

Remuneration Systems 2025

UniCredit Bank GmbH

Information on the design
of the remuneration systems for 2025
of UniCredit Bank GmbH

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2025 REMUNERATION SYSTEMS

The remuneration systems at UniCredit Bank GmbH are essentially based on the system "13+1". For a large majority of employees, this means that 13 monthly salaries are fixed, with a variable salary component being paid depending on the corporate success and the personal level of goal achievement. The reference value for this variable salary component is one month's salary in principle. Employees in the Client Solutions (CS) division without the Global Transaction Banking, CS Organization and CS Marketing unit as well as managers pursuant to Section 5 of the German Works Constitution Act ("Betriebsverfassungsgesetz") who report directly to the Senior Management as well as the senior management itself and the members of the Executive Board are predominantly remunerated differently from this system using a "12+x approach". For this purpose, 12 fixed monthly salary payments are made. The variable salary component for these employees also depends on the success of UniCredit Group, UniCredit Bank GmbH, the performance of the employee and the relevant market benchmarks.

1 EXECUTIVE BOARD (GEC¹ & GEC-1)

The remuneration system for the Executive Board members comprises a fixed salary (12 gross monthly salary payments) and variable compensation. The variable remuneration can amount up to a maximum of double the annual fixed compensation. For the Executive Board member responsible for CRO the annual variable remuneration cannot exceed 100% of the annual fixed compensation. In previous years, the variable compensation comprised a Short-Term Incentive (STI) and additionally a Long-Term Incentive (LTI). In 2022 those two independent plans have been combined to one plan.

2025 Group Incentive System (GIS)

All Executive Board members are entitled to receive a bonus according to the 2025 Group Incentive System (GIS) for the 2025 financial year that will be approved in 2026.

The GIS bonus amount determined each year is based on the relevant market benchmarks in the respective working environment, and depends on the results of the HVB Group, the UniCredit Group, the individual reference value of the Executive Board Member and the individual performance achieved in the period under review. The variable remuneration is determined by the **Supervisory Board** of UniCredit Bank GmbH subject to prior consultation on the Remuneration Control Committee.

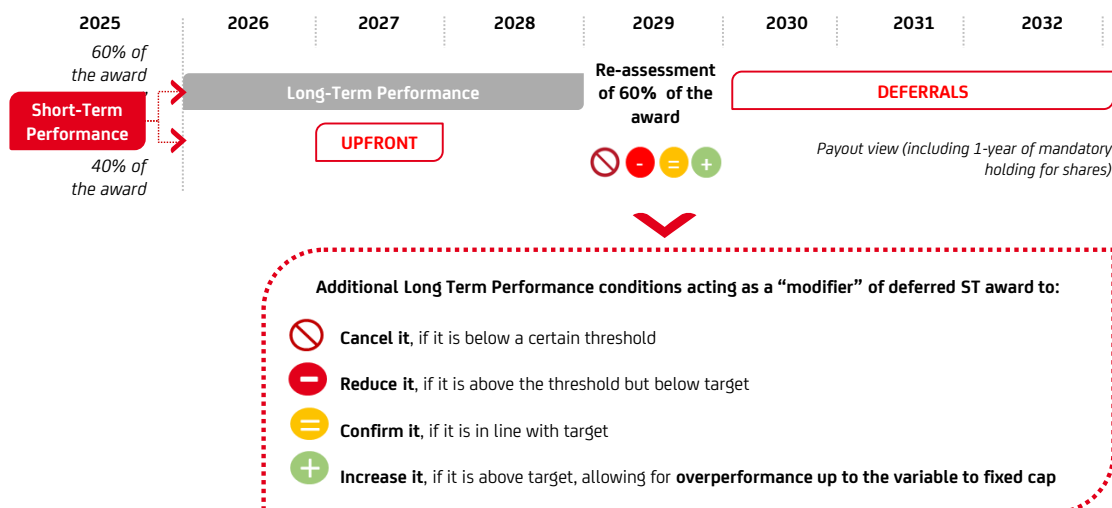
While the individual GIS is subject to individual short-term goals, based on specific goals, with a balanced mix, based on the role and seniority, of financial quantitative KPIs and qualitative goals, including both strategic and sustainability priorities, the 60% portion of the GIS award that is paid out deferred is subject to additional long-term performance conditions, which act as a "modifier" of the award defined on the basis of the short-term performance, with the effect of:

- Cancelling it if they are below a certain threshold;
- Reducing it if they are above the threshold but below the target;
- Confirming it if they are in line with target;
- Increasing it up to +20%, if they are above the target, allowing for overperformance up to the Bonus cap.

