MONTE DEI PASCHI DI SIENA
BANK SINCE 1472

Report on the remuneration policy 2024 and on compensation paid

Courtesy translation: in case of discrepancy between the Italian language original text and the English language translation, the Italian text shall prevail.

Letter from the Chairperson of the Remuneration Committee

Gianluca Brancadoro

Dear Shareholders,

as Chairman of the Remuneration Committee, I am pleased to present the Annual Remuneration Report of Banca Monte dei Paschi di Siena for 2024. Consistent with previous years, the 2024 Remuneration Policy ensures a link with the strategic guidelines outlined in the 2022-2026 Business Plan "A Clear and Simple Commercial Bank", in order to generate a positive impact for people, customers, stakeholders and the environment, within the framework of clear and transparent governance.

The year 2023 saw the renewal of the Board of Directors and the establishment of a new Remuneration Committee, which has worked to equip the Bank with remuneration tools and architectures that take into due consideration remuneration benchmarking analyses and are suitable for making the Bank competitive in the labour market, functional to the pursuit of corporate objectives and consistent with investors' expectations for the future, with a view to the pursuit of sustainable success and long-term value creation.

The Bank's governance model guarantees full cooperation between the various bodies and functions, as well as adequate control and a precise scanning of the prodromal acts for all remuneration decisions taken within the Group, ensuring that they are taken in an independent, informed and timely manner, in order to avoid conflicts of interest or unfairness.

The Committee took part in each phase of the remuneration processes, discussing them with the Bank's structures, verifying alignment with the commitment to value creation, through the close "pay for performance" link, as the guiding principle of the incentive system.

The main objective was to direct the definition of a remuneration policy that, in support of the Group's strategy, would be aligned with the corporate values, based on principles of fairness and merit, sobriety, transparency, and long-term orientation, and at the same time be capable of attracting, motivating and retaining the best professionals in a particularly complex and challenging context, which must also take into account the commitments assigned by the European Commission as part of the 2022-2026 Business Plan.

Confirming this approach, the architecture defined for the short-term incentive system aimed at combining a responsible approach in the conscious management of business risks and a self-financing mechanism of the systems themselves. The correct focus on the Group's performance has also been envisaged, with attention to the different business areas, confirming the commitment to sustainability issues, through the focus on ESG indicators pertaining to the environmental sphere and gender equality, related to the Sustainability Plan approved by the Board of Directors in 2023.

The Policy also clearly outlines the remuneration structure of the CEO, the criteria by which incentives are linked to economic-financial and social responsibility objectives, the drivers of incentives for all Identified Staff and, therefore, of value creation for all employees and collaborators.

The remuneration strategy for 2024, aligned with regulatory forecasts, the indications of investors and proxy advisors and market best practices, also reflects the excellent results achieved, in advance of the 2022-2026 Business Plan, supported by financial discipline and cost control, operational efficiency and careful risk management, as well as a general context that is more favourable than in recent years.

The remuneration policy I am presenting to you is based on fairness and inclusion, as a commitment to create conditions of entry and progression that generate a work environment in which each person's objective contribution, professional skills and personal qualities are promoted and fully valued, regardless of gender, age and/or other personal characteristics; the encouragement of equal opportunities; attention to generational change; listening, involvement and participation of employees, supported and accompanied in the assumption of responsibility towards growing professional challenges; sustainability, pursued through the inclusion of ESG parameters in staff remuneration mechanisms.

Particular attention has been paid to the issue of gender neutrality in politics, with the aim of achieving the progressive and substantial reduction of the gender pay gap. In this context, the Group is implementing a cultural path leading to the recognition and enhancement of diversity in all its meanings, and the numerous initiatives implemented have led to the acquisition of the Gender Equality Certification at the end of 2023. This result confirms the Group's concrete commitment to pay equity between women and men and to the creation of an inclusive work environment, guaranteeing everyone equal opportunities for work and professional growth.

For their commitment to the Committee's activities and for their significant contribution in terms of critical discussion and ideas, I sincerely thank my fellow Committee members Paola De Martini, Lucia Foti Belligambi, Anna Paola Negri-Clementi and Renato Sala.

Finally, I would like to thank you Shareholders for your attention to this Report and for your contribution, hoping that it will meet with your broad approval at the Shareholders' Meeting.

Kindest regards,

Gianluca Brancadoro

Chairperson of the Remuneration Committee

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INTRODUCTION AND OVERVIEW

Foreword

The Report on the 2024 remuneration policy and on compensation paid (hereinafter "**Report**") is defined in **compliance** with the relevant legal and regulatory system and **fulfils** the **disclosure obligations** envisaged by Consob regulations and by the Bank of Italy's Supervisory Provisions.

The year 2023 saw the Bank **return to profits**, two years in advance of what was envisage in the 2022-2026 Business Plan "A clear and simple commercial Bank". The Bank aims to further accelerate its growth process, encouraging employees to be responsible for the new challenges set out in the Business Plan and bolstering their commitment through meritocratic policies whose ultimate goal is to:

- promote the dissemination of a strong **corporate culture** geared towards the **creation of long-term value**
- be increasingly effective in meeting customer needs
- contribute to the pursuit of the Group's long-term economic/financial interests, and to the company's "sustainable success"
- motivate and retain employees and their skills, promoting generational turnover
- be attractive to the outside world.

As further proof of the enhancement of the Bank's human capital and the strengthening of the commercial coverage of the market, at the meeting of 6 February 2024, the Board of Directors approved new appointments to the top management of some key functions, testament to the enhancement of the assets of internal professional skills through targeted policies for the **development of its internal talents**, as well as the appointment of the Deputy Sales General Manager and Acting Deputy General Manager.

The core themes of the 2022-2026 Business Plan include the creation of a **sustainable development** model of which the enhancement of plurality, inclusion, and **equity** are key elements for fostering long-term value creation.

As confirmation of the Group's commitment to implementing this model, it is worth mentioning the recognition, at the end of 2023, of the **Gender Equality Certification**[1], concrete

[1]The "Gender Equality Certification" system is a measure envisaged by the National Recovery and Resilience Plan (NRRP) approved by the European Union.

evidence of the attention to **increasing diversity** and **inclusion** as part of the **human capital** development policy within the Group (see paragraph 1.2 below).

Lastly, 2023 also saw the **renewal of the National Labour Agreement** (CCNL) until 31 March 2026, both for the economic and regulatory aspects, which involved all companies in the banking sector.

The economic rewards defined are aimed at making up for inflation and redistributing the value created, within a more solid regulatory and contractual framework and guaranteeing greater protection. The main changes set out in the agreement, in particular, starting from 1 July 2023, include the increase in gross remuneration (equal to EUR 435 for the average reference level over the period 2023-2026) and the restoration of the full calculation basis for employee termination pay. In the Group, the first payment of salary increases took place in December 2023, while subsequent payments will be made between September 2024 and March 2026.[2]

Structure of the 2024 Report

Section I	The first section of the Report on the Remuneration Policy: > **indicates** how policies contribute to the corporate strategy, the pursuit of long-term interests and the sustainability of the company. It is determined by taking into account the compensation and working conditions of the company's employees > **defines** the various components of remuneration that can be recognised > **specifies** the elements of the policy which, in the presence of the exceptional circumstances indicated in article 123-ter, paragraph 3-bis, of the Consolidated Law on Finance, it is possible to derogate from

The remuneration and incentive policies for the banking sector are subject to specific European and national regulations. The Report is therefore prepared on the basis of the provisions of the Consolidated Law on Finance[3] and the Issuers' Regulations[4] and also takes into account the disclosure obligations to be provided to the Shareholders' Meeting in

[2] The awards will be disbursed in four tranches on 1 December 2023 (also including arrears from July 2023), 1 September 2024, 1 June 2025, 1 March 2026.
[3] Article 123-ter of Italian Legislative Decree no. 58/1998, as subsequently amended ("Consolidated Law on Finance")
[4] According to the provisions of Schedule 7-bis of Annex 3A to the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended ("Issuers' Regulations").

accordance with the Supervisory Provisions of the Bank of Italy[5] and Regulation EU no. 637/2021[6].

The Report is divided into two separate sections:[7]

- the first concerns the Bank's remuneration and incentive policies for 2024, with reference to the corporate bodies of the Bank and its subsidiaries, and the Group's employees and associates, as well as the processes for implementing such policies, illustrating their contribution to the business strategy, the pursuit of long-term interests and the sustainability of Group operations. The Shareholders' Meeting resolution on said section is binding.
- the second section, accompanied by statements with detailed and aggregated quantitative information, provides details on the application of the policy in relation to the compensation paid with reference to 2023. The Shareholders' Meeting resolution on the second section is non-binding.

Regulatory context

In 2023, a series of new rules on remuneration were issued, some of which have not yet entered into force:

- Directive (EU) 2023/970[8] of the European Parliament and of the Council of 10 May 2023 ("pay transparency"), published in the Official Journal of the European Union on 17 May 2023, aimed at strengthening the application of the principle of equal pay for men and women for equal work or work of equal value set forth in art. 157 TFEU and the Directive 2006/54/EC on equal pay. By 7 June 2027, companies with more than 250 employees will be required to report annually to the competent national authority on the gender pay gap within their organisation. If the report reveals a pay gap of

[5] Circular no. 285 of 17 December 2013 of the Bank of Italy, as subsequently supplemented and amended (the "Supervisory Provisions" or "Circular 285")
[6] Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to the publication by institutions of the information referred to in Part Eight, Titles II and III, of Regulation (EU) no. 575/2013 of the European Parliament and of the Council and repealing Implementing Regulation (EU) no. 1423/2013 of the Commission, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295.
[7] The division into two separate sections complies with the provisions of the Consolidated Law on Finance and the Issuers' Regulations
[8] Member States must adopt and publish, by 7 June 2026, the laws, regulations and administrative provisions needed to comply with the Directive.

more than 5% that is not justifiable on the basis of objective and gender-neutral criteria, companies will be required to act by carrying out a joint assessment of pay in collaboration with workers' representatives;

- Directive (EU) 2023/2225[9] of the European Parliament and of the Council of 18 October 2023 on consumer credit agreements, which repeals Directive 2008/48/EC, published in the Official Journal of the European Union on 30 October 2023, issued in order to ensure that all consumers in the Union enjoy a high and equivalent level of protection of their interests and to create a well-functioning internal market. In particular, there is a need to establish and apply remuneration policies for personnel responsible for creditworthiness assessment consistent with sound and effective risk management, ensuring that remuneration does not depend on the number or percentage of credit applications accepted and, on the sales objectives, and that an assumption of risks exceeding the level of risk tolerated by the creditor is not to be encouraged;

- the “Guidelines on certain aspects of the MiFID II remuneration requirements”, published on 3 April 2023, which aim to promote greater convergence in the interpretation of the MiFID II remuneration requirements, as well as the requirements on conflicts of interest and MiFID rules of conduct in the remuneration sector, as well as in the supervisory approaches relating to these requirements. In particular, these guidelines apply to the remuneration requirements[10], the requirements on conflicts of interest[11] and remuneration, as well as the rules of conduct[12]. The guidelines also clarify the application of the governance requirements of remuneration policies[13];

- the Final Report “On the Guidelines on benchmarking of diversity practices, including diversity policies and gender pay gap, under Directive 2013/36/EU and Directive (EU) 2019/2034” published on 18 December 2023 by the European Banking Authority (“EBA”) initiate the benchmarking exercise on diversity practices, including diversity policies and the gender pay gap with reference to the composition of the

[9] Member States must adopt and publish, by 20 November 2025, the laws, regulations and administrative provisions necessary to comply with the Directive, whose application is effective from 20 November 2026.
[10] Article 27 of Delegated Regulation (EU) 2017/565 (Delegated Regulation MiFID II.
[11] Article 16, paragraph 3, and Article 23, Directive 2014/65/EU (MiFID II); Article 34 of the MiFID II delegated regulation.
[12] Article 24, paragraphs 1 and 10, MiFID II.
[13] Article 9, paragraph 3, MiFID II.

administrative body of credit institutions and investment firms pursuant to CRD IV and IFD. This analysis will allow competent authorities to monitor trends in diversity over time, including the identification of common practices for gender pay gap policies. They will apply to institutions and investment firms and will include templates and instructions for the collection of diversity data, which currently is foreseen every three years, with first application in 2025 for the 2024 data.

In addition, the EBA specified that:

- data regarding the "Guidelines on benchmarking exercises on remuneration practices, gender pay gap and higher ratios approved pursuant to Directive 2013/36/EU" (EBA/GL/2022/06) relating to the financial year 2023 must be sent to the Bank of Italy by 15 June 2024 and by the Bank of Italy to the EBA by 31 July 2024;

- the data concerning the "Guidelines on the data collection exercise concerning *"high earners"*[14] pursuant to Directive 2013/36/EU and Directive (EU) 2019/2034" (EBA/GL/2022/08) relating to the financial year 2023 must be sent to the Bank of Italy by 15 June 2024 and by the Bank of Italy to the EBA by 31 July 2024.

The Bank of Italy has adopted both of these guidelines, with the communication "Remuneration Systems. Communication for the collection of data from banks and investment firms in implementation of the EBA guidelines" published on 2 December 2022. To contain the reporting burdens of the companies receiving the guidelines, the EBA has replaced the current benchmarking tables with those used for public disclosure purposes pursuant to EU Regulation 2021/637 (the Implementing Technical Standards, ITS), thereby reducing the reporting burden on institutions, which will be able to make the same information available to the public and share it with the competent national authority and the EBA. The tables have been supplemented by additional reporting schemes that allow the EBA to fulfil the reporting obligations included in the CRD (for example in relation to the gender pay gap).[15]

[14] *High earners* are those with a total remuneration of at least EUR 1 million on an annual basis.
[15] *Capital Requirements Directive.*

On 14 December 2023, the Chairperson of the Corporate Governance Committee, as part of the annual report on the application of the Corporate Governance Code, sent the annual letter to listed companies in which it not only provided information on the implementation of the recommendations for 2023, but contained specific recommendations for 2024. Without prejudice to the Corporate Governance Code, the recommendations for 2024 have no impact on the Remuneration and Incentive Policies.

SECTION I – 2024 GROUP REMUNERATION AND INCENTIVE POLICY

1. PURPOSE OF THE REMUNERATION POLICY AND MAIN CHANGES FOR 2024

The Group's remuneration policies are geared towards creating sustainable value over time, ensuring the motivation and loyalty of all employees, and attracting external professionals, fully compliant with the risk-governance policies. Below is a representation of our goals:

Our goals

- **achievement of short and long-term strategic objectives**, strengthening the link between remuneration and performance through the application of remuneration mechanisms consistent with the principles of sustainability
- implementation of clear and transparent governance mechanisms **for all stakeholders involved**
- implementation of processes aimed at **enhancing the merit and growth of employees, increasing their motivation and retention** with a view to gender neutrality, highlighting diversity and promoting inclusion
- **attention to risk**, with an appropriate balance between the fixed and variable components of the remuneration (Pay-Mix) that does not lead to risky and short-term-oriented behaviour, consistent with the reference legislative and regulatory framework
- **gender neutrality** also through the commitment made to reducing the gender pay gap
- **ensuring equal economic treatment** within the company and **external competitiveness**, also through constant comparison with market practices, taking into account the reference legislative and regulatory framework applicable to the Bank
- **compliance with legal,** regulatory and statutory provisions, and any applicable codes of ethics or conduct

The 2024 remuneration policy was defined in substantial continuity with 2023, also in consideration of the broad consensus received during the Shareholders' Meeting of 20 April 2023 (for details see Section II par. 1.2) and the connection with "pay-for-sustainable performance". It was confirmed that the incidence between the variable and fixed components of individual remuneration does not exceed the ratio of 1:1.

With regard to the "2024 Incentive System", compared to 2023, the approach to the bonus pool funding is confirmed in close correlation with the results obtained and the prospective riskiness. As part of the CRO Dashboard for the Risk Assessment, a more prudential scheme was adopted with an Appetite - Limit - Tolerance range. Among the conditions for access to the incentive system, the reference to the Risk-Adjusted Return On Capital ("RAROC") was maintained, with this indicator needing to be at least positive, taking into account the stringent profitability targets present in the scorecards.

Furthermore, with reference to the scorecards intended for the Chief Executive Officer and General Manager and the remaining Identified Staff, there remains a correlation with economic, financial, ESG and risk-related objectives.

Lastly, as regards the main changes compared to the previous year, it should be noted that, for 2024, the ESG composite KPI is structured into at least 3 shared indicators and indicators for specific businesses, defined in line with the Sustainability Plan.

Details relating to the objectives of the Chief Executive Officer and General Manager are provided in paragraph 4.5.2. of the first section.

1.1 The sustainability objectives in the MPS Group strategy

One of the main commitments of the MPS Group (hereinafter Group), also confirmed in the 2022-2026 Business Plan, is to be an active part of the transformation of the economic and social context, fostering the transition towards sustainable development models and towards a low-emission economy.

In this context, the Bank, fully aware of the importance of reconciling business development and financial soundness with social, environmental and governance sustainability, to direct its activities towards the creation of shared value in the long term, pursues the gradual integration of sustainability principles in its own strategy and in the decision-making processes, according to the three environmental, social and governance (ESG) guidelines. This process, detailed in the Bank's Sustainability Plan, targets an even more informed use of natural resources and the creation of a more inclusive working environment open to the values of diversity and gender neutrality, by pursuing improvement in the Bank's risk profiles.

Policies will be focused on the principles of efficiency, equity, transparency, sustainability, on the desire to value merit and correspondence between performance and personal recognitions, while also paying the utmost attention to avoiding conflicts of interest and strengthening the culture of regulatory compliance.
The intent is to increasingly effectively contribute to the pursuit of the Group's long-term economic/financial interests, but also to the company's "sustainable success". The priority objective of creating value for shareholders over a medium/long-term time horizon indeed cannot disregard the pursuit of objectives in the interest of other relevant stakeholders for the company.
In this scenario, remuneration policies can play a strategic role, through adequate balancing and sizing of the variable remuneration component with respect to the fixed component, and ensuring that the variable part of remuneration is connected to both financial and non-financial *performance* parameters, the latter also linked to ESG targets.

Particular attention is paid not only to the results achieved, through a direct link between performance and remuneration, but also an evaluation of the objectivity and measurability of the conditions to which remuneration is subject and the indicators used to measure it. To this end, over the annual horizon of the Report, a detailed and balanced framework of objectives is expected to be maintained to guarantee the profitability of the company as a whole and reinforce operational efficiency in traditional business sectors.
The remuneration policy therefore supports the Group's commitment to combine the requirements of the 2022-2026 Business Plan to achieve sustainable profitability and the observance of a rigorous financial discipline, ensuring the sustainability of future actions and projects.

1.2 Gender equality and inclusion

The Bank is committed to supporting a systemic process of cultural change aimed at achieving full gender equity. The value enhancement of plurality, inclusion and equity, including gender neutrality, represents a fundamental element of an effectively sustainable development model and therefore constitutes one of the Company's paradigms and strategies, fully aware that a fusion of the unique facets of individuals contributes to the strength and reputation of the company.

These principles, reaffirmed in the Gender Equality Policy[16], are the basis of all the policies implemented by the Bank, not only in terms of remuneration, but also, during recruitment, career development, and the drafting of succession plans and access to training.

For this reason, a comprehensive vision of diversity has been adopted:

- undertaking actions that constantly guarantee the recognition of the uniqueness of human capital, as a source of wealth and intangible assets for the company
- committing to offer everyone the same opportunities
- aspiring to enhance the skills, experience and qualities of each person, encouraging the development of potential and engagement
- promoting collaboration, innovation and creativity
- encouraging freedom of expression
- ensuring adequate, safe and inclusive working conditions and environments
- paying close attention to reconciling the company's objectives and needs with the personal and family needs of employees.

On the basis of these programmatic principles, in 2023 the Bank started pre-certification activities, obtaining, at the end of the same year, the "Gender Equality Certification", through which our Group started out on a path of change, also undertaken by some of the major UNI/PdR 125 certified Italian banks.

The assessment process for the "Gender Equality Certification", which the Group has voluntarily adhered to, was conducted by an external company accredited as a certification body[17], based on thirty-one performance indicators, divided into six specific thematic areas: Culture and strategy, Governance, HR processes, Opportunities for the growth and inclusion of women in the company, Gender pay equity, Protection of parenting and work-life balance.

[16] The document in which the Bank notifies all stakeholders of their commitments in terms of *valuing diversity*, inclusion, equity and parity that the Company aims to pursue in all phases of the professional life of each person, in terms of organisational and operational aspects, internal and external communication and their relationship with the local area.

[17] The company which conducted the assessment process for the Group was RINA Services.

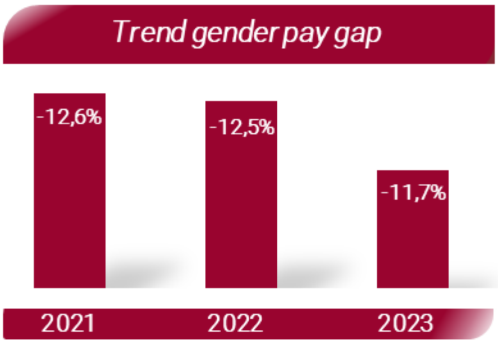
The remuneration policies are an integral part of this process, both because they are inspired by the principles of fairness, inclusiveness, sustainability and the enhancement of diversity, and because they are based on merit, on skills and on the application of principles that make no distinctions on the basis of age, gender, sexual orientation, marital status, religion, language, ethnic or national origins, physical or mental disabilities, maternity, paternity or adoption status, personal beliefs, political opinions, trade union affiliation or activity.

In order to achieve increasingly greater remuneration consistency between roles and responsibilities and to pursue pay fairness, also with a view to attraction and retention, the Bank undertakes to offer remuneration in line with:

- the market
- the role held
- the skills, abilities and professional experience of each employee
- the individual contribution to objectively assessed company performance.

The organisational model and the processes adopted are also **aimed at reducing any gap with respect to the less represented gender** with the aim of achieving equal pay.

To this end, for some time now the Bank uses systems for measuring organisational positions that take into account the responsibilities and complexities relating to the different roles, a detailed description of which is provided in the paragraphs below (see paragraph 4.1) This objective approach to the weighting of positions helps to ensure that the remuneration policy is gender neutral and makes it possible to pursue equal pay, **as evidenced by the narrowing** of the **gender pay gap**[18] in the Group recorded in recent years (see chart). At the end of 2023, the gap stood at **-11.7%** in percentage terms.



The decrease highlighted reflects the synergies between the management actions implemented by

[18]Understood as the average total monetary remuneration of women compared to men.

the Group companies - attention to development and managerial paths, rationalisation of the workforce, focus on incoming staff[19] - and the related salary initiatives[20].

With this in mind:

- for some time now, the Bank has had a Joint **Commission on Equal Opportunities** in place, which is responsible for sharing female employment indicators in the company, as well as identifying appropriate empowerment policies in order to accelerate practical solutions aimed at pay equality between men and women across all levels of the organisation.
- The **Corporate Observatory**[21] is tasked with specific monitoring of situations potentially detrimental to the dignity of workers.

As further proof of the commitment and attention to these issues, the Bank has also signed up to the "Memorandum of Understanding between the Minister for the Family, Birth Rate and Equal Opportunities and the Italian Banking Association for preventing and combating violence against women and domestic violence". Participation is consistent with the other initiatives promoted by ABI, which the Bank has already adhered to in previous years, including the "Women in banking charter" and the "Memorandum of understanding to encourage the repayment of loans by victims of gender-based violence".

[19] Consistent with the objectives and timelines of the 2022-2026 Business Plan, the rationalisation process, which began at the end of 2022, was accompanied by voluntary exits through the use of the Solidarity and Redundancy Fund and the organisational review, and associated reallocation of personnel, resulting from corporate simplification transactions (incorporation of the Group Operating Consortium, MPS Capital Services and MPS Leasing & Factoring).
[20] For further information, please refer to Section II, paragraph 1.6.
[21] In line with the principles of the "Protocol on the sustainable and compatible development of the banking system" of 16 June 2004.

Focus: our results and our commitment

These actions are also reported in the Business Plan, within the thematic areas envisaged by UNI/PdR 125:2022. For further information on Diversity & Inclusion issues, please refer to the Non-Financial Statement.

