APPROVED by:
Supervisory Board "PRAVEX BANK" JSC

Minutes No. 11_26 dated 19.06.2026, Agenda item 10

Ref. No. 183 dated 24.06.2026

REMUNERATION AND INCENTIVE POLICIES OF "PRAVEX BANK" JSC

Security classification of the document: Confidentially

Summary of changes:

Revision Number	Owner	Key amendments	Annulled documents
10.0	HR and Organization Department	• Updated legal and regulatory references (EU and Ukraine); • Refined governance terminology and organizational structure; • Clarified roles and responsibilities of key functions; • Strengthened KPI framework with focus on risk management and AML/CTF; • Revised performance scorecard model (65% qualitative / 35% quantitative); • Enhanced ESG integration through updated KPI and sustainability targets; • Introduced multi-year business plan alignment for start-ups and turnaround entities; • Clarified clawback criteria; • Introduced new 2026–2029 Long-Term Incentive Plan; • Refined termination and severance provisions.	None.

Path:
https://learning.pravex.ua – INTERNAL RULES & REGULATIONS BASE – Guidelines – Resource Management

Effective Date:01.01.2026

PRAVEX BANK
Bank of INTESA SANPAOLO

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Chief Accountant	☐
Internal Audit Department	☐
Legal and General Secretariat Department	☒
Risk Management Department	☒
Compliance and AML Department	☒
PR and Marketing Office	☐
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PRAVEX BANK
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1. Legal background

The issue of remuneration of financial intermediaries has been gaining growing attention by international bodies and regulators, aiming to guide issuers and intermediaries towards the adoption of remuneration systems that are consistent with the principles - strengthened following the economic and financial crisis - governing the process for drawing up and approving the ISP Group Remuneration and Incentive Policies, their remuneration structure and their transparency.

In particular, according to these principles, remuneration systems must take into account current and future risks and the level of capital strength of each intermediary, and ensure remuneration based on results actually achieved and sustainable over time.

The Remuneration and Incentive Policies of “PRAVEX BANK” JSC is defined in compliance with the following regulations[1]:

1.1 Local regulations:

- the Law of Ukraine “On Banks and Banking”;
- the Law of Ukraine "On Joint Stock Companies";
- the Law of Ukraine "On Capital Markets and Organized Commodities Markets”;
- Regulations on the Organization of the Risk Management System in Banks of Ukraine and Banking Groups, approved by Resolution of the Board of the National Bank of Ukraine dated 11.06.2018 No. 64;
- Regulation on the Organization of the Internal Control System in Banks of Ukraine and Banking Groups, approved by the Resolution of the Board of the National Bank of Ukraine dated 02.07.2019 No. 88;
- Methodological Recommendations on the Organization of Corporate Governance in Banks of Ukraine, approved by the Resolution of the Board of the National Bank of Ukraine dated 03.12.2018 No. 814-рш;
- Regulation on Remuneration Policy in the Bank, approved by the Resolution of the Board of the National Bank of Ukraine dated 30.11.2020 No.153 (hereinafter “the Regulation”);
- Law of Ukraine “On Amendments to Certain Legislative Acts of Ukraine Regarding the Improvement of the Procedure for Withdrawing a Bank from the Market Under Martial Law” dated May 29, 2023, No. 3111-IX
- Resolution of the National Securities and Stock Market Commission “On Approval of the Requirements (rules) for Securities Trading Activities: Brokerage Activity, Dealer Activity, Underwriting, Securities Management” dated 03.11.2020 No. 640
- Labor Code of Ukraine.

1.2 European regulations:

- Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions (CRD) as amended by Directive (EU) 2024/1619 (CRD VI);
- Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms as amended by EU Regulation 2019/876 (the so-called (EU) 2024/1623 (CRR III);
- Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector;
- Regulation (EU) 923/2021, which implements and supplements the CRD V with regards to identifying staff members whose professional activities have a material impact on the institution’s risk profile;
- Regulation (EU) 527/2014 containing regulatory technical standards specifying the classes of instruments that adequately reflect the credit quality of an institution as a going concern and are appropriate to be used for the purposes of variable remuneration;
- Regulation (EU) 3172/2024 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation

[1] The Bank is subject to the regulation applicable to ISP Group that is the Consolidating Institution if the local law does not foresee more restrictive provisions.

(EU) No 575/2013;

- Directive 2014/65/EU (MIFID II) on markets in financial instruments;
- Guidelines on sound remuneration policies under Directive 2013/36/EU, issued by the European Banking Authority, EBA, updated in July 2021;
- Guidelines on the data collection exercises regarding high earners under Directive 2013/36/EU and under Directive (EU) 2019/2034, issued by EBA;
- Guidelines on certain aspects of the MiFID remuneration requirements, issued by ESMA on 31 March 2022.

1.3 Italian regulations[2]:

- Circular n. 285 of 17 December 2013, issued by Bank of Italy, that deals with "Provisions regarding remuneration and incentive policies".

1.4 ISP Group regulations:

- "Guidelines on remuneration, incentives and identification of Risk Takers";
- "Intesa Sanpaolo Report on remuneration policy and compensation paid" that includes the ISP Remuneration and Incentive Policies and the Rules for identifying Risk Takers;
- "Remuneration Discipline" that is composed of:
  - Section A, that deals with Principles, remuneration and incentive Systems and Instruments addressed to all personnel of the Group and those special categories governed by the agency contract;
  - Section B, that deals with the Rules for identifying Risk Takers both at Intesa Sanpaolo Group level, at level of sub-consolidating Groups and of Banks that do not have their own remuneration policies.

  Both Sections are supplemented, where necessary, by Technical Rules that are implementing provisions - reported in specific boxes - which set out the operational content of the Remuneration and Incentive Policies in order to ensure their precise implementation.

1.5 PRAVEX BANK JSC regulations:

- Articles of Association of "PRAVEX BANK" JSC;
- Regulation on Supervisory Board;
- Guidelines on remuneration, incentives and identification of Risk Takers.

[2] PRAVEX BANK JSC is subject to the regulation applicable to ISP Group that is the Consolidating Institution if the local law does not foresee more restrictive provisions.

2. Definitions

Term	Definition
Bank	“PRAVEX BANK” JSC
ISP	Intesa Sanpaolo S.p.A.
ISP Group	Intesa Sanpaolo S.p.A. and its Subsidiaries, including “PRAVEX BANK” JSC
IBD or the Division	International Banks Division
“PRAVEX BANK” JSC Policies	The Remuneration and Incentive Policies of “PRAVEX BANK” JSC
ISP Group Remuneration and Incentive Policies or ISP Policies	Remuneration and Incentive Policies approved by Intesa Sanpaolo S.p.A. valid for ISP and all its Subsidiaries in place from time to time. ISP Policies includes also the Rules for identifying Risk Takers.
Group Risk Takers	Staff whose professional activities have a material impact on the risk profile of the Intesa Sanpaolo Group identified in compliance with the CRD and EU Regulation No. 923/2021.
Legal Entity Risk Takers	Staff whose professional activities have a material impact on the risk profile of “PRAVEX BANK” JSC. Among Legal Entity Risk Takers, those who have a material impact also on Intesa Sanpaolo Group risk profiled are named Group Risk Takers.
Influential person	Legal Entity Risk Takers, apart from the members of the Corporate Bodies.
Middle Managers	Those who do not belong to the Risk Takers segment and, according to job titling of the Global Banding System adopted by the ISP Group, are identified with the title of Senior Director or Head of.
Control Functions	Internal Audit Department, Risk Management Department, and Compliance & AML Department.
Corporate Bodies	General Shareholders’ Meeting, Supervisory Board, Management Board

3. Procedures for adoption and implementation of the Remuneration and Incentive Policies

In line with the ISP Group “Guidelines on remuneration, incentives and identification of Risk Takers” acknowledged by the Bank as well as the valid “PRAVEX BANK” JSC Guidelines on remuneration, incentives and identification of staff that have a material impact on the risk profile of the Bank” (hereinafter “the Bank Guidelines”) from time to time approved by the Supervisory Board, here below it is described the main roles and responsibilities of Corporate Bodies and Functions/Departments of the Bank for the adoption and implementation of “PRAVEX BANK” JSC Remuneration and Incentive Policies.

It is noteworthy that the Bank Guidelines, together with the Bank Remuneration and Incentive Policies constitutes the framework about the Remuneration and Incentive systems adopted in order to ensure sound, prudent company management in line with the interests of all stakeholders, according to criteria of equity, sustainability, competitiveness and avoidance of conflict of interests.

3.1 The role of Corporate Bodies and Functions

3.1.a General Shareholders' Meeting

The General Shareholders' Meeting approves:

- the Remuneration and Incentive Policies and annual reports on remuneration for Supervisory Board members. The pieces of information of these reports are described in the paragraph 6;
- the fixed pay levels for the Chairman and Members of the Supervisory Board.

3.1.b The Supervisory Board

The Supervisory Board:

- is responsible for approving and reviewing, at least annually and in cooperation with the Bank's Remuneration & Nomination Committee, "PRAVEX BANK" JSC Remuneration and Incentive Policies that include the Rules for identifying staff whose professional activities have a material impact on the Bank's risk profile;
- ensures that variable remuneration of an employee for the relevant financial year does not exceed 100% of the amount of fixed remuneration of the employee for that year;
- supervises the implementation of the remuneration rules, and reviews the processes and practices related to remuneration and compliance with the Bank and ISP Group Policies, taking into account long-term interests of Shareholders, the medium and long-term strategies and corporate objectives, the size and activity peculiarities of the Bank, the nature and scope of the banking and other financial services, the systemic importance of the Bank, the compliance/implementation of the Bank's strategy and its business plan, budget and risk appetite framework;
- with the support of the Remuneration & Nomination Committee, is responsible for approving the list of Risk Takers identified according to the criteria set out in the Remuneration and Incentive Policies in compliance with the Resolution of the Board of the National Bank of Ukraine dated 30.11.2020 No.153, including the exclusions (if any);
- approves the fixed pay levels for the Management Board Members (including the Chairman), the Heads of Control Functions and employees of the Internal Audit Department;
- with regard to the Management Board Members (including the Chairman), the Heads of Control Functions and employees of the Internal Audit Department, is responsible for approving and reviewing, in collaboration with IB Division HR, the variable remuneration accrued for the reference year and, in this context, also the assignment of the KPIs and targets of the performance scorecards, the assessment of the level of achievement against performance targets and the amount of the bonus to be paid (if any);
- has a right to take decision as regards partial payment, deferral, reduction, cancellation (with due regard to the performance results, financial standing of the Bank) and/or return (if payment was done based on the information later proved incorrect) of already paid variable component of remuneration for the Chairman and members of the Management Board, the Heads of Control Functions and employees of the Internal Audit Department;
- approves the severance payments, if any, for the Management Board Members (including the Chairman), the Heads of Control Functions and employees of the Internal Audit Department;
- is informed, at least on an annual basis, about the funding of the bonus pool at Bank level;
- is responsible to assess, at least once per year, the implementation of "PRAVEX BANK" JSC Policies;
- approves reports on remuneration for the Management Board members and influential persons. The pieces of information of these reports are described in the paragraph 6.

3.1.c Remuneration & Nomination Committee

The Remuneration & Nomination Committee has been set up by the Supervisory Board in order to support it in all activities concerning remuneration. In particular, the Committee:

- independently assesses the remuneration principles and provides support to the Supervisory Board concerning the adoption and regular review of the general principles of the Policies;

- supports the Supervisory Board in supervising the implementation of the remuneration rules, and reviews the processes and practices related to remuneration and compliance with the Policies and ISP Group Policies;
- provides support and advice to the Management Board on the design of remuneration Policies;
- supports the Supervisory Board in duties concerning the identification of staff that have a material impact on the risk profile of the Bank and expresses its opinion, also using the information received from the competent company functions (HR & Organization Department and Compliance & AML Department), on the results of the process of identifying key personnel, including any exclusions;
- assesses the fixed remuneration on the individual basis for the Management Board Members (including the Chairman) and for the Heads of Control Functions, and employees of Internal Audit Department;
- with regard to the Management Board Members (including the Chairman) and the Heads of Control Functions, and employees of Internal Audit Department, assesses the variable remuneration accrued for the reference year and, in this context, also reviews the assignment of the KPIs and targets of the performance scorecards, the assessment of the level of achievement against performance targets and the amount of the bonus to be paid;
- supports the Supervisory Board in assessing decision on the reduction or non-payment of variable remuneration to staff, including the application of malus or clawback clauses in case of a significant downturn in performance or losses of the credit institution;
- supports the Supervisory Board in assessing the amount payable as Severance to the Chairman of the Management Board, the other Management Board Members and Heads of Control Functions, and employees of Internal Audit Department;
- reviews the report on remuneration of the Members of the Supervisory Board, Management Board and influential persons and make recommendations to the Supervisory Board.

3.1.d Risk and Sustainability Committee

Without prejudicing the responsibilities of the Remuneration & Nomination Committee, the Risk and Sustainability Committee (set within the Supervisory Board) supports the Supervisory Board in analysing Bank's Policies, also based on opinion issued by the Risk Management Department, in order to verify their link with current and prospective risks, the capital strength and levels of liquidity of the Bank, making an additional specific focus on the incentive systems to the Management Board Members (including the Chairman).

3.2 HR & Organization Department

The HR & Organization Department is responsible for:

- drawing up "PRAVEX BANK" JSC Policies and ensuring its full implementation;
- identifying (and at least once per year reviewing) the Risk Takers according to the criteria set out in the Remuneration Policy in the Bank - in line with the approved Resolution of the Board of the National Bank of Ukraine dated 30.11.2020 No.153 - (including possible exclusions) and sharing it with IBD HR and the Remuneration & Nomination Committee. In addition, the list is then notified to the National Bank of Ukraine (at least once a year and upon its request);
- proposing to the Supervisory Board the fixed remuneration pay levels for the Management Board Members (including the Chairman), the Heads of Control Functions and employees of the Internal Audit Department;
- with regard to the Management Board Members (including the Chairman), the Heads of Control Functions and employees of the Internal Audit Department, in collaboration with IBD HR, proposing to the Supervisory Board the variable remuneration accrued for the reference year and, in this context, also the assignment of the KPIs and targets of the performance scorecards, the assessment of the level of achievement against performance targets and the amount of the bonus to be paid;
- supporting the Supervisory Board in defining the severance payments, if any, for the Management Board Members (including the Chairman), the Heads of Control Functions and employees of the Internal Audit Department;
- informing the Supervisory Board, at least on an annual basis, about the funding of the bonus pool at Bank level.