Individual performance is measured and assessed annually through a formal appraisal process. The individual bonus is also reassessed each year on the basis of this appraisal and may therefore vary from year to year. The achievement of individual goals is measured on the basis of around 6 (min 5 – max 8) goals, around half of which are sustainable goals and risk adjusted and are set on a multi-year performance period.

¹ GEC: Group Executive Committee of UniCredit Group

Overview of the application of short- and long-term performance conditions:



Additional long-term performance conditions are based on specific goals covering the 3 years following the annual Short-term performance. Such goals are defined at Group level according to the attached schedule "Additional long-term performance conditions".

Additional long term conditions scorecard:

Lever and KPIs		2026-28 Target	Criteria	Adj. of ST**
80% LT Profitability	ROTE with CET1 @13%	Avg 26-28 vs. mid term Cost of Equity (11.5%) ^B	13% - 16%	100%- 120%*
			10% - 13%	Confirmed (100%) =
			6% - 10%	0%-100%*
			< 6%	Cancellation (0%)
20% LT Sustainability	ESG business DE&I priorities Net Zero commitments	<p>Qualitative assessment based on specific evidence from current and future ESG and DE&I strategy. KPIs are subject to the evolution of ESG strategy and regulation. Current strategy foresees:</p> <ul style="list-style-type: none">• ESG business penetration: support our clients in their sustainability journey offering ESG related products and services to ensure a fair share of ESG business over total (lending new production, sustainable bonds, stock of AuM), starting from 2025 ESG targets^C and successive updates as per ESG strategy• DE&I priorities: progress towards gender parity at all levels in line with best market practices; ensure equal pay for equal work, maintaining the achieved immaterial level (around 1%) in non-demographic Gender Pay Gap; expand DE&I efforts and foster corporate Culture and Well-being through dedicated initiatives• "Net Zero" commitments: progress vs. Net Zero 2030 targets disclosed to the market, related to <i>Oil & Gas, Power Generation, Automotive, and Commercial Real Estate</i> on which yearly Tier 1 RAF targets are defined and monitored.	OUTSTANDING	120%
			EXCEEDS	110%
			MEETS	Confirmed (100%) =
			NOT FULLY MEETS	0 - 50%
As weighted avg of Profitability and Sustainability				

^ALinear continuum

^{**}Adjustment of the Short Term award

- A. BoD discretion: unlimited downward and up to +20% to evaluate broader performance and market context e.g., industry/global shocks, exceptional events, company performance notably above target in the first year of the sustainable performance plan.
- B. RoTE calculated as per current methodology. In case of methodological changes or material change of the macro-economic scenario (e.g., more than 100 bps in interest rate vs. budget assumptions) or in case of strategic deals or Russia extra-ordinary impacts, the board retain the faculty to mechanically recast LT targets according to the updated scenario
- C. Based on current ESG strategy: Percentage of ESG lending new production (including Environmental, Social and Sustainability linked lending) on overall medium/long term lending new production: group 2025-27 target set at 15% (yearly % to be achieved); percentage of Sustainable bonds (for corporates and financial institutions, excluding Sovereign, Supranational and Agency Long Term Credit) on all bonds (For corporates and financial institutions, excluding Sovereign, Supranational and Agency Long Term Credit): group 2025-27 target set at 15% (yearly % to be achieved); percentage of ESG assets under management stock (subject to current regulations on ESG Investment Products) on Total of assets under management stock: group 2025-27 target set at 50% (yearly % to be achieved)

The **Entry Conditions** apply to the grant of a bonus as well as the deferred bonus components that were approved in the past:

	UniCredit Group 2025	HVB Group 2025
Profitability Condition	Operating EVA (NOP-Cost of Capital) > 0	Operating EVA (NOP-Cost of Capital) > 0
Profitability Condition	Net Profit > 0	Net Profit > 0
Capital condition	Own Funds and Leverage ratios ≥ 2025 RAF "limit"	Own Funds and Leverage ratios ^{Fehler! Textmarke nicht definiert.} ≥ 2025 RAF "limit"
Liquidity condition	Liquidity Coverage Ratio ≥ 2025 RAF "limit" (109%)	Liquidity Coverage Ratio ≥ 2025 RAF "limit" (110%)

Liquidity condition	Net Stable Funding Ratio \geq 2025 RAF "limit" (102,3%)	Net Stable Funding Ratio \geq 2025 RAF "limit" (102,0%)
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Moreover, the total amount of the variable remuneration is determined by additional risk indicators that also relate to the capital base of the institution.

Bonus grant

For GEC-members (HVB: CEO) the bonus is paid out 100% in shares (shares of "UniCredit S.p.A." – no stock options), for GEC-1 (HVB: EBM and other GEC-1 members) in cash and in shares, both in four tranches distributed over six years. The shares are granted in years 2026, 2029 until 2031 for GEC members (HVB: CEO); for GEC-1 members the shares are granted in the years 2026, 2029 and 2030 they are subject in each case to a retention period of one year. The retention period corresponds to the regulatory minimum requirements in accordance with Section 20 of the Remuneration Regulation for Institutions. Nevertheless, this can be taken as sufficient since Senior Managers (as well as Risk Taker in general) have only indirect influence on UniCredit S.p.A.'s share price development. The number of shares to be allocated is defined in 2026, for both upfront and deferred instalments, considering the arithmetic mean of the daily official market price of UniCredit ordinary shares during the month preceding the Board of Directors that approves 2025 results.

Bonus payments are distributed over a five-year period, starting in 2026, as shown below:

CEO & GEC members UC Group (HVB: CEO)

CEO & GEC members HVB: CEO	ALLOCATION VIEW	ST perf.	LT performance						Total
		2025	2026	2027	2028	2029	2030	2031	
		Cash							
		Shares	40% upfront shares			20% deferred shares	20% deferred shares	20% deferred share	100%
			1yr retention			1yr retention	1yr retention	1yr retention	

GEC-1 members (HVB: EBM and other GEC-1 members¹)

GEC-1 HVB: EBM & other GEC-1	ALLOCATION VIEW	ST perf.	LT performance						Total
		2025	2026	2027	2028	2029	2030	2031	
		Cash	20% upfront cash					20% deferred cash	40%
		Shares	20% upfront shares			20% deferred shares	20% deferred shares		60%
			1yr retention			1yr retention	1yr retention		

¹ Excluding control functions

In case annual variable remuneration does not exceed € 50,000 and does not represent more than one third of the staff member's total annual remuneration, the full bonus amount is entirely paid upfront and in cash.

If above mentioned Entry Conditions for the financial year 2025 are neither achieved on Group level nor on HVB Group level, the "Zero Factor" applies. Thus, a potential bonus for the financial year 2025 will forfeit completely. If Entry Conditions for the financial year 2025 are met, all tranches that may be paid out after 2026 are subject to malus conditions, providing for a potential reduction or cancellation of the originally calculated pay-out. Further information on the rules on negative performance contributions and "clawback" arrangements can be found in Section 8.

For new Executive Board members where a 3-year performance period cannot be applied due to a shorter employment period in UniCredit Bank GmbH, an extended deferral-scheme with 6 or 7 years (instead of 5y) is implemented in order to fulfill local regulatory requirements (IVV).

Following legal or regulatory provisions, the payout of variable compensation elements can be limited or even prohibited by responsible authorities.

2 TOP MANAGEMENT (SENIOR MANAGEMENT DIRECTLY REPORTING TO THE EXECUTIVE BOARD)

The remuneration system for top management below the Executive Board consists of a fixed salary (12 gross monthly salary payments) and variable remuneration.

