



Staff remuneration policies

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 2012, and
- B) to submit Mediobanca's new remuneration policies, approved by the Board of Directors on 20 September 2012, 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. The Bank of Italy in particular, in updating its circular no. 263 (issued on 27 December 2006) in December 2011, established that information on remuneration should be made public as part of the disclosure required under the Basel III pillar III regulatory provisions. Furthermore, in a memo issued on 2 March 2012, the Bank of Italy also reminded banking groups to pay special attention to the costs associated with variable remuneration and to ensure performance is measured correctly, ensuring that due account is taken of liquidity and capitalization objectives.

With respect to issues of transparency and disclosure, under resolution no. 18049 issued on 23 December 2011, Consob established the methods by which the report on remuneration is to be disclosed to the public, which, in the case of banks, adds to the provisions established by the sector regulations.

Given the above, this report incorporates the disclosure requirements established by both the Bank of Italy and Consob.



Section 1

A) Staff remuneration policies for FY 2011/2012

a) Remuneration of non-executive directors

The Board of Directors, at the Remuneration Committee's proposal, has adopted a resolution to reduce their remuneration for 2012-2014 by some 30% compared to the previous three-year period.

Group		Compensation 2012-2014 (€)	Total (€)
Directors	22	100.000	2.200.000
Deputy Chairman	2	35.000	70.000
Executive Committee	3	60.000	180.000
Remunerations Committee	4	20.000	80.000
Appointments Committee	4	20.000	80.000
Internal Control and Related Parties Committees	4	75.000	300.000
Total			2.910.000

b) Executive directors' remuneration

The remuneration paid to those of the directors who are also members of the Group's senior management has also been revised during the year by the Board of Directors (in agreement with and at the proposal of the interested parties), subject to approval by the Remunerations Committee, to bring the package into line with the Bank of Italy's guidance and the Group remuneration policy approved on 28 October 2011.

In particular, as from this year their fixed annual salary has been reduced from the amounts previously stipulated in their contracts and set at the following rates:

Executive Director	Gross annual salary (€)
Renato Pagliaro - Chairman	1.800.000
Alberto Nagel - Chief Executive Officer	1.800.000
Francesco Saverio Vinci - General Manager	1.500.000
Massimo Di Carlo	1.260.000
Maurizio Cereda	1.170.000

The methods used to measure their individual bonuses have also been revised, so that payment of bonuses will depend on specific, individual quantitative and qualitative performance objectives assigned from year to year starting from 2012/2013 being reached. Payment of bonuses will take place in accordance with the terms, conditions and methods set forth in the Group's remuneration policies in force from time to time. The Chairman's remuneration package does not include any variable component. Certain contractual clauses relative to termination of employment have also been revised, so that such cases are now governed exclusively by the provisions of the law and the national collective contract, without any separate arrangements being in place.

For the financial year ended 30 June 2012, as for the previous year, the Group's executive directors did not receive any variable compensation.



c) Criteria for calculation of bonus pool and allocation using risk-adjusted metrics based on sustainable results over time

The bonus pool serves to pay the variable component to be assigned annually to those of Mediobanca's staff who, on account of their responsibilities, role or level of remuneration, are closely associated with the Bank's earnings performance. Such staff are defined as "most relevant", in accordance with the definitions provided in the Bank of Italy regulations. Save where certain pre-existing contractual obligations still apply, the bonus pool is paid only upon a series of conditions, or gates, being met, which consist of the following indicators:

- ◆ positive economic profit earned by the CIB division;¹
- ◆ consolidated financial statements reflecting a profit;
- ◆ core tier 1 ratio above regulatory threshold;
- ◆ compliance with adequate liquidity coverage ratio level²

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 performance of the CIB division (excluding items in respect of equity investments and leasing) in the twelve months ended 30 June 2012 shows:

- ◆ revenues flat, including as a result of the contribution from trading
- ◆ administrative costs flat, with labour costs declining
- ◆ a good performance in normalized profit before tax, which was up 9%
- ◆ loan loss provisions up 5% net of the non-recurring writebacks seen last year; while the gross result was down on account of the writedowns charged to the securities portfolio
- ◆ cost/income and compensation/income ratios down compared to last year.

¹ 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.

² 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.



At the Group level the following results should be noted:

- ◆ flat revenues, reflective resilience in net interest and fee income as well as the contribution from trading, which as a result of the recovery posted in the final quarter, offset the reduced contribution from the equity investments (in particular Assicurazioni Generali)
- ◆ significant impact of adjustments to securities, which almost doubled due to the poor performance of financial markets
- ◆ costs were down 9.5%, with labour costs down 5% in particular
- ◆ higher loan loss provisions, reflecting the deterioration in the risk profile of corporates and households
- ◆ profit from ordinary activities up 3.6%.