2. GOVERNANCE RULES

Governance rules	The **governance model** > **aims to ensure the correct implementation of the Group's remuneration practices** > is defined in **compliance with the legal and regulatory system** of reference > **guarantees correct disclosure in compliance with the provisions of the Supervisory Authorities**

The Bank adopts governance rules and decision-making autonomies on the remuneration and incentives of Group personnel, which can be implemented according to an approach based on consistency and respect for the business of the individual companies to which the personnel belong. These rules are identified with the aim of ensuring clarity and reliability in the related decision-making processes, through adequate monitoring of remuneration practices and decisions taken in an independent, informed and timely manner, at a level considered appropriate to avoid conflicts of interest and ensure correct disclosure in full compliance with the provisions of the supervisory authorities.

The **By-Laws**[22] and the Group's internal regulations, approved by the Bank's Board of Directors in compliance with the reference legal and regulatory system (in particular, the Supervisory Provisions[23] and the relevant European regulations, the Consolidated Law on Finance and the Corporate Governance Code to which the Bank adheres), draw up a clear process for the definition and implementation of the Group's remuneration and incentive policies.

Special attention is paid to the identification of principles and responsibilities aimed at defining, on an annual basis, the perimeter of **Identified Staff**, i.e. staff whose professional activities have or may have a significant impact on the risk profile of the Bank or the Banking Group, identified as such by the Bank in accordance with the relevant legislative and regulatory provisions[24] and recipients of adequate incentives to ensure their professional and prudent conduct.

[22] Available on the Bank's website at the address *www.gruppomps.it* section Corporate governance - Governance Model.
[23] Circular no. 285 of 17 December 2013 of the Bank of Italy, as subsequently supplemented and amended (the "Supervisory Provisions" or "Circular 285")
[24] As defined by Circular no. 285 of 17 December 2013 of the Bank of Italy, as subsequently supplemented and amended (the "Supervisory Provisions" or "Circular 285") and in compliance with Delegated Regulation (EU) 2021/923.

Parties that define the remuneration and incentive policies of the Montepaschi Group personnel

SHAREHOLDERS' MEETING[25]: DUTIES AND RESPONSIBILITIES

The **Shareholders' Meeting**:

- determines the fees for directors and statutory auditors;
- determines the fee of the Chairperson of the Board of Directors;
- **annually approves the remuneration and incentive policies**, contained in the Remuneration Report, Section I, within a binding vote, and the payment plans based on financial instruments in favour of the board directors, employees and other business partners who are not bound by employment relationships with the Bank[26];
- resolves with a non-binding vote on Section II of the Remuneration Report, which provides an adequate representation of the items that make up the remuneration and illustrates by name for the members of the Board of Directors and the Board of Statutory Auditors, the general managers and in aggregate form, for the key management personnel, the remuneration paid in the reference year, for any reason and in any form, by the company and by its subsidiaries or associates, as well as describing how the Company took into account the vote expressed in the previous year on Section II of the Remuneration Report;
- approves the criteria to calculate the remuneration to be agreed in the event of early termination of employment, or early termination of office (including the limits set for said remuneration in terms of annuality of the fixed remuneration and the maximum amount resulting from application of the criteria.

[25] At the date of this Report, the By-Laws of the Bank do not provide the right for the Shareholders' Meeting to resolve, at the time of approval of the remuneration and incentive policies, on any proposal by the Board of Directors to set a limit on the ratio between the variable and fixed components of individual remuneration higher than 1:1, in compliance with the limits indicated by the Supervisory Provisions in force. At Group level, the Shareholders' Meeting that is competent to decide on the proposal to set a limit of more than 1:1, is that of the individual bank in which the personnel to which the decision refers works. The Bank, in its role as Parent Company may only vote in favour of the proposed increase of the aforementioned limit submitted to the Shareholders' Meeting of a bank of the Group if permitted by the remuneration policy of the Group approved by the Shareholders' Meeting of the Parent Company or if Shareholders' Meeting of the Parent Company has in any event voted in favour thereof. For further details on this topic, see paragraph 4.7.3 of the Report.

[26] Pursuant to the Bank's internal regulations, the parties indicated in relation to the payment plans based on financial instruments also include financial advisors authorised to sell on indirect sales channels as agents, and the Bank's business partners, insurance agents and financial agents.

BOARD OF DIRECTORS: DUTIES AND RESPONSIBILITIES

The **corporate body** with strategic functions:

- prepares, with the support of the Remuneration Committee and the competent corporate functions involved, and submits to the Shareholders' Meeting the Report on Remuneration and on compensation paid, drawn up in compliance with the obligations pursuant to Article 123-ter of the Consolidated Law on Finance and those deriving from the Supervisory Provisions, implementing it once approved;
- establishes **the remuneration of the directors holding particular offices**, in compliance with the By-Laws and the rules currently in force, including the directors that are members of the Board's internal committees pursuant to article 17 paragraph 4 of the By-Laws (Appointments Committee, Remuneration Committee, Risk and Sustainability Committee and the Related Parties Transactions Committee), except for the remuneration of the Chairperson of the Board of Directors, which is set by the Shareholders' Meeting. The relevant resolutions are passed by the Board of Directors on the proposal of the Remuneration Committee, with the prior opinion of the Compliance Function and with the opinion of the Board of Statutory Auditors;
- defines, pursuant to Bank of Italy Circular 285[27], **the remuneration and incentive systems** at least for the following parties: Executive Directors; General Manager; Co-General Managers and similar figures, the Managers of the main business lines, company functions or geographical areas, those who report directly to the bodies with strategic supervision, management and control functions, the Managers and senior staff of the Company Control Functions.
- ensures that the remuneration and incentive systems are **suitable to guarantee compliance** with the provisions of law, regulations and the By-Laws as well as any codes of ethics or conduct, promoting the adoption of compliant behaviour;
- adopts the **measures relating to the legal and economic status** of the General Manager, the Deputy General Managers, the Heads of the internal audit, compliance, risk control and anti-money laundering functions;
- resolves on the **rules concerning the legal and economic status of the staff**, including base salary and allowances, which like any other rules must be approved in accordance with law;
- ensures that personnel remuneration is **consistent with the overall decisions of the Bank** in terms of risk-taking, strategies, long-term objectives, corporate governance structure and internal controls;
- annually approves the Group's economic allocation for variable instruments (***bonus pool***), based on the proposal of the Remuneration Committee and having received the opinion of the Compliance Function and the Risk and Sustainability Committee, which assesses its consistency with the Risk Appetite Framework;

[27] Circular no. 285 (First Part, Title IV, Chapter 2, Section II, Role and responsibilities of the Shareholders' Meeting and corporate bodies).

- approves annually, on the proposal of the Remuneration Committee, the ***gates*** for the payment of variable remuneration;
- approves, on the proposal of the Remuneration Committee, the activation of the "Core" variable instruments;
- approves, on the proposal of the Remuneration Committee and with the opinions of the competent corporate functions, the application of any exceptions to the policy in compliance with the criteria set out in the Remuneration Report recently approved by the Shareholders' Meeting, providing reports to the latter, according to the procedures and the levels of detail defined by the external regulations applicable from time to time;
- as part of the periodic review of remuneration policies, analyses, with the support of the Remuneration Committee, their gender neutrality and evaluates any gender pay gap and its evolution over time, documenting the reasons for any ***gender pay gap***, also in order to identify and adopt practical and targeted actions aimed at gradually reducing the gap.

REMUNERATION COMMITTEE[28]: DUTIES AND RESPONSIBILITIES

This internal board body has advisory and proposal-making functions, in particular:

- is responsible - also with the support of the Risk Management Function, whose head is appropriately involved in the meetings of the Committee itself - for expressing an independent opinion on the Group's remuneration policies and practices, in general, with reference to the balancing of the objectives of personnel engagement/retention and reducing corporate risk;
- makes proposals to the Board of Directors regarding the remuneration and economic treatment of the persons whose remuneration structure is the responsibility of the Board of Directors
- periodically assesses the criteria adopted for the remuneration of the key management personnel and monitors application thereof, providing general recommendations to the Board of Directors on this subject;[29]
- directly supervises the correct application of the rules on the remuneration of the managers of the Company Control Functions, in close cooperation with the body with control functions (Circular 285[30]);

[28] For further information on the activities carried out by the Committee in 2023, please refer to the Report on Corporate Governance and Ownership Structure published on the Bank's website www.gruppomps.it - Corporate Governance - Governance Model.
[29] See By-Laws, art. 17, paragraph 4, letter a).
[30] See note no. 27.

- prepares the documentation to be submitted to the strategic supervisory body for the related decisions (Circular 285[31]).

The regulation of the Remuneration Committee envisages that, if members have a personal interest or represent that of others with regard to a matter on the agenda, they should inform the Committee of this and abstain from attending in the meeting, it being understood that no Director should take part in Committee meetings in which proposals are to be made to the Board of Directors regarding the remuneration of said Director[32].

The regulation of the Remuneration Committee states that, in order to carry out its duties, it may employ independent external advisors and experts in remuneration policies[33].

The remuneration of the members of the Remuneration Committee, as non-executive directors, is not linked to the Group's economic results and, therefore, incentive plans of any nature whatsoever are not envisaged for the same (see paragraph 4.2).

Members in office as at 31 December 2023[34]

- *Gianluca Brancadoro (Chairperson)*
- *Paola De Martini (member of the minority list)*
- *Lucia Foti Belligambi*
- *Anna Paola Negri-Clementi*
- *Renato Sala*

as Independent Directors[35].

[31] See note no. 27.
[32] Indication provided also in accordance with the "CRD Directive" (Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, as subsequently amended, on access to the activity of credit institutions and prudential supervision of credit institutions and investment firms).
[33] The Remuneration Committee for 2024 decided to engage an external and independent advisor, Chaberton Partners.
[34] The Remuneration Committee was appointed by the Board of Directors on 20 April 2023 following the renewal of the Board itself. Following the resignation from office, on 13 November 2023, of director Marco Giorgino (who was also a member of the Remuneration Committee), on 14 December 2023, the Board of Directors appointed as new members of the Committee Paola De Martini and Lucia Foti Belligambi, while Laura Martiniello stood down as a member of this Committee at the same time.
[35] The directors were assessed as independent pursuant to the provisions of art. 15 of the By-Laws: independence requirements established by art. 147-ter and art. 148, paragraph 3, of the Consolidated Law on Finance, art. 13 of MEF (Ministry of Economy and Finance) Decree no. 169/2020 and art. 2 of the Corporate Governance Code.

RISK AND SUSTAINABILITY COMMITTEE[36]: DUTIES AND RESPONSIBILITIES

This internal Board Body, with advisory and proposal-making functions, in particular:

- assists the Board of Directors in defining the guidelines for the internal control and risk management system and in assessing the adequacy and effectiveness of this system;
- without prejudice to the responsibilities of the Remuneration Committee, ensures that the incentives underlying the Group's remuneration and incentive system are consistent with the Risk Appetite Framework ("**RAF**");
- expresses a prior opinion when determining the remuneration of the Managers of the Company Control Functions which, on the basis of the By-Laws and the regulations in force at the time, are decided by the Board of Directors;
- assists the Board of Directors in **sustainability** assessments and decisions, in the analysis of the relevant issues for the generation of long-term value, in the evaluation of the suitability of the periodic information - financial and non-financial - to correctly represent the business model, the Company's strategies, the impact of its activities and the performance achieved.

Members in office as at 31 December 2023[37]

- *Alessandra Giuseppina Barzaghi (Chairperson) (member of the minority list)*
- *Stefano Di Stefano*
- *Domenico Lombardi*
- *Paola Lucantoni*
- *Laura Martiniello*

as Independent Directors[38] with the exception of the director Stefano Di Stefano.

[36] For further information on the activities carried out by the Committee in 2023, please refer to the Report on Corporate Governance and Ownership Structure published on the Bank's website www.gruppomps.it - Corporate Governance - Governance Model.
[37] The Risk and Sustainability Committee was appointed by the Board of Directors on 20 April 2023 following the renewal of the Board itself. Following the resignation from office, on 13 November 2023, of director Marco Giorgino (who was also Chairperson of the Risk and Sustainability Committee), on 14 December 2023, the Board of Directors appointed Laura Martiniello as new Committee member, and the Committee appointed Alessandra Giuseppina Barzaghi, already a member of the Committee, as its Chairperson.
[38] See note 27.

OTHER CORPORATE BODIES: DUTIES AND RESPONSIBILITIES

The Chief Executive Officer and General Manager resolve, based on the powers delegated to them by the Board of Directors, on the legal and economic status of staff of all levels and status, except for the persons mentioned whose legal and economic status falls under the exclusive responsibility of the Board of Directors.

As General Manager, pursuant to art. 22 of the By-Laws, he/she is in charge of the personnel and exercises, with regard to the latter, the functions assigned to him/her by the regulations governing the relative employment relationships.

The Board of Statutory Auditors[39] expresses an opinion on the remuneration of directors holding special offices.

COMPANY FUNCTIONS: DUTIES AND RESPONSIBILITIES

The **Human Resources**, **Compliance**, **Risk Management**, **Planning, Internal Audit and Legal** functions of the Bank, according to their respective responsibilities and in such a manner to ensure the independence of the Company Control Functions, participate in the definition, planning, preparation and any revision of the remuneration and incentive policies and provide the necessary support to ensure they are in line with the reference regulatory framework and that they work properly.

The **Human Resources Function** implements the policies from a technical and operational view, overseeing their coordination at Group (and individual company) level, regarding both the fixed and the variable remuneration components, and ensuring - inter alia - consistency between the policies, the human resource management procedures and the remuneration and incentive systems of the Bank.

[39] According to the provisions of art. 2389 of the Italian Civil Code and with reference to the By-Laws of the Bank (art. 26, paragraph 3).

3. COMPLIANCE

Compliance	The **Bank's Corporate Control, Compliance, Risk Management and Internal Audit Functions** provide their contribution by **supporting** the corporate bodies in the design phase of the remuneration policies in order to make them **consistent** with the Bank's **risk appetite** and intervene in the corresponding implementation processes.

The Bank's Corporate Control Functions provide their contribution to the compliance of the Group's remuneration policies with the reference regulatory requirements and respect for the commitments undertaken by the Group towards stakeholders, with particular emphasis on monitoring the quality of the relationship with customers and engaging in effective behaviour for the correct management of this relationship.

In particular, the **Compliance** Function:

- verifies continuously and annually, in time for the Remuneration Report to be approved by the Shareholders' Meeting, the consistency of the remuneration policies and practices adopted according to the external regulatory framework;
- prepares a Report for the Remuneration Committee in which it highlights any areas of attention for compliance purposes;
- together with the Bank's Human Resources Function, defines the set of requisites that the aforementioned function is required to observe in the practical implementation of remuneration policies.

The **Risk Management** Function safeguards the sustainability of remuneration policies by monitoring their consistency and that of ensuing incentive systems with the Group's RAF, also producing a report to support the Risk and Sustainability Committee and providing adequate support to the Remuneration Committee.

The **Internal Audit** Function is required to verify, on an annual basis, that the remuneration practices are consistent with the policies approved by the Shareholders' Meeting and applicable legislation, making the Board of Directors and the Shareholders' Meeting aware of the results.

In preparing the remuneration policies, the Bank analysed the practices of the main banking groups and Bank made use, for the definition of some specific technical aspects, of the consultancy firm Willis Towers Watson[40]. The Bank also makes continuous use of said company for benchmarking activities (see paragraph 4.1)[41].

Relevant parties and credit intermediaries for the purposes of the Bank of Italy Provisions on the transparency of banking and financial transactions and services

The remuneration policies, pursuant to the Bank of Italy regulations on Transparency[42], also include the indication of the number of “relevant parties”[43] and “credit intermediaries”[44] to which they apply, as well as their role and functions. The role and functions of the relevant parties are indicated by business area, without prejudice to the distinction between parties that offer products directly to customers and parties to which they report hierarchically.

The objective of the remuneration policies and practices of “relevant parties” and “credit intermediaries” is to reconcile the needs of an increasingly competitive market with the legitimate expectations of shareholders, associates and customers, also taking into account the rights and interests of customers in relation to the offer of “products”.

In the overall assessment, the results of the monitoring of the structures responsible for verifying the correct relationship with customers are considered, together with corrective measures related to the assessment of other compliance and quality indicators, as well as the results of the audits by the Control Functions.

The Group informs the “relevant parties” and the “credit intermediaries”, in a clear and easy-to-understand way, of the remuneration policies and practices applicable to them, before they are responsible for offering the products. To this end, it should be noted that the agreements signed with the “credit intermediaries” must comply with the remuneration policies.

The Group annually reviews the remuneration policies and practices of “relevant parties” and “credit intermediaries” also in order to ensure a periodic assessment of the adequacy of the

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[40] Information also provided pursuant to Article 450 (1) (a) of EU Regulation 575/2013.

[41] Indication also provided pursuant to Directive 2017/828/EU (“Shareholder Rights Directive II”).

[42] The document “Provisions for the transparency of banking and financial transactions and services. Fairness of relations between intermediaries and customers”, issued by the Bank of Italy in March 2019, in implementation of the“ Guidelines concerning remuneration policies and practices relating to the sale and supply of retail banking products and services”, issued by EBA in 2016, contains some indications on how to prepare and approve the remuneration policies and their content.

[43] Bank of Italy - Provisions on transparency of banking and financial transactions and services. Fairness of relations between intermediaries and customers, section XI, par. 2-quater - relevant parties: Group personnel who offer products to customers, interacting with the latter, as well as those to whom these personnel report hierarchically.

[44] Bank of Italy - Provisions on transparency of banking and financial transactions and services. Fairness of relations between intermediaries and customers, section VII, par. 2 - credit intermediary: the parties identified as the financial agent, the credit broker as well as the party, other than the lender, who in exercising their commercial or professional activity, for a fee in cash or other economic advantage contained in an agreement and in compliance with the asset reserves, provided for by law, concludes credit agreements on behalf of the lender or carries out activities involving the presentation or proposal of credit agreements or other preparatory activities with a view to concluding such agreements.

controls adopted to address the risks described above. As indicated by the Bank of Italy regulations on Transparency mentioned above, provision is made for the involvement of the Compliance Function and, if at the end of the review, gaps or inadequacies are identified in the remuneration policies and practices, these are amended.

Identification of "relevant parties" and "credit intermediaries" as at 31 December 2023

In 2023, in accordance with current supervisory provisions on the transparency of banking and financial transactions and services, the Group identified the “relevant parties”. The list, broken down by business area as at 31 December 2023, is shown in the table below.

With reference, moreover, to participants in incentive systems or in general in variable remuneration plans:

- for personnel responsible for assessing creditworthiness, the remuneration policies and practices ensure prudent risk management by the Group;
- for personnel responsible for handling complaints, the remuneration policies and practices provide for indicators that take into account, among other things, the results achieved in the management of complaints and the quality of relations with customers.

Table: identification of "relevant parties" and "credit intermediaries" as at 31 December 2023

Banca Monte dei Paschi	Subjects that offer products directly to customers	Subjects to which the former respond hierarchically
Retail		
Head of Retail (including deputy, if present)	27	13
District Manager of Retail	131	13
Retail Branch Manager	1303	131
Retail employee	8922	1303
Support/Commercial assistant	52	2
Corporate e Private		
Head of Corporate and Private (including *deputy,* if present)	27	14
Specialist Support	96	14
Corporate Branch Manager	71	14
Corporate Officer	684	71
Private Manager/Private Director	10	10
Private Branch Manager	54	10
Private Banker/Account Private	315	54
Large Corporate & Investment Banking		
Factoring Specialist	2	1
LC & IB Specialist (including approver, if present)	58	6
Lending Officer		
Credit Specialist (including approver, if present)	63	5
Credit Intermediaries & Financial Advisors	**Subjects that offer products directly to customers**	**Subjects to which the former respond hierarchically**
Widiba Head of Financial Advisors	52	7
Widiba Financial Advisors	514	45
Other credit intermediaries	0	0

4. PERSONNEL REMUNERATION AND INCENTIVES

4.1 General Principles

Remuneration policy	The remuneration and incentive policy helps to **direct the business**, pursue the long-term interests of the company, have a **positive impact on society and the environment**, implementing specific governance models. It is designed in **compliance** with the principles and purposes of the company and the **provisions of current legislation**. In order to guarantee it is **effective**, **competitive** and **solid**, analyses are conducted periodically to monitor the main market practices and trends. The following paragraphs describe the implementation choices.

Remuneration[45] refers to "all forms of payment or benefit, including any allowances paid, directly or indirectly, in cash, financial instruments or services or fringe benefits in exchange for work or professional services by staff to the Bank or other companies in the Banking Group.[46]"

The Bank's remuneration policy continues to be affected by its commitments[47] assigned by the European Commission and therefore also by a rigorous policy in terms of variable remuneration[48]. As regards its commitments, the Group makes significant efforts to apply strict executive managers remuneration policies and, specifically, to ensure that total individual remuneration does not exceed the average employee salary of 2022 multiplied by ten (salary cap). Amounts in excess of this cap, accrued within the framework of the incentive plans, related to the achievement of the objectives defined for 2024, in any case within the maximum limit of 1:1 of variable remuneration with respect to fixed remuneration, may only be paid out after the disposal of the public equity investment.

[45] In accordance with the provisions of Circular no. 285/2013 of the Bank of Italy.
[46] In accordance with applicable law "marginal payments or benefits given to staff on a non-discretionary basis may not be included, and which form part of a general policy of the bank, and which do not have effects on the bonus plan when taking on or controlling risks". Supervisory Provisions, Part I, Title IV, Chapter 2, Section I, par. 3.
[47] *Commitment* no. 5 of the European Commission 2022 "Remuneration of Bank Employees and Executive managers: The Bank applies rigorous policies for the remuneration of executive managers. The total remuneration of each individual cannot exceed 10 times the average remuneration of the Bank's employees in 2022. As an exception, the Bank may provide a remuneration plan for "*senior managers" and "key function holders*" (up to a maximum number established beforehand by the Authority), which may provide for the payment of variable remuneration in excess of the salary cap, provided that (i) the payment of the variable remuneration *is subject to the disposal of the State's investment under Commitment no. 12; (ii) the remuneration plan complies with the EBA Guidelines on sound remuneration policies under Directive 2013/36/EU".*
[48] Indication also provided pursuant to Directive 2017/828/EU ("Shareholder Rights Directive II").

The combination of the fixed and variable components (the "Pay Mix") is established preventively for each staff sub-category, in order to discourage excessive risk-taking behaviour (see paragraph 4.4.2 and 4.5.1).

[49]Remuneration policies are aimed at ensuring, for equal positions, that staff have an equal level of remuneration, including in terms of the conditions applied to its recognition and payment; they are therefore gender-neutral and contribute to the pursuit of complete equality at all organisational levels.

More specifically, the remuneration structures are defined in correlation with the applicable market practices (see box on "benchmarking" and "job levelling"). In determining remuneration, the Bank also takes the following aspects into account: (i) skills and commitment; (ii) location of service and relative cost of living; (iii) level of formal education; (iv) scarcity of personnel available in the job market for specialised positions; (v) the nature of the employment agreement; (vi) duration of professional experience; (vii) professional certifications[50].

The basic elements that characterise the salary structure are outlined in the paragraphs below.

[49] The Bank ensures that all of the relative working conditions with an impact on remuneration by unit of measurement or hourly rate are gender neutral.
[50] Information provided also pursuant to the "EBA Guidelines" (specifically, see paragraph 27).

BENCHMARKING

A highly significant aspect that makes it possible to establish how the company's remuneration policy is positioned with respect to the reference market is benchmarking. It makes it possible to implement - at the same time - choices that are competitive externally and balanced internally, through the identification of objective parameters of comparison.

In order to verify the salary positioning of the human capital of the Bank and of the Group, specific peer groups have been identified:

- for the Chief Executive Officer and General Manager, a selected number of Italian Banking Groups representative of MPS's reference market, in which each Group presents elements of comparability with MPS's strategy with reference to the geographical area of operations, size in terms of funding, business portfolio, listing on regulated markets (10 companies in the banking or financial sector: Banca Mediolanum, Banca Popolare di Sondrio, Banco BPM, BPER Banca, Banco di Desio e Brianza, Credito Emiliano, Fineco Bank, Intesa Sanpaolo, Poste Italiane and UniCredit);
- for the remaining Key Management Personnel, a selected number of Italian companies, similar to the Montepaschi Group in terms of business model and organisational complexity, identified from a panel of Groups presented by Willis Towers Watson - hereinafter WTW - (10 companies in the banking sector: Banco BPM, Banca IFIS, BancoPosta (Poste Italiane), BNL-BNP Paribas, BPER Banca, Cariparma (Crédit Agricole), ING Bank Italia, Credito Emiliano, Mediobanca, UniCredit Italia);
- for other positions with management responsibilities, from the 2023 Financial Services Survey Report - Italy by WTW;
- for the operational positions, the Retributiva Credito e Finanza survey by ABI in association with Deloitte Consulting S.r.l. which included 28 of the leading companies/groups in the Italian banking sector in 2023.

