



MEDIOBANCA

Report on staff remuneration policies For submission to shareholders in annual general meeting on 28 October 2013

Dear Shareholders,

We have called you together in general meeting:

- A) to report on the remuneration policies adopted for the twelve months ended 30 June 2013, and
- B) to submit Mediobanca's new remuneration policies, approved by the Board of Directors on 17 September 2013, to your approval.

During the year under review, the governing bodies of Mediobanca have continued to devote particular attention to the issue of remuneration, including in the light of the new documents published by the supervisory authorities on this subject. In particular, on 16 April 2013 the European Parliament approved the CRR/CRDIV directive and regulations, which are in the process of being transposed into the various national regulations, and are due to come into force as from 1 January 2014. The new regulations contain provisions introducing caps on the variable remuneration component of staff qualifying as "most relevant". Furthermore, in a memo issued on 14 March 2013, the Bank of Italy published the methods by which variable remuneration was to be managed for the financial year in course, in view of the difficult economic and financial environment, and in line with the principles of prudence and watchfulness established in previous years.

As required by the regulations in force, this report incorporates the disclosure requirements established by both the Bank of Italy and Consob.



Section 1

A) Staff remuneration policies for 2012/2013

a) Calculation of bonus pool and allocation using risk-adjusted metrics based on sustainable results over time

The variable component remuneration component to be assigned annually to Mediobanca staff who, on account of their responsibilities, role or level of remuneration, have or may have a significant impact on the Bank's risk profile, defined as "most relevant" in accordance with the Bank of Italy instructions,¹ constitutes the so-called "bonus pool". Its payment is conditional upon a series of conditions, or gates, which consist of the following indicators

- ◆ positive economic profit earned by the CIB division;²
- ◆ consolidated financial statements reflecting a profit;
- ◆ core tier 1 ratio above regulatory threshold;
- ◆ compliance with adequate liquidity coverage ratio level.³

The bonus pool is also calculated by taking into account:

- ◆ other quantitative aspects: results achieved compared to budget objectives, performance compared to historical precedents
- ◆ qualitative considerations: payment of a dividend, Mediobanca's positioning and market share, evaluation of stock market performance, cost/income and compensation/income ratio levels with a view to their sustainability over time, loyalty retention among top performers and key staff, as well as the need to add new professional talent.

The Chief Executive Officer allocates the aggregate bonus pool to the individual business areas based on a model which uses Economic Profit as its metric, while individual awards are made on the basis of personal quantitative and qualitative performances, with particular attention to reputational and compliance issues.

The performance of the CIB division (excluding items in respect of equity investments and leasing) in the twelve months ended 30 June 2013 shows:

- ◆ lower revenues, reflecting market volatility (net trading income down 35%), trends in market interest rates and demand for credit, and the parent company's prudent liquidity management policy (with net interest income down 22% for the year despite recovering in the fourth quarter)

¹ This year a total of 109 Mediobanca staff qualified as "most relevant", compared to 125 last year.

² Economic profit (EP) consists of the profit earned by the CIB division, not including the contribution from leasing operations or the equity investments attributable to the division (equity investments and AFS shares), adjusted for the cost of capital (regulatory) required to carry out such activity. The metric therefore measures the extra profit created after the return on capital, with the cost of capital being calculated on the basis of the medium-/long-term risk-free rate plus returns for general and specific risk. The EP metric was chosen in order to take into account, as required by the supervisory authorities, current and potential risks and sustainability of results over time.

³ Coincides with the liquidity coverage ratio, a short-term liquidity indicator calculated from the ratio between the amount of highly liquid securities (or "counterbalance capacity", largely consisting of core European government bonds) and the balance of net outflows in the next 30 days, and using certain stress assumptions for the demand items. This indicator is considered to be adequate if above 100%, that is, the amount of the counterbalance capacity has to exceed the expected net outflows. Alternatively another indicator could be used which is more representative of the Group's liquidity situation.



- ◆ labour costs down 5%, and administrative costs reducing
- ◆ loan loss provisions up 12% due to the deteriorating risk profile
- ◆ gains on securities totalling €48m (as against writedowns of €156m last year)
- ◆ a small reduction in gross operating profit (from €290m to €271m).

At the Group level the following results should be noted:

- ◆ a 12% reduction in revenues from core banking activities, reflecting the 37% reduction in net trading income plus the slowdown in investment banking, offset by the resilience of retail business
- ◆ disciplined cost management, with costs falling 4%, on the back of the 5% reduction in 2012
- ◆ loan loss provisions reflecting the deterioration in credit standing of businesses and households
- ◆ profit from ordinary activities down 40%
- ◆ still negative contribution from equity investments and other items (approx. €370m in total, consisting of writedowns, adjustments and losses incurred by the PI division), in line with the 2012 figure.

For the year ended 30 June 2013, the following conditions were met successfully:

- ◆ economic profit earned by the CIB division totalling approx. €137m, down 20% on the previous year
- ◆ core tier 1 ratio 11.7%, an improvement on the 11.5% reported in 2012
- ◆ liquidity ratio of 115%, net of the LTROs.

Conversely, the condition of the consolidated financial statements reflecting a profit was not met, basically due to the substantial writedowns and losses taken in respect of the securities portfolio, as a result of the decision, in line with the new three-year strategic plan approved on 21 June 2013, to reduce the Group's exposure to equity and to mark the portfolio holdings to market based on prices in force at 30 June 2013.

Nonetheless, the Chief Executive Officer has decided that a bonus should be paid for retention purposes, electing to exercise the right provided for under the remunerations policies in force in the event of the conditions or gates not being met if this is due to extraordinary events, and provided the performance in terms of banking activities is positive. The same approach has been applied to the bonus forms deferred from previous years, as the events which have impacted on the Bank's ordinary operations are not attributable to the individual areas' results.

This decision is justified by the need to safeguard the Bank's professional resources, both in Italy and the various international branches, in view of the sustainability of future results and performances during the year which were creditable given the difficult operating conditions.

The Board of Directors, having received a favourable opinion from the Remunerations Committee, agreed in advance with the Chief Executive Officer's decision.

By contrast, no variable remuneration component was paid to the directors who are members of the Bank's senior management, the heads of the Principal Investing division and Risk Management unit, or to the head of company financial reporting, in line with the Bank of Italy guidance issued in its memo dated 14 March 2013.



The amount paid by way of retention bonus for part of the “most relevant staff” on the books of Mediobanca S.p.A. thus amounts to €28.7m, representing a reduction of 35% compared to last year, and of 68% versus 2011. The bonus corresponds to a payout ratio of 21% for the year (versus 26% in 2012 and 37% in 2011).

This amount includes the share paid in equity form (i.e. performance shares) equal to approx. €5.2m (some 17.5% of the bonus), which will be booked in part over the next three financial years based on the accounting standards currently in force. Accordingly, the Board of Directors has approved a resolution to award Group staff members a total of 1,050,801 performance shares (worth approximately €5.2m based on the average Mediobanca shares’ stock market price in the month prior to the award being made, namely €4.91 per share). Of the cash component (€23.5m), a total of €16.5m has been paid, with the remainder to be distributed over the coming years.

A total of 99 members of staff were the recipients of this variable component (as opposed to 119 beneficiaries last year), made up as follows: Mediobanca senior management (5 staff); risk-takers (i.e. 20 staff employed at the trading desks in the Financial Markets division); staff employed in the control units (12) and other staff (62) who, on account of the activities they perform and the seniority of their role, have an impact on the Bank’s risk profile (in terms of market, reputational and operational risk).

