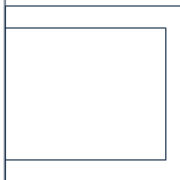


# MEDIOBANCA GROUP

## 2024 REMUNERATION POLICY

28 October 2024



MEDIOBANCA

**Section 1. Executive Summary**

**Section 2. Remuneration Governance**

**Section 3. Remuneration Policy and Structure**

**Section 4. Mediobanca Performance**

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# EXECUTIVE SUMMARY

## FY24 – BUSINESS ACHIEVEMENTS AND REMUNERATION HIGHLIGHTS

<b>BUSINESS RESULTS</b>	<ul style="list-style-type: none"><li>◆ <b>Strong start to the “One Brand-One Culture” Strategic Plan 2023-26</b> with its principal initiatives</li><li>◆ <b>Record results in terms of revenues</b> (€3.6bn – up 9% YoY), <b>net profit</b> (almost €1.3bn – up 24% YoY), <b>profitability</b> (ROTE 14% - up 1 pp)</li><li>◆ <b>Increased EPS</b> 12M €1.53 (up 27% YoY), <b>RORWA</b> 2.7% (up 30 bps YoY), and <b>DPS</b> €1.07 (up 26% YoY).</li><li>◆ <b>Shareholder remuneration</b> (€1.1bn, both dividends and share buybacks) <b>and value creation at best sector levels</b></li></ul>
<b>PAY FOR PERFORMANCE</b>	<ul style="list-style-type: none"><li>◆ The <b>notable improvement in divisional performance</b> led to <b>bonus pools increasing slightly</b></li><li>◆ <b>Sustainable pay for performance</b> from a long-term perspective</li><li>◆ <b>All Gateways met:</b> Capital and liquidity ratios enhanced as defined in the Risk Appetite Framework and Positive Group Gross Operating Profit</li></ul>
<b>CEO'S REMUNERATION</b>	<ul style="list-style-type: none"><li>◆ <b>First year of new pay mix (variable 50% STI – 50% LTI 23-26)</b></li><li>◆ <b>Overall achievement of 2024 annual STI scorecard KPIs</b></li></ul>

## REMUNERATION POLICY – WHAT'S NEW

Remuneration Policy was strengthened to align with the latest set of rules and best practices and to increase transparency and clarity around Mediobanca's approach to executive remuneration. Shareholder feedback was also considered. The new Policy:

- ◆ **strengthens the pay peer group** used to compare Mediobanca with best market practice, with a increased disclosure of the Group's positioning relative to the compensation paid by peers;
- ◆ includes the **new structure of the scorecard** and incentivization curve adopted **for the CEO** including an 85% weight for financial KPIs and 15% weight for non-financial/qualitative KPIs (with pre-determined drivers, consistent with the Group's strategy and market practice) integrated for the first time (previously non-financial KPIs were considered as adjustment factors);
- ◆ focuses on **risk culture** with new quantitative rules for the gateways triggering the payment of variable remuneration, consistent with the revised version of the Risk Appetite Framework and new additional qualitative criteria for Financial Advisors to be included within the scope of Identified Staff; and
- ◆ increase the **stock ownership requirement** for the CEO to three times (vs two times).

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# STRONG REMUNERATION GOVERNANCE TO ENSURE A CONSIDERED, DILIGENT, AND TRANSPARENT PROCESS

Group governance of remuneration involves several functions and corporate departments

Shareholders	Remuneration Committee	Corporate departments involved
<p>Shareholders at the Annual General Meeting:</p> <ul style="list-style-type: none"> <li>◆ Set, at each Board of Directors (“BoD”) renewal, the annual fixed pay for members of the BoD</li> <li>◆ Approve the remuneration policies and compensation schemes based on financial instruments for Group directors, staff and collaborators</li> <li>◆ Approve the criteria for determining the compensation to be awarded in the event of early termination of the employment relationship or term of office</li> <li>◆ Approve the variable remuneration cap for employees and advisors of the Group at 200% of fixed remuneration, following BoD proposal or any other limit set by the regulations</li> </ul>	<p>Consultative role regarding CEO, GM, Executive Directors and main Material Risk Takers (MRT) and staff rem. and retention policies. Activities include:</p> <ul style="list-style-type: none"> <li>◆ reviews and assesses remuneration proposals and guidelines</li> <li>◆ advises on decisions regarding the criteria to be used for compensation payable to all identified staff with focus on main MRTs</li> <li>◆ regularly reviews (benchmarks &amp; market practice analysis, regulatory framework &amp; recommendations) the adequacy, congruity, adherence and application of remuneration policies, including equality policy and gender pay gap</li> <li>◆ verifies performance achievements involving all relevant company units in devising and checking the remuneration and incentive policies and practice</li> <li>◆ Co-operates with Risk and CSR Committees</li> </ul>	<p><b>GROUP Human Capital</b> process owner, governs and controls units to verify the Group’s earnings and financial data</p> <p><b>AUDIT</b> reviews data and monitors process adherence</p> <p><b>CFO</b> provides data for determining the business areas’ performances based on results</p> <p><b>COMPLIANCE</b> evaluates compliance of policy with legal and regulatory frameworks</p> <p><b>RISK MANAGEMENT</b> contributes to establishing metrics to calculate risk adjusted performance</p>

# REMUNERATION COMMITTEE

## Composition (from October 2023)

5 non-executive members, **all considered independent**, 40% F /60% M

Member	Position	Independent
Vittorio Pignatti Morano	Chairman	X <sup>1,2</sup>
Mana Abedi	Member	X <sup>1,2</sup>
Maximo Ibarra	Member	X <sup>1,2</sup>
Sabrina Pucci	Member	X <sup>1,2</sup>
Angel Vilà Boix	Member	X <sup>1,2</sup>

Supported by external independent compensation consultant (Deloitte Consulting till October 23 and WTW from February 2024)

## Feedback from Investors and Proxy Advisors

**Mediobanca engages in constructive dialogue with investors and proxy advisors** on pay-related topics to identify areas to improve upon. Changes to the pay design as well as increased disclosures over the years is **reflective of Mediobanca's responsiveness to feedback received**.