As for the other conditions precedent to distribution of the bonus pool, at 30 June 2012:

- ◆ the core tier 1 ratio was equal to 11.5%
- ◆ the liquidity ratio was equal to approx. 144%, net of the LTROs, compared with the regulatory minimum of 100%.

Given that all the conditions precedent to distribution of the bonus pool had been met, applying all the criteria provided and taking into account the Remunerations Committee's and the Board of Directors' recommendations, the Chief Executive Officer decided to award a bonus pool amounting to €44m for Mediobanca, down 50% on last year, with a payout ratio equal to approx. 26% of the economic profit (compared with 37% last year). This amount includes the share paid in equity (performance shares) totalling around €12m (approx. 30% of the bonus pool) to be booked in part over the next three financial years, in accordance with the international accounting standards. In addition, of the cash component (€32m), only around €20m was actually paid, with the remainder deferred to subsequent years.

There were a total of 119 recipients of the bonus pool (compared with 133 last year): in addition to the six senior Mediobanca executives, these include risk-takers with variable remuneration of above €500,000 (nine staff members employed on the trading desks of the Financial markets division), staff belonging to control units (14), other staff with variable remuneration of above €500,000 (3), and other staff (87) who, on account of the type of activity carried out and the seniority of their role, have a significant impact on the Bank's risk profile (market, reputational and operational risk).

Management with strategic responsibilities other than the executive directors as at 30 June 2012 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.



d) 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 approved on 28 October 2011. 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 proportionality³ (with deferred share equal to 30% if the amount of the variable remuneration exceeds €200,000), the payment is made entirely in cash.

The 53 Mediobanca staff subject to deferral are divided as follows:

Senior figures, Italy and international	6	Equity/cash
Senior risk-takers	9	Equity/cash
Senior bankers (non-risk-takers)	3	Equity/cash
Others	35	Cash
Total	53	

From the bonus pool described in the previous section, the Board of Directors therefore approved the award of 3,104,678 performance shares to Group staff, worth a total value of approx. €12m based on the average stock market price of Mediobanca shares in the month prior to the award, i.e. €3.73 per share. Furthermore, pursuant to contractual clauses entered into for recruitment purposes, a total of 2,756,816 million new performance shares were awarded, in this case with a holding period of either two or three years.

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. Deferred bonuses, in cash or equity, are thus conditional upon the staff member concerned still being in the Bank’s employ at the time of their distribution, but also to the following performance conditions being met in the year of distribution:

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

³ Criterion identified by the supervisory authorities to graduate application of the regulation based on the complexity and type of company.



- ◆ 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.

Certain contracts entered into with staff employed at the Bank's international offices have also been revised during the year, bringing them into line with the provisions of the Remuneration policies currently in force.

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

The Chief Executive Officer and the senior managers have granted bonuses to individual beneficiaries based on assessment of their performances, 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, and co-operation with other areas of the Bank), and also earnings results achieved.

f) **Involvement of control units in validation of remuneration process**

The Internal 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 also took part in the Remunerations Committee meetings at which the amount of the remuneration assigned was established.



B) New staff remuneration policies

The new remuneration policies submitted to your approval are fully aligned with the new regulations. The main differences compared to the previous versions, which have been introduced to ensure that the Mediobanca Group's policy corresponds more closely to the Bank of Italy's guidance, involve: the structure of the remuneration package for the executive directors (which was amended in any case during the course of last year), the possibility of paying staff a variable component for retention purposes, the valuation models used to assess the performances of the various business units, and the so-called compliance breach.

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 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 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 Internal audit 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.

No variable remuneration is provided for the Chairman.

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	Mediobanca identification	No. positions
1) Executive directors	Directors who are members of Group senior management	5
2) Heads of principal business lines, geographical areas and other senior figures	<ul style="list-style-type: none"> ◆ Heads of Principal Investing and Mid Corporate divisions ◆ CEOs/GMs of leading Group companies ◆ International branch managers 	11
3) Heads of internal control units and most senior staff	<ul style="list-style-type: none"> ◆ Human resources ◆ Compliance ◆ Risk management ◆ Group audit ◆ Head of company financial reporting 	14
4) Risk-takers	Risk desks (market and liquidity risks) with variable remuneration ?	9
5) Staff with remuneration equal to other risk-takers	Staff with variable remuneration ? €500,000 not included in previous categories	3
6) Other relevant staff identified discretionally by the company based on “proportionality” criterion	<ul style="list-style-type: none"> ◆ Risk desks (market and liquidity risks) with variable remuneration between €200,000 and €500,000 ◆ Indirect impact on reputational risk ◆ Impact on operational risks ◆ Relevance and support to strategic businesses 	87
Total at 30/6/12		129
at 30/6/11		135

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, for the other staff 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 variable part to be assigned to the business units.