JOB LEVELLING

In order to determine the importance and establish the value of different work positions, the Group engaged the international advisory firm WTW, which uses its proprietary method (the Global Grading System) to create a job levelling system for the main company jobs, which creates a decreasing order of the company jobs.

Each of these positions is evaluated based on the nature and level of complexity of the contribution provided to the business, through quantitative and qualitative factors, including organisational assessment and risk governance-related factors. All these elements together make it possible to identify the grade of the position.

Once the grade has been assigned, internal equity can be evaluated over time, by verifying the consistency of the remuneration packages of employees with the same classification levels, and the external competitiveness through market comparison. For top positions, the analysis goes into more depth and considers not only the grade but also the role covered through a comparison with the same or the closest roles present in the market and belonging to the same grade or nearby grades, allowing for a more precise assessment of remuneration with respect to the applicable market. The organisational ranges, as sets of contiguous grades, have also been defined and associated with the entire HR value proposition.

4.2 Remuneration of Directors and Statutory Auditors

For the term of office for the financial years 2023 - 2024 - 2025, the Ordinary Shareholders' Meeting held on 20 April 2023, appointed the Board of Directors and the Board of Statutory Auditors and approved their gross annual compensation, to the extent due *pro tempore*, for the positions of Director, Chairperson of the Board of Directors, Standing Auditor and Chairperson of the Board of Statutory Auditors of the Bank.

In addition to the fixed gross annual remuneration approved for the Directors by the Shareholders' Meeting, the Board of Directors has the right to resolve additional fixed gross annual remuneration for the members of the internal committees of the Board of Directors and for the directors with special offices.[51]

The table below summarises the amounts approved for the 2023-2025 three-year mandate:

[51] Pursuant to art. 2389, paragraph 3 of the Italian Civil Code

Role	Gross annual remuneration	Daily allowance (**)
Board of Directors:		
Chairperson	110.000	-
Chief Executive Officer	- (*)	-
Other Directors(***)	65.000	-
Board of Statutory Auditors:		
Chairperson	80.000	-
Statutory Auditors	65.000	-

(*) At its meeting on 7 February 2022, the Board of Directors approved for Luigi Lovaglio a single, comprehensive remuneration of EUR 1,000,000 for the roles of General Manager and Chief Executive Officer, inclusive of annual compensation as well as any attendance fees due for exercising the powers of Chief Executive Officer. For the entire duration of the 2022-2026 Business Plan of the Bank (unless specified otherwise by the relevant authorities), the overall package of the manager, whose remuneration is paid exclusively for the office of General Manager within the context and in execution of the employment relationship, including benefit components, will be based on the application of the salary cap based on the commitments assigned by the European Commission (see paragraph 4.1 for more detailed information on the salary cap).

(**) As can be seen from the above table, no compensation has been envisaged as an attendance fee for the participation in Board of Directors' and Board of Statutory Auditors' meetings and in board committees.

(***) Including the Deputy Chairperson.

In its meeting of 14 June 2023, the Board of Directors, having consulted the Board of Statutory Auditors, approved the annual gross remuneration of the Directors for their participation in internal committees of the Board of Directors (Risk and Sustainability Committee, Related Party Transactions Committee, Appointment Committee and Remuneration Committee). Details are provided below:

Role	Gross annual remuneration	Daily allowance
Risk and Sustainability Committee:		
Chairperson	25.000	-
Other Members	15.000	-
Related Party Transatcions Commitee:		
Chairperson	15.000	-
Other Members	10.000	-
Nomination Commitee:		
Chairperson	15.000	-
Other Members	10.000	-
Remuneration Commitee:		
Chairperson	15.000	-
Other Members	10.000	-

The following compensation has been decided for the sole Director of the Bank, member of the Supervisory Board pursuant to Italian Law 231/2001:

Role	Gross annual remuneration	Daily allowance
Supervisory Board 231/2001:		
Independent director	10.000	-

With reference to the Non-Executive Directors and the members of the Board of Statutory Auditors, the principle that there be no connection with the economic results achieved by the Group and that no incentive plans of any nature are to be assigned to them, as had previously been approved by the Shareholders' Meeting, is confirmed.

There is no predetermined severance pay for the Directors in the event that they leave office.

For members of the Bank's Board of Directors and Board of Statutory Auditors, like the provisions in force for employees, an insurance policy has been taken out to cover occupational accidents and health cover (see paragraph 4.3.2).

For the sake of completeness, note that the members of the Board of Directors and the Board of Statutory Auditors of the Bank and its subsidiaries are beneficiaries of a "Directors & Officers Liability" (D&O) insurance policy, which covers the third-party liability of directors, statutory auditors and executive managers resulting from illegal acts[52] performed by the

[52] Excluding wilful misconduct.

same while carrying out their duties. The D&O policy was taken out at Group level, effective as of 1 May 2019 and with a limit of EUR 100 million, in implementation of the Shareholders' resolution of 11 April 2019 and subsequently renewed year by year within the limits provided for by the aforementioned resolution[53]. Activities are currently under way in preparation for the renewal of that policy for a period of one year, effective as of 1 May 2024.

Also for the members of the company bodies of the subsidiaries, the principle has been confirmed that there will be no link established with the economic results achieved by the Group and/or participation in incentive schemes of any nature whatsoever, with the exception of any non-executive Directors of those companies who are also employees of another Group company and who, as such, may be beneficiaries of incentive schemes in compliance with what is set forth in par. 4.4.

Lastly, for the Group's employees who cover non-executive corporate roles on designation of the Parent Company and/or a subsidiary, there is also a waiver to the remuneration established for the role of director or member of the board of statutory auditors (the latter only with reference to the associates), based on the prior written consent of the employee concerned.

4.3 Fixed remuneration

4.3.1 Fixed remuneration and indemnities

The fixed remuneration is the **stable** and **irrevocable** part of the remuneration. It is set and disbursed on the basis of **pre-established, non-discretionary and verifiable criteria** such as, for example, levels of professional experience and responsibility. These are in no way dependent on the performance of the individual and the Bank, so as not to incentivise risk-taking. In fact, the fixed component is geared towards remunerating the skills and responsibilities inherent in the role held, laying the foundations for career paths that guarantee gender neutrality.

In order to attract and maintain the professional skills of the company and enhance the specialist or management contribution, the **remuneration** of the various **roles** and **positions**

53 The above-mentioned resolution authorised the stipulation of the D&O with an annual duration and awarded the most extensive power to the Parent Company's Board of Directors for the annual renewal of this insurance policy, informing the Shareholders' Meeting of the costs actually incurred and the scope of application of the cover.

in the company, based on the grade assigned to them, is periodically **compared with the reference market**, in order to compare the ranges of remuneration in said market with those implemented by our Bank (see detail box on "job levelling" and the box on "benchmarking", paragraph 4.1).

In general, salary ranges are defined for each grade and updated over time, with midpoint values, percentage breadth, progression (i.e. distance between the grade midpoints) and percentage overlaps between the categories, to guarantee a structured approach to remuneration reviews and **to minimise the amount of discretion involved**. The position in the applicable category is determined by a series of pre-established factors, including continuous performance in the role, risk culture and the transparency expressed, the strategic nature of the activity overseen, the riskiness of the role covered and lastly the difficulty of finding similar figures.

The table levels, provided by sector legislation, may be integrated with initiatives aimed at **enhancing the value of managerial and specialist contributions**, seeking **a better correlation** between the grade of the **position in the organisation,** the **remuneration levels** expressed by the market for said position/grade, those within the Bank reported for comparable roles and the **fixed remuneration** of the employee.

Company interventions on the fixed component of remuneration will also constantly **focus on reducing the gender pay gap** and those situations characterised by high priority actions, a highly selective approach and significant "prioritisation" requirements will continue to be the subject of attention.

The fixed remuneration can be supplemented by **inconvenience indemnities**, **position or role indemnities**, which can be attributed to persons holding particular offices.

INCONVENIENCE INDEMNITY

In the event that the assignment of a certain task, or the assignment of a place of work, implies a significant change for the employee in his/her personal situation, in relation - for example - to the distance between the place of residence and the workplace or the need to change the daily organisation of the family or have to contend with higher expenses for services, utilities or accommodation or an increase in expenses related to the standard of living, etc. a fixed monthly indemnity may be defined to mitigate the increased inconvenience resulting from accepting the position. When the event that generated no longer applies, the indemnity also lapses.

A particular form of role **indemnity** is that paid to the **managers of the Company Control Functions**[54] in order to preserve their independence, while balancing the significant responsibilities associated with the role. These indemnities, as strictly connected to the circumstance that determined them, remain for the duration of the same, and are revoked when the situation that generated the allocation changes.

For financial advisors, the recurring component of remuneration, which represents the most stable and ordinary element of their remuneration, is deemed equivalent to fixed remuneration and is represented by commissions recognised, based on the individual contracts of each financial advisor, in relation to the products and services placed and managed (see paragraph 4.7.2).

4.3.2 Benefits and other compensation

The fixed remuneration is supplemented, in compliance with the provisions contained in the national and/or second-level bargaining and/or deriving from specific internal policies of reference (see box on “job levelling”) by **company benefits** which, depending on the type, may be intended for the majority of employees or, on the contrary, be aimed at particular professionals[55].

In this scenario, the above-mentioned benchmarking and job-levelling processes and the remuneration categories defined for each grade are used to seek the best distribution of available resources.

As part of the **fixed remuneration component**, the Group envisages for its employees, some non-monetary recognitions which actually expand the salary offer from a structural perspective, raising the levels of motivation and belonging also with the consolidation of the "MPS Welfare" model through **second-level bargaining** and the work of **joint committees**.

The benefits described below are intended for the entire population of the Group. The institutions that support people include the following:

[54] The EBA guidelines, which guarantee remuneration policies that do not generate possible conflicts of interest, recommend limitations for the assignment of variable remuneration to the Company Control Functions (Compliance, Risk Management, Audit). For these reasons, the fixed remuneration is supplemented with an indemnity aimed at ensuring a level consistent with the nature of the responsibilities assigned.
[55] Information provided also pursuant to the “EBA Guidelines” (see in particular paragraphs 131 and 134).

Benefits for the Group's population

- **company contribution** to the **Supplementary Pension Fund** for all employees
- **company supplementary pension scheme** for **all employees of Group companies** and their tax-dependent family members
- **the accident policy,** both **occupational**, as set forth in the National Collective Labour Agreement, and **non-occupational**
- **health coverage not only** for **employees in service, but also for** former employees in the Solidarity Fund, including **dependant family members;**
- **meal vouchers**, with more favourable treatment than the National Collective Labour Agreement, both in terms of amount and number of beneficiaries
- **subsidised terms** on **loans,** also through renegotiation initiatives, and on certain **banking, financial and insurance transactions**

In addition to the above, the Bank uses some benefits assigned to particular categories of employees in compliance with predefined non-discretionary criteria/conditions and structured allocation processes detailed in internal regulations. It includes, for example:

- **insurance coverage, including permanent disability from illness and death from illness**, for Management;
- the **company car as a fringe benefit for mixed use**;
- the **provision of sub-lease accommodation.**

In the event of termination of the employment relationship, the Bank may decide to extend the car and accommodation benefit for a maximum period of 3 months.

Health and insurance coverage continue to be effective, for all terminated subjects, until their natural annual expiry[56].

[56] Indication also provided pursuant to Directive 2017/828/EU ("Shareholder Rights Directive II").

Benefits that are not allocated according to the above criteria or that do not fall within one of the aforementioned provisions are considered variable remuneration and therefore subject to the relative rules.

For the sake of comprehensiveness, it should be noted that in implementation of Shareholders' Meeting Resolution of 11 April 2019, for the Group Management, similar to what has been provided for Directors and Statutory Auditors, the Bank has confirmed the "Directors & Officers Liability" (D&O) insurance coverage for third-party liability resulting from illegal acts[57] performed by the same while performing their duties. The above-mentioned resolution authorised the stipulation of the D&O with an annual duration and awarded the most extensive power to the Parent Company's Board of Directors for the annual renewal of this insurance policy, informing the Shareholders' Meeting of the costs actually incurred and the scope of application of the cover.

4.4 Variable remuneration

4.4.1 Definition

Variable remuneration includes:

- any payment or benefit where recognition or assignment depends on performance, however it is measured (income targets, volumes, etc.), or other parameters (for example permanence in the company), not including remuneration relating to early retirement, benefits or pay in lieu of notice established by general employment law as described in paragraph 4.4.2;
- discretionary pension benefits and agreements on remuneration relating to early retirement or early termination of office (known as golden parachutes) described in paragraph 4.6 below;
- the "Non Core" components described in paragraph 4.4.3.

The correlation of the variable component with performance (for forms of variable remuneration that are not linked to different parameters) allows implementation of a **differentiation and meritocracy mechanism** and, no less important, makes it possible to **align**

[57] Excluding wilful misconduct.

the interests of management and **employees with those of the shareholders and the other stakeholders**.

The maximum ratio of variable remuneration with respect to fixed remuneration is within the limit of 1:1 or lower in the cases specified in the regulations.

All variable remuneration instruments, aside from being gender neutral:

- are subject, when applicable, to the limits on variable distributions provided by the Supervisory Provisions in application of articles 141 or 141-*ter* of the CRD V, or in the situations pursuant to article 16-*bis* of Directive 2014/59/EU (BRRD)[58];
- are activated to the extent to which there is economic capacity in personnel costs, and more specifically the total annual amount allocated to variable remuneration determined in accordance with the Supervisory Provisions and specifically with the provisions established for banks that benefit from State aid[59];
- are subject to *malus* and clawback clauses upon any occurrence of certain events, as described in paragraph 5.2;
- are designed to incorporate risk-adjusted performance, liquidity and equity indicators, both at Group and individual company entity level, also defined, valued and formalised on the basis of the binding instructions of the Risk Management Function, appropriately differentiated in accordance with the type of instrument;
- may not be subject to personal hedging strategies or insurance on remuneration or other aspects that could alter or invalidate the effects of alignment with the risk inherent in the remuneration mechanisms, as set forth in paragraph 5.3 below.

[58] Pursuant to what is set forth in the Supervisory Provisions, Part I, Title IV, Chapter 2, Section V, paragraph 2.
[59] Pursuant to what is set forth in the Supervisory Provisions, Part I, Title IV, Chapter 2, Section V, par. 1.

RAF and RAS

The Risk Appetite Framework ("**RAF**") aims to ensure consistency on a continuous basis between the Group's actual risk profile and the risk appetite approved ex ante by the Board of Directors, taking into account any risk tolerance thresholds and in any event within the maximum risk capacity limits deriving from regulatory requirements or other restrictions imposed by the Supervisory Authorities.
The RAF is formalised at least once per year in a Risk Appetite Statement ("RAS") approved by the Board of Directors and developed based on a set of key risk indicators defined at Group, legal entity and business unit level, in accordance with processes approved internally by the Board itself.
Ex-ante target risk appetite thresholds are established for each indicator, which are more conservative than the risk tolerance thresholds, which in turn are more conservative than the risk capacity thresholds.

The main instruments used to determine the variable remuneration applied by the Group may be logically broken down into four aggregates:

- "Core" components;
- "Non-Core" components;
- remuneration related to early termination of employment or early termination of office;
- remuneration of business partners not bound to the Bank by employment relationships.

The following paragraphs describe the variable instruments usable within the Group for each of these aggregates.

4.4.2 "Core" components

The variable instruments classified among the "Core" components for 2024, which will be recognised after the approval of the financial statements for the year in question, are:

- **"2024 Incentive System"** - system aimed, in continuity with 2023, at incentivising the achievement of objectives defined ex-ante, in line with the guidelines of the 2022-2026 Business Plan, by Identified Staff and additional key resources, characterised by:

- **formalised and transparent activation and delivery conditions established *ex ante*** in compliance with the minimum supervisory capital requirements[60];
- pre-determined quantitative and qualitative **financial and non-financial targets** connected to corporate social responsibility, including the establishment of ESG parameters such so as to permit a constant connection between sustainability over time, risk-adjusted performance, compliance and remuneration[61];
- ex ante identification and provision of ex post remodulation mechanisms of the "bonus pools", in correlation to the financial and equity position of the Bank according to a funding ratio approach to the profitability actually generated;
- pre-defined individual target bonuses (by role or aggregated role);
- where the conditions are met, **payment method according to the deferral and composition criteria between cash and financial instruments** consistent with the more stringent regulations set forth for banks with State aid[62] and with the constraints deriving from the commitments described in paragraph 4.1.

For all the details of the "2024 Incentive System", see paragraph 4.5.2 and 4.5.3.

▪ **Dedicated variable incentive components for the remaining Group personnel** - subject to the achievement of Group/Company-wide targets for risk-adjusted profitability as well as threshold levels of liquidity and capital[63]. The assignment of the variable amount will take place upon achievement of Group and Company-wide annual financial and non-financial objectives, also taking into account the professional contribution and the activities carried out[64]. The introduction of company bonuses is also contemplated and it will be defined through dialogue with the trade unions, and may also provide for payment in the form of "welfare".

In compliance with current legislation on "Transparency of banking and financial transactions and services", as well as the recent updates regarding MIFID, these systems are consistent with the corporate objectives and values and long-term strategies, inspired by criteria of diligence, transparency and fairness in the relations with the customers, containment of legal and reputational risks, protection and customer loyalty, and are not based exclusively on business objectives and, with reference to personnel

[60] CRD V articles 141 and 141-ter or in the situations pursuant to art. 16-bis of Directive 2014/59/EU (BRRD)
[61] Indication also provided pursuant to Directive 2017/828/EU ("Shareholder Rights Directive II").
[62] Pursuant to what is set forth in the Supervisory Provisions, Part I, Title IV, Chapter 2, Section V, par. 1.
[63] Subject to the same activation conditions as the "2024 Incentive System" described in paragraph 4.5.3.
[64] The variable remuneration for the staff managing complaints, where provided for, takes into consideration the level of satisfaction and loyalty of the Customers.

who offer banking products and services and their respective managers, will not be tied to the offer of specific financial products.

These systems, when they include the distribution of investment products and services, are inspired by the same principles indicated above, and are aimed at ensuring compliance with the rules of fairness and transparency in the provision of investment services and activities and for the effective management of the related conflicts of interest between the Bank and its customers.

In addition, special precautions are in place, which may lead up to withholding the bonus, to ensure compliance with regulations on anti-money laundering, transparency and fairness in customer relations, as well as with the Group's Code of Ethics and conduct, and in the presence of complaints from customers assessed in the context of disciplinary proceedings. They are also subject to the same malus and claw back rules as per paragraph 5.2.

Specific incentive instruments are also envisaged for specific business categories - for example Private Market - subject to the achievement of both qualitative and quantitative objectives, assigned to predefined clusters of the population.

For the sake of comprehensiveness, within the Group's non-banking companies, please note that via a supplementary bargaining agreement Magazzini Generali Fiduciari di Mantova S.p.A. has activated a company performance bonus for the 2022-2024 three-year period. The system is intended for the subsidiary's employees on the payroll, primarily blue-collar workers, and is linked to the company's commercial performance.

4.4.3 "Non Core" components

Within the scope of "non-core" components of variable remuneration, certain instruments are envisaged, assigned continuously to employees in service, and needed, according to the case, to protect the Bank's assets if key resources leave the commercial supply chains or to ensure greater stability, retaining strategic, highly skilled personnel[65].

[65] These instruments are activated and disbursed in accordance with the legislative and regulatory provisions applicable at the time and in compliance with any indications from the relevant national and foreign regulatory bodies.

More specifically:

I. Non-compete covenants

The non-compete covenant is an agreement between the Bank and the employee that limits the right of the employee to carry out professional activities in competition with the Bank following termination of the working relationship, providing, if breached, for payment of a penalty.

A consistent monthly payment, pre-established on a fixed basis, is given to the employee for that commitment (as required under art. 2125 of the Italian Civil Code), generally while the employment contract is in place[66].

The instrument is attributed after an initial observation period in favour of key figures in the network: in particular, it is given to all private bankers/family officers meeting specific requirements and their managers, with a range of predefined amounts based on portfolio levels.

The agreement is maintained for the entire period in which the conditions which determined its attribution are met.

II. Staff retention

Instruments used for staff retention purposes (therefore not linked to performance), and in particular in the following forms:

– agreement to extend notice period: this is an agreement whereby the employee undertakes to agree, in the event of resignation, a longer notice period than that provided for under the applicable collective contract[67], for a pre-established fixed amount at a certain percentage of the fixed remuneration;

– stability pact: this is an agreement whereby the employee undertakes not to leave the job for a pre-established period in exchange for remuneration defined *ex ante* and with provision for a penalty in to be paid the event of breach of the commitment.

Both instruments are used primarily for employees in positions where there are retention risks and/or for staff with key skills.

[66] The agreements currently in place with the Bank all provide for the payment while the employment contract is in place. However, these payments can be made after the employment contract has ended (to that end, with reference to the Identified Staff, see what is specified in paragraph 4.6 on severance).
[67] Normally, 6 or 12 months instead of the period provided under the collective agreement (1 month for the Professionals and Middle Management and 3 months for the Management).

The range of variable remuneration instruments also includes **training courses**, initiatives that envisage a reward to employees through the provision of specialist training and ***contests***, i.e. campaigns of limited cost, with low individual amounts, that are effective in supporting business activities, also from the point of view of customer acquisition/retention since they incentivise commercial and productivity initiatives in the operating units, in line with customers' financial requirements. With regard to contests, a portion of the amounts may be deferred, also with a view to the retention of key staff, such as for example employees in the private banking segment. The recognition of the amounts depends on the length of service in the company as at the payment date[68] and is made in compliance with the provisions of paragraph 4.4.1. Each time a training course or contest is organised, it must be carefully analysed and specifically regulated, also to ensure that it does not constitute an incentive to push the sale of specific products or financial instruments, and always takes place in compliance with the rules envisaged for all variable remuneration components (see paragraph 4.4.1) with specific regard also to the regulatory provisions (e.g. Transparency, MIFID II, *Insurance Distribution Directive* and the rules of conduct with respect to the customers. Each initiative provides for exclusion clauses in the event of inadequate individual behaviour such as the presence of disciplinary proceedings or the failure to complete mandatory training.

In extraordinary cases, the Bank may use the following payment instruments:

- **entry bonuses**, granted only for the first year of employment and only if the prudential requirements have been met at the time of hire, also for attraction purposes (not subject to the rules of variable remuneration and not included in the limit to the variable/ fixed ratio of the first year's remuneration only where paid in a single solution upon hiring[69]);
- **one-off** payments, i.e. monetary recognition of a small amount to reinforce the engagement of the individual employees who have been particularly distinguished on an individual level;
- **retention bonuses**, or individual payments for justified and documented reasons linked to the opportunity to keep the employee in service for a pre-established period of time

[68] Indication also provided pursuant to Directive 2017/828/EU ("Shareholder Rights Directive II").
[69] In accordance with the provisions of paragraph 2.1 of Part I, Title IV, Chapter 2, Section III of the Supervisory Provisions.

and/or linked to a specific event (for example completion of a company restructuring process or an extraordinary transaction). A staff member cannot be paid more than one retention bonus except in exceptional and appropriately justified cases (i.e., the payment takes place at different times and there are specific reasons for the recognition of each payment).

With the exception of the specifications above relating to the **entry bonuses**, all the remaining amounts recognised pursuant to this paragraph (including payment of the non-compete covenants, but only for the amount that exceeds a year of fixed remuneration[70]), are paid out in accordance with the rules that apply to disbursement of variable remuneration. In particular:

(i) for employees who are part of the Identified Staff, the payment procedures set out under paragraph 4.5.1 will be adopted (i.e. part of the disbursement deferred and part of it in financial instruments, subject to malus and clawback clauses etc.) in accordance with the cluster they belong to;

(ii) for the remaining staff, the payment is made entirely up-front in cash, but subject to normal clawback mechanisms (see paragraph 5.2).