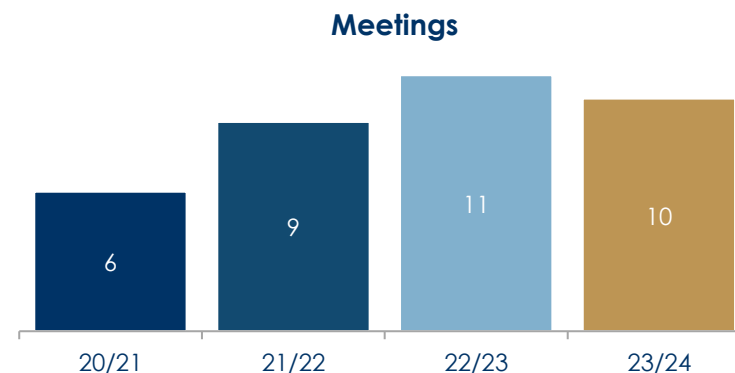
**Vote results are carefully analyzed** to understand any motivations for dissent. Despite receiving strong support from all institutional investors, the Committee actively adapts the design to ensure maximum alignment with the interests of all stakeholders (for example, review of the peer group, new stock ownership requirements, non-financial KPIs integrated into the CEO scorecards)

## FY24 Main Topics Considered

- ◆ Review of **compensation for the new BoD**, including the Chairman, and Statutory Audit Committee
- ◆ **Definition of scorecards for CEO and GM**, with financial and non-financial criteria, including ESG KPIs, evaluation
- ◆ Review of **compensation for relevant MRTs**, evaluation of performance and bonus pools for the Group relevant units and staff
- ◆ **Regulations for the ESOP 2023-26** with the assessment of the participation rate, and the **Long-Term Incentive Scheme 2023-26**
- ◆ **Analysis of regulatory framework, benchmarks, peers and market practice**, including Gender Pay Gap and Equal Pay Gap
- ◆ **Analysis of guidance and reports from institutional investors and proxy advisors**, and assessment of the vote results at last year's AGM
- ◆ Review of the new Remuneration Policy and Plans to be approved by the BoD and by Shareholders at the 2024 AGM

## Activity

The Rem Co held ten meetings in a year, which last on average 2 hours.



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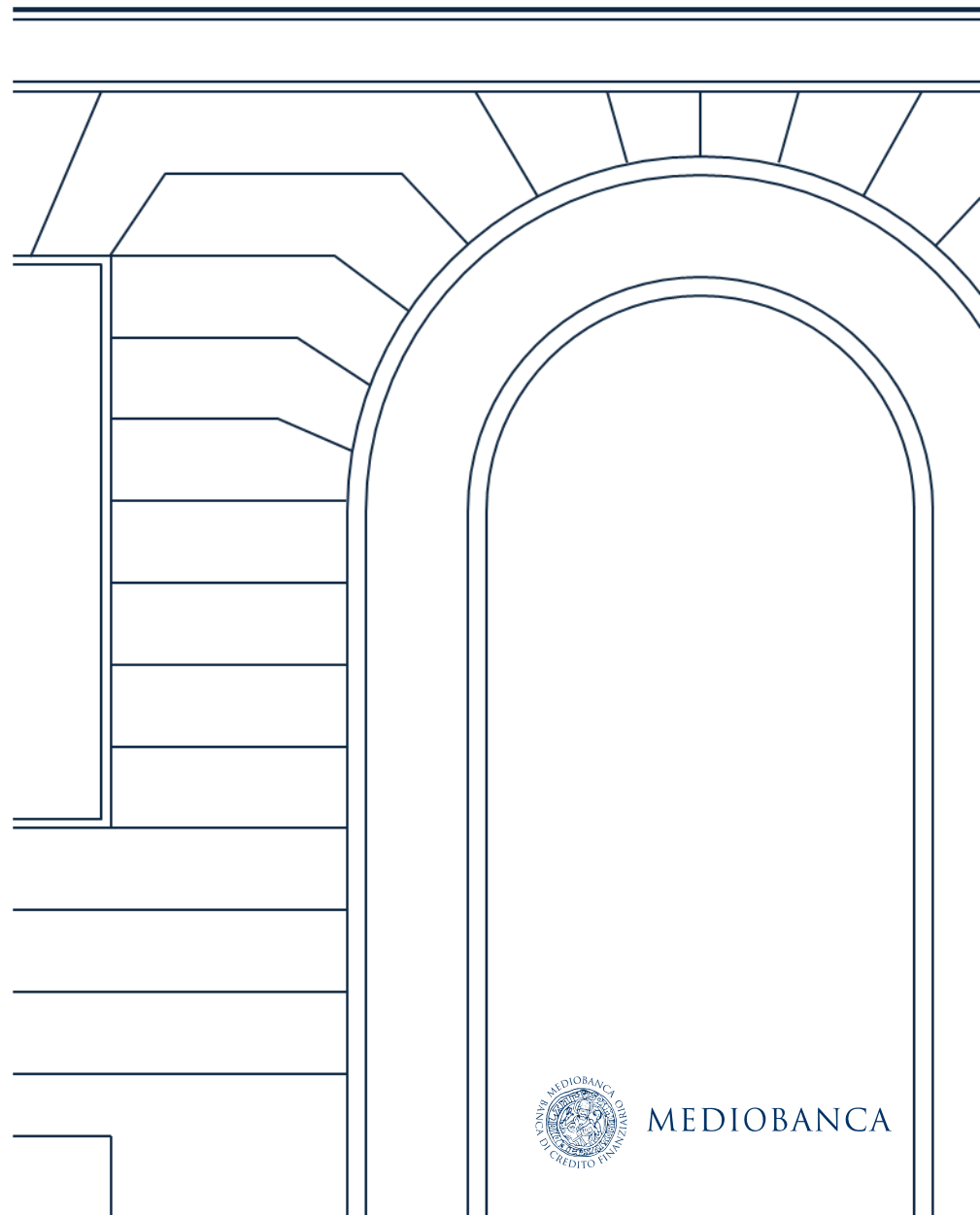
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# REMUNERATION: PRINCIPLES AND GUIDELINES

**Remuneration Policy, along with the Group's culture, is long-term value generation oriented.  
We shield our reputation, trustworthiness and sustainability  
with responsibility, fairness and transparency in our approach to business**

**Adequate pay mix**  
to attract and retain talent  
while fostering sustainable and long-term approach.  
**Continuous benchmarking analysis and peers positioning**

**Variable compensation strongly linked to results**  
Deferral: total variable compensation vesting over no less  
than 4Y, 5Y for Top Executives.  
Significant equity component.