- ◆ **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 may be 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, CIB division and individual business area 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, are strongly linked to the Bank's results - that is, those who qualify as the "most relevant staff". Distribution of the bonus pool, apart from in cases of pre-existing contractual obligations in respect of certain individuals, 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 CIB 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 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) Variable remuneration (the bonus pool) is established annually by the Chief Executive Officer, by applying:
- a) the quantitative metric represented by the economic profit earned by the Corporate and investment banking division, plus:
 - b) other quantitative aspects:
 - ◆ comparison with budget objectives;
 - ◆ performance compared to historical precedents;
 - c) qualitative considerations:
 - ◆ Group profit in comparison with the previous year;
 - ◆ possibility of distributing 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;
 - ◆ developing product offering and new businesses;
 - ◆ cross-selling activity;



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- ◆ quality of relations with customers;
 - ◆ 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 CIB 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 liquid, 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 CIB 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.⁴

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

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 and 2 - if the variable component is above €500,000 - and 4 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.

⁴ 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 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.

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

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.

For the business units the following are considered:

- ◆ strictly 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 accounts areas:
 - ◆ that the earnings and financial results and information 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 (Internal 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 11,686,506 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 23,454,000 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), 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, identified by the Chief Executive Officer of Mediobanca, having sought the opinion of the General Manager at the proposal of the Chief Executive Officer of the company concerned, are included in the incentive scheme subject to approval from the management of the Retail and private banking 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

Caps on variable remuneration: for some staff in some business segments where there is a closer correlation to results, a cap has been provided as a precaution.

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. The remuneration cannot be paid in forms, instruments or other means with the intention of avoiding the regulatory instructions.



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	Total	Fair value of equity compensation
					Emoluments	Fixed salary *	Total		Bonus and other incentives	Interest in earnings			
Renato Pagliaro	Chairman, Board of Directors	01/07/2011	30/06/2012	30/06/2014	116.438	2.016.000	2.132.438				351.558	2.483.996	113.677
											of which complementary pension		
											346.410		
	(I) Compensation in company preparing the accounts				116.438	2.016.000	2.132.438					351.558	2.483.996
(II) Compensation from subsidiaries and associates (1) (2)					62.562		62.562	50.123				112.685	
	(III) Total				179.000	2.016.000	2.195.000	50.123	0	0	351.558	2.596.681	113.677
Dieter Rampf	Deputy Chairman, Board of Directors	01/07/2011	30/06/2012	30/06/2014	156.369		156.369					156.369	
	Member of Appointments Committee	01/07/2011	28/10/2011	—	8.219		8.219					8.219	
	(I) Compensation in company preparing the accounts				164.588	0	164.588	0				164.588	0
	(II) Compensation from subsidiaries and associates												
(III) Total				164.588	0	164.588	0	0	0	0	164.588	0	
Marco Tronchetti Provera	Deputy Chairman, Board of Directors	01/07/2011	30/06/2012	30/06/2014	156.369		156.369					156.369	
	Member of Appointments Committee	01/07/2011	28/10/2011	—	8.219		8.219					8.219	
	(I) Compensation in company preparing the accounts (1)				164.588	0	164.588					164.588	0
	(II) Compensation from subsidiaries and associates (3)				3.312.970		3.312.970		18.671.840		4.887	21.989.697	
(III) Total				3.477.558		3.477.558	0	18.671.840	0	4.887	22.154.285	0	
Alberto Nagel	Chief Executive Officer	01/07/2011	30/06/2012	30/06/2014	116.438	1.800.000	1.916.438				352.156	2.268.594	113.677
											of which complementary pension		
											346.508		
	(I) Compensation in company preparing the accounts				116.438	1.800.000	1.916.438	0	0	0	352.156	2.268.594	113.677
(II) Compensation from subsidiaries and associates (1) (4)				114.732		114.732	84.000		2.518		201.250		
(III) Total				231.170	1.800.000	2.031.170	84.000	0	2.518	352.156	2.469.844	113.677	
Francesco Saverio Vinci	General Manager	01/07/2011	30/06/2012	30/06/2014	116.438	1.500.000	1.616.438			2.518	294.424	1.913.380	81.198
											of which complementary pension		
											288.133		
	(I) Compensation in company preparing the accounts				116.438	1.500.000	1.616.438	0	0		294.424	1.910.862	81.198
(II) Compensation from subsidiaries and associates (1) (4)				116.740		116.740	67.233		2.518		186.491		
(III) Total				233.178	1.500.000	1.733.178	67.233	0	2.518	294.424	2.097.353	81.198	



