and paid variable remuneration is subject to ex-post corrective mechanisms (respectively malus and claw back) which take into account individual behavior.

8. 2021-2023 Long Term Incentive Plan for Employees

In 2021, a share-based Long Term Incentive Plan for the three-years performance period 2021-2023 has been introduced to incentive, motivate and retain selected Employees. The Plan sets performance goals linked to 2021-2023 targets, in terms of Value Creation, Industrial Sustainability, Risk and Stakeholder Value, and the payment of a bonus in shares in instalments, over a multi-year period.

Details – Section I paragraph 5.1

In particular, has been set financial performance goals such as ROAC, Net Sales of AUM, Cost Income Ratio and Coast of Risk on commercial loans are pro-

vided. Three ESG parameters have been defined with regard to Stakeholder Value, namely customer satisfaction, people engagement and ESG rating for all new funds.

In addition, entry and malus conditions are defined on the basis of performance indicators in terms of profitability, capital and liquidity.

A risk adjustment mechanism is defined on the basis of indicators coherent with Fineco’s Risk Appetite Framework.

Individual bonuses are delivered in FinecoBank shares, in instalments, over a multi-year period, subject to malus and claw-back condition, to compliance assessment of individual behaviors and to continuous employment.

9. Severance Payments

Termination payments take into consideration long-term performance, in terms of shareholder added-value, do not reward failures or abuses and shall not exceed in general 24 months of total compensation (including the indemnity in lieu of notice).

Details – Section I paragraph 3.2

With reference to the termination Payments Policy, a specific formula for severance payments calculations is defined, while a maximum limit of 24 months of total remuneration is set, also comprehensive of the indemnity in lieu of notice. Total Remuneration is calculated taking into consideration the average bonus perceived in the three years prior the termination, after applying malus and claw-back conditions.

10. Short Term Incentive for Financial Advisors Identified Staff

The provisions of Group FinecoBank’s Compensation Policy also apply to the members of the Financial Advisors Network, in line with their compensation peculiarities. Following the incentive model provided for the Employees Identified Staff, the 2022 PFA Incentive System provides for a strong link between remuneration, risk and sustainable profitability.

Details – Section I paragraph 4.3

- Entry and malus conditions: based on performance indicators in terms of profitability, capital and liquidity
- Risk adjustment based on indicators coherent with Fineco's Risk Appetite Framework
- Bonus allocation: incentives are allocated taking into consideration the available bonus pool and the individual performance evaluation based on specific performance indicators
- Payout: individual bonuses in cash and shares, pursuant to law, paid out over a multi-year period, ensuring alignment with shareholders' interests; each payment is subject to malus and claw-back conditions, as well as to a compliance assessment of individual behaviors

11. 2021 Remuneration policy – new features

In application of the new regulatory provisions introduced by the 37th update of Circular no. 285 of 2013 of the Bank of Italy, no deferral is applied in the presence of an annual variable remuneration equal to or less than € 50,000 and equal to or less than one third of the total annual remuneration.

Details - Section I paragraph 4.2

In addition, there is a specific section focused on gender neutrality of the Remuneration Policy, which incorporates the new regulatory provisions in terms of governance and methodology for calculating the gender pay gap.

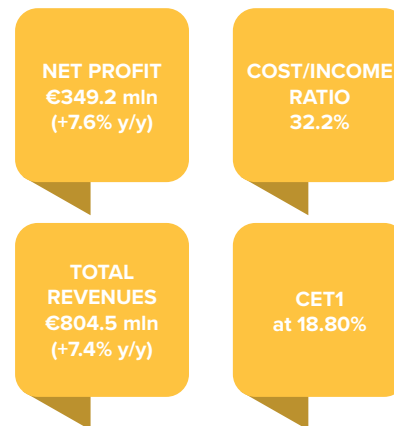
Details - Section I paragraph 2.3

Finally, the provisions introduced by Circular no. 285 of 2013 and the new EU Delegated Regulation no. 923/2021 were implemented with reference to the identification of personnel whose activities have a significant impact on the Group's risk profile.

Details - Section I paragraph 4.1

2022 FY MAIN RESULTS

The results achieved by FinecoBank Group as of December 31, 2021 (2021 financial year) confirm the soundness of its diversified business model based on the quality of products and services, operating effectiveness, but especially an approach focused on transparency and great respect of the customer.



Together with our financial advisors, we've developed some initiatives to stimulate customers with investment strategies aimed to invest liquidity. In addition, Fineco Asset Management's strong growth and acceleration in the expansion of its offer of investment solutions has allowed the Group to be in a sweet spot to seize the opportunities that might arise in 2022. January net inflows results confirm the strong boost of asset under management even in a high volatility context, and on the other side, the growing interest towards market interaction through our platform, which has been confirmed leader in Italy within the retail segment.

In line with the most recent regulatory updates³, paragraph 6.1 of Section II displays the annual variation of Company results and the other required information.

³ Update of Consob Regulation no. 11971 of 14 May 1999 (Regolamento Emittenti), as of December 11, 2020

OUR COMPENSATION DISCLOSURE

The 2021 remuneration report (Section II) - issued pursuant to art. 123-ter of Legislative Decree 58/1998 (Consolidated Text of Finance" - "TUF"), as updated by Legislative Decree May 10, 2019, n. 49, and pursuant to Consob Regulation n. 11971 of 14 May 1999 (Regolamento Emittenti), as updated with the Decision n. 21625 of December 11, 2020 - provides the description of our compensation practices and the implementation outcomes of FinecoBank Incentive Systems, as well as remuneration data, with a focus on Identified Staff, defined in line with regulatory requirements. Full disclosure on compensation payout amounts, deferrals and ratio between variable and fixed components of remuneration for Identified Staff is provided in Section II, including the data regarding members of the Board of Directors and the Board of Statutory Auditors, and the Executives with strategic responsibilities.

Data pursuant sect. 84-quarter Consob Issuers Regulation no. 11971, as well as the information on incentive systems under 114-bis of legislative decree 58/1998 ("Consolidated Text of Finance" - "TUF") are included in this document as well as in Annex II⁴.

CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER VARIABLE AND FIXED COMPENSATION DATA

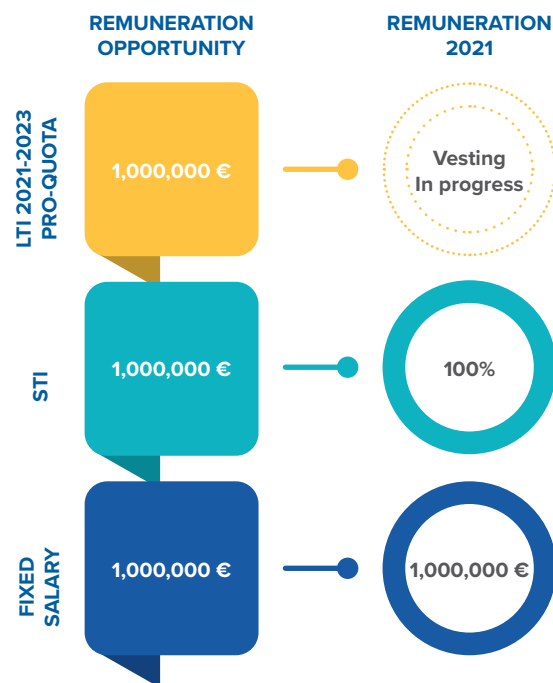
The 2021 performance evaluation of the Chief Executive Officer and General Manager's individual goals resulted excellent ("Exceeds Expectations"), on the basis of the elements reported in Section II – paragraph 3.1 as evaluated by the Remuneration Committee and the Board of Directors of February 7 and 9, 2022.

In light of the above and of the overall business results achieved by the Company, the Chief Executive Officer was awarded a short-term variable bonus for the performance year 2021 equal to € 1,000,000,

corresponding to the maximum amount that he can perceive given the applicable 2:1 ratio between variable and fixed remuneration.

For the purpose of applying this ratio, it should be noted that the Chief Executive Officer received a fixed remuneration of € 1,000,000 and that an annual pro-quota of € 1,000,000 relating to the long-term variable remuneration (LTI 2021-2023)⁵ is also included as variable remuneration, in line with the applicable legislation.

The € 1,000,000 bonus linked to the short-term incentive system awarded for the 2021 performance will be delivered in cash and in shares, with an upfront portion equal to 40% and a deferred portion equal to 60%, according to the deferral scheme described in Section II p. 4.23.1, which considers the period of unavailability of the shares both upfront and deferred, as required by law.



⁴ Annex II: Compensation systems based on financial instruments for FinecoBank staff

⁵ See the representation of the CEO/GM's remuneration. It should be noted that the term vesting refers to the performance period of the 2021-2023 LTI Plan.

Section I

2022

Remuneration policy



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2022 REMUNERATION POLICY

1. INTRODUCTION

Integrity is at the core of our values, as a condition to transform profit into value for our stakeholders.

By upholding the standards of responsible behaviors and values which drive our mission, our compensation strategy represents a key instrument to enhance and protect our reputation and to create long-term value for all stakeholders.

Also through appropriate compensation mechanism, we aim to create a work environment which is comprehensive of any form of diversity and which fosters

and unlocks individual potential, to attract, retain and motivate highly qualified employees.

Relying on our governance model, our Compensation Policy sets the framework for a common and coherent design, implementation and monitoring of compensation practices across our Company that reinforce sound risk management policies and our long-term business strategy.

To ensure the competitiveness and effectiveness of remuneration as well as transparency and internal equity, the key principles of our Compensation Policy are:

Clear and transparent governance, through efficient corporate and organizational governance structures, as well as clear and rigorous systems and governance rules.



Alignment with the Group's ESG strategy, aimed at sustainable and organic growth, with a progressive integration of the principles of environmental, social and governance sustainability within business and operational management choices.



Pay for sustainable performance, by maintaining consistency between remuneration and performance, and between rewards and value creation, as well as enhancing both the actual result achieved and the way by which they are achieved.



Continuous monitoring of national and international market trends and practices, aimed at sound formulation of competitive compensation ensuring transparency and internal equity and **motivation and retention of all staff,** with particular focus on talents and key players, to attract, motivate and retain the best resources capable of achieving our company mission according to Bank's values.



Compliance with regulatory requirements and principles of good professional conduct, by protecting and enhancing our company reputation, as well as avoiding or managing conflicts of interest between roles within the Bank or towards customers.



■ 2. FUNDAMENTALS

2.1 GOVERNANCE

Our compensation governance model aims to assure clearness, transparency and reliability in the governance processes related to remuneration through an appropriate monitoring of the Group's remuneration practices by ensuring that decisions are made in an independent, informed and timely manner at appropriate levels, avoiding conflicts of interest and guaranteeing appropriate disclosure in full respect of the general principles defined by Regulators.

2.1.1 Role of the Board of Directors

The Board of Directors of FinecoBank, in line with the relevant legislation, prepares, submits to the Shareholders' Meeting and reviews, on an annual basis, the Remuneration Policy and is responsible for its correct implementation. In particular, it ensures that the incentive systems are consistent with the overall choices of the Group in terms of risk assumption, strategies, long-term objectives, corporate governance and internal controls structure. Furthermore, it ensures that the remuneration and incentive systems are suitable for ensuring compliance with the provisions of the law, regulations and statutory provisions as well as codes of ethics or conduct, promoting the adoption of compliant behaviors.

The Board of Directors with the support of the Remuneration Committee analyzes the neutrality of the policies with respect to gender and monitors any gender pay gap.

2.1.2 Role of the Remuneration Committee

The Board of Directors established a Delegation of Powers system to regulate appropriately effective decision-making processes throughout the organization.

In particular, the Remuneration Committee is vested with the role of providing advice and opinions to the Board of Directors with regard to Remuneration strategy. It also involves Risk Management and Compliance functions, and it receives the support of an independent external advisor, if required and need-

ed, in order to make the incentives underlying the remuneration system consistent with the management of risk, capital and liquidity profiles.

The main topics discussed by the Committee are also brought to the attention of the Board of Statutory Auditors, prior to their submission to the Board of Directors. The Remuneration Committee consists of 3 non-executive members⁶.

2.1.3 Role of the other Committees

The Risks and Related Parties Committee supports the Board of Directors in order to ensure that the Remuneration Policy is consistent with sound and effective risk management.

In particular, without prejudice to the responsibilities of the Remuneration Committee, the Risks and Related Parties Committee is involved in the process of identifying the Group's Identified Staff and ascertains that the incentives underlying the remuneration and incentive system are consistent with the Risk Appetite Framework, taking into account in particular risks, capital and liquidity, in line with current legislation⁷.

In addition, within the Remuneration Policy, the Corporate Governance and Environmental and Social Sustainability Committee is also involved with respect to the Group's sustainability strategy (such as, for example, the definition of ESG objectives).

2.1.4 Role of the FinecoBank Group's functions

The Compensation Policy of FinecoBank Group, as drawn up by the Human Resources function, with the involvement of other company functions according to the area of expertise, is validated by the Compliance and Risk Management functions, prior to being submitted to the Remuneration Committee. Yearly, the Remuneration Committee proposes and submits the Compensation Policy to the Board of Directors for approval. As a last step, the document is presented to the Shareholders' Meeting for approval, in line with the regulatory requirements⁸.

⁶ For details on the composition and activities of the Remuneration Committee, please refer to the specific paragraph in Section II, paragraph 2.1

⁷ Cf. Circ. no. 285 of Bank of Italy and EBA Guidelines "Guidelines for sound remuneration policies pursuant to EU Directive no. 36/2013

⁸ Cf. art. 123 ter Legislative Decree no. 58/1998

The principles of Fineco Compensation Policy are applicable to the entire organization with regard to:

- all categories of Group employees. Specific provisions of the Compensation Policy are applicable to Identified Staff;
- the members of the Bank's Financial Advisors' Network, in line with the specific pay conditions applicable to them.

Role of the Human Resources Function⁹

The Human Resources function, interacting with the Remuneration Committee, drafts the Remuneration Policy, defines the incentive systems and the remuneration levels, taking care of the aspect of neutrality with respect to gender, with the aim of motivating and retaining personnel and contributing to ensure alignment with the Bank's long-term strategies.

With particular reference to the incentive systems for Financial Advisors, the function collaborates with the PFA Network Commercial Department & Private Banking / Network Controls, Monitoring and Network Services Department.

In addition, with respect to financial data, the Human Resources function involves the Manager in charge of the financial statements (also CFO), while for all ESG topics within the Compensation Policy is supported by the Sustainability Team.

Role of the Compliance Function

The Compliance function operates in close co-ordination with the Human Resources function, in order to support the design and the definition of compensation policy and processes and to evaluate them for the profiles in scope.

In this framework, the Compliance function verifies the consistency with "the goal of complying with regulations, articles of association and any other code of ethics or other standards of conduct applicable to the bank, so that legal and reputational risks mostly embedded in the relationship with customers are duly contained"¹⁰. In particular, the Compliance function evaluates, for all related aspects, Fineco Compensation Policy and

– according to the applicable regulations – the incentive systems designed by the Human Resources function for the employees, and by PFA Network & Private Banking Department/Network Controls, Monitoring and Service Department for the Financial Advisors. It provides suggestions – as far as it is concerned – for the design of compliant incentive systems. Furthermore, the Compliance function is involved in the process for the identification of Group's risk takers, for all aspects that fall within its perimeter.

In accordance with the regulatory framework and our governance, the guidelines for the definition of the incentive systems for non-Identified Staff population are set, in collaboration with the Compliance function, for all related aspects:

- by Human Resources function for the employees
- by PFA Network & Private Banking Department / Network Controls, Monitoring and Service Department for the Financial Advisors

Role of the CRO Function¹¹

The consistency between remuneration and accountable and sustainable risk assumption is guaranteed through rigorous governance processes based on informed decisions taken by the Corporate Bodies. Compensation plans include the risk adjustment appetite defined through the evaluation of the consistency with the results achieved and the Fineco Risk Appetite Framework.

The CRO function is constantly involved in the definition of the remuneration policy, the incentive systems and the compensation processes as well as in the definition of targets, in the individual performance appraisal, in the ex-ante and ex-post risk adjustment mechanism and in the identification of the Group's Identified Staff. This involvement implies a direct link between the Bank incentive mechanisms, selected metrics of the Risk Appetite Framework, the validation of performance and pay, so that the incentives are consistent with the risk assumption defined and approved by the Board of Directors.

⁹ The Human Resources function in FinecoBank is carried out by the Chief People Officer Department

¹⁰ Cf. Bank of Italy, Circular no. 285

¹¹ The Risk Management function is represented in FinecoBank by the CRO Department. The two terms are used interchangeably throughout the document.

Role of the Internal Audit Function

Within the remuneration governance process, the Internal Audit function yearly assesses the consistency of the implementation of policies and practices with the Compensation policy that was approved and the regulatory framework, and performs an audit on data and processes. The function provides a final assessment on the remuneration practices, providing recommendations aimed at improving the processes and informing the competent Bodies on any findings, in order to adopt corrective measures. Yearly the AGM is informed about the results of the audit.

2.2 CONTINUOUS MONITORING OF MARKET TRENDS AND PRACTICES (BENCHMARK)

With specific reference to Identified Staff, an independent external advisor supports the Remuneration Committee on the definition of a list of selected competitors that represent our peer group for the purpose of compensation benchmarking analysis. The identification of our peer group took into consideration a panel of Italian financial intermediaries listed on the FTSE MIB or FTSE MidCap stock indexes and comparable from the point of view of the applicable regulations (Banking and / or Asset Management), as well as in terms of market capitalization, total assets, dimension or business model, to assure a competitive alignment with the market of reference.

The results of this analysis is provided to the Remuneration Committee, in order to support the formulation of opinions to the Bodies of the Bank responsible for taking such decisions.

Through benchmarking, we aim at adopting a competitive compensation structure for an effective retention and motivation of our key resources, as well as for defining payments that are consistent with the long-term value for stakeholders.

The compensation structures, which are defined in relation to business or market-specific benchmarking, are in any case aligned with the values of the Group, with particular reference to compliance and sustainability.

The definition of the Compensation Policy for the

Identified Staff, both employees and Financial Advisors, with particular reference to the design of the 2022 incentive systems, takes into account specific benchmarking analysis based on our peer group.

The peer group used to benchmark compensation policy and practices with particular reference to Identified Staff employees has been defined by the Remuneration Committee upon the proposal of the independent external advisor.

The peer group, subjected to annual review, for 2022¹²:

- Anima Asset Management
- Banca Generali
- Banca Mediolanum
- Banca Popolare di Sondrio
- Banco BPM
- BPER
- Credito Emiliano
- Intesa Sanpaolo
- Mediobanca
- Poste Italiane
- UniCredit

The Remuneration Committee constantly monitors the peer group so that, in the event of aggregation or de-listing processes, the appropriate adjustments in line with the comparability criteria described above. In addition to what mentioned above, for the Chief Executive Officer and General Manager compensation trends are monitored also with respect to an international panel of comparable companies in terms of business and/or geographic proximity.

2.3 REMUNERATION SYSTEM AND ESG STRATEGY

Fineco Group is aware that its strategy, oriented to a sustainable and organic growth, should necessarily be sided by a progressive integration of ESG principles in its business choices and operations management.

In 2019, FinecoBank Group defined its first list of material topics, based on how much influence the main

¹² Compared to 2021 peer group, Anima and Banca Popolare di Sondrio were added. The previous Peer Group also included Banca Sistema, Banca Finint, Iccrea Cooperative Banking Group, BNL Group.

sustainability issues have on the decisions, actions and performance of the organization and its stakeholders.

The selection of the material aspects was the result of a process of direct engagement by FinecoBank management and an indirect analysis of materiality as perceived by the stakeholders based on internal and external information sources available to the Bank.

This analysis was updated in 2020 taking into account the change in the external context (including the Covid-19 pandemic), changes in the applicable regulations

and new stakeholders' expectations as identified within investor engagement activities and as requested by the main ESG rating agencies.

The material topics updated as such are 19, approved in 2020 by the Corporate Governance and Environmental and Social Sustainability and by FinecoBank Board of Directors and confirmed for 2021. They are aggregated in 9 macro-areas and they represent the starting point to direct the chosen sustainable path and the consequent goal setting.

MACRO-ASPECT	ASPECT	LD 254/2016
Transparency	Fairness and transparency in the sale of products and services and reporting of ESG risks	Social
People Development	Human resources management policies Management of welfare and industrial relations Protection of health and safety at work Training of human resources Protection of diversity, equal opportunity and inclusion Non-discrimination policies	Personnel Respect for human rights
Efficiency and Solidity	Economic performance and capital strength	Social
Control and Risk Management System	Risk management (financial and ESG risks)	Fighting active and passive corruption Environmental
Environmental Sustainability	Reducing environmental impact	Environmental
Fairness	Fighting corruption Prevention of anti-competitive behaviour Socio-economic, environmental and tax compliance Protection of privacy Clear approach to the markets	Fighting active and passive corruption Social Environmental Social -
Responsible Finance	Financial inclusion and education Responsible products and investments	Social Social
Information Security and Cyber Security	Identification and management of ICT security risks	Social
Innovation and Customer Experience	Innovation and digitisation to improve service quality	Social

In this respect, proceeding with the path already started, the 2022 scorecard of the CEO and General Manager¹³ linked to the short term incentive system, and that of the other Identified Staff's, includes, depending on the specific role, goals linked to sustainability intended as the capacity of creating and maintaining value for all the stakeholders in the medium-long term.

In particular, the "Stakeholder Value" goal, in coherence with the Group 2020-2023 Multi Year Plan and the material topics includes, in line with 2021, the objectives relating preserving diversity, responsible finance and environmental impact, plus an additional KPI linked to Fineco's score in the main ESG ratings

has been introduced.

In addition, a specific objective regarding integrity of conduct and the dissemination of the compliance culture within the organization ("Tone from the top") has been set for this year as well.

Additionally, the long term incentives system (2021-2023 LTI Plan) for employees, includes among its performance drivers three ESG KPI's related to customers satisfaction, employees engagement and ESG rating for all new funds, in coherence with the Multi Year Plan.

