DIRECTORS' REPORT
ON THE SECOND ITEM ON THE AGENDA
(ordinary part)

for the Ordinary and Extraordinary
Shareholders' Meeting
of Equita Group S.p.A.
of 28 April 2022

(published on 29 March 2022)

ITEM 2 ON THE AGENDA

2. Report on the Remuneration Policy and on Fees Paid:
    2.1 First Section - Remuneration and incentive policy applicable to the Equita Group with effect from 2022: related and consequent resolutions (binding resolution).
    2.2 Second Section - Fees paid with reference to the 2021 financial year: related and consequent resolutions (non-binding resolution).

Dear Shareholders,

The Board of Directors of Equita Group S.p.A. ("**Equita Group**") has prepared and approved, on 17 March 2022, the report on the remuneration policy and on fees paid (the "**Remuneration Report**" or the "**Report**"). The Report was prepared in compliance with article 123-ter of Italian Legislative Decree no. 58 of 24 February 1998 ("**TUF**", the Italian Consolidated Finance Law) and article 84-quater of the Issuers' Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as later amended (the "**Issuers' Regulation**").

The Report also aims at satisfying the requirements of the Regulation implementing Bank of Italy articles 4-undecies and 6, paragraph 1, letter b) and c-bis) of TUF guidelines concerning applicable remuneration, included in the EBA Guidelines. Therefore, the Report also includes the information, in aggregate form, on the so-called risk taker subjects not included in the field of application of TUF.

Moreover, in accordance with article 84-bis of the Issuers' Regulation, the Report includes, among the annexes, Outline 7 - Annex 3A, which reports the details on the implementation of the incentive plan based on financial instruments for 2021 (namely, the "*2019-2021 Equita Group Plan based upon financial instruments*" and the "*2020-2022 Equita Group Plan for senior management based on stock options*", respectively approved by the Shareholders' Meeting on 30 April 2019 and on 7 May 2020 and later amended in 2021).

This Report is available to the public at the Company's registered office in Milan, Via Filippo Turati no. 9, on the Company's website www.equita.eu (*Corporate Governance* section *Shareholders' Meetings* area) and on the authorised storage mechanism *eMarket Storage* www.emarketstorage.com.

2.1 First Section - Remuneration and incentive policy applicable to the Equita Group with effect from 2022: related and consequent resolutions (binding resolution).

The First Section of the Report illustrates:

- ✓ the Remuneration and Incentive Policy applicable to the Equita Group since 2022 (the "**Remuneration Policy**"), referring to members of the management bodies, Managers with Strategic Responsibilities and employees of the Group, with an indication of how that Policy contributes to the business strategy, to the pursuit of the long-term interests and to sustainability;
- ✓ the procedures used for the adoption, implementation and any revision of the Remuneration Policy, including the process of identifying the Key Personnel.

It is noted that on 29 April 2021, the Company's Shareholders' Meeting approved the remuneration and incentive policy of the Equita Group applicable from 2021. The following amendments were made to the remuneration and incentive policy approved in April 2021:

a. updating of the normative references;
b. updating of the paragraph containing the "Definitions" where "Financial Instruments", "Gender Pay Gap" and "Good Leaver" have been added among other things. In the usable Financial Instruments the possibility of using those contained in the Investor Firm Directive article 32(1)(j) has been added;
c. addition of a paragraph that integrates the principle of complete equality between personnel (so-called "principle of neutrality related to gender"). In particular, the Group Companies ensure that, with equal jobs performed, the personnel has an equal level of remuneration, including in terms of conditions of his/her recognition and payment;
d. addition of a paragraph on review of the document on the Group's remuneration and incentive policies, to be conducted at least once a year;
e. in terms of the limit on the ratio between Fixed Amount and Variable Amount of "Key Personnel", limits have been defined for the Global Markets, Investment Banking, Alternative Asset Management business lines, for the control functions and for the remaining functions;
f. in terms of gates, amendments have been made to the indicator established for verifying the financial situation, considering that the prudential requirements have changed. In particular, the IFR must be at least equal to 200%. In terms of the SGRs, for ROE, reference to the fact that the calculation of the bonus prepayment has been removed, considering that the activity has already been started;
g. reference to the fact that the Incentive Plans can be based on a measurement of annual or multi-year results has been added;
h. for risks taker, the obligation has been added to pay at least 50% of the Variable Amount in Financial Instruments (except for the personnel of Equita K Finance and Alternative Asset Management) and at least 40% of the same deferred over a period of 36 months, also payable pro rata (except for Alternative Asset Management which has a 10% percentage). If the amount of variable remuneration is particularly high, the deferred amount is equal to at least 60%. The retention period has been established as one year starting from the Financial Instrument assignment date;
i. a paragraph has been added containing the exceptions to the rules concerning retention, deferral and amount in financial instruments. In particular, the rules do not apply to risk takers with a Variable not greater than Euro 50,000 and which does not represent more than 1/4 of the total remuneration;
j. more detailed ESG KPIs have been added for SGR personnel, which replace the existing ones;
k. for the SIM personnel the KPIs have been removed for the manager of the Legal and Corporate Secretary and those for the Post Trading Manager have been added;
l. The duties of the Remuneration Committee have been revised, specifying, among other things, that the remuneration of high level managers of risk management and compliance functions is directly controlled by the remuneration committee.

In light of what is illustrated above, the Shareholders' Meeting is asked to:

- read the First Section of the Report, prepared as per article 123-ter of the TUF and article 84-quater of the Issuers' Regulation;
- approve, with binding resolution, the First Section of the Report and, therefore, the Company's Remuneration and Incentive Policy applicable to the Equita Group with effect from the 2022 financial year;
- grant to the Chairperson of the Board of Directors and to the Managing Director, severally, every

power, with the right of sub-delegation, to carry out the legislative and regulatory requirements consequent to the adopted resolution.

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2.2. Second Section - Fees paid with reference to the 2021 financial year: related and consequent resolutions (non-binding resolution).

The Second Section of the Report, nominatively for fees paid to members of the Board of Directors and to members of the Board of Statutory Auditors of the Company, and in aggregate form for fees paid to the Managers with Strategic Responsibilities:

a) provides an adequate representation of each of the items that make up the remuneration, including any treatment provided when removed or resigning from office and termination of employment, highlighting its consistency with the Company's Remuneration Policy approved in the previous financial year;
b) analytically illustrates the fees of the 2021 financial year in any capacity and in any form paid by the Company and by the subsidiaries or associates, reporting any components of the aforementioned fees that refer to activities performed in financial years prior to 2021, and also highlighting the fees to be paid in one or more later financial years for activities performed in 2021, possibly indicating an estimated value for the components not objectively quantifiable in the financial year of reference.

The Second Section also contains information on the investments held in the Company by the Directors, Statutory Auditors and Managers with Strategic Responsibilities, as well as by the spouses not legally separated and minor children of the persons indicated above, in compliance with the provisions of article 84-quater, paragraph 4, of the Issuers' Regulation.

The additional information required as per article 450 of the EU Regulation no. 575 of 26 June 2013 was then added in table format, as well as the information related to implementation of the existing incentive plans (as per Outline 7 . Annex 3A of the Issuers' Regulation).

In light of what is illustrated above, the Shareholders' Meeting is asked to:
- read the Second Section of the Report, prepared as per article 123-ter of the TUF and article 84-quater of the Issuers' Regulation;
- approve, with non-binding resolution, the Second Section of the Report;
- grant to the Chairperson of the Board of Directors and to the Managing Director, severally, every power, with the right of sub-delegation, to carry out the legislative and regulatory requirements consequent to the adopted resolution.

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THE EQUITA GROUP S.P.A. BOARD OF DIRECTORS