3.3 Planning and Control Department

The Planning and Control Department, in collaboration with the Planning and Control Department of the IBD, is involved in defining the "PRAVEX BANK" JSC Policies, in order to ensure the consistency of the Incentive Systems with:

- the strategic short-and medium-long term objectives of the Bank and of ISP Group;
- the capital strength and the liquidity level of the Bank and of ISP Group.

The Planning and Control Department in collaboration with the Planning and Control Department of the Division, supports the Departments in charge in identifying (and periodically monitoring) the parameters used to evaluate performance targets, on which the granting of incentives is based.

3.4 Risk Management Department

The Risk Management Department, in collaboration with the Risk Management Function of ISP (within its remits):

- assesses that the remuneration and incentive systems are aligned with the Risk Appetite Framework and takes into account the overall risks, capital and liquidity indicators and provides a written opinion, submitting it as well to Risk and Sustainability Committee;
- participates in the ex-post risk adjustment of variable remuneration;
- assists the Remuneration & Nomination Committee in risk-related matters.

3.5 Compliance & AML Department

The Compliance & AML Department, in collaboration with the Compliance Function of ISP (within its remits):

- verifies if the "PRAVEX BANK" JSC Policies are compliant with the applicable external and internal regulations (including ISP Group Remuneration and Incentive Policies) and provides a written opinion before their submission to Supervisory Board and General Shareholders Meeting for approval;
- assesses if the list of Legal Entity Risk Takers identified is in compliance with the applicable external regulations and provides a written opinion.

3.6 Internal Audit Department

On an annual basis, the Internal Audit Department, in collaboration with the Audit Function of ISP (within its remits), verifies the compliance of the remuneration implementation procedures to the relevant Policies[3] and, in that context, it also checks the correct implementation of the process for identifying Risk Takers, informing the Supervisory Board on the results of the verifications conducted. The Supervisory Board takes into account this information when making its assessment on the Remuneration & Incentive Policies implementation.

In addition, it defines — together with the Audit Function of ISP— and provides the HR & Organization Department with the Q-Factor, which is the parameter that measures the residual risk level of the Bank and acts as a possible de-multiplier of the bonus achieved if the risk exceeds pre-defined thresholds.

[3] It is noteworthy that no independent external evaluation of the remuneration payment is performed.

4. Remuneration Policy of the Supervisory Board

The remuneration for members of the Supervisory Board of the Bank (including Chairman), in compliance with ISP Group Remuneration and Incentive Policies, is defined by Intesa Sanpaolo in its capacity as sole Shareholder and entity responsible for management and coordination activities, pursuant to the relative statutory and banking regulations.

Members of the Supervisory Board of the Bank (including Chairman) receive fixed remuneration according to their assigned duties and responsibilities and the concluded civil law agreements with them. Any remuneration amounts are subject to General Shareholders Meeting's approval.

Variable remuneration amounts, bonuses linked to results, profit-sharing clauses or options to buy shares at predetermined prices are not envisaged for the Supervisory Board members (including Chairman). Exemptions from this principle are envisaged only on an exceptional and justified basis, in accordance with ISP Group Remuneration Policies and the relative supervisory regulations in force.

Members of the Supervisory Board (including Chairman) usually have the right to reimbursement of the expenses incurred as a result of their office.

The duration of the agreements with the members of the Supervisory Board (including Chairman) is determined individually in each case.

The Regulation on remuneration of the Supervisory Board members is covered by this document, except the paragraph 5 hereof.

5. "PRAVEX BANK" JSC Remuneration and Incentive Policies

In compliance with the Group Remuneration and Incentive Policies, the present chapter describes Principles, remuneration and incentive Systems and Instruments (Section A) and Rules for identifying staff whose professional activities have a material impact on the risk profile of "PRAVEX BANK" JSC (Section B); the mentioned Sections, jointly, represent the Bank's overall Remuneration and Incentive Policies, that apply also to the Management Board members.

Section A – Principles, remuneration and incentive Systems and Instruments

This Section describes Principles, remuneration and incentive Systems and Instruments defined for 2026 and addressed to all personnel of the Bank. The Regulation on remuneration of the Management Board members and Influential persons is covered by this paragraph. The duration of the agreements with the members of the Management Board (including Chairman) is determined individually in each case. Influential persons have indefinite employment contract.

5.1 Purposes and principles of the Remuneration and Incentive Policies

In line with the principles adopted by the Intesa Sanpaolo Group, the “PRAVEX BANK” JSC Policies are based on the following principles:

STAKEHOLDERS' INTEREST

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

CORRELATION BETWEEN REMUNERATION AND RISK TAKING

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

ALIGNMENT WITH MEDIUM AND LONG-TERM OBJECTIVES in accordance with both the Bank and ISP Group Risk Tolerance

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

MERIT

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

EQUITY

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

GENDER NEUTRALITY

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

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

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

REGULATORY COMPLIANCE

- compliance with **legislative and regulatory provisions, with codes of conduct and other self-regulation provisions** with focus on the Group Risk Takers, on Legal Entity Risk Takers and on the Control Functions
- **fairness in customer relations**

Focus: Gender Neutrality

The Bank, in line with Intesa Sanpaolo Group, pays great attention to the issues of "Diversity, Equity and Inclusion" and is committed to implementing and disseminating, within and outside the Bank, a policy in favour of the inclusion of all forms of diversity. In this context, the Bank, in compliance with Intesa Sanpaolo, has adopted the "Principles on Diversity, Equity and Inclusion", within which it made

Focus: Gender Neutrality

specific commitments aimed at ensuring gender equality in HR processes and in people management. Compliance with these commitments is monitored periodically, also in order to set corrective measures.

The Bank adopts gender-neutral Remuneration and Incentive Policies that contribute to pursuing complete equality among staff. They ensure, for the same activity carried out, that the personnel have an equal level of remuneration, also in terms of the conditions for its recognition and payment.

In particular, the Bank guarantees that the definition of the remuneration and incentive systems and the taking of decisions regarding remuneration are independent of gender (as well as of any other form of diversity such as affective-sexual orientation, marital status and family situation, age, ethnicity, religious belief, political and trade union membership, socio-economic condition, nationality, language, cultural background, physical and psychological conditions or any other characteristic of the person also linked to the expression of one's thought) and are based on merit and professional skills and are inspired to principles of fairness.

In order to make it possible to apply gender-neutral Policies and to be able to evaluate their effectiveness, the Bank in line with the Group adopts:

1. systems for measuring organizational positions that take into account the responsibilities and complexity managed by the various roles.

   Specifically, for the management cluster, the Group has adopted the Global Banding System (see below) based on grouping in homogeneous categories managerial positions that are similar by levels of complexity/responsibility managed, measured using the international IPE (International Position Evaluation) methodology.

   Instead, the cluster of professionals is segmented on the basis of the career title assigned according to certain criteria (i.e. seniority, autonomy, complexity and competencies) – in order to enhance in a granular way the level of professional contribution provided in their operations and the progressive specialisation of skills –or of the professional profile to which they belong, also taking into account the system of roles defined in the second level collective bargaining (if any);
2. for the managerial cluster, market remuneration references associated with each Global Banding bracket and differentiated according to the professional category they belong to and according to the geography. On the other hand, as regards the cluster of professionals at seniority and/or career title levels, market trend references differentiated on the basis of the professional category they belong to and, when relevant, geography are associated;
3. incentive/reward systems linked to objective parameters that therefore allow to recognize merit and performance.

5.2 Segmentation of personnel

"PRAVEX BANK" JSC Policies are based on personnel segmentation logics that allow the operational adaptation of the principles of merit and fairness in order to suitably differentiate the total remuneration and arrange mechanisms of payment that are specific for the various personnel cluster, with a particular focus also on those of a regulatory importance for which more stringent requirements are set.

The distinction of the population into macro segments also allows to take into account the **remuneration** and **working conditions** of employees both in the declination of policies in **specific** remuneration and incentive systems and in the adoption of remuneration decisions **tailored** to each macro segment.

When applying these logics, these macro segments are identified:

- Risk Takers;
- Middle Managers;
- Professionals.

Among the segment of Risk Takers[4], it is distinguished those who operate in the Bank and have a material impact on:

[4] It is noted that, in the following paragraphs, unless otherwise specified, the term "Risk Taker" is generally understood to refer to both segments.

- both PRAVEX BANK and ISP Group risk profile (so-called "**Group Risk Takers**")
- PRAVEX BANK risk profile (so-called "**Legal Entity Risk Takers**").

On the first working day of January 2026 the Risk Takers were 23 people out of which 2 were also Group Risk Takers.

Other Middle Managers are those who do not belong to the Risk Takers segment and, according to job titling of the Global Banding System adopted by the ISP Group, are identified with the title of:

- Senior Director, the roles that define business/function policies and plans, and drive their implementation, through the managerial responsibility of human and economic resources;
- Head of [5], the roles that define or contribute to defining programmes and plans for their own organisational structure, also in coordination with other corporate structures, and ensure their implementation by taking managerial responsibility for human resources and, possibly, financial responsibility.

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

Professionals include all employees who are not classified as Risk Takers nor Middle Managers.

5.3 Remuneration components

Employee remuneration is broken down into the following:

a) fixed component;

b) variable component.

5.3.1 Fixed remuneration

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

The following are considered fixed components of remuneration:

- the **gross annual remuneration** which reflects the level of professional experience and seniority of the personnel;
- the **allowances** assigned in a non-discretionary manner and not tied to any kind of performance indicator. This type of fixed remuneration is assigned to:
    - expatriate personnel in order to cover for any differences in cost, quality of life and/or remuneration levels of the target reference market;
    - someone who is temporarily appointed to the vacated managerial or other position of key importance to the organization – Substitution Allowance;
- allowances and/or **remunerations deriving from offices held in Corporate Bodies**, provided that these are not reversed to the companies to which they belong;
- any **benefits** designed to increase employee motivation and loyalty of the resources and assigned on a non-discretionary basis. These may be of a contractual nature (e.g., supplementary pension, health benefits, etc.) or the result of remuneration policy decisions (e.g., company car, housing, etc.) and, therefore, have different treatment with respect to different categories of personnel.

The allowances paid to **expatriate personnel** are aimed at ensuring the equity of the net remuneration treatment between the amount received in the country of origin and in the target country, so as to cover for any differences in cost, quality of life and/or remuneration levels of the target reference market.

Those allowances are fixed remuneration because they are:

- assigned to all expatriate personnel, in the event of a negative differential between the target country and the country of origin;

[5] It is noteworthy that in this context the "Head of" are those defined as such by ISP Group Global Banding System on the basis of the weight of the role determined with the Mercer International Position Evaluation (IPE).

- not tied to any kind of performance indicator;
- defined on the basis of predefined and country-specific parameters, provided by a specialist consulting firm;
- communicated to the interested parties by means of an individual letter;
- paid as long as the person actual stays in the country in question.

The **substitution allowance** aims to ensure succession in the event of a vacancy in the managerial and key positions, and thereby the continuity of operation through a succession planning program covering the Bank, including all key positions.

If, despite such efforts, it becomes necessary to appoint someone temporarily to the vacated managerial or other position of key importance to the organization, it is provided remuneration for the extra efforts / extra workload resulting from the substitution. Specifically, for the employee appointed as a substitute holds a position that is of a lower or the same level as the vacant position it is paid to him/her a monthly substitution allowance in a maximum amount equal to 50% of his/her monthly base salary.

The substitution allowance is paid each month, together with the salary. The special reward, however, is handed over to the relevant colleague in the month following the completion of the substitution.

This allowance is considered a fixed component of the remuneration because of both its non-discretional nature and its compliance with the following criteria:

- It is granted to all those who are appointed temporarily to the vacated managerial or other position of key importance to the organization;
- It is defined on the basis of pre-defined parameters;
- It is communicated to the employee through an individual letter;
- It is independent from his/her performance.

Furthermore, such types of allowances may apply according to the Ukrainian legislation:

- Allowance for **the intensity of work** (the extra efforts / extra workload):
    - the **substitution allowance without appointment to the vacant position** to ensure business continuity by temporarily performing the activities and responsibilities of vacant positions;
    - the allowance for performing the activities out of Job Description and not specific to the function’s duties (i.e recruitment referral programme).
- allowance for **night work**;
- allowance for **overtime and work on holidays and non-working days**.

According to the applicable labour legislation, these types of allowances are part of fixed salary.

5.3.2 Variable remuneration

The variable component[6] is linked to the employee's performance and aligned to the results actually achieved and the risks prudentially assumed, and consists of:

- short-term variable component, paid through:
    - the incentive systems (see paragraph 5.5);
    - the project bonus (see paragraph 5.5.5);
- long-term variable component, paid through (see paragraph 5.7):
    - the Performance Share Plan 2026-2029 addressed to, among the other Managers, the Chairman, the Management Board Members and the Head of Divisions, other ISP Group Risk Takers (if any) and Managers who are seconded/assigned from Italy[7];

[6] In line with the Regulation, all amounts related to the payment / deferral / reduction / cancellation of variable remuneration to Employees are accounted in accordance with the Bank's Accounting Policy.
[7] As they have an Italian employment contract.

   - the LECOIP 2026-2029 Plan addressed to Professionals of Intesa Sanpaolo Group who are seconded/assigned from Italy[8];

- any variable short- and long-term components, tied to the period of employment in the company (non-competition, one-off retention and similar agreements) or extraordinary agreements (entry bonus, buy out);
- any discretionary benefits.

The distinction of the variable remuneration component into a short-term portion and a long-term portion encourages the attraction and retention of staff, allowing the performance to be directed on a more than annual accrual period and the medium-long term results deriving from the implementation of the Business Plan to be shared.

It is noteworthy that **Guaranteed bonuses**, in compliance with ISP Group Policies, are not foreseen.

