

Remuneration and Incentive Policies

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Introduction

This document is intended to describe the remuneration and incentive policies (hereinafter also referred to as the “policies”) that the SIM intends to adopt in favor of key personnel, members of the Board of Directors, the Board of Statutory Auditors, and internal control functions.

The following remuneration and incentive policies, prepared by the Board of Directors with the input of the compliance and risk management functions, are submitted to the Shareholders' Meeting and are valid for a three-year period, based on the mandate assigned to the Board of Directors.

The remuneration and incentive policies are prepared in compliance with legal, regulatory, and statutory provisions, as well as the Code of Ethics adopted by the SIM.

It should be noted that, in accordance with the classification defined in the "Supervisory Review and Evaluation Process (SREP) Guide" issued by the Bank of Italy with Circular No. 269 of May 7, 2008, the SIM falls within the fourth macro-category and, pursuant to Article 14-bis of the Joint Regulation, is included among the category of “minor” intermediaries.

Definitions

"Remuneration": any form of payment or benefit granted, directly or indirectly, in cash, financial instruments or in-kind assets (fringe benefits), in exchange for the work performed or professional services rendered by Personnel to the intermediary or to other components of the group. Marginal payments or benefits granted to personnel on a non-discretionary basis, which fall within a general policy of the SIM and which do not produce effects in terms of hiring or risk control incentives, may be disregarded.

Remuneration may be either financial (such as cash, shares, options, loan forgiveness to relevant individuals upon departure from the company, pension contributions, third-party compensation—e.g., through performance-based models, salary increases) or non-financial (such as career advancement, health insurance, special car or mobile phone allowances, generous expense accounts, seminars in exotic locations, etc.).

"Variable remuneration": any payment or benefit that depends on performance, however measured (e.g., income targets, volumes, etc.), or on other parameters (e.g., duration of employment). This includes payments agreed upon in the event of early termination of employment or office (so-called golden parachutes¹), excluding severance pay as defined by general labor regulations.

"Discretionary pension benefits": benefits granted to an employee or to limited groups of employees on an individual and discretionary basis, excluding entitlements accrued under the pension scheme adopted by the intermediary for the generality of employees.

"Personnel": members of the Board of Directors and the Board of Statutory Auditors; employees and collaborators; Financial Advisors.

"Key personnel": categories of individuals whose professional activity has or may have a significant impact on the intermediary's risk profile and whose remuneration may create inappropriate incentives that may lead them to act against the best interests of SCM's clients.

"Quantitative criteria": primarily numerical or financial data used to determine the remuneration of a relevant person (e.g., sales volumes, setting sales or new client targets, etc.).

"Qualitative criteria": criteria different from quantitative ones. These may also refer to numerical or financial data used to evaluate the quality of results achieved by Personnel (key or otherwise) or customer service, such as investment performance, a very low number of complaints over a long period, compliance with regulatory requirements (especially conduct rules and, in particular, the assessment of suitability of services sold by Financial Advisors to clients or the presence of complaints), internal procedures, fair treatment and client satisfaction, etc.

"Bonus Pool": the total maximum amount payable in non-recurring remuneration;

"Gates": access conditions that each recipient must meet in order to be entitled to receive non-recurring remuneration;

"Claw-Back": a mechanism for the recovery of non-recurring remuneration following the failure to meet “qualitative criteria”;

"Malus": conditions under which the qualitative criteria are no longer met and which justify the activation of the "claw-back" mechanism.

¹ Such payments shall not be considered part of variable remuneration for the purposes of calculating the proportionality between fixed and variable remuneration.

Applicable Regulatory Framework

The regulation on remuneration and incentive policies and practices is governed by the following legal provisions:

Directive 2013/36/EU of 26.06.2013 (CRD IV);

Delegated Regulation (EU) No. 604, adopted on 04.03.2014 pursuant to Article 94 of CRD IV, which supplements Directive 2013/36/EU;

Directive 2014/62/EU (MiFID II);

CONSOB Resolution No. 20307 – Intermediaries Regulation **dated** 16.02.2018;

Joint Regulation issued by the Bank of Italy and CONSOB dated 29.10.2007;

Bank of Italy Circular No. 285/2013.

