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SUMMARY OF THE REMUNERATION & INCENTIVE POLICY OF EURIZON CAPITAL S.A.

May 2022

The "Remuneration and Incentive Policy of Eurizon Capital S.A." (hereinafter also referred to as the "Policy") is prepared on the basis of the Intesa Sanpaolo Group's (the "Ultimate Parent Company") Remuneration and Incentive Policies and, although not in conflict, not regulated or more restrictive, in compliance with European ("UCITS" and "AIFM") and national (Law of December 2016) provisions governing the asset management sector. The Policy also take into consideration the provisions of Regulation (EU) 2019/2088 of 27 November 2019 on Sustainability Disclosure in the Financial Services Sector (Sustainability-Related Disclosures Regulation – "SFDR").

The Policy is structured in three sections:

- Section I: Procedures for the adoption and implementation of the Remuneration and Incentive Policy", which describes the roles and responsibilities of the Board of Directors (the "Board") and the company's internal structures for the adoption and updating of the Policies;
- Section II: Principles, systems and instruments for remuneration and incentive", which details the remuneration and incentive systems and the related adoption and activation procedures;
- Section III: Rules for identifying personnel who have a material impact on the risk profile of the Ultimate Parent Company, Eurizon Capital SA (the "Company") or the assets under management", which describes the principles and criteria used to identify personnel who have a material impact on the risk profile of the Company.

SECTION I: PROCEDURES FOR THE ADOPTION AND IMPLEMENTATION OF REMUNERATION AND INCENTIVE POLICIES

As specified in the Articles of Association, the Shareholders' Meeting, on proposal of the Board, establishes the remuneration and other forms of compensation of the members of the Board.

The shareholders' meeting is also provided, at least annually, with a report (i) on the methods used to implement the remuneration and incentive policies (so-called ex-post disclosure), divided by roles and function and (ii) on the results of the audits conducted by the Internal Audit Function and on the adoption of any corrective measures.

The Board of Directors reviews the Company's Remuneration Policy on an annual basis and ensures that it is consistent with the overall choices made in terms of taking on risks, long-term strategy and objectives, corporate governance and internal controls. In defining the Remuneration Policy, the Board of Directors involves the competent corporate functions in the process, each for its own responsibilities.

The Independent Directors Committee[1] has the task of making proposals and providing advice to support the Board of Directors in activities concerning remuneration. The Committee is composed of non-executive members of whom 3 are independent. In order to carry out its duties in an effective and responsible manner, the Committee has access to corporate information relevant for this purpose.
The Human Resources Department coordinates the process of defining and managing the Company's Policy. The Risk Management Function participates in the process of defining the Policy, assessing the alignment of the remuneration structure with the Company's risk profile, while the Compliance & AML Function of the Company verifies that the Policies are consistent with the objectives of compliance with the rules, the Articles of Association and the Code of Ethics or other standards of conduct applicable to the Company or the Ultimate Parent Company, in order to limit the assumption of legal and reputational risks. Every year, at the end of the application cycle of the Policy, the Internal Audit Function checks that the remuneration practices comply with the approved Policy and that they are in line with the relevant legislation. The results of the checks carried out are brought to the attention of the Shareholders' Meeting on an annual basis.

[1] who have been assigned the attributions of the Remuneration Committee

EURIZON
ASSET MANAGEMENT

SECTION II: PRINCIPLES, SYSTEMS AND INSTRUMENTS FOR REMUNERATION AND INCENTIVES

The Company's Policy aims to align management and personnel behaviour with the interests of all Stakeholders, directing their action towards achieving sustainable medium/long-term objectives within the framework of prudent assumption of current and future risks, as well as helping to make the Company and the Group an "Employer of choice" in terms of their ability to attract, motivate and retain the best resources.

In particular, the Company's Policy is 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 the 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 Group Division and Company Risk Tolerance

definition of a set of Incentive Systems in order to:

- take into account the **risk / return profile of the various managed assets**, with specific regard to the **integration of sustainability risks**
- drive performance over a **multi-year accrual** period and to share the medium-long term results consequent to the implementation of the 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, 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

- mechanisms to **adjust allocations** to the total incentive provisions according to the profitability and the results achieved by the 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 Risk Takers (and among these on the so-called Top Risk Takers, including the Key Managers) and on the Corporate Control Functions
- **fairness in customer relations**

Eurizon Capital SA pays great attention to the issues of "Diversity & Inclusion" and is committed to implementing and disseminating, within and outside the Company, a policy in favor of the inclusion of all forms of diversity. In this context, the Company, in line with the decisions made by the Intesa Sanpaolo Group, implemented the "Principles on Diversity & Inclusion" within which specific commitments were made aimed at ensuring gender equity in HR processes and people management. The Company, in line with the provisions of the ISP Group, adopts gender-neutral Remuneration and Incentive Policy that contribute to pursuing complete equality among personnel. 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.