Particular attention is also paid to the following kind of variable remuneration:

- **Entry bonus,** that is a one-off bonus that may be paid upon hiring to attract new personnel, without prejudice to the accurate assessment and analysis of market practices. In compliance with ISP Group Policies, this type of bonus is not subject to any requirement applicable to variable remuneration, including variable remuneration cap and pay-out schemes, if recognized in a single instalment (c.d. **welcome bonus**). It should be noted that the mentioned bonus can be assigned only once to the same single staff member at Group level;
- **Buy-out,** that is a bonus aimed at recognizing the deferred portions of the variable remuneration reduced or cancelled by the previous employer due to the termination of the employment contract. Anyway, this kind of bonus cannot indemnify new personnel from reductions or zeroing of compensation due to malus or claw back mechanisms and it is in any case subject to all the requirements applicable to variable remuneration, including those related to its inclusion in the cap on the variable remuneration and the pay-out schemes;
- **One-off retention**, that is a retention bonus tied to the period of employment of the personnel. This is paid for a certain period of time or until a given event, recognised not before the end of this period or upon the occurrence of the event and it contributes to the calculation of the cap between the variable and fixed component of remuneration, on a linear pro-rata basis during the retention period. In compliance with ISP Group Policies, this type of bonus is subject to the pay-out schemes of the variable remuneration and both ex ante and ex post correction mechanisms.

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

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

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

- in the case of resources who are not entitled to receive a pension, they shall be invested in phantom shares or other related instruments, held by the bank for a period of at least five years and subject to ex-post adjustment mechanisms related to the Group's performance net of risk;
- in the case of resources entitled to a pension, they shall be awarded to the employee through in phantom shares or other related instruments subject to at least a five years' retention period;
- they contribute to the calculation of the cap between the variable and fixed component of remuneration.

5.4 The remuneration pay mix

[8] As they have an Italian employment contract.

5.4.1 General criteria

The term “pay mix” refers to the weight of the fixed and variable components expressed as a percentage of total remuneration, as described above.

In accordance with the regulatory guidelines, the Bank, in compliance with the ISP Group Remuneration and Incentive Policies, adopts a pay mix that is appropriately balanced, in order to:

- allow flexible management of labour costs, as the variable portion may significantly decline, even down to zero, depending on the performance actually achieved during the year in question or when the Group is not able to maintain or restore a solid capital base;
- discourage behaviour focused on the achievement of short-term results, particularly if these involve taking on greater risk.

5.4.2 Ratio between variable remuneration and fixed remuneration

In order to achieve the above objectives, in the Bank, in line with the ISP Group Policies, ex ante limitations in terms of balanced maximums for variable remuneration have been established through the definition of specific caps on the increase of bonuses in relation to any over-performance.

This cap to the variable remuneration is determined in general in 100% of the annual fixed remuneration with the exception of the roles belonging to the Control Functions (all of them, independently from the position covered whether managerial or non-managerial) which a cap of 33% of the annual fixed remuneration is assigned to.

The components of variable remuneration included in the cap are:

- the short-term component relating to the Incentive Systems;
- the long-term component assigned through the Long-Term Incentive Plans, i.e., the Performance Share Plan 2026-2029 or LECOIP 2026-2029; this component has an impact on the pro-rata variable remuneration for the entire accrual period;
- any variable short- and long-term components, tied to the period of employment in the Bank or extraordinary agreements (eg. the buy-out, Adaptation bonus, One-off retention, project bonus, if any) or discretionary benefits;
- severance payments in the event of termination of the employment agreement or early termination of the office, excluding the amounts agreed and recognised (see paragraph 4.9.15.8.1.3):
    - based on a non-competition agreement, for the portion which, for each year of duration of the agreement, does not exceed the last year of fixed remuneration;
    - within an agreement reached in order to settle a current or potential dispute (independently from the context in which the agreement is drawn up), if calculated according to a predefined calculation formula approved previously by the ISP Shareholders’ Meeting.

5.5 Incentive Systems for the Bank personnel

The incentive systems adopted by the Bank, in line with the ISP Group Remuneration and Incentive Policies is directed at reaching the medium and long-term objectives included in the Group Business Plan, taking into account both the Bank and the Group Risk Appetite and Risk Tolerance and aiming to encourage objectives of value creation for the current year, in a framework of sustainability, given that the bonuses paid are related to the financial resources available.

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

STEP	OBJECTIVE	MECHANISM	
BONUS POOL	Solidity and sustainability in a prudential approach	Gate and Funding	• **The bonus pool is activated** only if main capital and liquidity requirements are satisfied, namely the minimum regulatory conditions of solidity at both ISP Group and Bank level, together with the economic and financial sustainability condition (see par. 5.5.1) • **The funding of the bonus pool** at Bank level (quantum) depends on available resources at both ISP Group and Division level resulting from economic and financial results achieved and adjusted for the EVA and non-financial risks incurred (see par. 5.5.2)
BONUS ALLOCATION	Alignment of behaviors and managerial conduct with medium and long-term objectives of the Group Business Plan within a framework of risk prevention	Incentive Systems	**INCENTIVE SYSTEMS FOR SPECIFIC CLUSTERS** Incentive System for: • Risk Takers and other Middle Managers • Professionals • Network
BONUS PAY- OUT	Adjustment based on conduct/ monitoring the impact of managerial conduct over time	Individual access conditions	Failure to satisfy individual access conditions precludes any bonus payout and the settlement of deferred portions to be paid during the year (see par. 5.5.6)
		Malus conditions	Failure to satisfy malus conditions leads to the reduction, even down to zero, of the deferral portions of bonus to be paid during the year (see par. 5.5.7)
		Claw-back	Return of bonuses already paid as a result of disciplinary measures due to personnel fraudulent behavior or serious misconduct (see par. 5.5.8)

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

"PRAVEX BANK" JSC Policies, in line with ISP Group ones, are consistent – among the others - with the provisions on the integration of sustainability risks pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27th November 2019.

In particular, consistency is guaranteed at annual Incentive Systems level by attributing specific KPIs to all the management on the basis of the activity performed in terms of sustainability risks management.

In fact, it should be noted that as part of the Incentive System for Risk Takers and Middle Managers, an "ESG" KPI has been confirmed among the strategic action objectives (see below).

5.5.1 Activation conditions for Incentive System (Gate)

The Incentive Systems for the Bank personnel are subject to the minimum activation conditions requested by the Regulator and non-achievement of even only one of those conditions shall result in non-activation of the Incentive Systems.

These conditions are based, on a priority basis, on the principles envisaged by the prudential regulations concerning **capital strength** and **liquidity,** represented by the consistency with the limits set as part of both ISP Group RAF and "PRAVEX BANK" JSC RAF as well as the principles of **financial sustainability** of the variable component that consist in checking the availability of sufficient economic-financial resources to meeting the expenditure requirement.

These conditions are as follows:

- **At ISP Group level:**

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

[1]The Gross Income is measured net of: (i) profits from the buyback of the ISP's own liabilities; (ii) fair value of the ISP's own liabilities; (iii) income components arising from accounting policies following changes to the internal model on core deposits.

- **At the Bank level:**

Capital strength condition	Common Equity Tier 1 (CET1) Ratio	≥	Hard limits set by the RAF [1] at Bank level
	Leverage Ratio	≥	Hard limits set by the RAF at Bank level
Liquidity condition	Net Stable Funding Ratio (NSFR)	≥	Hard limits set by the RAF at Bank level

[1] In the event that the regulatory limit is higher than the RAF limit, the activation condition will refer to the stricter requirement

It is specified that failure to respect these limits set at the Bank level constitutes non-activation condition for all the Incentive Systems of the Bank, also when those at ISP Group level are positive.

In particular please note that:

- In case of loss or negative Gross Income at the level of individual Bank, the Management Board Chairman and any Risk Takers identified therein shall be excluded from the annual Incentive System and the economic resources intended to finance the bonus pool of that Bank shall be reduced;
- the condition of no loss and positive Gross Income is verified on the basis of the results of the individual balance sheet drawn up according to the local accounting principles of the individual Bank.

In addition, in line with the Regulation and when the NBU has decided on, for Risk Takers only, also the following constitutes non-activation condition for all the Incentive Systems of the Bank:

- classifying the Bank as a problem Bank;
- classify the Bank as insolvent;
- revoke the Bank's banking licence and liquidate the Bank.

5.5.2 Bonus Funding

The Incentive Systems are funded by a structured bonus pool mechanism that, in order to ensure sustainability, is indexed to the level of achievement of Intesa Sanpaolo Group's Gross Income, as main profitability driver.

More in detail, the funding of the bonus pool is:

- defined by ISP with a **top-down** approach;
- calculated **according to the level of Gross Income;**
- allocated to **finance Incentive Systems of the Division and,** within this, the Incentive Systems **of the Bank**.

The only Incentive System that is not financed by ISP Group bonus pool is the one addressed to the Network because of its peculiarity (see paragraph 5.5.4). In fact, the bonus pool to fund this System is defined with a bottom-up approach (anyway in agreement with IB Division) and it is independent from the IB Division's bonus pool. Specifically, this amount is an accounting aggregate defined as the sum of provisions made by the Bank during the year according to the level of achievement of the Network's objectives and is not indexed to the level of Gross Income achieved by the Bank, the Division and ISP Group.

In compliance with ISP Group Remuneration and Incentive Policies and in line with the principle of financial sustainability, the ISP Group bonus pool allocated at the Division depends on its level of reached Gross Income. In case this level is below the pre-defined Access Threshold, only a portion of the Division bonus pool is available (once ISP Group gates are activated).

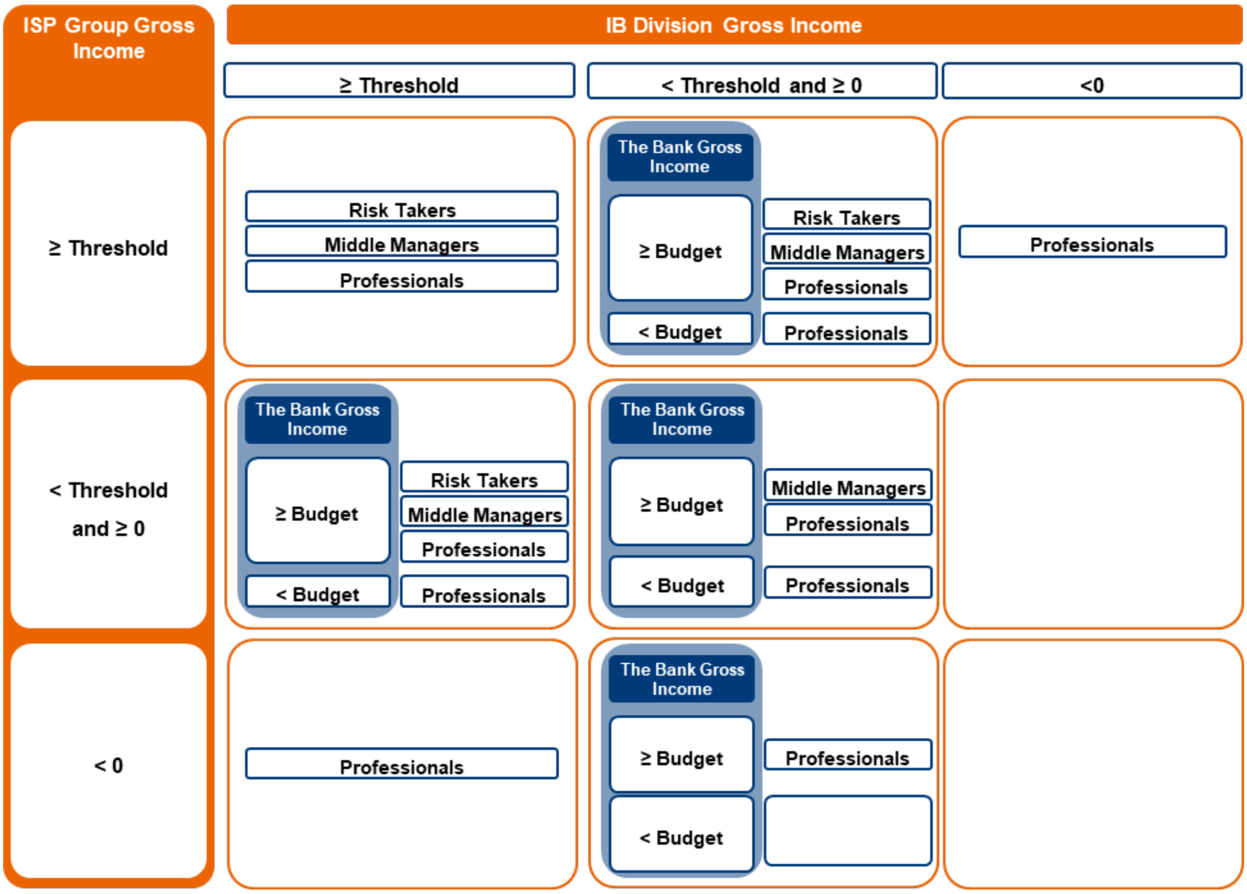
In addition, the portion of the bonus pool so allocated to IB Division is subject to the following correction mechanisms based on **non-financial risks** and the **EVA** (Economic Value Added).

Specifically, with reference to:

- non-financial risks and, in particular:
    - the risk related to Operation Loss, a reduction of 10% of the bonus pool allocated to the Division is provided in case of breach of the "hard limit" set in the ISP Group RAF;
    - the Integrated Risk Assessment, the reduction of the bonus pool allocated to the Division is differentiated according to the level of residual risk (i.e. a reduction of 10% in case of residual risk equivalent to the 4th level or 5% in case of residual risk equivalent to the 3rd level);
- EVA, a reduction is provided on the basis of the level of deviation from the EVA target. More in detail, this mechanism acts as a de-multiplier if the target level is exceeded beyond a certain tolerance level. In particular, it is provided a reduction of 10% of the bonus pool of the Division in case of failure to achieve the 90% of the EVA target assigned at budget.

For what regard the clusters of employees eligible, those depend on both **ISP Group and the Division Gross Income** and, in some specific cases, also on the Bank **Gross Income** in respect of the level provided in its budget.

Here below the population clusters eligible for the Incentive Systems are represented:



It is noteworthy that:

- if the Gross Income reached by the Bank is negative (independently of ISP Group and the Division positive Gross Income), the Risk Takers are not eligible;
- the abovementioned limitation of the eligible clusters of population are not applicable to the Network.