FinecoBank Group is committed to develop and implement a common risk culture at all organizational levels. This provides a fundamental condition to grant a sustainable return in the long term. Among

¹³ Cf. paragraph 4.2 for CEO and General Manager individual scorecard.

the risks with potential ESG implications, are worth mentioning operational risks and reputational risks, which could be determined by specific social, environmental and customer relationship risks.

2.3.1 Gender neutrality in the remuneration system

The FinecoBank Group is committed to ensuring that the Compensation Policy is gender neutral, thus concurring to pursue equal opportunities in terms of professional development and remuneration.

From a remuneration point of view, the goal is to ensure that, for the same activity carried out, corresponds an equal level of remuneration. Furthermore, the Group aims at preserving diversity with the ultimate scope of creating a non-discriminatory working environment that offers equal opportunities¹⁴.

In order to increase the sensitivity and the attention towards gender equality and diversity within the organization at all levels and to pursue gender neutrality in remuneration policies, the following measures were adopted, in application of the new provisions introduced by the 37th update of Circular no. 285 of 2013 of the Bank of Italy and the EBA Guidelines:

- the Board of Directors, with the support of the Remuneration Committee, examines, within the periodic review of the Remuneration Policy, the remuneration policy's gender neutrality and monitors any gender pay gap over time.
- The Gender Pay Gap is monitored as the ratio between the average remuneration of the most represented gender and the average remuneration of the least represented gender¹⁵ analyzing separately the members of the Board of Directors, Identified Staff personnel and the remaining part of the staff. In addition, for a more detailed analysis, the Equity Pay Gap is also calculated, which allows to make an assessment according to the concept of equal pay for equal work, taking into account the organi-

zational complexity and the professional roles¹⁶

- The Management is empowered with reference to the gender-neutral application of the remuneration systems. In fact, since 2017, the Identified Staff individual scorecards include the Gender Pay Gap parameter as one of the elements for their performance evaluation. Also in 2022 the CEO and General Manager performance scorecard, as well as that of the other Identified Staff, includes a qualitative goal defined as "Stakeholder Value", which comprehends the sub-goal "Y/Y delta on Gender Pay Gap and Gender Balance".
- The Multi Year Plan 2020-2023 confirms, among the strategic directives, the following objectives in terms of Diversity and Equal Opportunity:
 - Monitoring and ongoing attention to the Gender Pay Gap
 - Focus on issues such as the promotion of women in managerial roles, equal gender representation;
 - Monitoring how the return from maternity leave is managed;
 - Implementation of a training and awareness plan for employees on Diversity & Inclusion and sustainability.
- FinecoBank issued a specific Global Policy on Gender Equality establishing principles and guidelines to ensure a level playing field in which all employees, regardless of gender, can realize their full potential.
- Starting from 2021, Gender Balance and Gender Pay Gap goals have been monitored among the Bank's operational risks. Moreover, the Gender Pay Gap is reported in the Consolidated Non-Financial Statement¹⁷ according to the GRI standards.

¹⁴ For more details on equal opportunities initiatives and non-discrimination, please refer to the 2021 consolidated non-financial statement of the FinecoBank Group.

¹⁵ As defined by the Circ. no. 285 of 2013 (37th update)

¹⁶ To this end, the Global Job Model is used: an organizational system that describes, standardizes and calibrates all roles. The "Banding" system (Global Banding Structure) is one of the main elements of the Global Job Model.

¹⁷ In accordance with the LD 254/2016

2.4 COMPLIANCE DRIVERS

One of the key principles of the Compensation Policy is full compliance with the laws, regulations and statutory provisions as well as with codes of ethics or conduct, with the aim of promoting the adoption of compliant behaviors and in order to protect and strengthen our reputation, as well as prevent or manage potential conflicts of interest between roles within the Bank or towards our customers.

Among the qualitative/sustainable goal assigned in the Identified Staff scorecard, there is a specific one concerning the integrity of conduct and the spread of compliance culture within the organization ("Tone from the top" initiative, as a driver of sustainable value creation. This demonstrates the importance of full compliance with internal and external regulations for the FinecoBank Group.

In this context, with the support of the Compliance function, specific "Compliance drivers" requirements have been defined to support the design of remuneration and incentive systems.

COMPLIANCE DRIVERS	
maintenance of an adequate ratio between economic and non-economic goals, depending on the role (in general, at least one goal should be non-economic)	qualitative measures must be accompanied by an ex-ante indication of objective parameters to be considered in the evaluation, the descriptions of expected performance and the person in charge of the evaluation
non-economic quantitative measures should be related to an area for which the employee perceives a direct link between her/his performance and the trend of the indicator	among the non-financial goals (quantitative and qualitative), include, where relevant, goals related to Risk as well as to Compliance (e.g. credit quality, operational risks, application of MIFID principles, compliance with banking transparency obligations, products sale quality, respect of the customer, Anti Money Laundering requirements fulfilment)
set and communicate ex-ante clear and pre-defined parameters as drivers of individual performance	avoidance of incentives with excessively short timeframes and ensure the coherence between the targets set for the PFA Network within all incentive systems and the Company's objectives
promotion of a customer-centric approach which places customer needs and satisfaction at the forefront and which will not constitute an incentive to sell unsuitable products to clients	take into account, even in remuneration systems of the external networks (Financial Advisors), the principles of fairness in relation with customers, management of legal and reputational risks, protection and loyalty of customers, compliance with the provisions of law, regulatory requirements, and applicable self-regulations
create incentives that are appropriate in avoiding potential conflicts of interest with customers, considering fairness in dealing with customers, transparency and the endorsement of appropriate business conduct, in the best interest of the customer	introduce corrective mechanisms in the remuneration systems, based on the assessment of compliance and quality indicators of the behavior / operations of the Financial Advisors, which can lead to a reduction of the bonuses accrued within the incentive plans of the network with the objective of promoting and encouraging scrupulous compliance with legislation and company processes
define – for personnel providing investment services and activities – incentives that are not only based on financial parameters, but also take into account the qualitative aspects of the performance; this in order to avoid potential conflicts of interest in the relationship with customers (For instance: ESMA Guidelines on remuneration policies and practices; MiFID; ESMA Technical Advice on MiFID II (Final Report 2014/1569); MiFID II Directive provisions for remuneration/incentives of relevant subjects).	to promote responsible risk management for personnel assigned to the evaluation of credit rating, and to take into account the results of complaints management and customer care quality for personnel who handles complaints
avoidance of incentives on a single product / financial instrument or specific categories of financial instruments, as well as single banking product	for Control Functions (CRO, Compliance, Internal Audit and AML), HR and Manager in charge for preparing financial statements, economic goals must be avoided and individual goals set for employees in these functions shall reflect primarily the performance of their own function and be independent of results of monitored areas, in order to avoid conflict of interests.
Commercial Network Roles, goals shall be defined including drivers on quality/riskiness/sustainability of the products sold, in line with client risk profiles. Particular attention shall be paid to the provision of non-economics goals for customer facing roles selling products covered by MiFID Directive; for those roles, incentives must be set in order to avoid potential conflict of interest with customers	the approach adopted for Company Control Functions is also recommended where possible conflicts may arise due to the function's activities. In particular, this is the case of functions (if any) performing control activities pursuant to internal/external regulations such as some structures that perform accounting/tax activities;
in compliance with the applicable regulatory provisions (Circular no. 285/2013 Bank of Italy, part. I, Title IV Chapter 2 Section III), maintenance of adequate balance of fixed and variable compensation elements also with due regard to the role and the nature of the business performed. The fix portion is maintained sufficiently high in order to allow the variable part to decrease, and in some extreme cases to drop down to zero	assure independence between front and back office functions in order to guarantee the effectiveness of cross-checks and avoid conflict of interest, as well as ensuring the appropriate independence levels for the functions performing control activities;
in case individual performance evaluation systems are fully or partially focused on the manager decision making authority, the evaluation parameters should be defined ex-ante, clear and documented to the manager at the beginning of the evaluation period. Such parameters should reflect all applicable regulation requirements (also in line with the regulation references reported in previous paragraphs). The results of managerial discretionary evaluation should be formalized for the adequate and predefined monitoring process by the proper functions	for the purpose of granting incentive, the absence of any ongoing proceeding or disciplinary sanctions and/or sanctions by regulatory authorities should be taken into account. In the presence of these measures, the possible allocation of the incentive will require a written explanation, which will make possible a case-by-case verification of the managerial decisions

COMPLIANCE DRIVERS

in case of a multiple contracts offer aside of a credit contract, if the side contract is optional, even through third parties, in order to avoid the offer of unsuitable, incoherent and not appropriate product to the customer's interests and objectives, remuneration and appraisal of sale staff (employees and third personnel) do not incentive the combined sale of the two contracts more than a separate sale of the same products.

the entire evaluation process must be conveniently put in writing and documented

provide for clauses for the cancellation of the incentive in the event of significant inappropriate behavior or disciplinary actions

rewarding system communication and reporting phases shall clearly indicate that the final evaluation of the employee achievements will also rely, according to local requirements, on qualitative criteria such as:

- compliance to external (i.e. laws/regulations) and internal rules (i.e. policies) and company values
- mandatory training completion
- existence of disciplinary procedures officially activated and/or disciplinary sanctions actually applied

FinecoBank Group adopts and applies remuneration policies and practices for the subjects relevant to the scope of the regulation and credit intermediaries that take into account consumers' rights and interests, in relation to the products offer. To this extent, Fineco ensures that:

- a) their remuneration does not provide an incentive to pursue their own interests or the Company's, with a harm for its customers;
- b) proper measures are in place to take into account any risk that could harm the customers;
- c) the variable remuneration for relevant subjects and intermediaries:
 - i. is linked to qualitative and quantitative assessment criteria;
 - ii. does not provide an incentive to offer a specific product or a specific category of products or a combination of products (i.e. because those are particularly convenient for the Company or the relevant subjects or the intermediaries), if doing so would harm the customer in terms of unsuitability of the product for its financial needs, or because it is more expensive than another equivalent and suitable product,
 - iii. is adequately balanced with respect of the fixed remuneration;
 - iv. is subject to adjustment mechanisms that can reduce it or eliminate it, for instance in case of behaviors that directly or indirectly damaged the costumers, as well as in case of a violation of the relevant regulation (Title VI T.U.) or the related provisions that protect the customers' interests.

With regard to incentive systems for the network's Financial Advisors, particular attention is paid to all commercial initiatives that involve the aforementioned network¹⁸.

Such initiatives may be organized after the evaluation and authorization of the competent Bank's Bodies and they represent business actions aimed at providing guidance to the sales network towards the achievement of the period's commercial targets (also intermediate) and with a direct impact on the budget and related incentive systems.

Among the distinctive features of the initiatives, there is the expectation of a cash award or non-monetary reward. The initiatives can also have the function to accelerate the achievement of certain objectives of the incentive system. The grant of awards related to the initiatives will be subject to behaviors compliant with external and internal regulations.

Under no circumstances may the system of remuneration and evaluation of the sales network employees constitute an incentive to sell products unsuitable to the financial needs of the clients.

The aforementioned compliance requirements ("compliance drivers") must also be considered for the network of Financial Advisors (PFA), as applicable.

2.5 PAY FOR SUSTAINABLE PERFORMANCE

The objectives are defined consistently with the strategic guidelines, in line with the 2022 objectives linked to the Group's 2020-2023 Strategic Plan. Performance is also evaluated in terms of risk-adjusted profitability taking into consideration ex-ante and ex-post mechanisms.

Incentive systems must not favor in any way risk-taking behaviors in excess of the risk appetite envisaged by the business strategies; in particular, they should be align with the Risk Appetite Framework ("RAF").

¹⁸ See paragraph 3.3 for details

2.5.1 Definition of performance targets

- Consider the customer as the central focus of our mission, placing customer satisfaction in the forefront of all incentive systems, at all levels, both internally and externally;
- design forward-looking incentive plans which balance internal key value driver achievement with external measures of value creation for the market;
- consider performance on basis of annual achievements and on their impact over time;
- individual performance appraisal cannot be based only on financial criteria, but should be also based on non-financial criteria¹⁹, considering the specificity of the various roles;
- maintain an adequate balance between economic and non-economic objectives, also considering performance targets such as risk management, adherence to the internal or external regulations and to the Group's values or customer satisfaction and/or loyalty and other behaviors;
- consider initiatives that aim at improving the Company's ESG performance;

2.5.2 Performance appraisal

- to base performance evaluation upon profitability, capital strength and other drivers of sustainable business with particular reference to risk, cost of capital and efficiency;
- to design flexible incentive systems such as to manage pay-out levels in consideration of the Bank and of FincoBank Group performance results and individual achievements, adopting a meritocratic approach to selective performance-based reward;
- to guarantee that evaluations and appraisals linked to compensation are, as far as possible, available for the scrutiny of independent checks and controls;
- to assess all incentive systems, programs and plans against in order to avoid the risk that our Company reputation may be jeopardized.

2.5.3 Payment of variable compensation

- To defer, as foreseen by regulatory requirements, performance-based incentive pay-out to coincide with the risk timeframe of such performance by

subjecting the pay-out of any deferred component of performance-based compensation to the actual sustainable performance demonstrated and maintained over the deferral timeframe, so that the variable remuneration takes into account the time trend of the risks assumed by the Bank;

- to subject the variable component to ex-post correction mechanisms (malus and claw-back) suitable to reflect the performance levels net of the risks assumed or actually achieved and the trend of capital and liquidity levels as well as to take into account individual behaviors in line with the relevant legislation²⁰
- to consider claw-back actions as legally enforceable on any performance-based incentive paid out on the basis of circumstances subsequently proven to be erroneous²¹;
- to include malus and claw-back clauses, namely respectively the reduction / cancellation and the reclaim of any form of variable remuneration, in the event of individual conduct in violation of external regulations or internal codes (see below "Focus on compliance breach, individual Malus and Claw-back");
- to require the employee or the Financial Advisor not to use personal hedging strategies or remuneration and liability related insurance or other strategies to undermine or modify the risk alignment effects embedded in their remuneration arrangements. The detailed rules of the Incentive Systems also describe such obligation. In order to ensure compliance with this provision, the Company Control and HR Functions establish a procedure to carry out checks on the internal custody or administration accounts of the personnel Identified Staff and request to disclose the existence of custody and administration accounts with other intermediaries, as well as any transactions and financial investments made. A sample and not complete list of operations and subjects interested by the personal hedging ban is communicated to all Identified Staff in a specific letter that informs of the ban.

¹⁹ As provided by Directive no. 2013/36/EU art. 94, 1 a). Financial criteria includes performance indicators reported in the annual financial report and in particular linked with the profit and loss report, the balance sheet and relevant components or indicators.

²⁰ Cf. Circ. no. 285/2013 Bank of Italy and EBA Guidelines pursuant to the art.94 Dir. 2013/36/EU.

²¹ Provision envisaged with particular reference to the Chief Executive Officer and other Executives with Strategic Responsibilities, in the Corporate Governance Code of Borsa Italiana. The malus and claw-back clauses are managed by the plan rules of the incentive plans.



FOCUS

Compliance breach, individual Malus and Claw-back

Fineco reserves the right to activate malus and claw-back mechanisms, meaning respectively the reduction/cancelation and the return of any form of variable compensation.

The malus clause (i.e. the reduction/cancelation of the variable remuneration) can be activated with reference to the variable remuneration to be paid or awarded but not already paid, related to the performance period, which the compliance “violation” is referred to. In case the variable pay affected is not enough to ensure an adequate malus application, the reduction can be referred also to other components of variable remuneration.

The claw-back clause, (i.e. the restitution of all or part of the variable remuneration) can be activated with reference to the overall variable remuneration already paid, awarded for the performance period which the “violation” is referred to, without prejudice to more restrictive local laws or provisions and as legally enforceable.

The claw-back clause can be activated for a period up to 5 years after each tranche (upfront or deferred) has become available to the beneficiary (that means, after deferrals and/or applicable retention periods), even after the termination of the employment relationship and/or of the role and takes into account legal, pension and tax aspects and the time limits provided by law and practices locally applicable.

Malus and claw-back can be activated upon the assessment of certain behaviors within the referred period, which starts with the performance period and ends with the tranche becoming available to the beneficiary (that means, after deferrals and/or applicable retention periods), in case the staff*:

- has adopted conduct that does not comply with legal, regulatory or statutory provisions or with codes of ethics or conduct applicable to the bank, which resulted in a significant loss for the bank or for customers;
- has displayed further conduct that does not comply with legal, regulatory or statutory provisions or with codes of ethics or conduct applicable to the bank, in the cases envisaged by the latter;
- has contributed with fraudulent behavior or gross negligence to incurring significant financial losses, or by his conduct had a negative impact on the risk profile or on other regulatory requirements at Bank or FinecoBank Group level;
- has engaged in misconduct and/or fails to take expected actions which contributed to significant reputational harm to the Bank or the FinecoBank Group, or which were subject to disciplinary measures by the Authority;
- is the subject of disciplinary measures and initiatives envisaged in respect of fraudulent behavior or characterized by gross negligence during the reference period;
- has infringed the requirements set out by articles 26 TUB and 53 TUB, where applicable, or the obligations regarding remuneration and incentives.

In the year 2018 the Compliance Breach Committee was established**, composed of the Chief Executive Officer and General Manager, the Head of Human Resources and the Head of Compliance***. With reference to FinecoBank’s Identified Staff, the Committee has the function of assessing potential impacts on variable remuneration following the ascertainment of any anomalous behavior or violations, possibly involving sanctions, or of any sanctioning proceedings or imposition of sanctions in the process of being initiated or initiated and in any case not yet defined against the parties concerned or the Bank, following notification by the Bank or Internal Audit structures or Public Authority.

On the basis of the analyzes carried out and in relation to the seriousness of the violation, the Committee proposes to the Board of Directors, after examination of the Remuneration Committee - on the basis of the established governance - the consequent measures to be adopted with reference to the variable remuneration of the Identified Staff (reduction/cancellation - malus - or return claw-back).

* Employees and all personnel, including Personal Financial Advisors.

** For the PFA Identified Staff, the functions of Compliance Breach Committee are covered by the competent Disciplinary Committee

*** The Head of Internal Audit is a permanent guest of the Committee, without voting rights.

2.5.4 Share Ownership Guidelines

Share ownership guidelines set minimum levels for company share ownership for covered Executives, aiming to align managerial interests to those of shareholders by assuring appropriate levels of personal investment in FinecoBank shares over time. As part of our total compensation approach, we offer equity incentives that provide for opportunities of share ownership, in compliance with the applicable laws.

The ownership of shares by our Company leaders is a meaningful and visible way to show our investors, clients and employees that we believe in our Company.

FinecoBank Board of Directors and Shareholders Meeting approved in 2017 specific share ownership guidelines, as shown in the following table, for the Chief Executive Officer and General Manager and for the other Executives with strategic responsibility, in order to reinforce the alignment between managerial and shareholders' interests in the achievement of goals.

POPULATION	SHARES OWNERSHIP
CEO and General Manager	1 x annual fixed remuneration
Executives with strategic responsibilities	0.5 x annual fixed remuneration

As a rule, the established levels described in the above table should be reached within 5 years from the first appointment in the covered role and they should be maintained for the entire duration of the role covered.

The established levels should be reached through a linear pro-rata approach during the 5-year period, providing for a minimum portion every year.

Involved Executives are also expected to refrain from entering into schemes or arrangements that specifically protect the unvested value of equity granted under incentive plans ("hedging").

Any violation of the share ownership guidelines and any form of hedging shall be considered in breach of compliance rules with such consequences as provided for under enforceable rules, provisions and procedures.

2.5.5 Exemptions in case of exceptional circumstances

Without prejudice to the provisions of Regulation n. 17221 of March 12, 2010, as provided by art. 123-ter, letter 3-bis of TUF amended in 2019, in case of exceptional circumstances FinecoBank can temporarily derogate from its remuneration policies, still taking into account all legal and regulatory restrictions. Exceptional circumstances are intended to be only situations for which the exemption from the remuneration policy is necessary in order to preserve the Company's long term interests and sustainability, or to ensure its market competitiveness. The process is summarized as follows.

The Board of Directors, having heard the opinion of the Remuneration Committee and the Risk and Related Party Committee, can temporarily derogate from the remuneration policy in the aforementioned circumstances, in coherence with FinecoBank Group Global Policy on the management of transactions with individuals in potential conflict of interests whenever applicable, and limited to some elements defined in paragraphs 3.2 and 3.3 Section I, specifically the short and long term variable remuneration systems.

3. COMPENSATION STRUCTURE

3.1 RATIO BETWEEN VARIABLE AND FIXED COMPENSATION

Compensation levels and ratio between fix and variable component of overall remuneration for Identified Staff are managed and monitored according to our business strategy, and aligned with Fineco performance over time.

In compliance with the applicable regulations²², the adoption of the maximum pay ratio of 2:1²³ for personnel belonging to business functions is confirmed.

For the rest of the employees, a maximum ratio between the components of remuneration equal to 1:1²⁴ is usually adopted, except for the Identified Staff of the Company Control Functions²⁵, for which it is provided that the variable remuneration could not exceed 1/3 of the fixed remuneration. For the Head of Human Resources and the Manager in charge for preparing financial statements, the remuneration is predominantly fixed. For the aforementioned Functions, the incentive mechanisms are consistent with the assigned tasks as well as independent from the results of the areas under their control.

With reference to applicable regulations, for Financial Advisors belonging to Identified Staff, the 2:1 ratio is adopted between the non-recurring and the recurring component of the remuneration.

The adoption of a ratio of 2:1 between variable and fixed compensation doesn't have any implication on the Bank's capacity to continue to respect all prudential rules, in particular capital requirements.

MAXIMUM RATIO BETWEEN VARIABLE AND FIXED COMPENSATION		
Employees	Business functions	2:1
	Identified staff of company control functions	1:3
	Other employees	1:1
	Head of Human Resources and Manager in charge of preparing financial statements	Fix>Var with respect of total compensation
PFA Identified Staff	2:1	

3.2 EMPLOYEES

Within the framework provided by its Compensation Policy, the Group is committed to ensure fair treatment in terms of compensation and benefits regardless of age, race, culture, gender, disability, sexual orientation, religion, political belief and marital status.

Our total compensation approach provides for a balanced package of fix and variable, monetary and non-monetary elements, each designed to impact in a specific manner the motivation and retention of employees.