These amounts will furthermore only be paid if the capital and liquidity levels are sufficient to deal with the Bank's activities.

Any benefits assigned that do not qualify as fixed remuneration are included in the "Non Core" component.

Discretionary pension benefits are not currently among the instruments that can be set up for Group staff.

The assignment of all the instruments indicated in this paragraph, also functional to assure structural savings on labour costs, is undertaken on the basis of specific, pre-established and well documented decision-making processes, in accordance with the current regulatory framework[71] and taking into account any indications that may be received from the relevant authorities.

[70] In accordance with the provisions of paragraphs 2.2.2 and 2.2.3 of Part I, Title IV, Chapter 2, Section III of the Supervisory Provisions.

[71] Therefore, by making the payment, among other things, only if compatible with capital and liquidity levels sufficient to cope with the Bank's activities and subject (also including individuals not classified as Identified Staff) to the clawback mechanisms set forth in paragraph 5.2, as well as, in the case of deferral, the malus mechanisms envisaged in paragraph 5.2.

4.5 2024 Identified Staff

The process for the classification of the 2024 Identified Staff, detailed in section 5.1, led to the classification of 158 staff, a decrease compared to 2023 (176 stated in the "2023 Report on the remuneration policy and on compensation paid"). This decrease is mainly due to the further simplification of the Group's organisational structure through the incorporation of the companies MPS Capital Services and MPS Leasing & Factoring.

The staff included in the perimeter of Identified Staff are shown in the table below, broken down by classification criteria:

Criteria for classifying Identified Staff - 2024	no.
Chief Executive Officer of the Bank	1 (*)
Other managers with executive roles	
Non-executive managers	25
General Manager of the Bank, Deputy Sales General Manager	2
Division Heads, corporate functions, geographical areas and those who report directly to the corporate bodies	79 (**)
Managers and personnel in charge of the internal control functions	14
Other staff who individually or collectively take on significant risks	27
Highly paid employees and collaborators not included in the criteria above	11
Grand Total	**158**

(*) The Chief Executive Officer is also the General Manager

(**) Including the General Managers of the Group Companies

4.5.1 Basic rules of variable remuneration

In accordance with the legal requirements relating to the variable remuneration paid to the Identified Staff, the remuneration policies of the Bank provide as follows:

- payment of variable remuneration partly in cash and partly in financial instruments subject to retention periods, balancing percentages between the two components differentiated by Identified Staff cluster;
- deferral of the variable remuneration for different percentage amounts and time periods depending on the relevant amount (depending on whether it is a "particularly high amount" or not) and the Identified Staff cluster;
- the determination of the "particularly high amount" of the variable component as EUR 424,260, equal to the lower amount between:
  - 10 times the overall average remuneration of Bank employees in 2023 (i.e. 10 x EUR 50,644 = EUR 506,440);
  - 25% of the overall average remuneration of Italian high earners as resulting from the most recent report published by EBA[72] (i.e. 25% of EUR 1,697,040= EUR 424,260);
- the limitation of the total remuneration paid in 2024 (and in each year of permanence of the "State aid" configuration), including the fixed component and the variable remuneration amounts that may be paid in the year as part of the accrued bonus, may not exceed EUR 473,700, equal to 10 times the average (monetary) remuneration of the Bank's employees in 2022 (i.e., salary cap)[73];
- with reference to the Senior Managers and *Key* Functions holders[74], the "payable" amount of the bonus, when it exceeds, together with the fixed component, the aforementioned limit, may only be paid subject to the disposal of the shareholding of the State (without prejudice to further deferrals and/or retention, in line with the scheme governed by the remuneration policy, for portions not yet accrued or subject to retention at the date of disposal);
- the application (as long as the Bank is a beneficiary of State aid) of deferral percentages that are higher than those provided for in other banks, as indicated therein;

[72] EBA/Rep/2023/05 Report of 19 January 2023 "*Report on high earners*".
[73] For further information on the salary cap, please refer to paragraph 4.1.
[74] Department Heads of the Parent Company and General Managers.

- limitation of the ratio between variable and fixed remuneration at a value that does not exceed 100% (ratio 1:1)[75];
- for the Identified Staff of the Company Control Functions, the ratio between variable and fixed remuneration does not exceed the limit of one third;
- the deferred component being subject to the *ex post* correction mechanisms (malus and clawback) described in paragraph 5.2.

Below is the classification of Identified Staff, as resulting from the application of the criteria described in paragraph 5.1:

Cluster	Type of roles included in the cluster
I Cluster	Non-executive directors of the Group companies
II Cluster	Chief Executive Officer/General Manager, Deputy Sales General Manager and Deputy General Manager, other members of the Steering Committee and GM Widiba
III Cluster	Top management of companies, Financial Reporting Officer, Level 1 Managers of Parent Company with high grade, high grade Company Top Management, Local Retail Managers and Corporate and Private Managers
IV Cluster	Area Managers and Widiba financial advisors
V Cluster	Other staff who individually or collectively take on significant risks

The payment to the Identified Staff of the variable components will be made in accordance with the following parameters subject to approval by the Shareholders' Meeting:

[75] Except for that illustrated in paragraph 4.7.3 relating to Widiba Financial Advisors.

1) % Limit to the variable/fixed ratio:

Cluster	Number of persons	max % of variable to fixed	
I Cluster	25	-	
II Cluster	14	100%	(*)
III Cluster	76	80%	(*)
IV Cluster	9	100%	(**)
V Cluster	34	60%	(*)
Total	158		

(*) Without prejudice to the limit of one third for the Company Control Functions.
(**) See paragraph 4.7.3 Focus on the non-recurring component of the remuneration of Widiba financial advisors

2) Percentage balance of the variable component between cash and financial instruments[76]

<table>
<tr><th>Amount</th><th>Cluster</th><th>Cash</th><th>Financial instruments</th></tr>
<tr><td rowspan="4">All the amounts</td><td>II Cluster</td><td>40%</td><td>60%</td></tr>
<tr><td>III Cluster</td><td rowspan="3">50%</td><td rowspan="3">50%</td></tr>
<tr><td>IV Cluster</td></tr>
<tr><td>V Cluster</td></tr>
</table>

3) Percentage deferral of the variable component differentiated by type[77]

Since the Bank is currently classified as a bank that benefits from "State aid", the deferral percentages of the variable remuneration must be defined - as noted above - to a higher extent than those established for the other banks. Therefore, the Bank’s policy provides for increases in the deferral percentages of the variable remuneration. These increases are differentiated according to the types of variable remuneration so

[76] Above the materiality threshold indicated by cluster in this paragraph where present.
[77] To be defined for the Group at values higher than those normally provided for by other banks since "State aid" is given (see Supervisory Provisions, Part I, Title IV, Chapter 2, Section V).

as to take account the different motives, characteristics and purposes of the various components.

Amount	Cluster	Incentive variable(**)	Severance	Other variable components
Particularly high amount (> EUR 424.260)	II, III, IV e V	70%	At least 62% (*)	At least 62% (*)
Other amounts	II Cluster	60%	At least 52% (*)	At least 52% (*)
	III Cluster IV Cluster V Cluster	50%	At least 42% (*)	At least 42% (*)

(*) Any increase in the percentage indicated will be evaluated on a case by case basis, taking into account, among other things, the Bank's situation at the time of recognition/agreement, including the progress of the business plan and the amount recognized. Furthermore, with regard to severance, consideration will also be given to the Bank's convenience in concluding a transaction with the employee.

(**) Including the non-recurring component of the financial advisors.

4) Years of deferral and holding periods

Cluster	Years of deferral	Years between evaluation and payment of the first portion	Up-front component holding period	Deferred component holding period
II Cluster	5	1	2	1
III Cluster IV Cluster V Cluster	4			

5) **Malus mechanisms**, operating both if a compliance breach is found (more detail in paragraph 5.2) and each time a deferred portion is paid. For the payment of the deferred portion, the following conditions, measured on the closest possible date to the

payment in question, must be simultaneously met. If they are not met, the deferred portion will not be paid[78]:

Malus		
Tier1 Ratio	>	*Risk Capacity 2024*
NSFR	>	*Risk Capacity 2024*
RAROC	>	*0*

With regard to the non-recurring component of financial advisors of Banca Widiba (hereinafter Widiba), specific access conditions illustrated in paragraph 4.7.3. will be applied.

6) **Clawback mechanisms** operating if a compliance breach is found (more detail in paragraph 5.2).

With the exception of the provisions for the amounts to be granted in the event of early termination of employment or termination of office (see paragraph 4.6), as from 2021 the Bank has adopted the following thresholds for the significance of variable remuneration for the Identified Staff below which each payment is fully in cash and up-front, established in Bank of Italy Circular 285, in implementation of the CRD V[79], and therefore, for Identified Staff, a **threshold of significance of the variable component**[80] of **EUR 50,000** per year and jointly equal to or less than 1/3 of the total annual remuneration has been established.

Examples of application of the significance threshold of the variable component - Circular 285

Total remuneration	Variable remuneration		
	€ 40,000	€ 50,000	€ 51,000
€ 110,000	pay-mix/ deferral	pay-mix/ deferral	pay-mix/ deferral
€ 140,000	cash/up-front	pay-mix/ deferral	pay-mix/ deferral
€ 160,000	cash/ up-front	cash/ up-front	pay-mix/ deferral

[78] Without prejudice to the fact that if the requirements set forth in articles 141 or 141-ter of the CRD are not met or in the situations pursuant to art. 16-bis of Directive 2014/59/EU (BRRD), variable remuneration may be recognised and/or paid within the limits and under the conditions laid out in the provisions implementing the above-mentioned articles.
[79] Article 94, par. 3 letter b of the CRD V.
[80] The threshold does not apply to severance pay, for which the provisions set forth in par. 4.6 apply.

4.5.2 Focus on the remuneration of the Chief Executive Officer and General Manager

The remuneration of the Chief Executive Officer and General Manager of MPS is composed of a fixed component and an annual variable component recognised, once the achievement of the objectives assigned *ex-ante*, has been verified, and planned over a long-term time horizon.

<table>
<tr><th>Fixed remuneration</th><th>Variable remuneration</th></tr>
<tr><td>The reference fixed remuneration is stable and irrevocable (i.e. it cannot be unilaterally reduced by the Bank, outside the cases set forth by law), and is determined and paid within predefined ranges on the basis of pre-established and verifiable criteria such as, for example, levels of professional experience and responsibility and taking into account market practices.

Focus on "MPS commitment"

The fixed reference remuneration of the Chief Executive Officer and General Manager is subject to the limits defined by the commitments, i.e. the commitments undertaken with the European Commission at the time of the approval of the Business Plan. While the commitment is in place, the remuneration paid may not exceed the 2022 average salary of employees multiplied by 10 (“salary cap”), amounting to EUR 473,700.</td><td>Consistent with regulatory provisions, investor guidelines and the interests of the major stakeholders, the Chief Executive Officer and General Manager are the beneficiaries of the "2024 Incentive System".

The theoretical Pay-Mix, considering the maximum level of variable remuneration that can be accrued in the presence of extra-performance and having verified the that the bonus pool is full and that the conditions for access are exceeded, provides for:
- a maximum incidence of 100%, and
- a target incidence of 75% with respect to the fixed remuneration of reference.

Focus on "MPS commitment"

The variable component of remuneration that may be "accrued", in consideration of the limits of remuneration payable related to the salary cap and the permitted waivers, may only be disbursed after the disposal of the public equity investment, subject to further deferrals and holding periods, in line with the schemes described in paragraph 4.5.1.</td></tr>
</table>

The short-term variable incentive system ("2024 Incentive System") is funded through a bonus pool mechanism related to the income results achieved - measured considering the Net Operating Income - and taking into account the trend of the main risk indicators ("CRO Dashboard"), within which a more prudential scheme was adopted for 2024 with an Appetite - Limit - Tolerance range compared to the 2023 range positioned on Appetite - Tolerance - Capacity.

The awarding of the bonus is also subject to the fulfilment of gate conditions, entry gates, to be jointly achieved, which for 2024 are defined as:

Entry Gate of the System		
Prerequisite: presence of profit for the year 2024		
Tier1 Ratio	>	*Risk Tolerance* 2024
NSFR	>	*Risk Tolerance* 2024
RAROC		Positive

After the entry gates have been verified, the actual awarding of the bonus and the consequent amount of variable remuneration are defined by means of a process of individual performance assessment involving the analysis of a plurality of quantitative and qualitative indicators.

For 2024, the scorecard of the Chief Executive Officer and General Manager consists of the following objectives:

Area	KPIs	Weight	Min. Level	Target Level	Max. Level
Economic-Financial (Shared KPI)	Net Operating Income	40%	Budget -5%	Budget	Budget +5%
Individual KPI	Cost/Income ratio	20%	Risk Limit	Risk Appetite	Risk Appetite -2.5%
Individual KPI	NPE Ratio	20%	Risk Limit	Risk Appetite	FY 2023 Actual
Risk management KRI	Group Tier 1 Ratio	10%	Risk Limit	Risk Appetite	Risk Appetite +100 basis points
ESG	Composite ESG KPIs	10%	see specific focus		

ESG focus

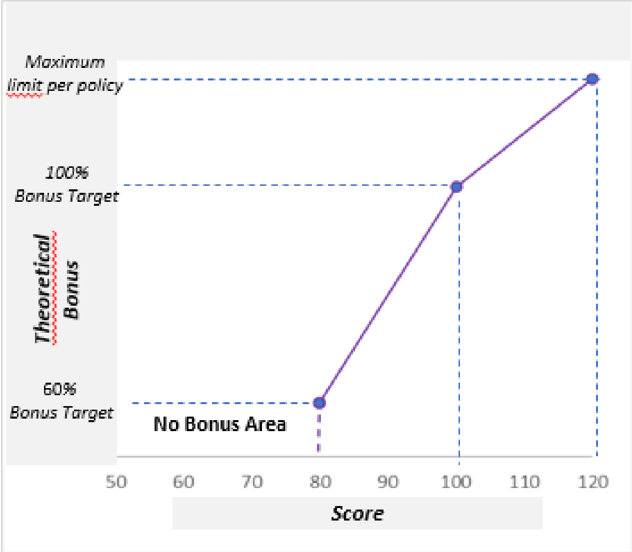
The ESG priorities defined for 2024 are closely related to the Sustainability Plan; in detail, the ESG KPI is composed of the following indicators with predefined min./target/max. values in line with the Plan itself.

	Indicators	Weight	Min	Target Level	Max
1	ESG volumes disbursed towards targets	2,5%			
2	% Achievement of ESG program	2,5%			
3	% Gender underrepresented in leadership roles	2,5%			
4	Definition of the ESG strategic roadmap	2,5%			

The Board of Directors, through the assessment of managerial skills measured with respect to the key areas of the Bank's "Leadership Model", can confirm, increase by up to 20% or reduce by 20% the score achieved based on the quantitative scorecard.

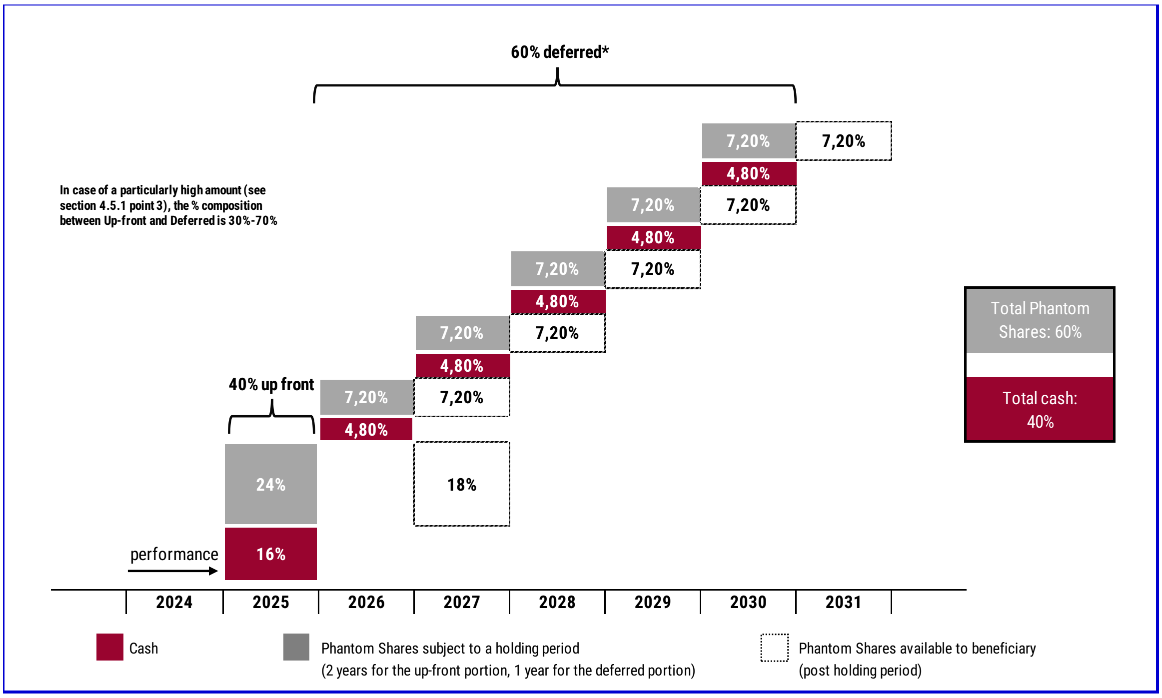
In the presence of a sufficient bonus pool, having verified the absence of individual malus, the Bonus is calculated based on the final score achieved and taking into account the following Incentive Curve:

- with a final score of 100%, 100% of the Target Bonus is awarded;
- with a final score of 80%, 60% of the Target Bonus is awarded;
- with a score of less than 80%, the Bonus is not awarded;
- with a score higher than 100%, a linear increase in the Target Bonus is expected, without prejudice to the maximum limit set forth in the remuneration and incentive policies based on the Cluster to which it belongs.



The method for the payment of the bonus accrued following the finalisation of the results of the scorecard, subject to the constraints arising from the commitments, described in paragraph 4.1, is consistent with the provisions of the regulations, in order to achieve *ex-post* risk alignment, support the medium- and long-term trend and, therefore, the correlation of the variable component to the actual results and the risks assumed.

In particular, the bonus accrued by the Chief Executive Officer and General Manager by virtue of the results achieved is subject to the stringent pay-out schemes (deferral, cash-financial instrument mix and holding period) defined for Cluster II in paragraph 4.5.1. according to the scheme shown below:



The actual payments are also subject to the disposal of the public equity investment. The overall time frame, considering the performance evaluation year, the following 5 years of deferral and the holding period with reference to the Phantom Shares, is consistent with industry regulatory requirements and the recommendations of the Corporate Governance Code.

4.5.3 "2024 Incentive System"

The short-term variable incentive system ("2024 Incentive System") for the remaining Identified Staff, including the Deputy Sales General Manager and Deputy General Manager and the remaining Key Management Personnel, has the same characteristics as those defined for the Chief Executive Officer, including the bonus pool mechanism and the conditions of access (so-called entry gate), without prejudice to any specificities depending on the reference cluster.

The actual awarding of the bonus and the consequent amount of the variable remuneration are defined according to the level of achievement of the quantitative and qualitative objectives assigned. Below is an example of the breakdown of quantitative objectives with reference to key management personnel:

	Area	Indicators
1)	Economic-Financial	1 "Solidarity" objective
		1/2 Individual objectives
2)	Risk management	Risk Objective/Risk Adjusted Indicator
3)	Strategic Planning	Project from the MasterPlan of the Plan
4)	ESG	Combinate ESG KPI

Also with reference to the remaining key management personnel, the assessment of managerial skills measured with respect to the key areas of the Bank's Leadership model can confirm, increase up to 20% or reduce by 20% the score achieved with the scorecard[81]. The

[81] The bonus can be zeroed if the Leadership is assessed below the minimum threshold.

same incentive curve described for the Chief Executive Officer and General Manager is applied (for all the details see paragraph 4.5.2). For the Managers of the Company Control Functions, the Financial Reporting Officer and the Manager of Human Resources, the principle of avoiding objectives tied to economic results is confirmed.
In particular, the bonus accrued by virtue of the results achieved is subject to the stringent pay-out schemes (deferral, cash-financial instrument mix and holding period) defined for the Cluster II in paragraph 4.5.1. The actual payments are also subject to the disposal of the public equity investment. The overall time frame, considering the performance assessment year, the subsequent 4-5 years (depending on the cluster to which it belongs) of deferral and the holding period year with reference to the Phantom Shares, is consistent with industry regulatory requirements and the recommendations of the Corporate Governance Code.

4.6 Compensation for early termination of the employment

The By-Laws state that the Ordinary Shareholders' Meeting, in addition to establishing remuneration due to Board members, approves the criteria for the determination of **compensation to be granted in the event of early termination of employment or termination of office**, including limits to the defined compensation in relation to number of years of fixed remuneration and the total maximum amount that results from their application.

Payments for employment termination, in addition to the post-employment benefits established by general law on the work relationship and advance notice (by law and collective labour agreement)[82], and not determined by a relevant third party such as a judicial authority and/or arbitration authority (the ***severance***), is quantified and paid out by the Bank in accordance with the regulatory framework in force at the time, in application of the criteria described below, and always with respect and in pursuit of the best interests of the Company.

There are no arrangements currently in place that pre-establish fixed *ex-ante* amounts due in the event of early termination of employment, or that provide for the payment of amounts exceeding the treatment provided for in the applicable national collective agreements.

The severance may only be recognised by the Bank in the event of consensual termination of employment, therefore excluding voluntary resignation, and is determined on the basis of the following main criteria:

[82] In particular, the Bank applies the notice periods envisaged by the National Collective Labour Agreement for Credit Management to managerial staff (with relation to length of service in the company), and applies the notice periods envisaged by the National Collective Labour Agreement for non-managerial staff in the Credit Sector (with relation to length of service in the company and to level).

- age and specific personal conditions of the interested party;
- length of service, with reduction of amount to be paid in the event of short duration of employment;
- performance (not including risks) and the liquidity and capital levels of the Bank;
- professional contribution provided to the Company and performance of the beneficiary (not including risks) in relation to expectations; individual conduct and alignment to values, in the corporate interest and in relation to risk; effective integration in the context and dynamics of the company;
- reasons for the decision to terminate employment (also with reference to the notions of just cause and justification according to parameters in force at the time) in relation to the risk of dispute which the employee may initiate as regards his/her previous employment and related termination, considering, among other things, possible indications provided by relevant third parties such as judicial authorities and/or arbitration and/or conciliation.

The above-mentioned criteria are, based on the characteristics of each case, carefully considered and balanced among themselves, and always in pursuit of the best interests of the Company.

Overall, the **number of months related to notice and to severance payment** (where the latter is agreed within the company applying the specific formula, and not, by contrast, determined by a relevant third party, as described above), and any compensation for non-compete covenants **do not exceed** an amount which corresponds to **24 months' salary** (for more information please refer to paragraph 4.10).

The number of months related to notice and severance pay are calculated considering the mandatory criteria of the law and the collective labour agreement, i.e. the **total remuneration** (including fixed remuneration, the average variable remuneration paid in the last three years and the value of benefits in kind)[83], which together also incorporate the performance

[83] Considering the request, formulated in the Supervisory Provisions, to set out the limits of severance also in terms of the annual payments of fixed remuneration and maximum amount resulting from their application, it should be noted that:

- within the context of the Bank, where no variable remuneration has been paid to top management in recent financial years, global remuneration currently corresponds to fixed remuneration and the above-mentioned limit of 24 months' salary does not diverge significantly from two annual payments of fixed remuneration;

demonstrated by the interested party (as reflected in the average variable remuneration), bringing about a reduction, which can be significant, of the overall amount granted in the event of negative performance. As for the effects of the termination of the relationship on the rights granted under share-based incentive plans, these are regulated, with good and bad leavership clauses, in the information documents that are part of the plans.