5.5.3 The Annual Incentive System for Risk Takers and Middle Managers

The Incentive System for the Risk Takers and Middle Managers[9] aims to guide the behaviour and managerial actions towards reaching the objectives set for the Bank's strategy and in the Business plan and to reward the best annual performance assessed with a view to optimise the risk/return ratio.

With regard to Middle Managers, the Annual Incentive System, in line with the local provisions, is approved by the Management Board.

This System is formalised through Performance Scorecards.

Performance Scorecards include:

- quantitative KPIs reported in the first section of the Performance Scorecard whose weight is 65% overall. These KPIs may be economic-financial and non-economic-financial ones[10] and are expressed according to a risk/return logic, aimed at supporting the sustainability of results over time and reducing and/or mitigating the risks defined in the RAF;
- qualitative KPIs reported in the first section of the Performance Scorecard whose weight is 35% overall; These KPIs may be strategic actions or projects that represent enabling factors to achieve the economic-

[9] In particular, reference is made to the Managers evaluated through NewPAT Excentive Methodology.
[10] It should be noted that the Heads and employees of the Control Functions are not assigned objectives/KPIs linked to economic and financial results in compliance with:

- NBU Regulation No.64: *"The remuneration of the chief risk officer, chief compliance officer and employees of these functions should not depend on the performance of business units";*
- NBU Regulation No. 311: *"The principle of independence also stipulates that there are no cases in which the compensation of internal auditors is linked to the financial results of the bank or its business units."*

financial KPIs or obtain the results set out in the Business Plan, or they may be objectives that promote virtuous behaviour, particularly with regard to business and areas that involve direct customer relations.

The KPIs identification process and the relative target setting and performance evaluation are described below, considering most significant economic and financial indicators for the achievement of the budget objectives, periodically monitored through internal reporting tools and available at Bank level and/or Division and/or consolidated level.

In determining KPIs for Risk Takers - particularly the heads of the first and second lines of defense - due consideration is given to the effective functioning of the internal control and risk management systems, including AML/CTF risk management. This assessment is based on the outcomes of the SREP process, completed inspections, AML/CFT supervisory activities, and regulatory enforcement actions (including the imposition of fines), as well as other supervisory findings issued by the National Bank of Ukraine.

In any case, the Performance Scorecards guarantee the balance between the area of responsibility and the managerial solidarity/teamwork, and they include KPIs whose scope is:

- **ISP Group** for:
  - the Management Board Chairman, Risk Takers and Middle Managers in Business and Governance functions who are evaluated on a financial KPI that is common to all the Scorecards of Risk Takers and Middle Management. For 2026, in line with the previous years, the Net Income is assigned as Group transversal KPI with a weight of 15%.
- **IBD** for:
  - the Management Board Chairman, who is evaluated on one KPI chosen from the KPIs assigned to the Head of Division to which the Bank belongs to.
- **The Bank** for:
  - all the clusters of population since everybody is evaluated on at least either one financial or non-financial KPI whose scope is the Bank[11];
  - all the clusters of population who are evaluated also on a non-financial - qualitative KPI relating to the actions envisaged by ISP Group Business Plan, whose evaluation is usually objectified by identifying project milestones and/or drivers[12]. For 2026, in continuity with previous financial years and in line with ISP Group Remuneration and Incentive Policies the Group transversal KPI “Environmental, Social and Governance (ESG)” [13] was assigned, identified among the strategic actions, with a weight of 15%.

In any case, it is noted that:

- with reference to the solidarity KPIs, at least one KPI shall be shared with the higher hierarchical level, with a weigh from 10% and up to 30%, provided that the Performance Scorecard remains consistent with the levers effectively managed by the manager;
- for Business Functions, at least one economic-financial KPI related to the management of the specific risks of the activities performed must be included. Similarly, where possible, Governance Functions are also required to include at least one quantitative KPI linked to risks and/or sustainability.

To each KPI is assigned a weight equal to at least 10% to ensure the relevance of the objective and up to 30%.

The sum of the weights assigned to the KPIs of each section is equivalent to the overall weight of each section. If the total score of the performance scorecards is lower than 80% for those belonging to Business and Governance Functions or 90% for those belonging to Control Functions, then the bonus does not accrue under any circumstances.

Focus: Group transversal KPI “ESG”
The Bank, as part of Intesa Sanpaolo Group, is aware of having a significant impact on the social and environmental context in which it carries out its business, choosing to act not only on the

[13] In compliance with the Regulations on the Organization of the Risk Management System in Banks of Ukraine and Banking Groups No. 64 dated 11 June 2018, the Performance Scorecards assigned to the Heads of credit administration units cannot include KPIs related to the amount of loans or profit received by the Bank in the short term in order to avoid any conflict of interests.
[12] In NewPat Excentive Methodology they can be included in the description of the KPI or in its “comment” section.
[13] For more detail about the ESG KPI, please see Annex 1 - Integration of sustainability risks into the Incentive Systems.

Focus: Group transversal KPI "ESG"

basis of profit, but also with the aim of creating long-term value for the Bank, its people, its customers, the community and the environment.

It aims to be a responsible financial intermediary that generates collective value, aware that innovation, development of new products and services and corporate responsibility can contribute to reducing the impact on society of phenomena such as climate change and social inequalities.

Furthermore, environmental, social and governance factors are issues of interest to Regulators, as well as to ISP Group and Bank Stakeholders.

Indeed, the new 2026–2029 ISP Group Business Plan strengthens the Group's commitment in this area, with the aim of confirming its positioning among the global leaders in terms of social impact, supporting clients in the sustainable transition, decarbonising portfolios and reducing its own emissions. In addition, as an enabling factor for the achievement of all objectives, significant investments in people are envisaged, including the strengthening of the Group's culture.

In light of the above, and in line with the provisions of Regulation (EU) 2019/2088, the Bank has confirmed, among the strategic action objectives to be assigned to all Risk Takers and Middle Managers, a specific "ESG" KPI. This KPI, an evolution of the one that has been assigned since 2021, and consistent with the new ISP Group Business Plan, has a dual nature, incentivising both the strengthening of the culture and the continuation of both the ISP Group and the Bank ESG initiatives. Specifically:

- at ISP Group level, the progressive involvement of all Group personnel in a training/awareness event on corporate culture and the values stated in the Diversity Equity and Inclusion (DE&I) policies is assessed during the Business Plan;
- at IB Division level, the following will be assessed:
  - implementation of strategic initiatives related to corporate culture based on the findings of the 2025 Culture Survey (implementation and participation in at least one valuable initiative on the thematic areas covered in question D6 -culture of one's workplace - of the 2025 Culture Survey);
  - for Risk Takers and Middle Managers in Business and Governance Functions: Sustainable Transition/Sustainable Lending: Sustainable Lending (greater than or equal to 2025, absolute).

For all Risk Takers and Middle Managers in Control functions, considering that they functionally report to the relevant Control Function set at ISP level, the second and third drivers are identified at ISP Group Control Function level.

The total amount of the bonus accrued is attributed annually based on the evaluation of the results of the individual Performance Scorecard. In particular, this calculation is ranking-based for the Management Board Chairman (as Group Risk Taker) and is connected to the evaluation of the results for the Legal Entity Risk Takers and other Middle Managers.

For what regards the Ranking Mechanism for the Group Risk Taker, the amount of the bonus granted is defined annually according to the position achieved in the "internal ranking" of IB Division Group Risk Takers, for Business Risk Takers of the whole IB Division[14].

Such ranking is obtained by ordering the scores of the results of the individual performance scorecards, constructed according to the criteria illustrated above, assigned to each IB Division Group Risk Taker.

For what regards the evaluation of the results and the definition of the individual awarding of the bonus for the other Legal Entity Risk Takers and Middle Managers, they are at the discretion of the Direct Head.

In any case, the individual awarding of the bonus is defined, taking into account the results of the performance evaluation, both in absolute and relative terms. In other words, the bonus proposal must be consistent with the relative level of performance achieved (i.e., those with the best performance score should receive a bonus as a percentage of the fixed remuneration that is higher than the other colleagues).

[14] For more detail about the internal ranking for Group Risk Takers, please see the ISP Group Remuneration Discipline.

In addition, the overall proposal for the award of the individual bonuses must be consistent with the limits of the bonus pool assigned and with the criteria established each year by Group Reward & Performance.

Finally, regardless of the cluster of population, the accrued bonus is subject to corrective mechanisms based on the level of achievement of the KPIs against excessive risk taking, which act as de-multipliers of the bonus itself.

Specifically:

Risk	Recipients	Relevant limits and trigger events	% bonus reduction
Residual Risk	Risk Takers and Middle Management	Detection of residual risk at very-high / high levels (Q-factor)	max -20%
Conduct Risk	Risk Takers and Middle Management	Failure to comply with the expected levels for the mandatory training	-10%

With specific reference to the Q-Factor, it acts as a possible de-multiplier of the bonus achieved which is reduced by:

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

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

Finally, it is noteworthy that:

- the evaluation of the performance scorecard covers a period of one business year;
- the pro-quota bonus may be paid only if the person has been employed for at least six months.

5.5.3.1. Incentive System for Risk Takers of Banks at a “non-contingent” loss

Within the framework of the Annual Incentive Systems, a specific and selective Annual Incentive System is envisaged for the Risk Takers (including the ones belonging to the Control Functions) belonging to the Banks at a "non-contingent" loss.

The System is targeted at Risk Takers specifically appointed to recover/contain the loss from the first year of appointment (and up to a maximum of three consecutive years) and, starting from the second year, in case of improved results, according to that set out in the specific long-term recovery plan (Business Plan), it may be extended to the other Risk Takers not specifically appointed to recover/contain the loss, possibly operating in the Bank.

For the purposes of determining the incentive due, the performance of the Bank at a loss is measured in terms of year-on-year improvement.

With reference to any other Risk Takers not specifically appointed to recover/contain the loss and not belonging to Control Functions, the System shall be applicable starting from the second year and the maximum incentive to be accrued shall not exceed 50% of the bonus theoretically due against the outcome of the performance evaluation. Indeed, for those who belong to the Control Functions, taking into account that the variable remuneration cannot exceed the 33% of the fixed one, the maximum incentive to be accrued shall not exceed 75% of the bonus theoretically due against the outcome of the performance evaluation.

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

Similarly to what stated for Banks at a “non-contingent” loss, a specific Annual Incentive System is envisaged for Risk Takers and Middle Managers belonging to start-up companies[15].

[15] Entities for which a ‘turnaround’ plan is envisaged - understood as a strategic relaunch initiative aimed at strengthening profitability - are considered comparable to start-up Legal Entities and are therefore subject to the same rules.

The System aims to support the alignment of Risk Takers and Middle Management performance with the growth objectives of the Business Plan for a period of time that allows the start up to achieve a positive and/or minimum level of profitability (as set out in the multi-year business plan), within ISP Group context where anyway the capital, liquidity and sustainability conditions shall be met.

For the purpose of determining the incentive due, the performance of the start-up is measured with respect to the achievement for each year of the milestones (i.e. Company Income/Loss) set by the specific long-term business plan for the start-up, in line with the medium-long term objectives characterizing all the ISP Group Incentive Systems.

In accordance with the principle of financial sustainability, the total amount of the incentives to be accrued is, in any case, limited and compatible with the economic and financial context of the Bank.

The start-up's multi-year plan and the adoption of the related incentive system must be approved at both Legal Entity level and by the parent company. In the event of a revision of the plan, any changes must be submitted to the Boards of Directors / Supervisory Board of both the Legal Entity and the parent company. Furthermore, the adoption of the incentive system in question, as well as its year-by-year developments, must be communicated to the competent functions of ISP Chief People & Culture Officer Area.

5.5.4 The Incentive System for Professionals and Network population

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

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

The Management Board of the Bank, taking into account\on the basis of remuneration policy, approves the remuneration for Professionals of the Bank.

The performance evaluation is carried out and documented through **NewPat – Standard Methodology**.

This methodology provides an evaluation based on KPIs and the assessment of role-specific Competences.

The KPIs (at least 2 and up to 5 KPIs per person) are of economic and financial nature and/or projects-related and their scope may be the employee's area of responsibilities or his/her Business Unit. To each KPI it is assigned a weight equal to at least 10% to ensure the relevance of the objective. The Performance Scorecards assigned to the Professionals of the Control Functions do not include financial KPIs.

Instead, the Competences to be evaluated are five and specific for each role (i.e. Support, Analytics Professional, Client Oriented Professional, Senior Professional, Team Leader and Manager). They are represented by soft skills such as cross collaboration, customer focus, planning and execution and so on.

The final result of the performance evaluation is the average of both the KPIs and Competences evaluation and is expressed in a 5-level scale (Outstanding / above expectations / in line with expectations / partially in line with expectations / below expectations). It is noteworthy that the bonus for the Head Office population won't be paid if the performance evaluation is "below expectations", meaning that the total score is lower than 1,5.

Finally, the bonus accrued by the Professional is subject to the demultiplier mechanism related to the mandatory training and, specifically, failure to comply with the mandatory training fulfillment within the expected deadlines will lead to a 10% reduction of the bonus accrued.

For what regards the Network and similar roles, the evaluation is carried out through "**Network Incentive Model" (NIM)**.
This system is based on a multi-level approach according to which the achievements are measured at Bank and individual level.

The performance evaluation is based on a Performance Scorecard that provides for both financial and non-financial quantitative KPIs as well as qualitative indicators related to behaviors.
Specifically:

- The first section of the Performance Scorecard ("Quali-Quantitative Section"), whose weight is 80%, includes – within the total weight of the specific section (100%) - a minimum set of 4 KPI and up to 10 KPIs out of which at least one shall be financial and at least another one not financial (e.g. Net

Promoting Score, number of complaints, quality of the managed portfolio etc)[16]. These KPIs are selected from a pre-set KPIs' list and they are specific for each role. The minimum weight of each KPI is 10% and the maximum is 30%.
The measurement and payout frequency are the same for all those KPIs and may depend on the roles and the bonus accrues only if the score of this section is equal to or higher than 80%;

- The second section of the Performance Scorecard ("Behavioral Section"), whose weight is 20%, includes only qualitative indicators focused on behaviors with a framework based on Personas, Outcomes and Qualitative Features. Specifically:
    - each role or group of roles must be linked to a specific "Personas"
    - per each role/Personas, 3 Outcomes must be selected among a predefined set
    - per each of the Outcomes, 3 Qualitative Features will automatically appear according to the level of seniority set locally
    - the evaluation is based on a 1-5 scale and represents an average of the evaluation of the Outcomes and of the related Qualitative Features.