SEGMENTATION OF PERSONNEL

The Company's Policy is based on a logic of segmentation of personnel, which allows the principles of merit and fairness to be defined operationally in order to appropriately differentiate total remuneration, as well as to provide for specific mechanisms for its payment for the various clusters of personnel, with particular focus on those with regulatory relevance for which stricter requirements are envisaged.

In application of these logics, the Company's personnel can be divided into three macro-segments:

- Risk Taker;
- Middle Management[2];
- Professional.

IDENTIFICATION OF RISK TAKERS

As an asset management company belonging to a banking group, the identification of the "most significant personnel" (the so-called "Risk Taker"), i.e. the categories of persons whose professional activity has or may have a significant impact on the risk profile of the Company or of the managed UCIs, takes place both (i) at Group level, in application of the provisions of the banking regulations (CRD IV) and (ii) at Company level, in accordance with the provisions of the regulations governing the asset management sector.

The "Company Risk Takers" population consists of the following persons:

i) Executive and non-executive members of the Board of Directors (included Conducting Officers);
ii) Persons who report directly to the top management (Conducting Officers);
iii) The personnel of the Company control functions;
iv) Other persons who, individually or collectively, take on significant risks for the Company or the managed funds;
v) Persons whose total remuneration falls within the same range as categories ii) and iv) above.

THE STRUCTURE OF REMUNERATION

The remuneration structure of the Company's personnel includes:

- the fixed component, defined on the basis of the contractual framework, the role held, the responsibilities assigned, the particular experience and competence matured by the employee.
- the variable component (short and long term), linked to the services provided by the personnel and symmetrical with respect to the results actually achieved and the risks prudentially assumed.

It is the Ultimate Parent Company's and the Company's practice to establish ex-ante maximum and balanced limits on variable remuneration for all personnel segments, by defining a specific "cap" on the increase in bonuses in relation to any over-performance.

In compliance with current industry regulations and the Ultimate Parent Company's Remuneration Policies, there is a maximum limit on the variable remuneration compared to the fixed remuneration of:

- 400% for Personnel belonging to the Portfolio Managers category (including Risk Takers);
- 200% for Group Risk Takers not belonging to the Company Control Functions and the Personnel belonging to the commercial chain dedicated to the non-captive market;
- 100% of the fixed remuneration for the other roles not belonging to the Company Control Functions;
- 33% of the fixed remuneration for the roles belonging to the Company Control Functions.

Remuneration may not be paid in any form, instrument or manner that circumvents the provisions of the law.

ANNUAL INCENTIVE SYSTEMS

The annual incentive schemes adopted by the Company, in line with the provisions of the Ultimate Parent Company:

- are geared towards achieving the medium and long-term objectives set out in the Corporate Plan;
- take into account the Ultimate Parent Company's Risk Appetite and Risk Tolerance as stated in the ISP Group Risk Appetite Frameworh, as well as the risk/return profile of the various assets managed;
- are aimed at promoting value creation objectives for the current year, within a framework of sustainability, given that the premiums paid are correlated to the financial resources available.

The following is a synoptic diagram of the operating mechanisms and main characteristics of the annual incentive systems:

STEP	PURPOSE	MECHANISM	
BONUS POOL	Solidity and sustainability in a prudential approach	Gate e Funding	• **The bonus pool is activated** only if the main capital and liquidity requirements, namely the minimum regulatory conditions of solidity at Group level, are met and if the economic and financial sustainability condition is in place • **The funding of the bonus pool** at Group level (quantum) is based, verified the gateways conditions, on the available resources deriving from the economic and financial results achieved, adjusted for the non-financial risks incurred
BONUS ALLOCATION	Alignment of behaviours and managerial conduct with medium and long-term objectives of the Business Plan and within a risk prevention framework	Sistemi di Incentivazione di Gruppo	**INCENTIVE SYSTEMS FOR SPECIFIC CLUSTERS** Incentive system for all Group Risk Takers and those Company Risk Takers and Middle Managers not belonging to the category of Portfolio Managers and to the category of Extra Captive Sales **INCENTIVE SYSTEMS FOR SPECIFIC BUSINESS CATEGORIES (see pars. 4.5.4)** • Incentive System for personnel belonging to the category of Portfolio Managers (Company Risk Takers, Middle Management and Professional) • Incentive System for personnel belonging to the category of Extra Captove Sales (Company Risk Takers, Middle Management and Professional)
BONUS PAY-OUT	Adjustment based on conduct/ monitoring the impact of managerial conduct over time	Individual access conditions	Failure to meet the individual access conditions precludes any bonus pay-out and the settlement of the deferred portions to be paid in the year
		Malus condition	Failure to meet the malus conditions (symmetrical to those envisaged as gate) leads to a reduction, even down to zero, in the deferred portions of the bonus to be paid in the year
		Claw-back	Return of bonuses already paid following disciplinary measures imposed in the event of fraudulent behaviour or gross negligence by personnel