Management with strategic responsibilities other than the executive directors as at 30 June 2013 consisted of ten persons: the heads of the control units plus the principal staff and support areas, the head of financial reporting, and other staff in charge of important business areas considered strategic for the Bank’s functioning. Their remuneration package reflects the provisions of the Remuneration policies, based on the individual category of most relevant staff to which they belong.

b) Deferral of annual bonus over several years and malus conditions for deferred annual bonus

For the most important figures in the “most relevant staff” the share accounted for by the deferred bonus amounts to 60%, falling to 40% or 30% for the other categories impacting less substantially on the risks faced by the Bank, in accordance with the Remunerations policies in force. The time horizon for deferral is in all cases three years, with payments made annually pro rata.

The share paid in the form of equity instruments for staff with variable remuneration of over € 500,000 is 50%, for both the upfront component (i.e. paid in the same year as the award itself is made) and the deferred share; the balance is paid in cash.

Conditions of retention and conservation are applied to the equity component of the remuneration once the respective rights have vested, for an addition period of time (known as the holding period), for purposes of retention. The holding period has been set at two years for the upfront component and one year for the deferred component.

For the group of staff identified internally based on the criterion of proportionality⁴ (with deferred share equal to 30% if the amount of the variable remuneration exceeds €200,000), the payment is made entirely in cash.

⁴ Criterion identified by the supervisory authorities to graduate application of the regulation based on the complexity and type of company.



The 40 Mediobanca staff subject to deferral are divided as follows:

Senior managers, Italy and international	5	Equity/cash
Senior risk-takers	16	Equity/cash
Others	19	Cash
Total	40	

The staff remuneration policies also provide for the deferred bonus to be subject to further performance conditions which, in the years of the deferral period, could result in its being cancelled. In this way remuneration takes account into account the performance of the risks assumed by the Bank, the divisional results and individual behaviour, over time.

c) Assessment of individual quantitative/qualitative performance in awarding annual bonuses

The Chief Executive Officer has granted bonuses to individual beneficiaries based on assessment of their performances, exclusively with a view to retaining the best key staff. This includes qualitative criteria (development of product offering, professional conduct and reliability, quality in terms of customer relationships, technical and analytical skills in the field of finance, ability to control costs, importance placed on achieving operating efficiency, co-operation with other areas of the Bank), earnings results achieved, and the market positioning of the staff involved.

d) Involvement of control units in validation of remuneration process

The Group's Human Resources department has supported the governance activities and co-ordinated to the process of formulating the proposals and resolutions.

The Group Audit and Compliance units have issued reports on the controls carried out by them, which show that the remuneration and incentivization policy adopted by Mediobanca complies with the Bank of Italy's guidance. The Risk Management unit was involved in the activities which led to the remuneration awards being decided.



B) New staff remuneration policies

The new staff remuneration policies submitted to your approval are substantially in line with the policies previously adopted, pending introduction of the new provisions contained in the recent European regulations (CRD IV), which will be incorporated as soon as they have been definitively approved. In the meantime, certain improvements and clarifications have been made to the governance process for distributing variable remuneration components for retention purposes and to the criteria for identifying staff qualifying as “most relevant”.

a) Governance

The governance for the Mediobanca remuneration policy and decisions regarding the “most relevant staff” is structured across two levels:

- I. corporate
- II. organizational

I. Corporate governance

The corporate governance of the remuneration policies guarantees that the policies are based on clear and prudent guidelines which ensure the policies are consistent, avoiding situations of conflicts of interest arising, and transparent, through suitable reporting.

Under the current Articles of Association:

- ◆ shareholders in general meeting determine the fixed annual remuneration payable to members of the Board of Directors, upon their appointment for the entire duration of their term of office, to be divided among the individual Board members according to the decisions of the Board of Directors itself (Article 13).
- ◆ shareholders in general meeting also approve remunerations policies and share-based compensation schemes for directors and Group staff (Article 13).
- ◆ the Board of Directors determines the Chairman’s, the Chief Executive Officer’s and General Manager’s remuneration (Article 18).
- ◆ the Remunerations Committee has powers of consultation and enquiry to determine the remuneration of Directors vested with particular duties and the General Manager. The Remunerations Committee also gives its opinion on the staff remuneration and retention policies operated by the Group and presented by the Chief Executive Officer (Article 19).
- ◆ the Chief Executive Officer presents the proposed Group staff remuneration and retention policies to the governing bodies (Article 19), is responsible for staff management, and having sought the opinions of the General Manager, determines the bonus pool based on the criteria established by the Board of Directors (Article 25) and then distributes it.

II. Organizational governance

The process by which the Mediobanca remuneration policies are formulated, which involves the approval procedure described above, requires the involvement of various individuals and bodies. The Human resources department supports the governance activities, and is responsible for overseeing and managing the process by which proposals are formulated. The internal control units are also involved in this process.



The Risk Management unit is responsible for identifying potential events that could impact on the company's business, managing the risk within acceptable limits; it therefore helps in defining the metrics to be used to calculate the risk-adjusted company performance (i.e. economic profit or other indicators, plus other quantitative and qualitative aspects, if any) and in validating the results.

The Group Audit unit reports at least once a year on the controls it has carried out, including a statement to the effect that the staff remuneration and incentivization policy adopted by the Bank complies with the Instructions. It also carries out annual controls on the data and process, and brings any irregularities to the attention of the relevant bodies for the appropriate corrective action to be taken.

The Compliance unit too carries out an annual assessment of the remuneration policies' compliance with the reference regulatory framework with a view to containing any legal or reputational risks. The Compliance unit is involved in the processes of revising, adapting and managing the remuneration systems to ensure these are in line with the regulations in force at the time. The review carried out by the unit of the new remuneration policies showed that the policies are consistent with the regulatory instructions presently in force.

b) Remuneration structure for non-executive directors

The non-executive directors' remuneration is fixed by the shareholders in general meeting, and no provision is made for incentives linked to the Bank's performance. An insurance policy is available to cover such directors against civil liability.

c) Remuneration structure for directors who are members of the Group's senior management

The remuneration for directors who are members of the Group's senior management is fixed by the Board of Directors. Their remuneration structure comprises:

- 1) a fixed salary;
- 2) an annual variable component which accrues only upon the accrual of the aggregate bonus pool for the company as a whole, as established by the Remuneration policies approved by shareholders in general meeting. The amount of the individual bonus will depend on specific quantitative and qualitative performance indicators being reached which are assigned individually by the relevant bodies from year to year. If the individually assigned quantitative and qualitative targets are met, the amount of the bonus may reach a maximum of two times the annual fixed salary. Payment of the bonus is made according to the terms, conditions and methods set forth in the Remuneration policies: this currently involves deferral of 60% over a three-year time horizon, 50% cash 50% equity for both the upfront and deferred components, with a holding period for the equity part;
- 3) upon the approval of the three-year Group plan, the Board of Directors may choose to award an additional lump-sum extraordinary bonus, or long-term incentive, upon the objectives set forth in the plan itself being reached. The actual payment of the long-term incentive will take place in accordance with the terms, conditions and methods provided for in the Group's remuneration policies.

The Chairman receives only fixed remuneration. As permitted by the remuneration policies and in line with the sector regulations in force from time to time, the Board of Directors may, having consulted with the Remunerations Committee, and at its own discretion, choose to pay the Chairman a variable component as well.

The Group's executive directors also receive their emoluments as directors, but not those due in respect of participation in committees, and in the case of positions held on behalf of Mediobanca in subsidiaries or investee companies, any emoluments due are paid to Mediobanca as the persons concerned are Bank employees. An insurance policy is available to cover such directors against civil



liability, and they also benefit from participation in the complementary pension scheme operated for Mediobanca staff.

d) Identification of “most relevant staff”

The Bank of Italy regulations lay down the criteria (responsibility, role and level of compensation) and principles by which the “most relevant staff” are to be identified. Accordingly, based on these criteria and principles, and with particular attention to those profiles for which the annual variable component represents a significant proportion of their total remuneration (the application threshold), relevant staff have been identified and assigned to the following categories.