**Risk-adjusted:** Gateways linked to Risk  
Appetite Framework, Bonus Pools  
calculated based on Economic  
Profit/RORWA.

**Cap:** Applied to manage risk appetite.

**Mandatory deferral policy**

**Claw back:** In the event of damages  
on MB's capital base, profitability,  
financial results.

**Malus conditions applied**

**Competitiveness**

**Value merit &  
performance**

**Sustainable approach:** Targets set to  
ensure solid capital base, adequate  
liquidity ratios, profitable results and  
appropriate risk management.

**Non-financial targets:** Applied to  
foster sustainable value creation.

**Short-term remuneration:** Targets set  
at the beginning of the FY  
(budget/annual Plan vs. quantitative  
KPIs).

**Long-term remuneration:** Targets set  
according to BP23/26, disclosed ex-ante  
in the LTI plan.

**Fairness**

**Transparency**

**Equal opportunities**

No distinction of age, gender, sexual orientation, marital status,  
religion, language, racial, ethnic or national origins, disability,  
pregnancy, maternity or paternity (including adoptive),  
personal beliefs, political opinions, affiliation or trade union  
activity.

**Severance**

No golden parachutes for directors in case of voluntary or  
involuntary termination.  
Severance for Executives and MRT population: 24 months of  
remuneration capped at €5mln, included notice & non-  
compete agreements.



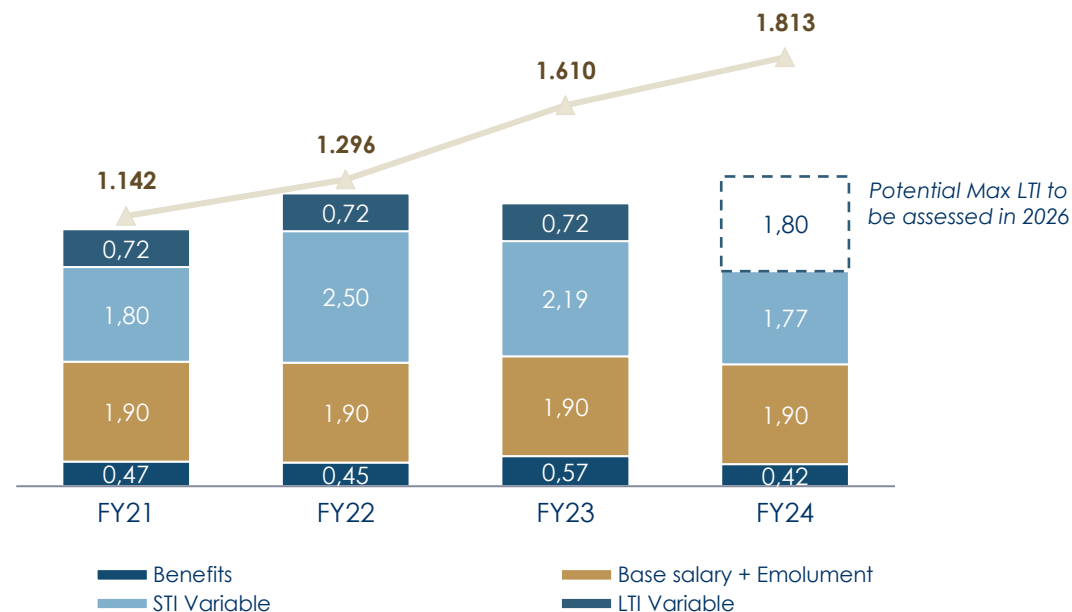


# PRACTICES ALIGNED WITH THE INTERESTS OF ALL STAKEHOLDERS THAT PROMOTES A STRONG PAY FOR PERFORMANCE CULTURE

## Mediobanca's Pay Practices Continuously Reviewed to Align with Best Practice

Independent Remuneration Committee	✓
Strong Pay-for-Performance Alignment	✓
Engagement with Investors and Proxy Advisors	✓
CEO's Base Salary Maintained Since 2011	✓
Variable Remuneration Capped	✓
Performance Measures and Targets Linked to BPs	✓
Disclosure of STI Targets (ex-post)	✓
Disclosure of LTI Targets (ex-ante)	✓
ESG KPIs Included/Evaluated in STI and LTI	✓
Relative KPIs Considered for LTI	✓
Deferral for STI and LTI Payments	✓
Severance Capped	✓
Shareholding Guidelines	✓
Clawback and Malus Provisions	✓
Anti-Hedging Policy	✓
Employee Share Ownership Plan	✓

### CEO total compensation evolution (€m)



# REMUNERATION STRUCTURE

The remuneration structure is aligned both to the **latest European and Italian legislation/provisions** and with **global best practices**.

**Investor and Proxy Advisor feedback** are actively considered to strengthen our approach and structure to remuneration.

An **adequate balance between fixed and variable remuneration** is considered crucial to **avoid risk and short-term behaviour**.

**All variable remuneration is subject to performance conditions to be met within specified performance periods, ex-post malus condition** during the deferral period and before granting (Group performance, compliance breaches, responsibility for financial losses or reputational damages) and **claw back clauses** (in case of fraud or willful misconduct).