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	Total	Fair value of equity compensation
				Emoluments	Fixed salary *	Total		Bonus and other incentives	Interest in earnings			
Jean Azema	Board Director	01/07/2011 28/10/2011	—	49.315		49.315					49.315	
	(I) Compensation in company preparing the accounts			49.315	0	49.315	0			0	49.315	
	(II) Compensation from subsidiaries and associates											
	(III) Total			49.315	0	49.315	0	0	0	0	49.315	0
Tarak Ben Ammar	Board Director	01/07/2011 30/06/2012	30/06/2014	116.438		116.438					116.438	
	Member of Remunerations Committee	01/07/2011 28/10/2011	—	8.219		8.219					8.219	
	Member of Internal Control and Related Parties Committees	01/07/2011 28/10/2011	—	24.658		24.658					24.658	
	(I) Compensation in company preparing the accounts			149.315	0	149.315					149.315	0
	(II) Compensation from subsidiaries and associates											
(III) Total			149.315	0	149.315	0	0	0	0	149.315	0	
Gilberto Benetton	Board Director	01/07/2011 30/06/2012	30/06/2014	116.438		116.438					116.438	
	(I) Compensation in company preparing the accounts			116.438	0	116.438	0			0	116.438	
	(II) Compensation from subsidiaries and associates (5)			50.000		50.000					50.000	
	(III) Total			166.438	0	166.438	0	0	0	0	166.438	0
Marina Berlusconi	Board Director	01/07/2011 26/04/2012	—	98.630		98.630					98.630	
	(I) Compensation in company preparing the accounts			98.630	0	98.630	0			0	98.630	
	(II) Compensation from subsidiaries and associates											
	(III) Total			98.630	0	98.630	0	0	0	0	98.630	0
Pier Silvio Berlusconi	Board Director	09/05/2012 30/06/2012	27/10/2012	14.520		14.520					14.520	
	(I) Compensation in company preparing the accounts			14.520	0	14.520	0			0	14.520	
	(II) Compensation from subsidiaries and associates											
	(III) Total			14.520	0	14.520	0	0	0	0	14.520	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	Total	Fair value of equity compensation
				Emoluments	Fixed salary *	Total		Bonus and other incentives	Interest in earnings			
Antoine Bernheim	Board Director	01/07/2011 28/10/2011	—	49.315		49.315					49.315	
	(I) Compensation in company preparing the accounts			49.315	0	49.315	0			0	49.315	
	(II) Compensation from subsidiaries and associates											
	(III) Total			49.315	0	49.315	0	0	0	0	49.315	0
Roberto Bertazzoni	Board Director	01/07/2011 30/06/2012	30/06/2014	116.438		116.438					116.438	
	Member of Internal Control and Related Parties Committees	01/07/2011 30/06/2012	30/06/2014	75.000		75.000					75.000	
	Member of Remunerations Committee	01/07/2011 30/06/2012	30/06/2014	21.644		21.644					21.644	
	Appointments Committee (6)	01/07/2011 30/06/2012	30/06/2014	21.644		21.644					21.644	
	(I) Compensation in company preparing the accounts			234.726	0	234.726					234.726	0
(II) Compensation from subsidiaries and associates (7)			12.565		12.565							
(III) Total			247.291	0	247.291	0	0	0	0	247.291	0	
Vincet Bolloré	Board Director	01/07/2011 24/04/2012	—	98.082		98.082					98.082	
	Member of Executive Committee	01/07/2011 24/04/2012	—	53.918		53.918					53.918	
	Member of Remunerations Committee	01/07/2011 24/04/2012	—	17.972		17.972					17.972	
	Appointments Committee	01/07/2011 28/10/2011	—	8.219		8.219					8.219	
	(I) Compensation in company preparing the accounts			178.191	0	178.191					178.191	0
(II) Compensation from subsidiaries and associates (8)			132.000		132.000	82.000		2.518		216.518		
(III) Total			310.191	0	310.191	82.000	0	2.518	0	394.709	0	
Angelo Caso	Board Director	01/07/2011 30/06/2012	30/06/2014	116.438		116.438					116.438	
	Chairman of Internal Control and Related Parties Committees	01/07/2011 30/06/2012	30/06/2014	75.000		75.000					75.000	
	Member of Executive Committee	01/07/2011 30/06/2012	30/06/2014	64.932		64.932					64.932	
	Chairman of Remunerations Committee	01/07/2011 30/06/2012	30/06/2014	21.644		21.644					21.644	
	Appointments Committee	28/10/2011 30/06/2012	30/06/2014	13.425		13.425					13.425	
	(I) Compensation in company preparing the accounts			291.439	0	291.439					291.439	0
(II) Compensation from subsidiaries and associates												
(III) Total			291.439	0	291.439	0	0	0	0	291.439	0	
Maurizio Cereda	Board Director	01/07/2011 30/06/2012	30/06/2014	116.438	1.482.000	1.598.438				193.949	1.792.387	
										of which complementary pension		
										188.432		
	(I) Compensation in company preparing the accounts			116.438	1.482.000	1.598.438	0			193.949	1.792.387	
(II) Compensation from subsidiaries and associates												
(III) Total			116.438	1.482.000	1.598.438	0	0	0	193.949	1.792.387	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	Total	Fair value of equity compensation
					Emoluments	Fixed salary *	Total		Bonus and other incentives	Interest in earnings			
Christian Collin	Board Director	27/06/2012	30/06/2012	27/10/2012	1.096		1.096					1.096	
	(I) Compensation in company preparing the accounts (1)				1.096	0	1.096	0			0	1.096	
	(II) Compensation from subsidiaries and associates												
	(III) Total				1.096	0	1.096	0	0	0	0	1.096	0
Alessandro Decio	Board Director	27/06/2012	30/06/2012	27/10/2012	1.096		1.096					1.096	
	(I) Compensation in company preparing the accounts (1)				1.096	0	1.096	0			0	1.096	
	(II) Compensation from subsidiaries and associates												
	(III) Total				1.096	0	1.096	0	0	0	0	1.096	0
Massimo Di Carlo	Board Director	01/07/2011	30/06/2012	30/06/2014	116.438	1.260.000	1.376.438				209.615	1.586.053	
	(I) Compensation in company preparing the accounts				116.438	1.260.000	1.376.438				203.398	1.586.053	
	(II) Compensation from subsidiaries and associates										of which complementary pension		