Group	Definition	No.
1) Executive Directors	Directors who are members of the Bank's management	5
2) Heads of principal business lines, geographical areas and other senior figures	Heads of Principal Investing and Mid Corporate divisions CEOs of main Group companies International branch managers	11
3) Heads of internal control units and most senior staff	Human Resources Compliance Risk Management Group Audit Head of company financial reporting	14
4) Risk-takers	Heads of trading, liquidity and trading origination desks and other senior staff in the Financial Markets division	20
5) Employees whose remuneration is equal to that of other risk-takers	Staff with variable remuneration of \geq €500,000 not included in previous categories	-
6) Other relevant staff identified discretionally by the company based on criterion of proportionality	Staff employed at trading, liquidity and trading origination desks with variable remuneration of €200,000 - €500,000 Managing Directors and Executive Director with indirect impact on reputational risk and relevant as a result of support provided to strategic businesses Staff with impact on operational risks (COO, CIO, Legal	63
Total at 30/6/13		113
at 30/6/12		129

As far as regards the remuneration package for management with strategic responsibilities other than the executive directors (the heads of the control units plus the principal staff and support areas, the head of financial reporting, and other staff in charge of important business areas considered strategic for the Bank's functioning), the composition of their remuneration package reflects the provisions of the Remuneration policies, based on the individual category of most relevant staff to which they belong.

e) Pay mix

The Mediobanca Group Remuneration policy is intended to attract and retain highly qualified and professional staff, in particular for key positions and roles, who are suited to the complexity and specialization of corporate and investment banking business, based on a rationale of prudent management and sustainability of costs and results over time. The increasingly international



dimension of the Bank's operations means that constant monitoring of the individual geographical areas is required to safeguard adequate professional standards, in a competitive market scenario. The structure of the Mediobanca staff remuneration is based on various components, with the objective of: balancing the fixed and variable components over time (pay mix), implementing a flexible approach to remuneration, and gearing compensation towards performance in view of the significance of role within the company without encouraging risky and/or short-term behaviour. Each year the staff compensation package's positioning is assessed compared to its reference market, including with the assistance of outside advisors.

The typical components of remuneration in Mediobanca are as follows:

- ◆ fixed salary: for the non-executive directors, this is established by the shareholders in general meeting. For the executive directors, the Group's strategic management and the remaining staff, the fixed salary is determined by their specialization, role carried out in the organization and related responsibilities. It reflects technical, professional and managerial capabilities. Mediobanca devotes continuous attention to the value of the fixed salaries it pays, which are monitored in relation to its competitors and adapted to changes in the market scenario from time to time, avoiding excessive reliance on annual bonuses but at the same time being careful not to make the overall remuneration package unduly inflexible.
- ◆ variable remuneration: the annual bonus, which the non-executive directors and the Chairman do not receive, functions as recognition and reward for targets set and results achieved, and is calculated based on indicators reflecting a risk-weighting system and correlation to results actually achieved over time. It is an important motivational factor. For some business figures, this may still form the majority of their annual pay, in line with market practice (Corporate and Investment Banking).

The variable component is paid: in part upfront during the relevant financial year, and in part in deferred form over a three-year period, subject to certain performance conditions being met; in terms of the instruments used, part of the variable remuneration is paid in cash form, part in equity. A further time period is applied to the equity component of the remuneration once the respective rights have vested, during which the instruments must be kept (known as the holding period), for purposes of retention. The remuneration cannot be paid in forms, instruments or other means with the intention of avoiding the regulatory instructions.

For a restricted number of young staff with high potential, who occupy key positions and are on a fast-track career plan, a long-term incentive is applied in the form of deferred cash (a bonus which accrues over three years and is paid in the following two years) in addition to the annual bonus.

The correlation between fixed and variable components, with the variable component pre-eminent in accordance with sector practice in corporate and investment banking, is balanced in Mediobanca by the presence of a cap on the latter to be assigned to the business units. Furthermore, for some staff employed in certain business segments, where there is a closer correlation to results, a cap in absolute terms has been provided for, as approved by the Board of Directors based on the Remunerations Committee's opinion.

Mediobanca constantly monitors trends in variable remuneration on the reference market, and, with a view to retaining its own competitiveness, especially on the international market adopts an approach that allows it to pay the variable component up to its maximum amount, as permitted by the supranational and local regulations in force at the time and compliance with the approval and governance procedures required, in an attempt to reconcile the objective of not rendering the fixed cost structure unduly rigid and at the same time incentivizing virtuous behaviour patterns in achieving business objectives and increasing value, thus avoiding undue propensity to risk.

- ◆ Benefits: in line with the market, the Mediobanca staff compensation package is completed by a series of fringe benefits which constitute an integral part thereof. These chiefly consist of



pension, insurance and healthcare schemes. The benefit schemes are sometimes distinguished by families of professionals, but do not make provision for individual discretionary systems. The Bank's supplementary pension scheme was established in December 1998 for all staff, with contribution rates distinguished by category and length of time employed by the company. Company cars are provided only for the most senior figures.

f) Correlation between remuneration, risks and performance

The correlation between remuneration, risks and performance is achieved by a system which:

- 1) benchmarks the variable remuneration to risk-adjusted performance indicators over several years; variable remuneration is determined on the basis of indicators recorded at Group, Wholesale Banking division (WB) ⁵ and business unit level;
- 2) ensures that the award of variable compensation is subject to the conditions of capital solidity, liquidity and risk-adjusted profitability being met continuously;
- 3) makes payment of the deferred bonus subject to maintaining: the conditions of capital solidity, liquidity and risk-adjusted profitability at Group and possibly also business area level; adequate levels of individual performance; and appropriate individual behaviour (compliance breaches);
- 4) reflects a discretionary assessment of individual results (see point h. below).

In particular:

- 1) The bonus pool pays the variable component to be awarded annually to those staff, in Italy and elsewhere, who because of the size of their compensation, management of business activities, assumption of specific risks and/or organizational role, have or may have a significant impact on the Bank's risk profile - that is, those who qualify as the "most relevant staff". Distribution of the bonus pool only takes place provided a series of conditions, or gates, are met, i.e. if the following indicators are respected
 - ◆ positive economic profit earned by the WB division;
 - ◆ consolidated financial statements reflecting a profit;
 - ◆ core tier 1 ratio above regulatory threshold;
 - ◆ compliance with adequate liquidity coverage ratio level.

The Chief Executive Officer, having received a favourable opinion from the Remunerations Committee and with the Board of Directors' approval, may in any case choose to pay a variable component, solely for retention purposes, in respect of individual performances that are decisive for the sustainability of results over time, even in the event of the conditions or gates failing to be met if this is due to extraordinary events and if the Bank's performance in its banking activities is positive.

- 2) by applying:
 - a) the quantitative metric represented by the economic profit earned by the Wholesale Banking division, plus:
 - b) other quantitative aspects:
 - ◆ comparison with budget objectives;

⁵ According to the new Mediobanca Group organizational structure approved in June 2013.