In line with the applicable regulations, particular attention is paid to avoid incentive elements in variable compensation that may induce to behaviours not aligned with the company's sustainable business results and risk appetite.

As a policy target, fix compensation for Identified Staff considers as a reference the market median, with individual positioning being defined on the basis of specific performance, potential and people strategy decisions.

With particular reference to Identified Staff – within the governance defined according to the applicable laws and regulations - the Board of Directors, upon proposal of the Remuneration Committee, establishes the compensation structure for top positions, defining the mix of fix and variable compensation elements, consistently with market trends and internal analyses performed.

Moreover, the Board of Directors annually approves the criteria and features of Identified Staff incentive plans, ensuring the appropriate balance of variable reward opportunities within the pay-mix structure.

²² Cf. Circular no. 285/2013. In particular, for Fineco Asset Management DAC (FAM) Employees not identified as Group's risk takers the sectorial regulation does not provide a pre-determined maximum cap to variable remuneration.

²³ As approved by the Fineco Shareholders Meeting on June 5, 2014. The rationales of the original request did not change, thus no further maximum ratio approval is requested.

²⁴ The variable component, if present, is contained for all the personnel of the corporate control functions and of the human resources function.

²⁵ Meaning CRO, Compliance, Internal Audit and AML

TYPE OF REMUNERATION	PURPOSES	FEATURES
3.2.1. FIXED COMPENSATION		
The fixed salary remunerates the role covered and the scope of responsibilities, reflecting the experience and skills required for each position, as well as the level of excellence demonstrated and the overall quality of the contribution to business results.	<i>Fixed salary is appropriately defined for the specific business in which an individual works and for the talent, skills and competencies that the individual brings to the Bank. The relevance of fixed compensation weight is sufficient to reward the activity rendered even if the variable part of the remuneration package is not paid due to non-achievement of performance goals such as to reduce the risk of excessively risk-oriented behaviours, to discourage initiatives focused on short-term results and to allow a flexible bonus approach.</i>	<ul style="list-style-type: none"> • Specific pay-mix composed by fix and variable compensation is defined with respect to each target of employee population. • With particular reference to Identified Staff, the Remuneration Committee proposes to the Board of Directors: <ul style="list-style-type: none"> • the criteria to perform market benchmarking analysis for each position in terms of compensation levels and pay-mix structure, including the definition of a specific peer group. • the positioning in terms of compensation, in line with relevant market's competitive levels, to define individual compensation reviews as necessary.
3.2.2. VARIABLE COMPENSATION		
The variable compensation includes payments depending on performance, independently from how it is measured (profitability goals, volumes, etc.), or on other parameters (e.g. length of service), discretionary pension benefits and amounts agreed between the bank and personnel in view or upon the early termination of the employment or office (excluding termination benefits and indemnity in lieu of notice), carried interests and more generally any other form of remuneration that is not uniquely qualify as fixed remuneration.	<i>Variable compensation aims to remunerate achievements by directly linking pay to performance outcomes in the short, medium and long-term, and risk adjusted.</i>	<ul style="list-style-type: none"> • Adequate range and managerial flexibility in performance-based pay-outs are an inherent characteristic of well-managed, accountable and sustainable variable compensation. • Incentives remunerate the achievement of performance objectives, both quantitative and qualitative. • An appropriately balanced performance-based compensation element is encouraged for all employee categories as a key driver of motivation and alignment with organizational goals. • The systems features, including performance measures and pay mechanisms, must avoid an excessive short-term focus by reflecting the principles of this policy, focusing on parameters linked to profitability and sound risk management, in order to guarantee sustainable performance in the medium and long-term.
Incentive Systems linked to yearly performance (Short Term Incentives or STI)	<i>Aim to attract, motivate and retain strategic resources in alignment with national and international regulatory requirements and with best market's practices.</i>	<ul style="list-style-type: none"> • Pay-out is based on a "bonus pool" approach providing for a comprehensive performance measurement at individual and at Group level. • Reward is directly linked to performance, which is evaluated on the basis of results achieved and on the alignment with our leadership model and values. • Performance Management is the annual process of assigning objectives and evaluating them, which guarantees, in a fair and transparent manner, consistency between bonuses and individual performances for the entire organization. • Where foreseen by regulations, the pay-out is phased to coincide with an appropriate risk time horizon. The design features of incentive plans for Identified Staff are aligned with shareholder interests and long-term, firm-wide profitability, providing for an appropriate allocation of a performance related incentive in cash and in shares, upfront and deferred • The individuals' behaviours (compliance with internal and external rules and regulations, absence of disciplinary actions and completion of mandatory training) are also elements on which individual incentives award is based.
Long-term Incentive plans (Long Term Incentive or LTI)	<i>The aim of these plans is to strengthen the link between variable pay and long term results and to further align the interests of Management to those of Shareholders</i>	<ul style="list-style-type: none"> • For the 2021-2023 performance period, a share based Long Term Incentive Plan for selected Employees considered "key roles", has been approved. • The plan sets goals linked to the 21-23 three-year targets, in terms of value creation, industrial sustainability, risk and stakeholder value, coherent with Group long term goals established in the 2020-2023 Multi Year Plan. • The Plan provides entry and malus conditions, claw-back conditions and a specific risk adjustment mechanism. • The Plan provides for the payment of a bonus in FinecoBank shares, over a multi-year period.

TYPE OF REMUNERATION	PURPOSES	FEATURES
3.2.3. BENEFITS		
<p>These include welfare benefits supplementary to social security plans, and are intended to provide substantial guarantees for the well-being of staff and their families during the active career as well as the retirement.</p>	<p><i>Benefits aim to reflect internal equity and overall coherence of our remuneration systems, catering to the needs of different categories as appropriate and relevant.</i></p>	<ul style="list-style-type: none"> • In coherence with Fineco Bank Group governance framework and Global Job Model, benefits are assigned against general common criteria for each employee category. • In addition, special terms and conditions of access to various FinecoBank Banking products and other services may be offered to employees in order to support them during different stages of their lives • FinecoBank has always been attentive to the psychophysical well-being of its employees. In this context, various measures are in place to ensure an effective balance between work and private life, with particular attention to safeguarding of parenthood. • In addition, employees can take advantage of benefits that improve contractual provisions and public services within of pension, health care and work-life balance support.
3.2.4. TERMINATION PAYMENTS		
<ul style="list-style-type: none"> • The last update of the remuneration policy in the event of early termination of the employment relationship ("Termination Payments Policy" - so-called "Severance") has been approved by the Shareholders' Meeting on April 10, 2019, implementing the regulatory provisions provided by Bank of Italy Circular 285 and in particular the provisions on remuneration amounts agreed upon early termination. With the exception of the notice required by law and Severance Payments, the aforementioned amounts constitute variable remuneration and should therefore be included in the calculation of the variable remuneration limit for Identified Staff, with the exception of: <ul style="list-style-type: none"> - the fees for non-competition agreements that do not exceed a fixed annual remuneration for each year of the term of the agreement - the amounts for the settlement of a current or potential litigation related to the termination of the employment relationship, if calculated on the basis of a predefined formula in the Policy. <p>Therefore, it has been determined a predefined formula for the calculation of severances that, if used, allows not to compute them within the maximum limit set for variable remuneration.</p> <p>Reference is made to the aforementioned Policy regarding criteria, limits and authorization processes in relation to termination payments.</p> • In general, the calculation of any severance pay-outs prescribed or suggested by the specific market of reference takes into consideration the long-term performance in terms of shareholder added value, as well as any local legal requirements, collective/individual contractual provisions, and any individual circumstances, including the reason for termination. • According to the Severance Policy, the maximum limit for termination payments - inclusive of the indemnity in lieu of notice – is equal to 24 months of total compensation (in any case, the amount of payments in addition to the indemnity in lieu of notice does not exceed eighteen months of total compensation), calculated considering the average of the incentives actually received in the 3 years preceding the termination, after the application of the malus and claw-back clauses. In any case, the termination payments do not exceeds the limits foreseen by the laws and collective labour agreements. • As a rule, discretionary pension benefits are not granted and, in any case, even if they may be provided in the context of local practices and/or, exceptionally, within individual agreements, they are paid consistently with the specific and applicable laws and regulations. • The individual contracts must not contain clauses envisaging the payment of indemnities, or the right to keep post-retirement benefits, in the event of resignations or dismissal without just cause or if the employment relationship is terminated following a public purchase offer. In case of early termination of the mandate, the ordinary law provisions would therefore apply. • The payments defined accordingly replace the provisions of the national collective contract of employment in case of termination, and they will be awarded only under subscription of an out of court agreement that implies a waiver by the beneficiary, with regards to any claim linked to the employment relationship and the role covered. These agreements are defined keeping into account all the applicable regulations; therefore, they do not include payments and awards due on the basis of law provisions and collective contract. 		
3.2.5. OTHER REMUNERATION COMPONENTS		
<p>Additional elements of remuneration may be envisaged (so-called non-standard forms of remuneration), subject to a specific decision-making process through the involvement of the relevant functions and, where envisaged, by the corporate bodies, for instance welcome bonus, special award, retention bonus, role based allowance).</p> <p>Welcome bonus, special award, retention bonus are considered variable remuneration and are limited only to specific situations related to hiring phases, launch of special projects, achievement of extraordinary results, high risk of leaving for critical/strategic employees/roles. Bonuses linked to the hiring of new staff cannot be paid more than once to the same person, neither by the bank nor by any other company of the banking group, and contribute to the determination of the limit to the ratio between fixed and variable remuneration of the first year, unless it is paid as a lump sum upon hiring.</p> <p>Compensation linked to roles in specific company functions (so-called Role-Based Allowance) are considered fixed remuneration.</p> <p>Moreover, these awards must in any case be compliant with regulations in force and subject to FinecoBank S.p.A. and FinecoBank Group governance processes, periodically monitored and disclosed.</p> <p>All remuneration classified as variable remuneration is subject to the rules applicable (e.g. cap on the ratio between variable and fix remuneration, technical features fixed by regulation where applicable for bonus pay-out) as well as to malus conditions and claw-back actions, as legally enforceable.</p>		



FOCUS

Role-Based Allowance for Company Control Functions

Role-Based Allowances (RBA) for Company Control Functions Identified Staff are considered fixed remuneration, in line with regulatory provisions and market practices. Therefore, they are not lined to performance and they cannot be discretionally reduced, suspended or cancelled until the employee covers a role that provides for the allowance.

This compensation component aims at:

- ensuring competitiveness in terms of total compensation, avoiding excessive salary increases also taking into account of the restrictive variable/fix ratio for Company Control Functions in Italy;
- allowing and facilitating job rotations between business and control functions within the Group;
- recognize the role and complexities managed by these professional roles.

RBAs are awarded individually to the employee Identified Staff, when nominated for a role in a Company control function, and they are taken away when the employee moves to a position that does not provide for the allowance. The amount is pre-determined (based on banding levels*); the annual gross amount is equal to 20,000 EUR for SVP, 40,000 EUR for EVP and 60,000 EUR for SEVP.

* Defined according to the Global Job Model, an organizational advanced system describing, standardizing and allowing for the calibration of all roles. The "Banding" system (Global Banding Structure) is one of the fundamental elements of the Global Job Model, and it consists of nine bands.

3.3 FINANCIAL ADVISORS

Financial Advisors are tied to the Company by an agency agreement, under which the Advisor is engaged on a permanent basis (without representation) to provide independent services, exclusively for the Bank, for the promotion and placement of financial instruments and Banking/financial services in Italy, as well as insurance and welfare products or any other products indicated in the contract. Advisors are also responsible for diligently monitoring the assistance to the existing and/or allocated customers in order to fulfil the Company's objectives.

In accordance with existing regulations, contractual relationships with customers acquired by the Financial Advisor, and any other that is subsequently allocated, are conducted exclusively between the customer and the Bank.

FinecoBank's Network of Financial Advisors is composed by:

- Area Managers
- Group Managers
- Financial Advisors

The Group Managers and the Area Managers are Financial Advisors with the accessory assignment to co-

ordinate other Financial Advisors.

In particular, Area Managers are responsible for coordinating Advisors in their geographic area, for growing the business and for reaching the targets set by Commercial Department, and are supported - for the purposes of coordination activity - by Group Managers.

The Commercial Department uses Company's internal structures, to provide support to the network. Their tasks are to control the local activities and provide support for commercial activity.

As mentioned in the preamble, the provisions of this Compensation Policy also apply to the members of the Financial Advisors' Network, in line with the Advisors' specific remuneration.

Financial Advisors are freelancers and their remuneration is entirely variable. The regulatory requirements²⁶, in order to adapt the same employees' rules on compensation structure, based on a fixed and on a variable component, established for Financial Advisors a comparison between "non-recurring" pay component and variable remuneration and between "recurring" pay component and fix remuneration.

26 Circ. no. 285/2013 Bank of Italy

TYPE OF REMUNERATION	FINALITÀ	PURPOSES
3.3.1. RECURRING REMUNERATION		
<p>This is the most stable and ordinary part of the total remuneration, equivalent to the fixed salary of employees</p>	<p>Recurring remuneration is sufficient to reward the activity rendered even if the variable part of the remuneration package is not paid due to non-achievement of performance goals such as to reduce the risk of excessively risk-oriented behaviours, to discourage initiatives focused on short-term results and to allow a flexible bonus approach.</p>	<ul style="list-style-type: none"> • sales commission, in other words the payment to the Financial Advisor of a percentage of the sales charge, paid by the customer at the time of purchase of investment instruments. It is paid on an individual basis or as a supplement if the Advisor has been given coordination tasks. • Management and maintenance commission, in other words the Financial Advisor monthly remuneration for assistance provided to customers during the contract, commensurate with the average value of the investments and the type of product, paid on an individual basis or as a supplement if the Advisor has coordination tasks.
3.3.2. NON RECURRING REMUNERATION		
<p>It represents the part of the remuneration that has an incentive value (linked, for example, to the increase in volumes of net deposits, the overcoming of certain product benchmarks, the launch of new products, etc.) and is equivalent to the variable compensation of employees.</p> <p>In particular, are defined incentive Systems, linked to short-term performance and tied to reach certain goals.</p>	<p>Aims at motivating, retaining and rewarding Financial Advisors and Managers of the Network, in full alignment with the regulatory requirements.</p>	<ul style="list-style-type: none"> • Pay-out is based on a "bonus pool" approach providing for a comprehensive performance measurement at individual and at Group level. • Reward is directly linked to performance, which is evaluated on the basis of results achieved. • For the Financial Advisors belonging to Identified Staff, a dedicated incentive system ("PFA Incentive System") was defined, whose pay-out, as foreseen by regulations, is phased to coincide with an appropriate risk time horizon. The design features of the plan is aligned with shareholder interests and long-term, firm-wide profitability, providing for an appropriate allocation of a performance related incentive in cash and in shares, upfront and deferred. • For all the Financial Advisors not belonging to Identified Staff, specific incentive systems were defined, as, for example, "Incentive Plans for PFA-Area Managers-Group Managers", and specific retention initiatives such as the "Additional Future Program". This plan, in particular, is dedicated to selected PFA and network Managers not Identified Staff and provides the accrual of annual awards (subject to the achievement of specific performance conditions, and the compliance of individual behaviors) in specific insurance policies. The release of those awards is provided at the reach of the retirement age. • All the incentive systems provide for ex-ante ("entry conditions") and ex-post (malus on any deferred components) adjustment mechanisms and claw-back clauses. • In order to award individual incentives individual behaviors (compliance with internal and external rules, Compliance rules and Group's integrity values and regulations and absence of disciplinary actions) are also considered (compliance assessment) In addition, to further strengthen compliance, a "Scoring" system is in place, consisting of an adjustment mechanism resulting from the assessment of compliance indicators and quality of operations, relating to specific areas such as MIFID, transparency, mandatory training, AML etc. This system is applied during the incentive period and can lead to the revision of the amount of the accrued bonus.

3.4 SALE STAFF (EMPLOYEES AND THIRD PERSONNEL)

The existing provisions on Bank Transparency (for reference, “Disposizioni in materia di trasparenza delle operazioni e dei servizi bancari finanziari – Correttezza delle relazioni tra intermediari e clienti”) issued by Bank of Italy on March 19, 2019, appoint two categories of staff (relevant subjects and credit intermediaries)²⁷ which remuneration has to follow further principles, in addition to the ones provided in paragraph 2, Section I (2022 remuneration policy; 3. Fundamentals).

In particular, these subjects’ remuneration has to be:

- i. coherent with Group’s objectives and values;
- ii. inspired by diligence, transparency and fairness criteria in the approach to FinecoBank S.p.A.’s customers, towards the protection and retention of them and aimed at keeping legal and reputational risks under control;
- iii. considerate of any risk that could cause harm to the costumers;
- iv. not only based on economic goals and should not induce to pursue self-interests or FinecoBank’s, with a prejudice for costumers, nor to offer products that do not meet the costumers’ interests;
- v. linked to quantitative and qualitative criteria (i.e. costumers fidelity) and not only based on the achievement of targets linked to products’ sale;
- vi. adequate in a manner that does not induce to offer specific products, or specific categories or combinations of products just because more fruitful for FinecoBank S.p.A. or for the relevant subjects or intermediaries themselves, if that could harm the costumers in terms of an offer based on a product that does not meet their financial needs, or which is more expensive than other equally adequate products with respect of the costumers’ needs;
- vii. adequately balance with respect of the fixed remuneration;
- viii. subject to malus, claw-back and zero-factor (see Focus on compliance breach, individual malus and claw-back).

²⁷ Relevant subjects: personnel who offers product to costumers as well as their underling; Credit intermediaries: financial agents, loan mediator and subjects other than the Bank who, in the exercise of their professional/commercial activity, concludes loan contracts on the Bank’s behalf as well as presents and offers loan contracts or carries out other related activities in exchange of a monetary compensation or other economic advantage in respect with applicable regulation.

The total number of relevant subjects as of December 31, 2021, is equal to 2,793 of which 203 in a managerial position; these subjects, Financial Advisors allowed to off-site sales, are also entitled to present and offer loan contracts and to other activities pursuant the conclusion of loan contracts²⁸. Regarding the personnel who has to evaluate the credit rating, remuneration ensures the adequate risk management by the Bank. Personnel who are assigned to handle complaints, remuneration takes into consideration, among other things, the results of the complaints management and the costumer care quality.

3.5 NON EXECUTIVES MEMBERS OF ADMINISTRATIVE AND AUDITING BODIES

For non-executives members of Board of Directors and for the members of the Board of Statutory Auditors, in line with the regulatory provisions, incentives systems are avoided. The remuneration of said subjects is fixed, and determined on the basis of the relevance of the role, of possible additional duties, and of the requested efforts for carrying out the assigned tasks and is not linked to economic results.

As provided by Bank of Italy provisions on remuneration policies and practices, the Board of Directors’ Chairman remuneration is not higher than the fixed one provided for the Chief Executive Officer.

²⁸ According to art. 31(2) of legislative Decree n. 58, February 24, 1998, “L’attività di consulente finanziario abilitato all’offerta fuori sede è svolta esclusivamente nell’interesse di un solo soggetto. Il consulente finanziario abilitato all’offerta fuori sede promuove e colloca i servizi d’investimento e/o i servizi accessori presso clienti o potenziali clienti, riceve e trasmette le istruzioni o gli ordini dei clienti riguardanti servizi d’investimento o prodotti finanziari, promuove e colloca prodotti finanziari, presta consulenza in materia di investimenti ai clienti o potenziali clienti rispetto a detti prodotti o servizi finanziari. Il consulente finanziario abilitato all’offerta fuori sede può promuovere e collocare contratti relativi alla concessione di finanziamenti o alla prestazione di servizi di pagamento per conto del soggetto nell’interesse del quale esercita l’attività di offerta fuori sede.” The Bank contracted an agreement for the promotion and sale of banking and insurance products aimed at distributing mortgage loans.

■ 4. 2022 COMPENSATION SYSTEMS

4.1 PROCESS TO DEFINE IDENTIFIED STAFF

The self-evaluation process to define the Identified Staff population both employees and Financial Advisors is conducted yearly.

The definition of the 2022 Identified Staff at Fineco-Bank Group and FinecoBank S.p.A. level, is in line with the provisions introduced by the November 25 2021³⁷ update of the Circular no. 285 of 2013 of the Bank of Italy and the new EU Delegated Regulation 923/2021²⁹. In particular, also to ensure a uniform approach standard at Group level, an evaluation process is performed in which the quantitative and qualitative criteria envisaged by the aforementioned regulatory provisions are analyzed according to the definitions and interpretative keys contained therein.

Such criteria are applied taking into account the role, the decision-making power, the effective responsibilities of the employees and of the Financial Advisors and, in addition, the total compensation level. Declining the qualitative criteria, all employees with Global band title equal to or greater than band 5 (Senior Vice President) are considered Identified Staff³⁰.

For the purposes of applying the quantitative criteria based on the remuneration of staff members, the fixed and variable remuneration paid in the previous financial year were considered³¹.

The self-assessment is carried out involving the Compliance and Risk Management functions of Fineco-Bank, with the support of the independent external consultant of the Remuneration Committee, and is reviewed by the Internal Audit function. The Board of Directors approves the results after a positive opinion of the Remuneration Committee and a preliminary step in Risk and Related Parties Committee.

The result of the assessment process brought to the

identification of a total number of **23**³² employees and **15** Financial Advisors³³ for 2022.

Regarding employees, as a result of the analysis, the following categories of employees have been defined for 2022 as Identified Staff: Chief Executive Officer and General Manager, Executives with strategic responsibility, executive positions in Company Control Functions (Compliance, CRO, Internal Audit and AML) and other positions that are responsible for strategic decisions which may have a relevant impact on the Group's risk profile³⁴.

Regarding Financial Advisors, a qualitative criteria is applied to select those belonging to Identified Staff, on the basis of their impact on business risk (represented by the risk that the Bank's profitability decreases consequently to the exit of Advisors from the Network and the related loss of customers and assets), the only type of risk that the Bank considers attributable to PFA, due to the absence of power of attorney they have to assume any other kind of risks.

In particular, the following categories of Financial Advisors have been identified for 2022 as Identified Staff:

- for the single PFA the criteria above mentioned has been applied selecting those Advisors with a total yearly compensation higher/equal to Euro 750,000;
- for PFA who have a managerial role have been selected Managers that coordinate Advisors with a total asset equal/higher to 5% of the total asset of the PFA Network.