If, after a careful assessment of the cost/benefit ratio in the broader area of the individual negotiations, it is considered useful to pursue the goals regarding the payment of severance pay, this[84] is generally calculated in accordance with the following formula:

Requirements:

1. Compliance, at Group as well as individual Company level, with the limits on variable distributions provided by the Supervisory Provisions in application of articles 141 or 141-*ter* of the CRD V, or in the situations pursuant to article 16-*bis* of Directive 2014/59/EU (BRRD);
2. no compliance breaches for the potential beneficiary (see to that end, paragraph 5.2) which are serious enough to justify dismissal from the job[85].

- the maximum amount resulting from the application of the afore-stated limits is equal to the highest contractual monthly remuneration recognised from time to time, multiplied by the maximum number of recognisable monthly payments (possibly increased by the number of months of duration of the non-compete covenants, in the applicable cases).

[84] Subject to the exception provided for under paragraph 2.2.3, Part I, Title IV, Chapter 2, Section III of the Supervisory Provisions upon the occurrence of which - in compliance with the provisions of the aforementioned Supervisory Provisions - the provisions regarding severance pay pursuant to this paragraph do not apply. With regard to severance, see paragraph 4.10

[85] If a less serious compliance breach is found, the severance pay will be reduced (at a different percentage on the basis of the degree of materiality of the compliance breach) according to the provisions of the relevant internal procedure (see paragraph 5.2).

Factors determining the number of months to be awarded in the case of severance:

Evaluation factors	Criteria	Number of months
Company seniority	Up to 2 years	0
	Up to 6 years	1
	Up to 10 years	2
	Up to 15 years	3
	Over 15 years	5
Relevance and complexity of the position covered (grade)	*Up to Grade 12*	0
	Grades 13 and 14	1
	Grades 15 and 16	2
	Grades 17 and 18	3
	Grade 19 and over	5
Age	Up to 40	0
	Up to 45	1
	Up to 55	2
	Over 55 and until pension entitlement	1
	Beyond the right to a pension	0
Individual performance	Low	-2
	Average	2
	High	6
Risk of legal disputes	None/low	0
	Medium	2
	High	4
Performance of the Bank, net of risks	Positive	0
	Negative	-2
Impact on the contractual remuneration of being subject to a salary cap	Irrelevant	0
	Low	1
	Medium	2
	High	4
Individual conditions of the employee (*)	YES	3 (MAX)
	NO	0

(*) This factor, from a solidarity perspective, makes it possible to take into account, in exceptional and circumscribed cases, any individual conditions such as serious illness of the spouse or cohabiting relatives, death of the spouse or cohabiting relatives, or serious illness of the employee (factor valued subject to formal documented ascertainment), for the Bank's operational employees only (professionals and middle managers) and as an alternative to the factor "relevance and complexity of the position held (grade)", which is not normally valued for these positions.

In light of the fact that the Bank still benefits from "State aid", all the parameters indicated above have been defined with a view towards containing costs and calculating them in a prudential manner.

In compliance with the Supervisory Provisions, severance pay, where calculated on the basis of the formula indicated above, within the scope of an agreement aimed at settling a current or potential dispute, will not form part of the calculation of the maximum ratio between the variable and the fixed remuneration.

The severance is paid with a method consistent with the regulatory provisions applicable at that time and subject to ad hoc *ex-post* correction mechanisms (malus and clawback), which are set forth in the redundancy agreements to cover, *inter alia*, against fraudulent or gross negligent misconduct that may be detrimental to the Bank and the Group (and, in any case, defined consistently, on the one hand, with the regulatory framework and on the other with the unique nature and characteristics of the severance).

With regard to staff who have foreign employment contracts, the formula will be applied to the extent that it is compatible with the specific local regulations that apply.

In addition, *non-compete covenants* may be defined with individual managers for the period subsequent to employment termination, should they reflect an actual and demonstrable business interest (subject to the provisions of the paragraph below). The related payments are determined, in compliance with art. 2125 of the Italian Civil Code, on the basis of the perimeter of the enforced restrictions set forth in the agreement (in terms of subject matter, duration and territory) and, in all cases, it may not exceed, as a maximum limit, the amount of the total annual remuneration paid to the manager calculated on the basis of the duration of the agreement.

In accordance with the Supervisory Provisions, the consideration of the non-compete covenants:

- is not subject to the provisions of this paragraph for the amount that does not exceed the last yearly fixed remuneration payment to the beneficiary;
- on the other hand, it is subject to the provisions of this paragraph for the amount that exceeds the last yearly fixed remuneration, but is excluded from the calculation of the limit to the ratio between the variable and fixed remuneration for the portion that, for each year the agreement lasts, does not exceed the last yearly fixed remuneration payment to the beneficiary.

4.7 Remuneration of financial advisors

4.7.1 Indirect sales channels

Starting from 29 December 2017, the Bank began promoting and placing investment products and services to the public through "indirect sales channels", through employees listed on the register of qualified financial advisors and holding the necessary mandate to operate on behalf of the Bank. The indirect sales channels relate to the placement of UCITS, portfolio management and the sale of insurance investment policies[86], and the collection and transmission of orders in administered assets on the secondary market.

At the current state of play, the remuneration envisaged for this category of individuals has the same characteristics as that applicable to all employees in general, since there is no commission component attached.

The Bank currently does not use financial advisors operating as agents.

Effective from 29 May 2019, the Bank started to promote banking products to the public, as defined by the Resolution of the CICR (*Comitato Interministeriale per il Credito ed il Risparmio* - Interministerial Committee for Credit and Savings) dated 4 March 2003 and subsequent amendments, through personnel classified as "employees" that meet specific personal requirements defined by the Bank (classified as Middle Management, specific network positions such a branch manager, attendance of specific training courses on loans). This indirect sales channel regarded only the promotion, but not the sale of these products, which is undertaken at the Bank's branches. The remuneration envisaged for this category of individuals has the same characteristics as that applicable to all employees in general, since - in particular - there is no commission component attached.

For the distribution of its own and third-party products, the Group avails of a **network of financial advisors**, acting as agents based on mandates granted by the subsidiary **Widiba** (see paragraph below).

4.7.2 The network of financial advisors of Widiba

The financial advisors (hereinafter FAs) are linked to Widiba by an agency contract which permanently engages them (and without representation) to:

- independently and on behalf of Widiba exclusively, promote and place in Italy the financial, banking, insurance and welfare instruments and services indicated in the contract;
- assist the customers acquired and/or assigned under the mandate[87].

[86] Through the Advisory service defined by the regulations of Banca Monte dei Paschi.
[87] In compliance with current regulatory principles, contractual relationships with the customers that are either acquired by, or assigned to the financial advisor, exclusively take place between the customer and Widiba in any case.

The Widiba's Network of financial advisors consists of:

- 566 FAs, of which:
  - 1 National Network Manager (Head of Advisors - HoA);
  - 6 Area Managers (AM), who report directly to the National Network Manager, organised by geographical area, responsible for coordinating the financial advisors reporting to them, for business development in their territory and to achieve the objectives defined by the corporate management;
  - 45 District Managers (DM) who support the Area Managers in the activities described above.

Starting from February 2023, Widiba provided the Network of Financial Advisors with the possibility of managing customers through a special "FA Team" with one of the following purposes:

- "*Next Generation Team*": for the management of an effective generation changeover and subsequent portfolio transfer;
- "*Partnership Team*": to improve customer assistance, commercial and advisory support activities.

The FA Team is composed of 2 FAs (the "FA Leader" and the "FA Partner") who may belong to different Territorial Areas. The FA Leader and the FA Partner must also be enrolled in the Register of insurance intermediaries pursuant to art. 109 of the Private Insurance Code (Italian Legislative Decree no. 209/2005). With the establishment of the Team, the FA Leader and the FA Partner establish the Split rate (range 1% - 99%) to be applied, for the entire duration of the agreement, both for the recurring remuneration and for the funding flows needed to determine the non-recurring component, on the entire portfolio of products/services of customers falling within the scope of the FA Team.

To support of the activities carried out by the management structure in the recruitment area, the following figures (financial advisors) who are not part of the management hierarchy are foreseen:

- National Recruiting Manager (NRM), reporting directly to the HoA;
- Area Recruiting Manager (ARM), reporting directly to the NRM;
- Recruiting Manager (RM), reporting directly to the Area Manager.

Conversely, to support the activities carried out by the management structure in the field of education/on-the-job training, the following figures (financial advisors) who are not part of the management hierarchy are foreseen:

- Group Manager/Group Supervisory Manager (reporting directly to the DM/AM);
- Product and application tools trainers (reporting directly to the DM/AM).

The remuneration system for FAs, unlike the system used for employees, comprises different types of commission in accordance with the type of activities carried out and the products placed.

The overall remuneration[88] of FAs is based on the provisions of the Supervisory Provisions, organised as follows:

- a **recurring** component, which can be compared to the fixed remuneration of staff, is the most stable and ordinary element of the consultant's remuneration and is represented by **commission remuneration** recognised in relation to the products and services placed;
- a **non-recurring** component that can be compared to staff's variable remuneration, providing an incentive to the agents, and essentially comprising **incentive and loyalty-building plans**. Payment of this component, based on criteria favouring and promoting compliance with the rules of conduct and the interests of the customers served is conditioned upon the achievement of specific commercial results established by Widiba, corrected for risks (including legal and reputational). To this end a specific method has been developed to continuously assess the overall risk profile of the individual financial advisors based on indicators relating to the following profiles:
  - subjective - information and data referring to the advisor which may emerge from controls carried out by the control functions or the analysis of data which indicate anomalous conduct;
  - objective - regarding the transactions carried out with customers, that is, anomaly indicators inferable from the transactions of such customers.

  This analysis is performed on an ongoing basis through a platform which identifies the financial advisor's risk index.

[88] The criteria set out under paragraph 100 of the "EBA Guidelines" are used to value it.

SUSTAINABILITY AT WIDIBA

The continuous process of growth and development of Widiba's network of advisors is structured into a series of training initiatives aimed at enhancing their skills (hard and soft) and promoting the dissemination of a correct corporate culture, through targeted activities and a fair, inclusive, and increasingly sustainability-oriented working environment. Widiba provides financial advisors with approximately 75 hours of training per capita each year.

The ISO-WISE certification pursuant to the UNI 11348 standards in parts 1-2-3 and ISO 22222 represents a strength and distinctiveness on the market for Widiba. With the aim of disseminating the certification model - based on ethics, transparency and clarity - about 1,500 hours of training were provided in 2023, which allowed another 43 FAs to pass the exam for enrolment in the Register of Accredia, receiving accreditation as Financial Planners of the Bank.

As regards the training initiatives focussed on sustainability, a great deal of space was dedicated in 2023 to ESG training courses. Overall, around 5,300 hours were provided (of which over 2,000 in the classroom/webinar) to develop culture and increase awareness of sustainable finance issues.

The entire network was also trained on the changes introduced:

- by the latest version of the Group's Code of Ethics, in which sustainability, inclusion, equal opportunities and environmental protection are the key aspects, also incorporated in the Organisational Model of Widiba;
- by the Organisational Model 231 of Widiba to ensure that each advisor plays their part in acting consciously in compliance with the guidelines and behaviour outlined by the model.

Widiba oversees various financial education initiatives in support of social well-being to provide practical support to individuals, young people and families with fully informed management of their savings.

To do this, Widiba provides specialised training courses to FAs. The training is aimed at preparing advisors to support customers in acquiring full financial awareness, to educate them and enhance their financial knowledge in order to improve their decision-making process. More than 1,200 hours of training were provided during the year.

4.7.3 Focus on the non-recurring component of the remuneration of Widiba financial advisors

The incentive systems in the non-recurring component for financial advisors are in any case funded on a bottom-up basis from the overall gross proceeds obtained by Widiba from customer assistance/management activities (Pay-In) and are generally monetary in nature, but non-monetary incentives may also be provided (e.g. annual contests with prizes in the form of training courses).

These systems, in accordance with the rules, criteria and processes defined for all Group staff and therefore with gender neutrality[89], are based on the following principles:

- the non-recurring component is **determined *ex-ante*** based on **defined parameters**;
- the individual and/or group goals to be realised are defined by ensuring that relations with customers are fair, do not create legal and reputational risks and are aimed at contributing to the diversification/reduction of risk;
- the motivating plans must never give an incentive to take on risk to an excessive extent compared to the level of risk appetite provided under company strategies; more specifically, it must be in line with the reference framework for determining the risk appetite (RAF);
- *gates* relating to the following will be added for:
  - capital and liquidity conditions of the Group;
  - specific access conditions relating to Widiba;
  - operational/compliance risk indicators that condition payment of the amounts reserved also upon the occurrence of the above indicated conditions and in compliance with the terms established, causing all rights and/or financial benefits deriving from the system to expire (with the consequent obligation to repay any amounts received under the system) if the indicators materialise within five years of expiry of the system for financial advisors included in Identified Staff and within three years for the remaining advisors;
- the **performance targets** are identified as follows:
  - by considering the customer as the main priority;

[89] With the WOW programme, "Women of Widiba", a project created with the aim of spreading awareness of the value of women and the strategic characteristics of women in financial consultancy, Widiba promotes the presence of women in the financial sphere by becoming a bearer of the fight against stereotypes of gender, enhancing the female component both in financial advisory and at management level: the management committee, for example, is composed of 80% women professionals. To date, 109 female professionals are part of the Widiba's Network, accounting for 19% of the financial advisory network. The commitment to inclusion and gender equality also translates into the objective of further increasing the number of female personnel throughout the territory. In line with this approach, in 2022 and throughout 2023 Widiba launched several initiatives to support female entrepreneurship, involving the female financial advisors of the Network, and other initiatives such as, for example, the research project "Women and money: a challenge for inclusion" in collaboration with Università Cattolica del Sacro Cuore and in partnership with "Freeda Media" to raise awareness on the issues of inclusion and financial education.

- by implementing long-term incentive systems aligned with Widiba and Group strategic objectives;
- based on annual results and their impact over time;
- including elements that reflect the impact of the performance of the individual and/or the group/business unit on the creation of value of the company as a whole;
- assessing the individual performance, not only based on financial criteria, but also based on non-financial criteria (for example risk management, behavioural aspects, compliance with company values) and taking account of the specific nature of the role;

- the **deferral**, in accordance with current regulatory provisions, of payment of the bonus in relation to the risk time horizon it refers to, with the option of applying possible **malus mechanisms**. Said mechanisms can be implemented with respect to the variable remuneration to be paid or already recognised but not yet paid, for the year in which the compliance breach occurred. If the variable remuneration affected is not enough to ensure an adequate malus mechanism, the reduction may also be applied to other components of the variable remuneration;
- application of claw backs to the extent legally exercisable, to the performance-related bonuses recognised based on assumptions which were subsequently discovered to be incorrect. The clawback clauses are activated no later than five years from the payment of the individual portion (up-front or deferred) of variable remuneration for the financial advisors included in the Identified Staff and no later than three years for the remaining advisors;
- addition of **clauses to reduce the bonuses to zero** and/or reduce them in the event of:
  - non-compliant behaviour, disciplinary actions for irregular activities, poor conduct, with special reference to the sale of banking and financial products and services and the failure to honour internal conduct codes, breach of the values;
  - the performance levels of the advisors, considering risks assumed or incurred which have generated anomalies or critical issues in relations with customers.

  These mechanisms can lead to a reduction, also to zero out the entire non-recurring remuneration, especially when results are negative or significantly lower than pre-established targets;

- **prohibition** for beneficiaries of the bonuses **to use personal hedging strategies** or insurance on remuneration or other aspects that could alter or invalidate the effects of risk alignment inherent in the remuneration mechanisms (see paragraph 5.3).

Where given to financial advisors who are included in Identified Staff, the non-recurring remuneration is disbursed in compliance with the rules described herein for the IV Cluster in paragraph 4.5.1 and within the limits of proportionality between the fixed and variable component, outlined below.

LIMIT OF VARIABLE AND FIXED RATIO FOR FINANCIAL ADVISORS INCLUDED IN THE IDENTIFIED STAFF PERIMETER

The maximum ratio between variable and fixed remuneration for Identified Staff is 1:1[90]. Following the approval of the Parent Company's 2019 remuneration policies, Widiba - as stated in said policies - launched the regulatory procedure envisaged to raise said ratio to 2:1 for the sole benefit of Widiba financial advisors who are included in the Identified Staff perimeter in order to retain, hire and attract key personnel for the business. In the 2020 financial year, Widiba, having obtained the required authorisation from the Supervisory Authority, proceeded to amend its By-Laws, approved by its Shareholders' Meeting on 1 April 2020, introducing the option for it to raise the variable/fixed ratio up to 2:1. For Widiba, any increase in the variable/fixed ratio up to the maximum limit of 2:1 must be subject to a specific resolution of the Shareholders' Meeting of Widiba.

This increase is:

i) linked to the specific remuneration of these roles;
ii) in line with market practice as adopted by the main competitors (who have already brought the maximum variable/fixed ratio to 2:1);
iii) consequently aimed at preserving Widiba's competitiveness in the market and supporting the attractiveness and retention of financial advisors through competitive remunerations.

[90] As regards the relationship between variable and fixed remuneration for multi-year assessment systems that do not renew annually, the Bank applies the aforementioned "EBA Guidelines" (see specifically Title IV - Remuneration policy, award and pay out of variable remuneration for identified staff).

The aforementioned increase in the variable / fixed ratio is not likely to have any impact, now or in the future, on the Group's and Widiba's ability to continue to comply with all prudential rules, also considering that the plans (loyalty and/or incentive) relating to the non-recurring components of the remuneration always contain consolidation and payment conditions linked to the achievement of the Bank's business and budget objectives (targets in terms of funding, assets under management, stock increases and Bank profitability) identified and, predominantly, on the basis of multi-year periods.

MAIN INCENTIVE AND LOYALTY-BUILDING SYSTEMS OF THE NETWORK OF FINANCIAL ADVISORS AT WIDIBA

- Long Term Incentive (LTI): this is a loyalty-building and incentive system aimed at the entire network of financial advisors as at 31 December 2020 with a multi-year duration (generally 9 years) and the possibility of partial settlement every three years. The LTI system is based on sales performance conditions relating to each financial advisor verified at the time of access and on allocation conditions verified annually (minimum thresholds of assets managed and cash flows generated). The observance of all operational/compliance risk indicators is always verified with relation to the allocation and the payment of the amounts accrued. The system is intended for financial advisors as well as the managers of the managed portfolios that they coordinate.
- Over Bonus: bonus recognised to Area and District Managers if the applicable Area achieves the assigned budget targets formalised each year. The amount is determined by applying fixed rates to the Sales and Management pay-out generated by the structure coordinated and which is invoiced in the year under examination.
- Extra Management Fee: attributed to financial advisers from other networks, paid on pre-established deadlines for the achievement of pre-set targets with potential allocation of a higher bonus rate if the ratio of sales commissions and management fees accrued at a specific time to total funding achieved is greater than or equal to a set percentage.
- Bonus System (Productivity Bonus - Quality Bonus): includes short-term (1 year) productivity and quality objectives, linked to targets defined each year based on what is set forth in the budget. They may also include non-monetary benefits (e.g.,

specialised training) based on the achievement of a target defined at the level of overall stock or net cash flows or similar sales targets. This system may also include the period and/or annual contests based on the achievement of specific targets consistent with budget targets. The bonus system, for some predetermined figures, may have an annual value as well as a multi-year value with an observation period linked to objectives of a longer period (2 or 3 years).

- Recruiting Bonus: for financial advisors who participated in the recruitment process of other advisors hired in the network. The bonus can be paid in a percentage and/or fixed amount in the case of the inclusion of financial advisors (senior/banking/junior FA) or lead managers of a group of advisors under negotiations[91].
- Stability Pacts: economic benefit subject to remaining in the Widiba network and the maintenance of the assets managed by the advisor at a specific date. Access to this benefit results, for the stability period, in the automatic suspension of any additional loyalty system in favour of such advisor.
- Non-compete covenant: is an agreement between the Bank and the advisor that limits the right of the employee to carry out professional activities in competition with the Bank following termination of the agency relationship, providing, if breached, for payment of a penalty. A consistent payment, pre-established on a fixed basis, is given to the advisor for that commitment and is maintained for the entire period in which the conditions which determined its attribution are met. The instrument is used in favour of key network positions.
- Fidelity plan: includes instruments intended to stabilise and/or retain financial consultants, with a duration of at least 12 months, which call for - subject to targets of remaining in the Network for a specific period and/or the maintenance of asset volumes - the recognition of pre-determined amounts or the allocation of sums to be recognised on termination of the mandate due to retirement and/or the suspension of activities. The possible recipients of such instruments are advisors who do not receive loyalty bonuses.
- Bonus Retention: benefit granted to the transferee, in the case of portfolio transfers between advisers, aimed at strengthening the retention capacity on the transferred customers and conditional on the maintenance of the related funding.

[91] There was an update in terms of the process, calculation criteria and payment of this economic benefit.

- **Welcome bonus**: variable component recognised on a one-off basis to cover costs for terminating the employment relationship with the previous intermediary, which may be paid out on presentation of the relative spending commitments.
- **Expense Reimbursement:** benefit recognised to the advisor, after the achievement of sales targets, as a contribution for:
  i) the management of an HR office or logistics and furnishings costs, including any collaborators costs;
  ii) the development of recruiting activities;
  iii) the training activity provided by product specialists in the presence of productivity and quality targets measured over a specific period of time;
  iv) the start-up and consolidation of advisory-commercial development activities in the customer area;
  v) health insurance policies.
- Management Fee Bonus Increase**: assigned to financial advisors coming from other networks, when pre-established targets are met.**
- **Supervisory Bonus**: benefit granted at predetermined due dates to the Group Supervisory Manager, for the activity referred to in art. 78 RI 20307/18, upon the achievement by the supervised financial adviser of predetermined objectives.

The awarding of the incentive plans is subject to controls carried out every month by Widiba's HR and Finance & Operations and, to ensure respect for remuneration policies, by the Parent Company's HR.

4.8 The remuneration of business partners not bound to the company by employment relationships

The Bank makes extremely limited use of business partner contracts. These types of contracts are reserved for **specific requirements** (e.g. support for special projects or recommendations) and for professionals characterised by **excellent skills and experience** in specific areas, with a view to maintaining transparent relations with customers and avoiding legal and reputational risk.

The fixed component is determined in relation to the importance of the partnership; where the importance of the same increases, variable forms of incentive (including non-compete covenants) may be provided according to the same methods as those defined for employees.

4.9 Financial instruments to service variable remuneration payment

On the basis of the Supervisory Provisions in Circular 285, the Group is required to use shares or related instruments to pay a percentage of any variable remuneration disbursement to Identified Staff (see paragraph 4.5.1) (known as balancing). For disbursements that may arise in 2024 and which with the exception of what is set forth for Widiba and detailed in the following paragraph, the Bank will use the Phantom Shares, subject to approval by the Shareholders' Meeting of their use for said purposes - in this regard please refer to the information in the Report to the shareholders published on the website www.gruppomps.it – Corporate Governance – Shareholders' Meetings and BoD.

Widiba, following the approval by its Shareholders' Meeting of a Performance Shares Plan prepared in order to fulfil the obligation to pay part of the variable remuneration component in financial instruments to its financial advisors belonging to the Identified Staff, uses for the payment of the variable remuneration financial instruments linked to the value of the company itself on which the parties concerned can have, with their own actions, a more direct and immediate impact. These instruments will be converted, with the methods and timing defined by legislative and regulatory provisions, into a specific value in cash correlated with the performance of the value of Widiba. The value of such financial instruments will be calculated through the application of a valuation model validated by the relevant Bank functions and bodies.

4.10 The elements of the policy which may be derogated for personnel belonging to the perimeter of key management personnel

In exceptional circumstances, the possibility is provided to not apply specific policy elements, provided they establish the procedural conditions based on which an exemption is possible and indicate the elements of the policy which may be derogated, without prejudice to the binding provisions of Circular 285.

In compliance with the provisions laid out in Scheme 7-*bis* of Annex 3A of the Issuers' Regulations, exceptional circumstances are only those in which derogation of the remuneration policy is required to pursue the company's long-term interests and sustainability as a whole or to ensure its ability to stay on the market.

