



Report on remuneration for submission to shareholders in annual general meeting to be held on 28 October 2014

Dear Shareholders,

We have called you together in general meeting to:

- A) report on the remuneration policies adopted for the twelve months ended 30 June 2014; and
- B) to submit Mediobanca's new remuneration policies, approved by the Board of Directors on 17 September 2014, to your approval.

During the year under review, the governing bodies of Mediobanca have continued to devote particular attention to the issue of staff and remuneration policies, including in the light of the new documents published by the supervisory authorities on this subject. In particular:

- the European Capital Requirements Directive (CRD IV), which came into force on 1 January 2014, and is currently being phased into the regulatory frameworks of the individual European nations;
- Commission Delegated Regulation (EU) 481/2014, issued on 4 March 2014 (and published in the *Official Journal of the European Union* on 6 June 2014), which establishes the methods by which staff with a significant impact on an institution's risk profile are to be identified ("Identified Staff"), based on a combination of qualitative and quantitative criteria;
- the consultation document on remuneration circulated by the Bank of Italy in December 2013 but not yet issued, which will incorporate the provisions of CRD IV and replace the document currently in force which was issued on 30 March 2011.

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



Section 1

A) Staff remuneration policies for FY 2013/14

Introduction

The financial year ended 30 June 2014 is the first of the three years covered by the new strategic plan approved by the Mediobanca Group in June 2013, centred on growth, profitability and disciplined allocation of capital, via:

- gradual reduction of the Bank's exposure to equity, optimizing its capital allocation;
- well-balanced business model between cyclical/stable high/low-capital absorption, domestic/international, and proprietary/client-based activities;
- development of high fee-generating and low capital absorption activities;
- retaining close control of risks and asset quality.

Reaching these objectives is focused on expanding the client base to include segments not fully covered (mid-corporate and institutional investors), enhancing the Group's international dimension, and extending the product range to include more "customized" products for clients. In organizational terms these changes require investments in human resources and technology, and more efficient definition of Mediobanca's organizational structure.

From a governance perspective, during the twelve months under review, among other things the Risk Appetite Framework has been finalized, the measures required by the Bank of Italy's circular no. 263 in respect of prudential supervision implemented, and a new Business conduct and related risks policy adopted.

The decisions regarding staff remuneration have been taken in view of the above business and organizational scenario, which increasingly is requiring the contribution of high-quality professional skills.

Governance

The governing bodies and company units have governed the entire process of applying and revising the Remunerations policies.

In particular, as described in the Annual statement on corporate governance and ownership structure, the Remunerations committee has met on five occasions in the course of the year. The Committee is made up of five non-executive members, a majority of whom qualify as independent under the Code of conduct for listed companies operated by Borsa Italiana. The Statutory Audit Committee also participates in Committee meetings, as do the Chief Executive Officer and the General Manager, the Chief Risk Officer and the head of Human Resources on invitation.

The main items on the agenda in Committee meetings are: analysis of developments in the regulatory framework; formulation of proposals to the Board of Directors regarding the variable remuneration of those directors who are members of the Group's management (which includes deciding and assessing their scorecards), and that of other staff at the proposal of the Chief Executive Officer; monitoring the solutions adopted by competitors and analysing market compensation benchmarks; and reviewing the new Remunerations policies to be submitted to the approval of both the Board of Directors and shareholders gathered in general meeting.



The Group Human Resources department has supported the above governance activities, and coordinated the process of formulating the proposals and resolutions. The services of leading external consultants have also been used in the course of various activities, in particular market benchmark analysis and structuring new policies.

The Group Audit and Compliance units have issued reports stating that the Remunerations policies conform to the Bank of Italy regulations. The Risk Management, too, has been involved in the activities which have led to the determination of the variable remuneration awarded. The Accounting and Financial Reporting and Planning and Control units, finally, have provided the data for ascertaining that the gateways have been met and for determining the business areas' performances.

“Identified staff” and application of new scope of reference

The new criteria for identifying staff whose activities have a significant impact on banks' risk profiles (“Identified Staff”) were published the *Official Journal of the European Union* on 6 June 2014 with the proviso that they were to be applied immediately. This development in the regulatory framework thus meant that for the financial year ending 30 June 2014, using the powers delegated by the shareholders in general meeting, the scope of the Mediobanca staff to whom the more stringent remuneration criteria were to be applied had to be amended versus those contained in the Policies approved by the shareholders on 28 October 2013.

Based on the new criteria, the Group's identified staff consist of 62 employees (if non-executive directors are included in this definition, the number rises to 77) as at 30 June 2014, 58 of whom working for Mediobanca S.p.A. and therefore recipients of the Mediobanca bonus pool. The number includes the directors who are members of the Group's management (5 staff), the parent company's senior management and heads of relevant business units (10 staff), other staff with managerial responsibilities in relevant business units or with total remuneration in excess of €500,000 (25 staff). Alongside these 40 staff members employed in business activities, other identified staff include those employed in the control units and staff and support areas (18 staff). The Group had a total of 51 identified staff as at 30 June 2013.¹

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

The variable component remuneration component to be assigned to the “identified staff” referred to above constitutes the so-called “bonus pool”. Payment is conditional upon a series a conditions, or “gateways”, which consist of the following indicators approved by shareholders at the last general meeting:

- positive economic profit earned by the WB division;²
- consolidated financial statements reflecting a profit;
- core tier 1 ratio above regulatory threshold;

¹ The most relevant staff previously identified comprised 51 employees (cf. annual general meeting held on 28 October 2013), identified in accordance with the criteria set in the Bank of Italy regulations on 30 March 2011 and excluding other staff identified by Mediobanca on a discretionary bases under the “criterion of proporzionalità”. As at 30 June 2014 the Identified Staff represent 1.75% of the Group's total headcount and 9% of the headcount of Mediobanca S.p.A., compared with 1.4% and 7.7% one year earlier.

² Economic profit (EP) is a risk-adjusted indicator which measures the higher profit produced once the cost of the capital (regulatory) required to carry out the activity has been rewarded. The EP metric was chosen in order to take into account current and potential risks and sustainability of results over time.



- compliance with adequate liquidity coverage ratio level.

The variable component assigned to each staff member is decided on the basis also of other quantitative and qualitative aspects.

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 Group's performance in the twelve months ended 30 June 2014 reflects:

- a return to profit at Group level, despite some €730m in loan loss adjustments, due to good results posted by the Principal Investing division;
- weak banking operations, in WB in particular even though the 4H results showed an upturn in fee income and client activity;
- cost/income compensation/income ratios at 2012 levels.

The performance of the Wholesale Banking division in the twelve months ended 30 June 2014 reflects:

- a pre-tax loss, due chiefly to the reduction in net interest and treasury income (proprietary trading) as well as the higher loan loss provisions;
- 14% growth in net fee and commission income, due to a good performance in capital markets activity.