- ◆ performance compared to historical precedents;
- c) qualitative considerations:
- ◆ Group profit in comparison with the previous year;
 - ◆ distribution of a dividend;
 - ◆ Mediobanca's positioning and market share;
 - ◆ appraisal of the Mediobanca share stock market performance, including relative to the market and the Bank's main competitors, Italian and international;
 - ◆ cost/income and compensation/income ratio levels, to take into account sustainability over time;
 - ◆ staff professionalism and reliability, with reference in particular to reputational and compliance issues;
 - ◆ securing loyalty of top performers and retaining key staff, plus the need to add new professional talents.
- 3) The Chief Executive Officer allocates the bonus pool to the individual business areas of the WB division based on the economic profit earned by each area as the reference metric and other secondary quantitative and qualitative metrics, with the provision of a cap. Individual awards are made on the basis of an overall assessment of personal performance in quantitative and qualitative terms.
- 4) The satisfaction of performance conditions, and provision of subsequent correction mechanisms (malus conditions), are intended to ensure that the deferred bonuses in equity and cash forms are paid in time only if the results achieved prove to be sustainable, if the company continues to be solid and liquidity, and the individual concerned continues to behave appropriately. Accordingly, the following conditions must be satisfied at the time when the deferred component is to be paid, and provided that the beneficiary is still in the Group's employ:
- ◆ positive economic profit earned by the WB division;
 - ◆ consolidated financial statements reflecting a profit;
 - ◆ core tier 1 ratio above regulatory threshold;
 - ◆ compliance with adequate liquidity coverage ratio level;
 - ◆ possible additional individual performance conditions;
 - ◆ proper conduct by the individual (i.e. not having been subject to disciplinary measures) in view, *inter alia*, of the provisions of the Group audit regulations, Code of ethics, Organizational model and the other internal Mediobanca regulations.⁶

The Board of Directors may also identify additional performance indicators upon the occasion of each individual award cycle. For any employees of Group companies who may be included in

⁶ In particular the relevant cases of application for compliance breaches are identified internally, via an assessment of the most relevant areas of the regulations with respect to the Bank's reputational risk and the gravity of the breach concerned, as well as the process for evaluating them correctly and correcting them if appropriate, which involves the control units and governing bodies.



the scheme, the Chief Executive Officer will identify one or more specific economic indicators to replace those set forth above.

The Chief Executive Officer, having received a favourable opinion from the Remunerations Committee and with the Board of Directors' approval, may in any case choose to distribute all or part of the deferred share for retention purposes, even in the event of the conditions or gates failing to be met if this is due to extraordinary events, provided that the Bank's performance in its banking activities is positive, and further provided that the risk-adjusted results of the individual business unit are also positive.

g) Structure of variable component

A significant part of the variable remuneration is deferred and distributed *inter alia* in the form of equity instruments, to ensure that the incentives are linked to the objective of value creation in the long term and ongoing, sustainable company results.

For the key figures among the "most relevant staff" (i.e. groups 1, 2 and 4 - in the latter two cases, if the variable component is above €500,000 - in the table shown under point d) above, the deferred component of the bonus amounts to 60%, and falls to 40% (group 5) or 30% for the other groups impacting less significantly on company risks. The time horizon for the deferral is three years for everyone, with annual payments made pro rata.

The share awarded in the form of equity instruments is equal to 50% of the variable remuneration, for both the upfront component (i.e. distributed in the year in which it is awarded) and the deferred component; the balance is paid in cash.

The equity component of the remuneration is subject, once the rights have vested, to restrictions in terms of retaining and continuing to hold the shares for retention purposes, for a further period of time (the holding period). This has been set at two years for the upfront component and one year for the deferred component. Hence the options actually vest for the final tranche of the component paid in equity in the fourth year after the award has been made.

For other relevant staff (group 6), and indeed for all those for whom the variable component exceeds the amount of €200,000, the distribution is made entirely in the form of cash, with a deferred share of 30%.

h) Assessment of individual quantitative and qualitative performance in the award of the annual bonus

Individual annual bonuses are awarded by the Chief Executive Officer via an annual performance assessment process which emphasizes professional merit and quality, with a view to retaining key staff members.

With a view to developing employees' professional capabilities, at the start of the year the professional, personal and company objectives for each Mediobanca staff member are assigned and discussed with each respective line manager. Such objectives, duly documented and supported using an electronic platform, are clearly weighted and established in terms of results or productivity, measurable where possible, and both achievable and challenging at the same time, and if possible with a definite timescale. Particular attention is paid to the adoption of proper individual conduct in the achievement of the above objectives, in accordance with the provisions of the Group Regulations, Code of Ethics and Organizational Model, and in general terms with the principles established by regulations, operational procedures and processes as formalized and approved by the relevant governing bodies and/or internal offices.

Based on the objectives thus defined, the line manager then holds a one-on-one meeting at the end of the financial year, making a formal assessment for the year for each staff member, with the possibility of an interim assessment if desired. Ongoing feedback throughout the year also allows the line manager and staff to agree on the expected performance, ensuring that each team member



has the right characteristics to ensure the objectives are met, with objective discussion of individual performances. In this way the organization is able to reach its objectives while respecting its corporate values, and ensures transparency in terms of training opportunities, professional development and assessment criteria. A formal process is also employed for promotions to higher positions within the Bank.

For the business units the assessment reflects:

- ◆ qualitative criteria: development of product offering, professional conduct and reliability, quality in terms of customer relationships, technical and analytical skills in the field of finance, ability to control costs, importance placed on achieving operating efficiency, and co-operation with other areas of the Bank, valuation criteria linked to reputational and compliance issues (in view, *inter alia*, of the provisions of the Group audit regulations, Code of ethics, Organizational model and the other internal Mediobanca regulations), and adherence to the Bank's values;
- ◆ earnings results achieved, e.g. reaching or not reaching budget targets and objectives in terms of improvement from the previous year, with reference to the risk/return and cost/income ratios, and to value generation in accordance with the risk-adjusted principles referred to above.

For all the other units, the main aspects of assessment are based on qualitative objectives and a broader appraisal regarding control of costs, efficient management of areas and compliance with regulations.

The following in particular are assessed:

a) for professionals employed in the accounting, planning and control areas:

- ◆ that the earnings and financial data are accurately represented in the Group's and the Bank's financial statements;
- ◆ that all obligatory, supervisory and market disclosure requirements are complied with;
- ◆ that all the accounting processes and related electronic procedures are managed efficiently and accurately;
- ◆ that company strategies are correctly aligned to the policies regarding their representation in the accounts, and compliance with tax and legal requirements;
- ◆ reliability of the budget and pre-closing data;

b) for professionals employed in the internal control units (Group Audit, Compliance and Risk Management):

- ◆ continuous monitoring and control of the Bank's processes and operations, carried out independently and autonomously to prevent risk situations developing and ensure irregular behaviour is picked up swiftly;
- ◆ continuous assessment of compliance with the regulations in the form of appropriate audit plans, updates to internal guidance, training of internal units, business and non-business;
- ◆ correct development of models, methodologies and metrics with which to measure market, credit and operating risks, producing adequate reporting for monitoring processes and accurate analysis of new products and their risk profiles.

Within the system of assessment described above, the management's discretionary evaluation remains a central part of the awards made to individuals.

i) Performance share scheme

In connection with the equity instruments to be used as components of staff remuneration, Mediobanca has adopted a performance share scheme, which was approved by shareholders at a general meeting held on 28 October 2010 and revised by the Board of Directors on 24 June 2011, in exercise of the powers granted to it, to bring it in line with the Instructions.