For all employees besides Control Functions and People & Culture, the variable remuneration can amount to a maximum of double the annual fixed compensation. Other rules apply to employees in control functions (cf. *Section 7*).

All employees are entitled to a bonus according to the 2025 Group Incentive System for the 2025 financial year that will be granted in 2026. The amount of the variable remuneration based on the GIS is determined on the basis of the criteria set out in *Section 1* with the sole difference that the budget is approved by the Executive Board of UniCredit Bank GmbH.

Bonus grant

- For Top executives (GEC-1) reporting directly to a GEC member, the Deferral Scheme applies as set out in *Section 1*. applies.
- For Other Senior Management directly reporting to the Executive Board, the following Deferral Scheme applies:

		ST perf.						Total	
		2025	2026	2027	2028	2029	2030		2031
Other Senior Management directly reporting to HVB EB	ALLOCATION VIEW	Cash	20% upfront cash					20% deferred cash	40%
		Shares	20% upfront shares	10% deferred shares	10% deferred shares	10% deferred shares	10% deferred shares		60%
		<div>1yr retention → 1yr retention → 1yr retention → 1yr retention → 1yr retention</div>							

The bonus is payable in cash and in shares (shares of UniCredit S.p.A. - no stock options) in six tranches over six years. The shares are granted in 2026 until 2030 and are each subject to a one-year retention period.

The Entry Conditions apply to the grant of a bonus as well as deferred bonus components that were approved in the past in accordance with *Section 1 Variable Remuneration*.

In case annual variable remuneration does **not exceed € 50,000** and does **not represent more than one third of the staff member's total annual remuneration**, the full bonus amount is entirely paid upfront and in cash.

Further information on the rules on negative performance contributions and "clawback" arrangements can be found in *Section 8*.

Following legal or regulatory provisions, the payout of variable compensation elements can be limited or even prohibited by responsible authorities.

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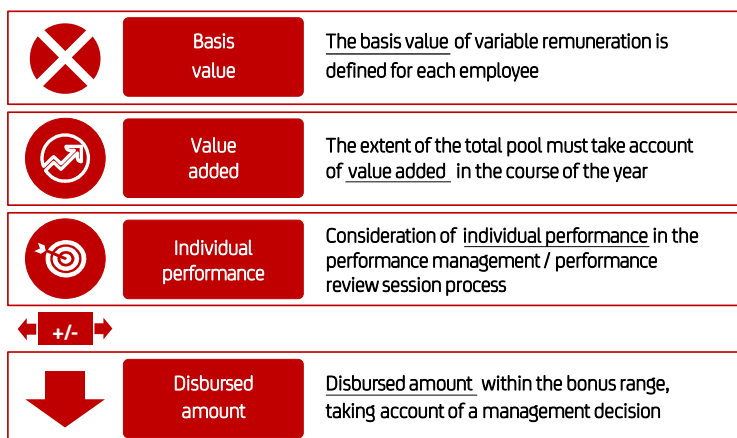
3 EXECUTIVES ACC. TO SECTION 5 WORKS CONSTITUTION ACT BELOW SENIOR MANAGEMENT

The remuneration system for Executives acc. to Sec. 5 Works Constitution Act ("Betriebsverfassungsgesetz – BetrVG") below Senior Management, who are generally on the hierarchy level below the top management, consists of a fixed salary (12 gross monthly salary payments per year) and variable remuneration, regardless of whether they work in a sales or non-sales segment. Exceptions apply only to employees whose contract does not include any incentive opportunity clause, particularly in Client Solutions. The remuneration system applicable to these employees is described in *Section 4*.

They are entitled to a bonus for the 2025 financial year that will be granted in 2026. The bonus assessment is based on an individual "incentive opportunity". In combination with the rules for granting bonuses, its value is set so that the bonus payment cannot exceed double the annual fixed compensation. Other rules apply to employees in control functions (cf. *Section 7*).

The calculation of variable remuneration rests on four main pillars (see chart below). This applies to all with exceptions applying only to Client Solutions employees with no incentive opportunity clause in their contracts.

Four pillars for determining the variable remuneration of Executives acc. to Sec. 5 BetrVG below Senior Management:



Variable remuneration

The basis for variable remuneration is the individually defined **incentive opportunity**.