General Principles

For the purpose of drafting the Policies, and in line with the definitions provided in the ICAAP framework, SCM takes into consideration:

the risks that may arise in relation to conduct and conflicts of interest. The Policies are aimed at the effective management of conflicts of interest and at the proper handling of conduct-related risks, to ensure that clients' interests are not compromised by SCM's remuneration policies and practices in the short, medium, or long term;

all relevant factors, such as the role played by the most relevant Staff, the type of services offered, and the distribution methods;

the adequacy of the ratio between the fixed and variable components of remuneration, in order to best serve the interests of clients.

The policies are designed so as not to create incentives that could induce the most relevant Staff to favor their own interests or those of SCM to the potential detriment of clients.

To prevent any circumvention behavior, remuneration must not be paid through vehicles, instruments, or methods that circumvent the provisions set out in this document.

The approval of remuneration policies by the Shareholders' Meeting is intended to increase shareholders' awareness and oversight regarding the overall costs, benefits, and risks associated with the selected remuneration and incentive system.

Roles and Responsibilities in the Definition of Remuneration and Incentive Policies

Through appropriate remuneration and incentive mechanisms for the Most Relevant Staff, SCM aims to enhance the company's competitiveness while complying with the principle of sound and prudent management. It also intends to strengthen corporate governance by ensuring that decisions are made independently, knowledgeably, and promptly at an appropriate level, in order to avoid conflicts of interest and ensure proper disclosure, as required by the competent authorities.

Outlined below are the management activities of the remuneration and incentive system, categorized by the relevant corporate body, in order to illustrate the process of preparing and updating these remuneration policies.

Shareholders' Meeting

The Ordinary Shareholders' Meeting:

resolves on the remuneration due to the Directors at the time of appointment; it may decide on the amounts also for Directors assigned specific roles and may grant indemnities or other types of compensation to Directors;

determines the remuneration for the members of the Board of Statutory Auditors, taking into account the applicable professional fees;

approves the proposed remuneration and incentive policies;

approves any compensation plans based on financial instruments;

receives appropriate information on the implementation methods of the adopted remuneration and incentive policies.

Board of Directors

With respect to remuneration:

- distributes among its members the total remuneration determined by the Shareholders' Meeting for all Directors;
- if not already established by the Shareholders' Meeting, determines the remuneration for the Chairman of the Board of Directors, for any Directors with special responsibilities, and for the Chief Executive Officer, subject to the opinion of the Board of Statutory Auditors, in compliance with the maximum limits established by the Shareholders' Meeting.

With respect to Policies:

- oversees the preparation of remuneration policies, supported by the Chief Executive Officer and after consulting

the Compliance and Risk Management Functions;

- adopts the remuneration and incentive policies, including any compensation plans based on financial instruments, and submits them to the Ordinary Shareholders' Meeting for approval;
- adopts and reviews the remuneration policy at least annually and is responsible for its correct implementation;
- ensures that the remuneration policy is properly documented and accessible within the company structure;
- identifies the “Most Relevant Staff”;
- defines the remuneration and incentive systems for the “Most Relevant Staff” and ensures they are consistent with the company’s overall choices regarding risk-taking, strategies, short/medium/long-term objectives, corporate governance, and internal control systems;
- directly supervises the correct application of remuneration rules for the heads of corporate control functions, in close coordination with the Board of Statutory Auditors;
- ensures the involvement of relevant corporate functions in the process of drafting and overseeing remuneration policies and practices;
- provides the Shareholders' Meeting with clear and comprehensive information:
 - on the remuneration and incentive policy that SCM intends to adopt at first approval and in subsequent updates;
 - on the implementation of remuneration policies at least annually;
- provides appropriate feedback to the Board of Statutory Auditors on the activities carried out by the Board itself.

In order to perform its duties effectively and responsibly, the Board of Directors has access to all relevant company information.

As the “Remuneration Committee” has not been established, the responsibilities provided by law for this committee are carried out by the Board of Directors, particularly through the contribution of its non-executive members.

Corporate Control Functions

Each corporate control function, within its area of responsibility, provides advisory support in defining remuneration policies, performs a preliminary compliance check, and continuously monitors the implementation of the policy and the remuneration and incentive practices adopted by the SIM.

The Compliance Function verifies that the adopted policy aligns with the objectives of regulatory compliance, the Articles of Association, and the Code of Ethics, in order to mitigate legal and reputational risks.