The scheme involves the award of shares to employees. The shares will be awarded at the end of a



three-year vesting period (save as provided below for the upfront component) provided that the beneficiary is still employed by the Group and further provided that certain conditions are met at the time of the award. The performance conditions are identified in the Remunerations policies in force at the time. The performance shares are allocated as a deferred equity component, subsequent to the performance conditions for the relevant year being met, are subject to a further holding period (the beneficiary continuing to be an employee of Mediobanca) of at least one year prior to their actual assignment. The performance shares allocated as an upfront equity component are subject to a two-year holding period prior to their actual assignment. The competent governing bodies award quantities of performance shares on a regular basis, generally once a year, from the upper limit approved by shareholders in the general meeting held on 28 October 2010 or alternatively from the treasury shares owned by the Bank. The maximum number of shares that may be awarded under the terms of this scheme is 20 million (a total of 10,635,705 are outstanding) pursuant to the resolution approved on 28 October 2010, plus up to 17,010,000 treasury shares owned by the Bank, provided that the use of the latter remains uncertain because the resolution adopted by shareholders in the general meeting held on 27 October 2007 in respect of them specified other possible uses as well (consideration to acquire investments, possible assignment to shareholders).

The Chief Executive Officer may also use this instrument to define remuneration packages upon the occasion of recruiting new key staff, including outside the annual award cycle.

j) Performance stock option scheme

At an extraordinary general meeting held on 27 June 2007, the shareholders of Mediobanca approved a capital increase involving the issue of 40,000,000 shares (to be awarded by June 2014), for use as part of a stock option scheme; at total of 23,734,000 are outstanding. At an ordinary general meeting held on 27 October 2007, in accordance with the provisions of the regulatory instructions, the shareholders of Mediobanca approved a resolution to adopt the scheme and its methods of implementation. At a Board meeting held on 24 June 2011, in exercise of the powers granted to them, the directors of Mediobanca revised the stock option scheme to bring it in line with the Instructions, making provision for performance conditions for exercise in addition to those of a purely temporal nature, thereby effectively transforming the scheme into a performance stock option scheme.

The essential characteristics of the scheme, which is for staff with roles key to the achievement of the Group's objectives, are: a vesting period of three years from the award date, subject to the performance conditions being met; an exercise period of up to the end of year 8 (three years' vesting plus five years' exercise); a holding period of at least 18 months for Mediobanca shares corresponding to at least half of the capital gain achieved, irrespective of tax profiles, for certain participants in the scheme who perform significant roles. Stock options awarded can be exercised based on the performance conditions for each of the three years of the vesting period being met. In each year the performance conditions must be met for one-third of the stock options awarded. Failure to meet the performance conditions in any one year will result in the relevant share being cancelled. The performance conditions are identified in the remuneration policies in force at the time.

k) Remuneration structure for staff employed in control and support capacities

The remuneration package for the Head of company financial reporting, the heads of the internal control units (Internal audit, Compliance and Risk management), the head of Human Resources and the most senior staff in the areas referred to above is structured so as to ensure that the majority of the compensation is fixed, with a small variable component to be revised on a year-to-year basis in view of quality and efficiency criteria. The remuneration of the heads of these offices (with the fixed component comprised in a range from between 75% and 85% of their total compensation if a variable component is paid), which may be reviewed annually, is approved by the Board of Directors subject to the Remunerations Committee's favourable opinion.



In general the remuneration of individuals employed in staff and support areas is determined based on positioning relative to the reference market (gradated according to the value of the staff, their role and the retention strategies in place). The variable component for such staff, which is normally of modest proportions, tends to increase on the basis of the quality of individual performance rather than in relation to the Group's earnings.

l) Remunerations policies at Group companies

Mediobanca has set the guidelines for the incentives mechanism of management at the various Group companies, leaving the specific decisions up to their respective Boards of Directors with the objective of attracting and motivating key staff. The incentivization system is and importance to the business, have an impact on their companies' performance and value creation. The beneficiaries are therefore senior and key management staff.

Beneficiaries, based on the proposal of the CEO of the company concerned and identified by the Chief Executive Officer of Mediobanca, having sought the opinion of the General Manager, are included in the incentive scheme subject to approval from the head of the Retail and Consumer Banking and Private Banking division and the head of Human Resources of Mediobanca. Each beneficiary is included in the incentives scheme with a defined individual annual bonus target and calculation method. The bonus is determined annually on an individual basis in view of the risk-adjusted earnings performance delivered by the company (the indicator used for the Group companies is the economic profit earned by the business area in which they operate). Other assessment criteria are also adopted linked to quality of performance, for example indicators of customer satisfaction, and to the achievement of individual qualitative and project-based objectives. In line with the provisions of the scheme operated by Mediobanca S.p.A., the incentivization schemes implemented at the other Group companies also devote special attention to the issue of correct evaluation of individual conduct (e.g. compliance with regulations and internal procedures, as well as transparency towards customers) through the adoption of compliance breaches.

There are also limits below which the bonus is paid fully in cash in the year in which it accrues. Above this limit forms of deferral are envisaged, on a three-year basis. Mediobanca S.p.A. reserves the right not to pay all or part of the deferred share in the event of losses related (such instances not to be construed restrictively) to wrongful provisions, contingent liabilities or other items which might prejudice the integrity of the accounts and the significance of the results achieved ("malus conditions").

m) Policies in the event of employment being terminated or otherwise ended

No special treatment is provided for directors in the event of their ceasing to work for Mediobanca.

For the executive directors and management with strategic responsibilities, in the event of their ceasing to work for the Bank for any reason, only the provisions of the law and the national collective contract apply.

n) Other information

Guaranteed bonuses: these may be considered for particularly important profiles but only at the recruitment stage and for the first year of their employment by the company, as per the regulations in force.

Staff are not allowed to use personal hedging or insurance strategies involving remuneration or other aspects which could alter or otherwise distort the fundamental alignment of the compensation mechanisms with the company's risk.



Section 2

Table 1: Compensation paid to members of the Bank’s governing and control bodies, general managers and other managerial staff with strategic responsibilities.

Name and surname	Post	Period for which post has been held	Term of office expires	Fixed compensation			Fees payable for participation in committees	Variable compensation (non-)		Non-cash benefits	Other forms of compensation	Total	Fair value of equity compensation
				Emoluments	Fixed salary*	Total		Bonus and other incentives	Interest in earnings				
Renato Pagliaro	Chairman of Board of Directors	01/07/2012	30/06/2013	30/06/2014	100.000	1.800.000	1.900.000			351.750		2.251.750	113.366
										of which complementary pension scheme 346.442			
	(I) Compensation in company preparing the accounts				100.000	1.800.000	1.900.000			351.750		2.251.750	113.366
	(II) Compensation from subsidiaries/associates at 30/06/2013						0				0		0
	(III) Total				100.000	1.800.000	1.900.000	0	0	0	351.750	2.251.750	113.366
Dieter Rampl	Deputy Chairman of Board of Directors	01/07/2012	30/06/2013	30/06/2014	135.000		135.000					135.000	
	(I) Compensation in company preparing the accounts				135.000	0	135.000	0				135.000	0
	(II) Compensation from subsidiaries/associates at 30/06/2013												
	(III) Total				135.000	0	135.000	0	0	0	0	135.000	0
Marco Tronchetti Provera	Deputy Chairman of Board of Directors	01/07/2012	30/06/2013	30/06/2014	135.000		135.000					135.000	
	(I) Compensation in company preparing the accounts (1)				135.000	0	135.000					135.000	0
	(II) Compensation from subsidiaries/associates at 30/06/2013						0					0	
	(III) Total				135.000		135.000	0	0	0	0	135.000	0
Alberto Nagel	Chief Executive Officer	01/07/2012	30/06/2013	30/06/2014	100.000	1.800.000	1.900.000			352.305		2.252.305	113.366
										of which complementary pension scheme 346.532			
	(I) Compensation in company preparing the accounts				100.000	1.800.000	1.900.000	0	0	0	352.305	2.252.305	113.366
	(II) Compensation from subsidiaries/associates at 30/06/2013						0				0	0	
	(III) Total				100.000	1.800.000	1.900.000	0	0	0	352.305	2.252.305	113.366
Francesco Saverio Vinci	General Manager	01/07/2012	30/06/2013	30/06/2014	100.000	1.500.000	1.600.000			294.178		1.894.178	80.976
										of which complementary pension scheme 288.093			
	(I) Compensation in company preparing the accounts				100.000	1.500.000	1.600.000	0	0	0	294.178	1.894.178	80.976
	(II) Compensation from subsidiaries/associates at 30/06/2013 (1) (2)				10.000		10.000	10.000				20.000	
	(III) Total				110.000	1.500.000	1.610.000	10.000	0	0	294.178	1.914.178	80.976