The bonus is recalculated each year. The amount is determined by the bonus base value and the individual goal achievement of these Executives and on the basis of the available bonus pool defined by the Executive Board depending on the success of UniCredit Bank GmbH and the Group. For all employees, the bonus payment can amount to a maximum of double the annual fixed compensation. Other rules apply to employees in control functions as well as for People & Culture (cf. *Section 7*).

For the bonus, budgets are set aside annually for the respective segments. The bonus budgets of the sales divisions are determined on the basis of the performance of the segments over the last financial year. The bonus budgets for the Chief Digital Operating Officer (DOP) and Group Corporate Centre (GCC) segments are based on the average of the sales segments (without taking into account positive and negative non-recurring effects), and therefore on the success of HVB Group.

To calculate the annual budget, the Executive Board determines a success factor for each segment on the basis of the business success of the HVB Group in the year in question, taking sustainability factors into account (risks incurred, capital and liquidity costs). The success factor amounts to at least 0.5 unless the HVB Group shows a loss in its financial statements. The maximum success factor is 1.5. The Executive Board thus decides, based on how well the various segments have achieved their goals, on how the overall bonus budget will be allocated to them.

Within each segment, the responsible Executive Board member allocates the budget following a cascading process, considering respective business performance and value contribution, to the next reporting line. The budget allocation is oriented on the respective budget unit in line with the guidelines for payscale and non-payscale employees.

At the beginning of each year Executives and their managers define a set of Goals, from five to eight. These must also include targets to reflect sustainable business success (e.g., customer satisfaction). The goals consider the individual requirements of the segment in question as well as the sub-segment-specific strategies and objectives. With reference to economic and non-economic goalsetting, statutory and regulatory requirements need to be considered; this also applies to control functions of UniCredit Bank GmbH, in which the primary focus must be on qualitative goals.

In the annual performance review, **individual performance and success** are rated on the respective evaluation scale. The **manager** determines the **individual bonus level** within the applicable bonus range, considering the available budget.

The amount to be paid is thus calculated in a single step by multiplying the bonus basis value by the applicable success factor. This value is now multiplied by the percentage set by the manager based on the assessment in the performance management / performance review session.

In case of negative deviation of the performance from set goals (inadequate performance, inconsistent performance,) the personal factor for bonus determination must be lower than 100%. Immoral behavior or behavior, which means a breach of the employee's contractual duties, shall also be deemed as negative deviation of the performance from set goals. Additional rules set out in *Section 6* apply to employees who have been identified as Risk Taker (Identified Staff). Further information on the rules on negative performance contributions and "clawback" arrangements can be found in *Section 8*.

Following legal or regulatory provisions, the payout of variable compensation elements can be limited or even prohibited by responsible authorities.

4 CLIENT SOLUTIONS

The remuneration system for Client Solutions e.g., Financial Institutions and International Network, Client Risk Management, Trade & Correspondent Banking, Advisory & Financing Solutions, Investment & Protection Products, Payments Solutions comprises a fixed salary and variable remuneration. In this case, the employment contract does not include any incentive opportunity clause. The fixed salary comprises 12 gross monthly salary payments. The total compensation approach applies, i.e., the value of the additional company benefits is included in the fixed salary.

Variable remuneration

All employees are entitled to receive a bonus for the financial year 2025, which is granted in 2026. The variable remuneration can amount to a maximum of double the annual fixed compensation.

The bonus fixed on an annual basis depends on the relevant comparative benchmarks of the market in the respective working environment and depends on the results of the Group, of Client Solutions (CS) of HVB Group and the performance of the unit in which the employee is engaged as well as on the individually achieved performance in the period under review. Special contributions to profit or loss or the risk behavior of employees are also considered in the process.

The bonus budget of the CS area is determined by qualitative and quantitative risk-adjusted performance parameters. In addition to the performance of the CS area in Germany, factors such as market trends and changes in competition as well as key sustainability parameters (such as customer satisfaction and the relation of risk to gross contribution) also determine the bonus budget. The budget is approved by the Executive Board of UniCredit Bank GmbH. The Executive Board member of UniCredit Bank GmbH responsible for CS jointly decides on the distribution of the overall budget together with the responsible personnel of the Global Product Lines, taking account of the performance of CS subsegments.