Investment banking, lending and proprietary trading activities reflected differing contributions to WB profitability:

- ◆ investment banking was up 25%, driven by fees generated from equity capital market/sales activities doubling and by increases of 40% in debt capital markets and 20% in capital market solutions;
- ◆ revenues generated by lending slowed marginally, by 3%, but the result as a whole was impacted by loan loss provisions doubling (from €120m to €245m);
- ◆ proprietary trading, having benefited from €150m gains last year, this year showed the impact of the negative market conditions.

For the financial year ended 30 June 2014, the following conditions were thus met:

- ◆ Group net profit;
- ◆ core tier 1 ratio 11.08% (calculated in accordance with the CRR/CRD IV prudential regulations);
- ◆ liquidity ratio 229%.³

Conversely, the condition of the WB division delivering an Economic Profit has not been met, despite the very strong contribution from the Investment Banking area.

³ Including the LTRO.



Accordingly, no variable remuneration has therefore been paid to the directors who are members of the Group's management⁴ or to the other ten staff who are members of the relevant business units' senior management.

The Board of Directors, subject to a positive opinion being expressed by the Remunerations committee, at the Chief Executive Officer's proposal, has nonetheless decided that a bonus should be paid to 22 bankers in the Investment Banking division qualifying as Identified Staff (equal to approx. 50% of the Identified Staff employed in business activities) 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. This decision reflects the advisability of safeguarding some of the Bank's professional resources, the sustainability of future results, and rewarding outstanding individual performances.

The same assessment was made for some staff employed in the control units and staff and support areas, considering the centrality of the role performed by them during the year under review, with reference in particular to the European Central Bank's Comprehensive Assessment process. Account has also been taken of the principle of keeping assessment of such staff's performance separate from business results delivered.

The Board of Directors has therefore established an overall bonus pool for retention purposes equal to €14m, compared to €17.6m in 2013 and €25.2m in 2012, a reduction of approx. 20% and 44% respectively.⁵

In addition to the retention bonus pool, i.e. not included in the above amount, three staff have also been paid a variable component on the basis of contractual agreements entered into upon recruitment, in connection with their first year of employment with Mediobanca.

The methods by which the variable remuneration will be distributed are as stated in the Remunerations policies. The overall amounts include the share paid in equity form (i.e. performance shares) equal to approx. €7m (some 50% 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 1,082,789 performance shares (with the value based on the average Mediobanca shares' stock market price in the month prior to the award being made, namely €6.78 per share).⁶ Of the cash component, a total of €4.5m has been paid, with the remainder to be distributed over the coming years.

At the Chief Executive Officer's proposal, the Board of Directors, subject to a positive opinion being expressed by the Remunerations committee, as established by the policies in force, has also approved payment of the deferred bonus components from previous financial years despite the presence of a negative "gateway", to staff employed in business units which delivered positive results, as the events which impacted on the Bank's ordinary banking operations were not attributable to them. For identified staff employed in areas which delivered negative results, the deferred component from previous years, payment of which is subject to malus conditions in respect of the financial year ended 30 June 2013, will not be paid, whereas it will be paid,

⁴ The performance objectives assigned for the financial year ended on 30 June 2014 chiefly referred: for the Chief Executive Officer, to risk-adjusted Group profitability indicators, Group revenues, reduction of the equity exposure in line with the three-year strategic plan approved, and improvement in the capital solidity ratios; for the General Manager, to risk-adjusted Group profitability indicators, profitability in the retail and consumer finance businesses, Economic Profit earned by the Financial Markets division, retail cost of funding, and monitoring of projects to improve Group processes. Final assessment showed that these objectives had been met partially and to different degrees, although the final result was affected by the failure to meet all the gateways.

⁵ The comparison has been made by comparing the retention bonus awarded to the scope of staff qualifying as "identified staff" as at 30 June 2014 under the new European regulations (58 staff employed by Mediobanca S.p.A.) with the scope of staff identified as "most relevant" in the employment of Mediobanca S.p.A. as at 30 June 2012 (38) and 2013 (51) under the provisions contained in the Bank of Italy instructions issued on 30 March 2011, and not including those identified by Mediobanca at its own discretion based on the "criterion of proportionality".

⁶ A further 634,113 performance shares were awarded in February 2014, under agreements entered into when staff were recruited, in accordance with the provisions of the strategic plan.



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selectively in part to identified staff employed in business units which delivered negative results due to extraordinary items which were the result of strategic decisions.

Management with strategic responsibilities other than the executive directors and referred to in the Consob resolution issued in 2011, consisted of eleven persons as at 30 June 2014: 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 identified staff to which they belong.



B) New staff remuneration policies

Introduction

As in the past, the new Remunerations policies:

- comply with the supranational and national regulations currently in force;
- allow areas of the Bank which create value to be awarded, using objective measurement and internal allocation criteria;
- enable the Group to attract and retain staff with the professional skills and capabilities required to meet its needs;
- are in line with the policies adopted by other national and international operators.

The main changes compared to the previous versions involve:

- i. with reference to performance assessment:
 - new definition of the gateways required for the bonus pool to be disbursed;
 - revised criteria for measuring and quantifying the bonus pool earmarked for the Mediobanca Wholesale Banking area, the individual divisions and business units, and the other units providing service and support activities;
 - fine-tuning of structure of area scorecards and of business unit performance measurement system;
- ii. with reference to definition of identified staff and methods of remuneration:
 - new scope of “identified staff” (already adopted last year);
 - institution of cap on variable remuneration set at two times the fixed remuneration allowed by the European regulations.

Governance

The governance process for the Group remuneration policy is structured across two levels: corporate and organizational.

a) Corporate governance

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).
- under Article 18, the Board of Directors determines the Chairman's, the Chief Executive Officer's and General Manager's remuneration.
- the Remunerations Committee (Article 19) is made up of between five and seven non-executive members, at least a majority of whom must qualify as independent under the definition provided in the Code of Conduct. The Remunerations Committee has powers of consultation and enquiry to determine the remuneration of directors vested with particular duties and the General Manager, and gives its opinion on the proposals made by the Chief Executive Officer regarding the guidelines for the remuneration system to be adopted for senior management and the Group's staff remuneration, retention and incentivization policies. The Committee also reviews, at regular intervals, the adequacy, overall coherence and application in practice of the remunerations policy for directors and management with strategic responsibilities, formulates proposals and/or opinions regarding the compensation of directors who are members of the Group's management, and checks whether the performance objectives have been reached. It proposes how to allocate the fixed compensation payable to the Board of Directors as a whole set by shareholders in general meeting, and expresses its opinion on the Remunerations policies to be submitted to the approval of the Board of Directors and of shareholders in general meeting. A quorum is established with a majority of Committee members in office in attendance, and resolutions are adopted with a majority of those in attendance voting in favour. The Committee Chairman reports to the Board of Directors on the Committee's activity and the proposals to be submitted to the Board's approval. Minutes of Committee meetings are kept in specific registers.
- the Chief Executive Officer presents the proposed Group staff remuneration and retention policies to the governing bodies (Article 19), is responsible for staff management (Article 25), and having sought the opinions of the General Manager, determines the bonus pool based on the criteria established by the Board of Directors and then distributes it.