Name and surname	Post	Period for which post has been held		Term of office expires	Fixed compensation			Fees payable for participation in committees	Variable compensation (non-)		Non-cash benefits	Other forms of compensation	Total	Fair value of equity compensation
					Emoluments	Fixed salary*	Total		Bonus and other incentives	Interest in earnings				
Tarak Ben Ammar	Director	01/07/2012	30/06/2013	30/06/2014	100.000		100.000					100.000		
	(I) Compensation in company preparing the accounts				100.000	0	100.000					100.000	0	
	(II) Compensation from subsidiaries/associates at 30/06/2013													
	(III) Total				100.000	0	100.000	0	0	0	0	100.000	0	
Gilberto Benetton	Director	01/07/2012	30/06/2013	30/06/2014	100.000		100.000					100.000		
	(I) Compensation in company preparing the accounts				100.000	0	100.000	0		0		100.000		
	(II) Compensation from subsidiaries/associates at 30/06/2013						0					0		
	(III) Total				100.000	0	100.000	0	0	0	0	100.000	0	
Pier Silvio Berlusconi	Director	01/07/2012	30/06/2013	30/06/2014	100.000		100.000					100.000		
	(I) Compensation in company preparing the accounts				100.000	0	100.000	0		0		100.000		
	(II) Compensation from subsidiaries/associates at 30/06/2013													
	(III) Total				100.000	0	100.000	0	0	0	0	100.000	0	
Roberto Bertazzoni	Director	01/07/2012	30/06/2013	30/06/2014	100.000		100.000					100.000		
	Member of Internal Control and Risks and Related Parties Committees	01/07/2012	30/06/2013	30/06/2014	75.000		75.000					75.000		
	Member of Remunerations Committee	01/07/2012	30/06/2013	30/06/2014	20.000		20.000					20.000		
	Member of Appointments Committee (3)	01/07/2012	30/06/2013	30/06/2014	20.000		20.000					20.000		
	(I) Compensation in company preparing the accounts				215.000	0	215.000					215.000	0	
	(II) Compensation from subsidiaries/associates at 30/06/2013						0					0		
	(III) Total				215.000	0	215.000	0	0	0	0	215.000	0	
Angelo Casò	Director	01/07/2012	30/06/2013	30/06/2014	100.000		100.000					100.000		
	Chairman of Internal Control and Risks and Related Parties Committees	01/07/2012	30/06/2013	30/06/2014	75.000		75.000					75.000		
	Member of Executive Committee	01/07/2012	30/06/2013	30/06/2014	60.000		60.000					60.000		
	Chairman of Remunerations Committee	01/07/2012	30/06/2013	30/06/2014	20.000		20.000					20.000		
	Member of Appointments Committee	01/07/2012	30/06/2013	30/06/2014	20.000		20.000					20.000		
	(I) Compensation in company preparing the accounts				275.000	0	275.000					275.000	0	
	(II) Compensation from subsidiaries/associates at 30/06/2013													
	(III) Total				275.000	0	275.000	0	0	0	0	275.000	0	



Name and surname	Post	Period for which post has been held	Term of office expires	Fixed compensation			Fees payable for participation in committees	Variable compensation (non-)		Non-cash benefits	Other forms of compensation	Total	Fair value of equity compensation	
				Emoluments	Fixed salary*	Total		Bonus and other incentives	Interest in earnings					
Maurizio Cereda	Director	01/07/2012	30/06/2013	30/06/2014	100.000	1.179.750	1.279.750			194.119		1.473.869		
										of which complementary pension scheme				
										188.457				
	(I) Compensation in company preparing the accounts				100.000	1.179.750	1.279.750	0	0	0	194.119	0	1.473.869	0
(II) Compensation from subsidiaries/associates at 30/06/2013														
(III) Total					100.000	1.179.750	1.279.750	0	0	0	194.119	0	1.473.869	0
Christian Collin	Director	01/07/2012	30/06/2013	30/06/2014	100.000		100.000					100.000		
	(I) Compensation in company preparing the accounts (1)				100.000	0	100.000	0	0	0	0	100.000	0	
	(II) Compensation from subsidiaries/associates at 30/06/2013													
	(III) Total				100.000	0	100.000	0	0	0	0	100.000	0	
Alessandro Decio	Director	01/07/2012	30/06/2013	30/06/2014	100.000		100.000					100.000		
	(I) Compensation in company preparing the accounts (1)				100.000	0	100.000	0	0	0	0	100.000	0	
	(II) Compensation from subsidiaries/associates at 30/06/2013													
	(III) Total				100.000	0	100.000	0	0	0	0	100.000	0	
Massimo Di Carlo	Director	01/07/2012	30/06/2013	30/06/2014	100.000	1.260.000	1.360.000			208.842		1.568.842		
										of which complementary pension scheme				
										203.289				
	(I) Compensation in company preparing the accounts				100.000	1.260.000	1.360.000				208.842	0	1.568.842	0
(II) Compensation from subsidiaries/associates at 30/06/2013														
(III) Total				100.000	1.260.000	1.360.000	0	0	0	208.842	0	1.568.842	0	
Bruno Ermolli	Director	01/07/2012	30/06/2013	30/06/2014	100.000		100.000					100.000		
	(I) Compensation in company preparing the accounts				100.000	0	100.000	0	0	0	0	100.000	0	
	(II) Compensation from subsidiaries/associates at 30/06/2013													
	(III) Total				100.000	0	100.000	0	0	0	0	100.000	0	
Anne Marie Idrac	Director	01/07/2012	30/06/2013	30/06/2014	100.000		100.000					100.000		
	Member of Remunerations Committee	01/07/2012	30/06/2013	30/06/2014	20.000		20.000					20.000		
	Member of Appointments Committee (3)	01/07/2012	30/06/2013	30/06/2014	20.000		20.000					20.000		
	(I) Compensation in company preparing the accounts				140.000	0	140.000					140.000	0	
	(II) Compensation from subsidiaries/associates at 30/06/2013													
(III) Total				140.000	0	140.000	0	0	0	0	140.000	0		