This being said, the Bank has established the possibility of applying certain exemptions to the policies for personnel belonging to the perimeter of key management personnel. Within the scope of remuneration initiatives:

- it may be **possible to use a different grade** than that formally assigned, within the maximum limit of 1 grade of difference with respect to the grade assigned by Willis Towers Watson, or the possibility to use a positioning above the relative remuneration bracket defined for the grade and in any event no higher than the ninth decile of the same grade;
- the possibility of intervening on the **economic parameters relating to** the "2024 Incentive System";
- as concerns severance, the definition of an amount **higher than 24 months' pay** and **what is set forth in the specific formula** (see paragraph 4.6) provided within a limit represented by the maximum number of months' pay due at the time of termination by way of supplementary indemnity pursuant to the collective labour agreement in force over time (22 months' pay, plus any additional months for age due based on the national collective labour agreement).

Any exemptions may be applied only following a **strict and articulated evaluation process**, which includes the issuing of opinions from the relevant company functions (and when necessary, also external consultants), in compliance with the procedures on Related Parties and with a reasoned resolution by the relevant corporate body (see paragraph 2 "Governance Rules"). Any application of the exemptions will be reported in compliance with the reporting provisions set forth in the Issuers' Regulations.

5. FOCUS ON CERTAIN KEY PROCESSES

Focus on certain key processes	Some of the main processes relating to the implementation of remuneration policies are outlined: > identification of **Identified Staff** > management of ***compliance breaches*** > verification of absence of ***hedging*** strategies

5.1 Process of classifying "Identified Staff"

In accordance with the Supervisory Provisions, the Bank has adopted a specific company Directive "Group Directive on the classification of Identified Staff", which is an integral part of this remuneration policy. In particular, the staff, whose professional activities may have a significant impact on the risk profile of the entity, is identified annually on the basis of a structured and formalised assessment, defined [92]according to EU Delegated Regulation 2021/923 and the criteria introduced byCircular 285 which, in implementation of the CRD V, identifies the categories of personnel to be considered Identified Staff.

[92] In particular, see the provisions of paragraphs 6 and 6.1 of Part I, Title IV, Chapter 2, Section I of the Supervisory Provisions - introduced for the first time by the 37th update.

THE PROCESS

The process of identification of the Identified Staff involves the following functions at Parent Company level:

- **Risk Management** - provides the applicable elements to identify the thresholds for the qualitative criteria of the Regulatory Technical Standards[93], both at Parent Company level and for the Group Companies classified as "Credit Institutions" within the scope of Directive 2013/36/EU (art. 73) and which have a centralised Risk Management Function (according to formal SLAs);
- **Planning** - identifies and provides the findings relating to the allocation/distribution of the internal capital both at Group level and for Group companies classified as "Credit Institutions";
- **Organisation** - oversees the development of the Group organisational model and reports any significant changes to it. In collaboration with the Human Resources function, and with the other relevant Functions in terms of delegated powers, it identifies the roles/positions in the perimeter resulting from the application of the thresholds identified in relation to the criteria of the above-mentioned Regulatory Technical Standards[94];
- **Human Resources** - identifies the members of staff with responsibility in the relevant operational / company units identified during the assessment process and processes the data relating to the "quantitative criteria"[95] and "calculation of the remuneration attributed"[96];
- **Compliance and Legal** - support the various functions involved in the proper interpretation and application of the prevailing laws;
- **Internal Audit** - controls the identification process and its results, including any requested exclusions therein.

The Group companies, classified as Credit Institutions, carry out their own self-evaluations at individual level, with the support of the Parent Company where required, while the Group companies that are smaller and less complex which therefore do not fall under the provisions of the Directive 2013/36/EU, are included in an identification process on a consolidated basis, delegating the consolidating entity to apply the identification process at an individual level. The Parent Company is responsible for ensuring the overall consistency of the identification process for the whole Group.

[93]See Delegated Regulation no. 1288/2022/EU art. 5 points b), c), d), and e).
[94] See Delegated Regulation no. 1288/2022/EU art. 5 points c) to f).
[95] See Delegated Regulation no. 1288/2022/EU, articles 1 to 5.
[96] See Delegated Regulation no. 1288/2022/EU Art. 6

The results of the Identified Staff classification process are examined by the **Remuneration Committee**. With regard to any exclusions, the Chief Executive Officer of the Parent Company decides whether to submit potential exclusions from the Identified Staff to the Remuneration Committee for subsequent proposal to the Board.

Once the Remuneration Committee obtains the opinion of the Risk and Sustainability Committee, it submits the proposal of approval of the perimeter to the Board, including any proposals for exclusion. The perimeter identified each year is **updated every quarter** by the **Human Resources** function following new hires/exits from roles, or in the case of any significant organisational and/or business changes or significant changes to the internal capital distribution on the basis of what was reported by the designated Parent Company functions.

The Identified Staff is divided into five Clusters through a precise analysis of the qualitative and quantitative criteria pursuant to EU Delegated Regulation 923/2021 (see table Cluster paragraph 4.5.1).

FINANCIAL ADVISORS

There is a structured evaluation process for Widiba financial advisors (hereinafter FAs) based on qualitative and quantitative criteria aimed at identifying the parties whose activities could have a substantial impact on its risk profile (Identified Staff). The following criteria are considered to this end:

- contribution to the risk to Widiba and the Group and verification of the contribution to the results on a prospective basis;

- analysis of the responsibilities, the level and the individual authorisations provided for;

- amount and structure of the remuneration received.

With reference to the qualitative criteria, based on the Supervisory Provisions, the process includes the National Network Manager and the Area Managers as Identified Staff. The MPS Group also believes that the FAs that satisfy at least one of the following thresholds should be included the perimeter of Identified Staff:

- an overall value of the overall portfolio over 150 million;
- number of customers higher than 2% of the total of the entire network of financial advisors of Widiba.

On the other hand, with regard to FAs to which a total remuneration equal to or greater than EUR 750,000[97] was attributed during the previous year, automatic inclusion in the category of Identified Staff is envisaged.
In the event that remuneration of more than EUR 500,000 but less than EUR 750,000 has been attributed during the previous year, a detailed assessment process is followed regarding the existence or otherwise of a substantial impact on the risk profile, applying a specific methodology calculation based on an algorithm that takes into account a series of indicators and parameters representative of the degree of risk of the FA activity. Therefore, Identified Staff includes the FAs with an overall risk profile exceeding medium-low and remuneration exceeding EUR 500,000.

5.2 Compliance breach management process

The malus and clawback correction mechanisms will be applied in the event of compliance breaches, which refer to:

- conduct that does not comply with the law, regulations or By-Laws or any codes of ethics or conduct that could apply to the Bank, resulting in a significant loss for the Bank or for customers;
- other conduct that does not comply with the law, regulations or By-Laws or any codes of ethics or conduct that could apply to the Bank, in the cases they may provide for;
- breaches of obligations pursuant to article 26 or when the party is an interested party, according to article 53 paragraphs 4 et seq. of the Consolidated Law on Banking or obligations on remuneration and incentives;
- other fraudulent behaviour or gross negligence to the damage of the Bank.

Reports of the above violations may originate from Group corporate bodies (Company Control, Legal and Labour Relations Functions), as well as from a third party authority.

The Bank has developed a procedure for the identification of potential compliance breaches, the assessment of their actual existence s and the resulting enactment of *ex post* correction mechanisms, which applies to all personnel, including financial advisors and the former staff of the Group and other companies, including abroad (compatible with the local regulatory framework), whether or not they belong to Identified Staff.

[97]EU Delegated Regulation 923/2021 art. 6, paragraph 1, lett. a.

This procedure governs, in a structured manner, inter alia: the responsibilities of the company functions and bodies in the different process phases, as well as the times and procedures for that process; the application procedures of the resulting malus and clawback measures, affecting variable remuneration, also differentiated on the basis of an assessment of the degree of "materiality" of the compliance breaches, to be conducted in accordance with certain pre-established criteria.

The effects of any disciplinary proceedings on the application of the *ex-post* correction mechanisms are also regulated, providing in general for the suspension of payments due if there are disciplinary proceedings in progress, up to their conclusion and the internal procedure for assessment of the compliance breach.

The times defined by the Bank for the exercise of the claw back clauses (that are reflected in the above-mentioned procedure) are:

- 5 years from disbursement of the variable remuneration for Identified Staff;
- 3 years from disbursement of the variable remuneration for the remaining staff.

Without prejudice to the time limits for the application of the claw back laid out above, the following variable remuneration is subject to reduction/elimination:

- for all employees currently in service, all variable remuneration already paid out, or accrued but not yet paid, included within the scope of "core" and "non-core" variable remuneration (see paragraphs 4.4.2 and 4.4.3) accrued for the year (or years, in the case, for example, of conduct extended over time) in which the compliance breach was committed;
- for personnel who have left the company, aside from the variable remuneration identified as set forth above, any severance (see paragraph 4.6) provided within an agreement for the consensual termination of the employment relationship;
- all variable remuneration referring to years subsequent to that in which the compliance breach was committed;
- for Widiba's financial advisors, the non-recurring remuneration component (see par. 4.7.3) accrued for the year (or years, in the case, for example, of conduct extended over time) in which the compliance breach was committed;

- only if the compliance breach has resulted or is expected to result in a financial loss for the Bank (for example, considering the penalty or judicial proceedings initiated but not yet completed, or for legal cases or complaints made against the Bank), all variable remuneration referring to years prior to that in which the compliance breach was committed.

5.3 Process for verification of absence of hedging strategies (“hedging”)

As part of the Supervisory Provisions, in order to avoid possible conduct contrary to the rules, it is forbidden for all Group personnel to make use of personal hedging strategies or insurance on remuneration or on other aspects that may alter or affect the risk alignment effects inherent in the remuneration mechanisms governed by the remuneration policy (“hedging strategies”).

To ensure compliance with this prohibition, the Bank has established that the Compliance Function, in agreement and with the support of the Human Resources Function:

- defines and updates the operating processes to carry out the activities needed to that end;
- identifies the types of transactions and financial investments that are directly or indirectly carried out by the Identified Staff that could affect the risk alignment mechanisms, and more generally, the pursuit of the purposes of the regulations;
- carries out checks on internal custody and administration accounts of Identified Staff.

The Identified Staff are required **to communicate the transactions and financial investments carried out** that fall under the categories defined beforehand, and Identified Staff and individuals closely linked to them, through specific agreements, are required to **communicate the existence or the activation of custody and administration accounts with other intermediaries**.

The Bank takes account of the information received when adjusting the staff remuneration and incentive systems, with special regard to the risk alignment mechanisms and the financial and income position of the Bank (for example duration of the deferral period, malus and clawback systems, etc.).

SECTION II – COMPENSATION PAID (Part I)

Section II	The compensation paid section is divided into **two** parts: > the first part provides a **qualitative representation** of the items that made up the 2023 remuneration > the second part **shows the compensation paid in table form** in accordance with the provisions of Schedule 7-bis of Annex 3A to the Issuers' Regulations

As illustrated in more detail in the Financial Statements and in the presentation of the preliminary results approved by the Board of Directors on 7 February 2023, the Group achieved a net profit of EUR 2,052 million as at 31 December 2023 (compared to a loss of EUR 178 million in 2022), total revenues of EUR 3,797 million, up by 21.7% compared to the previous year, confirming the effectiveness of the commercial bank's strategy, with the strengthening of its positioning and organic sustainable profitability.

This result is closely related, among other things, to the implementation of the Group's remuneration policies approved at the Shareholders' Meeting of 20 April 2023, by means of which, after several years of absence, the **Incentive System** was reinstated, which will be finalised and disbursed following the approval of the 2023 Financial Statements.

1. IMPLEMENTATION OF REMUNERATION POLICIES IN 2023

1.1 Governance

In 2023, the Remuneration Committee met 12 times[98]. The meetings with an average duration of about 1 hour and 30 minutes were also attended, from time to time, by the managers of the competent corporate functions, called upon to provide the necessary in-depth information on the items on the agenda.

In particular, the Committee provided support to the Board of Directors with regard to:

- definition of the company policy for the identification of Identified Staff for 2023 and the results of its implementation;

[98] Information also provided pursuant to Article 450 (1) (a) of EU Regulation 575/2013.

- definition of the remuneration policy proposal for 2023 for the Group, with particular reference to the criteria underlying the incentive systems for the Identified Staff;
- definition of the objectives to be assigned to the Chief Executive Officer and General Manager for the 2023 Incentive System;
- the analysis of the neutrality of the remuneration policy with respect to gender and the verification of the gender pay gap.

1.2 Dialogue with shareholders

The Bank attaches significant value to the annual analysis of the results of the shareholders' meeting votes, in order to ensure constant improvement in the adoption of market best practices through the progressive implementation of recommendations from shareholders, investors and proxy advisors.

The result of the vote of the Shareholders' Meeting of 2023, reported below, confirmed a high level of satisfaction with the structure, the general criteria and the remuneration levels envisaged and provided the Bank with a valuable reference point for the preparation of the Remuneration Policy for 2024 (Section I of this Report).

- Section I - Remuneration policies 2023 (binding vote[99]): 98.984%
- Section II - Compensation paid in 2022 (non-binding vote[100]): 99.877%,

It should be noted that, at the same Shareholders' Meeting, the plan of financial instruments intended for variable remuneration and the payment of severance to personnel was approved, with a percentage of votes in favour of 99.597%[101].

1.3 Compensation of Directors and Statutory Auditors in 2023

In addition to the compensation established by the Shareholders' Meeting of 20 April 2023 and detailed in Section I - paragraph 4.2, Directors and Statutory Auditors benefit from an insurance policy covering professional accidents, healthcare, in addition to “Directors & Officers Liability” (D&O), which covers third-party liability arising from alleged wrongful acts[102] committed by them in the performance of their duties. At its meeting held on 30 March 2023,

[99] (pursuant to art. 123-ter, paragraph 3 bis of the “Consolidated Law on Finance”)
[100] (pursuant to art. 123-ter, paragraph 6 of the “Consolidated Law on Finance”)
[101] Indication also provided pursuant to Directive 2017/828/EU (“Shareholder Rights Directive II”).
[102] Excluding wilful misconduct.

the Bank's Board of Directors resolved the renewal of this policy, for a cost of EUR 5.30 million, including taxes and accessory costs with a maximum of EUR 100 million for a one-year duration, effective 1 May 2023 and expiring on 30 April 2024. In 2023, the D&O coverage did not give rise to any insurance compensation in favour of the Bank.

Please refer to the dedicated Table in Part II of this Section for an indication of the names of the remuneration paid to each member of the Board of Directors and the Board of Statutory Auditors during 2023, in accordance with the provisions of the Issuers' Regulations.

1.4 Variable remuneration of the Chief Executive Officer and General Manager - 2023

According to the provisions of the 2023 Remuneration Policy, the annual variable remuneration of the Chief Executive Officer is linked to the achievement of the qualitative and quantitative objectives that have been approved by the Board, subject to verification of the entry gate conditions and the actual availability of the bonus pool.

For 2023, the variable remuneration of the Chief Executive Officer envisaged a target incidence of 75% of the fixed remuneration until the achievement, in the event of over-performance on the objectives assigned (corresponding to a score of 120%), of the maximum limit set by the Remuneration Policies based on the variable/fixed ratio of 1:1.

The following two tables show the results obtained by the Chief Executive Officer in 2023:

a) in relation to the quantitative objectives, concerning the economic and financial sphere and that of risk management, the results obtained are within the maximum achievement threshold.

Area	KPIs	Weight	Min (80%)	Target	Max (120%)	Results 2023	Score
Economic-Financial	Net Operating Income	40%	Budget -5%	Budget	Budget +5%	1.510,6 (€/mln)	48
	Cost/Income	20%	Risk Tolerance	Risk Appetite	Risk Appetite -2,5%	48,5%	24
	NPE Ratio	20%			FY 2022 Actual	3,6%	24
Risk management	Group Tier1 Ratio	10%			Risk Appetite +100 basis point	18,1%	12

b) In relation to the qualitative objectives, concerning the area of environmental sustainability and social equity, all five objectives identified were achieved, also in this case achieving the maximum possible result.

Area	KPIs	Weight	Min (3 of 5)	Target (4 of 5)	Max (5 of 5)	Accomplishment	Results 2023	Score
ESG	% Reduction of scope 1 emissions vs 2017	10%	2023 vs 2017 almeno pari al -60%			✓	-70%	12
	Gender equality pre-certification		Achievement by 2023			✓	Dec 2023 certification acquired	
	% New ESG loans/total new loans		Equal to at least 15% by the end of 2023			✓	16,5%	
	% Stock AUM ESG/Stock AUM		Equal to at least 40% by the end of 2023			✓	44,7%	
	Definition of NET zero objectives suggested by the NZBA		Definition of objectives on 3 sub-sectors by the end of 2023			✓	Yes	

It should be noted that the total annual remuneration, including fixed and variable portions, under the regime of State-owned investment in the Bank's share capital, may not exceed 10 times the average monetary remuneration of the bank's employees received in 2022 (corresponding to EUR 473,700) - "salary cap"[103]). The possibility of disbursing a total annual remuneration, in excess of the salary cap, is subject to the disposal of the State investment, without prejudice to the additional Pay-Out rules envisaged by the Cluster to which it belongs, described below.

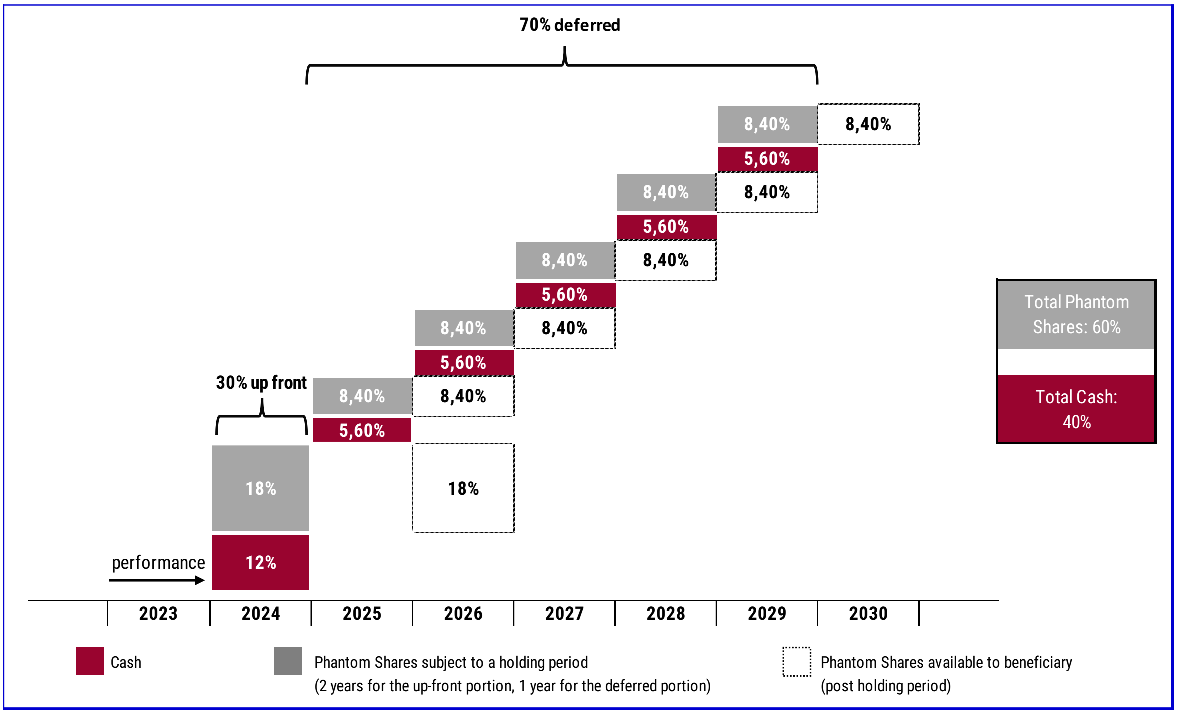
Therefore, the actual disbursement will take place when the commitments of the European Commission of 2 August 2022 no longer apply (in any case after the approval of the 2023 Financial Statements by the Shareholders' Meeting).

Therefore, the recognition of the bonus accrued, equal to 100% of the fixed remuneration (the latter also capped at EUR 473,700) is conditional on the disposal of the public equity investment. On the occurrence of the disposal, the bonus will be attributed in consideration of the Pay-Out scheme (deferral, cash-financial mix and holding period) defined on the basis of the classification of the Identified Staff (Cluster II).

The Pay-Mix envisages the disbursement of 40% in cash and 60% in financial instruments and, in the case of a particularly high amount (greater than EUR 424,260), a deferred component of 70%. The up-front portion (both in cash and in financial instruments) therefore corresponds to 30% of the premium. The deferral is envisaged in 5 years in portions of the same amount and composition (5.6% in cash and 8.4% in financial instruments) according

[103] For further information on the salary cap, please refer to paragraph 4.1.

to the format shown below. The up-front portion of financial instruments is subject to a 2-year holding period, while the individual deferred portions have a 1-year holding period.



1.5 Changes in the Identified Staff perimeter

In 2023, the Identified Staff perimeter decreased from 176 to 151[104] employees following the application of the updating process set out in paragraph 5.1 of Section I.

Quantitative information is provided in Section II Remuneration Paid - EU REM drawn up pursuant to Article 450 of Regulation on Capital Requirements II (EU) no. 575/2013 (Pillar III).

1.6 Changes in remuneration levels for Group personnel

The trend in total remuneration levels in 2023 was mainly influenced by the renewal of the National Collective Labour Agreement, by selective remuneration measures on some key

[104] Recognition as at 31 December 2023.

figures and by the reorganisation of the Group's workforce (16,737 active employees as at 31 December 2023, marking a decrease of 283 units compared to 31 December 2022).

To pursue pay alignment, with a special focus on **critical positions for the business** and in compliance with restrictions of economic compatibility, in 2023 actions were taken for roughly 2.1% of the employees.

As evidence of the Bank's policies to enhance the diversity and inclusion of human capital, with particular attention to the gradual and substantial reduction of the gender pay gap, in 2023 50.4% of the interventions on salary reviews involved female personnel.

In order to represent the remuneration trend of the last few years, the following is the relevant trend of the last 5 years for the Chief Executive Officer/General Manager, the directors, employees[105] and the results of the Group over the same period of time.

[105] Information pursuant to EU Directive 2017/828.

	Office	Period	Valori 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019
Luigi Lovaglio	CEO and General Manager	01.01.23 - 31.12.23	947.400 (1)	100,0%	-	-	-
Members of the administration and control bodies							
Grieco Maria Patrizia	Chairperson	01.01.23 - 26.03.23	25.972	-76,4%	0,0%	61,4%	-
Maione Nicola	Chairperson Director	20.04.23 - 31.12.23 01.01.23 - 20.04.23	104.514	16,1%	12,5%	-8,5%	2,9%
Bettio Francesca	Deputy Chairman	01.01.23 - 20.04.23	22.917	-69,4%	0,0%	61,5%	-
D'Ecclesia Rita Laura	Deputy Chairman	01.01.23 - 20.04.23	24.444	-69,4%	0,0%	61,6%	-
Brancadoro Gianluca	Deputy Chairman	20.04.23 - 30.12.23	55.778	-	-	-	-
Bader Luca	Director	01.01.23 - 20.04.23	25.972	-69,4%	-0,1%	61,7%	-
Barzaghi Alessandra Giuseppina	Director	01.01.23 - 31.12.23	88.986	4,7%	0,0%	61,6%	-
Bassilichi Marco	Director	01.01.23 - 20.04.23	22.917	-69,4%	0,0%	61,5%	-
Bochicchio Francesco	Director	01.01.23 - 20.04.23	22.917	-69,4%	-0,4%	62,2%	-
Castellano Rosella	Director	01.01.23 - 20.04.23	27.500	-69,4%	0,0%	61,6%	-
De Martini Paola	Director	01.01.23 - 31.12.23	78.556	-7,6%	0,0%	61,6%	-
Di Raimo Raffaele	Director	01.01.23 - 20.04.23	29.028	-69,4%	0,0%	61,7%	-
Di Stefano Stefano	Director	01.01.23 - 31.12.23	80.000	41,3%	-	-	-
Fabris De Fabris Paolo	Director	20.04.23 - 31.12.23	58.764	-	-	-	-
Foti Belligambi Lucia	Director	20.04.23 - 31.12.23	52.764	-	-	-	-
Giorgino Marco	Director	01.01.23 - 13.11.23	86.972	-13,0%	0,0%	-0,2%	0,2%
Lombardi Domenico	Director	20.04.23 - 31.12.23	66.236	-	-	-	-
Lucantoni Paola	Director	20.04.23 - 31.12.23	55.778	-	-	-	-
Martiniello Laura	Director	20.04.23 - 31.12.23	59.528	-	-	-	-
Negri-Clementi Anna Paola	Director	20.04.23 - 31.12.23	62.750	-	-	-	-
Rao Roberto	Director	01.01.23 - 20.04.23	27.500	-69,4%	0,0%	61,6%	-
Sala Renato	Director	20.04.23 - 31.12.23	59.264	-	-	-	-
Visconti Donatella	Director	20.04.23 - 31.12.23	59.264	-	-	-	-
Ciai Enrico	Chairperson of the Board of Statutory Auditors	01.01.23 - 31.12.23	80.000	0,0%	0,0%	61,4%	-
Cevasco Luisa	Statutory Auditor	01.01.23 - 20.04.23	19.861	-69,4%	35,8%	-	-
Soprano Luigi	Statutory Auditor	01.01.23 - 20.04.23	19.861	-69,4%	0,0%	61,4%	-
Linguanti Lavinia	Statutory Auditor	20.04.23 - 31.12.23	45.319	-	-	-	-
Serrentino Roberto	Statutory Auditor	20.04.23 - 15.05.23	4.514	-	-	-	-
Cotone Pierpaolo	Statutory Auditor	15.05.23 - 31.12.23	40.806	-	-	-	-
Employees			51.892	9,5%	-2,8%	3,3%	0,6%
Net Result			2.052 (2)	n.s.	n.s.	n.s.	n.s.

