

**GUIDELINES ON THE
EXERCISE OF VOTING
RIGHTS AND
ENGAGEMENT
ACTIVITIES OF THE
POSTE VITA GROUP**

Posteitaliane

Postevita
GruppoAssicurativoPostevita

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INTRODUCTION

The Guidelines on the exercise of voting rights and engagement activities (hereinafter “the Guidelines”) of Poste Vita S.p.A. (hereinafter “the Company”) set out measures and procedures in order to:

- ensure that voting rights are exercised in accordance with the Company’s objectives and the Company’s regulatory system, with particular reference to the Responsible Investment Policy adopted;
- prevent or manage any conflict of interest resulting from the exercise of voting rights;
- promote the proper management of ESG issues through a fruitful dialogue with the issuers of securities in their financial portfolios.

This Guideline is adopted by the Competent Body and published on the Company’s website.

The Company, through its Top Management, implements the provisions contained therein, making use of the Investment Office function.

1 - Objectives

This document meets the following main objectives:

- to describe the criteria and procedures for exercising the voting rights attached to the shareholdings held by the Company;
- to define the criteria and methods for carrying out engagement activities with the issuers of securities in their financial portfolios;
- to identify appropriate reporting tools for the activities of exercising voting rights and engagement that are carried out.

2 - Relevant principles and regulations

The activities governed by this document must be carried out in compliance with current legal provisions and the principles and rules of conduct contained in the Code of Ethics of the Poste Italiane Group and other corporate¹ regulatory instruments and are inspired by the main European regulations on the subject (Italian Principles of Stewardship by Assogestioni, FRC UK Stewardship Code, EFAMA Stewardship Code)

RISK- AND PROCESS-BASED APPROACH – Based on an integrated representation of the risks affecting the Poste Italiane Group's business provided by RMG, the ESG process is based on a preventive approach to risks, helping with the making of informed decisions and, where possible, translating the main risks into opportunities and competitive advantage.

APPROACH TO PROCESSES - The SCIGR is inspired by a rationale used with processes, regardless of the location of its activities in the organisational and corporate structure of Poste Italiane S.p.A.

REPUTATION-DRIVEN APPROACH AND STAKEHOLDER MONITORING - Management of company activities with a view to governance of the reputational perception that stakeholders have of the Company. Constant monitoring of the sentiment of the different stakeholders in order to manage the potential impacts deriving from a negative perception of the Company's behaviour and image. Understanding the main expectations and concerns of our stakeholders means knowing and protecting the value deriving from the company's reputation.

AUTONOMY OF THE SYSTEM OF CONTROLS OF BANCOPOSTA'S CAPITAL – The organisational and corporate governance structure of BancoPosta's capital, in compliance with the Supervisory Provisions, is inspired by the principle of organisational and managerial autonomy and by the system of internal controls.

CORPORATE AUTONOMY OF SUBSIDIARIES - The corporate autonomy of the subsidiaries is guaranteed with regard to the establishment and maintenance of an adequate and functioning SCIGR, in compliance with the management and coordination guidelines defined by Poste Italiane S.p.A.

CONSISTENCY WITH COMPANY OBJECTIVES - Activities on ESG issues are aimed at ensuring that the management of the company is oriented towards sustainable development and maximisation of the value of the company, in line with the company's objectives and the expectations of stakeholders.

COMMUNICATION AND INFORMATION FLOWS - Each body/structure is provided with the information necessary to fulfil its responsibilities, including those relating to SCIGR.

COMPLIANCE WITH THE LAW AND CONSISTENCY WITH THE GENERAL REGULATORY FRAMEWORK OF REFERENCE – The Guideline is defined in compliance with the applicable European and national regulations, in line with the internal reference framework, which includes but is not limited to: the Articles of Association, the Code of Ethics, the Organisation, Management and Control Model pursuant to Legislative Decree 231/01, the organisational system, the Regulations for BancoPosta's capital, the system of powers and proxies and national and international best practices.

KNOWLEDGE AND AWARENESS – The SCIGR plays a central role in the company's organisation: represents a fundamental element of knowledge for the bodies in order to ensure full awareness of the situation and effective control of risks and their interrelationships, guides changes in strategic guidelines and policies and allows for consistent adaptation of the organisational context.