4.2 INCENTIVE SYSTEM FOR EMPLOYEES IDENTIFIED STAFF

As in the past years, the 2022 Incentive System, as approved by the Board of Directors of FinecoBank on January 18, 2022, is based on a "bonus pool" approach that takes into consideration the national and international regulatory requirements and directly links bonuses with company results, ensuring the link between profitability, risk and reward.

²⁹ Cf. also art. 92, paragraph 3 of the EU Directive 36/2013

³⁰ According to the Global Job Model

³¹ Some elements of the remuneration were considered on an accrual basis.

³² The non Executive Directors member of the Board (10 people), identified by the regulatory provisions applicable, are included as Identified Staff; however, the identification does not have any impact on remuneration

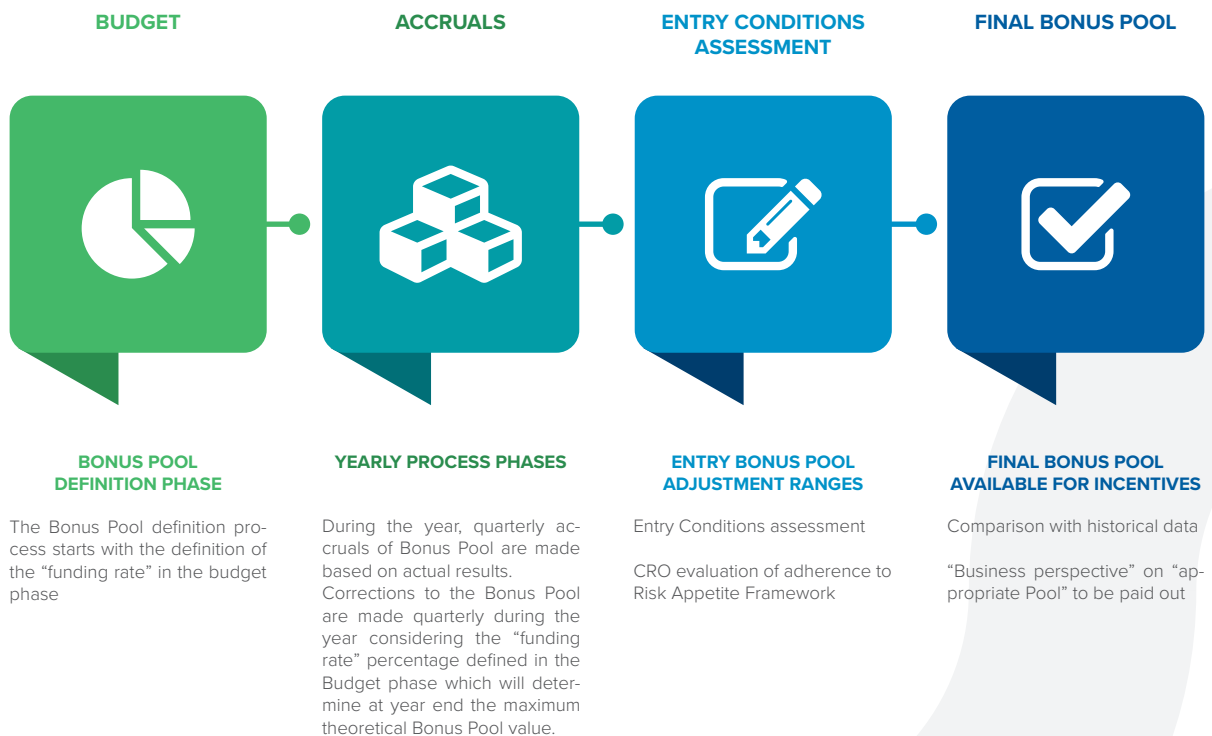
³³ Vs 21 Employees and 10 Financial Advisors identified in 2021

³⁴ The list of Fineco Group Identified Staff includes also the Fineco Asset Management DAC CEO

In particular, the system provides for:

- allocation of a variable incentive defined on the basis of the determined bonus pool, of the individual performance appraisal and of the internal benchmarking on similar roles as well as compliant with the ratio between fixed and variable remuneration approved by the Shareholder's Meeting;
- the definition of entry conditions, which assess the Group's performance in terms of profitability, capital and liquidity, the achievement of which allows to define the bonus pool that can be used. In the event that the conditions of access are not met, the bonus pool related to the 2022 performance will be zeroed, while previous systems deferrals could be reduced from 50% to 100% of their value, based on final actual results.
- risk adjusted measures in order to guarantee long-term sustainability, regarding Company financial position and to ensure compliance with regulations;
- a balanced structure of "upfront" (following the moment of performance evaluation) and "deferred" payments, in cash and/or in shares³⁵ to be paid over a period of up to maximum 6 years;
- the delivery of the share instalments takes into account the applicable regulatory requirements regarding the application of a retention period. In fact the payment structure defined requires a one-year retention period for both upfront and deferred shares.

The bonus pool process includes the following steps:



³⁵ In compliance with sectorial regulations, the Chief Executive Officer of Fineco Asset Management DAC - Identified Staff of the Group - is the beneficiary of the FAM Incentive System 2022, for which the use of UCITS compliant instruments is envisaged.

Budget

The Bonus pool process starts with the definition of the “funding rate” during budgeting phase. The funding rate for FinecoBank is a percentage of the Net Operating Profit (net of Provisions for Risk and Charges, corresponding to Profit Before Tax) considering: historical data analysis, expected profitability, business strategy and previous year pool. The bonus pool is submitted for approval to the Board of Directors of FinecoBank S.p.A.

Accruals

During the year of performance, quarterly accruals are based on actual results.

On a quarterly basis bonus pool is adjusted taking into consideration the percentage of funding rate fixed during budgeting phase that set by the end of the year the maximum theoretical bonus pool.

Entry conditions verification and risk adjustment

- The specific “Entry Conditions” set at Group level are verified;
- the bonus pool is risk adjusted in order to guarantee sustainability with respect to Risk Appetite Framework;

The Entry Conditions are based on performance indicators in terms of profitability, capital and liquidity. The entry conditions defined for 2022 – working also as malus conditions for the previous incentive systems deferrals – are reported in the following table.

ENTRY CONDITIONS
Net Operating Profit adjusted ≥ 0
Net Profit ≥ 0
CET1 Ratio $>9,6\%$ (2022 RAF Capacity)
Liquidity Coverage Ratio $>101\%$ (2022 RAF Capacity)
Net Stable Funding Ratio $>101\%$ (2022 RAF Capacity)

- Net Operating Profit adjusted is the Net Operating Profit reported in the Financial Statement, with the exclusion of any extraordinary item as considered appropriate by the Board of Directors upon proposal of the Remuneration Committee.
- Net Profit is the Net Profit reported in the Financial Statement that may be adjusted in order to exclude

any extraordinary item, as considered appropriate by the Board of Directors upon proposal of the Remuneration Committee.

- Common Equity Tier 1 Ratio is the ratio between the Common Equity Tier 1 capital and the Risk Weighted Assets.
- Liquidity Coverage Ratio is the ratio between the stock of “High Quality Liquid Assets” and the “Net Cash Outflows” in the following 30 calendar days in a high stress liquidity scenario as defined by the Supervisory Authorities.
- Net Stable Funding Ratio is the ratio between the Available Stable Funding and the Required Stable Funding.

The on/off mechanism of the entry conditions affecting the Bonus Pool works as shown below:



A OPEN 100%

- If all Entry Conditions are met (option “A”), the bonus pool can be confirmed or adjusted with the opportunity to award extra performance



B ZERO FACTOR

- If even one Entry Condition is not met (option “B”), the malus clauses are activated leading to the application of the Zero Factor for the Identified Staff*. For the rest of the population a significant reduction will be applied. It is understood that the BoD can allocate part of the pool for retention purposes or to ensure the competitiveness on the market
- * For the Identified Staff belonging to the Control Functions, Human Resources and Manager in Charge of the Financial Statements, the implications on the annual bonus of the application of the Zero Factor will be specifically assessed by the Board of Directors, considering their independence with respect to the economic results of the areas subject to their control.

In case all Entry Conditions are met (option A), the “multiplier” effect deriving from the overall evaluation of the risk factors included in the CRO Dashboard can be applied to the bonus pool, pursuant to the defined methodology.

The CRO dashboard (defined in coherence with Risk

Appetite Framework) includes KPIs taken from the Risk Appetite Framework, measured with reference to the respective relevant thresholds (Risk Appetite, Risk Tolerance and Risk Capacity). Here below a sample of the content of the dashboard:

DIMENSION	2022			
	KPIs	Risk Appetite	Risk Tolerance	Risk Capacity
Capital	CET1 Ratio (%)	--%	--%	--%
	MREL-LRE	--%	--%	--%
Liquidity	LCR (%)		--%	--%
	NSFR (%)		--%	--%
Credit	EL stock (%)	--%	--%	--%
	Coverage on Impaired (%)	--%	--%	--%
Interest Rate Risk on Banking Book	EV Sensitivity (%)		--%	--%
Risk & Return	ROAC (%)	--%	--%	--%
Operational Risk	Operational Risk Losses / Revenues	--%	--%	--%

The “multiplier” effect deriving from the overall evaluation of the risk factors included in the CRO Dashboard applies to the bonus pool in case all the Entry Conditions are met. The dashboard evaluation performed by the FinecoBank CRO and verified by the Remuneration Committee and the Board is carried out pursuant to a methodology defined by the CRO function and approved by the Board of Directors itself.

The bonus pool corrections ranges deriving from the CRO Dashboard assessment are the same as the 2021 Incentive System, as follows.

---	-	=	+	++
50%	75%	100%	110%	120%

The opportunity to award an extra performance in the bonus pool (positive “+” or “++” rating) can only be granted in case of positive EVA at the end of the financial year. In line with 2021 System, the Remuneration Committee and the Board of Directors may apply a further correction up to +20%, while no limit is set in case the bonus pool is reduced with respect to the theoretical value.

In any case, as requested by regulations as per Bank of Italy provisions, the final evaluation of the sustainable performance parameters and the alignment between risk and remuneration are assessed by Remuneration Committee and by Risk and Related Party Committee and defined under the governance and accountability

of the Board of Directors.

The Board of Directors may not take into account, when deciding bonus, balance sheet extraordinary items that do not affect operational performance, regulatory capital and liquidity (e.g. goodwill impairment, extraordinary contributions to deposit guarantee schemes, etc.).

Moreover, following potential changes in current regulations and/or in relation to potential extraordinary and/or unpredictable contingencies that can impact the Group, the Bank or the market in which they operate, the Board of Directors, having heard the opinion of the Remuneration Committee and upon competent functions proposition, maintains the right to amend the system and relevant rules.

Overall performance assessment and individual bonus allocation

An annual performance assessment framework supports the 2022 Incentive System. The assessment assures a connection between performance and variable remuneration, clarity of performance objectives and coherence with business strategy. Our performance management process ensures that all Identified Staff receive their own individual goals at the beginning of the year and includes a rigorous review of their goals achievements. Short-term variable remuneration, for instance, is determined based on specific, clear and measurable performance indicators, through an as-

assessment based on objective drivers.

The individual goals are assigned through the Scorecard, which adequately balances economic-financial and non-economic factors (that means, quantitative/strategic and qualitative/sustainable), also considering performance goals linked to Risks and Compliance, to the respect of values and to ESG parameters. This approach ensures medium-term sustainability for the Group and all its stakeholders.

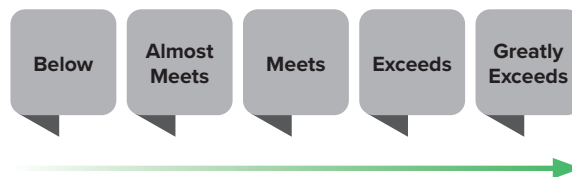
In particular, the 2022 Scorecard for Identified Staff provides for a minimum of 5 and maximum 8 goals that reflect the Bank and FinecoBank Group's strategy. The Scorecard includes 4-6 quantitative/strategic goals, equally weighted, with an overall incidence of 70% on the Scorecard, and up to 2 qualitative/sustainable goals (if the case, equally weighted) with a 30% incidence on the Scorecard (see below CEO and General Manager 2022 scorecard).

For Company Control Functions, Human Resources department and the Manager in charge of the financial statements, all goals linked to economic results must be excluded, in order to minimize potential conflicts of interest and be independent from the results of the respective areas.

With the aim to align all goals coherently, the individual scorecards for some Executives with strategic responsibility replicate exactly the scorecard of the CEO and GM, as applicable to each role. The goal setting for the remaining Identified Staff, is carried out through a cascading process of their superiors' goals, taking into account both the strategic factors and the business objectives, as well as the specificities of each role.

Individual bonus will be allocated to beneficiaries considering the overall evaluation (from Below Expectations to Greatly Exceed Expectations), the Bonus Pool allocated for the financial year, the internal benchmarking analysis on similar roles and the maximum ratio between variable and fix compensation as approved by Shareholder's Meeting.



In particular, the appraisal system is based on a 5-rating scale with a descriptive outcome (from "Below Expectations" to "Greatly Exceeds Expectations").



To allocate the individual bonus, individuals' behaviours (compliance with internal and external rules and regulations, absence of disciplinary actions and completion of mandatory training) are also considered.

CEO AND GENERAL MANAGER SCORECARD

The 2022 scorecard defined and approved by FinecoBank S.p.A. Board of Directors as the core drivers of performance for the Chief Executive Officer and General Manager includes goals related to the Group profitability, with particular focus on risk, consistency with Risk Appetite Framework and sustainability.

WEIGHT	#	GOAL NAME	REFERENCE TARGET	NOTE/CATEGORY (sustainability, value, creation, risk, cost efficiency, etc.)
 QUANTITATIVE/ STRATEGIC 70%	1	ROAC	vs. budget	Value Creation
	2	Cost Income	vs. budget	Cost Efficiency
	3	EL stock (%)	vs. target	Risk-Based
	4	OPEX	vs. budget Operating costs as reported in reclassified P&I, i.e.: Staff expenses + Other Administrative Expenses (direct + indirect) - Expenses Recovery + Depreciations	Cost Efficiency
	5	AUM net sales	vs. budget	Value Creation
 QUALITATIVE/ SUSTAINABLE 30%	6	Stakeholder Value	assessment based on: <ul style="list-style-type: none"> Improve/maintain the scores of the main ESG ratings Responsible finance: y/y % of new ISIN funds with ESG rating* Delta on Gender Pay Gap and Gender Balance (Y/Y) Improve Fineco's environmental performance: renewal of EMAS Registration, also through the achievement of the Environmental Program goals. 	Sustainability
	7	Tone from the top on conduct and compliance culture	vs. qualitative assessment based on: <ul style="list-style-type: none"> Promotion of initiatives aimed at fostering staff integrity, customer protection, and trustworthiness by enhancing risk & control culture.; The overall status of audit, compliance and External Authorities findings considering the type, severity and the timely completion of the related remedial actions. 	Sustainability

* Excluding UK representing for Fineco a new opening market

The target/budget of each goal will be disclosed ex-post within the 2022 Remuneration report. In fact, this is price sensitive information linked to the Group's strategies.

Bonus payment

As approved by the Board of Directors on January 18, 2022, for the purpose of the applicable payment structure, the Identified Staff will be divided into 3 groups, according to the regulations.

Payment of the incentives will be made through immediate and deferred tranches - in cash or in FinecoBank ordinary shares - over a period of up to 6 years:

- In 2023 the first portion of the overall incentive ("1st tranche") will be paid in cash and the first tranche in shares will be allocated, after verifying the compliance and adherence at the individual level of compliance rules and principles of conduct and behavior³⁶;
- the remaining amount of the total incentive will be paid in several installments in cash and/or Fineco free ordinary shares in the period:
- 2024-2028 for the CEO and GM, and for the other roles foreseen by the legislation³⁷ with variable remuneration amount over Euro 435,000³⁸
- 2024-2028 for the roles foreseen by the legislation³⁹ with variable remuneration amount below or equal to Euro 435,000;
- 2024-2027 for other Identified Staff with no significant amount of variable remuneration

The payment structure has been defined in line with Bank of Italy provisions requiring a retention period for both upfront and deferred shares. In particular, payment systems are based on two time horizons (5 and 6 total years) differentiated on the basis of the target population and of the total amount of variable remuneration awarded for the performance year, according to the schemes described below:

- For the CEO and GM and other roles provided by law with a "significant amount" of total variable remuneration in the performance year (>435,000 €) a 5-year deferral scheme applies with an overall payout structure of 6 years, with 60% of bonus deferred, consistent with the 2021 payout scheme.

		2023	2024	2025	2026	2027	2028	Total
ALLOCATION	Cash	20%		12%			12%	44%
	Shares	20%		12%	12%	12%		56%
PAYOUT	Cash	20%		12%			12%	44%
	Shares		20%		12%	12%	12%	56%

Upfront Deferred

- For the other roles provided by law with no significant amount of total variable remuneration (≤435,000 €) a 5-year payout scheme applies with an overall deferral structure of 6 years, with 50% of bonus deferred.

		2023	2024	2025	2026	2027	2028	Total
ALLOCATION	Cash	25%		10%			10%	45%
	Shares	25%		10%	10%	10%		55%
PAYOUT	Cash	25%		10%			10%	45%
	Shares		25%		10%	10%	10%	55%

Upfront Deferred

36 Considering also the seriousness of possible internal/external inspections (i.e. Internal Audit, Bank of Italy, Consob and/or similar authorities), and in general, according to the paragraph "Focus on compliance breach, individual Malus and Claw- back"

37 Cf. Circular no. 285/2013 Bank of Italy. For instance the first reporting line of Management Body (CEO) and responsible of main business areas.

38 Equal to 25% of the total remuneration of the Italian High Earners according to the EBA report (Benchmarking and High Eaners Report). The threshold includes both the short-term variable remuneration and the annual tranche of the long-term variable remuneration, and it is equal to less than 10x the overall average remuneration of the Bank's employees. As required by the regulatory provisions (Circular 285/2013), the threshold has been defined for the three-year period 2022-2024.

39 Cf. Circular no. 285/2013 Bank of Italy. For instance the first reporting line of Management Body (CEO) and responsible of main business areas.

- For the other identified staff with no significant amount of total variable remuneration a 4-year deferral scheme applies with an overall payout structure of 5 years, with 40% of bonus deferred.

		2023	2024	2025	2026	2027	Total
ALLOCATION	Cash	30%			10%	10%	50%
	Shares	30%	10%	10%			50%
PAYOUT	Cash	30%			10%	10%	50%
	Shares		30%	10%	10%		50%

Upfront Deferred

Every tranche will be subject to the Zero Factor related to the year of competence and to the verification of the compliance of individual behaviors⁴⁰:

- all instalments are subject to the application of claw-back clause;
- in compliance with the provisions of Circular no. 285⁴¹, no deferral will be applied and the entire amount will be paid in cash when the annual variable remuneration is equal or less than the minimum threshold (50,000 €) and is equal or less than one third of the total annual remuneration;
- the number of shares to be allocated in the respective instalments shall be defined in 2023, on the basis of the arithmetic mean of the official closing market price of FinecoBank ordinary shares during the month preceding the Board resolution that evaluates the 2022 performance achievements;
- free FinecoBank ordinary shares that will be allocated will be freely transferable;
- the 2022 Incentive System provides for an expected impact on FinecoBank S.p.A. share capital of approximately 0.07%, assuming that all free shares for employees have been distributed also including FinecoBank ordinary shares that may eventually be allocated to hiring Identified Staff from the external market and/or for severance payments. The current overall dilution for all other outstanding equity-based plans for both Employees and Financial Advisors is 0.6% ca;
- the beneficiaries cannot activate programs or agreements that specifically protect the value of unavailable financial instruments assigned within the incentive plans. Any form of coverage will be con-

sidered a violation of compliance rules and imply the consequences set out in the regulations, rules and procedures.

Excluding death and “good leaver” status, the employee participation to the Incentive System will automatically lapse (as well as any right depending on the Incentive System) upon any of these circumstances happening:

- The employee communicates the termination or terminates his/her contract for any reasons; or
- The employee is informed of the termination of his/her contract.

The “good leaver” status occurs only when the employee terminates his/her contract (or his/her contract is terminated) with the Company or any other company of FinecoBank Group, during the validity of the Incentive System, because of any of the reasons mentioned in the System’s Rule (e.g. physical constraints, retirement, sale of the business...).

It is understood the beneficiary has the right to receive any of the deferred payment already awarded but subject to a holding period.

4.3 INCENTIVE SYSTEM FOR FINANCIAL ADVISORS IDENTIFIED STAFF

Given the differences in the forms of remuneration and in the modalities of its generation, also for the PFA population Identified Staff in FinecoBank a specific Incentive System is provided. Mirroring what is designed for the Employees, the system is based on a bonus pool approach, it takes into account the national and international regulatory requirements, and it directly links bonuses with Group results, ensuring the link between profitability, risk and reward.