Employee category	Fixed Compensation		Variable compensation			
	Base	Pension plan	STI (Annual Scorecard)		LTI (Strategic Plan 23 - 26)	
	Upfront	Annual contrib.	5 Y deferral - 60% deferred*		5 Y deferral - 60% deferred	
	Cash	Cash	Cash	Shares	Cash	Shares
Non Executive directors included Chairman	100%					
Executive Directors	100%	100%	47%	53%	---	100%
Executives - Senior Managers	100%	100%	47%	53%	---	100%
Other Executives (Material Risk Takers)	Upfront	---	4 Y Deferral - 40/60%* deferred		4 Y deferral - 60% deferred	
	100%	100%	50%	50%	---	100%

\* If variable amount equal or higher than € 424,000 for 2024 and higher than € 436,000 in 2025

◆ **Executive Directors and Executives** variable remuneration:

- ◆ Accrues only if aligned with established gateways
- ◆ 5-year deferral period for 60% of remuneration for Top Executives and 4-year deferral period for at least 40% for others with 1-year holding period for up-front equity components
- ◆ Short-term variable remuneration is distributed at least ~50% in cash and ~50% in equity (performance shares)
- ◆ 2023-2026 Long-term incentive plan variable remuneration fully awarded in Mediobanca performance shares

**The Group's identified staff (or MRT - Material Risk Takers Executives) as at 30 June 2024 represents around 2% of the total Group staff and are as follows: 113 resources qualified as identified staff, including Executives, Senior Management, Manager of business units and other resources with managerial responsibilities.**

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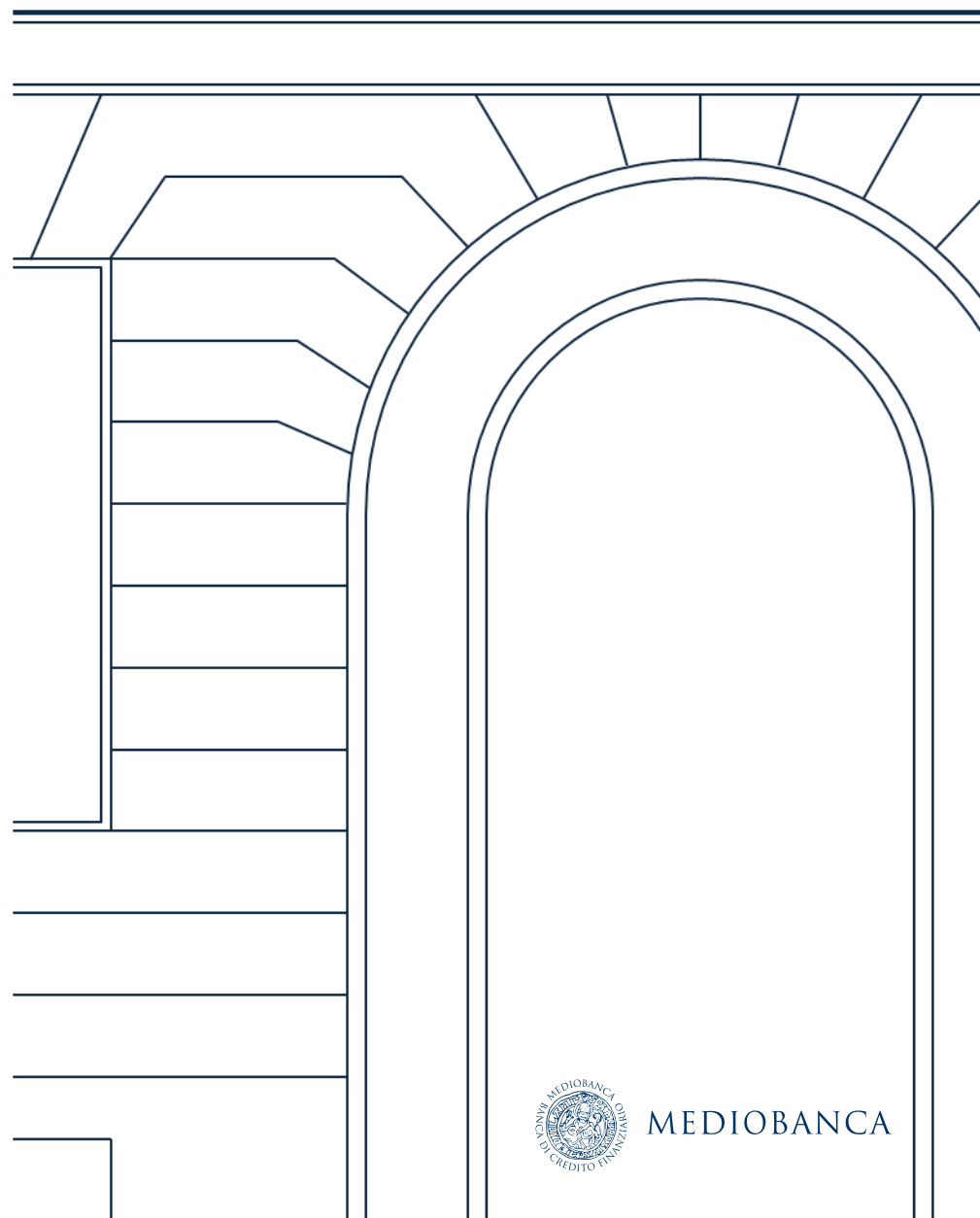
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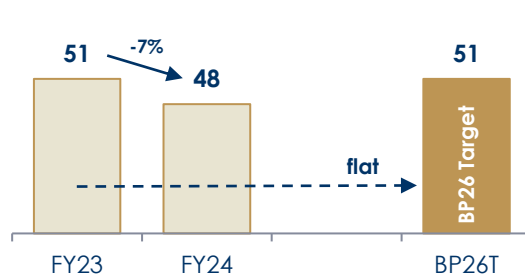
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# FY24: STRONG AND CAPITAL EFFICIENT GROWTH DELIVERED WITH ATTRACTIVE STAKEHOLDERS' REMUNERATION

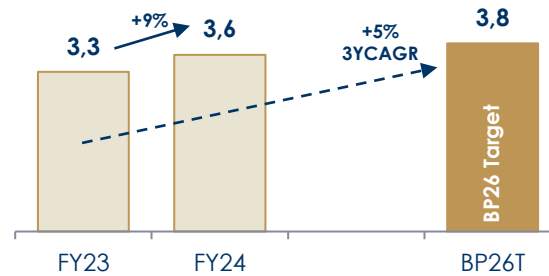
**FY24: strong results, Strategic Plan 2023-26 trajectory confirmed and positive start to main initiatives, high stakeholder remuneration.**

Revenues at €3.6bn (up 9% YoY to an all time high), EPS at €1.53 (up 27% YoY) and ROTE up at 14% (up 1pp YoY) due to **solid business performance in all business segments coupled with RWA optimization. Solid capital position** with CET1 at 16.1% (up 20 bps YoY or down 15.2% after full upfront of next year SBB) **along with high stakeholder remuneration** (1.1bn distributed in line with plan target).