	(III) Total				116.438	1.260.000	1.376.438	0	0	0	209.615	1.586.053	0
Ennio Doris	Board Director	01/07/2011	23/04/2012	—	97.808		97.808					97.808	
	(I) Compensation in company preparing the accounts				97.808	0	97.808	0			0	97.808	
	(II) Compensation from subsidiaries and associates (9)				7.992		7.992					7.992	
	(III) Total				105.800	0	105.800	0	0	0	0	105.800	0
Bruno Ermolli	Board Director	27/06/2012	30/06/2012	27/10/2012	1.096		1.096					1.096	
	(I) Compensation in company preparing the accounts				1.096	0	1.096	0			0	1.096	
	(II) Compensation from subsidiaries and associates												
	(III) Total				1.096	0	1.096	0	0	0	0	1.096	0
Anne Marie Idrac	Board Director	28/10/2011	30/06/2012	30/06/2014	67.123		67.123					67.123	
	Member of Remunerations Committee	28/10/2011	30/06/2012	30/06/2014	13.425		13.425					13.425	
	Appointments Committee (6)	28/10/2011	30/06/2012	30/06/2014	13.425		13.425					13.425	
	(I) Compensation in company preparing the accounts				93.973	0	93.973					93.973	0
	(II) Compensation from subsidiaries and associates												
	(III) Total				93.973	0	93.973	0	0	0	0	93.973	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	Total	Fair value of equity compensation
					Emoluments	Fixed salary *	Total		Bonus and other incentives	Interest in earnings			
Vanessa Laberente	Board Director	09/05/2012	30/06/2012	27/10/2012	14.520		14.520					14.520	
	Member of Executive Committee	09/05/2012	30/06/2012	27/10/2012	8.712		8.712					8.712	
	Member of Remunerations Committee	09/05/2012	30/06/2012	27/10/2012	2.904		2.904					2.904	
	Member of Internal Control and Related Parties Committees	09/05/2012	30/06/2012	27/10/2012	10.890		10.890					10.890	
	(I) Compensation in company preparing the accounts (1)				37.026	0	37.026					37.026	0
	(II) Compensation from subsidiaries and associates												
	(III) Total				37.026	0	37.026	0	0	0	0	37.026	0
Pierre Lefevré	Board Director	28/10/2011	09/05/2012	—	53.151		53.151					53.151	
	Member of Internal Control and Related Parties Committees	28/10/2011	09/05/2012	—	39.863		39.863					39.863	
	(I) Compensation in company preparing the accounts				93.014	0	93.014					93.014	0
	(II) Compensation from subsidiaries and associates												
	(III) Total				93.014	0	93.014	0	0	0	0	93.014	0
Jonella Ligresti	Board Director	01/07/2011	14/06/2012	—	112.054		112.054					112.054	
	Member of Remunerations Committee	01/07/2011	28/10/2011	—	8.219		8.219					8.219	
	(I) Compensation in company preparing the accounts				120.273	0	120.273					120.273	0
	(II) Compensation from subsidiaries and associates (7)				12.565		12.565					12.565	
	(III) Total				132.838	0	132.838	0	0	0	0	132.838	0
Elisabetta Magistretti	Board Director	28/10/2011	30/06/2012	30/06/2014	67.123		67.123					67.123	
	Member of Internal Control and Related Parties Committees	28/10/2011	30/06/2012	30/06/2014	50.342		50.342					50.342	
	Member of Appointments Committee	28/10/2011	30/06/2012	30/06/2014	13.425		13.425					13.425	
	(I) Compensation in company preparing the accounts				130.890	0	130.890					130.890	0
	(II) Compensation from subsidiaries and associates (5)				50.000		50.000	30.000				80.000	
	(III) Total				180.890	0	180.890	30.000	0	0	0	210.890	0
Fabrizio Palenzona	Board Director	01/07/2011	26/04/2012	—	98.630		98.630					98.630	
	(I) Compensation in company preparing the accounts				98.630	0	98.630	0			0	98.630	
	(II) Compensation from subsidiaries and associates (10)				65.000		65.000			3.367		68.367	
	(III) Total				163.630	0	163.630	0	0	0	3.367	166.997	0
Marco Parlangeli	Board Director	01/07/2011	28/10/2011	—	49.315		49.315					49.315	
	(I) Compensation in company preparing the accounts				49.315	0	49.315	0			0	49.315	
	(II) Compensation from subsidiaries and associates						0					0	
	(III) Total				49.315	0	49.315	0	0	0	0	49.315	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	Total	Fair value of equity compensation	
				Emoluments	Fixed salary *	Total		Bonus and other incentives	Interest in earnings				
Carlo Pesenti	Board Director	01/07/2011 30/06/2012	30/06/2014	116.438		116.438					116.438		
	Member of Remunerations Committee	01/07/2011 30/06/2012	30/06/2014	21.644		21.644					21.644		
	(I) Compensation in company preparing the accounts (1)			138.082	0	138.082					138.082	0	
	(II) Compensation from subsidiaries and associates (7)			15.021		15.021	15.021				30.041		
	(III) Total			153.103	0	153.103	15.021	0	0	0	168.123	0	
Fabio Roversi Monaco	Board Director	28/10/2011 30/06/2012	30/06/2014	67.123		67.123					67.123		
	(I) Compensation in company preparing the accounts			67.123	0	67.123	0			0	67.123		
	(II) Compensation from subsidiaries and associates												
	(III) Total			67.123	0	67.123	0	0	0	0	67.123	0	
Eric Strutz	Board Director	01/07/2011 30/06/2012	30/06/2014	116.438		116.438					116.438		
	Member of Comitato Esecutivo	01/07/2011 30/06/2012	30/06/2014	64.932		64.932					64.932		
	(I) Compensation in company preparing the accounts			181.370	0	181.370					181.370	0	
	(II) Compensation from subsidiaries and associates												
	(III) Total			181.370	0	181.370	0	0	0	0	181.370	0	
Management with strategic responsibilities (10 staff)					3.951.114	3.951.114		2.447.000			607.275	7.005.389	1.017.753
										of which complementary pension	557.355		
	(I) Compensation in company preparing the accounts				3.951.114	3.951.114		2.447.000			607.275	7.005.389	1.017.753
	(II) Compensation from subsidiaries and associates (11)				40.151	40.151	21.575					61.726	
	(III) Total			40.151	3.951.114	3.991.265	21.575	2.447.000	0	0	607.275	7.067.115	1.017.753