In particular, the 2022 Incentive System for PFA Iden-

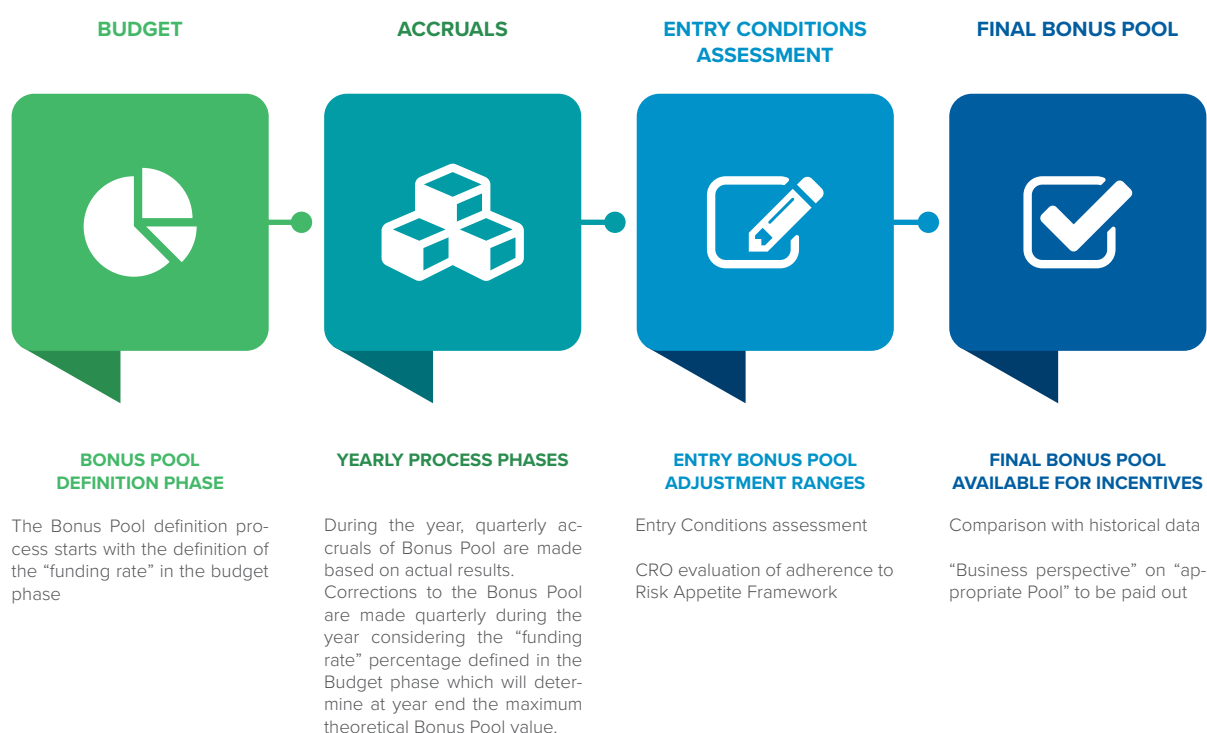
⁴⁰ Considering also the gravity of any internal/external findings by the competent Functions or Authorities (e.g. Internal Audit, Bank of Italy, Consob and/or analogous local authorities).

⁴¹ 37th update to the Circ. no. 285

tified Staff – as approved by the Board on January 18, 2022 - provides for:

- allocation of a variable incentive defined on the basis of the determined bonus pool, of the individual performance appraisal as well as compliant with the ratio between “recurrent” and “no recurrent” remuneration approved by the Shareholder’s Meeting;
- the definition of entry conditions, which assess the Group’s performance in terms of profitability, capital and liquidity, the achievement of which allows to define the bonus pool that can be used. In case entry conditions are not met, the bonus pool related to 2022 performance will be zeroed, while previous systems deferrals could be reduced from 50% to 100% of their value, based on final effective results.
- risk adjusted measures in order to guarantee long-term sustainability, regarding Company financial position and to ensure compliance with regulations;
- definition of a balanced structure of “upfront” (following the moment of performance evaluation) and “deferred” payments, in cash and/or in shares, to be paid over a period of up to maximum 5 years;
- the delivery of the share⁴² instalments takes into account the applicable regulatory requirements regarding the application of a retention period. In fact the payment structure defined requires a one-year retention period for both upfront and deferred payments.

In coherence with what previously described for the Employees, also for the PFA the process of bonus pool definition includes the following steps:



⁴² Unlike what happens in the Incentive System for Employees, the FincoBank shares used for the purposes of payments to the PFA, are not generated by a free capital increase but are purchased directly on the market, pursuant to article 2357 of Italian Civil Code.

Budget phase

The Bonus pool process starts with the definition of the “funding rate” during budgeting phase. The funding rate is a percentage of the Net Operating Profit (net of Provisions for Risk and Charges, corresponding to Profit Before Tax) considering: historical data analysis, expected profitability, business strategy and previous year pool. The bonus pool is submitted for approval to the Board of Directors of FinecoBank S.p.A.

Accruals

During the performance year, quarterly accruals are based on actual results.

On a quarterly basis the bonus pool is adjusted taking into consideration the percentage of funding rate fixed during budgeting phase that set by the end of the year the maximum theoretical bonus pool.

Entry conditions verification and risk adjustment

- the “Entry Conditions” set at Group level are verified;
- the bonus pool is risk adjusted in order to guarantee sustainability with respect to Fineco Risk Appetite Framework.

The Entry Conditions are based on performance indicators in terms of capital, liquidity and profitability. The entry conditions⁴³ defined for 2022 – working also as malus conditions for the deferrals of previous years incentive systems – are reported in the following table.

ENTRY CONDITIONS
Net Operating Profit adjusted ≥ 0
Net Profit ≥ 0
CET1 Ratio > 9,6% (2022 RAF Capacity)
Liquidity Coverage Ratio >101% (2022 RAF Capacity)
Net Stable Funding Ratio >101% (2022 RAF Capacity)

The on/off mechanism of the entry conditions and the related effects on the Bonus Pool work as shown below:



A OPEN 100%

- If all Entry Conditions are met (option “A”), the bonus pool can be confirmed or adjusted with the opportunity to award the extra performance



B ZERO FACTOR

- If even one Entry Condition is not met (option “B”), the malus clauses are activated leading to the application of the Zero Factor for the Identified Staff. For the rest of the population a significant reduction will be applied. It is understood that the BoD can allocate part of the pool for retention purposes or to ensure the competitiveness on the market

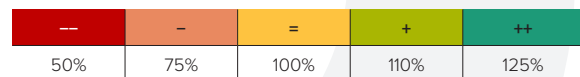
If all Entry Conditions are met, can be applied the “multiplier” effect to bonus pool, pursuant to the defined methodology.

The CRO dashboard (defined in coherence with Risk Appetite Framework) includes KPIs taken from the Risk Appetite Framework, measured with reference to the respective relevant thresholds (Risk Appetite, Risk Tolerance and Risk Capacity).

The “multiplier” effect deriving from the evaluation of overall CRO dashboard outcome made by the FinecoBank S.p.A. CRO – and verified by the Remuneration Committee and the Board of Directors – applies to the bonus pool in case all entry conditions are met.

The dashboard evaluation is carried out pursuant to a methodology defined by the CRO, as for the Employees System.

The bonus pool corrections ranges deriving from the CRO Dashboard assessment in line with 2021, are as follows:



The opportunity to award an extra performance in the bonus pool (positive “+” or “++” rating) can only be granted in case of positive EVA at the end of the financial year. As provided in the 2021 System, the Remuneration Committee and the Board of Directors may apply a further correction up to +20%, while no limit is set in case the bonus pool is lowered with respect to the theoretical value.

⁴³ For the indicators’ definitions, see par. 4.2

In any case, as requested by regulations as per Bank of Italy provisions, the final evaluation of the sustainable performance parameters and the alignment between risk and remuneration will be assessed by Remuneration Committee and Risk and Related Party Committee and defined under the governance and accountability of the Board of Directors.

The Board of Directors does not take into account, when deciding bonus, balance sheet extraordinary items that do not affect operational performance, regulatory capital and liquidity (e.g. goodwill impairment, extraordinary contributions to deposit guarantee schemes, etc.).

Moreover, following potential changes in current regulations and/or in relation to potential extraordinary and/or unpredictable contingencies that can impact the Group (e.g. delisting, change of control), the Bank or the market in which they operate, the Board of Directors, having heard the opinion of the Remuneration Committee and upon competent functions proposition, maintains the right to amend the system and relevant rules.

Overall performance assessment

Taking into account the specificities of the PFA business, and in continuity with the previous years' Incentive Plans in terms of business objectives, for the purposes of the 2022 Incentive System for PFA⁴⁴ the performance assessment of Financial Advisors included in the Identified Staff will be based on the following indicators:

- net sales goal;
- development activities (for instance planned and structured meeting with customers)⁴⁵;
- percentage of achievement of the overall group net sales goal by the managed Financial Advisors and percentage of sales in Top Quality⁴⁶ in comparison

with the group overall goal⁴⁷;

- percentage of achievement of individual net sales goal⁴⁸;
- value generated by the requalification of assets in liquidity and asset under custody in Top Quality⁴⁹.

Bonus payment

For the Financial Advisors belonging to the Identified Staff, the payment mechanism provides for a 4-year deferral period. The payment of the potential bonus 2022 will therefore take place over a maximum period of 5 years. In particular:

- in 2023 the first portion of the overall incentive ("1st tranche") will be paid in cash and the first tranche in shares will be allocated, after verifying the compliance and adherence at the individual level of compliance rules and principles of conduct and behavior⁵⁰;
- over the period 2024-2027 the remaining amount of the total incentive will be paid in several installments in cash and/or FinecoBank shares. Each individual tranche will be subject to the application of the Zero Factor relating to the year of competence and to the verification of compliance by each beneficiary with the compliance rules and the principles of conduct and behavior.

In particular, the payment systems are differentiated on the basis of the total amount of variable remuneration⁵¹ awarded for the performance year, according to the schemes described below:

44 Always taking into account the individual compliance condition, as described above

45 For Group and Area Manager

46 products that - in addition to present high quality characteristics in terms of risk / return, costs and diversification - allow the best control of market, credit and liquidity risks, through a timely risk management activity carried out by the competent structures of the Fneco Group, based on the availability of complete and updated data on the composition of the underlying elements.

47 For the Financial Advisors in managerial positions with more than 5 PFA coordinated (Group and Area Manager)

48 For PFAs and Group Managers individual net sales

49 PFA, Area Manager, Group Manager

50 Considering also the seriousness of possible internal/external inspections (i.e. Internal Audit, Bank of Italy, Consob and/or similar local authorities).

51 The definition of the overall variable remuneration threshold (>€ 435,000) follows the same logic described in the 2022 Incentive System for Employees Identified Staff

- For roles with a significant amount of total variable remuneration, a 4-year deferral scheme applies with an overall payout structure of 5 years, with 60% of bonus deferred.

		2023	2024	2025	2026	2027	Total
ALLOCATION	Cash	20%	5%	5%	10%	10%	50%
	Shares	20%	15%	15%			50%
PAYOUT	Cash	20%	5%	5%	10%	10%	50%
	Shares		20%	15%	15%		50%

Upfront Deferred

- For roles with no significant amount of total variable remuneration, a 4-year deferral scheme applies with an overall payout structure of 5 years, with 40% of bonus deferred.

		2023	2024	2025	2026	2027	Total
ALLOCATION	Cash	30%			10%	10%	50%
	Shares	30%	10%	10%			50%
PAYOUT	Cash	30%			10%	10%	50%
	Shares		30%	10%	10%		50%

Upfront Deferred

- All instalments are subject to the application of claw-back clause, as legally enforceable;
- In compliance with the provisions of Circular no. 285⁵² no deferral will be applied and the entire amount will be paid in cash when the annual variable remuneration is equal or less than the minimum threshold (50,000 €) and is equal or less than one third of the total annual remuneration;
- The number of shares to be allocated in the respective instalments shall be defined in 2023, on the basis of the arithmetic mean of the official closing market price of FinecoBank ordinary shares during the month after the Board resolution that verifies the 2022 performance achievements;
- Free FinecoBank ordinary shares that will be allocated will be freely transferable;
- The 2022 Incentive System provides for an expected impact on FinecoBank share capital of approximately 0.04%, assuming that all free shares for Financial Advisors have been assigned. The current overall dilution for all other outstanding FinecoBank equity-based plans for both Employees and Financial Advisors equals 0.6% ca. However, the 2022 PFA Incentive System does not have a proper dilu-

tion impact as the FinecoBank shares awarded are purchased on the market and are not generated through a free capital increase.

The beneficiaries cannot activate programs or agreements that specifically protect the value of unavailable financial instruments assigned within the incentive plans. Any form of coverage will be considered a violation of compliance rules and imply the consequences set out in the regulations, rules and procedures.

⁵² 37th update to the Circ. no. 285

■ 5. 2021-2023 LTI PLAN

5.1 2021-2023 LONG TERM INCENTIVE PLAN FOR EMPLOYEES

With the aim of rewarding, retaining and motivating selected Bank Employees in the long term, in line with FinecoBank Group 2020-2023 Strategic Plan, a share based long-term incentive plan has been defined. The Plan sets performance targets for the period 2021-2023 in terms of value creation, industrial sustainability, risk and stakeholder value, also in order to align the long-term interests of the Bank's Management with the long-term value creation for shareholders.

The beneficiaries of the Plan are selected Group Employees among key resources (100 resources estimated), including Executives with strategic responsibility. The Heads of the Company Control Functions (CRO, Head of Compliance, Head of Internal Audit and Head of AML) are excluded from the Beneficiaries of the Plan.

The structure of the Plan, described below in detail, provides for:

- performance goals such as ROAC, Net Sales of AUM, Cost Income Ratio, Cost of Risk on commercial loans;
- three ESG parameters, within the stakeholder value goal, namely customer satisfaction, people engagement and ESG rating for all new funds;
- the goals impact on the final bonus based on their specific weight. Their assessment is based on progressive thresholds, corresponding to increasing bonus percentages from 0% to 100% in a linear progression;
- entry and malus conditions based on capital, liquidity and profitability set at Group level;
- specific individual compliance conditions, a specific claw-back clause and a continuous employment clause⁵³;
- risk adjusted measures, in order to ensure the long term sustainability of the Company's financial position

and to ensure compliance with the Authorities' expectations;

- individual bonuses in FinecoBank shares, defined taking into account the roles of the beneficiaries;
- a payment structure over a multi-year period, defined according to the categories of beneficiaries and in line with applicable regulatory provisions.

Entry and malus conditions

In order to comply with current regulations, Fineco defined:

- appropriate Entry Conditions (which work as ex ante risk adjustment) that will be measured within the performance period of the Plan and may confirm, reduce or cancel the individual bonus as detailed below, and
- appropriate Malus Conditions (ex post adjustment mechanism) measured during the deferral period, which may confirm, reduce or cancel the deferred shares, as detailed below.

According to the results of the benchmarking analysis and in compliance with regulations and market practice, it is provided the application of the same parameters used for the short-term incentive system, therefore specific to measure capital strength, liquidity and profitability of the Group⁵⁴.

Shares will be awarded only in case the minimum conditions of capital, liquidity and profitability (entry conditions) are met over the whole performance period. The mechanism works as follows:

- in order to award the maximum bonus, all conditions have to be met;
- a cumulative assessment of the profitability parameters is carried out over the performance period; if even one profitability condition is not met, the bonus will be zeroed;
- capital and liquidity parameters will be assessed annually; if even one of the capital or liquidity conditions is not met, the maximum bonus will be reduced pro-quota (equal to 1/3 per year).

Moreover, each single deferral will be subject to malus conditions concerning the considered year (2024-2027):

⁵³ Shares will be awarded only if the beneficiaries will still be employed at each date of the assignment of the shares.

⁵⁴ For the indicators' definitions, see par. 4.2

- all capital, liquidity and profitability parameters will be assessed annually;
- if even one of the capital or liquidity conditions is not met, the deferral will be reduced pro-quota (1/3 per parameter) until its cancelation for the considered year;
- if even one profitability condition is not met, the deferral will be zeroed for the considered year.

Any right of the employee to the bonus (or its instalments) under the Plan depends on the existence of an employment relationship between him/her and any company of Fineco Group at each date of the assignment of the shares⁵⁵ provided by the Plan's Rule, as well as the absence of a notice period.

The bonus payout is subject to claw-back mechanisms.

Performance goals

The performance targets, as defined above, have a specific weight in terms of impact on the final bonus and their assessment is based on progressive thresholds, corresponding to increasing bonus percentages from 0% to 100% in a linear progression⁵⁶ as shown below.

GOALS	KPIs	WEIGHT	TARGET	ASSESSMENT CRITERIA	
				Threshold	Payout
VALUE CREATION 50%	ROAC	35%	Average 2021-2023	≥ 38%	100%
				33% - 38%	0% - 100%
				≤ 33%	0%
	Net Sales Asset Under Management	15%	Sum 2021-2023	≥ 13 bn	100%
				11 bn - 13 bn	0% - 100%
≤ 11 bn				0%	
INDUSTRIAL SUSTAINABILITY 20%	Cost Income Ratio	20%	Average 2021-2023	≤ 37,5%	100%
				40% - 37,5%	0% - 100%
				≥ 40%	0%
RISK 15%	Cost of Risk	15%	Average 2021-2023	≤ 18 bps	100%
				22 bps - 18 bps	0% - 100%
				≥ 22 bps	0%
STAKEHOLDER VALUE 15% <i>equally weighted</i>	Customer satisfaction	5%	Average 2021-2023	≥ 90 pt	100%
				85 pt - 90 pt	0% - 100%
				≤ 85 pt	0%
	People engagement	5%	Average 2021-2023	≥ 76%	100%
				71% - 76%	0% - 100%
				≤ 71%	0%
	ESG rating for all new funds*	5%	EOY 2023	100%	100%
				80% - 100%	0% - 100%
≤ 80%				0%	

* Excluding UK, which represents a new market for Fineco

⁵⁵ To be understood as the final vesting of the right to the incentive and not the actual instalment of the shares at the end of the holding period.

⁵⁶ For example, with average ROAC equal to 35.5%, the corresponding bonus instalment amount would be equal to 50% of the value established for reaching the ROAC 38% threshold.



FOCUS

Stakeholder Value goal

In light of the benchmarking analysis' results carried out with the support of the External Advisor, with regards to the materiality matrix and Group's sustainability goals as intended in the strategic plan, specific ESG parameters have been identified within the macro-goal Stakeholder Value:

Customer Satisfaction: as to monitor the strength of the relationship with our customers, defined by performance and preference -> In order to measure this performance indicator, it will be used the average of the assessments carried out twice a year during the performance years (2021-2023).

People Engagement: it is based on the monitoring of the employees involvement with respect to business strategy and positioning, and it will be measured through the People Survey results, which reflects the engagement level and the alignment with respect to the company strategy -> In order to measure this performance indicator, the survey will be carried out twice during the performance years (2021-2023) with the purpose to elaborate a data mean that could reflect the employee experience over a long-time period.

ESG rating for all new funds: it focuses on the introduction of an ESG rating for all new funds, measuring environmental, social and governance risks from a financial point of view, compared with a peers' benchmark -> In order to measure this performance indicator, at the end of the performance years (2021-2023) it will be taken into account the percentage of new funds with ESG rating on the total number of new funds (ISIN).

Risk adjustment

For the purposes of the appropriate Plan correction for the Bank's Risk, the results of the annual CRO Dashboard assessments will be taken into consideration for each year of the Plan's performance. The presence of any negative assessments will result in a proportional reduction of individual bonuses, as shown below:

CRO DASHBOARD ASSESSMENT				
<div> <div> <div>—</div> <div>-</div> <div>=</div> <div>+</div> <div>++</div> </div> </div>				
CRO DB ASSESSMENT	0 negative assessments	1 negative assessment	2 negative assessments	3 negative assessments
% BONUS	100%	75%	50%	0%

Bonus payout

Maximum bonuses have been defined on the basis of the categories of beneficiaries of the Plan. The amounts were established in line with the applicable regulatory provisions and the FinecoBank Group Compensation Policy.

Individual bonuses - in particular - confirm compliance with the maximum limits for the variable remuneration envisaged for the Plan Beneficiaries, also taking into account the short-term variable remuneration attributable in each year of performance.

Within the aforementioned limits, it is planned, in detail:

- for the Chief Executive Officer and General Manager, a maximum percentage impact of the bonus

relating to the Plan equal to 50% of the maximum variable remuneration attributable in each year of performance;

- for the other Executives with strategic responsibility, a maximum percentage of the bonus of the Plan equal to 30% of the maximum variable remuneration attributable in each year of performance;
- For the other Beneficiaries bonus ranges will be defined according to their banding, always in compliance with the maximum limits set by the regulations and FinecoBank Group Compensation Policy.

As mentioned, the bonuses will be paid entirely in FinecoBank free ordinary shares⁵⁷, according to the payment schemes shown below.

Plan Launch			2021-2023	2024	2025	2026	2027	2028	2029
			Performance	Deferral					
			Max opportunity allocation	Award					
Retable vesting over 5 years	CEO	Vesting		10%	30%	30%	15%	15%	
		Payout		10%	30%	30%	15%	15%	
Retable vesting over 5 years	EXECUTIVES WITH STRATEGIC RESPONSIBILITY	Vesting		40%	15%	15%	15%	15%	
		Payout		40%	15%	15%	15%	15%	
Retable vesting over 4 years	OTHER IS	Vesting		40%	20%	20%	20%		
		Payout		40%	20%	20%	20%		
Retable vesting over 4 years	NON IS	Vesting		40%	20%	20%	20%		
		Payout		40%	20%	20%	20%		

IS=Identified Staff

⁵⁷ The Bank reserves the right to assign different instruments from the FinecoBank ordinary shares, where requested by law

For the Beneficiaries of the Plan included in Identified Staff a one-year holding period on the shares is provided, both for the upfront shares, assigned at the end of the performance period, and the deferred shares.

For the other Beneficiaries the assignments of the shares and their availability coincide.

The evaluation of the results and the conditions for the individual assignment of the shares will be carried out by the Board of Directors, upon the proposal of the Remuneration Committee, according to the established governance.

It is provided the possibility for the Remuneration Committee and the Board of Directors to increase bonuses up to 20% (within the maximum bonuses provided by the Plan), as well as reduce them without limits, considering indicators as the Total Shareholders Return (absolute and relative) or other indicators, such as market context and trends on remuneration, or events with reputational impacts. The correction "in positive" does not apply in case Entry Conditions are not met, as described in this paragraph.

When deciding the bonus, the Board of Directors does not take into account balance sheet extraordinary items, which do not affect operational performance, regulatory capital and liquidity (e.g. goodwill impairment, extraordinary contributions to deposit guarantee schemes, etc.).

The Board of Directors of May 5, 2021 approved the promise to assign a maximum number of shares equal to 741,129 FinecoBank ordinary shares that can be awarded to the beneficiaries of the Plan in 2024, following the verification of the entry conditions, performance conditions and the other conditions envisaged by the Plan.

The number of shares was determined based on the arithmetic average of the official closing price of FinecoBank shares recorded in the month preceding the resolution of the Board of Directors of FinecoBank S.p.A., which implemented the shareholders' resolution relating to the Plan, equal to € 14.178.

