

REMUNERATION HIGHLIGHTS 2021

Posteitaliane



Growing sustainably.

| For a carbon neutral 2030 |

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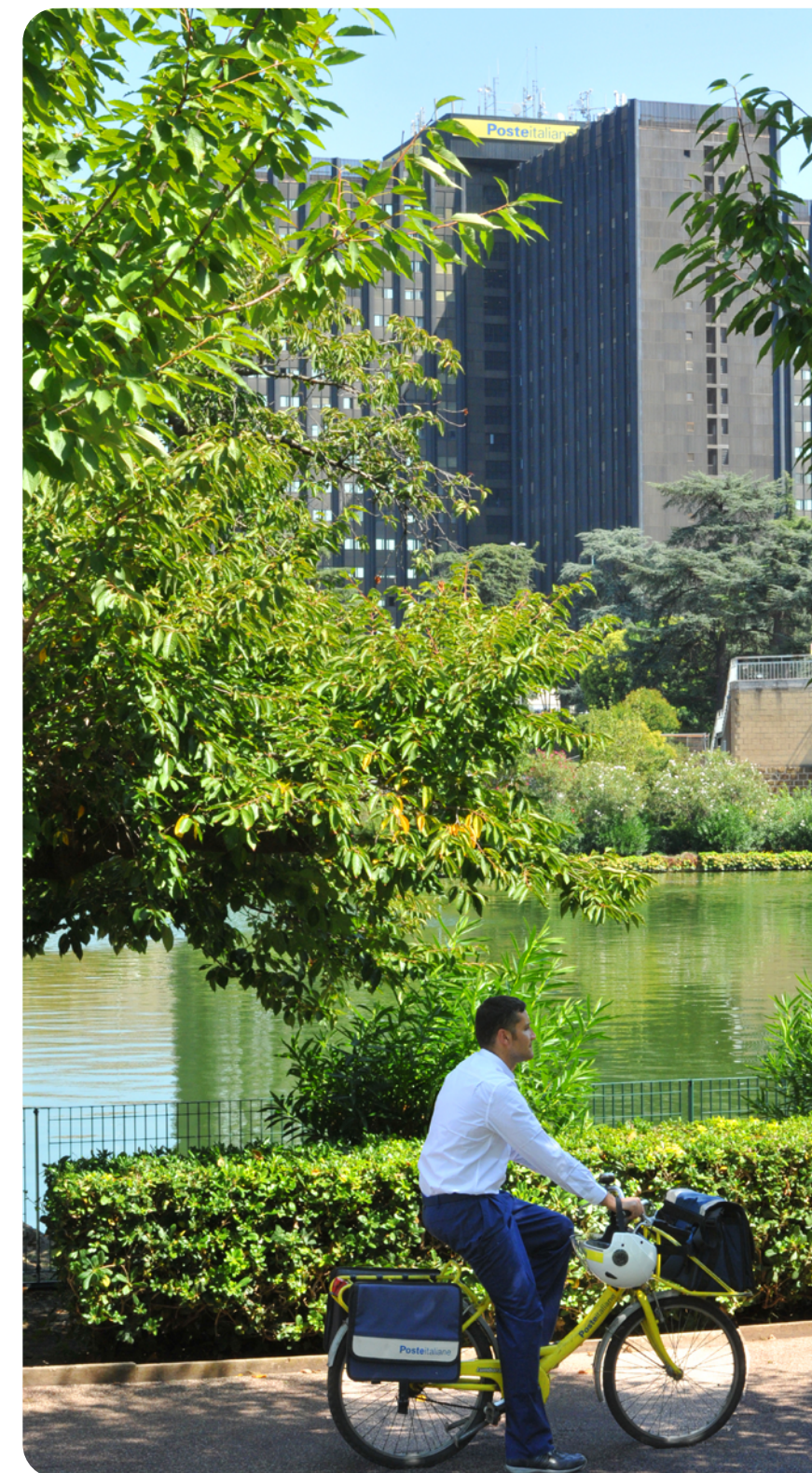
5. 2021 REMUNERATION POLICY

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STATEMENT FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear Shareholders,

As Chairman of the Poste Italiane's Remuneration Committee, I am pleased to present to you the Report on the 2021 Remuneration Policy and on the Amounts Paid in 2020, approved by the Board of Directors on April 15, 2021.

The Remuneration Committee, which I have the honour of chairing, has been renewed, and now benefits from the valuable and qualified contributions of the Directors Daniela Favrin and Elisabetta Lunati, whom I thank for their work in this first year.

I would also like to thank the Chairman of the previous Remuneration Committee, Carlo Cerami and the member Roberto Rossi, for their significant contribution over the last three years.

As you know, from the early months of 2020, all companies globally are facing the health emergency from the Covid-19 virus, and I am proud to say that Poste Italiane has been able to react promptly, adopting a variety of solutions to protect its own people and those living in the communities in which it operates, ensuring at the same time the soundness of the business in such an uncertain and changing scenario. Our people have proven to be essential in ensuring continued service to communities and in achieving the Group's excellent results. In an unprecedented collective effort, Poste Italiane has provided continuous support to the country, of which it represents a strategic pillar.

In line with the values of solidarity, proximity to our communities and attention to corporate sustainability, a number of actions have been promoted from the outset. In the area of remuneration, I would like to mention the reduction by 50% of the "2020 MBO" bonus for the entire management of Poste Italiane, made of

around 1,300 beneficiaries, and the donations made by our Group employees and executives in favour of the institutions most directly involved in the emergency and in support of the families and colleagues directly affected by the virus.

It was also a very intense year for our Committee which, since its set up, has continued to work on the evolution of the Remuneration Policy. We confirmed our commitment to proposing suitable guidelines for defining a policy in line with best practices, integrating suggestions coming from our investors and proxy advisors. This work has been carried on in strict compliance with current regulations and in close connection with the main drivers of the strategic plan, in the interest of all stakeholders.

In the difficult, complex and challenging context we are experiencing, the Remuneration Policy formulated for 2021 remains faithful to the key principles of utmost transparency and presents an integrated approach of "Reward Platform" (which is at the same time an index of merit, fairness and a driver of competitiveness), aimed at strengthening employee engagement and the Human Capital Development, Environmental, Social & Governance (ESG) and business strategies, as outlined in the new "2024 Sustain & Innovate" Strategic Plan.

In line with this approach, the 2021 Remuneration Policy also confirms the particular importance assigned to the overall structure of short/long-term incentive schemes, which, through the long-established self-funding mechanism, reinforces the alignment between value creation and management remuneration, confirms the concrete commitment of Poste Italiane to Environmental, Social & Governance issues, by strengthening the relevance of ESG objectives, and ensures the alignment of all stakeholders' interests.





In line with these principles, taking into account the challenging targets envisaged in the new "2024 Sustain & Innovate" Strategic Plan, the 2021 Remuneration Policy contains a proposal, to be submitted to the Shareholders, to raise the ratio between the variable and fixed remuneration components within the limit of 2:1 for the CEO-GM and up to a maximum of 20 BancoPosta's Risk Takers. Such proposal follows the path started in 2018, aimed at defining a remuneration strategy that is moderate but increasingly able to fully value the level of professionalism, with respect to constant and positive performance, and in line with the most widespread market practice. The reinforcement of a significant variable remuneration lever is not only an important tool for guiding the management's performance, which is in any case bound to activation conditions and Group results, but is also a strategic lever in terms of flexibility and alignment with medium/long-term objectives.

In carrying out its duties, the Remuneration Committee is called upon to ensure constant alignment with the Corporate Governance Code and with the constantly evolving regulatory provisions. The Report on the 2021 Remuneration Policy and on the amounts paid in 2020 therefore incorporates the provisions of the new Regulations for Issuers implementing Directive (EU) 2017/828 - Shareholder Rights Directive II ("SHRD II").

Finally, in continuity with 2020, and in light of the many changes proposed, with the aim of making the Report on 2021 Policy easier to read and further enhancing its transparency, an additional document, "Remuneration Highlights 2021", has been prepared, containing a summary of all the elements supporting the Poste Italiane Group's business and sustainability strategy.

In a competitive environment which, on the one hand, moves at great speed and according to unconventional dynamics and, on the other, requires strong ability to innovate, I believe that the proposed remuneration policy is fully consistent with the Poste Italiane Group's vision. The Policy also confirms the value and centrality of our people as a primary enabling factor, with a view to achieving sustainable long-term results, to the benefit, as previously stated, of all stakeholders.