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	Total	Fair value of equity compensation
				Emoluments	Fixed salary *	Total		Bonus and other incentives	Interest in earnings			
Marco Reboa	Chairman of Statutory Audit Committee	01/07/2011 28/10/2011		39.452		39.452					39.452	
	(I) Compensation in company preparing the accounts			39.452	0	39.452					39.452	0
	(II) Compensation from subsidiaries and associates											
	(III) Total			39.452	0	39.452	0	0	0	0	39.452	0
Natale Freddi	Chairman of Statutory Audit Committee	28/10/2011 30/06/2012	30/06/2014	80.548		80.548					80.548	
	(I) Compensation in company preparing the accounts			80.548	0	80.548		0		0	80.548	0
	(II) Compensation from subsidiaries and associates					0				0	0	
	(III) Total			80.548	0	80.548	0	0	0	0	80.548	0
Maurizia Angelo Comneno	Member of Statutory Audit Committee	01/07/2011 30/06/2012	30/06/2014	90.000		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 and associates					0				0	0	
	(III) Total			90.000	0	90.000	0	0	0	0	90.000	0
Gabriele Villa	Member of Statutory Audit Committee	01/07/2011 30/06/2012	30/06/2014	90.000		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 and associates					0				0	0	
	(III) Total			90.000	0	90.000	0	0	0	0	90.000	0