CULTURE OF RISK AND CONTROL - Also with reference to ESG processes, RMG spreads the culture of risk and control, understood as the set of rules of conduct that determine the collective and individual ability to identify, measure and mitigate the current and future risks of the organisation.

ETHICS, CORRECTNESS AND TRANSPARENCY IN BUSINESS CONDUCTION - The Poste Italiane Group is committed to consolidating an increasingly integrated management system to put in place suitable tools to ensure a transparent dialogue with customers, suppliers and citizens. In this context, the Poste Italiane Group adheres to the UN PRI (United Nations Principles for Responsible Investments) initiative officially promoted by the United Nations, in partnership with the Global Compact and UNEP FI (the partnership between the global financial sector and the United Nations Environment Programme).

¹ Failure to comply with the principles contained in this regulatory document may result in the application of the sanctions provided for by the company's regulatory system.

GOVERNANCE OF REPUTATIONAL RISK - Integrated system for monitoring reputational risks during all phases of the company's activities. The framework provides for the management and mitigation of reputational risks to be pursued through specialised controls by company structures with specific reputation defence tasks and through centralised control that coordinates the Reputational Risk Management process.

INCLUSION - The Poste Italiane Group works to promote diversity with a view to sustainable and inclusive corporate growth, preventing and combating all forms of discrimination.

RESPONSIBLE INVESTMENTS - The Poste Italiane Group believes that the definition of a Sustainable Finance Strategy is fundamental and is committed to implementing its guidelines in its operations, using the main components of the sustainable finance policy as operational elements for the performance of responsible investment activities.

MANAGEMENT ACCOUNTABILITY - The Management, within the scope of the functions covered and in the achievement of the related objectives, actively participates in the Group Risk Management process and ensures the adequacy of the SCIGR for the activities for which it is responsible, actively participating in its proper functioning.

REDUCTION OF THE ENVIRONMENTAL IMPACT - The approach of Gruppo Poste Italiane is based on respect for the environment, both with reference to buildings (green building) and with reference to internal processes (digitalisation) and means of transport (green mobility and sustainable logistics).

SEGREGATION OF DUTIES AND ACTIVITIES - The Group's Risk Management process includes, including on the ESG side, segregation of duties and responsibilities between separate organisational units or within them, in order to avoid incompatible activities being concentrated under common responsibilities.

INTEGRATED SYSTEM - The components of the integrated internal control and risk management system are coordinated and interdependent and the system as a whole is integrated into the overall organisational, administrative and accounting framework.

DEVELOPMENT OF THE TERRITORY - In line with its territorial capillarity, the Poste Italiane Group, also through a structured and transparent dialogue with its stakeholders, aims to accompany local communities in the modernisation and digitalisation processes underway, thus contributing to the processes of development and social cohesion of the country.

TRACEABILITY - The persons involved in the implementation of the Guideline must ensure, each for the part of its competence, the traceability of the activities and documents relating to the process, ensuring the identification and reconstruction of the sources, information elements and controls carried out that support the activities.

3 - Exercise of voting rights

The purpose of this document is to define the main activities carried out to monitor the process of exercising the voting rights connected with the shareholdings held by the Company.

In principle, voting rights are exercised at shareholders' meetings where extraordinary transactions or, in general, other transactions that may have a significant impact on the value of equity investments held are approved.

The exercise of voting rights may be carried out directly by the Company or may be attributed to asset managers to whom the Company has conferred a specific proxy pursuant to Article 24 of the Consolidated Finance Act. The Company assesses the voting strategies adopted by the delegated asset managers and monitors their activities.

Furthermore, in the event that the Company decides to exercise the right to vote directly, it may delegate specialised third parties to carry out this activity in accordance with the general principles identified by the Company as part of its strategies for exercising the right to vote and always in full respect of the exclusive interest of the participants in the instruments concerned.

The following paragraphs describe the procedures for the exercise of voting rights by the Company and by the asset managers on whom the Company has conferred a specific proxy.

3.1 - Procedures for the exercise of voting rights by the Company

The process of exercising voting rights consists of the following main phases:

- Evaluations relating to the exercise of voting rights;
- Exercise of voting rights;
- Monitoring the outcome of decisions;
- Archiving.