I hope, therefore, that this Report bears witness to the commitment to providing a clear and transparent representation of the remuneration policy that Poste Italiane intends to adopt for 2021 and the results achieved last year, and that the proposed measures meet renewed and shared appreciation.

Best regards,

Giovanni Azzone

Chairman of the Remuneration Committee
Poste Italiane SpA
















COMPOSITION OF THE BOARD OF DIRECTORS AND COMMITTEES FOR THE 2020-2022 TERM



The Board of Directors for the 2020-2022 term is made up of 7 directors - plus the Chairwoman (non-executive and independent) and the Chief Executive Officer, for a total of 9 members - who are non-executive.

The **Remuneration Committee** is responsible for providing advice and making recommendations regarding remuneration and incentive schemes. The composition, mandate, powers and operating procedures of the Committee are governed by specific regulation approved by Poste Italiane's Board of Directors.

Confirming that sustainability is an approach promoted by Poste Italiane, following the renewal of the Board of Directors for the 2020-2022 term of office, a **new Board committee was established exclusively dedicated to "Sustainability" subjects** (Sustainability Committee), which, until May 2020, had been overseen by the Control, Risk and Sustainability Committee (appropriately renamed the Control and Risk Committee in May 2020).



POSITION	NAME AND SURNAME	REMUNERATION COMMITTEE	NOMINATIONS AND CORPORATE GOVERNANCE COMMITTEE	CONTROL AND RISK COMMITTEE	SUSTAINABILITY COMMITTEE	RELATED AND CONNECTED PARTIES COMMITTEE
Director	Giovanni Azzone ^{1 2}					
Director	Bernardo De Stasio ^{1 2}					
Director	Daniela Favrin ¹					
Director	Davide Iacovoni ¹					
Director	Mimi Kung ^{1 2}					
Director	Elisabetta Lunati ^{1 2}					
Director	Roberto Rossi ^{1 2}					

Chair   Member  

Directors with delegated powers

CHAIR

Maria Bianca Farina^{1 2}

CEO AND GENERAL MANAGER

Matteo Del Fante

1. Non-Executive Director.

2. Independent Director pursuant to Consolidated Law on Finance and the Corporate Governance Code for listed companies.

KEY FINANCIAL TARGETS

Strong track record of delivering key financial targets

€ bn unless otherwise stated

	2018 Deliver22	2018 Actual	2019 Deliver22	2019 Actual	2020 Deliver22	2020 Actual	2021	2022	2024	CAGR 19-24
REVENUES	10.7	10.9	11.0	11.0	10.9	11.0	11.2	11.6	12.7	+3%
EBIT	1.4	1.5	1.6	1.8	1.6	1.5	1.7	1.9	2.2	+5%
NET PROFIT	1.0	1.4	1.1	1.3	1.1	1.2	1.4	1.3	1.6	+6% ¹
DIVIDEND PER SHARE (€)	0.44	0.44	0.46	0.46	0.486	0.486	c. 0.55	6% ³		+7%

1.2 excl. SIA
revaluation

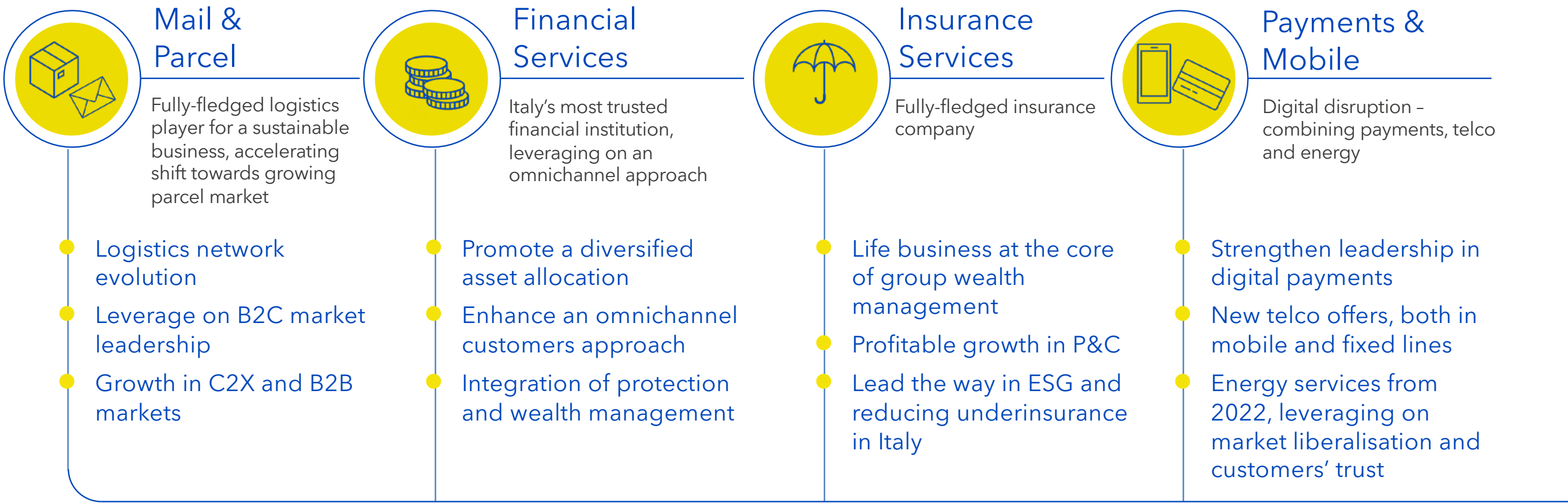
+14% VS. 2020
60% PAYOUT²

Achieved Overachieved

1. Excluding €0.1bn related to the revaluation of SIA stake in 2019.
2. Corresponding to 60% of underlying net profit of €1.2bn (excluding the revaluation of SIA stake of €0.3bn).
3. For 2022, 2023 and 2024.