* Fixed salaries for Renato Pagliaro include one-off payment of €216,000 for thirty years' service and for Maurizio Cereda of €312,000 for twenty years' service.

1) Fees are paid directly to the company of origin.

2) Fees due in respect of position held in Pirelli & C. and RCS MediaGroup.

3) Fees relate to post held in the Pirelli group. Further details available in the report on remuneration prepared by Pirelli & C.

4) Fees due in respect of position held in Banca Esperia and Assicurazioni Generali.

5) Fees due in respect of position held in Pirelli & C.

6) Independent director who is added to the Appointments Committee as required by the Articles of Association for certain resolutions only.

7) Fees due in respect of position held in RCS MediaGroup.

8) Fees due in respect of position held in Assicurazioni Generali.

9) Fees due in respect of position held in Banca Esperia.

10) Fees due in respect of position held in Gemina.

11) Fees due in respect of position held in Gemina and Assicurazioni Generali.



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

Name and surname	Post	Scheme	No. of options	Strike price	Period of possible exercise (from - to)	No. of options	Strike price	Period of possible exercise (from - to)	Fair value at the award date	Award date	Market price of shares underlying options awarded	No. of options	Strike price	Market price of underlying shares at exercise date	No. of options	No. of options	Fair value
R. Pagliaro	Chairman	30 July 2001	300.000	€4,25	From 29 June 2009 to 28 June 2014										300.000	-	
Compensation in company preparing the accounts		28 October 2004	275.000	€0,31	From 1 July 2011 to 30 June 2016										275.000	-	
		27 October 2007	350.000	€5,54	From 2 August 2013 to 1 August 2018										350.000	113.677	
A. Nagel	CEO	30 July 2001	300.000	€4,25	From 29 June 2009 to 28 June 2014										300.000	-	
Compensation in company preparing the accounts		28 October 2004	275.000	€0,31	From 1 July 2011 to 30 June 2016										275.000	-	
		27 October 2007	350.000	€5,54	From 2 August 2013 to 1 August 2018										350.000	113.677	
F. S. Vinci	GM	30 July 2001	300.000	€4,25	From 29 June 2009 to 28 June 2014										300.000	-	
Compensation in company preparing the accounts		28 October 2004	275.000	€0,31	From 1 July 2011 to 30 June 2016										275.000	-	
		27 October 2007	250.000	€5,54	From 2 August 2013 to 1 August 2018										250.000	81.198	



Name and surname	Post	Scheme	No. of options	Strike price	Period of possible exercise (from - to)	No. of options	Strike price	Period of possible exercise (from - to)	Fair value at the award date	Award date	Market price of shares underlying options awarded	No. of options	Strike price	Market price of underlying shares at exercise date	No. of options	No. of options	Fair value
M. Cereda	Director																
(I) Compensation in company preparing the accounts		30 July 2001	300.000	€4,25	From 29 June 2009 to 28 June 2014										300.000	-	
		28 October 2004	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 July 2001	300.000	€4,25	From 29 June 2009 to 28 June 2014										300.000	-	
		28 October 2004	275.000	€0,31	From 1 July 2011 to 30 June 2016											275.000	-
Management with strategic responsibilities																	
Compensation in company preparing the accounts		30 July 2001	1.340.000	€4,25	From 29 June 2009 to 28 June 2014										1.340.000	-	
		28 October 2004	1.015.000	€0,31	From 1 July 2011 to 30 June 2016										1.015.000	-	
		27 October 2007	1.660.000	€6,54	From 2 August 2013 to 1 August 2018										1.660.000	539,54	
		27 October 2007					200.000	€6,43	From 1 August 2014 to 31 July 2019	192.000	1 agosto 2011	€6,249			200.000	58.535	
(III) Totale			7.840.000			200.000			192.000					8.040.000	906.241		



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 course of the year not assigned	Financial instruments vested during the course of the year assigned	(11)	Financial instruments assigned 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 financial instruments	Fair value at award date	Vesting period	Award date	Market price at award	No. and type	No. and type	Value at vesting date	Fair value	
Management with strategic responsibilities														
Compensation in company preparing the accounts		Scheme approved 28 October 2010	-	-	240,304 performance shares	1497.695	Nov. 2013 – Nov. 2015	27 July 2011	6,342			-	420.064	
Total						1.497.695							420.064	