b) Organizational governance

- Human Resources directs and guides the entire process, involving the governing bodies, control units and other teams responsible for verifying the Group's earnings and financial data.
- The Accounting and Financial Reporting and Planning and Control units provide the data for ascertaining that the gateways have been met and for determining the business areas' performances based on the results achieved.
- The Risk Management unit helps in defining the metrics to be used to calculate the risk-adjusted company performance, in validating the results, and in checking that these are consistent with the provisions of the Risk Appetite Framework.
- The Compliance unit 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. Along with the other control units, it is also responsible for checking whether or not any compliance breaches have been committed with relevance for purposes of assessing the performance and award of the variable remuneration component. 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 Group Audit unit makes a statement declaring 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.

All activities are documented to ensure that they may be fully tracked.

Identified staff

The criteria adopted to identify staff with a substantial impact on the Mediobanca Group’s risk profile are those published in the in the *Official Journal of the European Union* on 6 June 2014:

- qualitative, linked to the role covered within the company organization (including non-executive directors), relevant business units, control and staff units;
- quantitative, based on total overall remuneration received in the previous financial year.

Mediobanca regularly carries out analysis of its own organizational structure via a documented process. At 30 June 2014 the Groups “identified staff” (including non-executive directors) broke down as follows:

Cluster	Definition	EBA regulations	No.
1) Non-executive directors (non-executive members of BoD, including Chairman)		Article 3. 1	1 (+15)
2) Directors with executive duties (management who are members of Executive Committee)		Article 3. 2	4
3) Senior management and heads of relevant BUs (principle business lines, geographical areas and other senior business figures)		Article 3. 3 Article 3.6	13
4) Heads and senior staff of Internal control units (Compliance, Risk Management, Group Audit)		Article 3. 4 Article 3.5 Art. 3.7 Article 3.15	10
5) Staff with managerial responsibilities in relevant business units	<ul style="list-style-type: none"> ◆ Heads of trading desks, liquidity, trading origination and other senior staff employed in the Financial Markets division ◆ Staff with significant responsibility in the Lending and Structured Finance and Corporate Finance areas 	Article 3.8 Article 3.15	18
6) Heads and senior staff in Staff and support units (Head of company financial reporting, HR, Operations and IT, Legal)		Article 3. 9 Article 3.15	8
7) Quantitative criteria	Role with total compensation ≥ €500,000 in previous financial year not included in categories listed above	Article 4	8
		TOTAL	62 (77)
		% of total Mediobanca S.p.A. staff as at 30 June 2014	9.34%
		% of total Mediobanca Group staff as at 30 June 2014	1.75%

Management with strategic responsibilities as defined in the Consob resolution issued in 2011 other than directors (i.e. heads of control and the main staff and support units, Head of company financial reporting, and heads of the relevant business areas) are all included in the scope of identified staff.

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 its businesses, 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 coverage 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.

a) Remuneration structure for non-executive directors

The non-executive directors' emolument 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 also available to cover such directors against civil liability.

b) 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 regulated by agreements approved by the Board of Directors. Their remuneration structure comprises:

- 1) a fixed salary;
- 2) a variable annual component which only accrues if the gateways stipulated in the Remunerations policy are complied with (see below the section entitled "Determination of bonus pool and correlation between risks and performance"), commensurate with the quantitative and qualitative performance indicators contained in an individual scorecard approved annually by the Board of Directors at the Remunerations Committee's proposal being reached.

The scorecards contain performance objectives identified within each individual manager's sphere of responsibility (for example these may regard risk-adjusted profitability or revenues, Group-wide or for particular divisions, Economic Profit of individual areas for which responsible, other objectives consistent with the guidelines of the strategic plan with respect to capitalization, liquidity or new business initiatives) and weighted according to the relevance assigned to them by the Board of Directors and the actual margin of autonomy in terms of decision-making. If the objectives are met, this triggers the payment of a variable bonus between 50% or less of the gross annual salary on certain minimum objectives being reached (usually related to the budget objectives) up to a maximum of 200% in the event of outstanding performances (tendentially between 115% and 150% of the minimum value).

Of the variable component, 50% is paid in cash and 50% in equity, and 60% is deferred over a four-year time horizon. All the deferred items are subject to the performance and malus conditions stipulated in these Policies (see below the section entitled "Performance conditions, malus condition and clawback").

- 3) upon the approval of the three-year Group plan, the Board of Directors may choose to award an extraordinary bonus, or long-term incentive, conditional upon the objectives set forth in the plan itself being reached. Actual payment will take place in accordance with the terms, conditions and methods provided for the variable remuneration component referred to above.

The Chairman receives only a fixed salary. However, the Board of Directors may, having consulted with the Remunerations Committee, and at its own discretion, to be distributed in accordance with the regulations set forth in this policy.

The Group's executive directors also receive their emoluments as directors, but not those due in respect of participation in committees. In the case of positions held on behalf of Mediobanca in subsidiaries or investee companies, any emoluments 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 Group staff.



c) Compensation structure for staff employed in control units and staff and support areas

The remuneration package for the heads of the control units (Group Audit, Compliance, Risk Management), the Head of company financial reporting, the head of Human Resources and the most senior staff employed in such areas is based on a majority fixed component and a smaller variable component paid annually on the basis of qualitative and efficiency criteria. The remuneration of the above managerial staff, with the fixed component representing at least 75% of the total remuneration, is approved annually by the Board of Directors, subject to a favourable opinion being expressed by the Remunerations committee.

The remuneration of staff employed in the staff and support areas is normally determined on the basis of positioning vis-à-vis the reference market (which varies according to the value of the individual employee, their role and the retention strategies in place). For such staff the variable component, usually modest, is not related to the Group's earnings results but to the quality of the individual's performance.

d) Remuneration structure for other "identified staff"

- fixed salary: this reflects technical, professional and managerial capabilities, and the related responsibilities. 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 package unduly inflexible.
- variable remuneration (annual bonus): this functions as recognition and reward for targets set and results achieved, and is calculated based on risk-adjusted indicators. It constitutes an important motivational factor, and for some business figures may form the majority of their annual pay, in line with market practice (Corporate and Investment Banking), without prejudice to the upper limit and to the other conditions established by the regulations in force.

The variable component is paid in cash and equity instruments, in part upfront and in part in subsequent years, subject to performance conditions being met. Any shares awarded are subject, after the respective rights have vested, to an additional holding period for retention purposes. The section entitled "Variable component structure" describes the criteria and means of deferral in more detail.