STRATEGY ROLL-OUT

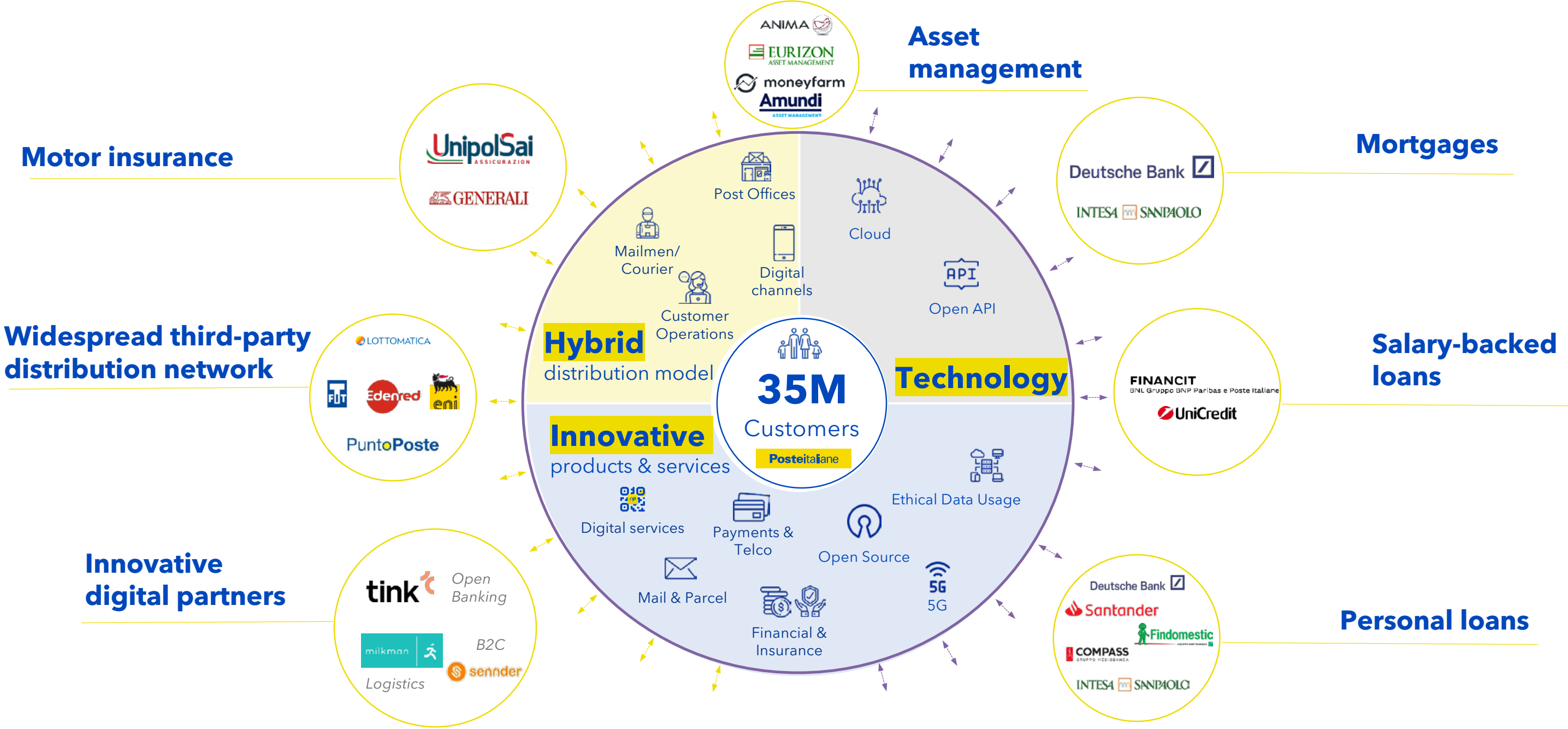
GROUPWIDE OMNICHANNEL STRATEGY



SUSTAINABILITY

DISTRIBUTION PLATFORM OF CHOICE

Cloud enabled digital platform to connect to key partners



GROUP MAIN SHAREHOLDINGS

Key partners to support growth, embedding potential upside



Mail & Parcel

1.8%¹



- Leading digital road freight forwarder in Europe
- €1bn valuation reached in the latest capital raise (Jan. 21)



6.3%¹



- Scheduled and instant delivery
- Improved customer experience in last mile delivery



51%



- Full logistic chain services for inbound e-commerce from China - E2E tracking for Italian customers

75%



69.2%¹



Payments

17.2%



- Pro-forma stake c.3.6%²
- Implied cap gains of c.€0.3bn

4.7%¹



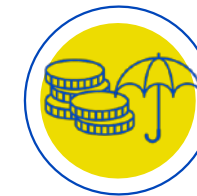
- Open banking, account based payments and other innovative payment services
- Global exposure to best-in-class technology and products

14.5%¹



- Visibility and optionality on digital currencies/ assets

2.9%¹



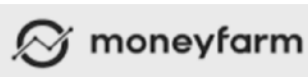
Financial & Insurance

10.4%



- Market value of the stake: €125m
- Preferred partnership in asset management business

14.1%¹



- New digital investment products

40%

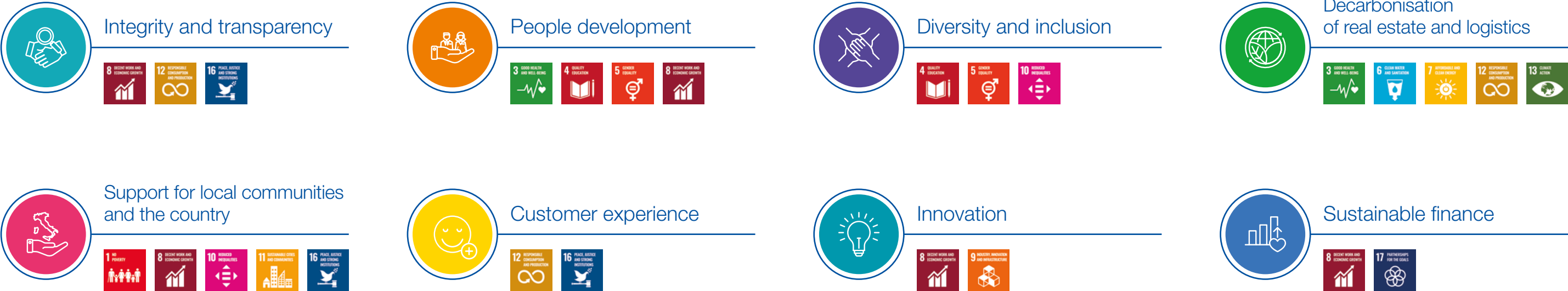


- Market leader in salary backed loans
- Ten-year distribution commercial agreement

1. On a fully diluted basis, including impact of employee stock option plan and other dilutive instruments.
2. Post merger with Nexi and Nets.

ESG STRATEGY 2024 - SUSTAINABLE VALUE CREATION

Delivering responsible growth - driving Italy’s sustainability and social integrity through innovation and digitalisation



Poste Italiane Purpose

Grow responsibly thanks to the decisive contribution of its people to the sustainable success, innovation, digitisation and social cohesion of the Country

Driven by good corporate governance

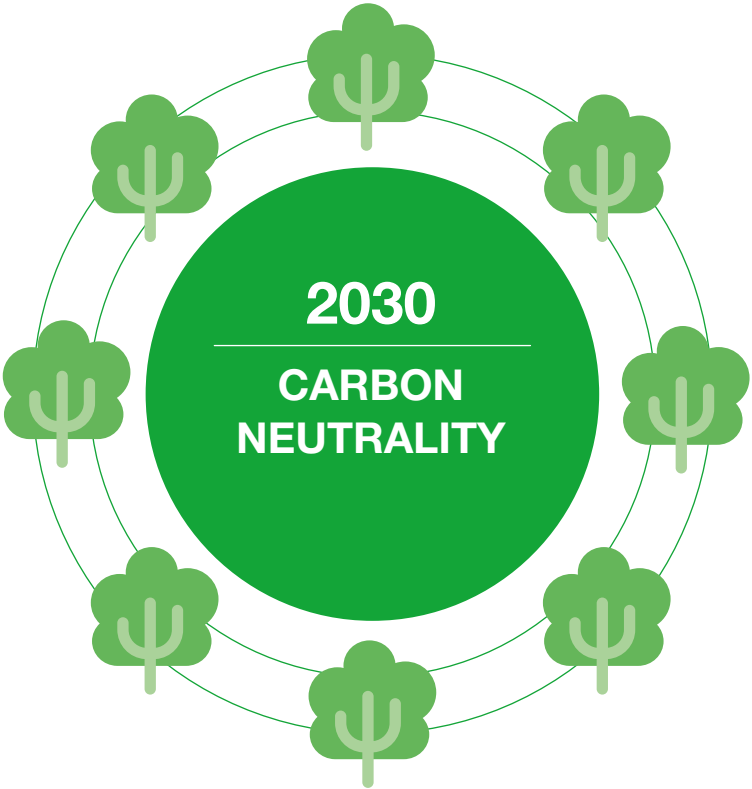
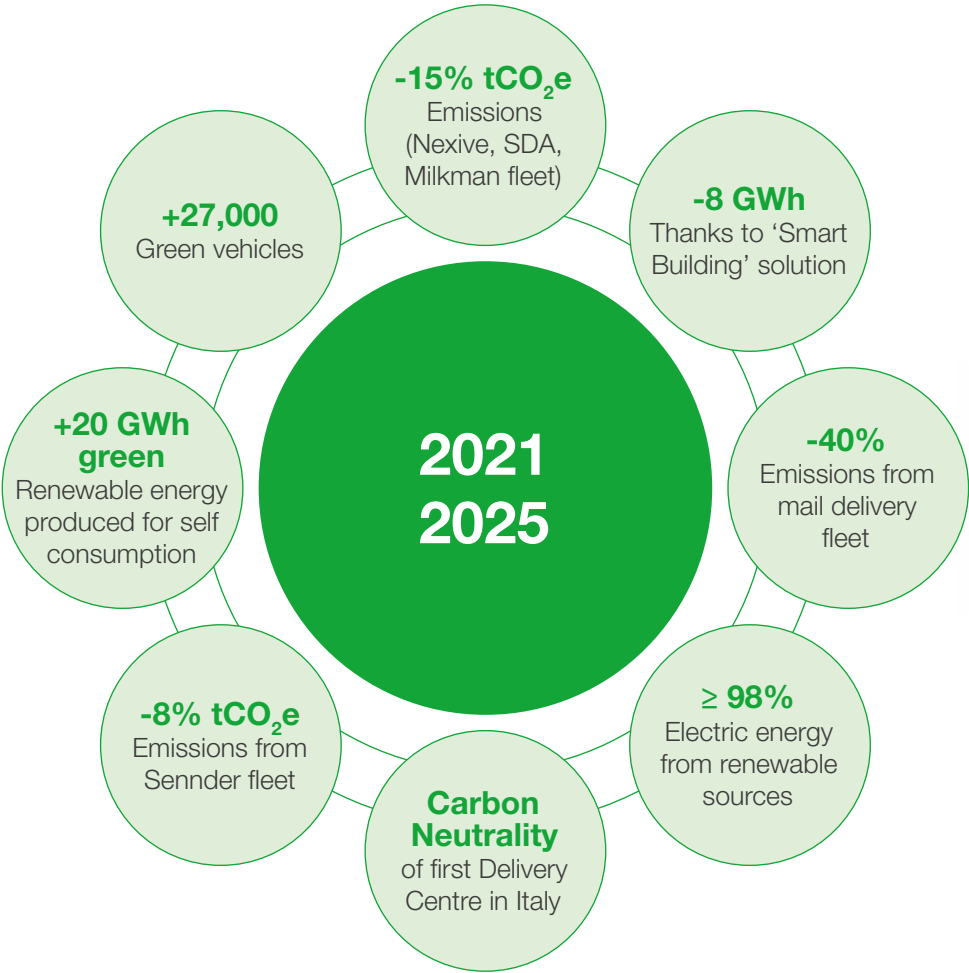
Leading with integrity and transparency, committed to a code of business ethics and remuneration.
Striving to manage our business sustainably and invest responsibly