3.1.1 - Evaluations relating to the exercise of voting rights;

The Investment Office's evaluation of the voting period is carried out on the basis of a cost-benefit analysis. In particular, the Company's interest in assessing whether or not to exercise its voting rights is represented by the impact of the proposal on the shareholders' meeting agenda on the value of the equity investments held in the portfolio, taking into account their effect both in the short and long term.

The Company reserves the right, however, not to exercise the right to vote in cases where such exercise does not result in a significant impact for its customers, such as, by way of example, in the case in which:

- the amount actually held is small compared to the market capitalisation of the individual financial instrument;
- the administrative costs associated with this process are significant, including in relation to the amount actually held and the concrete possibility of influencing the vote at the shareholders' meeting;
- there is a need to block financial instruments for an extended period of time, which may prevent them from taking advantage of possible market opportunities.

In assessing the advisability of exercising its right to vote and in determining voting decisions, taking into account the assessments of other institutional investors, the Company shall pay particular attention to the following issues:

- Shareholders' rights, with particular attention to aspects related to informed voting, fair treatment of shareholders and dividend policies;
- Consistency of its remuneration policies with the perspective of creating long-term value for the company, with particular attention to aspects relating to remuneration requirements, variable short and long-term incentives;
- Composition of administrative, management and control bodies, with particular attention to aspects relating to separation of powers, professional requirements, election methods, accumulation of posts and diversity (e.g. gender, age, academic and professional background);
- Management of social and environmental aspects, with particular attention to aspects relating to the management and reporting of the same, violations of environmental and social norms and standards;

- Quality of the internal control system, based on internationally recognised standards and principles;
- Transactions with related parties, with particular attention to aspects relating to transparency, fairness and commercial correctness of transactions;
- Extraordinary transactions, with particular attention to aspects relating to the consistency of the transaction price, the corporate governance structure resulting from the transaction, potential short and long term results;
- Transparency of financial reporting and integrity of auditors.

3.1.2 - Exercise of voting rights

Once the Investment Office has taken the decision to exercise the right to vote, the necessary activities will be organised to allow the Company to participate in the meetings, including involving other relevant corporate functions in the individual issues under discussion. The same function prepares a report for the Chief Executive Officer describing the assessments made on the opportunity to participate in the vote as well as on the voting intentions relating to the individual draft resolutions.

The Investment Office function will also vote by depositing lists for the appointment of Corporate Bodies, by electronic or postal means or with the physical presence of a delegate at the meeting, ensuring compliance with any regulations provided by the issuer on the methods of participation.

The Investment Office function keeps track of the activities carried out, the votes and the interventions carried out, reporting information on: securities for which voting rights have been exercised, resolutions on which a vote has been made and the type of vote made on each resolution.

3.1.3 - Monitoring and reporting on the exercise of voting rights

The voting representative (direct representative of the Company or delegate of the Company) prepares an ex-post report on the various subjects dealt with and any voting decisions taken, in the event of any changes to the instructions received.

The Company undertakes to communicate, at least once a year, in cases of direct exercise of voting rights in listed companies, the procedures for implementing the principles contained in this Guideline and the results of the voting activities carried out and to publish them on its website.

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3.1.4 - Archiving

The Company's corporate functions responsible for the exercise of voting rights shall keep specific documentation showing the activities carried out in accordance with this Guideline.

3.2 - Arrangements for the evaluation of the voting strategy of the delegated asset managers

In cases where the Company has delegated the management of part of its assets to a third party manager and the delegation also provides for the exercise of voting rights with reference to the financial instruments in the portfolio, the Company assesses the policy for the exercise of voting rights by the designated asset manager.

In addition, the Company assesses the organisational and procedural structure adopted to support the activities to be carried out, by analysing the documentation received from the same and through meetings/interviews with the structures responsible for providing the activity.

Among the aspects evaluated, the Company takes into account the following criteria:

- materiality thresholds for the exercise of voting rights, which must be compatible with those defined by the Company in this document;
- alignment of the strategy with the principles contained in this Guideline;
- alignment of the strategy with European principles in this area;
- alignment of the procedures for exercising voting rights (operating architecture and tools used) with sector best practices.

The Company monitors the participation of the delegated manager in the meetings in order to exercise the right to vote. To this end, the Investment Office monitors the activity of the delegated asset managers in relation to the scheduled meeting events and the intention to participate in the meetings.