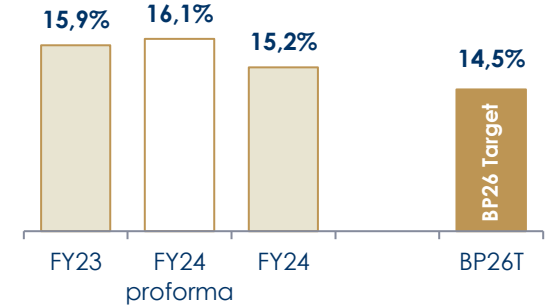
**RWAs down by 7% to €48bn due to optimization and reallocation (€bn)**



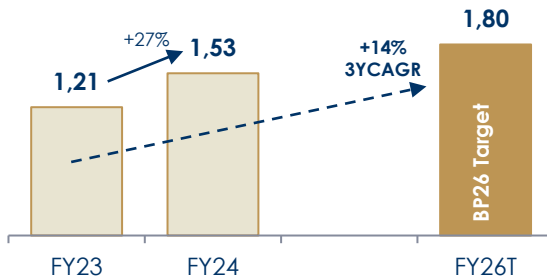
**Revenues up by 9% to €3.6bn at all time high (€bn)**



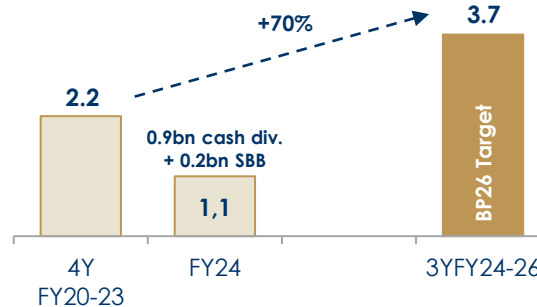
**CET1 ratio up to 16.1%, down to 15.2% including full upfronting of FY25 SBB**



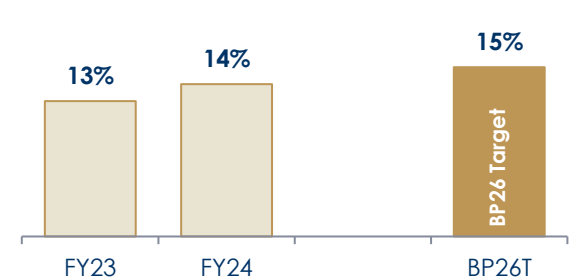
**EPS up by 27% to €1.53 (€)**



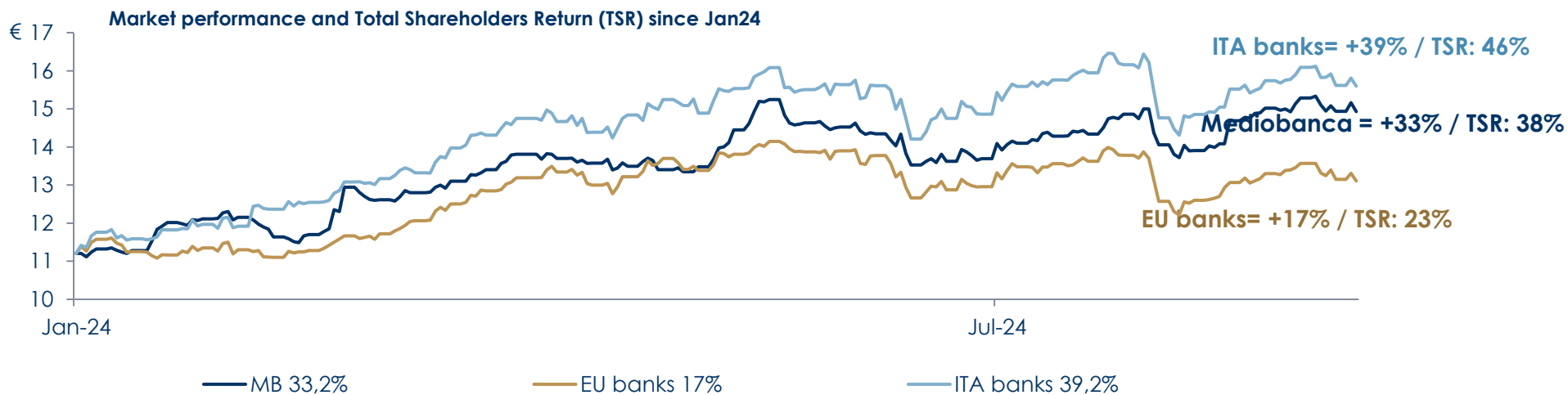
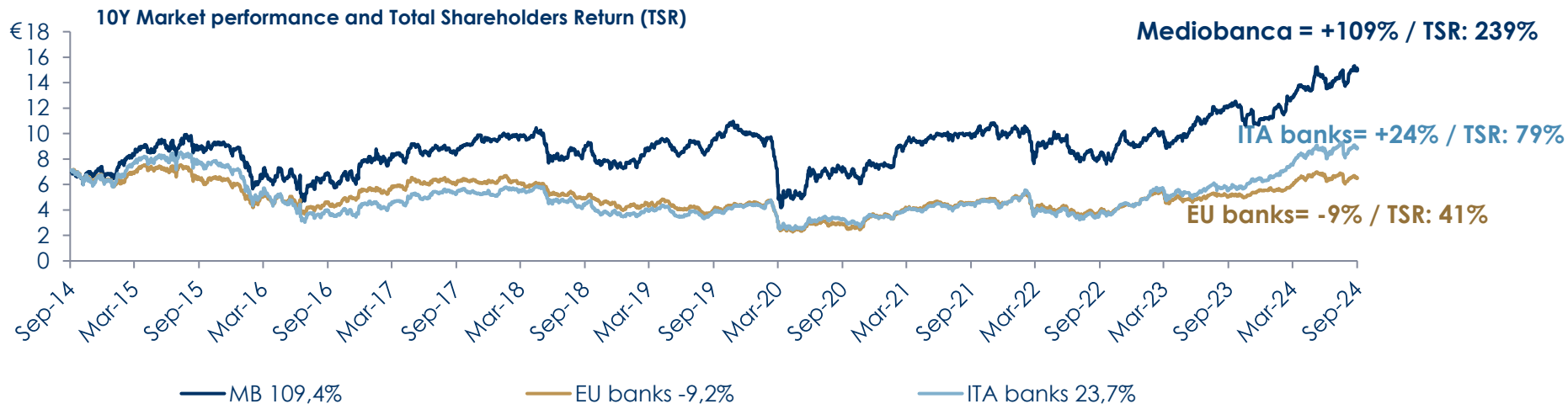
**Shareholder distribution<sup>1)</sup>: €1.1bn in-line with BP26 target trajectory (€bn)**



