

# FINECO

## 2025 REMUNERATION POLICY AND 2024 REMUNERATION REPORT

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Highlights



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KEY PRINCIPLES AND GOVERNANCE



MAIN CONTENTS - FOCUS ON NEW FEATURES



2025 SHORT TERM INCENTIVE SYSTEMS



2024-2026 LONG TERM INCENTIVE PLAN



IMPLEMENTATION OF SHORT INCENTIVE SYSTEMS



# Key principles and Governance

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Remuneration policy and report



# Key principles

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



**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** to attract, motivate and retain the best resources capable of achieving the company mission according to Bank's values.

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



**Compliance with regulatory requirements and principles of good professional conduct**, by protecting and enhancing the company reputation, as well as avoiding or managing conflicts of interest.

**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.





# Governance



## REMUNERATION COMMITTEE

**Systematic involvement of the Remuneration Committee in all matters concerning remuneration, with particular reference to the CEO and General Manager and Identified Staff.**

The other internal Board Committees are involved in their respective areas of competence.



## CORPORATE FUNCTIONS

The **Human Resources function** involves the **Compliance, Risk Management and CFO functions** in the definition and implementation of the Incentive Systems in order to ensure compliance with legislation and with a prudent risk management policy and the sustainability of remuneration.



## INTERNAL AUDIT

The **Internal Audit function annually verifies the compliance of the remuneration practices** with the approved policies and the reference legislation, thus guaranteeing the general consistency of the remuneration and incentive processes.

The outcome of the annual audit was positive.



# Main contents

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# Introduction and structure

## ● Executive summary

The document consists of an **Executive Summary** that summarizes the key elements of the 2025 remuneration approach and provides the main results for the year 2024. It also highlights variable and fixed compensation data for the CEO and General Manager and the goals set for 2025. Given the market practice, this year, and like every year, the summary follows the **Letter from the Chairman of the Remuneration Committee** to the shareholders.

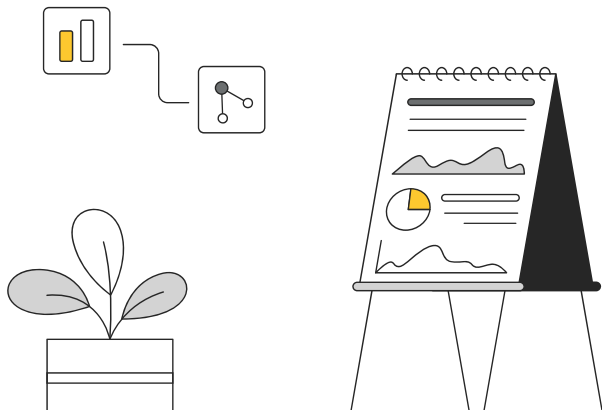
## ● Sections I and II

Two separated sections follow as provided by art. 123-ter of Legislative Decree 58/1998. A separate vote will be held on each section:

- **Section I** - 2025 Remuneration policy (**binding vote**)
- **Section II** - 2024 Remuneration report (**advisory non-binding vote**)

## ● Annexes

Data required pursuant to article 450 of the Regulation (EU) no. 575/2013 and in compliance with art. 114-bis of Legislative Decree 58/1998 are contained in the Annexes.





# Main features - 2025 (vs 2024)

	CONFIRMED	NEW	NOTES
<p>MAXIMUM VARIABLE/FIXED PAY RATIO</p>	✓		<ul style="list-style-type: none"> <li>Business functions and Personal Financial Advisors (PFA) Identified Staff = 2:1</li> <li>Company Control Functions Identified Staff = 1:3</li> <li>Head of Human Resources and the Manager in charge of preparing financial statements = Fix&gt;Var</li> </ul>
<p>PEER GROUP</p>	✓		Full disclosure of the market peer group, used for trends analysis and benchmarking
<p>SHARE OWNERSHIP GUIDELINES</p>	✓	✓	As part of the "pay for sustainable performance" principle and to further strengthen the alignment of management interests with those of shareholders, the new minimum levels of shareholding for the Chief Executive Officer and General Manager and for Managers with strategic responsibilities were illustrated, which were raised, respectively, from 200% to 300% of the gross annual remuneration and from 100% to 200% of the RAL.
<p>SHORT TERM INCENTIVE SYSTEM</p>	✓	✓	<ul style="list-style-type: none"> <li>Full description of 2025 short term Incentive Systems for Employees and PFA Identified Staff, in continuity with the 2024</li> <li>Description of the implementation of the Incentive Systems 2024 and previous years</li> <li>To further improve the transparency of the Group's remuneration practices and in line with the principle of "pay for performance", the disclosure of the link between performance and bonus is enhanced by explaining the different payout thresholds linked to the overall performance appraisal.</li> </ul>
<p>GENDER NEUTRALITY OF THE REMUNERATION POLICY</p>	✓	✓	<p>As part of the Group's commitment to ensuring the Remuneration Policy is gender neutral and, specifically, with reference to the target to improve the Gender Equity Pay Gap included in the 2024-2026 Long-Term Incentive Plan, the methodology for calculating the indicator has been further improved in order to identify gender-related gaps in an even more accurate and granular manner, in line with the provisions of EU Directive 2023/970 'Pay Transparency'.</p> <p>In addition, with respect to the 2024 fiscal year, Section II includes the overall Gender Equity Pay Gap as well as the percentage of comparable employee categories with a gender equity pay gap above 5%.</p>