(1) The amount includes the 2023 bonus, equal to 100% of the fixed remuneration (the latter also capped at Euro 473,700), conditioned on the disposal of the public stake. Upon the disposal, the bonus will be awarded considering the Pay-Out scheme (deferment, cash-instrument mix, and holding period) defined based on the classification of Identified Staff (cluster II)

(2) Value in €/million: variations between the different fiscal years are not significant as negative values were recorded in the fiscal years 2019, 2020, and 2022.

With reference to high earners, i.e., those individuals whose total remuneration amounts to at least EUR 1 million per year (moreover subject to periodic reporting to the supervisory bodies), no Group employee or financial advisor exceeded said threshold[106].

1.7 2023 variable remuneration

As already illustrated, the year 2023 was a turning point for the Montepaschi Group. Based on the strategic transactions carried out at the end of 2022, including the share capital increase, the redundancy fund and the simplification of the territorial network, generally oriented towards the guiding principles of the "A clear and simple commercial bank 2022-2026" Business Plan, the Bank closed the year 2023 with a net profit of EUR 2,052 million, confirming the healthy operating performance, the considerable capacity to generate capital and the equity strength at the top of the system. The general context also made it possible, two years earlier than the plan target, to be able to return to the ex-dividend date.

With regard to remuneration, in order to create the conditions for the full execution of said Plan, as well as align the interests of management with those of the shareholders, recognising and enhancing the contribution of human capital with a view to pay for performance, the Group activated, through the 2023 Remuneration Policy, specific incentive systems with the possibility of disbursement also in the form of welfare instruments.

As envisaged in the 2023 Policy, the actual allocation of bonuses may take place upon achievement of the annual qualitative and quantitative objectives of the Group, the company and the individual, subject to satisfaction of the entry gate conditions and effective availability of the bonus pool. The objectives set at Group level for 2023 must ensure, in the presence of profit for the year, joint compliance with the equity strength, liquidity and risk-adjusted profitability ratios defined in the RAF (see table below).

That said, as at 31 December 2023 these entry gates were all outdated, as shown in the following table.

[106] Information pursuant to article 450 (1) (i) of Regulation (EU) no. 575/2013.

Entry Gate of the System			
Prerequisite: presence of profit for the year 2023(*)			✓
Tier1 Ratio	>	*Risk Tolerance* RAF 2023	✓
NSFR	>	*Risk Tolerance* RAF 2023	✓
RAROC	>	*Risk Tolerance* RAF 2023	✓

(*) including the cost of incentive systems

In addition, the application of the funding ratio to the consolidated Net Operating Income (RON) for 2023, according to the provisions of the same 2023 Policies, shows full availability of bonus pools to service the 2023 incentive system.

1.8 Indemnities and/or other benefits for termination of office or for termination of employment awarded during the year

As part of the **remuneration paid for early termination of the employment relationship**, 30 consensual resolutions which, among others, involved 5 members of management of which 1 employee belonging to the Identified Staff perimeter. For 7 employees amounts were paid **exceeding the cost of the notice**, which were disbursed according to the terms and methods envisaged by current legislation. In particular, an amount by way of severance exceeding EUR 100,000 was paid to an employee belonging to the Identified Staff perimeter. These amounts, disbursed in compliance with current legislation and the contractual provisions for the category, were defined within the perimeter of specific policies adopted by the Board of Directors and consistent with the resolutions of the Shareholders' Meeting, aimed at limiting discretion when determining the amounts to be granted and guaranteeing equal treatment.

With reference to the plan of financial instruments intended for variable remuneration and for severance payments approved by the Shareholders' Meeting in 2023, it should be noted that use was made of the 44,998 Phantom Shares to be disbursed by way of severance, according to the terms and methods set forth in the deferral plan signed at the time of the early termination of the employment relationship between an Executive Manager and the Bank.

With regard to the share of the variable component to be paid in the form of financial instruments to Widiba's financial advisors included in Identified Staff, during the financial year 86,570.47 Performance Shares were assigned for a nominal value of EUR 79,172.55. Furthermore, 523,615.78 performance shares assigned in previous years were settled, for a total value of EUR 428,664.84.

For the sake of completeness, on the other hand, with regard to the plan of *financial instruments* activated in 2016 for the early termination of the employment relationship of an Executive Manager of the Bank:

- as regards the original 32,806 deferred Performance Shares, 4.01 of them were paid out during 2023. As at 31 December 2023, following both the liquidations and write-offs that have occurred to date, and the reverse split of the BMPS share in the ratio of 100 to 1, which took place with the resolution of the Shareholders' Meeting of 15 September 2022, 8.19 Performance Shares therefore remained to be liquidated in accordance with the provisions of the Plan, in compliance with applicable internal and external regulations.

1.9 Allocation of other forms of remuneration envisaged in the 2023 Policy

In compliance with the 2023 Remuneration Policies, which provided for the possibility of activating **notice extension agreements** and **non-compete covenants**, to serve the interest of the Bank, the use of these instruments continued for a total cost of the new activations equal to EUR 857,414.

With regard to the **non-recurring component of the remuneration** of Widiba's financial advisors, for 2023 the non-recurring remuneration of 121 advisors, linked to incentive and loyalty systems as well as to the entry of new financial advisors.

SECTION II – Compensation paid (Part II)

This section analytically illustrates the remuneration paid or in any case assigned in 2023 financial year to the Directors, Statutory Auditors and key management personnel (pursuant to article 123-*ter* paragraph 4 of the Consolidated Law on Finance), as set forth in article 84-*ter* of the Issuers' Regulations, as well as data regarding the Identified Staff, pursuant to the Supervisory Provisions.

In this regard, it should be noted that Consob imposes the obligation to report payments made to those subjects who have held, during the financial year or a fraction thereof, the office of Director, General Manager or key management personnel.

Moreover, **no stock option plans are active** at Group level.

This section also sets out the information that the Bank is required to publish under Pillar III, pursuant to art. 450 of the Capital Requirements Regulation II (EU) No. 575/2013. Indeed, as of 30 June 2021 new provisions are in force on the Pillar III Disclosures of intermediaries, which are used to reinforce the role of entity disclosures in promoting market discipline.

Pillar III is based on the assumption that Market Discipline contributes to strengthening capital regulation and promoting the stability and solidity of Banks and the financial sector, and provides investors and other interested parties with the appropriate, complete, accurate and timely information that they need to take investment decisions and develop informed opinions on the Group.

On the basis of art. 434 of the CRR, which provides the possibility to refer to another public disclosure, the Group is taking advantage of that possibility to complement the information, by providing specific references to the paragraphs of the Remuneration Policies that address the relative required information.

List of the information included in this Section:

Tables	Contents	Authorities
Table 1	Remuneration paid to the Members of the Board, Statutory Auditors, General Manager, Deputy General Managers and other key management personnel.	Consob
Table 3A	Remuneration plans based on financial instruments, other than stock options, for members of the Board of Directors, the General Manager, the Deputy General Managers and other key management personnel.	Consob
Table 3B	Monetary incentive plans in favour of Members of the Board, Statutory Auditors, General Managers, Deputy General Managers and key management personnel.	Consob
Schedule 7-ter	Shareholdings of the Members of the Board of Directors and Statutory Auditors, General Managers, Deputy General Managers and key management personnel.	Consob
EU REMA Table	Remuneration policy Reconciliation table with references to paragraphs in the Remuneration Policies.	EBA (Art. 450 of the CRR)
EU REM1 Template	Remuneration awarded for the financial year	EBA (Art. 450 of the CRR)
EU REM2 Template	Special payments to staff whose professional activities have a material impact on institutions’ risk profile (Identified staff)	EBA (Art. 450 of the CRR)
EU REM3 Template	Deferred remuneration	EBA (Art. 450 of the CRR)
EU REM4 Template	Remuneration of EUR 1 million or more per financial year	EBA (Art. 450 of the CRR)
EU REM5 Template	Information on remuneration of staff whose professional activities have a material impact on institutions’ risk profile ("Identified staff")	EBA (Art. 450 of the CRR)

Table 1 - Remuneration paid to the members of the board, statutory auditors, general manager, deputy general managers and other managers with strategic responsibilities

pursuant to the Consob Resolution no. 11971 of 14 May 1999 and subsequent amendments

data refers to period 1/1 - 31/12/2023

Surname and name	Office	Period for which officewas held	Fixed remuneration (*)	Remuneration for the participation in committees (*)	Non equity variable pay		Non monetary benefits (**)	Other remuneration	Total	Fair value of the equity remuneration	Severance pay
					Bonuses and other incentives	Profit sharing					
GRIECO Maria Patrizia	**Chairperson**	01.01.23 - 26.03.23									
(i) Fees in the company that prepares the Financial Statements			25.972	-	-	-	1.196	-	27.168	-	-
(ii) Fees from subsidiaries and affiliates									-		
(iii) Total			**25.972**	**-**	**-**	**-**	**1.196**	**-**	**27.168**	**-**	**-**
MAIONE Nicola	**Chairperson** **Director**	20.04.23 - 31.12.23 01.01.23 - 20.04.23									
(i) Fees in the company that prepares the Financial Statements			96.375 *(1)*	8.139 *(2)*	-	-	1.466	-	105.980	-	-
(ii) Fees from subsidiaries and affiliates									-		
(iii) Total			**96.375**	**8.139**	**-**	**-**	**1.466**	**-**	**105.980**	**-**	**-**
BETTIO Francesca	**Deputy Chairman**	01.01.23 - 20.04.23									
(i) Fees in the company that prepares the Financial Statements			19.861	3.056 *(3)*	-	-	1.196	-	24.112	-	-
(ii) Fees from subsidiaries and affiliates									-		
(iii) Total			**19.861**	**3.056**	**-**	**-**	**1.196**	**-**	**24.112**	**-**	**-**
D'ECCLESIA Rita Laura	**Deputy Chairman**	01.01.23 - 20.04.23									
(i) Fees in the company that prepares the Financial Statements			19.861	4.583 *(4)*	-	-	1.196	-	25.640	-	-
(ii) Fees from subsidiaries and affiliates									-		
(iii) Total			**19.861**	**4.583**	**-**	**-**	**1.196**	**-**	**25.640**	**-**	**-**
BRANCADORO Gianluca	**Deputy Chairman**	20.04.23 - 30.12.23									
(i) Fees in the company that prepares the Financial Statements			45.319	10.458 *(5)*			1.350		57.127	-	-
(ii) Fees from subsidiaries and affiliates									-		
(iii) Total			**45.319**	**10.458**	**-**	**-**	**1.350**	**-**	**57.127**	**-**	**-**
BADER Luca	**Director**	01.01.23 - 20.04.23									
(i) Fees in the company that prepares the Financial Statements			19.861	6.111 *(6)*	-	-	1.196	-	27.168	-	-
(ii) Fees from subsidiaries and affiliates									-		
(iii) Total			**19.861**	**6.111**	**-**	**-**	**1.196**	**-**	**27.168**	**-**	**-**
BARZAGHI Alessandra Giuseppina	**Director**	01.01.23 - 31.12.23									
(i) Fees in the company that prepares the Financial Statements			65.000	23.986 *(7)*	-	-	1.466	-	90.452	-	-
(ii) Fees from subsidiaries and affiliates									-		
(iii) Total			**65.000**	**23.986**	**-**	**-**	**1.466**	**-**	**90.452**	**-**	**-**
BASSILICHI Marco	**Director**	01.01.23 - 20.04.23									
(i) Fees in the company that prepares the Financial Statements			19.861	3.056 *(8)*	-	-	1.196	-	24.112	-	-
(ii) Fees from subsidiaries and affiliates									-		
(iii) Total			**19.861**	**3.056**	**-**	**-**	**1.196**	**-**	**24.112**	**-**	**-**

(*) The amounts indicated refer to 2023 accrual, even in cases where they have not yet been fully disbursed.

(**) For the members of the Bank's Board of Directors and Board of Statutory Auditors, the item includes an insurance policy to cover occupational accidents and health coverage. For the Chief Executive Officer and other Executives with Strategic Responsibilities, the item includes accident and health insurance policies, the Long Term Care policy, the company's contribution to the Supplementary Pension Fund set at a fixed rate of 2.5% and benefits in support of the individual.

(1) Nicola Maione, fixed remuneration:
- € 76.514 for the role of Chairperson
- € 19.861 for the role of Director

(2) Nicola Maione, amounts recognised for the participation in board commitees:
- € 4.583 for the participation in the "Nomination Committee" (until 20.04.2023)
- € 3.556 for the participation in the Supervisory Board (until 8.05.2023)

(3) Francesca Bettio, amounts recognised for the participation in board commitees:
- € 3.056 for the participation in the "Related Party Transactions Committee"

(4) Rita Laura D'Ecclesia, amounts recognised for the participation in board commitees:
- € 4.583 for the participation in the "Risk and Sustainability Committee"

(5) Gianluca Brancadoro, amounts recognised for the participation in board commitees:
- € 10.458 for the participation in the "Remuneration Committee"

(6) Luca Bader, amounts recognised for the participation in board commitees:
- € 3.056 for the participation in the "Nomination Committee"
- € 3.056 for the participation in the "Remuneration Committee"

(7) Alessandra Giuseppina Barzaghi, amounts recognised for the participation in board commitees:
- € 10.000 for the participation in the "Related Party Transactions Committee"
- € 10.930 for the participation in the "Risk and Sustainability Committee"(effective 14.12.2023 come "Chairperson")
- € 3.056 for the participation in the "Remuneration Committee"

(8) Marco Bassilichi, amounts recognised for the participation in board commitees:
- € 3.056 for the participation in the "Remuneration Committee"

Table 1 - Remuneration paid to the members of the board, statutory auditors, general manager, deputy general managers and other managers with strategic responsibilities
pursuant to the Consob Resolution no. 11971 of 14 May 1999 and subsequent amendments
data refers to period 1/1 - 31/12/2023

Surname and name	Office	Period for which officewas held	Fixed remuneration (*)	Remuneration for the participation in committees (*)		Non equity variable pay		Non monetary benefits (**)	Other remuneration	Total	Fair value of the equity remuneration	Severance pay
						Bonuses and other incentives	Profit sharing					
BOCHICCHIO Francesco	Director	01.01.23 - 20.04.23										
(i) Fees in the company that prepares the Financial Statements			19.861	3.056	*(9)*	-	-	1.195	-	24.111	-	-
(ii) Fees from subsidiaries and affiliates												
(iii) Total			**19.861**	**3.056**		-	-	**1.195**	-	**24.111**	-	-
CASTELLANO Rosella	Director	01.01.23 - 20.04.23										
(i) Fees in the company that prepares the Financial Statements			19.861	7.639	*(10)*	-	-	1.195	-	28.695	-	-
(ii) Fees from subsidiaries and affiliates										-		
(iii) Total			**19.861**	**7.639**		-	-	**1.195**	-	**28.695**	-	-
DE MARTINI Paola	Director	01.01.23 - 31.12.23										
(i) Fees in the company that prepares the Financial Statements			65.000	13.556	*(11)*	-	-	1.466	-	80.022	-	-
(ii) Fees from subsidiaries and affiliates										-		
(iii) Total			**65.000**	**13.556**		-	-	**1.466**	-	**80.022**	-	-
DI RAIMO Raffaele	Director	01.01.23 - 20.04.23										
(i) Fees in the company that prepares the Financial Statements			19.861	9.167	*(12)*	-	-	1.195	-	30.222	-	-
(ii) Fees from subsidiaries and affiliates										-		
(iii) Total			**19.861**	**9.167**		-	-	**1.195**	-	**30.222**	-	-
DI STEFANO Stefano	Director	01.01.23 - 31.12.23										
(i) Fees in the company that prepares the Financial Statements			65.000	15.000	*(13)*	-	-	1.466	-	81.466	-	-
(ii) Fees from subsidiaries and affiliates										-		
(iii) Total			**65.000**	**15.000**		-	-	**1.466**	-	**81.466**	-	-
FABRIS DE FABRIS Paolo	Director	20.04.23 - 31.12.23										
(i) Fees in the company that prepares the Financial Statements			45.319	13.444	*(14)*	-	-	1.350	-	60.113	-	-
(ii) Fees from subsidiaries and affiliates										-		
(iii) Total			**45.319**	**13.444**		-	-	**1.350**	-	**60.113**	-	-
FOTI BELLIGAMBI Lucia	Director	20.04.23 - 31.12.23										
(i) Fees in the company that prepares the Financial Statements			45.319	7.444	*(15)*	-	-	1.350	-	54.113	-	-
(ii) Fees from subsidiaries and affiliates										-		
(iii) Total			**45.319**	**7.444**		-	-	**1.350**	-	**54.113**	-	-
GIORGINO Marco	Director	01.01.23 - 13.11.23										
(i) Fees in the company that prepares the Financial Statements			56.514	30.458	*(16)*	-	-	1.466	-	88.438	-	-
(ii) Fees from subsidiaries and affiliates										-		
(iii) Total			**56.514**	**30.458**		-	-	**1.466**	-	**88.438**	-	-

(*) The amounts indicated refer to 2023 accrual, even in cases where they have not yet been fully disbursed.
(**) For the members of the Bank's Board of Directors and Board of Statutory Auditors, the item includes an insurance policy to cover occupational accidents and health coverage. For the Chief Executive Officer and other Executives with Strategic Responsibilities, the item includes accident and health insurance policies, the Long Term Care policy, the company's contribution to the Supplementary Pension Fund set at a fixed rate of 2.5% and benefits in support of the individual.

(9) Francesco Bochicchio, amounts recognised for the participation in board commitees:
- € 3.056 for the participation in the "Related Party Transactions Committee"

(10) Rosella Castellano, amounts recognised for the participation in board commitees:
- € 3.056 for the participation in the "Nomination Committee"
- € 4.583 for the participation in the "Risk and Sustainability Committee"

(11) Paola De Martini, amounts recognised for the participation in board commitees:
- € 3.056 for the participation in the "Related Party Transactions Committee"
- € 6.973 for the participation in the "Nomination Committee"
- € 3.528 for the participation in the "Remuneration Committee"

(12) Raffaele Di Raimo, amounts recognised for the participation in board commitees:
- € 4.583 for the participation in the "Remuneration Committee"
- € 4.583 for the participation in the "Risk and Sustainability Committee"

(13) Stefano Di Stefano, amounts recognised for the participation in board commitees:
- € 15.000 for the participation in the "Risk and Sustainability Committee"

(14) Paolo Fabris De Fabris, amounts recognised for the participation in board commitees:
- € 6.972 for the participation in the "Related Party Transactions Committee"
- € 6.472 for the participation in the Supervisory Board (effective 8.05.23)

(15) Lucia Foti Belligambi, amounts recognised for the participation in board commitees:
- € 6.972 for the participation in the "Related Party Transactions Committee"
- € 6.472 for the participation in the "Remuneration Committee" (effective 14.12.23)

(16) Marco Giorgino, amounts recognised for the participation in board commitees:
- € 21.736 for the participation in the "Risk and Sustainability Committee" (as Chairperson, until 13.11.23)
- € 5.667 for the participation in the "Remuneration Committee"
- € 3.056 for the participation in the "Nomination Committee" (effective 14.12.23)

Table 1 - Remuneration paid to the members of the board, statutory auditors, general manager, deputy general managers and other managers with strategic responsibilities

pursuant to the Consob Resolution no. 11971 of 14 May 1999 and subsequent amendments
data refers to period 1/1 - 31/12/2023

Surname and name	Office	Period for which officewas held	Fixed remuneration (*)	Remuneration for the participation in committees (*)		Non equity variable pay		Non monetary benefits (**)	Other remuneration	Total	Fair value of the equity remuneration	Severance pay
						Bonuses and other incentives	Profit sharing					
LOMBARDI Domenico	Director	20.04.23 - 31.12.23										
(i) Fees in the company that prepares the Financial Statements			45.319	20.917	*(17)*	-	-	1.350	-	67.586	-	-
(ii) Fees from subsidiaries and affiliates										-		
(iii) Total			**45.319**	**20.917**		**-**	**-**	**1.350**	**-**	**67.586**	**-**	**-**
LOVAGLIO Luigi	CEO	01.01.23 - 31.12.23										
(i) Fees in the company that prepares the Financial Statements				-		-	-		-	-	-	-
(ii) Fees from subsidiaries and affiliates										-		
(iii) Total			**-**	**-**		**-**	**-**		**-**	**-**	**-**	**-**
LUCANTONI Paola	Director	20.04.23 - 31.12.23										
(i) Fees in the company that prepares the Financial Statements			45.319	10.458	*(18)*	-	-	1.350	-	57.127	-	-
(ii) Fees from subsidiaries and affiliates										-		
(iii) Total			**45.319**	**10.458**		**-**	**-**	**1.350**	**-**	**57.127**	**-**	**-**
MARTINIELLO Laura	Director	20.04.23 - 31.12.23										
(i) Fees in the company that prepares the Financial Statements			45.319	14.208	*(19)*	-	-	1.350	-	60.877	-	-
(ii) Fees from subsidiaries and affiliates										-		
(iii) Total			**45.319**	**14.208**		**-**	**-**	**1.350**	**-**	**60.877**	**-**	**-**
NEGRI - CLEMENTI Anna Paola	Director	20.04.23 - 31.12.23										
(i) Fees in the company that prepares the Financial Statements			45.319	17.431	*(20)*	-	-	1.350	-	64.099	-	-
(ii) Fees from subsidiaries and affiliates										-		
(iii) Total			**45.319**	**17.431**		**-**	**-**	**1.350**	**-**	**64.099**	**-**	**-**
RAO Roberto	Director	01.01.23 - 20.04.23										
(i) Fees in the company that prepares the Financial Statements			19.861	7.639	*(21)*	-	-	1.196	-	28.696	-	-
(ii) Fees from subsidiaries and affiliates										-		
(iii) Total			**19.861**	**7.639**		**-**	**-**	**1.196**	**-**	**28.696**	**-**	**-**
SALA Renato	Director	20.04.23 - 31.12.23										
(i) Fees in the company that prepares the Financial Statements			45.319	13.944	*(22)*	-	-	1.350	-	60.613	-	-
(ii) Fees from subsidiaries and affiliates										-		
(iii) Total			**45.319**	**13.944**		**-**	**-**	**1.350**	**-**	**60.613**	**-**	**-**
VISCONTI Donatella	Director	20.04.23 - 31.12.23										
(i) Fees in the company that prepares the Financial Statements			45.319	13.944	*(23)*	-	-	1.350	-	60.613	-	-
(ii) Fees from subsidiaries and affiliates										-		
(iii) Total			**45.319**	**13.944**		**-**	**-**	**1.350**	**-**	**60.613**	**-**	**-**

(*) The amounts indicated refer to 2023 accrual, even in cases where they have not yet been fully disbursed.

(**) For the members of the Bank's Board of Directors and Board of Statutory Auditors, the item includes an insurance policy to cover occupational accidents and health coverage. For the Chief Executive Officer and other Executives with Strategic Responsibilities, the item includes accident and health insurance policies, the Long Term Care policy, the company's contribution to the Supplementary Pension Fund set at a fixed rate of 2.5% and benefits in support of the individual.