ENVIRONMENTAL STRATEGY

Targeting carbon neutrality by 2030



Decarbonisation
of real estate and logistics



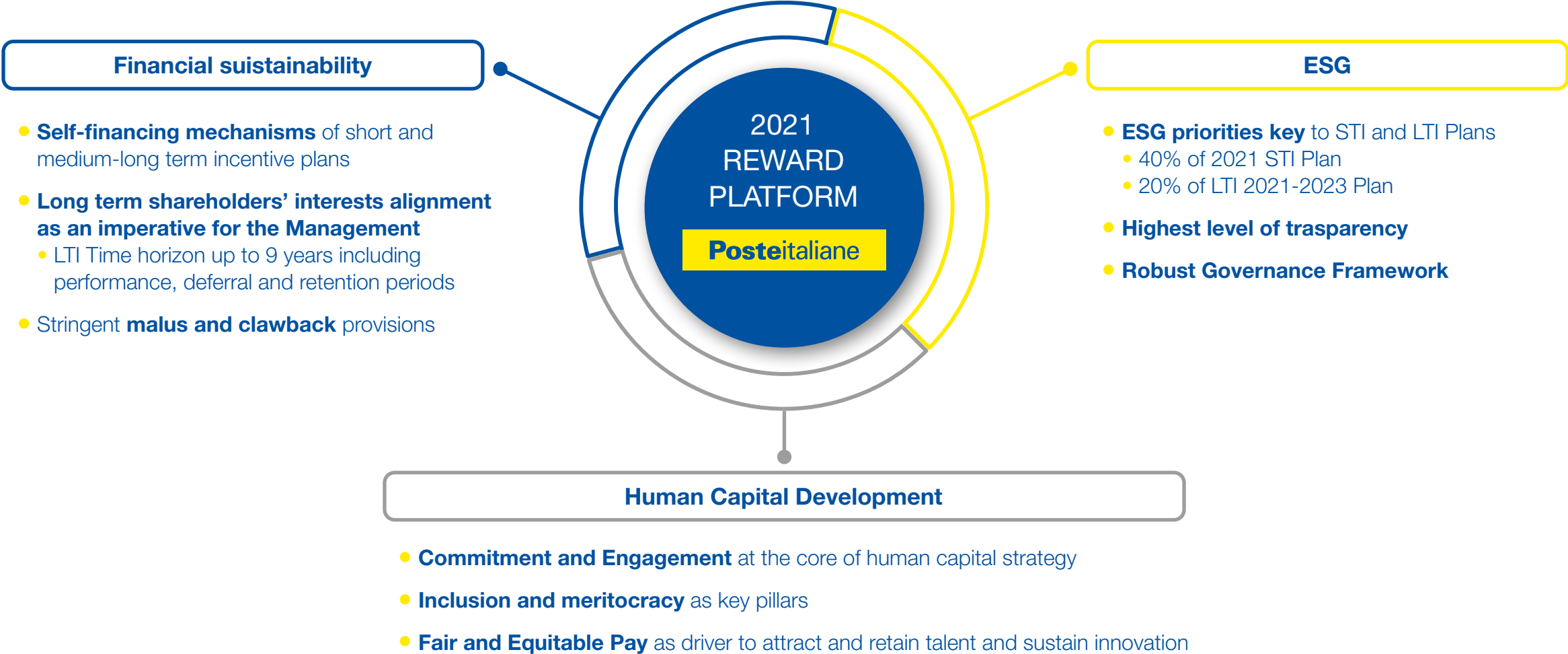


REWARD PLATFORM

integrating ESG, Human Capital Development and Business strategies

To support the pursuit of the Company's long-term interests and sustainability, and to guarantee the execution of the "2024 Sustain & Innovate" Strategic Plan, the "Reward Platform" was defined, capable of integrating Human Capital Development and **Environmental, Social & Governance (ESG)** strategies into the business priorities.

Below are some of the objectives that the Reward Platform intends to pursue:



THE 2021 REMUNERATION POLICY TO SUPPORT LONG-TERM STRATEGY

REMUNERATION POLICY, REMUNERATION AND WORKING CONDITIONS OF POSTE ITALIANE'S EMPLOYEES

The Poste Italiane Group is aware that human capital, respect for individuals, their professional development, and their relational, intellectual, organisational and technical skills are key elements in creating competitive advantage and achieving strategic objectives.

The Covid-19 pandemic has required great efforts from all economic operators to identify solutions to ensure the health of their customers and employees and, at the same time, business continuity. Poste Italiane, in compliance with government measures on virus containment and social distancing, has implemented various initiatives thanks to the commitment of the entire organisation, ensuring a significant contribution to the entire country. Protecting the health of its employees has always been the Company's most important priority and to do so flexible forms of work (e.g. smart working) have been adopted and all the tools and equipment needed to work in complete safety (e.g. PPEs, plexiglass panels, etc.) were provided to our personnel when remote working was not applicable, such as for postal and logistics activities. In fact, the Company promptly reacted to the health emergency by remodelling and implementing numerous activities in virtual mode, thus experimenting new forms of interaction and involvement of personnel throughout the country. In addition, taking into account the unprecedented collective effort during the emergency phase, Poste Italiane decided to cut by 50% the "MBO 2020" bonus for all its management, more than 1,300 beneficiaries.

As a confirmation of the virtuous path undertaken, in 2021, for the second consecutive year, Poste Italiane was certified by Top Employers Institute, in particular for its Learning, Work-environment, Business & Ethics, Sustainability and Diversity & Inclusion policies.

As part of its efforts to support Diversity & Inclusion, Poste Italiane was confirmed for the second year as part of the Bloomberg Gender Equality Index (GEI), the world's leading gender equality index, in addition to the results already achieved by Poste Italiane in the area of gender equality, such as its inclusion in the top five companies for the gender equality based on the ranking prepared by Equileap on the FTSE MIB index companies of the Milan Stock Exchange.



For further details, reference should be made to Poste Italiane's Integrated Report, available on the company's website, where it is possible to examine all the initiatives regarding welfare, training, development plans and the promotion of diversity and inclusion, as well as initiatives linked to the health emergency, in the section dedicated to the ESG pillars "People Development" and "Diversity & Inclusion".



CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER (CEO-GM)

Pay for performance

In order to ensure the competitiveness and effectiveness of the remuneration strategy in accordance with the principle of moderation that has always distinguished it, remuneration must be consistent with long-term sustainable performance.