For a restricted number of staff with high potential and generally low seniority, 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.

- Benefits: in line with the market, compensation package is completed by a series of fringe benefits which are evidence of the ongoing attention paid by Mediobanca to the personal needs and welfare of its own staff, even after retirement. The benefits chiefly consist of pension, insurance and healthcare schemes. The benefit schemes are sometimes distinguished by families of professionals and geographical areas, 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.

e) Other information on remuneration structure

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 the variable component of their remuneration or other aspects which could alter or otherwise distort the fundamental alignment of the compensation mechanisms with the company's risk.

Remuneration cannot be paid in forms, instruments or means that seek to avoid the regulatory provisions.

Cap on variable remuneration

In accordance with the national and supranational regulations, the upper limit on the variable remuneration component for all staff belonging to the Mediobanca Group⁷ has been set at twice the amount of their fixed remuneration (without prejudice to the provisions in place for staff employed in the control units).

The reasons behind this decision are primarily:

- a desire to maintain adequate operating flexibility, minimizing the economic and organizational risks linked to the possibility of undue rigidity at high levels of labour cost;
- adoption of a remuneration policy which incentivizes virtuous behaviour in achieving the business objectives and creating value;
- the presence of competitors in different sectors (non-banking financial institutions, asset managers, hedge funds etc.) or geographies (Far East, the Americas) with a less stringent regulatory framework which could jeopardize the retention of the Bank's most talented staff;
- a desire to reward merit, in following an approach which recognizes and distinguishes between individuals' and business units' contributions to the Bank's overall results.

The sustainability of this policy is guaranteed by the institution of a cap on the aggregate variable component that may be assigned to the various business areas (the "area bonus pool") even in the event of exceptional results, as well as the individual cap on variable remuneration.

Determination of bonus pool and correlation between risks and performance

Determination of the bonus pool and the correlation between risks and performance is achieved via a process which has the objective of rewarding staff based on the Bank's and the Group's risk-adjusted performances, with the restriction of maintaining adequate capital stability, liquidity profile and the Group's future risks. The Group's target risk profile in fact involves maintaining a solid capital base and strong liquidity position, preserving profitability over the long term in line with its own business profile, and safeguarding its reputational capital, with a view to business continuity and sustainable results over the long term. In particular:

- Distribution of the bonus pool (which constitutes the variable component earmarked for the remuneration of "identified staff") only takes place if the following indicators or "gateways" are complied with:

⁷ With the exception of staff not included in the definition of Identified Staff belonging to business areas governed by sector regulations which do not make provision for caps on variable remuneration in the absence of specific indications from the supervisory authorities.



- capital and liquidity adequacy ratios⁸ indicated by the risk metrics adopted in the Risk Appetite Framework⁹ approved by the Board of Directors, namely the main indicators considered in the ICAAP;
- an operating profit recorded at Group level.¹⁰

The Board of Directors, having received a favourable opinion from the Remunerations Committee, at the Chief Executive Officer's proposal, may in any case authorize payment of a variable component for retention purposes, even in the event of the gateways failing to be met. In particular, payment of the retention bonus pool is conditional upon the reasons why the individual gateways were not met and the relevance of the single indicator to the Group's capital solidity, liquidity and long-term results. Extension of the population involved and its amount are based on the following criteria: each individual beneficiary's contribution to the overall results of the division and Group, importance of the profile for the sustainability of future results, analysis of market benchmark and competitive scenario, need to guarantee continuity of operations, and consistency with succession planning.

- Under the process for determining the bonus pool, in preparing the budget the Board of Directors approves the cost of labour for the financial year to come, including the amount of variable remuneration and the bonus pool payable to identified staff, in view of Mediobanca's and the individual business units' estimated performance targets, the market scenario and historical pay trends. Once the final results have been closed, the bonus pool payable to Mediobanca's identified staff is calculated on the basis of the results actually delivered. The CEO establishes the bonus pool to be assigned on the basis of the Economic Profit earned by the individual business activities belonging to the Wholesale banking division¹¹ (the area to which most staff who have a substantial impact on Mediobanca's risk profile belong) based on quantitative parameters (satisfactory Group results in terms of risk/return, consistency with Risk Appetite Framework profiles other than those already included among the gateways, comparison of performances delivered versus annual budget objectives and the three-year business plan, comparison versus historical performances, and cost/income and compensation/income ratios) and qualitative parameters (market positioning and market share, proper conduct and reliability of staff members with reference in particular to reputational and compliance issues, retention of key staff, need for new professional talent). The bonus pool proposal formulated by the CEO is then shared with the governing bodies (see section above entitled "Governance").
- The bonus pool for the individual business activities is calculated on the basis of scorecards which generally use Economic Profit as the primary metric and other secondary quantitative and qualitative metrics with the institution of a cap. The scorecards are structured in such a way as to incentivize internal co-operation, in particular between heads of business unit. The bonus pool to be earmarked for identified staff in the control units and staff and support areas is determined on the basis of qualitative considerations, in order to limit the degree of correlation with the Bank's results, thus safeguarding the independence of their role (see section above entitled "Compensation structure for staff employed in control units and staff and support areas").

⁸ CET 1 ratio, leverage ratio, AFR/ECAP, Liquidity Coverage Ratio, Net Stable Funding Ratio, Retail funding ratio.

⁹ The Risk Appetite Framework was approved by the Board of Directors on 4 July 2014. It identifies the risks which the Bank is willing to assume, and for each risk defines the objectives and limits in both normal and stressed conditions, identifying the measures required in operational terms to bring the risk back within the target objective. The framework is based on assessment of the individual risk drivers to which the Bank is exposed, both macro-economic and specific. The RAF is subject to continuous fine-tuning and revision, as the metrics, analysis methodologies, regulatory developments and corporate processes with which it is integrated are refined.

¹⁰ Total income less operating costs and net loan loss provisions as per the restated accounts.

¹¹ Economic Profit (EP) is a risk-adjusted metric which measures the higher profit produced once the (regulatory) capital required to perform the activity concerned has been rewarded. EP has been chosen in order to take account of both current and potential risks and the sustainability of results over time.



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

Annual bonuses are awarded to the individual beneficiaries by the Chief Executive Officer and senior management, from the bonus pool determined as described above in the section entitled “Determination of bonus pool and correlation between risks and performance”, through a shared annual performance assessment process which emphasizes professional merit and quality, with particular attention paid to reputational issues (the bonus either cannot be paid or is reduced for any staff guilty of committing a compliance breach of either the internal or external regulations in the course of the year).

Mediobanca valorizes its staff on a meritocratic basis, developing their professional capabilities in accordance with the principle of equal opportunities and in line with its own strategic choices and organizational and productive requirements. Career development is facilitated through the provision of adequate training, practical work experience under the leadership of line managers, in some cases mobility across different positions, assessment of performance, and ultimately the career advancement and promotion process.