**ROTE up to 14%**



# OUTPERFORMANCE IN TERMS OF STOCK MARKET TREND IN THE LAST DECADE (TSR 239%)



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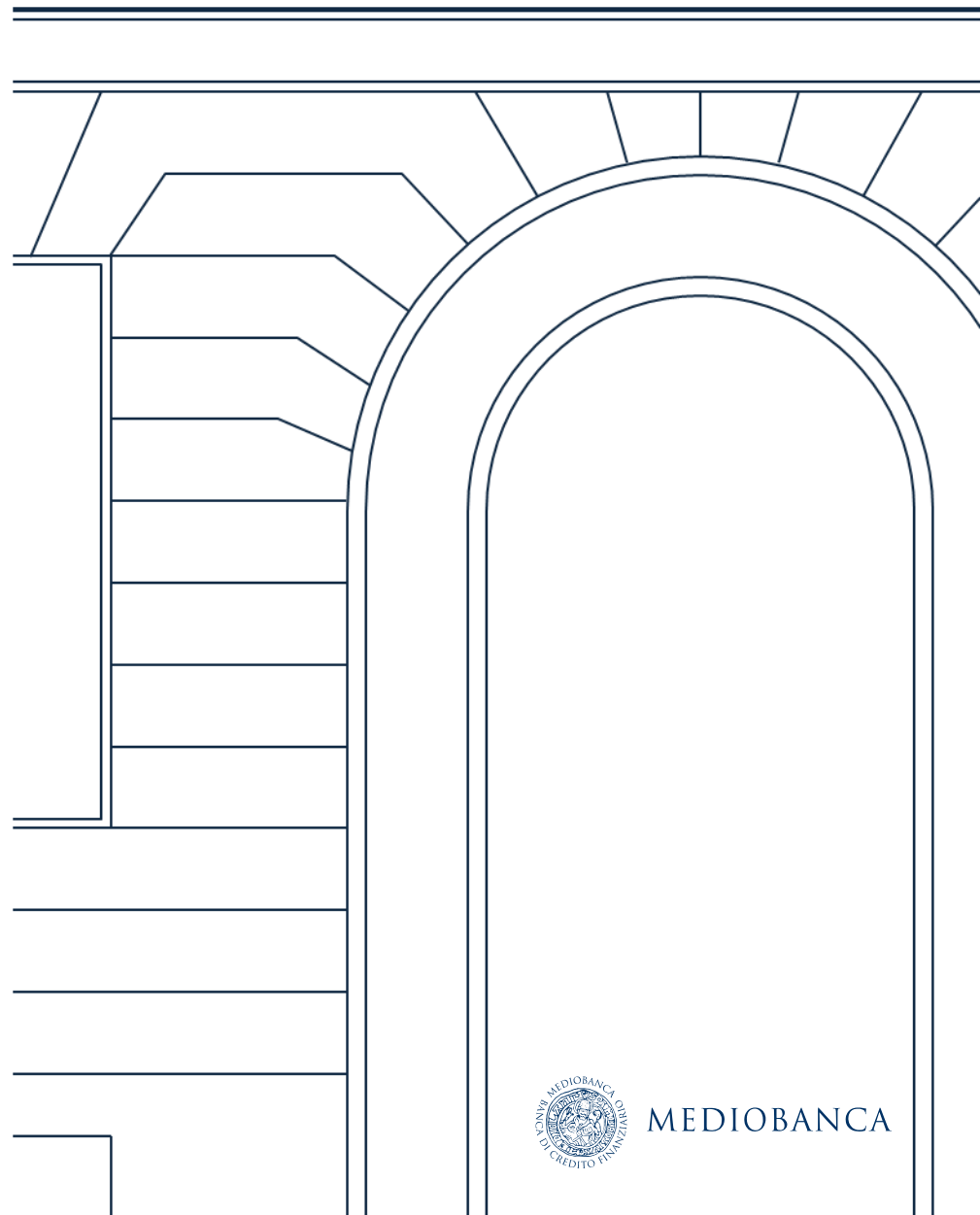
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# FY24: ALL GATEWAYS MET

Variable remuneration is subject to the achievement of gateway targets

Gateway targets represent preliminary and minimal conditions for any variable remuneration calculation.