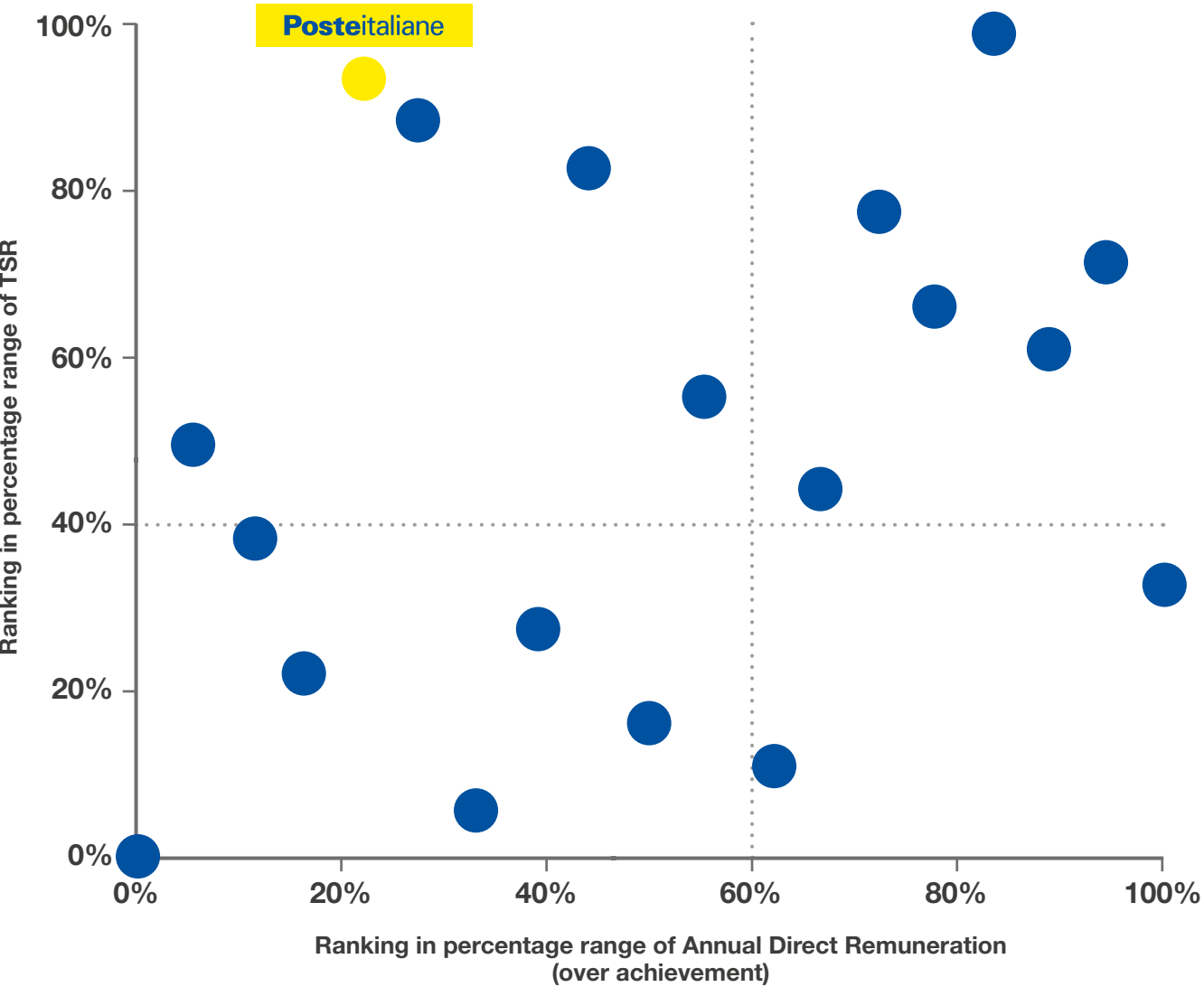
A valid reference for assessing the adequacy of remuneration, and its alignment with the expectations of all stakeholders, is the "pay for performance", which measures the degree of alignment between the Company's performance and the remuneration levels paid, also with respect to a reference sample that includes numerous companies, comparable in size, active in the same businesses in which the Company operates, as well as showing similar composition of the shareholders base.

The chart shows the relative positioning of the CEO-GM Annual Direct Remuneration (fixed remuneration and short/medium/long-term variable remuneration) at 31/12/2020, compared to the Total Shareholder Return (TSR) over a three-year period (2018-2020).

Poste Italiane has guaranteed its shareholders a Total Shareholder Return of 57.55% between 2018 and 2020 and is positioned within the high performance segment, with an annual direct remuneration level of the CEO-GM (at 31/12/2020) that is below the median for the related sample group.



PAY FOR PERFORMANCE 2018-2020, CEO-GM OF POSTE ITALIANE



Sample group
Allianz, AXA, Banco BPM, Bpost, CTT - Correios de Portugal, Deutsche Post, Enel, Eni, Generali Assicurazioni, Intesa Sanpaolo, Leonardo, PostNL, Saipem, Snam, Terna, TIM, UniCredit, Unipol e Poste Italiane.

Processing of data from Bloomberg and Willis Towers Watson.
Total Shareholder Return (TSR) from 1 January 2018 to 31 December 2020.
Annual direct remuneration (ADR): latest available figure.

CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER (CEO-GM)

Pay-Mix

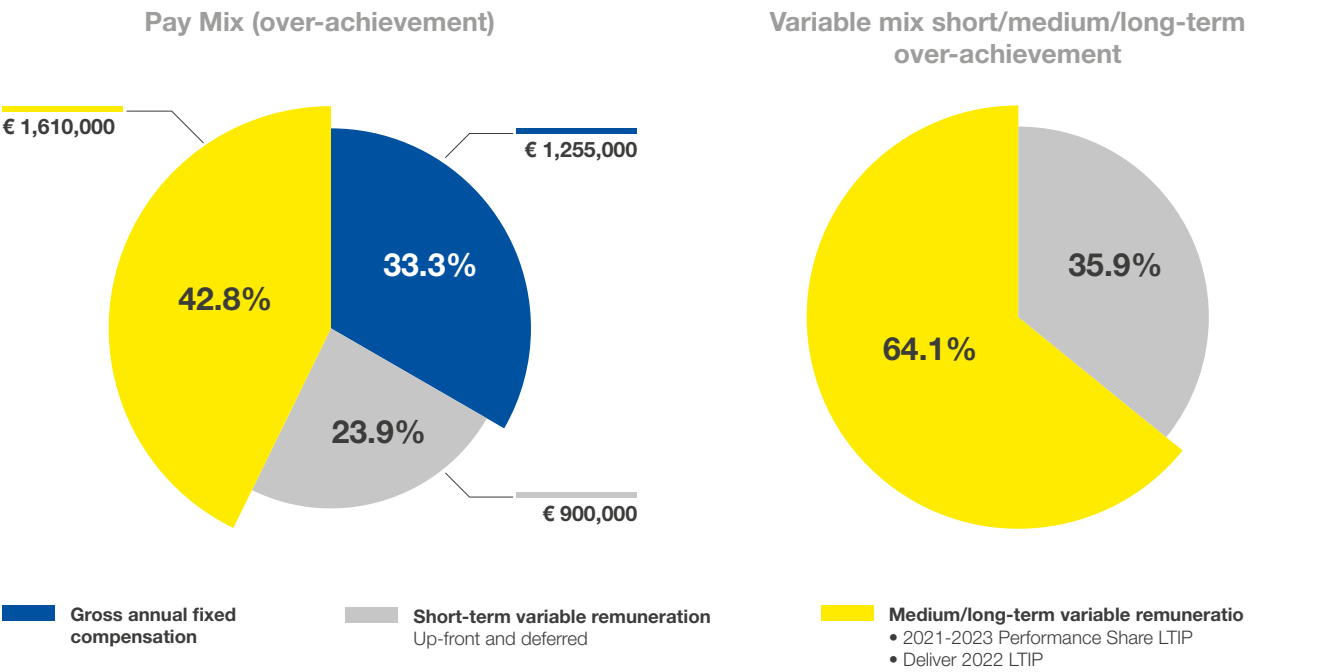
The gross annual fixed remuneration, with reference to the 2020-2022 term, has not changed compared to the previous term of office and is therefore confirmed at €1,255,000.

From 2021, subject to the approval of the General Meeting of shareholders of 28 May 2021, the maximum ratio of variable remuneration to fixed remuneration is 2:1.

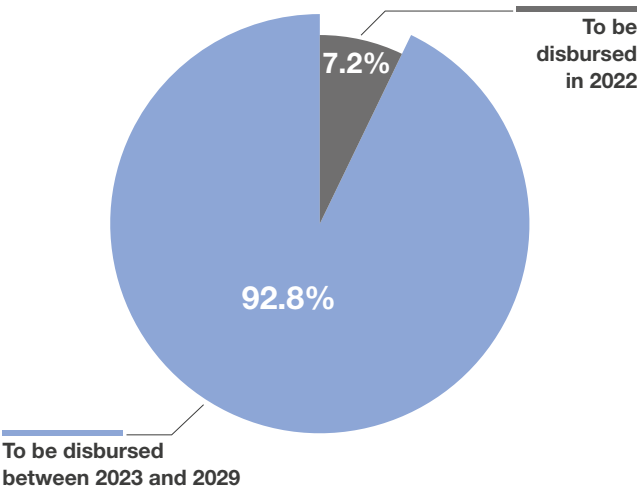
One-off payments may not be assigned.