  The measurement and payout frequency of the indicators of this section are performed yearly.

Finally, also the bonus accrued by the Network and similar roles is subject to the demultiplier mechanism related to the mandatory training. Specifically, failure to comply with the mandatory training fulfillment within the expected deadlines will lead to a 50% reduction of the bonus accrued on the basis of the achievement of the indicators of the Behavioral Section of the Performance Scorecard.

In addition, it should be noted that this system is subject to constant review a deeper analysis is ongoing in order to strengthen its effectiveness and the compliance with regulations in force from time to time.

5.5.5 Project bonus

A project bonus is a component of the variable remuneration that may be paid only if the previously specified success criteria are met and if the employee is still employed by the Bank when the bonus is paid at the end of the Project. Any instalment paid before such date (for instance, if some Project's milestones have been reached on time) shall be reimbursed to the employer, without delay, in case the employee leaves the Bank before the end of the Project.

The amount of the bonus which may be awarded shall be specified individually for the employees who participate in the project, before the project is launched, on the basis of the following:

- KPIs indicating the success of the project;
- the importance and weight of the project;
- the employee's role in the project;
- the employee's time spent on the project.

Based on the above, the amount of the individual project bonus actually awarded is based on and is paid on the performance of the employee in the project. The specification of the expectations relating to the project and the assessment thereof are performed within the performance evaluation system.

5.5.6 Individual access conditions

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

- disciplinary measures, covering cases involving suspension from service and pay for a period equal to or greater than one day, including those resulting from serious findings received from the Bank's control functions; the Bank might decide on a more conservative approach as the extension to the written warnings;
- in case of breaches specifically sanctioned by the Supervisory Authorities regarding the requirements of professionalism, integrity and independence and following on the matter of transactions with related parties and of the obligations regarding remuneration and incentives referred to in CRD V, if involving a penalty of an amount equal to or greater than 30,000 euro;
- behaviours non-compliant with the legal and regulatory provisions, the Articles of Association or any codes of ethics and conduct established ex ante by the Bank and the Group and from which a "significant loss" derived for the Bank or for customers.

[16] If there is the need to foresee an AML KPI, it can be included as a non-financial KPI within this section with a weight of 10%-30%.

In particular, failure to comply with the individual access conditions implies both the non-payment of the bonus accrued in the reference period[17] in which the compliance breach is committed and the deletion of the deferred portions of the accrual conditions referred to the same reference period.

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

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

are subject to claw-back (possibly also through offsetting with additional amounts due as variable remuneration). In the event of termination of the employment relationship, the Bank reserves the right to evaluate the application of this mechanism in terms of opportunity. Finally, it should be noted that these claw-back mechanisms are also taken into account in the definition of any ongoing legal disputes with personnel.

In any case, the bonus payment is subject to the additional following conditions:

- IBD HR Function prior approval for Heads of Division and Department;
- with particular reference to the Heads of Internal Control Functions any performance-based reward is subject to prior agreement of the Heads of the ISP Control Functions based on the functional reporting line to Group organizational units through IBD HR function;
- the performance evaluation at least equal to “partially in line with expectations” (referring to Head Office employees);
- the period spent in the Bank (at least six months within the performance year excluding long-term absences[18]) for Head Office employees and without activation of a termination procedure prior to or on the date of payment (neither from the Employee’s side nor from the Employer’s side);
- For employees evaluated in NIM the following conditions shall be met:
    - ✓ employees shall be employed by the Bank for at least 3 months subject to successful completion of the probationary period;
    - ✓ employees who have been on maternity leave or other type of long-term absence are eligible to receive a bonus only after returning from maternity leave/ long-term absence;
    - ✓ in any case the bonus will be adjusted pro-rata considering the period worked in the Bank;
    - ✓ no activation of a termination procedure prior to or on the date of payment (neither from the Employee’s side nor from the Employer’s side).
    - ✓ in order to be eligible for the bonus payment for the Second section of the Performance Scorecard employees evaluated in NIM shall be active (not on the long-term absence) at least six months within the performance year.
- the existence of an active employment relationship with the Bank or with a Company of ISP Group in the month when the bonus is paid out, unless differently agreed between the parties either in case of retirement or in case of signing of a mutual termination agreement.
- in the event of a transfer between organizational units, the evaluation will be carried out with reference to the performance related to the role predominantly held during the year.

5.5.7 Malus Conditions

In case of deferral (see paragraph 5.6), each portion is subject to an ex-post adjustment mechanism - the so-called malus conditions - according to which the relative amount recognised and the number of financial instruments assigned, if any, may be reduced, even to zero, in the year in which the deferred portion is paid, in relation to the level of achievement of the minimum conditions set by the Regulator regarding the

[17] With specific regard to the performance evaluation system for Employees working in Network and similar roles:
- the bonus related to the first section is not paid for the infra-year timeframe of reference (e.g. quarter, semester, ...)
- the bonus related to the second section is not paid for the entire year

during which action that led to disciplinary measure has been committed.

[18] The term 'long-term absence' refers to maternity leave and unpaid leave lasting more than 30 calendar days

capital strength and **liquidity**, represented by the consistency with the respective limits set as part of the Bank and ISP Group RAF, as well as the condition of **financial sustainability**.

Those conditions are:

- **at ISP Group level:**

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

[1] The Gross Income is measured net of: (i) profits from the buyback of the ISP's own liabilities; (ii) fair value of the ISP's own liabilities; (iii) income components arising from accounting policies following changes to the internal model on core deposits.
This condition does not apply to the Network Incentive System

- **at the Bank level:**

Capital strength condition	Common Equity Tier 1 (CET1) Ratio	≥	Hard limits set by the RAF [1] at Bank level
	Leverage Ratio	≥	Hard limits set by the RAF at Bank level
Liquidity condition	Net Stable Funding Ratio (NSFR)	≥	Hard limit set by the RAF at Bank level
Sustainability condition	No loss and positive Gross Income [2]	>	Ø

[1] In the event that the regulatory limit is higher than the RAF limit, the malus condition will refer to the stricter requirement

[2] **This condition does not apply to the Network Incentive System**

In case one of the conditions of capital strength or of liquidity does not occur individually, the deferred portion is brought down to zero; if the condition of sustainability is not met, the deferred portion is reduced by 50%.

In the specific case of the "PRAVEX BANK" JSC, taking into account its particular business phase, the sustainability condition at the Bank level (e.g. no loss and positive Gross Income) can be waived if "PRAVEX BANK" JSC met the provisions of paragraph 5.5.3.1.

In addition, in line with the Regulation and when the NBU has decided on, also the following constitutes malus conditions and, if one of them occurs, the deferred portion accrued by Risk Takers only is brought down to zero:

- classifying the Bank as a problem Bank;
- classify the Bank as insolvent;
- revoke the Bank's banking licence and liquidate the Bank.

For the verification of the malus conditions it shall be considered the perimeter of the Legal Entity where the person was employed when awarded the bonus to which the deferred portions are referred to. In particular, with reference to the sustainability conditions, it is specified that the condition of no loss and positive Gross Income is verified on the basis of the results of the individual balance sheet drawn up according to the local accounting principles of the individual Bank.

5.5.8 Clawback mechanisms

The Bank reserves the right to activate clawback mechanisms, namely the return of bonuses already paid as required by regulations, also taking into account the relative legal, contribution and fiscal profiles, as part of:

- disciplinary initiatives and provisions envisaged for fraudulent behaviour or gross negligence by personnel which led, among other things, to:
  - classifying the Bank as a problem bank;
  - classifying the Bank as insolvent;
  - revoking the Bank's banking license and liquidating the Bank;
- behaviour non-compliant with the legal and regulatory provisions, Articles of Association or any codes of ethics and conduct established ex ante by the Bank and from which a “significant loss” derived for the Bank or the customer.

These mechanisms may be applied in the 5 years following the payment of the individual portion (up-front or deferred) of variable remuneration.

5.6 Payment methods of the variable remuneration

The remuneration payment methods are governed by specific instructions in the Supervisory Provisions concerning remuneration with particular reference to the deferral obligations, the type of payment instruments and the retention period envisaged for the possible portion paid as financial instruments.

Illustrated below are the methods for the payment of the variable remuneration adopted by the “PRAVEX BANK” JSC, in compliance with Intesa Sanpaolo Group.

In addition, those payment layouts take into account that due to the Group's consolidated balance sheet assets, none of the Group's banks is considered to be "of a smaller size or operational complexity".

Deferral

Deferred amount

1. **60%** of variable remuneration is deferred for a period of **5 years** in case of:
   - **«particularly high» amount** of variable remuneration, for each cluster of staff
2. **40%** of variable remuneration is deferred for a period of **4 years** in case of remuneration awarded to:
   - The **Risk Takers**, if the amount exceeds the **materiality threshold**
3. **40%** of variable remuneration is deferred for a period of **2 years** in case of remuneration awarded to:
   - **Middle Managers** and **Professionals**, if the amount exceeds the **materiality threshold**

Up-front amount

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

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

With regard to the “**Particularly high**” amount of variable remuneration, in line with the Regulation on Remuneration No.153, is considered particularly high the variable remuneration in the amount equivalent to 200,000 euro (gross)[19].

[19] To convert the UAH in euros or vice versa, the official exchange rate of UAH to foreign currencies established by the National Bank as of the date of taking decision on awarding the specified amount of variable remuneration shall be considered.

The Bank, in line with the above-mentioned Regulation and Intesa Sanpaolo Group, has defined its materiality threshold, differentiated by clusters of personnel, beyond which the variable remuneration is considered “significant”.

In particular:

- for **Risk Takers**, in line with the Regulation, the variable remuneration is considered "significant" if it exceeds the amount of **30,000 euro** (gross) [20] or if it represents more than 50% of the amount of fixed remuneration.
- for **Middle Managers and Professionals**, in continuity with Group practices, the materiality threshold of **150,000 euro** (gross) [21], beyond which the variable remuneration is considered “significant”, is kept.

Payment instruments

Financial instruments

1. **55%** of variable remuneration is paid out in **financial instruments** for:
   - those receiving a **«particularly high» amount** of variable remuneration
2. **50%** of variable remuneration is paid out in **financial instruments** for:
   - The **Risk Takers**

Cash

The remaining part of the variable remuneration is paid out in cash

For each cluster of staff the variable remuneration is paid out in cash, if the amount is **equal to or lower than both the materiality threshold**

For Middle Managers and Professionals, the variable remuneration is entirely paid out in cash, if the amount **exceeds the materiality threshold**

The financial instruments used by the Bank are instruments indexed to shares price, (“phantom shares”), whose underlying assets are ISP common shares, listed in the Italian Stock Exchange in Milan, being such instruments compatible to the long-term value creation and risk timeframe.

According to ISP Group Remuneration and Incentive Policies, at the time of allocation of the variable remuneration, the number of phantom shares to be allocated is established taking into consideration the average official price of ISP share in the month prior to the day of ISP Board of Directors’ Meeting in which the authorization to purchase own shares to service the annual Incentive System is approved.

In addition, it should be noted that interests on the cash deferred portions of the bonus may accrue. Those interests are calculated in line with market rates; the specific rate used is common to all ISP Group and it is communicated to the Bank by IBD HR function.

Retention period

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

   During the retention period, with regard to the portion of variable remuneration given in phantom share, the **cash equivalent of dividends** linked to ISP share is awarded.

For what regard the payment of the cash equivalent of the dividends amount linked to ISP shares, it is noteworthy that such amount is awarded at the same time when ISP Shares’ dividends are distributed.

In accordance with the indications above, the Bank, in compliance with Intesa Sanpaolo Group Remuneration and Incentive Policies, has defined the following accrual and settlement layouts depending on the category of personnel (Risk Takers, Middle Managers and Professionals) and the amount of the variable remuneration (higher or lower than the particularly high amount or the materiality threshold) .

[20] To convert the UAH in euros or vice versa, the official exchange rate of UAH to foreign currencies established by the National Bank as of the date of taking decision on awarding the specified amount of variable remuneration shall be considered.
[21] To convert the UAH in euros or vice versa, the official exchange rate of UAH to foreign currencies established by the National Bank as of the date of taking decision on awarding the specified amount of variable remuneration shall be considered.

In particular, for **all those who**, regardless of the macro-segment they belong to, **accrue a «particularly high» amount of variable remuneration**, the following schedule is envisaged, taking into account that the year of awarding of variable remuneration is 2027:

1. Layout 1: 40% of the payment will be up-front (of which 20% in cash and 20% in financial instruments) and 60% (of which 25% in cash and 35% in financial instruments) on a deferral time horizon of 5 years.

   Reported below is the accrual and settlement layout:

X = year of awarding of the variable remuneration

VESTING SCHEDULE	X	X+1	X+2	X+3	X+4	X+5
CASH (40%)	20%			4%	4%	12%
FINANCIAL INSTRUMENTS (60%)	20%	12%	12%	8%	8%	

PAYOUT SCHEDULE	X	X+1	X+2	X+3	X+4	X+5
CASH (40%)	20%			4%	4%	12%
FINANCIAL INSTRUMENTS (60%)		20%	12%	12%	8%	8%

For those who **do not accrue a «particularly high» amount of variable remuneration**, the following schedule are envisaged, based on the pertinent segment:

2. Layout 2: for the **Risk Takers** who accrue a variable remuneration **higher than the applicable materiality threshold,** 60% of the payment will be up-front (of which 30% in cash and 30% in financial instruments) and 40% (of which 20% in cash and 20% in financial instruments) on a deferral time horizon of 4 years.