# 2025 short term Incentive Systems

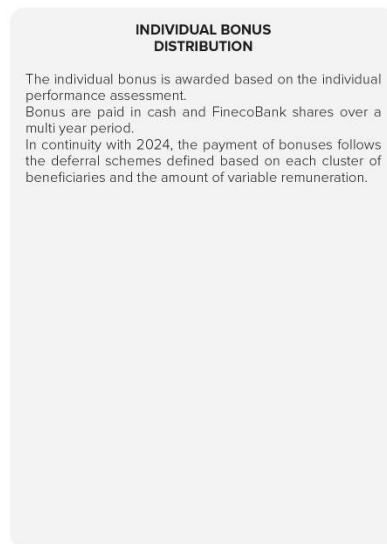
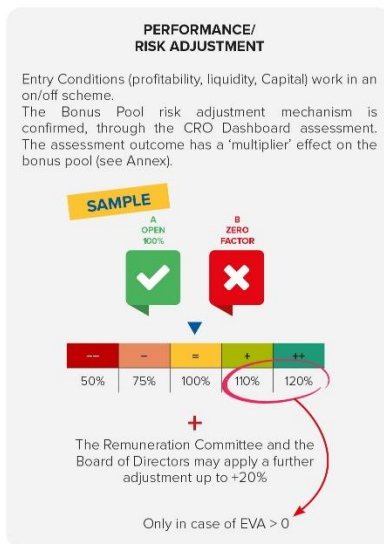
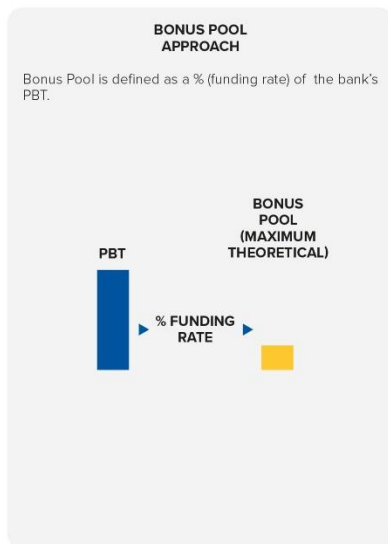
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Remuneration policy and report



# 2025 short term Incentive Systems

- In continuity with 2024, specific **Incentive Systems for Employees and Financial Advisors Identified Staff** have been put in place in 2025.
- The Incentive Systems follow a **Bonus Pool** logic, providing **entry and malus conditions** linked to profitability, capital and liquidity indicators.
- The Systems provide for a specific **risk adjustment mechanism**.
- Bonus is paid in **cash and FinecoBank shares**, over a multi-year period.





# Payment scheme for Employees Identified Staff

The deferral schemes in line with Bank of Italy provisions are based on the corresponding population cluster, as well as on the variable compensation amount.

- For the **CEO and GM and other roles provided by law with a “significant” amount of total variable remuneration** ( $\geq 434,000$  €)\*, the payout schedule is confirmed without changes from the 2024, with the deferral of 60% of the short-term variable remuneration and a greater quota in shares rather than cash.
- For the other roles provided by law with no “significant” amount of total variable remuneration** ( $< 434,000$  €), in continuity with 2024, 50% of the bonus will be deferred with a greater quota in shares rather than cash.
- For other identified staff with no “significant” amount of total variable remuneration**, the deferral quota remains 40% of the bonus (60% upfront), with a 50/50 mix of shares and cash.
- A 1-year retention period still applies to both upfront and deferred shares.