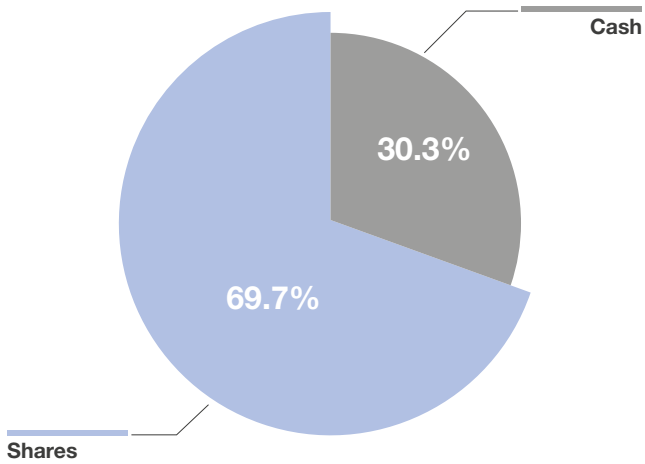
CEO-GM PAY MIX IN CASE OF OVER-ACHIEVEMENT



Timing of recognition of variable remuneration assigned in 2021 over-achievement



Cash/Shares Mix over-achievement



CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER (CEO-GM)

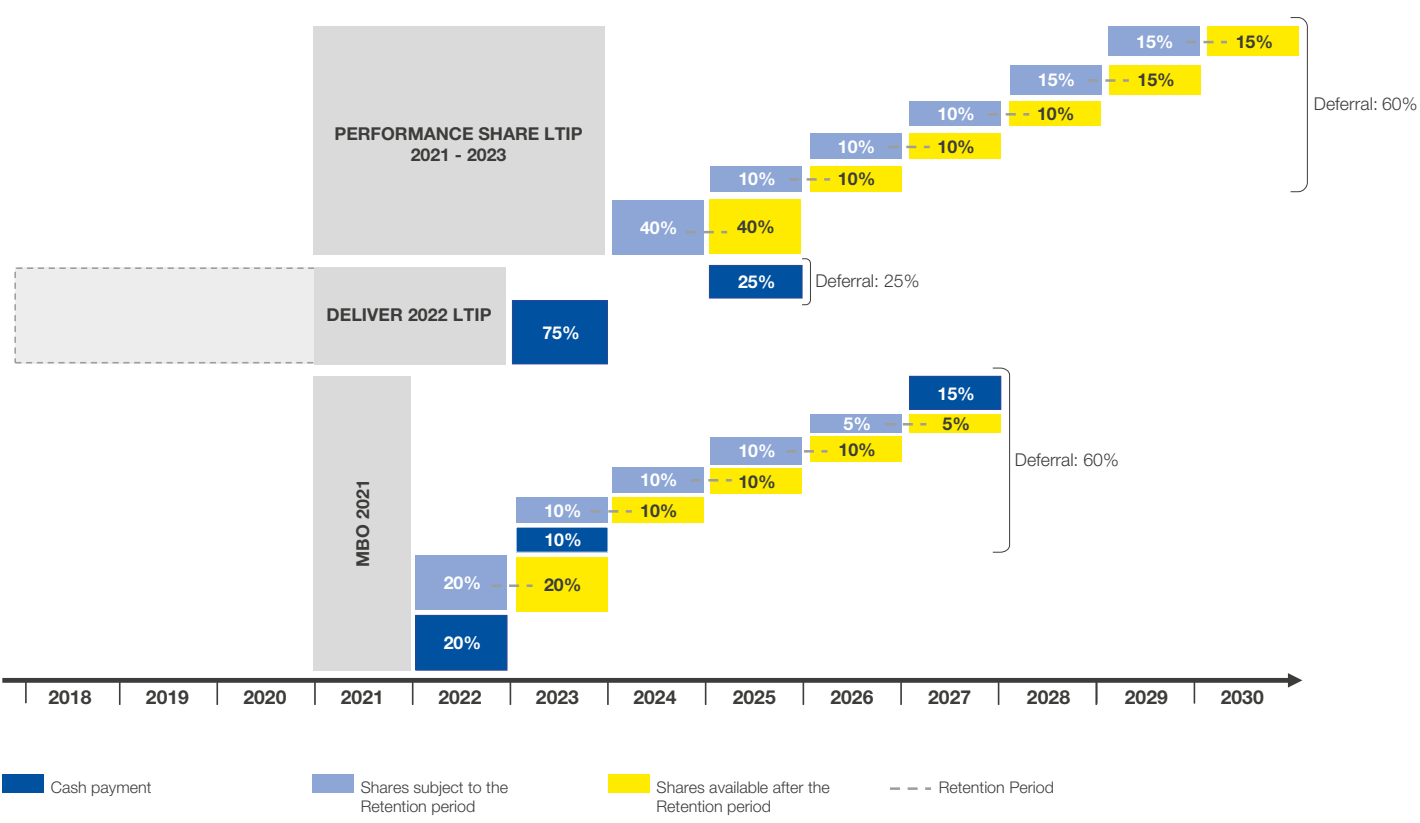
Overview of variable incentive schemes

The variable remuneration of the CEO-GM consists of the short-term variable incentive scheme ("MBO" STI), the "2021-2023 Performance Share LTIP" and the "Deliver 2022 LTIP" (the latter awarded in 2018). The "MBO" STI scheme rewards the achievement of targets on an annual basis, the "Performance Share LTIP" on a three-year basis and the "Deliver 2022 LTIP" over a five-year period.

Furthermore, the Chief Executive Officer and General Manager receives the Share Ownership Guidelines.

The structure of the payout over time involves the award of variable remuneration over a total period through to 2030, including performance, deferral and retention periods. Given the performance achieved, less than 10% of variable remuneration for 2021 will be effectively paid out in 2022, following approval of the financial statements for 2021, whilst the remaining portion is spread out over time. Each payment is subject to verification of BancoPosta RFC's capital and liquidity requirements.

SUMMARY OF SHORT-TERM AND MEDIUM/LONG-TERM INCENTIVE SCHEMES 2021



CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER (CEO-GM)

Summary of performance targets

The **remuneration policy** is developed over a multi-year time frame with a strong focus on long-term value creation, and it combines financial and non-financial objectives to support the company's key strategic drivers.

- EBIT is the key objective of the incentive schemes and represents the link between all Group businesses
- Correlated to long-term sustainability of the business, risk adjusted earnings is considered
- The “MBO” STI 2021 variable incentives scheme includes specific **ESG** indicators among the overall objectives
- The 2021-2023 Performance Share LTIP includes specific **ESG** indicators among the overall objectives
- The relative Total Shareholder Return (TSR) of Poste Italiane compared with the FTSE MIB index was identified as the representative indicator of our multi-business company, firmly-rooted in Italy



SUMMARY OF PERFORMANCE TARGETS OF THE SHORT-TERM AND MEDIUM/ LONG-TERM INCENTIVE SCHEMES 2021

HURDLE		
All short and medium-term incentive plans have a hurdle, which is the Group EBIT.		
MBO 2021	DELIVER LTIP (2018-2022)	PERFORMANCE SHARE LTIP (2021-2023)
QUALIFYING CONDITIONS <ul style="list-style-type: none">• BancoPosta's CET1• BancoPosta's LCR• Poste Vita Insurance Group Solvency Ratio	QUALIFYING CONDITIONS <ul style="list-style-type: none">• BancoPosta's CET1• BancoPosta's LCR• BancoPosta's RORAC	QUALIFYING CONDITIONS <ul style="list-style-type: none">• BancoPosta's CET1• BancoPosta's LCR• BancoPosta's RORAC
ECONOMIC-FINANCIAL KPIs <ul style="list-style-type: none">• 25% Group EBIT• 15% Group operating expenses	ECONOMIC-FINANCIAL KPIs <ul style="list-style-type: none">• 60% Revenues• 40% HR Cost	ECONOMIC-FINANCIAL KPIs <ul style="list-style-type: none">• 40% Group EBIT
RISK-ADJUSTED EARNINGS KPIs <ul style="list-style-type: none">• 20% BancoPosta's RORAC		SHAREHOLDER RETURN KPIs <ul style="list-style-type: none">• 40% Relative TSR vs FTSE MIB Index
ESG KPIs <ul style="list-style-type: none">• 15% Decarbonisation of real estate facilities and logistics• 15% Health and safety• 10% MPD quality		ESG KPIs <ul style="list-style-type: none">• 20% Sustainable finance
MALUS CONDITION		
All short and medium/long-term incentive schemes envisage at least two Malus conditions: BancoPosta's CET1, and LCR. An additional Malus is envisaged for the Deliver 2022 LTIP (for the deferred portion), linked to inclusion within the sustainability indices.		
COMPLETE SELF-FINANCING OF ALL INCENTIVE SCHEMES, THROUGH THE DEFINITION OF FINANCIAL PERFORMANCE HURDLES THAT ARE ALIGNED AT LEAST TO THE STRATEGIC PLAN		

Application of Malus and Clawback mechanisms is envisaged for the up-front and deferred portions.