Name and surname	Post	Period for which post has been held	Term of office expires	Fixed compensation			Fees payable for participation in committees	Variable compensation (non-)		Non-cash benefits	Other forms of compensation	Total	Fair value of equity compensation
				Emoluments	Fixed salary*	Total		Bonus and other incentives	Interest in earnings				
Vanessa Labérenne	Director	01/07/2012	30/06/2013	30/06/2014	100.000		100.000					100.000	
	Member of Executive Committee	01/07/2012	30/06/2013	30/06/2014	60.000		60.000					60.000	
	Member of Remunerations Committee	01/07/2012	30/06/2013	30/06/2014	20.000		20.000					20.000	
	Member of Internal Control and Risks and Related Parties Committees	01/07/2012	30/06/2013	30/06/2014	75.000		75.000					75.000	
	(I) Compensation in company preparing the accounts				255.000	0	255.000					255.000	0
(II) Compensation from subsidiaries/associates at 30/06/2013													
(III) Total				255.000	0	255.000	0	0	0	0	0	255.000	0
Elisabetta Magistretti	Director	01/07/2012	30/06/2013	30/06/2014	100.000		100.000					100.000	
	Member of Internal Control and Risks and Related Parties Committees	01/07/2012	30/06/2013	30/06/2014	75.000		75.000					75.000	
	Member of Appointments Committee	01/07/2012	30/06/2013	30/06/2014	20.000		20.000					20.000	
	(I) Compensation in company preparing the accounts				195.000	0	195.000					195.000	0
(II) Compensation from subsidiaries/associates at 30/06/2013						0					0		
(III) Total				195.000	0	195.000	0	0	0	0	0	195.000	0
Alberto Pecci	Director	27/10/2012	30/06/2013	30/06/2014	67.397		67.397					67.397	
	(I) Compensation in company preparing the accounts				67.397	0	67.397	0			0	67.397	0
	(II) Compensation from subsidiaries/associates at 30/06/2013						0				0	0	
(III) Total				67.397	0	67.397	0	0	0	0	0	67.397	0
Carlo Pesenti	Director	01/07/2012	30/06/2013	30/06/2014	100.000		100.000					100.000	
	Member of Remunerations Committee	01/07/2012	30/06/2013	30/06/2014	20.000		20.000					20.000	
	(I) Compensation in company preparing the accounts (1)				120.000	0	120.000					120.000	0
	(II) Compensation from subsidiaries/associates at 30/06/2013 (4)				15.000		15.000	15.000				30.000	
(III) Total				135.000	0	135.000	15.000	0	0	0	0	150.000	0
Fabio Roversi Monaco	Director	01/07/2012	16/04/2013	—	79.452		79.452					79.452	
	(I) Compensation in company preparing the accounts				79.452	0	79.452	0			0	79.452	
	(II) Compensation from subsidiaries/associates at 30/06/2013										0	0	
(III) Total				79.452	0	79.452	0	0	0	0	0	79.452	0
Eric Strutz	Director	01/07/2012	30/06/2013	30/06/2014	100.000		100.000					100.000	
	Member of Executive Committee	01/07/2012	30/06/2013	30/06/2014	60.000		60.000					60.000	
	(I) Compensation in company preparing the accounts				160.000	0	160.000					160.000	0
	(II) Compensation from subsidiaries/associates at 30/06/2013												
(III) Total				160.000	0	160.000	0	0	0	0	0	160.000	0



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Name and surname	Post	Period for which post has been held	Term of office expires	Fixed compensation			Fees payable for participation in committees	Variable compensation (non-)		Non-cash benefits	Other forms of compensation	Total	Fair value of equity compensation
				Emoluments	Fixed salary*	Total		Bonus and other incentives	Interest in earnings				
Management with strategic responsibilities (10 staff)					4.021.333	4.021.333		1.541.000		557.708		6.120.041	1.326.116
										of which complementary pension scheme 507.344			
	(I) Compensation in company preparing the accounts				4.021.333	4.021.333		1.541.000		557.708		6.120.041	1.326.116
	(II) Compensation from subsidiaries/associates at 30/06/2013 (1) (5)			212.000		212.000	37.027		170			249.198	
	(III) Total			212.000	4.021.333	4.233.333	37.027	1.541.000	170	557.708	0	6.369.239	1.326.116
Natale Freddi	Chairman of Statutory Audit Committee	01/07/2012	30/06/2013	30/06/2014	120.000							120.000	
	(I) Compensation in company preparing the accounts				120.000	0	120.000	0		0		120.000	0
	(II) Compensation from subsidiaries/associates at 30/06/2013					0	0					0	
	(III) Total				120.000	0	120.000	0	0	0	0	120.000	0
Maurizia Angelo Comneno	Member of Statutory Audit Committee	01/07/2012	30/06/2013	30/06/2014	90.000							90.000	
	(I) Compensation in company preparing the accounts				90.000	0	90.000	0		0		90.000	0
	(II) Compensation from subsidiaries/associates at 30/06/2013					0	0					0	
	(III) Total				90.000	0	90.000	0	0	0	0	90.000	0
Gabriele Villa	Member of Statutory Audit Committee	01/07/2012	30/06/2013	30/06/2014	90.000							90.000	
	(I) Compensation in company preparing the accounts				90.000	0	90.000	0		0		90.000	0
	(II) Compensation from subsidiaries/associates at 30/06/2013					0	0					0	
	(III) Total				90.000	0	90.000	0	0	0	0	90.000	0

1) Fees are paid directly to the company of origin

2) Fees due in respect of position held in Banca Esperia

3) Independent director added to the Appointments Committee as required by Articles of Association for certain resolutions only

4) Fees due in respect of position held in RCS MediaGroup

5) Fees due in respect of position held in Assicurazioni Generali



Table 2: Stock options granted to members of the governing bodies, general managers and managerial staff with strategic responsibilities

		Options held at start of financial year				Options awarded during the year						Options exercised during the year			Options expired during the year	Options held at year-end	Options attributable to the year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2)+(5)-(11)-(14)	(16)
Name and surname	Post held	Scheme	No. of options	Exercise price	Possible exercise period (from-to)	No. of options	Exercise price	Possible exercise period (from-to)	Fair value at award date	Award date	Market price of shares underlying award	No. of options	Exercise price	Market price of underlying shares at exercise date	No. of options	No. of options	Fair value
R. Pagliaro	Chairman																
Compensation in company preparing the accounts		30/7/01	300.000	€14,25	From 29 June 2009 to 28 June 2014										300.000	-	
		28/10/04	275.000	€10,31	From 1 July 2011 to 30 June 2016										275.000	-	
		27/10/07	350.000	€6,54	From 2 August 2013 to 1 August 2018										350.000	113.366	
A. Nagel	CEO																
Compensation in company preparing the accounts		30/7/01	300.000	€14,25	From 29 June 2009 to 28 June 2014										300.000	-	
		28/10/04	275.000	€10,31	From 1 July 2011 to 30 June 2016										275.000	-	
		27/10/07	350.000	€6,54	From 2 August 2013 to 1 August 2018										350.000	113.366	



A	B	(1)	Options held at start of financial year			Options awarded during the year						Options exercised during the year			Options expired during the year	Options held at year-end	Options attributable to the year
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2)+(5)-(11)-(14)	(16)
Name and surname	Post held	Scheme	No. of options	Exercise price	Possible exercise period (from-to)	No. of options	Exercise price	Possible exercise period (from-to)	Fair value at award date	Award date	Market price of shares underlying award	No. of options	Exercise price	Market price of underlying shares at exercise date	No. of options	No. of options	Fair value
F. S. Vinci	General Manager																
Compensation in company preparing the accounts		30/7/01	300.000	€14,25	From 29 June 2009 to 28 June 2014											300.000	-
		28/10/04	275.000	€0,31	From 1 July 2011 to 30 June 2016											275.000	-
		27/10/07	250.000	€6,54	From 2 August 2013 to 1 August 2016											250.000	80.976
M. Cereda	Director																
(I) Compensation in company preparing the accounts		30/7/01	300.000	€14,25	From 29 June 2009 to 28 June 2014											300.000	-
		28/10/04	275.000	€0,31	From 1 July 2011 to 30 June 2016											275.000	-
M. Di Carlo	Director																
Compensation in company preparing the accounts		30/7/01	300.000	€14,25	From 29 June 2009 to 28 June 2014											300.000	-
		28/10/04	275.000	€0,31	From 1 July 2011 to 30 June 2016											275.000	-