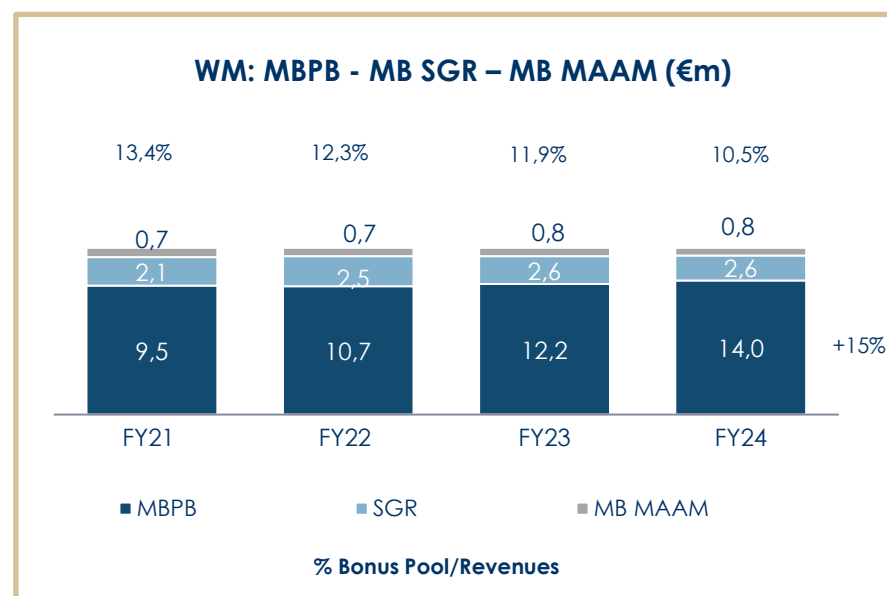
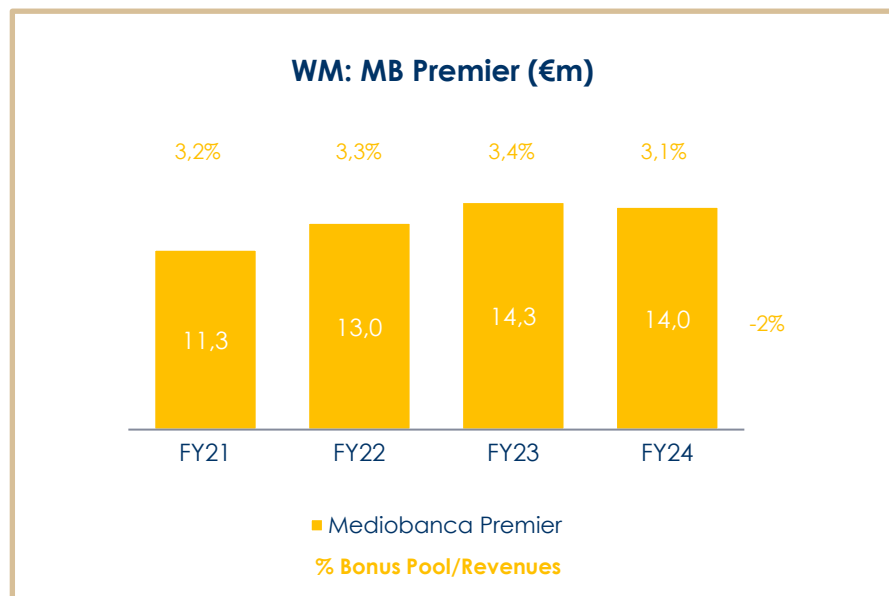
Gateway targets are based on risk adjusted metrics with a view to ensuring long-term, sustainable results and to preserve an adequate capital stability, a robust liquidity profile and to mitigate the Group's future risks.

PARAMETER		PARAMETER		PARAMETER	
Operating profit at Group level 		CET1 ratio 		Leverage Ratio 	
KPIs	FY24 RESULTS	KPIs	FY24 RESULTS	KPIs	FY24 RESULTS
>0	1,813m	≥ 11%	15.2%	≥ 4%	7.1%
PARAMETER		PARAMETER		PARAMETER	
AFR/ECAP 		Liquidity Coverage Ratio 		Net Stable Funding Ratio 	
KPIs	FY24 RESULTS	KPIs	FY24 RESULTS	KPIs	FY24 RESULTS
≥ 110%	165%	≥ 120%	160%	≥ 105%	116.8%

- ◆ Economic Profit and/or RORWA are used to ensure the overall financial sustainability of the global bonus pool for the Group's various business divisions
- ◆ Risk Appetite Framework is the basis for Mediobanca's gateway targets
- ◆ Performance conditions linked to the Group's RAF and risk adjusted product performance foreseen for release of deferred compensation
- ◆ Individual allocation is based on documented quantitative and qualitative performance evaluation, with particular attention to aspects of compliance.