KEY MANAGEMENT PERSONNEL (KMP)

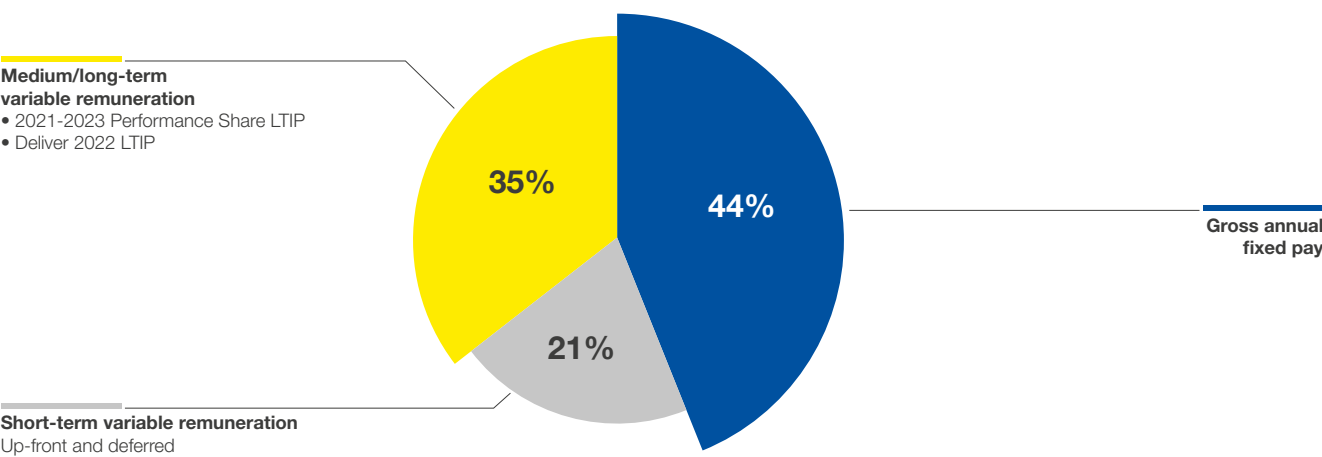
Identification and Pay-Mix

The term Key Management Personnel, within the context of the Company, refers to the heads of the various functions reporting directly to the CEO-GM, as well as the Manager Responsible for Financial Reporting.

The gross annual fixed pay for KMP is coherent with the role held, the scope of the responsibilities assigned, the experience and skills required for each position, the degree of excellence demonstrated and the overall quality of the individual's contribution to the Company's performance, also taking into account specific market benchmarks.

The variable remuneration component for KMP is awarded in accordance with their specific business segments and with the responsibilities of the roles compared to the reference market.

ILLUSTRATION OF MEDIAN KMP PAY MIX AT TARGET



Pay Mix for KMP is calculated on the basis of the median for both gross annual fixed pay and the variable components (short and medium/long-term), assuming achievement of the performance targets set (with reference to the "Deliver 2022 LTIP", the annualised value of the assignment is taken into account).

One-off payments may not be assigned.