CEO and GM and other roles provided by law with a “significant” amount of total variable remuneration	PAYOUT		Upfront	N+1	N+2	N+3	N+4	N+5	Total
		Cash	20%		12%			12%	44%
		Shares		20%		12%	12%	12%	56%
Other roles provided by law with no “significant” amount of total variable remuneration	PAYOUT		Upfront	N+1	N+2	N+3	N+4	N+5	Total
		Cash	25%		10%			10%	45%
		Shares		25%		10%	10%	10%	55%
Other identified staff with no “significant” amount of total variable remuneration	PAYOUT		Upfront	N+1	N+2	N+3	N+4		Total
		Cash	30%			10%	10%		50%
		Shares		30%	10%	10%			50%

\* The threshold has been defined for the three-year period 2025-2027.



# Payment scheme for PFA Identified Staff

- For **Identified Staff with a significant amount of total variable remuneration** ( $\geq 434,000$  €), 60% of the bonus is deferred (no changes compared to 2024).
- For **other Identified Staff with no significant amount of total variable remuneration**, 40% of the bonus is deferred (no changes compared to 2024).
- A 50/50 mix of cash and shares (unchanged).



Identified Staff with a significant amount of variable remuneration	PAYOUT		Upfront	N+1	N+2	N+3	N+4	Total
		Cash	20%	5%	5%	10%	10%	50%
Shares		20%	15%	15%		50%		

Other Identified Staff with no significant amount of variable remuneration	PAYOUT		Upfront	N+1	N+2	N+3	N+4	Total
		Cash	30%		10%	10%	50%	
Shares		30%	10%	10%	50%			



# 2025 CEO and GM Scorecard

	WEIGHT	#	GOAL	TARGET	CATEGORY
 <p><b>FINANCIAL</b></p> <p>80%</p>	30%	1	ROE	vs. budget	Value Creation
	15%	2	AUM net sales	vs. budget	
	15%	3	Total Net Sales	vs. budget	
	10%	4	OPEX	vs. budget Operating costs as reported in reclassified P&L, i.e.: Staff expenses + Other Administrative Expenses (direct + indirect) - Expenses Recovery + Depreciations.	Cost Efficiency
	10%	5	Operational Losses on Revenues	vs. target	Risk-Based
 <p><b>SUSTAINABILITY</b></p> <p>20%</p>	10%	6	Stakeholder Value	assessment based on: <ul style="list-style-type: none"> <li>• At least 50% of new funds with a Fineco ESG rating ≥ 6 entered in the platform in 2025 on total new funds entered (ISIN)</li> <li>• Customer satisfaction ≥ 90 points</li> <li>• EMAS Registration maintenance, which includes the achievement of the Environmental Program goals</li> </ul>	Sustainability
	10%	7	Tone from the top on conduct and sustainability and compliance culture	vs. qualitative assessment based on: <ul style="list-style-type: none"> <li>• Promotion of initiatives aimed at fostering staff integrity, sustainable behaviours, customer protection and trustworthiness by enhancing risk &amp; control culture</li> <li>• The overall status of audit, compliance, AML, Risk and Related Party Committee and External Authorities findings considering the type, severity and the timely completion of the related remedial actions</li> </ul>	



# 2024-2026 LTI

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# Performance goals

## FINANCIAL KPIs

	WEIGHT	METRIC	THRESHOLD	PAYOUT
ROAC	35%	Avg 2024-2026	≥ 74% 54%-74% ≤ 54%	100% 0%-100% 0%
Net sales AuM	10%	Σ 2024-2026	≥ 14bn 10bn-14bn ≤ 10bn	100% 0%-100% 0%
Total Net Sales	10%	Σ 2024-2026	≥ 34.7bn 25bn-34.7bn ≤ 25bn	100% 0%-100% 0%
Cost Income Ratio	15%	Avg 2024-2026	≤ 29.4% 35%-29.4% ≥ 35%	100% 0%-100% 0%
Operational Losses on Revenues	15%	Avg 2024-2026	≤ 0.9% 1.85%-0.9% ≥ 1.85%	100% 0%-100% 0%