   Reported below is the accrual and settlement schedule:

X = year of awarding of the variable remuneration

VESTING SCHEDULE	X	X+1	X+2	X+3	X+4
CASH (50%)	30%		5%	5%	10%
FINANCIAL INSTRUMENTS (50%)	30%	10%	5%	5%	

VESTING SCHEDULE	X	X+1	X+2	X+3	X+4
CASH (50%)	30%		5%	5%	10%
FINANCIAL INSTRUMENTS (50%)		30%	10%	5%	5%

3. Layout 3: for **Middle Managers and Professionals** who accrue a variable remuneration **higher than the applicable materiality threshold,** all of the payment will be in cash of which 60% up-front and 40% on a deferral time horizon of 2 years.

   Reported below is the accrual and settlement layout:

X = year of awarding of the variable remuneration

VESTING SCHEDULE	X	X+1	X+2
CASH (100%)	60%	20%	20%

PAYOUT SCHEDULE	X	X+1	X+2
CASH (100%)	60%	20%	20%

5.7 Long-Term Incentive Plans

In conjunction with the launch of the ISP Group 2026-2029 Business Plan, Intesa Sanpaolo Group has confirmed the use of Long-Term Incentive Plans (LTI) for the motivation and loyalty of its resources, whose involvement and enhancement, at all levels of the organization, are key and enabling factors for the achievement of results.

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

With reference to the 2026-2029 LTI Plans, taking into account the levels of ambition and challenge of the new Business Plan, the Group confirms the approach adopted in 2018 that consists in clearly differentiating objectives, purposes and consequently long-term incentive instruments intended respectively to:

- the Chairman, the Management Board Members and the Head of Divisions of the Bank, the ISP Group Risk Takers (if any) and Managers who are seconded/assigned from Italy[22], among the other Managers;
- Professionals of Intesa Sanpaolo Group who are seconded/assigned from Italy[23].

With reference to Management, Intesa Sanpaolo adopts, in substantial continuity with the previous long-term incentive plan, the plan called "Performance Share Plan 2026-2029" ("PSP 2026-2029") explicitly connected to the achievement of the objectives of the ISP Group Business Plan, which has a risk / return profile appropriate to the role held and to the levels of ambition and challenge of such Plan and which provides for the Intesa Sanpaolo Shares as the financial instrument.

Furthermore, the Group believes that a Retention Plan in continuity with the LECOIP 3.0 is suitable for supporting the motivation of Professionals, with the aim of continuing to strengthen their identification and the spirit of belonging, in line with the inclusive organizational culture of the Group. In light of these considerations, a Retention Plan called "LECOIP 2026-2029" has been designed for these recipients.

The detailed description of LECOIP 2026-2029 (just mentioned in this document) is contained in ISP Group Remuneration and Incentive Policies to which reference is made, whilst below more details about the Performance Share Plan 2026-2029 are reported.

5.7.1 "Performance Share Plan 2026-2029" Long-Term Incentive Plan

The PSP 2026-2029 is aimed at:

- enhancing the alignment with the long-term objectives of the ISP Group 2026-2029 Business Plan;
- guaranteeing a close link between the ISP Group's performance over time and the long-term variable remuneration of the Managers;
- rewarding the Managers depending on the value creation for shareholders;
- directing performance towards long-term sustainability (ESG).

Key Features of the PSP 2026-2029	
Topic	**Features of PSP**
Beneficiaries	The Chairman, the Management Board Members and the Head of Divisions of the Bank, the other ISP Group Risk Takers[24] (if any) and Managers seconded/assigned from Italy, among the other Managers. (~3,500 staff members of the Intesa Sanpaolo Group).
Financial Instrument	Intesa Sanpaolo ordinary shares, subject to performance conditions (Shares).
Plan Operating Mechanism	At the start of the Plan the beneficiaries are granted a certain number of PSP Rights, each of which entitles the holder to receive one Share upon expiry of the Plan, provided that specific Gateway Conditions are met and depending on the level of achievement of the Performance Objectives and of the possible application of De-multipliers.
Initial Grant	Each Manager is granted PSP Rights (Initial Grant), each of which has a value equal to the average market price of the Share in the 30 days prior to the award. The number of PSP Rights to be granted to each Manager is calculated by dividing the value defined as a percentage of the fixed remuneration/gross annual remuneration, differentiating between the organisational roles. Specifically, it ranges

[22] As they have an Italian employment contract.
[23] As they have an Italian employment contract.
[24] Including Group Risk Takers (if any) who do not hold managerial positions.

<table>
<tr><th colspan="2">Key Features of the PSP 2026-2029</th></tr>
<tr><td></td><td>between a maximum of 100% of the salary for roles not belonging to the Control Functions and the minimum of 20% of the salary for roles belonging to the latter.</td></tr>
<tr><td>Inclusion in the cap (maximum limit on variable remuneration with respect to fixed remuneration)</td><td>In accordance with the Supervisory Provisions, an amount equal to the value of the PSP Rights granted at the launch of the Plan is included in the cap (i.e. the limit on the ratio between variable and fixed remuneration) on a straight-line pro rata basis in each year of the duration of the Plan.</td></tr>
<tr><td>Gateway conditions (at ISP Group level)</td><td>In line with regulatory requirements.
ISP Group-level gates that must be achieved each year of the Plan:
CET1 ≥ Hard Limit set by the Group RAF
Leverage Ratio ≥ Hard Limit set by the Group RAF
Minimum requirement for own funds and eligible liabilities (MREL) ≥ Hard Limit set by the Group RAF
NSFR ≥ Hard Limit set by the Group RAF
No loss and positive Gross Income
LCR ≥ Hard Limit set by the Group RAF (only for Top Risk Takers).
Additionally, also the following gates at ISP Group level must be assessed:
at the launch of the Plan (2026) and at the end of the Plan, the result of the ICAAP;
and at the end of the Plan, the recommendations on distributions by competent authorities and European supervisory authorities which could result in a possible reduction down to the zero of the accrued bonus.</td></tr>
<tr><td>Performance Objectives (at ISP Group level)</td><td>
<table>
<tr><th colspan="4">Entitled Managers in Business and Governance Functions</th></tr>
<tr><th>KPI</th><th>threshold</th><th>target*</th><th>overtarget</th></tr>
<tr><td>OI/average RWA</td><td>9.15%</td><td>9.3%</td><td>9.38%</td></tr>
<tr><td>% accruable PSP Rights</td><td>20%</td><td>40%</td><td>50%</td></tr>
<tr><td>RoE</td><td>20%</td><td>22%</td><td>23%</td></tr>
<tr><td>% accruable PSP Rights</td><td>20%</td><td>40%</td><td>50%</td></tr>
<tr><td>Sustainable Lending</td><td>29%</td><td>30%</td><td>31%</td></tr>
<tr><td>% accruable PSP Rights</td><td>10%</td><td>20%</td><td>30%</td></tr>
</table>
* The target levels are those set in the ISP Business Plan for 2029
<table>
<tr><th colspan="3">Entitled Managers in Control Functions</th></tr>
<tr><th>KPI</th><th>threshold</th><th>target</th></tr>
<tr><td>Quality of operation and effectiveness of Control Functions action in terms of:
accuracy and reliability of the integrated documentation required by the internal control system as part of the activities of the ISP Group Control Coordination and Non-Financial Risks Committee and submitted to the ISP BoD
ability to promptly identify and manage emerging risks[25] as represented in the documents submitted to the ISP BoD</td><td>The documents submitted by Control Functions to the ISP BoD are accurate and their contents are complete</td><td>In addition to the threshold level:
the emerging risks were promptly reported in documents and managed appropriately
the Performance Scorecard trend over the 2026-2029 Plan for ISP Group Top Risk Takers of the Control Functions (i.e. the average of the average annual Performance Scorecard scores for ISP Group Top Risk Takers of the Control Functions over the period of the Plan) is greater than 100%</td></tr>
</table>
</td></tr>
</table>

[25] Both risks linked to the changing situation – such as, for example, among those currently known, geopolitical risks, technological risks (AI, digital assets, third parties, etc.), ESG risks – and those relating to more traditional operations (credit, liquidity, etc.) are considered emerging risks. In any case, those risks that become relevant in this regard during the Plan will be considered.

<table>
<tr><th colspan="2">Key Features of the PSP 2026-2029</th></tr>
<tr><td></td><td>
<table>
<tr><td>• ability to oversee key activities, initiatives and projects in each function</td><td></td><td></td></tr>
<tr><td>% accruable PSP Rights</td><td>50%</td><td>100%</td></tr>
</table>
It is specified that:

for performance levels below the threshold, no portion of shares is paid
for performance levels higher than the overtarget, no further increases are envisaged in the portion of shares awarded (so-called cap principle).

The total amount of Awarded Shares at the end of the Accrual Period cannot, in any case, exceed 100% of the Shares assigned at target for the set of KPIs. In other words, the only case where it is possible for the Managers of the Business and Governance Functions to accrue a number of Shares higher than that envisaged at target for a given KPI whose performance is higher than the target is if the performance of another KPI is lower than the respective target, since this does not determine the assignment of Shares corresponding to its target.
</td></tr>
<tr><td>Performance Accrual Period</td><td>In line with the ISP Group 2026-2029 Business Plan time horizon.</td></tr>
<tr><td>De-multipliers (at ISP Group level)</td><td>
<table>
<tr><th>Business and Governance Managers</th><th>Managers of the Control Functions</th></tr>
<tr><td>Capital Target (CET 1)

Compliance, in each year of the Plan’s duration, with the CET1 level above the target defined in the 2026–2029 Business Plan (i.e., > 12.5%);
Reduction in the number of shares vesting by 10% for each year of breach (maximum 40% over the entire accrual period).
</td>
<td>Capital (CET1) and liquidity (NSFR) levels

Compliance, in each year of the Plan’s duration, with the Early Warning limits set in the Group’s RAF, respectively for CET1 and NSFR;
Reduction in the number of shares vesting by 2.5% for each year of breach of each limit (maximum 20% in total over the entire accrual period).
</td></tr>
</table>
</td></tr>
<tr><td>Individual access conditions</td><td>
Absence of the compliance breaches as set in the Bank 2026 Remuneration and Incentive Policies.
Specifically:

disciplinary measures, covering cases involving suspension from service and pay for a period equal to or greater than one day, including those resulting from serious findings received from the Bank's control functions; the Bank might decide on a more conservative approach as the extension to the written warnings;
in case of breaches specifically sanctioned by the Supervisory Authorities regarding the requirements of professionalism, integrity and independence and following on the matter of transactions with related parties and of the obligations regarding remuneration and incentives referred to in CRD V, if involving a penalty of an amount equal to or greater than 30,000 euro;
behaviours non-compliant with the legal and regulatory provisions, the Articles of Association or any codes of ethics and conduct established ex ante by the Bank and the Group and from which a "significant loss" derived for the Bank or for customers.

</td></tr>
<tr><td>Payment schedules</td><td>

Differentiated based on staff category (i.e., Group Top Risk Taker (if any), Legal Entity Top Risk Taker (if any), or Risk Taker (if any), remaining Managers) and on the total amount of variable remuneration (above or below the “particularly high” amount or the “materiality threshold” as defined in the 2029 Bank Remuneration and Incentive Policies), as well as its ratio to fixed remuneration;
The settlement is fully in Intesa Sanpaolo (ISP) Phantom shares.

Specifically, for:
</td></tr>
</table>

<table>
<tr><th colspan="2">Key Features of the PSP 2026-2029</th></tr>
<tr><td></td><td>

for the Group Top Risk Takers and all those who, regardless of the segment they belong to, accrue a “particularly high” amount of overall variable remuneration, 60% of the accrued variable remuneration is deferred over a 5-year time horizon and, depending on the incidence of the fixed remuneration on the variable one, 60%-55% of the same is attributed in shares subject to a retention period (the remaining part is instead attributed in shares not subject to a retention period);
for the Legal Entity Top Risk Takers (if any), depending on the incidence of the fixed remuneration on the variable one, 50%-40% of the accrued variable remuneration is deferred over a 5-year time horizon and 60%-55% of the same is attributed in shares subject to a retention period (the remainder is attributed instead in shares not subject to a retention period);
for the other Risk Takers, depending on the incidence of the fixed remuneration on the variable one, 50%-40% of the accrued variable remuneration is deferred over a 4-year time horizon and 50% of it is assigned in shares subject to a retention period (the remaining part is attributed instead in shares not subject to a retention period);
for the remaining Managers:
<ol type="a">
in the event that the variable remuneration is higher than both the materiality threshold and 100% of the fixed remuneration, 40% of the accrued variable remuneration is deferred over a 3-year time horizon and 50% of the same is assigned in shares subject to a retention period (the remaining part is attributed instead in shares not subject to a retention period);
in the event that the variable remuneration is higher than the materiality threshold but equal to or lower than 100% of the fixed remuneration (or vice versa), 40% of the accrued variable remuneration is deferred over a 2-year time horizon and 100% of the same is paid in shares not subject to a retention period.

</td></tr>
<tr><td>Malus conditions</td><td>Malus conditions operate as mechanisms to reduce the portions of deferred shares that have vested but not yet been paid, up to the full cancellation of such portions.
They are symmetrical to the gateway conditions and to the individual access conditions.</td></tr>
<tr><td>Clawback</td><td>In line with the provisions of the Bank 2026 Remuneration and Incentive Policies. Specifically:

disciplinary initiatives and provisions envisaged for fraudulent behaviour or gross negligence by personnel, which led, among other things, to:
- classifying the Bank as a problem bank;
- classifying the Bank as insolvent;
- revoking the Bank's banking license and liquidating the Bank;
behaviour non-compliant with the legal and regulatory provisions, Articles of Association or any codes of ethics and conduct established ex ante by the Bank and from which a “significant loss” derived for the Bank or the customer.