The Plan provides for an impact on FinecoBank S.p.A. share capital of approximately 0.24%, assuming that all free shares for employees will be distributed. The current overall dilution for all other outstanding equity-based plans for both Employees and Financial Ad-

visors equals to 0.6% ca.

The beneficiaries cannot activate programs or agreements that specifically protect the value of unavailable financial instruments assigned within the incentive plans. Any form of coverage will be considered a violation of compliance rules and imply the consequences set out in the regulations, rules and procedures.

Excluding death and "good leaver" status, the employee participation to the Plan will automatically lapse (as well as any right depending on the Plan) upon any of these circumstances happening:

- i. The employee communicates the termination or terminates his/her contract for any reasons; or
- ii. The employee is informed of the termination of his/her contract.

The "good leaver" status occurs only when the employee terminates his/her contract (or his/her contract is terminated) with the Company or any other company of FinecoBank Group, during the validity of the Plan, because of any of the reasons mentioned in the Plan's Rule (e.g. physical constraints, retirement, sale of the business...).

It is understood the beneficiary has the right to receive any of the deferred payment already awarded but subject to a holding period.

Moreover, following potential changes in current regulations and/or in relation to potential extraordinary and/or unpredictable contingencies that can affect FinecoBank Group, the Bank or the market in which it operates, the Board of Directors, having heard the opinion of the Remuneration Committee and upon competent Company Functions' proposal, maintains the right to amend the Plan and relevant rules.

Section II

2021
Remuneration report



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■ 1. INTRODUCTION

The 2021 Remuneration report discloses all relevant FinecoBank compensation-related information and methodologies with the aim to increasing Stakeholders' awareness of our compensation policies, practices and outcomes, demonstrating their coherence with business strategy and performance, responsible remuneration and sound risk management.

The report provides complete and comprehensive ex-post information on 2021 results and includes details referring to Members of Administrative and Auditing bodies, General Manager and Executives with strategic responsibility⁵⁸.

Remuneration solutions implemented in 2021 provided for:

- compliance of incentive strategies with all relevant regulations, including deferred pay-outs and incentives based on financial instruments;
- overall performance assessment to foster sound behaviours aligned with different types of risk.

Over the years we constantly kept abreast of ongoing changes in national and international regulations (see, for instance, EBA Guidelines on remuneration policies and practices).

The information are provided pursuant to art. 123-bis of TUF, as modified by Legislative Decree no. 49/2019 which applies the European Directive 828/2017 (Shareholder Rights Directive II), and pursuant to Consob Regulation no. 11971/1999.

In particular, data in compliance with art. 114-bis TUF and with the Regulation no. 11971/1999, with regard to information that have to be disclosed to the market concerning the award of incentive plans based on financial instruments, are included in this document and in the Annex II (Annex II: Compensation systems based on financial instruments for FinecoBank staff). According to the mentioned regulations and in line with the previous year, Section II will receive an advisory and non-binding vote by the Shareholders' General Meeting 2022 on a specific resolution, distinct and separate from the one approving Section I.

⁵⁸ In this regard, it should be noted that the aforementioned information is also provided for the purposes of the report on corporate governance and ownership structures drawn up pursuant to art. 123-bis of the TUF.

As required by the Issuers' Regulation in Annex 3A Scheme no. 7-bis "Report on the remuneration policy and remuneration paid", it should be noted the absence of any derogation to the 2021 Remuneration Policy.

1.1 2021 FY MAIN RESULTS

The results achieved by FinecoBank Group as of December 31, 2021 (2021 financial year) confirm the soundness of its diversified business model based on the quality of products and services, operating effectiveness, but especially an approach focused on transparency and great respect of the customers.

In particular:

- Growth in Net Profit⁵⁹ thanks to the diversified business model: € 349.2 million (+7.6% y/y)
- Total revenues⁶⁰ €804.5 million (+7.4% y/y)
- Cost/income ratio: 32.2%
- CET1 18.80%

Together with our financial advisors, we've developed some initiatives to stimulate customers with investment strategies aimed to invest liquidity. In addition, Fineco Asset Management's strong growth and acceleration in the expansion of its offer of investment solutions has allowed the Group to be in a sweet spot to size all opportunities that might arise in 2022. January net inflows results confirm the strong boost of asset under management even in a high volatility context, and on the other side, the growing interest towards market interaction through our platform, which has been confirmed leader in Italy within the retail segment.

⁵⁹ Figures net of non-recurring items recorded in 2021

⁶⁰ Figures net of non-recurring items recorded in 2021

2021 Entry Conditions

For the purpose of alignment with regulatory requirements, specific indicators are set to measure profitability, financial solidity and liquidity on an annual basis, which act as access/entry conditions.

According to the actual results, verified and approved by the Board of Directors of FinecoBank S.p.A. on February 9, 2022, the relevant entry conditions have been achieved, confirming the bonus pool (calculated applying the funding rate percentage to the profitability results) for Employees and Personal Financial Advisors.

ENTRY CONDITIONS	RESULTS		
Net Operating Profit adjusted ≥ 0	543,261 k€	✓	A 100% Open
Net Profit ≥ 0 e	380,711 k€	✓	
CET 1 ratio > 8,8% (2021 RAF Capacity)	18.80%	✓	
Liquidity Coverage Ratio > 101% (2021 RAF Capacity)	946.05%	✓	B ZERO FACTOR
Net Stable Funding Ratio > 101% (2021 RAF Capacity)	325.25%	✓	

Bonus Pool sizing

The bonus pool dimension is related to the actual profitability measure multiplied for the percentage of the bonus pool funding rate defined in the budgeting phase.

This calculation determines the so called “theoretical bonus pool” that, during the year of performance, has been adjusted based on the effective performance trend.

Bonus Pool Risk Adjustment

Once the entry conditions have been verified, the effective bonus pool for FinecoBank’s employees and personal financial advisors was approved by the Board of Directors, also in light of the overall positive (“++”) assessment of the performance of the so-called “CRO dashboard”⁶¹ carried out by FinecoBank CRO. This method provides a quarterly monitoring of the progress of the indicators included in the Dashboard and an annual assessment.

⁶¹ The CRO Dashboard 2021 is a set of indicators selected among the Risk Appetite Framework KPIs; the threshold values have been approved by the Board of Directors at the beginning of the year (January 2021).

2. GOVERNANCE & COMPLIANCE

2.1. REMUNERATION COMMITTEE

The Remuneration Committee performs a strategic role in supporting the Board of Directors’ oversight of FinecoBank Group Remuneration policy and plans design.

According to the internal provisions approved by the Board of Directors, ruling the functioning and competencies of corporate bodies and related information flows (hereinafter the “Corporate Governance Rules”), this Committee is composed by 3 non-executive members. In compliance with regulatory provisions, at least one member of the Committee has adequate knowledge and experience in accounting and finance topics, as well as in remuneration policies.

Mr. Gianmarco Montanari, Ms. Giancarla Branda and Ms. Paola Giannotti De Ponti are the members of FinecoBank Remuneration Committee.

The Board of Directors verified the Administrators’ independence requirements pursuant to art. 148 TUF and art. 2 of the Corporate Governance Code. In this regard, all members of the Remuneration Committee resulted Independent Directors pursuant to art. 148 TUF and art. 2 of the Corporate Governance Code.

Mr. Gianmarco Montanari, in his capacity as Chairman, coordinated the Committee meetings held in 2021.

In performing its duties and if important and suitable, the Remuneration Committee, also with the support of an external consultant:

- i. presents proposals or issues opinion to the Board for the definition of a general remuneration policy for the CEO, the General Manager, and other Executives with Strategic Responsibility and the identified staff, also with reference to the identification process, so that the Board is also able to prepare the Remuneration report to be presented to the Shareholders' Meeting on an annual basis and to periodically assess the suitability, overall consistency and effective application of the general remuneration policy approved by the Board;
- ii. presents proposals or issues opinion to the Board relating to the overall remuneration of the CEO, the General Manager, and other Executives with Strategic Responsibility, and the identified staff and for determining criteria for the remuneration of Identified Staff including the relevant performance targets related to the variable component of the remuneration;
- iii. monitors the implementation of the decisions adopted by the Board and specifically verifies that the performance targets are actually achieved;
- iv. examines any share-based or cash incentive plans for employees and financial advisors, and the strategic staff development policies;
- v. directly supervises the correct application of the remuneration rules related to the persons in charge of the Company's control functions, in close liaison with the Board of Statutory Auditors;
- vi. cooperates with the other Committees, in particular with the Risk and Related Parties Committee, which, with reference to the remuneration and incentive policies, examines whether the incentives provided by the remuneration system take into account the risks, share capital and liquidity, provided that this does not affect the tasks assigned to the Remuneration Committee, with which adequate coordination must be ensured;
- vii. ensures the involvement of the relevant business functions in the process of drawing up and

monitoring remuneration and incentive policies and practices;

- viii. with the support of the information collected from the competent company functions, it gives an opinion on the identification process for the Group Risk Takers, including any exclusions;
- ix. provides an adequate reporting on the activities carried out by the Corporate Bodies, including the Shareholders' Meeting.

In 2021 the Remuneration Committee met 11 times. The meetings had an average duration of one hour and half, and they have been held remotely. From the beginning of 2022 and until the approval of the present Report, 4 meetings of the Committee have been held. The Secretary designated by the Committee takes minutes of each meeting and places them on record. The Chairman of the Committee provided time by time the information on the Committee meetings to the subsequent Board meeting.

The Committee has started a collaboration with an external advisor by means of the budget assigned, which supports the decisions making process of the Committee itself and whose independence has been previously verified. The external advisor participates to the Committee's meeting when required.

The Committee may, when it deems appropriate, invite other individuals from within the Company to attend the meetings, in relation to the corporate functions and organizations concerned by the issues at hand, including members of other committees within the Board of Directors. The Committee shall meet when convened by its Chairman, whenever he/she deems necessary, or upon the request of one of its members. In any case, the Committee has always been able to access the information and the Company Functions necessary to perform its activities.

In 2021, the Head of Human Resources has been always invited to Committee's meetings. The Chairman has also invited the Head of Legal & Corporate Affairs for the matters within the competence, and the Head of Network Controls, Monitoring and Service Department for topics related to PFA network (see for instance the Incentive Systems and related rules for the PFA population). In addition to the aforementioned Functions, the Chairman invited among

others- to specific Committee's meetings and for topics in the respective competence perimeters – the Head of Regulatory Affairs, CRO and CFO. In particular, the CRO and CFO participated in the meetings regarding the design of the 2021 Incentive Systems.

In addition, the Human Resources Manager of the subsidiary Fineco Asset Management DAC also

took part in the meetings of the Committee relating to the remuneration systems of the legal entity.

The Chairman has also invited the Internal Audit function to the meeting related to the annual audit performed on FinecoBank remuneration policies and practices.

During 2021, the key activities of the Remuneration Committee included:

MAIN COMMITTEE'S ACTIVITIES IN 2021	
JANUARY	<ul style="list-style-type: none"> • 2021 Employees Identified Staff definition and related 2021 Incentive System • 2021 Incentive System for PFA Identified Staff • Long Term Incentive Plan 2021-2023 • 2021 Quality Contest Ist edition • Regulatory update: CONSOB - SHRD II transposition into Issuers' Regulation + ECB / Bankit recommendations
FEBRUARY	<ul style="list-style-type: none"> • <i>Bonus Pool</i> 2020 and 2020 and previous years' Incentive Systems execution • Long term incentive system 2018-2020 execution • 2021 Performance goals of Employees Identified Staff • 2021 PFAs Identified Staff definition • 2020 and previous years' Incentive Systems execution for PFAs Identified Staff • 2020 incentive System and Additional Future Program implementation for PFAs and PFAs Managers. • 2018-2020 LTI Plan for PFAs Identified Staff and 2018-2020 LTI Plan for PFAs execution
MARCH	<ul style="list-style-type: none"> • 2021 Remuneration policy and remuneration report • 2021 Incentive Systems Plan Rules for Employees Identified Staff and 2021-2023 Long term Incentive System Plan Rules • 2021 Incentive System Plan Rules for PFAs Identified Staff • 2021 Additional Future Program plans for PFAs and PFAs Managers and Plan Rules • Report on Corporate Governance and Ownership Structures - for the section related to the Remuneration Committee
MAY	<ul style="list-style-type: none"> • 2021-2023 LTI Plan: promise of the maximum number of shares to the beneficiaries
JUNE	<ul style="list-style-type: none"> • Shareholders' General Meeting 2021: outcome analysis • Analysis of FinecoBank peers' remuneration policies • Gender neutrality of the Remuneration Policies: regulatory framework and proposal to edit the applied methodology • Incentive Systems 2nd semester 2021 for Financial Advisors and Network Managers and Plan Rules
JULY	<ul style="list-style-type: none"> • Update of internal regulations • 2021 Quality Contest IInd edition • Fineco Asset Management DAC 2021 Remuneration Policy and Framework
SEPTEMBER	<ul style="list-style-type: none"> • Information on Share Ownership Guidelines requirements • Share Ownership Guidelines: best practice analysis • Regulatory update - EBA guidelines on sound remuneration policies pursuant to EU Directive 36/2013 (CRD) and consultation of ESMA guidelines on some aspects of the remuneration requirements of EU Directive 65/2014 (MiFID II)
OCTOBER	<ul style="list-style-type: none"> • Peer Group 2022 • Salary review for Identified Staff • 2021 "Pay for Performance" analysis • New "scoring" system for PFAs
NOVEMBER	<ul style="list-style-type: none"> • Benchmarking Analysis for Identified Staff
DECEMBER	<ul style="list-style-type: none"> • 2022 Guidelines for PFAs and PFAs Managers Incentive System • Information on regulatory updates related to Bank of Italy Circular no. 285 • Selection of the Independent Advisor of the Committee • Salary review and banding review proposal for Identified Staff • New trends– focus on ESG • Global Policy Global Job Model

*There were two meetings in July

The main topics discussed by the Committee are also submitted to the attention of the Board of Statutory Auditors, in advance over their submission to the Board of Directors. In fact, at least a member of the Board of Statutory Auditors attended the meetings of the Committee in 2021.

We highlight that the Directors do not participate in

the Committee meetings discussing the proposals to the Board concerning their own remuneration.

The following table represents the composition of the Committee and the information on the independency of the members, provides details regarding their attendance to the meetings that have been held during the year.

NAME	EXECUTIVE	NON EXECUTIVE	INDIP. CODE	INDIP. TUF	% (*)	(**)
Gianmarco Montanari		X	X	X	100%	C
Giancarla Branda		X	X	X	100%	M
Paola Giannotti De Ponti		X	X	X	100%	M

N. Committee meetings: 11

(*) in this column is indicated the percentage of participation of the directors in the Committee's meetings (no. of presences/no. of meetings held during the actual period in which the director was in office in 2021)

(**) In this column is reported the capacity of the director in the Committee ("C" Chairman; "M" member).

2.2. THE ROLE OF THE COMPANY CONTROL FUNCTIONS: COMPLIANCE, CRO AND INTERNAL AUDIT

Compliance

Key contributions in 2021 of FinecoBank S.p.A. Compliance function, for all aspects that fall within its perimeter, included:

- validation of FinecoBank 2021 Remuneration policy and remuneration report submitted to the Board of Directors for subsequent approval of the Shareholders' Meeting on April 28, 2021;
- validation of the 2021 Incentive System for employees of FinecoBank Group belonging to Identified Staff;
- validation of the 2021 Incentive System for Financial Advisors of FinecoBank belonging to Identified Staff;
- validation of the 2021-2023 Long Term Incentive Plan for employees;
- preparation – in collaboration with the Human Resources function – and distribution of FinecoBank guidelines for the development and management of incentive systems for the population not belonging to Identified Staff (ref. FinecoBank Internal Regulation 18/2021);
- participation in other activities (e.g.: definition of Identified Staff).

In 2022, the Compliance function will continue to operate in close co-ordination with the Human Resources function to support not only the validation but also the design and definition of compensation policy and processes.

Risk Management

The link between compensation and risk has been maintained in 2021 with the involvement of the CRO function in compensation design and in the definition of risk adjustment mechanisms in line with Risk Appetite Framework. In particular, the Board of Directors and Remuneration Committee leveraged on the input of involved functions to define the link between profitability, risk and reward within incentive systems.

Internal Audit Report on the 2021 Fineco remuneration policies and practices

The Internal Audit Function has examined the remuneration and incentive system adopted by FinecoBank ("Bank") and by the Group for the determination and disbursement of compensation to representatives of corporate bodies and variable remuneration to employees and the Personal Financial Advisors ("PFA"), in order to verify compliance with the supervisory regulations issued by the Bank of Italy and the Remuneration Policy defined for 2021 and approved by the Shareholders' Meeting.

The “good” evaluation was based on the overall correct application of the remuneration and incentive system.

The checks carried out have ascertained in the governance area the correct fulfillment of the obligations required by the regulations, the general compliance of the remuneration policies with the current regulatory framework and the sustainability with regard to the Bank’s capital and income conditions, the dissemination of the Group Policies to the subsidiary Fineco Asset Management DAC and the correct functioning of the relevant bodies, including the Remuneration Committee and the Board of Directors. During 2021, the internal regulation framework has been updated and was found overall adequate; furthermore, compliance with external regulations was ascertained in the process of identifying staff belonging to the category of most relevant personnel (Identified Staff), both for employees and PFAs.

The incentives awarded to employees and Financial Advisors were determined in accordance with the defined policies, ensuring the correct balance of fixed and variable components, the consistency with the qualitative / quantitative assessments of the performance objectives, as well as an adequate information to the Remuneration Committee and Control Bodies.

The remuneration paid to company representatives, the payment and deferral of the incentive system of the previous years and the application of the employee termination policy, aligned with the corporate risk management strategy, were also correctly determined.

The Company control functions, in particular Compliance and Risk Management, were correctly involved, in line with respective competencies, in the definition steps of the remuneration policy as well as in the process of evaluating the annual performance. The Compliance function has correctly performed the controls provided by the Bank of Italy Circular 285/2013 aimed at verifying the prohibition to activate programs or agreements that specifically protect the value of unavailable financial instruments assigned within the incentive plans (so-called personal hedging).

The main results of the audit were presented to the Remuneration Committee on March 14, 2022.

■ 3. IMPLEMENTATION OF 2021 INCENTIVE SYSTEM AND PREVIOUS YEARS' PAYMENTS

3.1. 2021 INCENTIVE SYSTEM FOR EMPLOYEES BELONGING TO IDENTIFIED STAFF

The 2021 Incentive System, approved by FinecoBank Board of Directors on January 19, 2021, provides for the allocation of a performance related bonus in cash and/or free ordinary shares over a maximum period of 6 years.

- For the CEO and GM and other roles provided by law with a “significant amount” of total variable remuneration in the performance year (>430,000 €) the follow payout scheme applies:

PAYOUT		2022	2023	2024	2025	2026	2027	Total
	Cash	20%		12%			12%	44%
	Shares		20%		12%	12%	12%	56%

Upfront Deferred

- For the roles provided by law with no significant amount of total variable remuneration (≤430,000 €) the follow payout scheme applies.

PAYOUT		2022	2023	2024	2025	2026	2027	Total
	Cash	25%		10%			10%	45%
	Shares		25%		10%	10%	10%	55%

Upfront Deferred

- At last, for other identified staff with no significant amount of total variable remuneration the follow payout scheme applies.

PAYOUT		2022	2023	2024	2025	2026	Total
	Cash	30%			10%	10%	50%
	Shares		30%	10%	10%		50%

Upfront Deferred

In line with FinecoBank governance, the Board of Directors, based on the positive opinion of Remuneration Committee, approved the 2021 evaluations and pay-out for the Chief Executive Officer and General Manager, the Deputy General Managers, the other Executives with strategic responsibility and other Identified Staff.

The Board of Directors of FinecoBank on February 9, 2022, has approved the allocation of a total number of shares equal to 161.018 to be assigned in 2023, 2024, 2025, 2026 and 2027.

On the same date, the Board of Directors also approved the implementation - in 2022 - of the Incen-


tive Systems, 2016, 2017, 2018, 2019 and 2020 and the 2018-2020 Long Term Incentive System for employees⁶².

Focus on CEO and General Manager performance evaluation

The Board of Directors, upon positive opinion of Remuneration Committee, assessed the 2021 performance of FinecoBank CEO and General Manager as Exceeds Expectations.

⁶² The data relating to the assignments are included in the information reported in paragraphs 3.1.2 and 6 of Section II and in the Annex II

Below the details of the individual scorecard assessment.



#	GOAL NAME	RESULTS	ASSESSMENT				
			Below	Almost Meets	Meets	Exceeds	Greatly Exceeds
1	ROAC vs. budget	Budget: 48.12% Results: 69.88%					●
2	Cost Income vs. budget	Budget: 33.73 % Results: 32.2%				●	
3	EL stock (%) vs. target	Target: 0.21% Results: 0.11%					●
4	OPEX vs. budget Operating costs as reported in reclassified P&I, i.e.: Staff expenses + Other Administrative Expenses (direct + indirect) - Expenses Recovery + Depreciations	Budget: 256,121 k€ Result: 258,894 k€			●		
5	AUM net sales vs. budget	Budget: 4.655 k€ Result: 7.294 k€					●
6	Stakeholder Value vs. qualitative assessment based on: • Broaden the range of ESG products, e.g. lending and investments products (Y/Y); • Delta on Gender Pay Gap / Gender Balance (Y/Y); • ESG rating for the new funds (Y/Y); • Improve Fineco's environmental performance (e.g. environmental Statement, reduction of energy consumption); • Promotions of specific initiatives related to: - Financial Education-training activities on ESG topics for Financial advisors.	<ul style="list-style-type: none"> In 2021, 16 funds pursuant to Art. 8 of the SFDR were launched by FAM. In addition, within the distribution of ESG investment products, FinecoBank has launched the Private Global lines, an asset management in ETFs and Securities characterized by an average MSCI sustainability portfolio rating over 6. In the Banking & Credit area, the Bank offered the 110% Superbonus. In addition, trading fee discount and zero fee account were introduced for clients under 30. The gender analysis shows a positive Y/Y trend, without significant gaps. In 2021, 100% of funds launched on FinecoBank platform have an ESG rating. In 2021, the Environmental Statement was drawn up according to the EMAS Regulation and received a positive evaluation from the external environmental auditors. During 2021 the Energy Manager conducted specific analysis in order to design interventions aimed at energy efficiency. Finally, as part of the Environmental Management System, in June 2021 the Board approved the 2021-2024 Environmental Program, which is a series of environmental quantitative targets. In 2021, FinecoBank participated in the Financial Education Month 2021 and launched a section dedicated to Financial Education in the public Fineco Video Library. Furthermore, two ESG training sessions dedicated to PFAs were held, covering all ESG topics. 				●	
7	Tone from the top on conduct and compliance culture vs. qualitative assessment based on: • Promotion of initiatives aimed at fostering staff integrity, customer protection, trustworthiness by enhancing risk & control culture. • The overall status of audit, compliance and External Authorities findings considering the type, severity and the timely completion of the related remedial actions.	<ul style="list-style-type: none"> Tone from the top activities have been carried out through the promotion of the compliance and risk culture with specific policies, communications and training sessions. Overall internal compliance and audit findings as at the end of 2021 show neither open critical aspects nor major/critical overdue items. All requests/evidence from external authorities have been promptly and successfully managed by involving the relevant functions of the Bank. 			●		

* Excluding UK representing for Fineco a new opening market

Chief Executive Officer and General Manager variable and fixed compensation data

The 2021 performance evaluation of the Chief Executive Officer and General Manager's individual goals resulted excellent ("Exceeds Expectations"), on the basis of the elements reported in Section II – paragraph 3.1, as evaluated by the Remuneration Committee and the Board of Directors of February 7 and 9, 2022.