## SUSTAINABILITY KPIs

Scope 1 and Scope 2 emission reduction (market-based)	5%	EOY 2026	≥ 55% < 55%	100% 0%
Achievement of Diversity, Equity & Inclusion goals	5%	EOY 2026	all sub-goals need to be achieved	
<b>KPI 1</b>		Definition of an awareness plan on D&I for external and internal stakeholders and initiatives to support parenting.	Implementation of at least 13 contents and a supplementary allowance for parental leave by 2026.	
<b>KPI 2</b>		Increase in the percentage of the least represented gender in managerial roles.	5% minimum increase over the three-year period.	
<b>KPI 3</b>		Gender Equity pay gap between the least and most represented gender.	The gender equity pay gap for all categories of employees with equal work is below 5%.	
Enlargement of the ESG product offer. % new funds ex art. 8 and 9 SFDR:	5%	EOY 2026	≥ 50 < 50	100% 0%

With the aim of **rewarding, retaining and motivating selected Employees** in the long term, **in line with MYP 2024-2026, a share-based long-term incentive plan has been established.**

The Plan sets goals **linked to the 2024-2026 targets** in order to align the interests of the Bank's Management with the long-term value creation for shareholders.



# Focus on sustainable goals

The sustainability objectives were defined in line with the KPIs and related targets set out in the Group's MYP ESG for the three-year period 2024-2026, also taking into consideration the evidence from the benchmark analysis, the materiality matrix and the input from investors and proxy advisors.



The goal consists of **reducing Scope 1 and Scope 2 (market-based) emissions from operations by at least 55% by 2026** (compared to 2021).

This indicator is part of the Net-Zero Emission commitment to 2050.



The objective includes **the achievement of selected KPIs in Diversity, Equity & Inclusion**, which were approved by the Board of Directors as part of the Gender Equality Certification, achieved by Fineco in 2023 in accordance with the UNI:125/2022 Reference Practice.



The Goal envisages **the enlargement of the ESG product offer by introducing at least 50% of new funds articles 8 and 9 SFDR compared to total new funds (ISIN) entered in the platform in the period 2024-26.**





# Implementation of short-term systems

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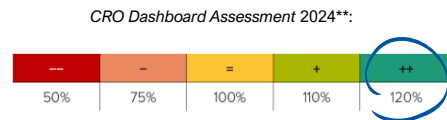
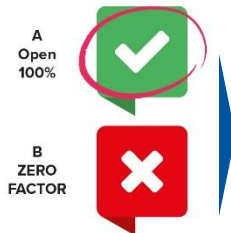
# Implementation of 2024 Incentive Systems

According to the schemes provided by the 2024 Incentive System, the **Bonus Pool** for Employees and Financial Advisors has been defined in consideration of:

- the **results of the “entry conditions”** and
- the **CRO evaluation** (CRO dashboard)

The **achievement of all Entry Conditions** is the prerequisite for the payment of the annual instalments of bonuses related to previous years’ incentive systems.

ENTRY CONDITIONS	RESULTS
Net Operating Profit adjusted > 0	982,388 k€
Net Profit > 0	652,285 k€
CET 1 ratio > 10.7%	25.91%
Liquidity Coverage Ratio > 150%	940.97%*
Net Stable Funding Ratio > 125%	382.15%*





\* Actual data

\*\* The CRO Dashboard assessment used for PFA’s Incentive Systems provide a correction range of 125% (instead of 120%) in correspondence of ++ sign.