At the start of the year the professional, personal and company objectives for each staff member are assigned and discussed with the respective line manager. Such objectives are clearly weighted and established, and both achievable and challenging, and if possible with a definite timescale. Particular attention is paid to proper individual conduct in accordance with the provisions of the Code of ethics, Organizational model and Business conduct policy, and in general terms with the principles established by regulations, operational procedures and processes, with reference in particular to those considered to be most relevant in terms of reputational risk.

At the end of each year, the line managers make their assessment of the individual staff members based on the objectives set. 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 transparency is ensured with reference to training opportunities, professional development and assessment criteria.

For staff belonging to 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, 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 compliance with regulations, control of costs and efficient management of areas. In particular, for staff employed in the accounting, planning and control areas the following aspects are considered: all obligatory, supervisory and market disclosure requirements being complied with, all the accounting processes and related electronic procedures being managed efficiently and accurately, and compliance with tax requirements. For staff 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 operational risks,



producing adequate reporting for monitoring processes and accurate analysis of new products and their risk profiles.

In close correlation with the valuation process, staff may also be involved in a career advancement process involving covering new organizational roles, promotion to a new contractual level or being assigned a new corporate title based on the experience acquired and results achieved. Promotions are proposed by the head of the business unit concerned, agreed with Human Resources and approved by the General Manager and/or the Chief Executive Officer (for middle management). For higher levels (senior management or equivalent), the process involves specific appraisal of the candidate concerned, including by other senior Bank staff from a variety of different professional backgrounds, experiences and roles. The process is closely linked to that of succession planning which involves researching, identifying and managing individual candidates for senior positions (specifically executive directors, including in cases where such figures have to be replaced ahead of the scheduled expiry of their term of office, taking into account that under Mediobanca's current Articles of Association five directors must be chosen from among staff with at least three years' experience as senior management at companies forming part of the Mediobanca Banking Group), and identifying a pool of possible replacements with high potential (the "senior talent pool" for key positions, including the business areas, control units, and staff and support roles) in view also of likely future requirements in terms of strategic leadership and/or professional and managerial capabilities through a global organizational approach.

The Remunerations policies are therefore co-ordinated in close conjunction with the Succession planning and Staff management policies, both of which are approved by the Board of Directors.

Variable component structure: timescale for distribution and instruments

A substantial proportion of the variable component is deferred in time and distributed in the form of equity instruments, in order to link incentives to the objective of value creation in the long term and to ascertain the continuity of the company's results.

The variable component payable to directors with executive duties, to senior management (i.e. groups 2 and 3 of the table shown in the section entitled "Identified staff") and to staff employed in areas operating on financial markets, included in groups 5 and 7 of the same table, is deferred as to 60%. For the remaining identified staff the deferred share is 40%. The time horizon for deferral is three years, save for directors with executive duties for whom it is four years, with annual distributions made pro rata. Deferral applies to any amount of variable remuneration.

For line managers and senior staff in the control units and staff and support areas (groups 4 and 6), deferral is applied to variable remuneration which is equal to or exceeds €80,000.

The upfront component and the deferred variable remuneration are distributed as to 50% in cash and as to 50% in equity instruments, for both the upfront component (i.e. paid in the same year as the award is made) and the deferred component.

After the vesting period, the equity instruments are subject to a further retention holding period, of two years for the upfront component and one year for the deferred component.

Given the full time horizon over which the variable remuneration is distributed, in cash and shares, the final tranche of the equity component is thus received in the fourth year following the award, with the economic benefit for the recipient spread across five financial years.

Mediobanca also applies a 30% deferral over a three-year time horizon, all in cash and subject to malus conditions, to all staff not included in the definition of identified staff who receive variable remuneration equal to or higher than €100,000.



Performance conditions, malus condition and clawback

The deferred variable remuneration component is paid, provided the beneficiary is still a Group employee, if the performance conditions, which are the same as the “gateways” described in the section entitled “Determination of bonus pool and correlation between risks and performance”, have been met in each year. In this way staff are required, in accordance with their role and business activity, to work at all times to ensure that Mediobanca retains a solid capital base, a strong liquidity position and close control of all risks as well as profitable results, thus guaranteeing that the remuneration systems remain sustainable over the long term.

A further prerequisite to payment of the deferred component is that the beneficiary must not have committed any compliance breaches (i.e. must not have been subject to disciplinary measures under the terms, *inter alia*, of Mediobanca’s Code of ethics, Organizational model, Business conduct policy and other internal regulations¹²) and no losses must have been incurred which were attributable to their actions.

The Board of Directors may also identify further performance indicators upon the occasion of each individual award cycle. For staff employed at other Group companies who may be included in the scheme, the Chief Executive Officer may choose to identify one or more specific economic indicators to replace those referred to above.

The Board of Directors, if the Remunerations committee is in favour, at the Chief Executive Officer’s proposal may authorize payment of the deferred component, including in part, even if the gateways are not achieved, either to business divisions or single individuals who during the year have delivered particularly outstanding performances or who are expected to be decisive with regard to the sustainability of results over time, for retention purposes.

Mediobanca reserves the right to take all measures necessary to claim back variable remuneration already paid (the “clawback” mechanism) in the event of damages emerging to the integrity of its capital, profitability and earnings/financial or reputational situation, which are attributable to the conduct of individual staff members whether or not fraud and/or wilful misconduct are established.

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 regulations.

The scheme involves the award of shares to employees at the end of a three-year vesting period provided that the beneficiary is still employed by the Group and that the performance conditions stipulated in the section entitled “Performance conditions, malus condition and clawback” with respect to the sustainability of the results achieved while preserving the company’s capital solidity and liquidity and proper individual conduct are met at the time of the award.

The performance shares allocated 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 upfront equity are subject to a two-year holding period prior

¹² *The relevant cases for application of compliance breaches are assessed internally, through an appraisal of the regulatory areas which are most relevant to the Bank’s reputational risk and the gravity of the breach, as well as the process for evaluating them correctly and potentially taking action, involving the control units and governing bodies as well. Relevant factors for applying the malus and/or clawback mechanisms include not only the application of penalties as provided by the various disciplinary codes, but also warnings or reminders sent by the control units regarding the most relevant instances, or the outcomes of audits conducted again by the control units. The Compliance unit, after consulting with the other control units, once a year prepares a summary report of the relevant events that have taken place, at both the individual and business unit level.*



to their actual award. Shares available for performance share awards are taken from the number approved by shareholders in general meeting on 28 October 2010 (a maximum of 20 million), or from the Bank's holdings of treasury shares (up to 17,010,000, provided that the use of these 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). To date a total of 1,164,586 shares have been awarded from the holdings of treasury shares (hence 15,845,414 remaining outstanding), and 9,916,611 from the limit approved by shareholders in general meeting.