In light of the above and of the overall business results achieved by the Company, the Chief Executive

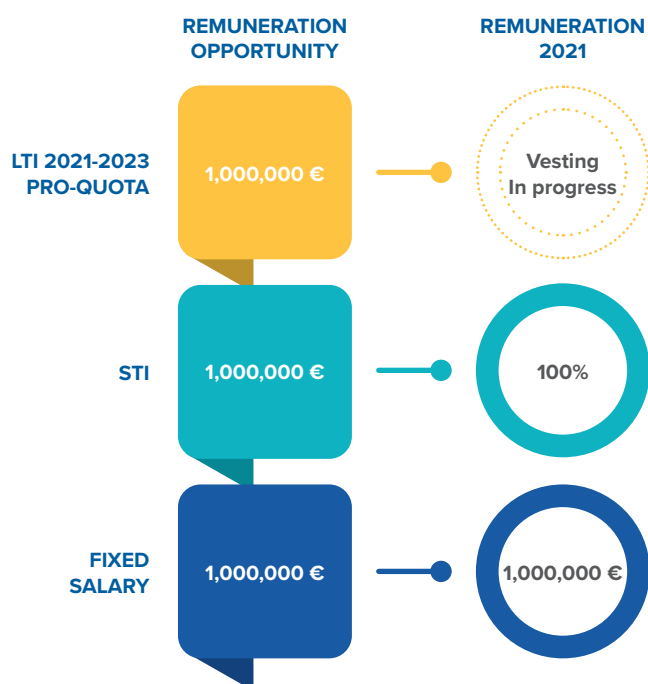
Officer was awarded a short-term variable bonus for the performance year 2021 equal to € 1,000,000, corresponding to the maximum amount that he can perceive given the applicable 2:1 ratio between variable and fixed remuneration.

For the purpose of applying this ratio, it should be noted that the Chief Executive Officer received a fixed remuneration of € 1,000,000 and that an annual pro-quota of € 1,000,000 relating to the long-

term variable remuneration (LTI 2021-2023)⁶³ is also included as variable remuneration, in line with the applicable legislation.

The € 1,000,000 bonus linked to the short-term incentive system awarded for the 2021 performance will be delivered in cash and in shares, with an upfront portion equal to 40% and a deferred portion equal to 60%, according to the deferral scheme described in Section II p. 4.23.1, which considers the period of unavailability of the shares both upfront and deferred, as required by law.

The remuneration structure of the Chief Executive Officer and General Manager of FinecoBank for the year 2021 is shown below.



3.1.1 Further details on compensation of Executives with strategic responsibility

For 2021, according to our Compensation Policy, in line with regulatory provisions, it has been defined ex-ante the maximum ratio between variable and fix component of the compensation both for the Chief

Executive Officer and General Manager (the only executive director sitting on the Board of Directors and employee of the Company) and for the other Executives with strategic responsibility.

Tables 1, 3A e 3B Annex 3A n. 7-BIS (Consob Regulation n. 11971 of 14 May 1999), reported in the paragraph 6.2, contain information regarding Executives with strategic responsibility. It is also specified that:

- the fix component is defined taking into opportune consideration market information and in such a way to be sufficient to reward the activity rendered even if the variable part of the remuneration package were not paid due to non-achievement of performance goals;
- in line with the latest regulatory requirements, the Chief Executive Officer and General Manager – as well as the Executives with strategic responsibility – have a balanced part of their remuneration linked to the overall profitability of Fineco, weighted by risk and cost of capital, as well as sustainability goals (based on capital and liquidity ratios);
- variable compensation considers the achievement of specific goals which are previously approved by the Board of Directors upon proposal of the Remuneration Committee, and having informed the Board of the Statutory Auditors.

In particular, ex-ante defined specific metrics that reflect categories of our Fineco Risk Appetite Framework align the remuneration of the Chief Executive Officer and General Manager and of the others Executives with strategic responsibility to sustainable performance and value creation for the shareholders in a medium/long term perspective. Specific individual goals are set out taking into consideration the market practices and the role assigned within the Group, through the systematic use of specific indicators aimed at strengthening the sustainability of business, such as, for example, risk and financial sustainability indicators and profitability measures⁶⁴.

It is also foreseen the deferral in cash and shares of minimum 50% of the incentive. All the instalments are subject to the application of malus and/or claw-back

⁶³ See the representation of the CEO/GM's remuneration. It should be noted that the term vesting refers to the performance period of the 2021-2023 LTI Plan

⁶⁴ Since the CFO - included in the Executives with Strategic Responsibility - cover also the activities related to the Financial Statements, the individual goals are defined in coherence with the assigned tasks

conditions, as legally enforceable. The 2021 Incentive System provides for 50% of the annual incentive to be deferred and paid in the five following years through the granting of FinecoBank shares. The number of such shares is set at the beginning of the deferral period, thus creating a link between the evolution of the share price and the actual value of the incentive.

The Chief Executive Officer and General Manager, on top of 2021 Incentive System, benefits also from:

“2016 Incentive System”

“2017 Incentive System”

“2018 Incentive System”

“2019 Incentive System”

“2020 Incentive System”

“Long Term Incentive Plan 2018-2020”

“Long Term Incentive Plan 2021-2023”

The entity and duration of the deferral are aligned with the provisions set by regulators and are consistent with the characteristics of the business and with the Bank’s risk profiles.

Incentive System, according to the maximum amount approved by the Board of Directors with the resolution of January 10, 2018;

- the payment of the second shares instalment and the second cash instalment to the beneficiaries of 2019 Incentive System, according to the maximum amount approved by the Board of Directors with the resolution of January 10, 2019.
- the payment of the first shares instalment to the beneficiaries of 2020 Incentive System, according to the maximum amount approved by the Board of Directors with the resolution of January 15, 2020.

3.1.2 Previous years’ Incentive Systems payout for employees belonging to Identified Staff

The achievement of all entry conditions⁶⁵ allows the execution of the Incentive Systems for the Employees Identified Staff, which have been approved in previous years and provide a cash and/or shares instalment in 2022. In particular, these are 2016, 2017, 2018, 2019, 2020 Incentive Systems, for which the Board of Directors approved on February 9, 2022:

- the payment of the third cash instalment and the fourth shares instalment to the beneficiaries of 2016 Incentive System, according to the maximum amount approved by the Board of Directors with the resolution of January 12, 2016;
- the payment of the third shares instalment to the beneficiaries of 2017 Incentive System, according to the maximum amount approved by the Board of Directors with the resolution of January 9, 2017;
- the payment of the second shares instalment and third cash instalment to the beneficiaries of 2018

⁶⁵ With reference to the cash tranches, reference is made to the 2021 entry conditions, for the shares tranches, reference is made to the 2020 entry conditions, in consideration of the unavailability period.

Following, the implementation dashboard for the aforementioned plans:

	IMPLEMENTED					PAYMENT	OUTSTANDING			
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Incentive System 2016	CASH	CASH	SHARES	SHARES	SHARES	CASH SHARES				
Incentive System 2017		CASH	CASH	SHARES	CASH SHARES	SHARES	CASH SHARES			
Incentive System 2018			CASH	CASH	SHARES	CASH SHARES	SHARES	CASH SHARES		
Incentive System 2019				CASH	SHARES	CASH SHARES	CASH SHARES	SHARES	CASH SHARES	
Incentive System 2020					CASH	SHARES	CASH SHARES	CASH SHARES	CASH SHARES	CASH SHARES

Moreover, the achievement of all the entry conditions allowed the execution of the 2018-2020 Long Term Incentive Plan for the employees, according to the Board of Directors decision of May 8, 2018. In particular, the Board of Directors on February 9, 2022 approved the payment of the second share instalment to the beneficiaries of the Plan who belong to the Non-Identified Staff category.

3.2 2021 INCENTIVE SYSTEM FOR FINANCIAL ADVISORS BELONGING TO IDENTIFIED STAFF

The 2021 Incentive System PFA, approved by the Board of Directors on January 19, 2021, takes into consideration all the national and international regulatory requirements for the sales networks incentives and directly links bonuses with the objectives of growth in the medium and long term, in a general framework of overall sustainability.

The System, implemented within the framework of our policy and governance, provides for the allocation of a performance related bonus in cash and/or shares over 4 years.

In line with FinecoBank governance, the 2021 performance evaluations and payouts for PFA Identified Staff have been approved by the Board of Directors, based on the positive opinion of Remuneration Committee.

Based on the resolutions of the Board of Directors of February 9, 2022, the total number of shares serving the 2021 Incentive System for Financial Advisors is

83,388 to be assigned in 2023, 2024 and 2025.

On the same date, the Board of Directors also approved the execution - in 2022 - of the Incentive Systems 2017, 2018, 2019, 2020 and of the 2018-2020 Long Term Incentive Plan for PFA Identified Staff⁶⁶.

3.2.1 Previous years' Incentive Systems payout for Financial Advisors belonging to Identified Staff

The achievement of all entry conditions⁶⁷ allows the execution of the Incentive Systems for the Personal Financial Advisors Identified Staff, which have been approved in previous years and provide a cash and/or shares instalment in 2022. In particular, these are 2017, 2018, 2019 and 2020 PFA Incentive Systems, for which the Board of Directors approved on February 9, 2022:

- the payment of the third shares instalment to the beneficiaries of 2017 PFA Incentive System, in coherence with the equivalent cash amount approved by the Board of Directors with the resolution of January 9, 2017;
- the payment of the second shares instalment and the third cash instalment to the beneficiaries of 2018 PFA Incentive System, in coherence with the equivalent cash amount approved by the Board of Directors with the resolution of January 10, 2018;

⁶⁶ The data relating to the assignments are included in the information reported in paragraphs 3.2.1 and 6 of the Remuneration Report and in the Annex II.

⁶⁷ With reference to the cash tranches, reference is made to the 2021 entry conditions, for the shares tranches, reference is made to the 2020 entry conditions, in consideration of the unavailability period.

- the payment of the second shares instalment to the beneficiaries of 2019 PFA Incentive System, in coherence with the equivalent cash amount approved by the Board of Directors with the resolution of January 10, 2019;
- the payment of the first shares instalment and the second cash instalment to the beneficiaries of 2020 PFA Incentive System, in coherence with the equivalent cash amount approved by the Board of Directors with the resolution of January 15, 2020.

Following, the implementation dashboard for the aforementioned plans:

	IMPLEMENTED				PAYMENT	OUTSTANDING	
	2018	2019	2020	2021	2022	2023	2024
2017 PFA Incentive System	CASH	CASH	SHARES	CASH SHARES	SHARES		
2018 PFA Incentive System		CASH	CASH	SHARES	CASH SHARES	SHARES	
2019 PFA Incentive System			CASH	SHARES	SHARES	CASH SHARES	
2020 PFA Incentive System				CASH	CASH SHARES	CASH SHARES	CASH SHARES

Moreover, the achievement of all the entry conditions allows the execution of the 2018-2020 Long Term Incentive Plan for PFA Identified Staff, according to the Board of Directors decision of May 8, 2018. In particular, the Board of Directors on February 9, 2022 approved the payment of the second share instalment to the beneficiaries of the Plan.

4. COMPENSATION FOR MEMBERS OF THE ADMINISTRATIVE AND AUDITING BODIES

The remuneration for members of the administrative and auditing Bodies of FinecoBank S.p.A. is represented only by a fix component, determined based on the importance of the position and the time required to perform the assigned tasks.

This approach applies to non-Executive Directors and to the Supervisory Body members that are not employees of FinecoBank or other Legal Entities of

the Group, as well as to Statutory Auditors.

The compensation paid to non-Executive Directors, to the Supervisory Body members and to the Statutory Auditors is not linked to the economic results achieved by FinecoBank and none of them takes part in any incentive plans based on stock options or, generally, based on financial instruments. The compensation has been defined referring to market benchmarks.

The amount of the remuneration of the Chairman of the Board of Directors does not exceed the fixed remuneration received by the CEO.

BENEFICIARIES*	REMUNERATION COMPONENT	APPROVED BY	AMOUNT (€)	NOTES
Non Executive Directors	Fixed only	Board of Directors of March 9, 2020 and Shareholders' Meeting of April 28, 2020	Yearly amount: • € 505,000 for the Board of Directors** • € 110,000 for participating in the Risk and Related Parties Committee • € 65,000 for participating in other BoD's Committees • € 35,000 e € 25,000 respectively for the Chairman and the Members of the Supervisory Body*** • € 600 attendance fee for****: - BoD - BoD's Committees	Compensation is determined based on the relevance of the role and the effort required to carry out the assigned activities.
		Board of Directors of March 9, 2020, according to art. 2389 par. 3 of Civil Code and heard the favourable opinion of the Statutory Auditors	- € 260,000 yearly, divided between: - BoD Chairman - BoD Deputy Chairman	
Statutory Auditors	Fixed only	Shareholders' meeting of April 28, 2020	■ Yearly****: ■ € 65,000 for the Chairman of Statutory Auditors ■ € 50,000 for each effective member ■ € 600 as attendance fee for BoD and Statutory Audit meetings	

* Mr. Alessandro Foti, as a FinecoBank employee, renounces to the remuneration approved for the office of Chief Executive Officer.

** The overall amount for the Board of Directors (including the Executive Director) approved by the Assembly is € 550,000.

*** With the BoD decision of June 9, 2020, the new Members of the Supervisory Body have been nominated.

**** In case of multiple meetings on the same day, the fee can be cumulated.

***** Alternate Statutory Auditors don't receive any compensation, except if they permanently substitute one of the Auditors.

■ 5. INDEMNITIES TO DIRECTORS IN THE EVENT OF RESIGNATIONS, DISMISSAL OR TERMINATION OF EMPLOYMENT FOLLOWING A PUBLIC PURCHASE OFFER (AS PER SECTION 123/BIS, PARAGRAPH 1, LETTER I), OF TUF)

None of the Directors have contracts containing clauses envisaging the payment of indemnities, or the right to keep post-retirement benefits, in the event of resignations or dismissal/revocation without just cause or if the employment relationship is terminated following a public purchase offer. In case of early termination of the mandate, the ordinary law provisions would therefore apply.

The individual employment contract of the Chief Executive Officer and General Manager, Mr. Alessandro Foti, is governed - also concerning the event of resignations, dismissal or termination - by the ordinary provisions of the law and National Labor Agreement for Banking Industry Executives. In such context, the annual remuneration used to define the possible indemnity due in the above mentioned instances would include the fix remuneration, any other continuative compensation and the average of the variable pay (inclusive of the components paid in equity - such as for example free shares, restricted shares, performance shares - with the only exclusion of the valorisation of the stock options potentially assigned within long-term incentive plans) received in the last three years prior to the termination. The actual amount of such indemnity – in terms of months of compensation considered – is then bound to vary depending on the events which led to the termination and on the relationship's duration and is anyway subjected to provisions of the "Severance Policy" of FinecoBank approved by the Shareholders' Meeting on April 10, 2019 and in line with paragraph 3.2 of Section I.

Non-executive Directors do not receive, within incentive plans, stock options or others equities. For the Chief Executive Officer and General Manager no specific provisions are provided with reference to the right to keep, in case of termination, the options

received and the plans' provisions apply.

For none of the Directors currently in office, provisions exist regarding the establishment of advisory contracts for a term following the termination of the directorship, nor the right to keep post retirement perks. No agreements exist either providing compensation for non-competition undertakings.

■ 6. COMPENSATION DATA

Compensation was awarded in compliance with the remuneration policy approved by the Shareholders' Meeting on April 28, 2021, keeping into account the broad consensus achieved⁶⁸:

	Voting results
Section I – 2020 Remuneration policy (Shareholders' Meeting's approval is required)	96.6% of favorable votes
Section II – 2019 Remuneration report (a non-binding advisory vote is required)	91.0% of favorable votes

6.1 COMPANY RESULTS, COMPENSATION AND EMPLOYEES' REMUNERATION VARIATION

In line with the most recent regulatory provisions, as outlined in the Consob Regulation n. 11971/1999 updated on December 11, 2020, it is displayed the comparison of the annual variation for the last three years⁶⁹ of the following information:

- company results;
- total compensation for each individual whose information is namely disclosed in this Section;
- average annual gross remuneration of full time equivalent employees, excluding the individuals whose information is namely disclosed in this Section.

⁶⁸ Cf. art.123-ter paragraph 4 lett. b) bis TUF

⁶⁹ In application of the transitory provision that allows the company to provide the comparison of information of the financial years starting from January 1, 2019, instead of the five years' preceding the regulatory amendment

COMPANY PERFORMANCE VARIATION			
Euro/ 000	FY 2021	FY 2021 vs FY 2020	FY 2020 vs FY 2019
Company Results*			
Revenues**	804,549	7.4%	17.9%
Net Profit	349,179	7.6%	19.2%

* Data adjusted

** It should be noted that in 2021 some costs linked to the activity of financial advisors related to services that are part of the normal banking activities (in particular the distribution and management of financial products) were reclassified under the item "Net commissions" from the item "Other Administrative Expenses". For comparison purposes, the data presented in the reclassified financial statements relating to the year 2020 have been restated.

INDIVIDUAL COMPENSATION VARIATION			
Euro/ 000	FY 2021	FY 2021 vs FY 2020	FY 2020 vs FY 2019
Management Body members' remuneration*			
Alessandro Foti (CEO/GM)	3,055	7.6%	7.8%
Non-Executive Directors remuneration**			
Marco Mangiagalli (Chairman) - In office since april 28th 2020	257	47.8%	-
Francesco Saita (Deputy Chairman)	187	9.4%	24.2%
Patrizia Albano	111	15.6%	56.0%
Elena Biffi	126	16.9%	25.4%
Giancarla Branda - In office since april 28th 2020	84	45.3%	-
Paola Giannotti De Ponti - In office since april 28th 2020	118	56.8%	-
Marin Gueorguiev - In office since april 28th 2020	92	57.9%	-
Gianmarco Montanari	119	9.2%	17.2%
Maria Alessandra Zunino De Pignier - In office since april 28th 2020	123	51.4%	-
Andrea Zappia - Resigned during 2021	10	-80.2%	-
Alessandra Pasini - Role taken over during 2021	45		
Statutory Auditors remuneration***			
Luisa Marina Pasotti (Chairman) - Role taken over during 2020	92	267.2%	-
Massimo Gatto - In office since april 28th 2020	78	43.9%	-
Giacomo Ramenghi - Role taken over during 2020	76	300.7%	-

* Equal to the total remuneration (column 6 Table 1 Annex 3A n. 7-bis of the Issuers' Reg. Reported in paragraph 6.2) inclusive of the instalments of the short-term incentive systems vested during the year (column 11 Table 3A Annex 3A no. 7-bis of the Issuers' Reg. Reported in paragraph 6.2) and, conventionally, of the pro quota for 2021 of the maximum amount of the 2021-2023 LTI plan as represented in paragraph 3.1, Section II. For the years 2020 and 2019, for the 2018-2020 LTI plan, the annual pro quota is considered with respect to the amount actually awarded. There is a change in the methodology with respect to the disclosure provided in 2021, as it is more representative of the remuneration paid (in 2021 the remuneration in financial instruments was considered at fair value in line with accounting principles).

** It includes the fees as members of the Board of Directors, the fees for any position within the internal Board Committees, the attendance fees for participation in the respective meetings and any expense reimbursement.

*** These include the fees as members of the Board of Statutory Auditors, attendance fees for participation in the meetings of the Board of Directors and the Board of Statutory Auditors and any expense reimbursement.

EMPLOYEES' AVERAGE REMUNERATION VARIATION			
Euro/ 000	FY 2021	FY 2021 vs FY 2020	FY 2020 vs FY 2019
Employees' average remuneration*			
Average fixed and variable annual remuneration	55	1.9%	6.7%

*Intended as the average total remuneration paid out in the referred year (excluding social security contributions and other benefits), therefore: average fixed remuneration and average variable remuneration, which corresponds to the bonus paid in the referred year (the short and long-term incentive systems' instalments and deferrals awarded in previous years were also included).