All the incentive and bonus systems for the Company's personnel are subject to the following types of conditions:

- conditions for activation at Group and Company level inspired by the principles of financial sustainability of the variable component of remuneration;
- financing conditions provided for by a structured financing mechanism at Group level and in the Asset Management Division;
- individual access conditions.

Failure to meet the above conditions will result in the non-activation of incentive schemes for the Company's personnel. This system is designed to reward the best performance, with a view to optimizing the risk/return ratio, also taking into account the Company's results and assets under management, through the assignment of *ex-ante* objectives and the *ex-post* evaluation of the results achieved with respect to the objectives assigned.

The "Most significant personnel" and personnel who receive short-term variable remuneration in excess of 100% of the fixed remuneration are subject to stricter conditions of payment, such as:

- deferral, i.e. the payment of part of the bonus in the years following the year in which the up-front portion accrues (which occurs in the year following the year in which performance is measured);
- allocation partially in cash and partially in units of UCIs managed by the Company;
- provision of a retention mechanism for the units of managed UCITS assigned;
- provision of ex-post correction mechanisms such as malus clauses.

In particular, both for the "Most Relevant Personnel" and for those who receive a variable remuneration of a particularly high amount, it is also envisaged[3]:

- the deferral from 40% to 70% of the variable component, assigned in tranches over a time horizon of 2[4] to 5 years;
- the assignment of a significant share (equal to at least 50%) in financial instruments, through the assignment of quotas of UCIs managed by the Company, equally balanced between up-front and deferral remuneration;
- a holding period for the assigned units of managed UCITS (two years for the upfront component and one year for the deferred component).

The deferred portion is subject to the employee remaining in the Group of the Ultimate Parent Company at the end of the deferral period/at the deadlines set for the delivery of the units of managed UCIs, except as provided for in the event of termination of the employment relationship, as well as to ex-post correction mechanisms, such as:

i. the so-called "malus condition", according to which the amount recognised and/or the number of units of UCIs managed may be reduced, to zero, in the year in which the deferred portion is paid);

ii. the activation of claw-back mechanisms, or the repayment of bonuses already paid, in the presence of negative events directly attributable to the conduct of the person that have compromised the sustainability of the Company's results or of the assets managed;

iii. the absence of the so-called individual compliance breaches - such as violations sanctioned by name by the Supervisory Authorities, disciplinary measures, etc. - which would entail the non-payment of the bonus for the year in which the compliance breach was committed and the cancellation of the deferred shares whose vesting conditions refer to the same year.

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[3] To individual employee is explicitly forbidden undertake personal hedging or insurance strategies on their remuneration or other aspects that may alter or undermine the effects of the alignment with risk inherent in the various remuneration mechanisms adopted by the Group and the Company.

[4] The 2-year deferral refers only to cases in which the variable remuneration is greater than 100% of the fixed remuneration but equal to or less than the materiality threshold, and is assigned in cash.

That said, the company, in line with the Intesa Sanpaolo Group Policies, has defined an identification threshold for the so-called "Relevant Bonus" (materiality threshold) equal to 50,000 euros for Group Risk Takers. For corporate Risk Takers and Professionals, in continuity with the practices adopted, the materiality threshold of 80,000 euros is maintained. The variable remuneration, the amount of which is inferior to the aforementioned thresholds, is paid up front and entirely in cash provided that the amount received is equal to or less than 100% of the fixed remuneration.