These mechanisms may be applied in the 5 years following the payment of the individual portion (up-front or deferred) of variable remuneration</td></tr>
<tr><td>Termination of the employment relationship</td><td>

Bad leaver cases: eligibility to participate in the PSP is lost in case of resignation, termination for cause or justified reason, mutual termination of the employment relationship except for cases classified as good leaver and all cases not classified as good leaver;
Good leaver cases: payment at the end of the Plan of a number of PSP Rights calculated on a pro rata basis, in the event of termination of employment

</td></tr>
</table>

Key Features of the PSP 2026-2029	
	relationship due to the fulfilment of direct pension requirements or, only for Italian Managers, through access to the Solidarity Fund; death of the Manager or permanent disability or illness resulting in the termination of the relationship; mutual termination of the employment relationship in the event that: (i) this results from the elimination of the position; or (ii) the employee has contributed positively to the achievement of the objectives of the ISP Group 2026-2029 Business Plan (i.e. having participated in the PSP 2026-2029 for at least one year and having received an annual performance scorecard score at least equal to the minimum in each of the performance years prior to termination); transfer of the business line or of the subsidiary where the manager is employed to third parties, it being understood that in this case the Bank reserves the right to grant Managers 100% of their rights if the Bank retains even a minority stake.
Extraordinary Events	Change of control In the event of substantial changes to the ISP Group's ownership structure as part of transactions – whether hostile or non-hostile – that determine a Change of control, the Plan will be accelerated with the payment, in accordance with the applicable Payment Schedules, of a cash amount determined on a pro-rata basis based on the value of the ISP share at the first market close following public disclosure of the transaction. Other Extraordinary Events In the event of extraordinary events affecting the Bank and/or the ISP Group and/or the relevant market – including, for example, extraordinary transactions involving the share capital and other transactions involving changes in its composition, the shareholders' equity of the company or the number of underlying instruments, or regulatory changes – the ISP Board of Directors shall have the right to resolve on any amendments and/or supplements to the rules of the Plan that are necessary and/or appropriate to make it consistent with the changed context and/or to manage its impact on Managers, in accordance with the key features of the Plan approved by the ISP Ordinary Shareholders' Meeting and in line with its purposes, including, depending on the case, adjusting the number of PSP Rights or Awarded but not yet delivered Shares, in accordance with the rules commonly accepted by financial market practice and, as far as possible, in line with any adjustments set by Borsa Italiana, and/or the acceleration and payment of bonuses on a pro rata basis. In any case, changes to KPIs, related threshold levels, targets and overtargets, as well as increases in the amount of bonuses accruable, are excluded.

5.8 Termination of the employment agreement

The termination of the employment agreement involving personnel with state pension or seniority pension as well as in the event of death[26], does not affect the right to receive the variable remuneration, including any deferred amounts.

In all other cases, the Bank has the right to award any amounts, depending on the specific situations, upon termination of the employment agreement, also through consensual retrenchment agreements providing termination payments (Mutual Termination Agreements).

Furthermore, ex-ante individual agreements may be entered into for the determination of the remuneration to be granted in the event of early termination of the relationship, provided that these agreements must comply with all the conditions set out in this Remuneration Policies and in the Supervisory Provisions.

Finally, in the event of extraordinary transactions and/or company restructuring processes, in line with the provisions set out in the ISP Group Remuneration and Incentive Policies and the Supervisory Provisions, specific exceptions to the applicable regulations are envisaged with regards to the amounts agreed in view of or upon the early termination of the employment relationship or the early termination of the office or to incentives for redundancy, provided that the requirements of the Supervisory Provisions are met.

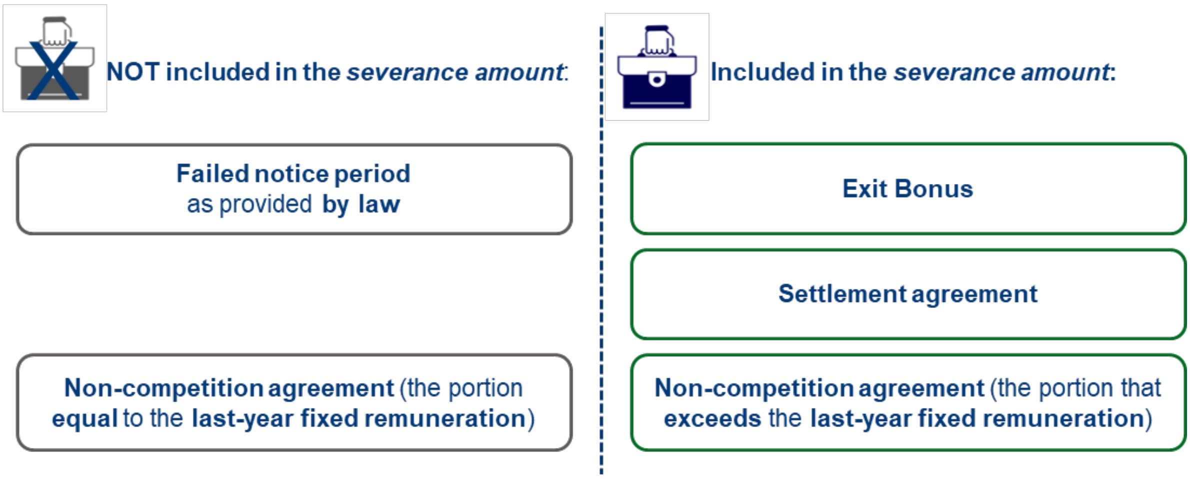
[26] In the event of death, the right to the payment of the amounts due, including any deferred portions, is transferred to the heirs under the same conditions, terms and timing of payment/allocation.

5.8.1 Severance

5.8.1.1 *Definition*

According to the Regulatory Framework on remuneration, the payment agreed in any way and/or form in view of or upon early termination of the employment agreement or early termination of office for the amount exceeding the provisions of the Ukraine local law concerning payments related to the notice period constitutes the so-called severance. The non-competition agreement is included among these, depending on the total amount paid.

The severance components pursuant to ISP Group Remuneration and Incentive Policies:



5.8.1.2 *Maximum limits*

Based on international and national best practices, the Bank, in compliance with ISP Remuneration and Incentive Policies has set a maximum limit equal to **12 months of the fixed remuneration** for compensation paid by way of severance. The adoption of this limit can lead to a maximum disbursement of **170 000 euro**[27].

During the period of martial law in Ukraine, in case of termination of the employment agreement (contract) or civil law contract with the employee of the bank, the total amount of severance payment, compensation payments (except for payments of monetary compensation for unused holidays), and other payments to which such person is entitled in connection with the termination of the employment agreement (contract) or civil law contract may not exceed the average salary of such person for six months.

5.8.1.3 *Accumulation of severance with variable remuneration*

In Compliance with ISP Remuneration and Incentive Policies, the compensation paid by way of severance is included in the calculation of the ratio between the variable remuneration due and the fixed remuneration of the last year of employment at the company.

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

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

  Intesa Sanpaolo intends to adopt the following **formula** differentiated by cluster of personnel and indexed to the number of years of employment at the company.

  Employees assigned a job title as part of the ISP Group's Global Banding System

[27] The fixed remuneration includes the gross annual remuneration and any role allowance and/or remuneration received for the office and not transferred.

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

Remaining personnel

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

5.8.1.4 *Payment methods*

The components included in severance are similar to the variable remuneration and, as such, are subject to the payment methods depending on the cluster of personnel, the amount and its weight compared to the fixed remuneration (see paragraph 5.6) except as specified below.

Specifically, the severance is paid in cash and up-front for the portion paid within an agreement reached in order to settle a dispute, even if not calculated through a predefined formula. Such provision applies only to Middle Management and Professional not identified as Risk Takers.

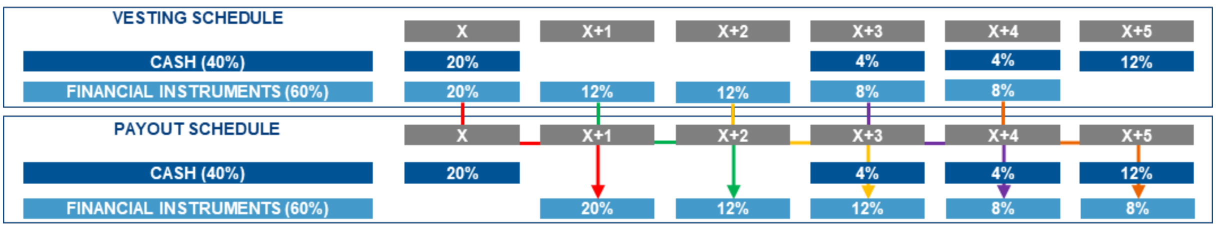
Anyway, it should be noted that - because of the components of the Severance that are not included when calculating the variable-to-fixed remuneration cap but are still subject to the variable remuneration payment method – the total amount of Severance may exceed the fixed remuneration.

When this particular case occurs, the following accrual and settlement layouts have to be applied:

1. Layout 1: for **all those who**, regardless of the macro-segment they belong to, **who accrue a Severance exceeding the «particularly high» amount and the 100% of the fixed remuneration,** 40% of the payment will be up-front (of which 20% in cash and 20% in financial instruments) and 60% (of which 20% in cash and 40% in financial instruments) on a deferral time horizon of 5 years.

Reported below is the accrual and settlement layout:

X = year of assignment of severance



2. Layout 2: for the **Risk Takers** who accrue a Severance **higher than both 100% of the fixed remuneration and the applicable materiality threshold (but lower than the «particularly high» amount)**, 50% of the payment will be up-front (of which 25% in cash and 25% in financial instruments) and 50% (of which 25% in cash and 25% in financial instruments) on a deferral time horizon of 4 years.

   Reported below is the accrual and settlement layout:

X = year of assignment of severance

VESTING SCHEDULE	X	X+1	X+2	X+3	X+4
CASH (50%)	25%		6.25%	6.25%	12.5%
FINANCIAL INSTRUMENTS (50%)	25%	12.5%	6.25%	6.25%	
PAYOUT SCHEDULE	**X**	**X+1**	**X+2**	**X+3**	**X+4**
CASH (50%)	25%		6.25%	6.25%	12.5%
FINANCIAL INSTRUMENTS (50%)		25%	12.5%	6.25%	6.25%

3. Layout 3: **Middle Management and Professional** who accrue a Severance **exceeding 100% of the fixed remuneration and higher than the applicable materiality threshold,** all of the payment will be in cash of which 60% up-front and 40% on a deferral time horizon of 3 years.

   Reported below is the accrual and settlement layout:

X= year of assignment of severance

VESTING SCHEDULE	X	X+1	X+2	X+3
CASH (100%)	60%	10%	10%	10%
PAYOUT SCHEDULE	**X**	**X+1**	**X+2**	**X+3**
CASH (100%)	60%	10%	10%	10%

4. Layout 4: **for Middle Managers or Professional** who accrue a Severance **exceeding 100% of the fixed remuneration but equal to or lower than the applicable materiality threshold,** all of the payment will be in cash of which 60% up-front and 40% on a deferral time horizon of 2 years.

   Reported below is the accrual and settlement layout:

X= year of assignment of severance

VESTING SCHEDULE	X	X+1	X+2
CASH (100%)	60%	20%	20%
PAYOUT SCHEDULE	**X**	**X+1**	**X+2**
CASH (100%)	60%	20%	20%

In addition, it should be noted that interests on the cash deferred portions of the bonus may accrue. Those interests are calculated in line with market rates; the specific rate used is common to all ISP Group and is communicated to the Bank by IBD HR function.

5.8.1.5 *Criteria*

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

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

Please also note that the same activation (see paragraph 5.5.1), individual access (see paragraph 5.5.6), malus (see paragraph 5.5.7) and clawback conditions (see paragraph 5.5.8) set for variable remuneration for each population cluster are applied to severance.

5.9 Prohibition of hedging strategies

The Bank, in line with ISP Remuneration and Incentive Policies, does not remunerate or grant any payments or other benefits to personnel that in any way elude the regulatory provisions.

The Bank requires its personnel, through specific agreements, not to adopt strategies of personal hedging or insurance strategies on remuneration or other aspects that may alter or undermine the effects of the alignment with company risk inherent in the remuneration and incentive Policies and in the related remuneration mechanisms adopted by the Bank and the Group. To this end, as part of the rules to implement the remuneration and incentive Policies, Intesa Sanpaolo also defines the types of financial transactions and investments that, if carried out, directly or indirectly, by Legal Entity Risk Takers could constitute forms of hedging compared to the risk exposure as a consequence of applying the remuneration and incentive Policies.

These types of transactions and financial investments are:

#	Financial Instruments category	Description
1.	Derivatives (non-securitized) having as underlying ISP shares	Financial instruments that allow directly or synthetically to take a short position on Intesa Sanpaolo shares: - purchase of put options on ISP shares - sale of call options on ISP shares - linear combinations of the above options (synthetic forwards, collars, etc.) - repurchase agreements on ISP shares (securities lending from brokers on ISP securities and corresponding sale on the market) - Total Return Equity Swap on ISP shares or Contract for Difference on ISP shares - other derivative instruments (non-securitized) with underlying ISP shares.
2.	Derivatives (non-securitized) with reference entity ISP	Financial instruments that allow directly or synthetically to take a "short position" (short position) on the Intesa Sanpaolo name: - Purchase of protection through Credit Default Swaps with ISP reference entity - Repurchase agreements on ISP bonds (securities lending from brokers on ISP securities and corresponding sale on the market) - Total Return Swaps on ISP bonds - other derivative instruments (non-securitized) with underlying ISP bonds
3.	Other derivative instruments (non-securitized) with underlying assets partially linked to ISP securities	Financial instruments similar to those mentioned above on baskets of shares, stock indexes, baskets of names, credit indices where ISP is present with a weight exceeding 20%.
4.	Short investment instruments (other than non-securitized derivatives) linked to the ISP share	Other financial instruments (such as Certificates and ETFs) with a short investment strategy with underlying: - ISP share - ISP bonds - indexes directly connected to ISP (e.g. ISP Credit Spread)

#	Financial Instruments category	Description
		- derivatives in turn connected to an ISP share or bond (ISP stock futures) - basket of shares, stock indexes, basket of names, credit indexes where ISP is present with a weight exceeding 20%. In general, these are financial instruments (other than non-securitized derivatives) which (with or without leverage) benefit from the decline in the value of the underlying. In this regard, the replication of the reference underlying is exactly the opposite of its actual performance, allowing the investor to bet against the underlying asset (and to obtain profits even in bear market circumstances).

It should be noted that the types of transactions and financial investments as described in the abovementioned points 1, 2 and 3 are already prohibited according to Article 6 of the Group Internal Code of Conduct. With reference to the transactions indicated in point 4 (i.e. "short" investment instruments (other than non-securitized derivatives) linked to the ISP share), the Group Internal Code of Conduct prevents all employees from carrying out transactions with leverage effect; however, in order to align the compensation mechanisms to risks, the investment operations in financial instruments linked to the ISP share without leverage as per the aforementioned point 4 are also prohibited by these Provisions.