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

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 for use as part of a stock option scheme (to be exercised by 1 July 2022). A total of 24,464,000 are outstanding, and at present their use in the scheme is not anticipated.¹³ 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, including 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 as defined in the section entitled "Performance conditions, malus condition and clawback"; 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 issues, for certain participants in the scheme who perform significant roles. 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.

Remuneration policies for staff employed at Group companies

Mediobanca is constantly aligned with its Group companies to ensure that the remuneration systems operating within the Banking Group are consistent, while respecting the specific nature of their sectors of operation, organizational structures, regulations applicable according to type of business and geographical location. In particular the parent company co-ordinates the process of defining identified staff, issues guidance to be adopted and takes part in drafting documents relating to the Remunerations policies to be compiled by the subsidiaries.

Mediobanca sets the basic principles for the guidelines of 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

¹³ As at 17 September 2014, a total of 26,131,000 stock options and/or performance stock options, as yet unexercised, had been assigned to Mediobanca Group staff, at an average price of €8.383 per share, from the schemes approved by the shareholders in general meetings held on 28 October 2004 and 27 June 2007. As mentioned earlier, a total of 9,916,611 performance shares have been allocated but not yet awarded on the grounds that they are still subject to either vesting or holding periods. The fully-diluted percentage of the company's share capital represented by equity instruments issued to Group staff therefore amounts to 3.86%. The impact on the shares' market value and the possible dilution of the share capital is not material, given the fact that several schemes and several instruments are in operation across different years and vesting and holding periods spread across a medium-/long-term time horizon.



reserved to staff who, on account of their professional specialization, organizational role 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 are identified by the Chief Executive Officer of Mediobanca, having sought the opinion of the General Manager, based on the proposal of the CEO of the company concerned, 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 notified of their inclusion 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) and other secondary, quantitative objectives. 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.

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 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").

In line with the provisions in place for Mediobanca, the incentivization schemes in operation at the Group companies too place particular emphasis on the issue of proper individual conduct (i.e. compliance with regulations and internal procedures, and transparency versus clients) by adopting the concept of compliance breaches, both at the stage of award of the variable component, and in assessment of whether or not to pay any deferred components.

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 national collective contract apply.



MEDIOBANCA

Dear Shareholders,

We invite you to adopt the following resolution:

“At an ordinary general meeting,

- in view of the Staff remunerations policies for FY 2013/14 as illustrated in the Board of Directors, report,

the shareholders of Mediobanca

HEREBY RESOLVE

- to approve the new staff remuneration policies as illustrated in the Board of Directors’ report, including the provision instituted in the section entitled “Cap on variable remuneration” which establishes the ratio between variable and fixed remuneration at a maximum of 2:1, without prejudice to the fact that such ratio may not in any case exceed the maximum amount permitted by the law and regulations in force;
- 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, including the power to make all amendments to the new Staff remunerations policies that prove necessary to bring them into line with the law and regulations in force from time to time, including with reference to the upper limit of the ratio between variable and fixed remuneration determined above”.

Milan, 17 September 2014

The Board of Directors

Pier Silvio Berlusconi	Director	01/07/2013	26/06/2014	--	98.904		98.904					98.904		
	(I) Compensation in company preparing the accounts				98.904	0	98.904	0			0	98.904		
	(II) Compensi da controllate e collegate al 26/06/2014													
	(III) Total				98.904	0	98.904	0	0	0	0	98.904	0	0
Roberto Bertazzoni	Director	01/07/2013	30/06/2014	30/06/2014	100.000		100.000					100.000		
	Member of Control and risks committee and Related parties committee	01/07/2013	20/11/2013	--	29.384		29.384					29.384		
	Member of Remunerations committee	01/07/2013	30/06/2014	30/06/2014	20.000		20.000					20.000		
	Member of Appointments committee (3)	01/07/2013	30/06/2014	30/06/2014	20.000		20.000					20.000		
	(I) Compensation in company preparing the accounts				169.384	0	169.384					169.384	0	0
	(II) Compensation from subsidiaries/associates at 30/06/2014						0					0		
(III) Total				169.384	0	169.384	0	0	0	0	169.384	0	0	
Angelo Casò	Director	01/07/2013	30/06/2014	30/06/2014	100.000		100.000					100.000		
	Chairman of Control and risks committee and Related parties committee	01/07/2013	30/06/2014	30/06/2014	75.000		75.000					75.000		
	Member of Executive committee	01/07/2013	30/06/2014	30/06/2014	60.000		60.000					60.000		
	Chairman of Remunerations committee	01/07/2013	30/06/2014	30/06/2014	20.000		20.000					20.000		
	Member of Appointments committee	01/07/2013	30/06/2014	30/06/2014	20.000		20.000					20.000		
	(I) Compensation in company preparing the accounts				275.000	0	275.000					275.000	0	0
	(II) Compensation from subsidiaries/associates at 30/06/2014						0					0		
(III) Total				275.000	0	275.000	0	0	0	0	275.000	0	0	
Maurizio Cereda	Director	01/07/2013	30/06/2014	30/06/2014	100.000	1.170.000	1.270.000				194.188	1.464.188		
											of which complementary pension scheme			
											188.466			
	(I) Compensation in company preparing the accounts				100.000	1.170.000	1.270.000	0			194.188	1.464.188		
(II) Compensation from subsidiaries/associates at 30/06/2014														
(III) Total				100.000	1.170.000	1.270.000	0	0	0	194.188	0	1.464.188	0	0
Christian Collin	Director	01/07/2013	17/04/2014	--	79.726		79.726					79.726		
	(I) Compensation in company preparing the accounts (1)				79.726	0	79.726	0			0	79.726		
	(II) Compensi da controllate e collegate al 17/04/2014													
	(III) Total				79.726	0	79.726	0	0	0	0	79.726	0	0