Individual performance is measured and assessed annually through a formal appraisal process. The individual bonus is also reassessed each year on the basis of this appraisal and may therefore vary from year to year. In case of negative deviation of the performance from set goals the personal factor for bonus determination must be lower than 100%. Immoral behavior or behavior, which means a breach of the employee's contractual duties, shall also be deemed as negative deviation of the performance from set goals.

The Entry Conditions apply to the grant of a bonus as well as deferred bonus components that were approved in the past in accordance with *Section 1*.

Additional rules set out in *Section 6* apply to employees who have been identified as Risk Taker (Identified Staff). Further information on the rules on negative performance contributions and "clawback" arrangements can be found in *Section 8*.

Following legal or regulatory provisions, the payout of variable compensation elements can be limited or even prohibited by responsible authorities.

5 PAY-SCALE AND NON-PAY-SCALE EMPLOYEES

The remuneration system for pay-scale and non-pay-scale employees is based on "13+1" and, for purposes of variable remuneration, rests on four main pillars (target bonus, success factor, individual assessment, amount paid) that are equally applicable to all pay-scale and non-pay-scale employees of UniCredit Bank GmbH, regardless of the segment in which they work, in accordance with *Section 3* (chart). Remuneration for vocational training is governed in a comparable manner.

The purpose is to reward the employees' performance and contribution to the Bank's success with an attractive bonus. This applies both to pay-scale and non-pay-scale employees.

Exceptions apply to employees with Total Compensation contracts and those who fall under a separate works agreement for remuneration in the Client Solutions business area (cf. *Section 4*). As part of a total compensation concept, these employees receive a total annual salary comprising a fixed salary and a bonus. The extent of the variable remuneration is determined annually by UniCredit Bank GmbH, considering the performance and target achievement of the employee in the financial year ended, team behavior, the assessed contribution to the division, the HVB Group and the UniCredit Group within the provided bonus budget and following legal and regulatory provisions.

"13+1" as a basis

All pay-scale and non-pay-scale employees of UniCredit Bank GmbH – regardless of whether they work for sales or non-sales segments – receive an annual salary consisting of 12 monthly gross salary payments per year, a special payment, and a bonus (“target bonus”).

The 13th monthly salary payment is paid as a guaranteed special payment at the same time as the December salary payment each year. The special payment is determined by the gross salary drawn by the employee in the last month of the year for which the special payment is made (for employees who leave in the course of the year, the last gross salary received serves as the basis.). In the case of employees whose employment begins or ends during the year (e.g., hiring, departure, retirement, early retirement, transfer within the group, start/end of parental leave or interruption of employment for other reasons) the special payment is calculated on the basis of the resulting cumulative working time factor (i.e., on a pro rata basis). This applies accordingly in the event of a change in working hours during a calendar year (e.g., a switch from full-time to part-time work).

An almost identical system applies to remuneration of apprentices: in addition to 12 monthly vocational training payments and an annual special payment paid out in two tranches of 0.5 monthly payments each in July and December, the bonus base value likewise amounts to one monthly vocational training payment.

Variable remuneration

The basis of variable remuneration is the **bonus basis value (target bonus)**; as a rule, it is equal to one gross monthly salary payment. Due to market conditions, higher bonus base values may apply in some areas.

The bonus is recalculated each year. It is determined in accordance with the bonus base value and the employee’s individual attainment of objectives and the available bonus budget based on the performance of UniCredit Bank GmbH.

Budgets for the bonus are set aside annually for the individual areas in accordance with *Section 3 Variable Remuneration*.

As a rule, the employees and their managers define goals at the beginning of each year in the UniCredit Performance Management tool (UPM) (generally at the end of the year or after the conclusion of the year for the beginning of the following year). Individual performance and success are measured on a five-point scale.

Additional rules set out in *Section 6* apply to employees who have been identified as Risk Taker (“Identified Staff”). Further information on the rules on negative performance contributions and "clawback" arrangements can be found in *Section 8*.