The Risk Management Function verifies and ensures that the incentive systems are sound and suitable for considering all the risks undertaken by the SIM, based on methodologies consistent with those used by the company for risk management. The Internal Audit Function verifies, at least annually, the consistency of remuneration practices with the approved policies and applicable regulations.

The corporate control functions report the results of their assessments at least annually to the Board of Statutory Auditors and the Board of Directors, which, in turn, provides the required disclosure to the Shareholders' Meeting.

Structure of the Staff Remuneration and Incentive System

Outlined below are the modalities through which the Staff is remunerated, including Financial Advisors and internal control functions, even when outsourced.

Most Relevant Staff

SCM conducts a thorough self-assessment to identify the “Most Relevant Staff.” This process is based on a review and evaluation of individual positions (responsibilities, hierarchical levels, activities performed, operational powers, etc.), which are essential elements to assess each subject’s relevance in terms of risk assumption for SCM. This process allows the application of remuneration and incentive regulations to be scaled according to the actual ability of each corporate role to impact the company’s risk profile.

SCM has identified the following individuals as part of the “Most Relevant Staff” category:

- Chairman of the Board of Directors;
- Chief Executive Officer–General Manager;
- General Manager;
- Heads of Control Functions;
- Head of Investment Area;
- Head of Administration (CFO);

Other individuals who assume significant risks (“other risk takers”). To identify these individuals (e.g., within the Sales Network), SCM has set a relevance criterion linked to recurring gross remuneration exceeding €100,000 per year.

Chairman of the Board of Directors

The Chairman of the Board of Directors receives a fixed compensation established by the Shareholders' Meeting at the time of appointment. No variable remuneration is applied.

Chief Executive Officer – General Manager

The Chief Executive Officer receives fixed compensation established by the Shareholders' Meeting at the time of appointment, in addition to the fixed compensation related to the role of Board Member.

A variable remuneration linked to gross profit is envisaged.

The Chief Executive Officer also serves as General Manager and receives fixed compensation for this role.

Board of Statutory Auditors

The Board of Statutory Auditors receives fixed compensation, differentiated between the Chairman of the Board and the Standing Auditors, as established by the Shareholders' Meeting at the time of appointment.

No variable remuneration is applied.

CFO

The Chief Financial Officer receives fixed compensation consistent with the tasks and experience held and may receive an incentive component determined on the basis of qualitative parameters related to the Management Control System, objectively defined within the limits set out in these Remuneration Policies.

Heads of Internal Control Functions

For internal Heads of Control Functions, a salary is paid in line with their contractual classification and experience.

For outsourced Heads of Control Functions, a fixed fee is contractually defined for the outsourced execution of the control function, as approved by the Board of Directors, within the limits set by the Remuneration Policies approved by the Shareholders' Meeting.

Any incentive components or benefits for the Heads of Control Functions, which in any case are not linked to SCM's financial results, are based on an evaluation that objectively considers the activity carried out by the specific corporate role and qualitatively the value of qualifications, experience, and competence held, the complexity of the business and the financial scope managed by the Company, as well as the acquisition of new skills and the increased responsibilities assigned by virtue of the role.

Head of Investment Area

The Head of the Investment Area receives fixed compensation and may be granted an incentive component linked to portfolio performance and/or objectively defined parameters, within the limits set by these Remuneration Policies.

Sales Network

The SIM pays to Consultants holding an agency mandate (whether registered with OCF and/or RUI) commissions calculated as a percentage of the fees actually received by the SIM for services provided to the Client. These commissions, contractually defined with each Consultant, are normally paid monthly and are thus considered "recurring" for the purposes of this document.

The Consultant participates in any annual and/or interim Incentive Plans provided in specific documents issued by the SIM², which regulate non-recurring remuneration.

Variable remuneration is structured in compliance with the limits set by these Remuneration Policies and includes specific rules for access to the incentive component (gates) and claw-back rules linked to malus mechanisms and the stability agreement, as described in the relevant section.

The Company also reserves the right to apply forms of non-recurring remuneration – determined either at the time of engagement or later – linked to revenue and/or collection targets and access conditions.

Employees (Non-Relevant Staff)

All employees receive a salary consistent with their contractual classification and professional experience.

