

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 20 April 2023*

(published on 21 March 2023)



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 2023: related and consequent resolutions (binding resolution).
- 2.2 Second Section - Fees paid with reference to the 2022 financial year: related and consequent resolutions (non-binding resolution).

Dear Shareholders,

The Board of Directors of Equita Group S.p.A. (“**Equita Group**”) prepared and approved, on 16 March 2023, 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 2022.

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 2023: related and consequent resolutions (binding resolution).

The First Section of the Report illustrates:

- ✓ the Remuneration and Incentive Policy applicable to the Equita Group from 2023 onwards (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 28 April 2022, the Company’s Shareholders’ Meeting approved the remuneration and incentive policy of the Equita Group applicable from 2022 onwards. The following amendments were made to the remuneration and incentive policy approved in April 2022:

- i. it has been included the possibility of using alternative arrangements⁽¹⁾ as an alternative to financial instruments;
- ii. in compliance with the new legislation, was introduced the principle that non-supervised Group companies are not required to carry out the process of identifying the most Relevant Personnel⁽²⁾; however, Equita Group identifies the most Relevant Personnel having regard to all the companies of the Group;
- iii. has been introduced a criteria to determine the incidence of individual Group companies on Group risks;
- iv. has been added the possibility to pay a possible variable remuneration to the Chief Executive Officer of Equita Group according to the objectives established for the position;
- v. the strategic objectives for some Key Personnel figures were integrated with new additional objectives to be applied to each of them, including sustainability and business continuity objectives.

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 2023 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 and to implement this resolution.

2.2. Second Section - Fees paid with reference to the 2022 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 2022 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 2022, and also highlighting the fees to be paid in one or more later financial years for activities performed in 2022, possibly indicating an estimated value for the components not objectively quantifiable in the financial year of reference.

¹ Devices provided by art. 32 (1) (k) of the IFD (EU Directive 2019/2034).

² Categories of persons whose professional activity has or may have a significant impact on the risk profile of the Group as a whole.

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 and to implement this resolution.

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