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

Surname and name	Post	Scheme	Bonus for the year			Previous years' bonuses			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/paid	Deferred	Deferall period	No longer payable	Payable/paid	Still deferred	
Marco Tronchetti Provera	Deputy Chairman, Board of Directors	MBO 2011	4.530.000						
		LTI scheme 2009/2011	10.235.651				3.906.189		
Total compensation from subsidiaries and associates *			14.765.651				3.906.189	0	0
Managerial staff with strategic responsibilities		FY 2011/2012	1.296.000	852.000	2013-2015				136.000
		FY 2010/2011						260.000	
		FY 2009/2010					615.000	615.000	
		FY 2008/2009					400.000		
Total compensation in company preparing the accounts			1.296.000	852.000			1.015.000	875.000	136.000

* Fees relate to post held in the Pirelli group. Further details available in the report on remuneration prepared by Pirelli & C.



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

Surname and name	Post	Investee company	No. of shares held at end of previous year	No. of shares acquired	No. of shares sold	No. of shares held at end of present year
RENATO PAGLIARO	Chairman	MEDIOBANCA	2.730.000	==	==	2.730.000
ALBERTO NAGEL	Chief Executive Officer	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
MARINA BERLUSCONI	Director	MEDIOBANCA	40.000	==	==	40.000
ANTOINE BERNHEIM	Director	MEDIOBANCA	63.000	==	==	63.000
ROBERTO BERTAZZONI	Director	MEDIOBANCA	1.050.000	==	==	1.050.000
VINCENT BOLLORE'	Director	MEDIOBANCA	43.602.652	8.065.523	==	51.668.175
MAURIZIO CEREDA	Director	MEDIOBANCA	619.500	==	==	619.500
MASSIMO DI CARLO	Director	MEDIOBANCA	556.500	==	==	556.500
ENNIO DORIS	Director	MEDIOBANCA	1.818.886	==	==	1.818.886
MARCO PARLANGELI	Director	MEDIOBANCA	315	==	==	315
FABIO ALBERTO ROVERSI MONACO	Director	MEDIOBANCA	172.000	==	==	172.000

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

Investments held by other managerial staff with strategic responsibilities

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



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

Mediobanca area of activity	Fixed salary	Variable	Variable Cash	Variable Equity	Variable Upfront	Variable Deferred
1) Financial markets	34%	66%	74%	26%	64%	36%
2) Advisory	46%	54%	77%	23%	71%	29%
3) Lending and structured finance	57%	43%	100%	-	93%	7%
4) Staff and support	77%	23%	100%	-	100%	-



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

Gruppo	#	Fixed salary	Variable	Cash Upfront	Equity Upfront	Cash Deferred	Equity Deferred
1) Executive directors (Group managers)	5	7.530	-	-	-	-	-
2) Heads of principal business lines, geographical areas and other senior figures	11	4.316	13.270	3.282	2.403	3.981	3.604
3) Heads of internal control units and most senior staff	14	2.659	900	900	-	-	-
4) Risk-takers	11	1.776	8.510	1.702	1.702	2.553	2.553
5) Employees whose remuneration is equal to that of other risk-takers	3	820	3.000	900	900	600	600
6) Other relevant staff identified discretionally by the company based on “proportionality” criterion	85	11.849	15.623	12.532	-	3.091	-
	129	28.950	41.303	19.316	5.005	10.225	6.757

Gross amounts in €'000.

For 2012, Group 2 includes the remuneration paid to the CEOs/General Managers 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.

Gruppo	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	2	1.690
3) Heads of internal control units and most senior staff		-
4) Risk-takers	12	4.406
5) Employees whose remuneration is equal to that of other risk-takers	1	101
6) Other relevant staff identified discretionally by the company based on “proportionality” criterion	17	977
	32	7.174

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



Group	No.	Treatment at start of relationship	No.	Treatment at end of relationship
1) Executive directors (Group managers)		-		-
2) Heads of principal business lines, geographical areas and other senior figures		-		-
3) Heads of internal control units and most senior staff	1	25		-
4) Risk-takers		-	1	486
5) Employees whose remuneration is equal to that of other risk-takers	1	450		-
6) Other relevant staff identified discretionally by the company based on "proportionality" criterion		-	3	1.590
	2	475	4	2.076

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

1) Includes amounts required by the Italian Civil Code and the provisions of law. The highest amount paid to an individual person was €573,515.



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 2011/2012 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, 20 September 2012

The Board of Directors