The Company reserves the right, based on the employee's acquisition of competencies, skills, abilities, and increased responsibilities related to their role, to proportionally increase their fixed remuneration and/or assign incentive components, also in connection with specific projects assigned to them.

Share-Based Compensation Plan ("Share Ownership Plan")

The Board of Directors reserves the right to establish forms of variable remuneration through the allocation of stock options, identifying the beneficiaries and the amount reserved for each – taking into account the strategic importance of the beneficiary's position within the Company in relation to the Company's value creation – and setting out the guidelines in a specific document entitled "*Stock Option Plan Rules*."

The Rules are subject to periodic review by the Board of Directors, at least annually, on the occasion of the review of the Remuneration Policies. The Board of Directors is required to ensure that the allocation plan remains consistent over time with the SIM's overall risk-taking choices, strategies, long-term objectives, corporate governance structure, and internal controls.

² or as set out in the employment contract or any letters of intent.

The internal control functions guarantee, each within its respective area of responsibility, the compliance of the Allocation Plan with this remuneration and incentive policy, with applicable legal and regulatory provisions on remuneration and incentive policies in force from time to time, while also ensuring its correct implementation.

Ex-Ante Criteria for Determining Variable Components

The incentive component, where applicable, may consist of an incentive:

- of a medium/long-term nature aimed at retaining key personnel;
- of a short-term nature (on an annual basis), based on the achievement of objectives related to relevant parameters.

Variable remuneration may not exceed 100% of fixed remuneration.

The adoption of the parameters listed below ensures adequate justification and transparency of the awarded remuneration.

Parameters related to the incentive component

Below are the guidelines for identifying the parameters to be used for assessing eligibility (“gates”) and awarding the incentive component:

- Quantitative criteria are based on objective and verifiable indicators that reflect performance results related to the activities of the relevant individual;
- Qualitative criteria are easily identifiable and objectively measurable, used to assess the quality of the recipient’s performance eligible for variable remuneration.

These parameters may be either short-term or medium/long-term in nature.

The former are tied to productivity and constitute the gates for accessing variable remuneration.

With reference to individuals within the Sales Network, such criteria typically relate to revenue and/or asset gathering thresholds, staggered over time and subject to periodic verification during the relevant year.

For the Head of the Investment Area, the quantitative parameter may be linked to portfolio performance, whereas for the Chief Executive Officer, it is typically tied to company performance, such as gross profit.

As for qualitative parameters, the identified criteria are linked to the occurrence of specific events that trigger entitlement to variable remuneration.

Any incentive component tied to qualitative criteria is closely linked to an evaluation that objectively considers the activities carried out in the corporate role (activities planned in the previous year for the evaluation year, routine tasks performed by the structure, etc.) and qualitatively evaluates the effectiveness and efficiency of the work performed.

Clawback, Malus Mechanisms, and Deferral of Variable Remuneration

Employees

A percentage share equal to 20% of the variable remuneration component—if applicable to key personnel, excluding the commercial network (see paragraph below)—shall be paid six months after the disbursement of the non-deferred component, provided that the recipient remains employed by the company and has not been subject to disciplinary action (Malus).

Commercial Network

With regard to the non-recurring remuneration of the Commercial Network, the Company has established that the disbursement of the variable component shall not be deferred over time since it is disbursed as an advance. It becomes definitive upon the absence of malus conditions and after the expiration of the stability clause period (60 months), as specified in the incentive plan.

As for the malus mechanisms, they are triggered by specific events, such as the acceptance of complaints for which the individual is responsible or the imposition of sanctions by Supervisory Authorities on the individual or the Company.

It has been decided to apply the aforementioned rules (malus and clawback) to all members of the commercial network. A differentiated treatment within the incentive structure was deemed inappropriate, considering that the bonus target amounts are personalized and based on the individual consultant’s production levels.

It should be noted that the clawback mechanism described above entails the repayment of the most recently disbursed annual variable remuneration corresponding to the period in which the malus situation occurred.

Bonus Pool

As part of the provisions set forth in the Business Plan and in accordance with the objectives defined in the incentive plan, the SIM has determined the amount of the Bonus Pool, indicating the total amount related to variable remuneration that may be disbursed upon fulfillment of the conditions and in compliance with the parameters defined ex ante.

See Annex 2.