With reference to Risk Takers only:

- the prohibition of carrying out the operations shown in the table is also extended to the family members of the relevant person, namely:
  - the spouse of the relevant person or other partner equivalent to the spouse according to the national law;
  - the dependent children of the relevant person;
  - any other relative of the relevant person who lived for at least one year with the relevant person at the date of the transaction in question;
- it is forbidden, always and in any case, to initiate - directly or indirectly - transactions in breach of the hedging prohibition, including those on the accounts or deposits on which the Risk Taker has a power of attorney (also with other financial intermediaries);
- it is required to communicate to the Bank's HR & Organization Department the existence or activation of custody and administration accounts with other intermediaries not belonging to the Intesa Sanpaolo Group.

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

Section B – Rules for identifying staff whose professional activities have a material impact on the Bank's risk profile

The remuneration policies have to be specified and applied proportionally to roles, contribution and impact of the staff on the Bank risk profile.

For this reason, "PRAVEX BANK" JSC identifies the so-called "Legal Entity Risk Takers" and, among those, it indicates, on the basis of identification process at ISP Group level, also the Risk Takers who have a material impact also on ISP Group risk profile (so-called "Group Risk Takers").

The criteria to identify the Risk Takers are defined by the Regulation No. 153 of the National Bank of Ukraine dated 30.11.2020 and lastly updated in 2023 which (among others) provided for:

- qualitative criteria, related to roles, decision-making power and managerial responsibility of staff, considering also the internal organisation of the Bank the nature, scope, complexity of the activities carried out;
- quantitative criteria, related to gross remuneration thresholds, both in absolute and relative terms.

Furthermore, the NBU Regulation provides that the Bank, taking into account the specifics of its activities, shall provide for and apply additional criteria (if necessary) to identify additional subjects who assume significant risks.

This document describes:

- the rationales that are applied to identify Risk Takers pursuant to qualitative and quantitative criteria and the additional criteria established in light of the Bank organisational structure and business, also taking into account the ISP Group Rules for identifying Risk Takers;
- the way in which the rules to identify Risk takers must be applied by PRAVEX BANK" JSC.

In addition, in it specified that the Bank, at least once a year, notify to the Shareholder's and to the NBU on the identification of Risk Takers by providing the list of those identified.

5.10 Definitions and rationales of application - Significant Structural unit

In compliance with the provisions of the Regulation, the definition of "significant structural unit" that allow the application of the criteria for identifying Risk Takers is shown as follows. In particular, pursuant to Article 8, section II of the Regulation, a "Business unit" or "Operating / company unit" is defined as "relevant" if it meets at least one of the following criteria:

a) the aggregate amount of all significant risks generated by the division's activities is 2% or more of the amount of available internal capital from an economic perspective;

b) is responsible for the main line of business and/or for the provision of support services that form significant sources of income and/or profit of the bank/banking group (the amount of income/profit received in the relevant area is 5% or more of the amount of income/profit of the bank for the previous financial year according to the financial statements audited by the auditing entity in accordance with the procedure established by the legislation of Ukraine.

With specific reference to the point a), in the Bank there are no Significant Structural unit because the Bank calculates Internal Capital for ICAAP purposes only in general for the Bank and, consequently, it does not allocate it to individual business units.
With regards to the point b), the business units are deemed "core business lines" if they contribute to the profit or to the revenue of the Bank to an extent at least equal to 5%, calculated for the previous financial year according to the financial statements audited by the auditing entity in accordance with the procedure established by the legislation of Ukraine.

In the specific case of "PRAVEX BANK" JSC, it should be noted that the reporting of profits and revenues is not conducted down to the operating unit level. Therefore, no Significant Structural unit are identified.

5.11 Application of the Rules at the Bank's Level

5.11.1 Qualitative Criteria

For each of the identification criteria, this paragraph lists the provisions of the Regulation and describes the rationale underlying the identification.

Pursuant to the provisions of Article 28, section III of the Regulation, the following are Risk Takers[28]:

1) Is a member of the management body

   This criterion identifies the Bank's Supervisory Board and Management Board members

2) Belongs to the heads of control units staff members with managerial responsibilities on control functions or in relevant operating / company units

   This criterion identifies the CRO - Head of Risk Management Department, the CCO - Head of Compliance & AML Department and the Head of Internal Audit Department

3) Is the heads of significant structural unit

   This criterion identifies the Heads of significant structural unit (if any). Anyway, at the moment, there are not such material units in the Bank

4) Is the chief accountant and/or the head of departments responsible for formulating the Bank's accounting policy

   This criterion identifies the Chief Accountant - Head of Accounting Department of CFO Division

5) Is the heads of the departments that perform the following functions: legal supports of the Bank's activities; financial planning, including taxation and budgeting; economic analysis; preventing and counteracting the legislation (laundering) of proceeds of crime, terrorist financing and the financing of the proliferation of weapons of mass destruction; personnel management; development and/or implementation of remuneration and remuneration policies; support of information technology; ensuring information security

   In the light of the current Organizational Chart, this criterion identifies the staff members of the bank who are responsible for such functions:

   - the Head of HR & Organization Department;
   - the Head of Compliance & AML Department as responsible of the prevention of money laundering and terrorist financing;
   - the Head of Legal & General Secretariat Department[29];
   - the Chief Accountant - Head of Accounting Department of CFO Division;
   - the Head of Treasury & Markets Department of CFO Division[30];
   - the Head of Planning & Control Department of CFO Division;
   - the Head of Cybersecurity & BCM Department[31];
   - the Head of ICT, Digital Transformation & Innovation Department of COO Division[32].

6) Has the authority to make and approve decisions on the introduction of new products and or to prohibit (veto) such decisions:

   There are not Risk Takers identified for this criterion since the model of approving new products and services - governed by the "Guidelines for the approval of new products, services and activities intended to a certain customer target" - requires the decisions about approving or forbidding their introduction to be of a board Committee nature.

7) Is a member of the relevant committee with the right to vote responsible for making, approving decisions referred to in criterion 6 above or imposing a ban (veto) on such decisions;

   Considering that the Bank has implemented Guidelines on Product Governance, those decisions are taken by the participants with voting rights of Credit Risk Governance Committee, Assets & Liabilities Management Committee, members of the Management Board and Supervisory Board.

In addition, without prejudice to the provisions of the Article 28, section III of the Regulation, pursuant to the provisions of Article 29, section III of the Regulation, the following are Risk Takers:

8) Is the head of the first line of defence unit;

[28] The person performing the role based on the criteria for the identification of the Risk Takers, set out in the document, for at least 3 months is considered Risk Taker.
[29] Form 01.07.2026, General Counsel Department.
[30] From 01.07.2026, Treasury & ALM Department
[31] From 01.07.2026, Cybersecurity, Antifraud, BCM & Corporate Security Department of CGO Division
[32] From 01.07.2026, ICT, Cost Optimization, Transformation & PMO Department of COTO Division

In the light of the current Organizational Chart, this criterion identifies the following heads of Divisions and Departments:

- Head of Cybersecurity and Business Continuity Management Department[33];
-
- Head of HR & Organization Department;
- Head of Legal and General Secretariat Department (until 01.07.2026);
- Head of Chief Business Officer (CBO) Division;
- Head of CLO Division;
- Head of CFO Division;
- Head of COO Division (after 01.07.2026 – COTO Division);
- Head of PR & Marketing Office (after 01.07.2026 – External Communications Office).

9) Is a member of the relevant committee with voting rights responsible for taking significant risks;

   This criterion identifies the members, with voting rights, of the Operational Risk Committee, Credit Risk Governance Committee and Assets & Liabilities Management Committee, Credit Committee, Non-Performing Assets Committee, Information Security Management Committee and Crisis Governance Committee with decision-making powers set up at Bank, as identified by the corresponding Regulations

10) Has the authority to make, approve, or prohibit (veto) decisions on entering into an agreement on an active transaction with credit risk if the total assets under such transaction are equal to or greater than at least one of the following two values: 0.5% of the bank's core capital; the equivalent of EUR 1,000,000 at the official exchange rate of UAH to foreign currencies set by the National Bank on the date of adoption, approval or prohibition (veto) of the relevant decision;

   This criterion identifies the staff vested with the authorities under the Credit Delegated Prerogatives within the Credit Powers of the Bank.

11) Is a member of a committee or other collegial body authorised to make, approve decisions referred to in the criterion 10 above or to impose a ban (veto) on such decisions;

   This criterion identifies members with the voting right of the Credit Committee and Non-Performing Assets Committee.

12) has the authority to make, approve decisions on transactions with instruments held in the trading book in the amount equal to or exceeding 0.5% of the bank's equity capital, or to prohibit (veto) such decisions;

   This criterion is not applicable to the Bank because it does not manage trading book.

13) Is a member of a committee or other collegial body authorised to make, approve decisions referred to in the criterion 12 above or to impose a ban (veto) on such decisions;

   This criterion is not applicable to the Bank because it does not manage trading book.

14) Affects a group of employees who independently have the authority to enter into active transactions on behalf of the bank if the aggregate assets under such transactions are equal to or greater than at least one of the following two values: 0.5% of the bank's core capital; the equivalent of EUR 1,000,000 at the official exchange rate of the Ukrainian hryvnia to foreign currencies set by the National Bank of Ukraine on the date of the relevant agreement;

   No Risk takers are identified in addition to those previously identified under criterion 10.

5.11.2 Quantitative Criteria

In line with the provisions of Article 29, paragraph II of the Regulation, the following are Risk Takers:

a) staff members for whom the following conditions are jointly met:

   i. has the right to substantial remuneration for/for the previous financial year, provided that the following requirements are met simultaneously: the aggregate amount of remuneration accrued/paid to the employee for/prior to the previous financial year equals or exceeds the amount equivalent to EUR 70,000 at the official exchange rate of UAH to foreign currencies

[33] From 01.07.2026, Head of CGO Division

set by the National Bank on the date(s) of accrual/payment(s) and equals or exceeds the average amount of aggregate (fixed and variable) remuneration accrued/paid for/prior to the relevant year to members of the bank's management bodies;

ii. their activity is carried out within a significant structural unit and such activities are of a type that has a significant impact on the risk profile of such a unit;

This criterion is not applicable to the Bank, since the Bank doesn't identify significant structural units.

Furthermore, without prejudice to the provisions of the Article 29, section III of the Regulation, pursuant to Article 30, section III of the Regulation, the following staff members are deemed to have an impact on the risk profile:

b) In case of accrual/payment of remuneration to an employee for/in the previous financial year in an amount equal to or exceeding the amount equivalent to EUR 100,000 at the official exchange rate of UAH to foreign currencies set by the National Bank on the date of accrual/payment;

c) the employee belongs to 0.3% of the number of the bank's employees (rounded up to the nearest whole number) who were accrued/received the largest amounts of remuneration in the previous financial year (provided that the bank employed more than 1,000 employees as of the date of the relevant accruals/payments).

Given that at the moment the Bank does not have over 1000 members of staff, the abovementioned criterion c) does not apply.

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

- all components, monetary and non, of both fixed and variable remuneration, are taken into account;
- the fixed remuneration as at December 31st of the previous year and the variable remuneration awarded in the previous year (based on the results of the year before that)[34] are included, independently from whether the payment itself was deferred;
- if a performance assessment period (accrual period) of more than one year is provided for the purposes of the award of the variable component, the pro rata remuneration (i.e., relating to the period of the assessment) is taken into account, even if this amount is disbursed later, only at the end of the accrual period;
- the remuneration which has been awarded but has not yet been awarded shall be valued as at the date of the award without taking into account the possible application of the reductions in payouts, whether through clawback or malus.

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

6. Remuneration Report

The Remuneration Report is compiled separately for the members of the Supervisory Board, members of the Management Board and Influential persons and shall contain the following information as regards:

1. amounts of remuneration accrued/paid for/prior periods and/or to be paid to members of the Management Board/Supervisory Board, influential persons based on the results of the financial year under review (in terms of fixed and variable components of remuneration, in cash and non-cash instruments);
2. the terms of the remuneration payment (actually paid remuneration and deferred remuneration by deferral periods);
3. a description of non-monetary instruments in which remuneration is to be paid to members of the Management Board/Supervisory Board and influential persons;
4. the facts of the Bank's use of the right to reduce/cancel/ return the variable remuneration previously paid to the members of the Management Board/Supervisory Board, influential persons;
5. violations of the terms of the remuneration provision (if any) detected by the Bank and measures or decisions taken as a result of such violations.
6. the summarised information for the relevant financial year on actual presence of a member of Management Board/Supervisory Board at meetings of the board and its committees, which

[34] Since the buy-out is exclusively aimed at recognizing the deferred portions of the variable remuneration reduced or cancelled by the previous employer due to the termination of the employment contract, this is included among the variable components considered for the purposes of identifying the Risk Takers only in order to verify whether the newly hired personnel is assigned a total remuneration: i) equal to or greater than €500,000 and equal to or greater than the average total remuneration paid to the members of the body with strategic supervision and management functions and to the senior management of the institution and; ii) equal to or greater than €750,000.

includes a member of the Management Board/Supervisory Board in its composition, or the reasons for his/her absence;

7. confirmed facts of unacceptable behaviour of a member of the Management Board/Supervisory Board and Influential persons (including reported in confidence) and measures taken as a result of the investigation in case of influence of such facts / measures on the payment of remuneration to a member of the bank's Management Board/Supervisory Board and Influential person;
8. the presence / absence of reasonable grounds for payment / deferral / reduction / return of variable remuneration of a member of the Management Board and Influential persons;
9. payments in cash and/or non-monetary instruments (if any) made in favour of members of the Management Board/Supervisory Board, influential persons in the reporting financial year:
   - amounts of payments related to hiring/dismissal;
   - the market value of remuneration paid by means of material incentives, if the bank makes such payments.
10. provision of loans, credits or guarantees by the Bank to the members of the Management Board/Supervisory Board and Influential persons during the reporting financial year (indicating the amounts and interest rates).

The Bank publishes Remuneration Reports and Policies on its Internet website within 15 working days from the date of their approval by the authorized body of the Bank.