Following legal or regulatory provisions, the payout of variable compensation elements can be limited or even prohibited by responsible authorities.

6 IDENTIFIED STAFF (RISK TAKER)

For employees with a material impact on the overall risk profile of UniCredit Bank GmbH/HVB Group ("Risk Taker" or "Identified Staff"), special conditions apply to variable remuneration regarding claims, deferral, and disbursement. For instance, bonus amounts may be deferred for several years in certain circumstances and be payable in some other form, e.g., in equities. The bonus for 2025 will be determined in 2026. Moreover, the entitlement to variable remuneration is subject to additional conditions. The employees affected by these special regulations are informed accordingly by UniCredit Bank GmbH.

Bonus grant for “Identified Staff”:

- In case annual variable remuneration set for 2025 does **not exceed € 50,000** and does not represent **more than one third of the staff member's total annual remuneration**, the full bonus amount is entirely paid upfront and in cash;
- In case the sum of bonus and other variable remuneration elements is **higher than € 50,000** or **more than one third of the total annual remuneration**, the full bonus amount will follow, the payout structures as follows:
 - The following five-year deferral scheme applies to Risk Takers with management responsibility **reporting directly to the Executive Board**

		ST perf.							
		2025	2026	2027	2028	2029	2030	2031	Total
Other Senior Management directly reporting to HVB EB	ALLOCATION VIEW	Cash	20% upfront cash					20% deferred cash	40%
		Shares	20% upfront shares	10% deferred shares	10% deferred shares	10% deferred shares	10% deferred shares		60%
		<div><div>1yr retention</div><div>1yr retention</div><div>1yr retention</div><div>1yr retention</div><div>1yr retention</div></div>							

The bonus is payable in cash and in shares (shares of UniCredit S.p.A. - no stock options) in six tranches over six years. The shares are granted in 2026 until 2030 and are each subject to a one-year retention period.

- o For Risk Takers **without a direct reporting line to the Executive Board**, the following four-year deferral schemes are applied depending on the amount of the variable remuneration determined for FY 2025:
 - Variable remuneration **greater than € 50,000 or more than one third of the total annual remuneration but equal to or below € 430,000**:

	ST perf.						Total
	2025	2026	2027	2028	2029	2030	
Cash		30% upfront cash			10% deferred cash	10% deferred cash	50%
Shares		30% upfront shares	10% deferred shares	10% deferred shares			50%

- Variable remuneration **greater than € 430,000**:

	ST perf.						Total
	2025	2026	2027	2028	2029	2030	
Cash		20% upfront cash			15% deferred cash	15% deferred cash	50%
Shares		20% upfront shares	15% deferred shares	15% deferred shares			50%

Bonus grants are made in five tranches in cash and UniCredit S.p.A shares (no stock options). The shares granted in 2026 until 2028 are each subject to a one-year retention period.

The number of shares to be allocated is defined in 2026, for both upfront and deferred equity instalments, considering the arithmetic mean of the official market price of UniCredit ordinary shares during the month preceding the Board of Directors that approves 2025 results.

The Entry Conditions in accordance with *Section 1* (Operating EVA (NOP-Cost of Capital), Net Profit, Own Funds and Leverage Ratios, Liquidity Coverage Ratio and Net Stable Funding Ratio) apply to the grant of deferred bonus components.

In case Capital or Liquidity “entry conditions” are not met at UC Group or HVB Group level, the malus condition is activated, triggering the application of Zero Factor on current year bonus, and impacting previous years deferrals. Thus, a potential bonus for the business year 2025 will forfeit completely. For the other employees, a significant reduction will be applied. If Entry Conditions for the business year 2025 are met, all tranches that may be paid out after 2026 are subject to malus conditions, providing for a potential reduction or cancellation of pay-out. Additional information on the rules on negative performance contributions and “clawback” arrangements can be found in *Section 8*.

Following legal or regulatory provisions, the payout of variable compensation elements can be limited or even prohibited by responsible authorities.