6.2 INFORMATION TABLES PURSUANT TO ART. 84-QUATER OF THE REGULATION NO. 11971 ISSUED BY COMMISSIONE NAZIONALE PER LE SOCIETÀ E LA BORSA (CONSOB)

TABLE 1: Compensation paid to members of the administrative and auditing bodies, to general managers and to other executives with strategic responsibility																
Amounts in euro																
(A)	(B)	(C)	(D)	(E)					(F)	(G)		(H)	(I)	(J)		
Name and surname	Office	Period in which office was held	Office expiration date	Emoluments received by the Shareholders' Meeting	Attendance bonus	Lump sum expense reimbursements**	Compensation for specific offices as per art. 2389 Italian Civil Code	Fixed salary	Total	Compensation for committee membership	Variable non-equity compensation Bonuses and other incentives	Profit sharing	Non-monetary benefits	Other remuneration	Total	
Fair Value of equity compensation**																
Reference indemnity for end of office or termination of employment																
Marco Mangano	Chairman of the Board of Directors	01/01/2021	31/12/2021	31/12/2021 financial statements approval	80,000	7,200	-	280,000	367,200	-	-	-	-	-	367,200	
	(I) Total compensation in the company preparing the financial statements				80,000	7,200	-	280,000	367,200	-	-	-	-	-	367,200	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
	(III) Total				80,000	7,200	-	280,000	367,200	-	-	-	-	-	367,200	
	(IV) Total				80,000	7,200	-	280,000	367,200	-	-	-	-	-	367,200	
Francesco Sato	Deputy Chairman of the Board of Directors	01/01/2021	31/12/2021	31/12/2021 financial statements approval	60,000	7,200	-	60,000	127,200	-	-	-	-	-	127,200	
	Chairman of Risk and Related Parties Committee	01/01/2021	31/12/2021	31/12/2021 financial statements approval	-	13,000	-	-	13,000	30,000	-	-	-	-	43,000	
	Member of the Corporate Governance and Environmental and Social Sustainability Committee	01/01/2021	31/12/2021	31/12/2021 financial statements approval	-	6,000	-	-	6,000	20,000	-	-	-	-	26,000	
	(I) Total compensation in the company preparing the financial statements				60,000	27,000	-	60,000	137,000	-	-	-	-	-	183,000	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
Alessandro Pici	Chief Executive Officer General Manager	01/01/2021	31/12/2021	31/12/2021 financial statements approval	90,000	27,000	-	60,000	157,000	30,000	-	-	-	-	187,000	
	(I) Total compensation in the company preparing the financial statements				-	-	-	1,000,000	1,000,000	-	440,000	-	6,777	-	1,446,777	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
	(III) Total				-	-	-	1,000,000	1,000,000	-	440,000	-	6,777	-	1,446,777	
	(IV) Total				-	-	-	1,000,000	1,000,000	-	440,000	-	6,777	-	1,446,777	
Patrizia Albano	Member of the Board of Directors	01/01/2021	31/12/2021	31/12/2021 financial statements approval	50,000	7,200	-	-	57,200	-	-	-	-	-	57,200	
	Member of the Corporate Governance and Environmental and Social Sustainability Committee	01/01/2021	31/12/2021	31/12/2021 financial statements approval	-	5,400	-	-	5,400	20,000	-	-	-	-	25,400	
	Member of the Appointments Committee	01/01/2021	31/12/2021	31/12/2021 financial statements approval	-	8,400	-	-	8,400	20,000	-	-	-	-	28,400	
	(I) Total compensation in the company preparing the financial statements				50,000	21,000	-	-	71,600	40,000	-	-	-	-	111,600	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
Elena Bili	Member of the Board of Directors	01/01/2021	31/12/2021	31/12/2021 financial statements approval	50,000	7,200	-	-	57,200	-	-	-	-	-	57,200	
	Member of the Risk and Related Parties Committee	01/01/2021	31/12/2021	31/12/2021 financial statements approval	-	14,400	-	-	14,400	20,000	-	-	-	-	34,400	
	Chairman of the Appointments Committee	01/01/2021	31/12/2021	31/12/2021 financial statements approval	-	9,600	-	-	9,600	20,000	-	-	-	-	34,600	
	(I) Total compensation in the company preparing the financial statements				50,000	31,200	-	-	81,200	40,000	-	-	-	-	121,200	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
Stefania Spada	Member of the Board of Directors	01/01/2021	31/12/2021	31/12/2021 financial statements approval	50,000	7,200	-	-	57,200	-	-	-	-	-	57,200	
	Member of the Remuneration Committee	01/01/2021	31/12/2021	31/12/2021 financial statements approval	-	6,000	-	-	6,000	20,000	-	-	-	-	26,000	
	(I) Total compensation in the company preparing the financial statements				50,000	13,200	-	-	63,200	20,000	-	-	-	-	83,200	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
	(III) Total				50,000	21,200	-	-	63,200	20,000	-	-	-	-	83,200	
Gianluigi Spada	Member of the Board of Directors	01/01/2021	31/12/2021	31/12/2021 financial statements approval	50,000	7,200	-	-	57,200	-	-	-	-	-	57,200	
	Member of the Remuneration Committee	01/01/2021	31/12/2021	31/12/2021 financial statements approval	-	6,000	-	-	6,000	20,000	-	-	-	-	26,000	
	(I) Total compensation in the company preparing the financial statements				50,000	13,200	-	-	63,200	20,000	-	-	-	-	83,200	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
	(III) Total				50,000	21,200	-	-	63,200	20,000	-	-	-	-	83,200	
Paola Giordani De Ponti	Member of the Board of Directors	01/01/2021	31/12/2021	31/12/2021 financial statements approval	50,000	7,200	-	-	57,200	-	-	-	-	-	57,200	
	Member of the Risk and Related Parties Committee	01/01/2021	31/12/2021	31/12/2021 financial statements approval	-	13,000	-	-	13,000	20,000	-	-	-	-	33,000	
	Member of the Remuneration Committee	01/01/2021	31/12/2021	31/12/2021 financial statements approval	-	6,000	-	-	6,000	20,000	-	-	-	-	26,000	
	(I) Total compensation in the company preparing the financial statements				50,000	27,000	-	-	77,000	40,000	-	-	-	-	117,000	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
Mark Gueguen	Member of the Board of Directors	01/01/2021	31/12/2021	31/12/2021 financial statements approval	50,000	7,200	-	-	57,200	-	-	-	-	-	57,200	
	Member of the Risk and Related Parties Committee	01/01/2021	31/12/2021	31/12/2021 financial statements approval	-	14,400	-	-	14,400	20,000	-	-	-	-	34,400	
	(I) Total compensation in the company preparing the financial statements				50,000	21,600	-	-	71,600	20,000	-	-	-	-	91,600	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
	(III) Total				50,000	21,600	-	-	71,600	20,000	-	-	-	-	91,600	
Giamarco Montanari	Member of the Board of Directors	01/01/2021	31/12/2021	31/12/2021 financial statements approval	50,000	7,200	-	-	57,200	-	-	-	-	-	57,200	
	Chairman of the Remuneration Committee	01/01/2021	31/12/2021	31/12/2021 financial statements approval	-	6,000	-	-	6,000	20,000	-	-	-	-	26,000	
	Member of the Appointments Committee	01/01/2021	31/12/2021	31/12/2021 financial statements approval	-	9,600	-	-	9,600	20,000	-	-	-	-	39,600	
	(I) Total compensation in the company preparing the financial statements				50,000	23,400	-	-	73,400	40,000	-	-	-	-	113,400	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
Maria Alessandra Zucchi De Pignis	Member of the Board of Directors	01/01/2021	31/12/2021	31/12/2021 financial statements approval	50,000	7,200	-	-	57,200	-	-	-	-	-	57,200	
	Member of the Risk and Related Parties Committee	01/01/2021	31/12/2021	31/12/2021 financial statements approval	-	13,000	-	-	13,000	20,000	-	-	-	-	33,000	
	Chairman of the Corporate Governance and Environmental and Social Sustainability Committee	01/01/2021	31/12/2021	31/12/2021 financial statements approval	-	8,600	-	-	8,600	20,000	-	-	-	-	31,600	
	(I) Total compensation in the company preparing the financial statements				50,000	27,000	-	-	77,600	40,000	-	-	-	-	117,600	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
Andrea Jappes	Member of the Board of Directors	01/01/2021	28/02/2021	31/12/2021 financial statements approval	8,000	1,800	-	-	9,800	-	-	-	-	-	9,800	
	(I) Total compensation in the company preparing the financial statements				8,000	1,800	-	-	9,800	-	-	-	-	-	9,800	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
	(III) Total				8,000	1,800	-	-	9,800	-	-	-	-	-	9,800	
	(IV) Total				8,000	1,800	-	-	9,800	-	-	-	-	-	9,800	
Alessandro Paoletti	Member of the Board of Directors	01/01/2021	31/12/2021	31/12/2021 financial statements approval	39,863	4,000	-	-	43,863	-	-	-	-	-	43,863	
	(I) Total compensation in the company preparing the financial statements				39,863	4,000	-	-	43,863	-	-	-	-	-	43,863	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
	(III) Total				39,863	4,000	-	-	43,863	-	-	-	-	-	43,863	
	(IV) Total				39,863	4,000	-	-	43,863	-	-	-	-	-	43,863	
TOTAL BOARD OF DIRECTORS				(I) Total compensation in the company preparing the financial statements	497,945	256,400	1,225	360,000	1,000,000	1,965,970	360,000	440,000	-	6,777	2,717,347	980,324
				(II) Compensation from subsidiaries and associates	-	-	-	-	-	-	-	-	-	-	-	-
				(III) Total	497,945	256,400	1,225	360,000	1,000,000	1,965,970	360,000	440,000	-	6,777	2,717,347	980,324
John Martin Paoletti	Chairman of the Board of Statutory Auditors	01/01/2021	31/12/2021	31/12/2021 financial statements approval	65,000	25,000	1,000	-	91,000	-	-	-	-	-	91,000	
	(I) Total compensation in the company preparing the financial statements				65,000	25,000	1,000	-	91,000	-	-	-	-	-	91,000	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
	(III) Total				65,000	25,000	1,000	-	91,000	-	-	-	-	-	91,000	
	(IV) Total				65,000	25,000	1,000	-	91,000	-	-	-	-	-	91,000	
Massimo Gatto	Statutory Auditor	01/01/2021	31/12/2021	31/12/2021 financial statements approval	50,000	25,000	1,000	-	77,750	-	-	-	-	-	77,750	
	(I) Total compensation in the company preparing the financial statements				50,000	25,000	1,000	-	77,750	-	-	-	-	-	77,750	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
	(III) Total				50,000	25,000	1,000	-	77,750	-	-	-	-	-	77,750	
	(IV) Total				50,000	25,000	1,000	-	77,750	-	-	-	-	-	77,750	
Enrico Ramello	Statutory Auditor	01/01/2021	31/12/2021	31/12/2021 financial statements approval	50,000	25,000	337	-	75,337	-	-	-	-	-	75,337	
	(I) Total compensation in the company preparing the financial statements				50,000	25,000	337	-	75,337	-	-	-	-	-	75,337	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
	(III) Total				50,000	25,000	337	-	75,337	-	-	-	-	-	75,337	
	(IV) Total				50,000	25,000	337	-	75,337	-	-	-	-	-	75,337	
Alessandro Modoni	Alternate Auditor	28/04/2021	31/12/2021	31/12/2021 financial statements approval	-	-	-	-	-	-	-	-	-	-	-	
	(I) Total compensation in the company preparing the financial statements				-	-	-	-	-	-	-	-	-	-	-	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
	(III) Total				-	-	-	-	-	-	-	-	-	-	-	
	(IV) Total				-	-	-	-	-	-	-	-	-	-	-	
Luca Montemazzoni	Alternate Auditor	28/04/2021	31/12/2021	31/12/2021 financial statements approval	-	-	-	-	-	-	-	-	-	-	-	
	(I) Total compensation in the company preparing the financial statements				-	-	-	-	-	-	-	-	-	-	-	
	(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-	-	-	
	(III) Total				-	-	-	-	-	-	-	-	-	-	-	
	(IV) Total				-	-	-	-	-	-	-	-	-	-	-	
TOTAL BOARD OF STATUTORY AUDITORS				(I) Total compensation in the company preparing the financial statements	165,000	77,000	3,337	-	245,670	-	-	-	-	-	245,670	
				(II) Compensation from subsidiaries and associates	-	-	-	-	-	-	-	-	-	-	-	
				(III) Total	165,000	77,000	3,337	-	245,670	-	-	-	-	-	245,670	
Other Executives with Strategic Responsibility**				(I) Total compensation in the company preparing the financial statements	-	-	-	1,242,000	1,242,000	-	887,840	-	74,700	2,302,540	1,176,494	
				(II) Compensation from subsidiaries and associates	-	-	-	-	-	-	-	-	-	-	-	
				(III) Total	-	-	-	1,242,000	1,242,000	-	887,840	-	74,700	2,302,540	1,176,494	

* For "lump sum expense" and mileage traveled

** Included an Executive with strategic responsibility whose employment relationship ended in 2018

*** The Total Remuneration of the Deputy General Managers is equal to respectively €1,200,000, €1,189,574, €1,025,955.

TABLE 2: Stock Option assigned to the Members of the Administrative Body, to General Managers and other Executives with Strategic Responsibility																	
(A)	(B)	(1)	Options held at the beginning of the year			Options assigned during the year						Options exercised during the year			(14)	(15)	(16)
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)			
Name and surname	Office	Plan	Number of Options	Exercise Price	Exercise Period (from .. to)	Number of Options	Exercise Price	Exercise Period (from .. to)	Fair Value at Assignment Date	Assignment Date	Market Price of Underlying Shares upon Assignment of Options	Number of Options	Exercise Price	Market Price of Underlying Shares on Exercise Date	Options Lapsed during the year (Number)	Options held at the end of the year (Number)	Options relevant to this year (Fair Value)
Alessandro Foti	Chief Executive Officer/ General Manager																
(I) Compensation in the Company preparing the Financial Statements																	
(II) Compensation from Subsidiaries and Associates																	
(III) Total																	
Other Executives with Strategic Responsibility																	
(I) Compensation in the Company preparing the Financial Statements																	
(II) Compensation from Subsidiaries and Associates																	
(III) Total																	

TABLE 3A: Incentive Plans based on financial instruments other than stock options for Members of the Administrative Body, General Managers and other Executives with Strategic Responsibility													
(A)	(B)	(1)	Financial instruments assigned during previous years and not vested during the year		Financial instruments assigned during the year					(9)	Financial instruments vested during the year and assignable		(12)
			(2)	(3)	(4)	(5)	(6)	(7)	(8)		(10)	(11)	
Name and surname	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair Value on assignment date	Vesting period	Assignment date	Market price upon assignment	Number and type of financial instruments	Number and type of financial instruments	Value on maturity date	Fair Value
Alessandro Foti	Chief Executive Officer/ General Manager												
(I) Compensation in the Company preparing the Financial Statements			Fineco shares - 2017 Group Incentive System								8,771	133,275	13,628
			Fineco shares - 2018 Group Incentive System	8,881 31.12.2022							8,881	134,947	31,443
			Fineco shares - 2019 Group Incentive System	18,388 1/2 31.12.2022 1/2 31.12.2023							9,199	139,779	70,341
			Fineco shares - 2020 Incentive System	26,433 1/3 31.12.2022 1/3 31.12.2023 1/3 31.12.2024							-	-	33,234
			Fineco shares - 2021 Incentive System		36,853	560,000	37% 31.12.2021 21% 31.12.2023 21% 31.12.2024 21% 31.12.2025	09/02/2022	15,195		13,162	199,997	296,940
			Fineco shares - 2018-2020 LTI Plan	154,858 31.12.2023									201,206
(II) Compensation from Subsidiaries and Associates													
(III) Total						560,000				-		607,998	580,324
Other Executives with Strategic Responsibility													
(I) Compensation in the Company preparing the Financial Statements	no. 5 Executives*	Fineco shares - 2017 Group Incentive System									15,353	233,289	19,447
	no. 4 Executives	Fineco shares - 2018 Group Incentive System	18,944	31.12.2022							18,944	287,854	67,070
	no. 4 Executives	Fineco shares - 2019 Group Incentive System	38,342	1/2 31.12.2022 1/2 31.12.2023							19,171	291,303	146,593
	no. 4 Executives	Fineco shares - 2020 Incentive System	56,602	1/3 31.12.2022 1/3 31.12.2023 1/3 31.12.2024							-	-	71,165
	no. 4 Executives	Fineco shares - 2021 Incentive System			82,397	1,252,160	37% 31.12.2021 21% 31.12.2023 21% 31.12.2024 21% 31.12.2025	09/02/2022	15,195		30,218	459,163	672,836
	no. 4 Executives	Fineco shares - 2018-2020 LTI Plan	88,392	1/2 31.12.2022 1/2 31.12.2023							44,196	671,558	340,713
(II) Compensation from Subsidiaries and Associates													
(III) Total						1,252,160				-		1,943,167	1,175,494

* Included an Executive with strategic responsibility whose employment relationship ended in 2018.

Amounts in euro		TABLE 3B: Cash-based Incentive Plans for Members of the Administrative Body, General Managers and other Executives with Strategic Responsibility							
(A)	(B)	(1)	(2)			(3)			(4)
Name and surname	Office	Plan	Bonus for the year			Prior years' bonus			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferral period	No longer payable	Payable / Paid	Still deferred	
Alessandro Foti	Chief Executive Officer/ General Manager								
(I) Compensation in the Company preparing the Financial Statements		2021 Incentive System	200,000	240,000	50% 31.12.2023 50% 31.12.2026				
		2020 Incentive System						240,000	
		2019 Group Incentive System					102,000	102,000	
		2018 Group Incentive System						170,000	
		2017 Group Incentive System						170,000	
		2016 Group Incentive System					112,200		
(II) Compensation from Subsidiaries and Associates									
(III) Total			200,000	240,000			214,200	682,000	
Other Executives with Strategic Responsibility									
(I) Compensation in the Company preparing the Financial Statements	no. 4 Executives	2021 Incentive System	459,200	528,640	50% 31.12.2023 50% 31.12.2026				
	no. 4 Executives	2020 Incentive System						532,621	
	no. 4 Executives	2019 Group Incentive System					212,580	212,580	
	no. 4 Executives	2018 Group Incentive System						362,632	
	no. 5 Executives *	2017 Group Incentive System						297,594	
	no. 5 Executives *	2016 Group Incentive System					196,412		
(II) Compensation from Subsidiaries and Associates									
(III) Total			459,200	528,640			408,992	1,405,427	

* Included an Executive with strategic responsibility whose employment relationship ended in 2018.

TABLE 1: Investments of the Members of the Administrative and Auditing Bodies and General Managers							
Name and surname	Office	Investee Company	Type of shares	Number of shares			
				Held at the end of 2020	Acquired during the year*	Sold during the year	Held at the end of 2021

BOARD OF DIRECTORS

Marco Mangiagalli	Chairman			-			-
Francesco Saita	Deputy Chairman			-			-
Alessandro Foti	Chief Executive Officer/ General Manager	FinecoBank	Ord.	446,629	64,213	27,609	483,233
Patrizia Albano	Member			-			-
Elena Biffi	Member			-			-
Giancarla Branda	Member			-			-
Paola Gianotti De Ponti	Member			-			-
Marin Gusorquiev	Member			-			-
Gianmarco Montanari	Member			-	200		200
	indirect possession (spouse)	FinecoBank	Ord.	100			100
Maria Alessandra Zunino De Pignier	Member			-			-
Andrea Zappia	Member			-			-
Alessandra Pasini	Member			-			-

BOARD OF STATUTORY AUDITORS

Luisa Marina Pasotti	Chairman			-			-
Massimo Gatto	Standing Auditor			-			-
Giacomo Ramenghi	Standing Auditor			-			-
Alessandro Gaetano	Alternate Auditor			-			-
Lucia Montecamozzo	Alternate Auditor			-			-

*including shares linked to Incentive Plans

TABELLA 2: Investments of the other Executives with Strategic Responsibility						
Executives with Strategic Responsibility	Investee Company	Type of shares	Number of shares			
			Held at the end of 2020	Acquired during the year*	Sold during the year	Held at the end of 2021
4	FinecoBank	Ord.	564,349	115,622	49,926	630,045

*including shares linked to Incentive Plans

6.3 BENEFIT DATA

Our employees enjoy welfare, healthcare and life balance benefits that supplement social security plans and minimum contractual requirements. These benefits are intended to provide substantial guarantees for the well-being of staff and their family members during their active careers as well as in retirement.

With reference to the complementary pension plans, there are defined benefit plans and defined contribution plans. In the first ones the benefit's calculation is known in advance, while in defined contribution plans the benefit depends on allocated asset management results.

Complementary pension plans are offered by external pension funds, legally autonomous from the Group. In particular, the pension funds usually subscribed by employees are "closed".

Subscribers can distribute contribution, depending on their own risk appetite, among investment lines characterized by different risk/yield ratios.

For employees who choose to join the reference Pension Fund for FinecoBank, with some exceptions, the Company recognizes a contribution calculated on the compensation useful for calculating the "Trattamento di Fine Rapporto", if the employee chooses to pay the contribution at his own expense.

As part of the supplementary health care, employees are offered a Health Plan, which also benefits their tax-dependent family members, dental coverage and additional dedicated policies (e.g. Life, Accident, Permanent Disability, Professional and extra-professional "Kasko" policies).

FinecoBank also offered its employees and family members the opportunity to take out a Long Term Care insurance policy which guarantees an annuity in the event of loss of self-sufficiency.

Finally, all employees can take advantage of a digital platform that allows them to easily manage their Welfare credit in a diversified basket of services (e.g. education, family assistance, free time, etc.). Furthermore, in 2021, digital vouchers were introduced for the first time, which can be used in various product areas, which further expand the possibility of spending through the welfare account.

Finally, for employees with managerial qualifications and for those who, as part of their business, travel around the area for service reasons, a car is assigned for mixed use. The choice of available models is in line with the objectives set out in the Multi-Year Plan, providing only hybrid and / or electric cars, with the aim of reducing the environmental impact resulting from vehicular traffic.

Facing the health crisis

In continuity with 2021, the measures adopted for the safety of employees and the work and work-life balance management are in place.

In particular, the initiatives are as follow:

- Health Crisis Support Service and the Psychological Support Service, the home-delivered COVID test service and the anti-seasonal flu vaccine.
- The possibility of working from home (Home Working), with the support of specific initiatives, such as the Home Working Kit distribution, and other initiatives supporting the work-life balance.
- Attendance in the office is monitored to ensure the correct application of the safety protocols, through termoscanners at the entrance and splitting up over time entrances and exits.
- All the initiatives put in place during the pandemic can be found in a specific section of the corporate website. Moreover, the FAQ section is being constantly updated, so that employees can find all the information they need to manage their workday (at home or in the office) and their health.

The implementation of new initiatives and the monitoring of the ones in place are an essential activity.