# CEO and GM 2024 performance evaluation

	WEIGHT	GOAL NAME	RESULTS	ASSESSMENT					
				Below	Almost	Meets	Exceeds	Greatly Exceeds	
 <p><b>FINANCIAL</b></p>	80%	1	30% <b>ROE</b> vs. budget	Budget: 25% Results: 27%				•	
		2	15% <b>AUM net sales</b> vs. budget	Budget: 3,500 k€ Result: 4,094 k€				•	
		3	15% <b>Total Net Sales</b> vs. budget	Budget: 10,200 k€ Results: 10,082 k€			•		
		4	10% <b>Operational Losses on Revenues</b> vs. target	Target: 1.85% Results: 0.224%					•
		5	10% <b>OPEX</b> vs. budget Operating costs as reported in reclassified P&L, i.e.: Staff expenses + Other Administrative Expenses (direct + indirect) - Expenses Recovery + Depreciations	Budget: 334,618 k€ Result: 331,998 k€			•		
 <p><b>SUSTAINABILITY</b></p>	20%	6	<b>Stakeholder Value</b> assessment based on: <ul style="list-style-type: none"> <li>At least 50% of new funds entered in the platform 2024 (ISIN) with Fineco ESG rating ≥ 6</li> <li>Customer satisfaction ≥ 90 points</li> <li>EMAS Registration Renewal, which includes the achievement of the Environmental Program goals</li> </ul>	<ul style="list-style-type: none"> <li>80% of the new funds entered in the platform in 2024 (ISIN) reported a Fineco ESG rating ≥ 6;</li> <li>In 2024, the customer satisfaction, as calculated by a third-party company on the basis of a proprietary algorithm, reached 100 points;</li> <li>In 2024, the Environmental Management System was verified by an independent Environmental Auditor to confirm its adherence to the EMAS Regulation, which resulted in the successful outcome of the verification without highlighting any non-conformity and in the renewal of the EMAS certificate. The progress of the targets of the Environmental Program was also verified by the Auditor, confirming that they were achieved in line with the deadline, e.g. with reference to the launch of the new green loan product and to the roll-out of the new photovoltaic system at the headquarters.</li> </ul>				•	
		7	5% <b>Tone from the top on conduct and compliance culture</b> vs qualitative assessment based on: <ul style="list-style-type: none"> <li>Promotion of initiatives aimed at fostering staff integrity, sustainable behaviours, customer protection and trustworthiness by enhancing risk &amp; control culture.</li> <li>The overall status of audit, compliance and External Authorities findings considering the type, severity and the timely completion of the related remedial actions.</li> </ul>	<ul style="list-style-type: none"> <li>In 2024, different initiatives were implemented to promote sustainability behavior and culture such as specific ESG training for employees and dedicated communications on internal and external channels (company intranet, e-mail, social media, public website) focusing on relevant sustainability topics. In addition, 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.</li> <li>Overall compliance and audit findings as at the end of 2024 show neither critical open findings nor critical/major overdue findings.</li> <li>All requests/evidence from external authorities have been promptly managed by involving the relevant functions of the Bank</li> </ul>			•		



# Focus on CEO and GM compensation



- According to the overall performance assessment (resulting in **Exceeds Expectations**) and the excellent results achieved by the Company, the Chief Executive Officer and General Manager was awarded a **short-term variable bonus for the performance year 2024 equal to € 1,000,000**, in line with the principle of Pay for Sustainable Performance.
- For the purpose of applying the ratio of variable to fixed remuneration, it should be noted that the Chief Executive Officer and General Manager **received a fixed remuneration of € 1,000,000** and that **an annual pro rata amount of € 1,000,000 related to the long-term variable remuneration (LTI 2024-2026)** 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 2024 performance will be paid in cash and in shares, with an **upfront portion equal to 40%** and a **deferred portion equal to 60%**, which considers the period of unavailability of the shares both upfront and deferred, as required by law.

# Annex

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Remuneration policy and report

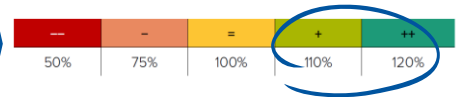
# CRO Dashboard assessment mechanism - STI

- FinecoBank Incentive Systems are risk-adjusted, consistently **with the Risk Appetite Framework**.
- For the purposes of Short-Term Incentive Systems, FinecoBank implements this principle through the use of the so called **‘CRO Dashboard’**.
- The CRO dashboard includes **KPIs of 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 2025 dashboard:

SAMPLE

DIMENSION	2025			
	KPIs	Risk Appetite	Risk Tolerance	Risk Capacity
Capital	CET1 Ratio (%)	--%	--%	--%
	MREL-LRE (%)	--%	--%	--%
Liquidity	LCR (%)	--%	--%	--%
	NSFR (%)	--%	--%	--%
Risk & Return	RAROE	--%	--%	--%
Credit	Expected Loss stock (%)	--%	--%	--%
Interest Rate Risk on Banking Book	EV Sensitivity (%)	--%	--%	--%
Operational, ICT & Cyber Risk	Operational Risk Losses / Revenues	--%	--%	--%
	ICT & Cyber Risk Index	--	--	--

CRO Dashboard Assessment and corresponding Bonus Pool adjustment ranges\*:



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Only with EVA >0

\* The CRO Dashboard assessment used for PFA's Incentive Systems provides a correction range of 125% (instead of 120%) in correspondence of ++ sign

**Thanks!**