Alessandro Decio	Director	01/07/2013	30/06/2014	30/06/2014	100.000	100.000						100.000		
	(I) Compensation in company preparing the accounts (1)				100.000	0	100.000	0			0	100.000		
	(II) Compensation from subsidiaries/associates at 30/06/2014													
	(III) Total				100.000	0	100.000	0	0	0	0	100.000	0	0
Massimo Di Carlo	Director	01/07/2013	30/06/2014	30/06/2014	100.000	1.260.000	1.360.000				208.561	1.568.561		
											of which complementary pension scheme			
											203.249			
	(I) Compensation in company preparing the accounts				100.000	1.260.000	1.360.000				208.561	1.568.561		
(II) Compensation from subsidiaries/associates at 30/06/2014														
(III) Total				100.000	1.260.000	1.360.000	0	0	0	208.561	0	1.568.561	0	0
Bruno Ermolli	Director	01/07/2013	30/06/2014	30/06/2014	100.000		100.000					100.000		
	Member of Remunerations committee	21/11/2013	30/06/2014	30/06/2014	12.164		12.164					12.164		
	(I) Compensation in company preparing the accounts				112.164	0	112.164	0			0	112.164		
	(II) Compensation from subsidiaries/associates at 30/06/2014													
(III) Total				112.164	0	112.164	0	0	0	0	112.164	0	0	
Giorgio Guazzaloca	Director	17/09/2013	30/06/2014	30/06/2014	78.630		78.630					78.630		
	(I) Compensation in company preparing the accounts				78.630		78.630	0			0	78.630		
	(II) Compensation from subsidiaries/associates at 30/06/2014													
	(III) Total				78.630	0	78.630	0	0	0	0	78.630	0	
Anne Marie Idrac	Director	01/07/2013	30/06/2014	30/06/2014	100.000		100.000					100.000		
	Member of Remunerations committee	01/07/2013	30/06/2014	30/06/2014	20.000		20.000					20.000		
	Member of Appointments committee (3)	01/07/2013	30/06/2014	30/06/2014	20.000		20.000					20.000		
	(I) Compensation in company preparing the accounts				140.000	0	140.000					140.000	0	0
(II) Compensation from subsidiaries/associates at 30/06/2014														
(III) Total				140.000	0	140.000	0	0	0	0	140.000	0	0	
Vanessa Labèrenne	Director	01/07/2013	30/06/2014	30/06/2014	100.000		100.000					100.000		
	Member of Executive committee	01/07/2013	30/06/2014	30/06/2014	60.000		60.000					60.000		
	Member of Remunerations committee	01/07/2013	30/06/2014	30/06/2014	20.000		20.000					20.000		
	Member of Control and risks committee and Related parties committee	01/07/2013	30/06/2014	30/06/2014	75.000		75.000					75.000		
	(I) Compensation in company preparing the accounts				255.000	0	255.000					255.000	0	0
	(II) Compensation from subsidiaries/associates at 30/06/2014													
(III) Total				255.000	0	255.000	0	0	0	0	255.000	0	0	

Elisabetta Magistretti	Director	01/07/2013	30/06/2014	30/06/2014	100.000	100.000						100.000		
	Member of Control and risks committee and Related parties committee	01/07/2013	30/06/2014	30/06/2014	75.000	75.000						75.000		
	Member of Appointments committee	01/07/2013	30/06/2014	30/06/2014	20.000	20.000						20.000		
	(I) Compensation in company preparing the accounts				195.000	195.000	0	0	0	0	0	195.000	0	0
	(II) Compensation from subsidiaries/associates at 30/06/2014					0						0		
(III) Total				195.000	195.000	0	0	0	0	0	195.000	0	0	
Alberto Pecci	Director	01/07/2013	30/06/2014	30/06/2014	100.000	100.000						100.000		
	(I) Compensation in company preparing the accounts				100.000	100.000	0	0	0	0	0	100.000		
	(II) Compensi da controllate e collegate al 30/06/2014					0					0			
	(III) Total				100.000	100.000	0	0	0	0	0	100.000	0	0
Carlo Pesenti	Director	01/07/2013	30/06/2014	30/06/2014	100.000	100.000						100.000		
	Member of Remunerations committee	01/07/2013	30/06/2014	30/06/2014	20.000	20.000						20.000		
	(I) Compensation in company preparing the accounts (1)				120.000	120.000	0	0	0	0	0	120.000	0	0
	(II) Compensation from subsidiaries/associates at 30/06/2014					0					0			
	(III) Total				120.000	120.000	0	0	0	0	0	120.000	0	0
Eric Strutz	Director	01/07/2013	30/06/2014	30/06/2014	100.000	100.000						100.000		
	Member of Executive Committee	01/07/2013	30/06/2014	30/06/2014	60.000	60.000						60.000		
	(I) Compensation in company preparing the accounts				160.000	160.000	0	0	0	0	0	160.000	0	0
	(II) Compensation from subsidiaries/associates at 30/06/2014					0					0			
(III) Total				160.000	160.000	0	0	0	0	0	160.000	0	0	
Management with strategic responsibilities (10 staff)					3.445.998	3.445.998			1.260.000		526.268	40.000	5.272.266	646.674
											of which complementary pension			
											482.134			
	(I) Compensation in company preparing the accounts				3.445.998	3.445.998	1.260.000	7.948	1.260.000	7.948	526.268	40.000	5.272.266	646.674
(II) Compensation from subsidiaries/associates at 30/06/2014				144.000	144.000	104.000		104.000				255.948		
(III) Total				3.445.998	3.589.998	1.260.000	7.948	1.260.000	7.948	526.268	40.000	5.528.214	646.674	
Stefano Marsaglia					508.333	508.333					40.667	1.499.043	2.048.043	658.428
											of which complementary pension			
											40.667			
	(I) Compensation in company preparing the accounts				0	508.333	0		0		40.667	1.499.043	2.048.043	658.428
(II) Compensation from subsidiaries/associates at 30/06/2014					0							0		
(III) Total				0	508.333	0		0	0	40.667	1.499.043	2.048.043	658.428	

Natale Freddi	Chairman of Statutory Audit Committee	01/07/2013	30/06/2014	30/06/2014	120.000	120.000						120.000		
	(I) Compensation in company preparing the accounts				120.000	0	120.000	0	0	0	0	120.000	0	
	(II) Compensation from subsidiaries/associates at 30/06/2014					0						0		
	(III) Total				120.000	0	120.000	0	0	0	0	120.000	0	0
Maurizia Angelo Comeno	Member of Statutory Audit Committee	01/07/2013	30/06/2014	30/06/2014	90.000	90.000						90.000		
	(I) Compensation in company preparing the accounts				90.000	0	90.000	0	0	0	0	90.000	0	
	(II) Compensation from subsidiaries/associates at 30/06/2014					0						0		
	(III) Total				90.000	0	90.000	0	0	0	0	90.000	0	0
Gabriele Villa	Member of Statutory Audit Committee	01/07/2013	30/06/2014	30/06/2014	90.000	90.000						90.000		
	(I) Compensation in company preparing the accounts				90.000	0	90.000	0	0	0	0	90.000	0	
	(II) Compensation from subsidiaries/associates at 30/06/2014					0						0		
	(III) Total				90.000	0	90.000	0	0	0	0	90.000	0	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 Assicurazioni Generali.