4 - Engagement activities

The Company is committed to a constructive dialogue with the issuers in its portfolios in order to better manage ESG issues within the companies in which it invests. This dialogue may be conducted individually by the Company or in collaboration with other investors.

4.1 - Objectives

The Company's engagement activities are carried out by the Investment Office function, which monitors the ESG profile of the companies in the portfolio and engages, when deemed necessary, in dialogue with them.

Dialogue-based activities may be carried out independently or in pools with other investors and may be of a "spontaneous" nature (in order to disseminate best practices) or "reactive" nature (following a criticality that has emerged and/or conflicts). In the latter case, engagement activities are periodically activated in the event of a significant deterioration in the overall ESG rating and/or in the rating relating to the individual environmental, social or governance dimensions of the issuer, or in the event of disputes arising concerning the issuer. The engagement may also arise from the detection of critical issues that emerged during the shareholders' meeting or on other occasions of dialogue with the issuer.

Engagement activities may consist of meetings with the management of the issuers, communications to corporate bodies or pooled dialogue activities with other institutional investors; these methods are chosen on the basis of the nature of the subject to be discussed or the relevance of the same, also considering the necessary timing.

The Company's engagement policy may follow the following approaches:

- Awareness-raising: consists of meetings with companies with the aim of influencing their practices through recommendations on specific ESG issues, materials for the sector to which they belong. These recommendations are the result of in-depth studies and research carried out by the Company, also on the basis of studies published at national and international level, and of participation in international panels aimed at supporting institutions and companies in adopting measures to resolve critical issues related to these issues;
- Monitoring: this form of engagement aims to take advantage of meetings with portfolio companies to add data and information useful for the correct assessment of their ESG profile;
- Voting: consists of voting at meetings on ESG issues and is carried out as part of the activities regulated in the previous paragraph of this document.

The Company's engagement activity aims to create awareness of the ESG risks that could impact on the business and understand how the issuers manage these risks through:

- the definition of an ESG strategy with clearly defined objectives and timelines;
- the improvement of governance with regard to ESG issues;
- transparency on ESG strategy, governance and performance;
- internal and external assurance on ESG strategy, governance and performance;
- adherence to standards and participation in external initiatives spread nationally and internationally.

4.2 - Themes of engagement

The Company's engagement activities are focused on the most important issues for the portfolio companies. In this regard, the Investment Office function carries out a materiality analysis of ESG issues, identifying those issues that have a significant impact on the company's business and a significant influence on the relevant stakeholders. This analysis is also carried out:

- analysing the characteristics of the company, with particular reference to the sector of operation, geographical areas of operation and size - with particular attention to "controversial" sectors from the perspective of ESG;
- evaluating the suggestions of international guidelines and standards and the results of peer review activities or stakeholder engagement activities.

In general, the following issues are taken into consideration, which may be detailed on the basis of the materiality analysis carried out:

- climate change (including carbon emissions, etc.);
- natural capital (including water stress, raw material supply, etc.);

- Pollution and waste (including lack of an environmental management system, toxic emissions and waste, etc.);
- human capital (including child labour, supply chain labour standards, health and safety, etc.);
- involvement in highly controversial projects.

4.3 - Monitoring and reporting of engagement activities

Engagement activities are monitored and evaluated periodically by the Investment Committee - ESG Evaluations on the basis of information provided by the Investment Office function.

Given satisfactory improvements in the size of the engagement, it is considered concluded. If this is not the case, the company remains subject to engagement, but in the absence of tangible improvements over time, further actions can be evaluated.

The Company undertakes to periodically communicate the implementation of the principles contained in this Guideline and the engagement activity carried out.

4.3.1 - Archiving

The Company's corporate functions responsible for engagement activity shall keep specific documentation showing the relevant activities carried out in accordance with this Guideline.

5 - Dissemination and updating

This Guideline is communicated to all personnel, including the evaluation of specific training sessions based on their areas of operation, roles and responsibilities, and is made available on the Company's website to all stakeholders, including the market, the financial community and institutions.

The heads of corporate functions are responsible for integrating the commitments defined by the Guideline into business decisions and operations.

This Guideline will be reviewed for updating at least once a year in the light of any evidence found and to monitor national and international trends in the exercise of voting rights and responsible investment.

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