Gender Neutrality

The SIM ensures that, for equal work performed, staff receive a uniform level of remuneration regardless of gender, including in terms of the conditions for its recognition and payment. To this end, the Human Resources Department, having identified positions of equivalent content in terms of tasks performed and assigned responsibilities, carries out an annual assessment aimed at ensuring the gender neutrality of remuneration. This is done by taking into consideration: the hierarchical level, managerial responsibilities, market availability of personnel with the specialized skills relevant to the SIM, nature of the employment contract (e.g., fixed-term or permanent), the individual staff member's professional experience, and any specific benefits or allowances recognized by the SIM (e.g., those related to family status).

Any reasons for possible gender pay gaps must be duly justified in order to inform the Board of Directors—should any differences be identified—so that it may take appropriate corrective action.

Severance and Pension Policy

SCM has not established any specific pension or severance policy, and therefore the provisions of applicable legislation and the current National Collective Labour Agreement (CCNL) apply.

In the case of early retirement incentives, including those connected with extraordinary operations or corporate restructuring processes, payments are granted in accordance with the criteria and rules established by applicable regulations.

Severance payments agreed in anticipation of or upon early termination of employment or office (so-called golden parachutes) are linked to the performance achieved and the risks undertaken by the individual and by SCM.

In the case of the Chief Executive Officer, who also holds the position of General Manager, a severance indemnity has been provided for, with a corresponding annual accrual by the Company, as resolved by the Board of Directors on 28 April 2017.

Transmission of Data to Supervisory Authorities

Where required, the Company fulfils its obligations to transmit to the Bank of Italy the information and documentation necessary to assess the compliance of the remuneration and incentive policies with the applicable regulations, as well as to verify the implementation of the obligations set forth therein and any subsequent amendments made over time.

Update of Remuneration Policies

SCM continuously monitors the compliance of remuneration practices with the approved policies, the Articles of Association, and the applicable regulations.

At least once a year, the Board of Directors reviews the adopted remuneration and incentive policy and, if it deems it necessary to make changes—also in light of the findings of the internal control functions—submits the updated policy for approval to the Shareholders' Meeting. The same update procedures apply to any amendments made during the year.

Disclosure to the Public

This policy and any supplementary documents are made available to the public on the Company's website.

ANNEX 1 INFORMATION ON SCM SIM'S REMUNERATION AND INCENTIVE POLICIES

Aggregate quantitative information on remuneration, broken down by areas of activity with reference to the most relevant personnel:

Category	N.	Fixed remuneration (€)	Variable remuneration (by the agreement)
Chairman	1	38.000*	
CEO	1	70.000*	<u>Variable remuneration CEO</u> 10% of gross profit if it exceeds € 150.000 15% of gross profit if it exceeds € 1.000.000
Managing director	1	224.000	
Head of control functions	3	142.000	
CIO	1	100.000	
CFO/COO	1	134.000	
Other risk takers (recurring remuneration year 2024 over € 100.000)	13	2.878.000	

* amount inclusive of the remuneration related to the position of member of the Board of Directors.

ANNEX 2 DETERMINATION OF THE BONUS POOL

The quantification of the Bonus Pool has been carried out under the assumption that all beneficiaries achieve the highest targets among those set out in the incentive plan, defined by assuming additional increases over the personalized budgets established during the strategic planning phase. In the case of a beneficiary not belonging to the commercial network, all conditions for the entitlement to variable remuneration must be met in order to accrue the bonus pool.

The table below illustrates this scenario in order to outline the points described above.

	Maximum payable Bonus (€ .000)	%
Commercial Network	300	67%
Relevant personnel	100	22%
Not Relevant personnel	50	11%
Bonus Pool total amount	450	100%

The Company has also decided to formulate, exclusively for certain individuals ("Other Risk Takers" within the Commercial Network), additional proposals involving incentive schemes linked to particularly ambitious targets which—due to their exceptional nature—were not included during the strategic planning phase. Should all recipients reach the maximum targets set, the total amount of the Bonus Pool is estimated at **€ 600.000**.

Without prejudice to the total quantification of the Bonus Pool, SCM reserves the right to modify its distribution among the different categories of beneficiaries and to proceed with any partial allocation to another category, while maintaining parity with respect to the fixed remuneration proportion.