With specific reference to the category of Fund Managers, the definition of variable remuneration takes into account the risk/return profile of the various assets managed in order to orient and reward the best performance and at the same time align the incentive schemes with the interests of the investors/customers. This system provides for a direct link with the performance of the UCIs managed over a multi-year period such as to consider, with a specific weighting formula, the performance achieved up to four years prior to the calendar year of reference. In determining the variable remuneration of the category of portfolio managers, the Company also takes into account the complexity of the management activity of the individual Manager, as well as the achievement of individual qualitative objectives aimed at rewarding not only the quantitative result, but also the ways in which it is achieved.

A specific Incentive System has been set up for personnel belonging to the category of "Extra captive sales", aimed at supporting the development of the commercial network in terms of mass collection through channels external to the Group. The recipients of the System are, within the Sales & Client Management Department, the managers and professionals of all the structures that carry out commercial activities aimed at customers in the extra captive segment. At the beginning of the year, the recipients of this system are assigned a Reference Bonus, which represents the target bonus, on the basis of the responsibilities assigned and their seniority in the role. The System is formalized through a specific Performance Scorecard which includes two sections: a quantitative section in which economic-financial kpis are identified that reflect the increase in volumes and the profitability of the assets acquired, and a qualitative section that includes kpis related to the measurement of quality of commercial actions and the management of non-compliance risks. The bonus accrued by each beneficiary is a deterministic function of the overall score achieved by the Performance Scorecard. In any case, the maximum bonus payable is set at four times the Reference Bonus, without prejudice to the cap defined for the extra captive Sales population, equal to 200% of the fixed remuneration.

There is also a specific annual Incentive System for Legal Entities in the "start-up" phase[5]. This System is designed to promote the achievement of the growth objectives set out in the start-up business plan for the period of time that is necessary for the Company to achieve a positive and/or minimum level of profitability (up to a maximum of three consecutive years), within a broader Group framework in which the conditions of capital strength, liquidity and sustainability are verified. For the purposes of determining the incentive due, the Company's performance is measured with respect to the milestones envisaged in the specific multi-year business plan and, in any case, in terms of improvement year on year, in line with the medium/long-term objectives that characterise all the Group's Incentive Systems. In accordance with the principle of sustainability, the maximum incentive that can be accrued is in any case limited to and compatible with the economic and financial context of the Company.

INTEGRATION OF SUSTAINABILITY RISKS

Policy is also consistent with the provisions on the integration of sustainability risks pursuant to EU Regulation 2019/2088 of November 27, 2019 relating to information on sustainability in the financial services sector (Sustainability-Related Disclosures Regulation - SFDR).

[5] Companies for which a "turn-around" plan is envisaged, for the period of time necessary for the Company to reach a level of positive and / or minimum profitability (up to a maximum of three consecutive years) are considered Legal Entities in start-up

In particular, consistency is ensured by attributing a specific objective within the Incentive System of all Group Risk Takers and corporate Risk Takers, among the objectives of strategic action, linked to the company's initiatives which take into account environmental, social and governance factors (so-called “Environmental, Social and Governance factors” - ESG).

It is specified that, in line with the SFDR Regulation, the Company has adopted a specific "Sustainability Policy" which describes the methodologies for integrating the "sustainability risks" relating to the products - mutual funds and portfolio management - managed. The Company has therefore adopted specific methodologies for selecting financial instruments, appropriately graded according to the characteristics and objectives of the individual products managed, which take into account ESG factors and principles of Sustainable and Responsible Investments (SRI). The criteria for selecting and monitoring issuers based on ESG and SRI profiles integrate the traditional financial analyzes of the risk / return profiles of the issuers that the Company takes into consideration in the formation of its investment choices, in order to avoid environmental, social and governance may have a significant negative impact, actual or potential, on the value of the investments of managed assets.
The Company has adopted specific methodologies for the selection of financial instruments, tailored to the characteristics and objectives of each products managed, which take into consideration environmental, social and governance factors (cd. “Environmental, Social and Governance factors” - ESG) and the principles of Sustainable and Responsible Investment (cd. “Sustainable and Responsible Investments” - SRI). In this context, the Company has defined for personnel belonging to the category of "Portfolio Managers" (Company Risk Takers, Middle Management and Professionals), a bonus adjustment mechanism to enhance the activity carried out in terms of sustainability risk[6] management (so-called "sustainability adjustment mechanism").
The sustainability-related corrective mechanism is not applicable for products whose sustainability risks are deemed not to be relevant; this is notably the case for products investing primarily in markets for adequate data about environmental, social and governance (ESG) issues does not exist for much of the investment universe.