A	B	(1)	Options held at start of financial year			Options awarded during the year						Options exercised during the year			Options expired during the year	Options held at year-end	Options attributable to the year
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2)+(5)-(11)-(14)	(16)
Name and surname	Post held	Scheme	No. of options	Exercise price	Possible exercise period (from-to)	No. of options	Exercise price	Possible exercise period (from-to)	Fair value at award date	Award date	Market price of shares underlying award	No. of options	Exercise price	Market price of underlying shares at exercise date	No. of options	No. of options	Fair value
Managerial staff with strategic responsibilities																	
Compensation in company preparing the accounts		30/7/01	1340.000	€4,25	From 29 June 2009 to 28 June 2014											1340.000	-
		28/10/04	1015.000	€0,31	From 1 July 2011 to 30 June 2016											1015.000	-
		27/10/07	1660.000	€6,54	From 2 August 2013 to 1 August 2018											1660.000	537.691
		27/10/07	200.000	€6,43	From 1 August 2014 to 31 July 2019											200.000	63.942
(III) Total			8.040.000												8.040.000	909.341	



Table 3A: Incentivization schemes based on financial instruments other than stock options in favour of members of the governing bodies, general managers and managerial staff with strategic responsibilities

A	B	(1)	Financial instruments awarded in previous years which have not vested during the course of the year		Financial instruments awarded during the year						Financial instruments vested during the year not allocated	Financial instruments vested during the year and allocated	(11)	Financial instruments attributable to the year
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(12)		
Name and surname	Post	Scheme	No. and type of instruments	Vesting period	No. and type of instruments	Fair value at award date	Vesting period	Award date	Market price at award	No. and type	No. and type	Value upon vesting	Fair value	
Managerial staff with strategic responsibilities														
Compensation in company preparing the accounts		28/10/10	240.304 performance shares	Nov. 2013 – Nov. 2015								-	-	48.916
		28/10/10	-	-	335.075 performance shares	1.111.497	Nov. 2014 – Nov. 2016	27/9/12	4,189			-	-	305.567
Total			240.304		335.075									724.483



Table 3B: Cash incentivization schemes based on financial instruments other than stock options in favour of members of the governing bodies, general managers and managerial staff with strategic responsibilities

Name and surname	Position	Scheme	Bonus for the year			Previous years' bonuses			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/paid	Deferred	Deferral period	No longer payable	Payable/paid	Still deferred	
Managerial staff with strategic responsibilities		FY 2012/2013	780.000	375.000	Nov.2014-Nov.2016				16.000
		FY 2011/2012						852.000	
		FY 2010/2011					130.000	130.000	
		FY 2009/2010					615.000		
Total compensation in company preparing the accounts			780.000	375.000			745.000	982.000	16.000



Investments held by members of the governing and control bodies and by general managers

Name and surname	Post	Investee company	No. of shares held at end of previous year	No. of shares acquired	No. of shares sold	No. of shares owned at end of present years
RENATO PAGLIARO	Chairman	MEDIOBANCA	2.730.000	==	==	2.730.000
ALBERTO NAGEL	CEO	MEDIOBANCA	2.626.050	==	==	2.626.050
FRANCESCO SAVERIO VINCI	General Manager	MEDIOBANCA	945.000	==	==	945.000
GILBERTO BENETTON*	Director	MEDIOBANCA	562.800	==	==	562.800
ROBERTO BERTAZZONI	Director	MEDIOBANCA	1.050.000	==	==	1.050.000
MAURIZIO CEREDA	Director	MEDIOBANCA	619.500	==	==	619.500
MASSIMO DI CARLO	Director	MEDIOBANCA	556.500	==	==	556.500
ALBERTO PECCI*	Director	MEDIOBANCA	4.757.500	==	==	4.757.500
FABIO ALBERTO ROVERSI MONACO	Director	MEDIOBANCA	172.000	25.000	50.000	147.000

NB - for directors appointed or whose positions ended in the course of the year, the initial/final holding refer to the dates of appointment or resignation/disposal accordingly.

* Investment owned through subsidiaries.

Investments held by other managerial staff with strategic responsibilities

No. of managerial staff with strategic responsibilities	Investee company	No. of shares owned at end of previous year	No. of shares acquired	No. of shares sold	No. of shares owned at end of present year
10	MEDIOBANCA	283.082	==	==	263.132

N.B. : Figures at start and end of period vary according to changes in composition of aggregate of managerial staff with strategic responsibilities.



Aggregate quantitative information by division as required by Bank of Italy instructions

Mediobanca area of activity	Fixed salary	Variable	Cash upfront	Equity upfront	Deferred cash	Deferred equity
1) Financial markets	16.117	23.844	14.325	1.866	4.854	2.799
2) Advisory	12.728	8.396	6.875	200	1.021	300
3) Lending and Structured Finance	4.640	2.830	2.671		159	
4) Staff, support and control functions	22.411	5.831	5.831			
	55.896	40.901	29.702	2.066	6.034	3.099

Gross amounts in €'000

Does not include directors with executive responsibilities as members of the Group's senior management.

Aggregate quantitative information by the various categories of "most relevant staff" as required by the Bank of Italy instructions

Group	No.	(gross amounts)					
		Fixed salary	Variable	Cash upfront	Equity upfront	Deferred cash	Deferred equity
1) Executive directors (Group managers)	5	7.530	-	-	-	-	-
2) Heads of principal business lines, geographical areas and other senior figures	11	4.566	6.926	2.151	1.100	2.025	1.650
3) Heads of internal control units and most senior staff	14	2.686	611	611	-	-	-
4) Risk-takers	20	3.375	8.835	3.886	966	2.534	1.449
5) Employees whose remuneration is equal to that of other risk-takers	-	-	-	-	-	-	-
6) Other relevant staff identified discretely by the company based on criterion of proportionality	63	10.535	9.655	8.090	-	1.565	-
	113	28.692	26.027	14.738	2.066	6.124	3.099

Gross amounts in €'000

For 2013, Group 2 includes the remuneration paid to the CEOs of Compass and CheBanca! and the heads of MB Securities USA and MB Turkey, non-Mediobanca staff, not included in the Mediobanca bonus pool for the variable component.



Group	No.	Deferred from previous years and paid during the year
1) Executive directors (Group managers)	-	-
2) Heads of principal business lines, geographical areas and other senior figures	4	2.701
3) Heads of internal control units and most senior staff	-	-
4) Risk-takers	15	4.431
5) Employees whose remuneration is equal to that of other risk-takers	-	-
6) Other relevant staff identified discretely by the company based on criterion of proportionality	23	1.648
	42	8.780

Gross amounts in €'000, paid entirely in cash.

Group	No.	Treatment at start of relationship	No.	Treatment at end of relationship ¹
1) Executive directors (Group managers)	-	-	-	-
2) Heads of principal business lines, geographical areas and other senior figures	-	-	2	1.263
3) Heads of internal control units and most senior staff	-	-	1	59
4) Risk-takers	-	-	-	-
5) Employees whose remuneration is equal to that of other risk-takers	-	-	-	-
6) Other relevant staff identified discretely by the company based on criterion of proportionality	2	41	9	2.874
	2	41	12	4.196

Gross amounts in €'000.

¹ Includes amounts required by the Italian Civil Code and the provisions of law. The highest amount paid to an individual person was €1,253,216.



MEDIOBANCA

Dear Shareholders,

We invite you to adopt the following resolution:

“At an ordinary general meeting, having heard the Board of Directors’ proposal, the shareholders of Mediobanca,

HEREBY RESOLVE

- ◆ to approve the staff remuneration policies for the 2012/2013 financial year, as illustrated in the Board of Directors’ report;
- ◆ to approve the new staff remuneration policies as illustrated in the Board of Directors’ report;
- ◆ to confer on the Board of Directors and the Chief Executive Officer on its behalf, the broadest powers to execute all deeds and perform all measures and formalities necessary in order to implement this resolution.”

Milan, 17 September 2013

The Board of Directors