(17) Domenico Lombardi, amounts recognised for the participation in board commitees:
- € 10.458 for the participation in the "Nomination Committee"
- € 10.458 for the participation in the "Risk and Sustainability Committee"

(18) Paola Lucantoni, amounts recognised for the participation in board commitees:
- € 10.458 for the participation in the "Risk and Sustainability Committee"

(19) Laura Martiniello, amounts recognised for the participation in board commitees:
- € 6.972 for the participation in the "Nomination Committee"
- € 6.528 for the participation in the "Remuneration Committee" (until 14.12.2023)
- € 708 for the participation in the "Risk and Sustainability Committee" (effective 14.12.2023)

(20) Anna Paola Negri-Clementi, amounts recognised for the participation in board commitees:
- € 10.458 for the participation in the "Related Party Transactions Committee"
- € 6.972 for the participation in the "Remuneration Committee"

(21) Roberto Rao, amounts recognised for the participation in board commitees:
- € 3.056 for the participation in the "Nomination Committee"
- € 4.583 for the participation in the "Related Party Transactions Committee"

(22) Renato Sala, amounts recognised for the participation in board commitees:
- € 6.972 for the participation in the "Nomination Committee"
- € 6.972 for the participation in the "Remuneration Committee"

(23) Donatella Visconti, amounts recognised for the participation in board commitees:
- € 6.972 for the participation in the "Nomination Committee"
- € 6.972 for the participation in the "Related Party Transactions Committee"

Table 1 - Remuneration paid to the members of the board, statutory auditors, general manager, deputy general managers and other managers with strategic responsibilities

pursuant to the Consob Resolution no. 11971 of 14 May 1999 and subsequent amendments
data refers to period 1/1 - 31/12/2023

Surname and name	Office	Period for which officewas held	Fixed remuneration (*)	Remuneration for the participation in committees (*)	Non equity variable pay		Non monetary benefits (**)	Other remuneration	Total	Fair value of the equity remuneration	Severance pay
					Bonuses and other incentives	Profit sharing					
CIAI Enrico	Chairperson of the Board of Statutory Auditors	01.01.23 - 31.12.23									
(i) Fees in the company that prepares the Financial Statements			80.000	-	-	-	1.466	-	81.466	-	-
(ii) Fees from subsidiaries and affiliates									-		
(iii) Total			**80.000**	**-**	**-**	**-**	**1.466**	**-**	**81.466**	**-**	**-**
CEVASCO Luisa	Statutory Auditor	01.01.23 - 20.04.23									
(i) Fees in the company that prepares the Financial Statements			19.861	-	-	-	1.196	-	21.057	-	-
(ii) Fees from subsidiaries and affiliates									-		
(iii) Total			**19.861**	**-**	**-**	**-**	**1.196**	**-**	**21.057**	**-**	**-**
SOPRANO Luigi	Statutory Auditor	01.01.23 - 20.04.23									
(i) Fees in the company that prepares the Financial Statements			19.861	-	-	-	1.196	-	21.057	-	-
(ii) Fees from subsidiaries and affiliates									-		
(iii) Total			**19.861**	**-**	**-**	**-**	**1.196**	**-**	**21.057**	**-**	**-**
LINGUANTI Lavinia	Statutory Auditor	20.04.23 - 31.12.23									
(i) Fees in the company that prepares the Financial Statements			45.319	-	-	-	1.350	-	46.669	-	-
(ii) Fees from subsidiaries and affiliates									-		
(iii) Total			**45.319**	**-**	**-**	**-**	**1.350**	**-**	**46.669**	**-**	**-**
SERRENTINO Roberto	Statutory Auditor	20.04.23 - 15.05.23									
(i) Fees in the company that prepares the Financial Statements			4.514	-	-	-	1.106	-	5.619	-	-
(ii) Fees from subsidiaries and affiliates									-		
(iii) Total			**4.514**	**-**	**-**	**-**	**1.106**	**-**	**5.619**	**-**	**-**
COTONE Pierpaolo	Statutory Auditor	15.05.23 - 31.12.23									
(i) Fees in the company that prepares the Financial Statements			40.806	-	-	-	1.323	-	42.129	-	-
(ii) Fees from subsidiaries and affiliates									-		
(iii) Total			**40.806**	**-**	**-**	**-**	**1.323**	**-**	**42.129**	**-**	**-**
LOVAGLIO Luigi *(as General Manager)*	General Manager	01.01.23 - 31.12.23									
(i) Fees in the company that prepares the Financial Statements			473.700	-	189.480 *(25)*	-	20.671	-	683.851	284.220 *(25)*	-
(ii) Fees from subsidiaries and affiliates											
(iii) Total			**473.700**	**-**	**189.480**	**-**	**20.671**	**-**	**683.851**	**284.220**	**-**
MANAGERS WITH STRATEGIC RESPONSIBILITIES		01.01.23 - 31.12.23									
(i) Fees in the company that prepares the Financial Statements			3.982.367	-	607.600 *(25)*	-	232.831	-	4.822.798	879.481 *(25)*	-
(ii) Fees from subsidiaries and affiliates								118.414 *(24)*	118.414		
(iii) Total			**3.982.367**	**-**	**607.600**	**-**	**232.831**	**118.414**	**4.941.212**	**879.481**	**-**

(*) The amounts indicated refer to 2023 accrual, even in cases where they have not yet been fully disbursed.
(**) For the members of the Bank's Board of Directors and Board of Statutory Auditors, the item includes an insurance policy to cover occupational accidents and health coverage. For the Chief Executive Officer and other Executives with Strategic Responsibilities, the item includes accident and health insurance policies, the Long Term Care policy, the company's contribution to the Supplementary Pension Fund set at a fixed rate of 2.5% and benefits in support of the individual.

(24) Annual amounts paid or to be paid by investee companies, of which € 83,500 paid or to be paid to Banca MPS SpA
(25) The amount refers to the 2023 Incentive System and will be disbursed downstream of the resolutions of the Ordinary Shareholders' Meeting convened on 11 April 2024; in any case, any amounts exceeding the so-called salary cap may only be disbursed following the disposal of the public shareholding.

Chart 7-ter - Shareholding held in MPS by members of the board of directors, board of statutory auditors and general managers

data at 31/12/2023

Surname and name	Office	Company in which stake is held	Number of shares held at the end of the previous financial year	Number of shares acquired	Number of shares sold	Number of shares held at the end of the financial year underway
Maione Nicola	Chairperson	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Brancadoro Gianluca	Deputy Chairman	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Lovaglio Luigi	CEO/General Manager	Banca Monte dei Paschi di Siena S.p.A.	100.980 (1)	59.000 (2)	-	159.980
Barzaghi Alessandra Giuseppina	Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
De Martini Paola	Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Di Stefano Stefano	Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Fabris De Fabris Paolo	Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Foti Belligambi Lucia	Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Lombardi Domenico	Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Lucantoni Paola	Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Martiniello Laura	Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Negri-Clementi Anna Paola	Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Sala Renato	Director	Banca Monte dei Paschi di Siena S.p.A.	-	31.000 (2)	-	31.000
Visconti Donatella	Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Ciai Enrico	Chairperson of the Board of Statutory Auditors	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Cotone Pierpaolo	Statutory Auditor	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Linguanti Lavinia	Statutory Auditor	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Grieco Maria Patrizia	ex Chairperson	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Bettìo Francesca	ex Deputy Chairman	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
D'Ecclesia Rita Laura	ex Deputy Chairman	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-

(1) Shares held directly at the end of the 2022 fiscal year

(2) Shares purchased directly

Chart 7-ter - Shareholding held in MPS by members of the board of directors, board of statutory auditors and general managers

data at 31/12/2023

Surname and name	Office	Company in which stake is held	Number of shares held at the end of the previous financial year	Number of shares acquired	Number of shares sold	Number of shares held at the end of the financial year underway
Bader Luca	ex Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Bassilichi Marco	ex Director	Banca Monte dei Paschi di Siena S.p.A.	40.019 (1)	-	-	40.019
Bochicchio Francesco	ex Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Castellano Rosella	ex Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Di Raimo Raffaele	ex Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Giorgino Marco	ex Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Rao Roberto	ex Director	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Soprano Luigi	ex Statutory Auditor	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Cevasco Luisa Elisabetta	ex Statutory Auditor	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Vitali Piera	ex Alternate Auditor	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Fallacara Francesco	ex Alternate Auditor	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-
Serrentino Roberto	ex Statutory Auditor	Banca Monte dei Paschi di Siena S.p.A.	-	-	-	-

(1) Shares held directly at the end of the 2022 fiscal year

(2) Shares purchased directly

Chart 7-ter - Shareholding in MPS held by managers with strategic responsibilities

data at 31/12/2023

Number of managers with strategic responsibilities	Company in which stake is held	Number of shares held at the end of the previous financial year	Number of shares acquired	Number of shares sold	Number of shares held at the end of the financial year underway
13	Banca Monte dei Paschi di Siena S.p.A.	56.857 [1]	5.000 [2]	11.358	50.499

Of which in office at 31/12/2023

13	Banca Monte dei Paschi di Siena S.p.A.	56.857	5.000	11.358	50.499

[1] Shares held directly at the end of the 2022 fiscal year

[2] Shares purchased directly

Table 3A - Incentive plans based on financial instruments, not including stock options, in favour of members of the board, general managers, deputy general managers and managers with strategic responsibilities

pursuant to the Consob Resolution no. 11971 of 14 May 1999 and subsequent amendments
data refers to period 1/1 - 31/12/2023

Surname and name	Office	Plan	Financial Instruments assigned in previous exercises and not vested during the year		Financial instruments assigned during the exercise					Financial Instruments vested during the year and not assigned	Financial Instruments vested during the year and attributable		Financial Instruments relevant to the year
			Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at assignment date	Vesting period	Assignment date	Market price at assignment date	Number and type of financial instruments	Number and type of financial instruments	Value at accrual date	Fair value
LOVAGLIO Luigi	CEO General Manager												
(I) Compensation in the company that prepares the Financial Statements		2023 Incentive System	-	-	(*)	284.220 *(1)*	2024 - 2029	(*)	(*)	-	-	-	85.266 *(1)*
(II) Compensation from subsidiaries and affiliates		-	-	-	-	-	-	-	-	-	-	-	-
(III) Total						284.220						-	85.266
MANAGERS WITH STRATEGIC RESPONSIBILITIES													
(I) Compensation in the company that prepares the Financial Statements		2023 Incentive System	-	-	(*)	879.481 *(1)*	2024 - 2029 -	(*)	(*)	-	-	-	358.176 *(1)*
(II) Compensation from subsidiaries and affiliates		-	-	-	-	-	-	-	-	-	-	-	-
(III) Total						879.481						-	358.176

(*) Data regarding the Phantom Shares assignable in reference to the incentive attributed to the results of the 2023 fiscal year will be available following the resolutions of the Ordinary Shareholders' Meeting convened on April 11, 2024

(1) The amount refers to the 2023 Incentive System and will be disbursed following the resolutions of the Ordinary Shareholders' Meeting convened for 11 April 2024; in any case, any amounts entailing the exceeding of the so-called salary cap may only be disbursed following the disposal of the public shareholding.

Table 3B - Monetary incentive plans in favour of members of the board, general managers, deputy general managers and managers with strategic responsibilities
pursuant to the Consob Resolution no. 11971 of 14 may 1999 and subsequent amendments
data refers to period 1/1 - 31/12/2023

Surname and name	Office	Plan	Annual Bonus			Bonus from previous years			Other Bonuses
			Payable/paid out	Deferred	Deferment period	No longer payable	Paid out/to be paid outt	Still deferred	
LOVAGLIO Luigi	CEO General Manager								
(I) Compensation in the company that prepares the Financial Statements		2023 Incentive System	56.844 *(1)*	132.636 *(1)*	2024 - 2029	-	-	-	-
(II) Compensation from subsidiaries and affiliates		-	-	-	-	-	-	-	-
(III) Total			56.844	132.636		-	-	-	-
MANAGERS WITH STRATEGIC RESPONSIBILITIES									
(I) Compensation in the company that prepares the Financial Statements		2023 Incentive System	249.424 *(1)*	358.176 *(1)*	2024 - 2029	-	-	-	-
(II) Compensation from subsidiaries and affiliates		-	-	-	-	-	-	-	-
(III) Total			249.424	358.176		-	-	-	-

(1) The amount refers to the 2023 Incentive System and will be disbursed following the resolutions of the Ordinary Shareholders' Meeting convened for 11 April 2024; in any case, any amounts entailing the exceeding of the so-called salary cap may only be disbursed following the disposal of the public shareholding.

Table EU REMA - Remuneration policy

<table>
<tr><td colspan="2">Institutions shall describe the main elements of their remuneration policies and how they implement these policies. In particular, the following elements, where relevant, shall be described:</td></tr>
<tr><td colspan="2">Qualitative disclosures</td></tr>
<tr><td colspan="2">Information relating to the bodies that oversee remuneration. Disclosures shall include:</td></tr>
<tr><td>a)</td><td>• name, composition and mandate of the main body (management body or remuneration committee as applicable) overseeing the remuneration policy and the number of meetings held by that main body during the financial year
with reference to the Remuneration Committee see to that end Section I paragraph 2 - Governance Rules and Section II - Compensation paid Part I, paragraph 1.1 - Governance. For the Board of Directors see to that end Table 1 - Remuneration paid to the members of the board, statutory auditors, general manager, deputy general managers and other managers with strategic responsibilities.
• external consultants whose advice has been sought, the body by which they were commissioned, and in which areas of the remuneration framework
in 2024, the Bank used the external consultants Willis Towers Watson to implement the incentive system for the “Identified Staff” 2024 and the preparation of the Report on Remuneration Policy 2024 and the compensation paid - see Section I paragraph 3 - Compliance;
for 2024 the Remuneration Committee used an independent advisor, Chaberton Partners - see Section I paragraph 2 - Governance Rules.
• a description of the scope of the institution’s remuneration policy (eg by regions, business lines), including the extent to which it is applicable to subsidiaries and branches located in third countries
The principles set out in the Remuneration Policies are applicable to all the Group's companies, including resources employed abroad where applicable according to local regulations. As far as Widiba’s Financial Advisors are concerned, the specific rules set forth in par. 4.7 - Remuneration of financial advisors.
• a description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile.
see Section I, paragraphs 4.5 - 2024 Identified Staff, 5.1 - Process of classifying “Identified Staff”.</td></tr>
<tr><td colspan="2">Information relating to the design and structure of the remuneration system for identified staff. Disclosures shall include:</td></tr>
<tr><td rowspan="3">b)</td><td>• an overview of the key features and objectives of remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders
see Section I, paragraphs 2 - Governance Rules, 4.5 - 2024 Identified Staff, 5.1 - Process of classifying “Identified Staff”.</td></tr>
<tr><td>• information on the criteria used for performance measurement and ex ante and ex post risk adjustment
Variable remuneration of the Group, including shares attributable to Identified Staff., is determined based on Group and business unit risk-adjusted economic performance. For details, see Section I paragraphs 4.4.2 - “Core” components, 4.5.2 - Focus on the remuneration of the Chief Executive Officer and General Manager, 4.5.3 - “2024 Incentive System”.</td></tr>
<tr><td>• whether the management body or the remuneration committee where established reviewed the institution’s remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration</td></tr>
</table>

		in 2023 revised the Report on the Remuneration Policy of the institution and started the preliminary investigation for the activation of an incentive system in 2024. For details of the changes introduced in the 2024 policies, see Section I paragraph 1 - Purpose of the remuneration policy and main changes for 2024, 4.4.2 "Core" components, 4.5.2 - Focus on the remuneration policy of the Chief Executive Officer and General Manager and 4.5.3 - The "2024 Incentive System".
	•	*information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee* see Section I, paragraphs 4.3.1 - Fixed Remuneration and indemnities, 4.5.1 - Basic rules of variable remuneration, 4.5.3 - "2024 Incentive System".
	•	*policies and criteria applied for the award of guaranteed variable remuneration and severance payments* see Section I, paragraphs 4.4 - Variable remuneration, 4.4.1 - Definition, 4.6 - Compensation for early termination of the employment.
c)		*Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration.* The Risk and Sustainability Committee has the task of assisting the Board of Directors in defining the guidelines of the internal control and risk governance system and in assessing the adequacy and effectiveness of that system, and to ensure that the incentives underlying the Group's remuneration and incentive system are consistent with the *Risk Appetite Framework* ('RAF'), the objectives of which are described in Section I paragraph 4.4.1 - Definition.
d)		*The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.* There is a limitation of the ratio between variable and fixed remuneration to a value not exceeding 100% (1:1 ratio), as indicated in Section I under paragraphs 4.4 - Variable Remuneration, 4.4.1 - Definition and 4.5.1 - Basic rules of variable remuneration. In addition, for Widiba's Financial Advisors, see also the Focus within paragraph 4.7.3 on the "Limit of Variable and Fixed Ratio for Financial Advisors included in the Identified Staff perimeter".
Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration. Disclosures shall include:		
e)	•	*an overview of main performance criteria and metrics for institution, business lines and individuals* the characteristics of the 2024 Incentive System are given in the Section I paragraphs 4.4.2 - "Core" components, 4.5.2 - Focus on the remuneration of the Chief Executive Officer and General Manager, 4.5.3 - "2024 Incentive System".
	•	*an overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance* see Section I, paragraphs 4.4.2 - "Core" components, 4.5.2 - Focus on the remuneration of the Chief Executive Officer and General Manager, 4.5.3 - "2024 Incentive System".
	•	*information on the criteria used to determine the balance between different types of instruments awarded including shares, equivalent ownership interest, options and other instruments* see Section I, paragraphs 4.5.1 - Basic rules of variable remuneration, 4.5.2 - Focus on the remuneration of the Chief Executive Officer and General Manager, 4.5.3 - "2024 Incentive System".
	•	*information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution's criteria for determining "weak" performance metrics* see Section I, paragraphs 4.4.2 - "Core" components, 4.5.2 - Focus on the remuneration of the Chief Executive Officer and General Manager, 4.5.3 - "2024 Incentive System".

Description of the ways in which the institution seeks to adjust remuneration to take account of longterm performance. Disclosures shall include:	
f)	• *an overview of the institution's policy on deferral, payout in instrument, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff* see Section I, paragraphs 4.5 - 2024 Identified Staff and more specifically 4.5.2 - Focus on the remuneration of the Chief Executive Officer and General Manager, 4.5.3 - "2024 Incentive System".
	• *information of the institution' criteria for ex post adjustments (malus during deferral and clawback after vesting, if permitted by national law)* see Section I, paragraph 5.2 - Compliance breach management process.
	• *where applicable, shareholding requirements that may be imposed on identified staff* nothing to report.
The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR. Disclosures shall include:	
g)	• *information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non-cash-instruments, options and other instruments.* See Section I paragraphs 4.5.1 - Basic rules of variable remuneration 4.7 - Remuneration of financial advisors, 4.9 - Financial instruments to service variable remuneration payment.
Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management.	
h)	See Table 1 - Remuneration paid to the members of the board, statutory auditors, general managers, deputy general managers and other managers with strategic responsibilities. The table shows the disclosure on members of the BoD, CEO, GM and at an aggregate level for the other managers with strategic responsibilities, in section II.
Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR.	
i)	• *For the purposes of this point, institutions that benefit from such a derogation shall indicate whether this is on the basis of point (a) and/or point (b) of Article 94(3) CRD. They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.* Exemption based on letter b) (Bonus Significance Threshold) - Number of staff members benefiting from the exemption: No. 83. Total remuneration: Euro 12.053.376, of which fixed Euro 9.747.425, of which variable Euro 2.305.951.
Large institutions shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR.	
j)	The information is contained in EU Form Table REM1 - Remuneration awarded for the financial year.

Table EU REM1: Remuneration awarded for financial year

			a	b	c	d
			Management body Supervisory function	Management body Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	13	1	13	124
2		Total fixed remuneration	1.198.319	474.823	4.056.067	18.654.912
3		Of which: cash-based	1.198.319	473.700	3.982.367	18.654.912
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
6		(Not applicable in the EU)				
7		Of which: other forms		1.123	73.701	
8		(Not applicable in the EU)				
9	Variable remuneration (*)	Number of identified staff		1	11	103
10		Total variable remuneration		473.700	1.487.081	3.969.559
11		Of which: cash-based		189.480	607.601	3.136.729
12		Of which: deferred		132.636	358.176	401.229
EU-13a		Of which: shares or equivalent ownership interests				
EU-14a		Of which: deferred				
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments		284.220	879.481	830.696
EU-14b		Of which: deferred		198.954	521.305	411.899
EU-14x		Of which: other instruments				
EU-14y		Of which: deferred				
15		Of which: other forms				2.134
16		Of which: deferred				
17	Total remuneration (2 + 10)		**1.198.319**	**948.523**	**5.543.149**	**22.624.471**

(*) The amounts include the 2023 Incentive System, which will be disbursed downstream of the resolutions of the Ordinary Shareholders' Meeting convened on 11 April 2024; in any case, any amounts exceeding the so-called salary cap may only be disbursed following the disposal of the public shareholding.

Table EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		a	b	c	d
		Management body Supervisory function	Management body Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff				
2	Guaranteed variable remuneration awards -Total amount				
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff			1	
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount			7	
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff			1	
7	Severance payments awarded during the financial year - Total amount			219.588	
8	Of which paid during the financial year			127.362	
9	Of which deferred			92.226	
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				
11	Of which highest payment that has been awarded to a single person				

Table EU REM3 - Deferred remuneration

		a	b	c	d	e	f	EU-g	EU-h
	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	Management body Supervisory function								
2	Cash-based								
3	Shares or equivalent ownership interests								
4	Share-linked instruments or equivalent non-cash instruments								
5	Other instruments								
6	Other forms								
7	Management body Management function								
8	Cash-based								
9	Shares or equivalent ownership interests								
10	Share-linked instruments or equivalent non-cash instruments								
11	Other instruments								
12	Other forms								
13	Other senior management								
14	Cash-based								
15	Shares or equivalent ownership interests								
16	Share-linked instruments or equivalent non-cash instruments								

Table EU REM3 - Deferred remuneration

		a	b	c	d	e	f	EU-g	EU-h
	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
17	Other instruments								
18	Other forms								
19	Other identified staff	346.021	144.081	201.940	-	-	10.390	179.532	33.739
20	Cash-based	143.443	77.868	65.575	-	-	-	77.868	-
21	Shares or equivalent ownership interests								
22	Share-linked instruments or equivalent non-cash instruments	202.578	66.213	136.365	-	-	10.390	101.664	33.739
23	Other instruments								
24	Other forms								
25	**Total amount**	**346.021**	**144.081**	**201.940**	**-**	**-**	**10.390**	**179.532**	**33.739**

Table EU REM4: Remuneration of EUR 1 million or more per year

	EUR	a Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	-
2	1 500 000 to below 2 000 000	-
3	2 000 000 to below 2 500 000	-
4	2 500 000 to below 3 000 000	-
5	3 000 000 to below 3 500 000	-
6	3 500 000 to below 4 000 000	-
7	4 000 000 to below 4 500 000	-
8	4 500 000 to below 5 000 000	-
9	5 000 000 to below 6 000 000	-
10	6 000 000 to below 7 000 000	-
11	7 000 000 to below 8 000 000	-

Table EU REM5: Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
		Management body Supervisory function	Management body Management function	Total Management body	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										151
2	Of which members of the management body	13	1	14							
3	Of which other members of senior management				-	2	-	8	3	-	
4	Of which other identified staff				-	76	-	34	12	2	
5	Total remuneration of identified staff	1.198.319	948.523	2.146.843	23.042	15.984.029	44.874	9.196.798	2.605.167	313.710	
6	Of which variable remuneration (*)		473.700	473.700	23.042	2.634.726	44.874	2.226.130	500.805	27.064	
7	Of which fixed remuneration	1.198.319	474.823	1.673.143	-	13.349.303	-	6.970.668	2.104.363	286.646	

(*) The amounts include the 2023 Incentive System, which will be disbursed downstream of the resolutions of the Ordinary Shareholders' Meeting convened on 11 April 2024; in any case, any amounts exceeding the so-called salary cap may only be disbursed following the disposal of the public shareholding.

MONTE DEI PASCHI DI SIENA
BANK SINCE 1472