7 SPECIAL REGULATIONS FOR CONTROL FUNCTIONS

For employees in control functions, the fixed remuneration is a predominant component of total remuneration. For the variable remuneration for employees in control functions – Compliance, Audit Management and Risk Management– the following difference applies as an exception to the regulations described above to avoid any conflict of interests between the control functions and internal org units controlled by them: **No remuneration parameters parallel to those applied to the monitored units** are defined for determining the amount of the variable remuneration. Moreover, the focus is on qualitative goals in the control and central units. For control units targets linked to economic results must be avoided. The amount of the variable remuneration in control functions may not exceed one third of the total remuneration. For employees under People & Culture the fixed remuneration is the predominant component of the total remuneration, and the variable remuneration is ≤ 80% of the fixed one.

In addition, regarding UniCredit Bank GmbH Executive Board decisions, the bonus pool for this group of employees is not determined by the results of a single division, but rather by the average of all sales divisions. As a result, there is no danger of a potential conflict of interest.

8 NEGATIVE PERFORMANCE CONTRIBUTIONS AND CLAWBACK RULES

Any disbursement within the scope of the remuneration systems described above presupposes a review of compliance-conformant and proper behavior as contemplated by the organizational directives of UniCredit Bank GmbH.

If, for regulatory reasons, the entitlement of a Risk Taker to variable remuneration only arises pro rata temporis (several annual partial entitlements), the variable remuneration is subject to the extent legally permissible to a clawback. The clawback mechanisms can be activated also after the notice and/or termination of employment in accordance with local legal requirements, to the extent permitted by law. The right to such clawback generally expires five years after each instalment; in cases where a longer deferral period is necessary due to regulatory requirements an extended clawback period is applicable.

A negative deviation of (i) the employee's performance or (ii) the performance of the employee's organizational unit from the set goals and (iii) a negative deviation of the Bank's respectively HVB Subgroup's overall performance from the set goals lead to a reduction of the variable remuneration or may even lead to a complete forfeiture. This applies especially in the following cases:

- in cases of non-achievement of goal settings (quantitative and qualitative goals), especially when KPIs related to remuneration components have not been reached or
- in cases of employee behavior which is contrary to duty and/or immoral, especially compliance breaches and other breaches against contractual obligations.

This applies both to the respective determination of the variable remuneration and - in the case of Risk Takers - to the subsequent performance evaluation that could lead to a reduction or to complete forfeiture of the variable remuneration retained from preceding evaluated performance periods. If an initially positive performance contribution was considered during the determination of the bonus but with course of time becomes significantly negative, the respective retained remuneration for Risk Takers must be reduced or may forfeit completely. In cases where a breach of obligation resulted to be very serious and led to the termination of the employment relationship, a complete forfeiture of the variable remuneration/ deferral may occur. Moreover, in case of serious negative performance contributions are at hand, variable remuneration components for Risk Takers referring to the year, in which the relevant behavior occurred, must forfeit completely. Serious negative performance contributions are at hand in the following cases:

- The employee is involved in or responsible to a decisive degree for any behavior that leads to a substantial loss being sustained by the Bank or a significant regulatory sanction being imposed on UniCredit Bank GmbH or the Employee.
- The Employee violates any external or internal regulations regarding suitability and behavior to a serious degree.

9 REMUNERATION SYSTEMS IN SUBSIDIARIES

UniCredit Bank GmbH's Group Remuneration Policy is also implemented in its subordinate subsidiaries. The applicable remuneration principles therefore also serve as a guideline for remuneration in the subsidiaries of HVB Group.

For the majority of the employees, the remuneration systems in the subsidiaries are generally based on the remuneration model described in *Section 5* for pay scale and non-pay scale employees at UniCredit Bank GmbH and consist of a fixed and a variable component.

The fixed salary is generally paid in 12 monthly instalments, the variable component once a year, usually with the April payroll.

Deviating from the remuneration structure applicable at UniCredit Bank GmbH ("13+1"), the reference value of the variable component at the subsidiaries can be between 0.75 and 3.0 monthly base salaries. The variable component is determined in accordance with the rules and mechanisms described above.

The remuneration systems described in *Sections 2* and *3* apply to senior executives in the subsidiaries.