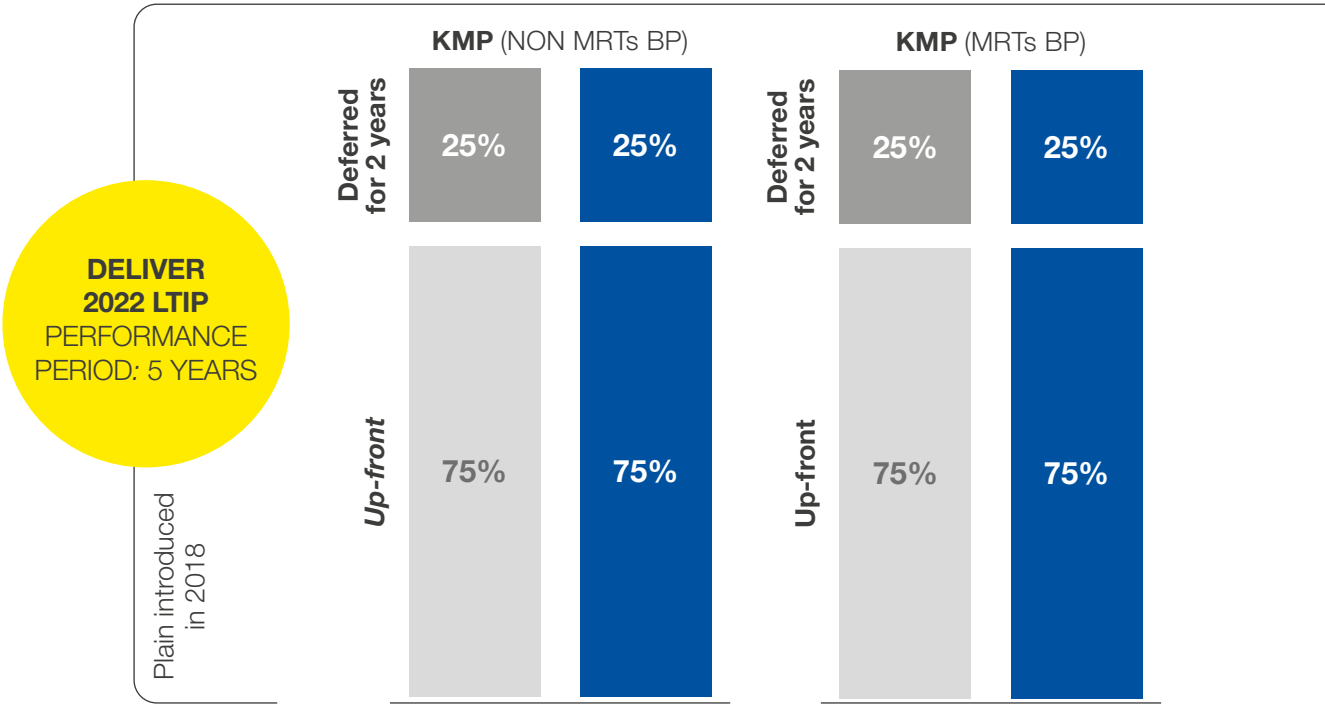
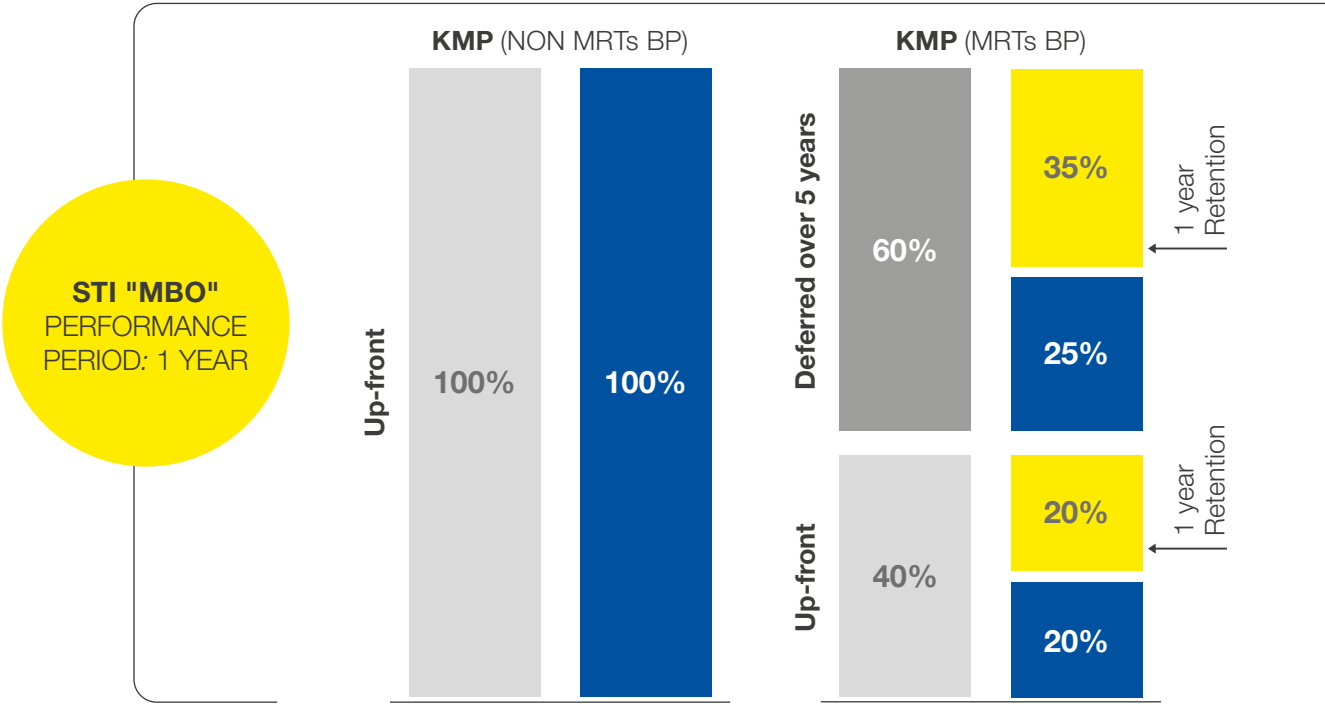
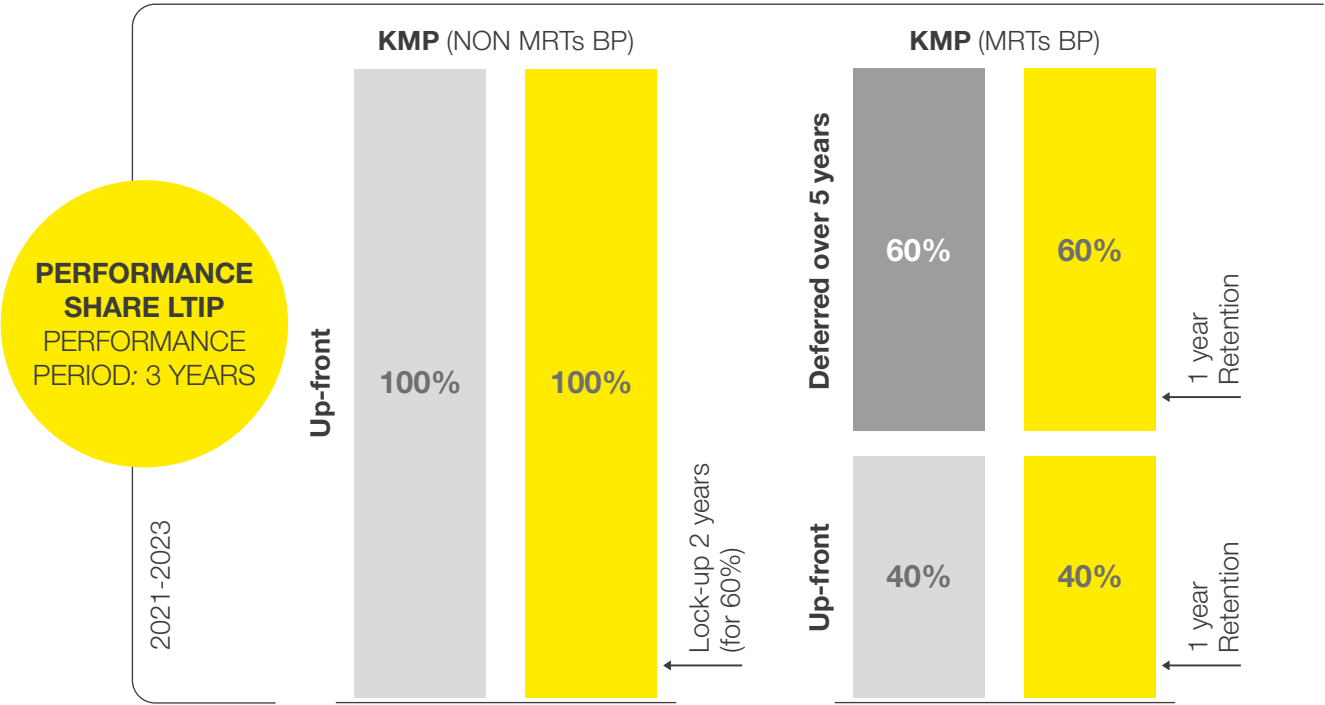
KEY MANAGEMENT PERSONNEL (KMP)

Overview of variable incentive schemes

The following chart shows a summary of the incentive schemes applicable to KMP, highlighting the payment criteria defined in accordance with the sector regulations if identified as among BancoPosta's Material Risk Takers ("MRTs").

Furthermore, the KMP receive the Share Ownership Guidelines.

PAY-OUT ILLUSTRATION OF KMP VARIABLE REMUNERATION



Share
Cash

KEY MANAGEMENT PERSONNEL (KMP)

Summary of performance targets

The performance targets for 2021 are linked to the objectives set in the new “2024 Sustain & Innovate” Strategic Plan. With regard to the “MBO” short-term incentive plan, the function specific targets are set out as follows:

- economic-financial targets (e.g. the revenues of a business segment);
- efficiency targets (e.g., connected to organisational and management efficiency);
- project targets (e.g., implementation of a key project of the relevant function).

ESG objectives. They represent 2/3 targets differentiated by function to be identified within the KPIs of the Group's ESG strategy, summarised in 8 pillars, also on the basis of the results of the materiality analysis. The beneficiaries, by way of example but not limited to, may be assigned ESG KPIs related to Customer Experience, environmental sustainability and Diversity & Inclusion, also within the scope of the priorities that emerged from the materiality analysis.



SUMMARY OF PERFORMANCE TARGETS OF THE SHORT-TERM AND MEDIUM/ LONG-TERM INCENTIVE SCHEMES 2021

MBO 2021	DELIVER LTIP (2018-2022)	PERFORMANCE SHARE LTIP (2021-2023)
PERFORMANCE GATE	HURDLE	HURDLE
<ul style="list-style-type: none">• Group EBIT	<ul style="list-style-type: none">• Group EBIT	<ul style="list-style-type: none">• Group EBIT
ECONOMIC-FINANCIAL KPIs	ECONOMIC-FINANCIAL KPIs	ECONOMIC-FINANCIAL KPIs
<ul style="list-style-type: none">• 20% Structural containment of operating expenses is one of the key factors for implementation of the Strategic Plan.	<ul style="list-style-type: none">• 60% Revenues• 40% HR Cost	<ul style="list-style-type: none">• 40% Group EBIT
FUNCTION-SPECIFIC TARGETS KPIs		SHAREHOLDER RETURN KPIs
<ul style="list-style-type: none">• 40% Key targets for implementation of the Strategic Plan mainly linked to the Function governed.		<ul style="list-style-type: none">• 40% Relative TSR vs FTSE MIB Index
ESG KPIs		ESG KPIs
<ul style="list-style-type: none">• 40% They represent 2/3 targets differentiated by function to be identified within the KPIs of the Group's ESG strategy, summarised in 8 pillars, also on the basis of the results of the materiality analysis.		<ul style="list-style-type: none">• 20% Sustainable finance
For specific individuals (such as the Head of Internal Control), objectives and mechanisms will be defined in line with the specific provisions of the relevant regulations. An additional Malus is envisaged for the Deliver 2022 LTIP (for the deferred portion), linked to inclusion within the sustainability indices.		
TOTAL SELF-FINANCING OF ALL INCENTIVE SCHEMES, THROUGH THE DEFINITION OF FINANCIAL PERFORMANCE HURDLES ALIGNED AT LEAST TO THE BUDGET		

Application of Clawback mechanism is envisaged.

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This document is an overview of the 2021 remuneration policy.

The full document “Report on the 2021 remuneration policy and on the amounts paid in 2020”, prepared in accordance with the Issuers Regulations for Listed Companies, is available on the Company’s website <https://www.posteitaliane.it/en/remuneration.html>