LONG TERM INCENTIVE PLAN

In conjunction with the launch of the 2022-2025 Business Plan, the Intesa Sanpaolo Group intends to confirm the use of Long-Term Incentive Plans (LTI) for the motivation and loyalty of its resources, whose involvement and enhancement 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 favors identification (ownership), alignment with medium / long-term objectives and constitutes a desirable form of sharing the value created over time. .

With reference to the 2022-2025 LTI Plans, taking into account the levels of ambition and challenge of the new Business Plan, the Group confirms the approach adopted in 2018 and with reference to Group Risk Takers, the Long Incentive Plan was established Performance Share term, aimed at:

- support the achievement of the objectives of the 2022-2025 Business Plan;

- guaranteeing a stringent link between management's long-term variable remuneration and the Bank's performance over time;

- reward the Management in function of the creation of value for the shareholders;

- direct performance in a logic of sustainability (i.e. ESG).

SEVERANCE PAY

With regard to *Severance Pay*, the Company applies the provisions of the Intesa Sanpaolo Group. In this regard, in accordance with the Group's Remuneration and Incentive Policies on remuneration, the remuneration agreed upon in view of or on the occasion of the early termination

of the employment relationship or for the early termination of the office, for the portion exceeding the provisions of the Collective Bargaining Agreement regarding the indemnity for failure to give notice, constitutes the so-called *severance*. The non-competition agreement is included among these in relation to the total amount paid.
The principles for the definition of these compensations in the Intesa Sanpaolo Group, inspired by the criteria of correlating the severance pay to the continuous performance provided over time and the mitigation of potential litigation, are as follows:

i. safeguarding the level of capitalisation required by the Regulations;
ii. "no reward for failure";
iii. blamelessness of individual behaviour (consistency with compliance breach criteria);
iv. alignment with international and local best practices.

UCITS MANAGEMENT DELEGATIONS

In the event of delegation of portfolio management or risk management activities of UCIs, the Company shall verify that (i) the delegate is subject to remuneration obligations equivalent to those applicable to the Company and (ii) the contract granting the mandate contains clauses such as to avoid possible circumvention of the regulations.

INFORMATION

The Prospectus of the managed UCIs contains the essential contents of the Policy and practices for personnel, referring to the Company's website for detailed updated information on the same, including the criteria and methods for calculating remuneration and other benefits and the persons responsible for determining remuneration and the allocation of other benefits, as well as the composition of the Committee of Independent Directors. A hard copy or other durable medium containing such information is available to investors free of charge upon request.

The KIID's for each managed UCI also contains a statement that up-to-date detailed information on the Company's remuneration and staff incentive policy and practice is available on the Company's website and that a hard copy or other durable medium containing such information is available to investors free of charge on request.

In accordance with the provisions of national legislation, the Company submits to the Shareholders' Meeting an annual report on the manner in which the Policy has been implemented (so-called ex post information), broken down by role and function.

Finally, the Policy is made available to all Company employees.

SECTION III: RULES FOR IDENTIFYING STAFF WHOSE PROFESSIONAL ACTIVITIES HAVE A MATERIAL IMPACT ON THE RISK PROFILE OF THE GROUP, THE COMPANY AND THE MANAGED ASSETS.

Current legislation on remuneration and incentives requires that remuneration policies be defined and applied according to a logic of proportionality related to the role, contribution and impact of personnel on the risk profile of the Group and the Company.

The criteria to be used in order to assess whether the professional activities of personnel have a significant impact on the risk profile of the Company and the assets under management must:

- be based on a recognition and assessment of individual positions (responsibilities, hierarchical levels, activities carried out, operating powers, etc.);
- take into account the internal organisation of the asset management company, the characteristics, size, nature, scope and complexity of the other activities carried out (e.g. portfolio management, pension fund management), as well as the number and size of assets managed;

- take into account the process of identifying personnel that has a substantial impact on the Ultimate Parent Company's risk profile, carried out at Group level.

The identification of Relevant Personnel is carried out in line with national regulations.

The Board of Directors is responsible for the process of identifying personnel who have or may have a significant impact on the Company's risk profile and assets under management.

The Internal Audit Function also checks that the process for identifying Relevant Personnel has been correctly implemented and that it complies with the relevant legislation.

The rationale for identifying personnel who have or may have a significant impact on the Company's risk profile and the related list are updated on an annual basis, prior to the preparation of the Company's Policy. On the other hand, Relevant Personnel are updated at least once a year, and in any case also during the year, in the event of any changes to the Company's organisational structure or to the relevant legislation.