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

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	Scheme	No. of options	Strike price	Possible exercise period (from-to)	No. of options	Strike price	Possible exercise period (from-to)	Fair value at award date	Award date	Market price of shares underlying award	No. of options	Strike 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	114,25	From 29 June 2009 to 28 June 2014										300.000		-
		28/10/04	275.000	110,31	From 1 July 2011 to 30 June 2016											275.000	-
		27/10/07	350.000	16,54	From 2 August 2013 to 1 August 2018											350.000	10.250
A. Nagel	CEO																
Compensation in company preparing the accounts		30/7/01	300.000	114,25	From 29 June 2009 to 28 June 2014										300.000		
		28/10/04	275.000	110,31	From 1 July 2011 to 30 June 2016											275.000	
		27/10/07	350.000	16,54	From 2 August 2013 to 1 August 2018											350.000	10.250
F. S. Vinci	GM																
Compensation in company preparing the accounts		30/7/01	300.000	114,25	From 29 June 2009 to 28 June 2014										300.000		-
		28/10/04	275.000	110,31	From 1 July 2011 to 30 June 2016											275.000	-
		27/10/07	250.000	16,54	From 2 August 2013 to 1 August 2018											250.000	7.321

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	Scheme	No. of options	Strike price	Possible exercise period (from-to)	No. of options	Strike price	Possible exercise period (from-to)	Fair value at award date	Award date	Market price of shares underlying award	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		30/7/01	300.000	€4,25	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	€4,25	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	-	
Managerial staff with strategic responsibilities																		
Compensation in company preparing the accounts (1)		30/7/01	1.50.000	€4,25	From 29 June 2009 to 28 June 2014										150.000	-		
		28/10/04	895.000	€0,31	From 1 July 2011 to 30 June 2016											895.000	-	
		27/10/07	1.575.000	€6,54	From 2 August 2013 to 1 August 2016											1.575.000	46.123	
(III) Total			7.445.000												2.650.000	4.795.000	73.944	

(1) No. of options held at start of year restated as per definition of strategic management identified as at 30 June 2014.

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

			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 and not allocated	Financial instruments vested during the year and not allocated		Financial instruments attributable to the year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name and surname	Post	Scheme	No. and type of instrument	Vesting period	No. and type of financial instrument	Fair value at award date	Vesting period	Award date	Market price at award	No. and type	No. and type	Value upon vesting	Fair value
Stefano Marsaglia													
Compensation paid in company preparing the accounts		28-ott-10			634.113 performance shares	4.050.462	Nov. 2015 – Nov. 2018	3/2/14	6,692				658.428
Managerial staff with strategic responsibilities													
Compensation paid in company preparing the accounts		28-ott-10	120.152 performance shares	Nov. 2014 – Nov. 2015							120.152	760.586	166.427
		28-ott-10	335.075 performance shares	Nov. 2014 – Nov. 2016									305.566
		28-ott-10			101.724 performance shares	468.637	Nov. 2015 – Nov. 2017	27/9/13	5,287				128.558
Total			455.227		735.837	4.519.098					120.152	760.586	1.258.979

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

A	B	(1)	(2)			(3)			(4)
Name and surname	Post	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	
Stefano Marsaglia		FY 2013/2014							1,499.043
Management with strategic responsibilities		FY 2013/2014	661.000	495.000	Nov.2015-Nov.2017				40.000
		FY 2012/2013						375.000	
		FY 2011/2012					534.000	318.000	
		FY 2010/2011					65.000	65.000	
Total compensation in company preparing the accounts			661.000	495.000		599.000	758.000		1.539.043

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 year
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

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
11	MEDIOBANCA	263.132	120,152 *	20.000	363.284

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

* Shares awarded in execution of performance share scheme.

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

Mediobanca area of activity	Fixed Salary	Variable	% variable on fixed salary	Cash Upfront	Equity Upfront	Deferred Cash	Deferred equity
1) Financial markets	20.746	22.242	107%	11.300	2.223	5.667	3.052
2) Advisory	14.933	9.239	62%	5.842	841	1.680	877
3) Lending and Structured Finance	5.031	2.253	45%	1.824	90	279	60
4) Staff, support and control functions	21.973	5.144	23%	5.021		123	
	62.683	38.878	62%	23.987	3.154	7.749	3.989

Gross amounts in €'000

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

Includes guaranteed compensation for first year in Mediobanca.

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

Mediobanca Group		#	Fixed Salary	Variable	% variable on fixed salary	Cash Upfront	Equity Upfront	Deferred Cash	Deferred equity
1)	Non-executive directors (non-executive members of BoD, including Chairman)	1	1.800	-	-				
2)	Directors with executive duties (management who are members of Executive Committee)	4	5.730						
3)	Senior management and heads of relevant BUs (principle business lines, geographical areas and other senior business figures)	12	8.377	6.050	72%	1.210	1.210	1.815	1.815
4)	Heads and senior staff of Internal control units (Compliance, Risk Management, Group Audit)	10	1.430	430	30%	430			
5)	Staff with managerial responsibilities in relevant business units	18	4.922	6.420	130%	1.397	1.397	1.813	1.813
6)	Heads and senior staff in Staff and support units (Head of company financial reporting, HR, Operations and IT, Legal)	8	1.918	558	29%	558			
7)	Quantitative criteria	7	1.956	2.215	113%	626,5	626,5	481	481
		60	26.133	15.673	60%	4.222	3.234	4.109	4.109

Gross amounts in €'000

For 2014, Group 3 includes the remuneration paid to the CEOs of Compass and CheBanca! and to the head of MB Turkey, non-Mediobanca staff, not included in the Mediobanca bonus pool for the variable component. The “most relevant staff” employed by Group companies with year-ending 30 June are excluded.

Group	#	Deferred from previous years and paid during the year in cash ¹	#	Deferred from previous years and paid during the year in number of MB shares	#	Deferred from previous years due for cash payment during the year being cancelled ¹
1) Non-executive directors (non-executive members of BoD, including Chairman)	-	-	-	-	-	-
2) Directors with executive duties (management who are members of Executive Committee)	-	-	-	-	-	-
3) Senior management and heads of relevant BUs (principle business lines, geographical areas and other senior business)	6	2.735	5	406.102	-	-
4) Heads and senior staff of Internal control units (Compliance, Risk Management, Group Audit)	-	-	-	-	-	-
5) Staff with managerial responsibilities in relevant business units	15	2.579	10	416.666	2	224
6) Heads and senior staff in Staff and support units (Head of company financial reporting, HR, Operations and IT, Legal)	-	-	-	-	-	-
7) Quantitative criteria	5	331	4	75.758	1	63
	26	5.645	19	898.526	3	287

¹ Gross amounts in €'000

² Number of Mediobanca shares.

Group	#	Treatment at start of relationship	#	Treatment at end of relationship ¹
1) Non-executive directors (non-executive members of BoD, including Chairman)	-	-	-	-
2) Directors with executive duties (management who are members of Executive Committee)	-	-	-	-
3) Senior management and heads of relevant BUs (principle business lines, geographical areas)	2	2.500	-	-
4) Heads and senior staff of Internal control units (Compliance, Risk Management, Group)	-	-	-	-
5) Staff with managerial responsibilities in relevant business units	-	-	-	-
6) Heads and senior staff in Staff and support units (Head of company financial reporting, HR,	-	-	-	-
7) Quantitative criteria	-	-	-	-
	2	2.500	-	-

¹With reference to the most relevant staff identified as of 30 June 2013.