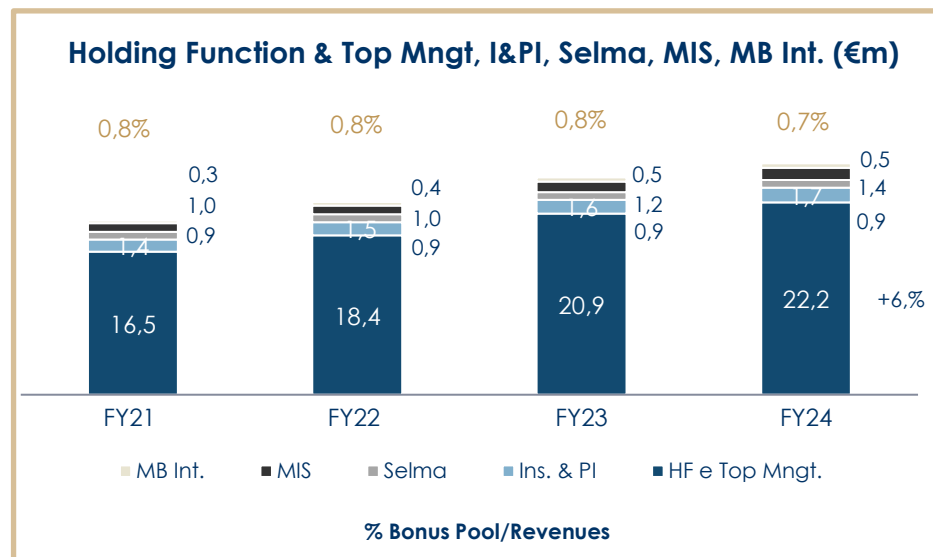
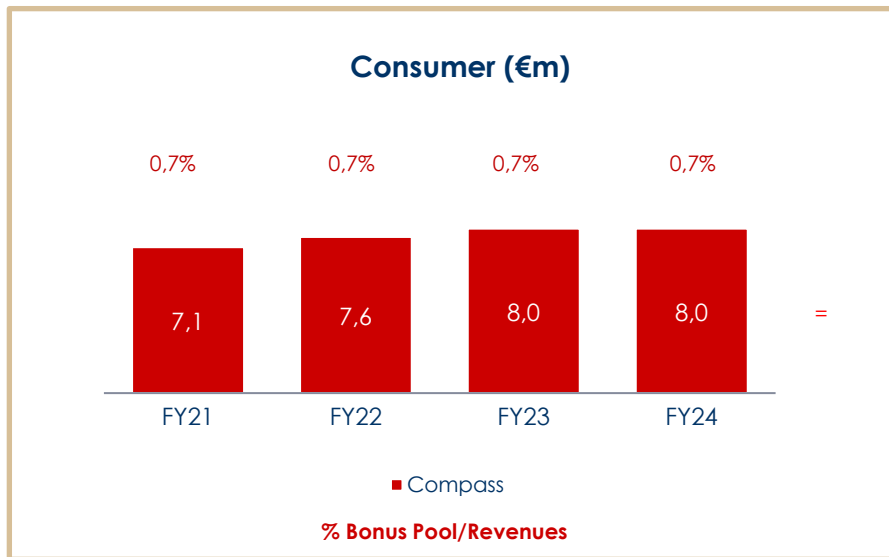
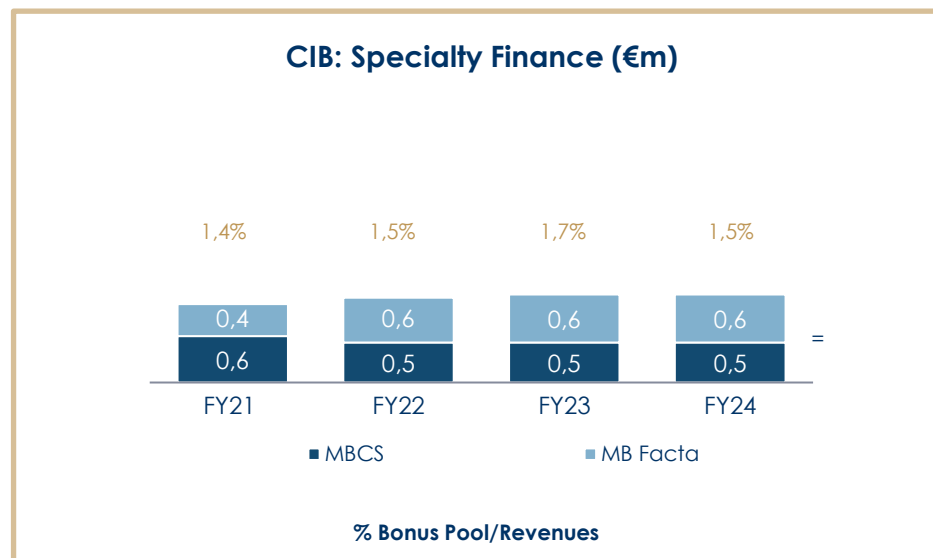
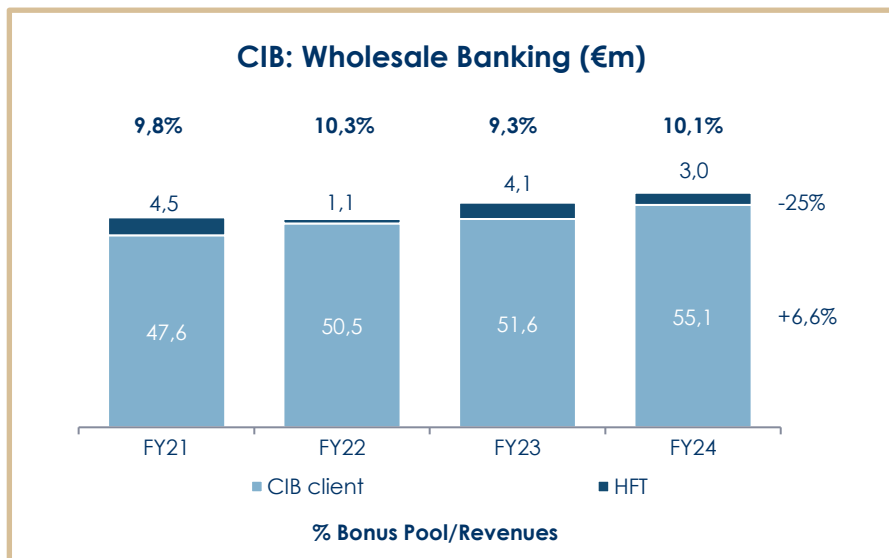
# FY24 BONUS POOLS INCREASED OVERALL LINKED TO RESULTS

- ◆ **All gateways were satisfied**
- ◆ **Consistency of pay for performance**
- ◆ Overall bonus pool of the main Group companies (closing 30 June 2024) slightly increasing in absolute terms (from €121m to around €126m<sup>1</sup>) in line with divisional performance, based on the specific type of pay mix
- ◆ Bonus pool/revenue indicators broadly in line with the previous year and on risk-adjusted indicators improving on improved Group performance
- ◆ **Pay for performance sustainable over the long term**
- ◆ Variable FY 2024 component allocated to Group MRTs (approx. € 33 mln) has an impact on CET1 of approx. 5 bps as in the previous year (€ 31 mln/4 bps)





# FY24 BONUS POOLS INCREASED OVERALL LINKED TO RESULTS (CONT'D)

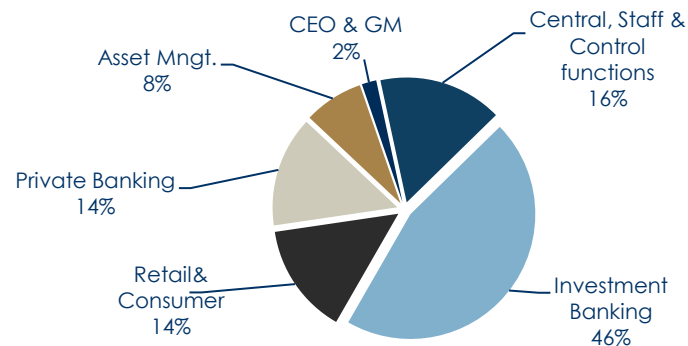


Consumer 2023 does not include the finalisation of LTI 19-23 for G.L. Sichel  
HF 2023 does not include final balance of LTI 19-23 for CEO and DG of Mediobanca

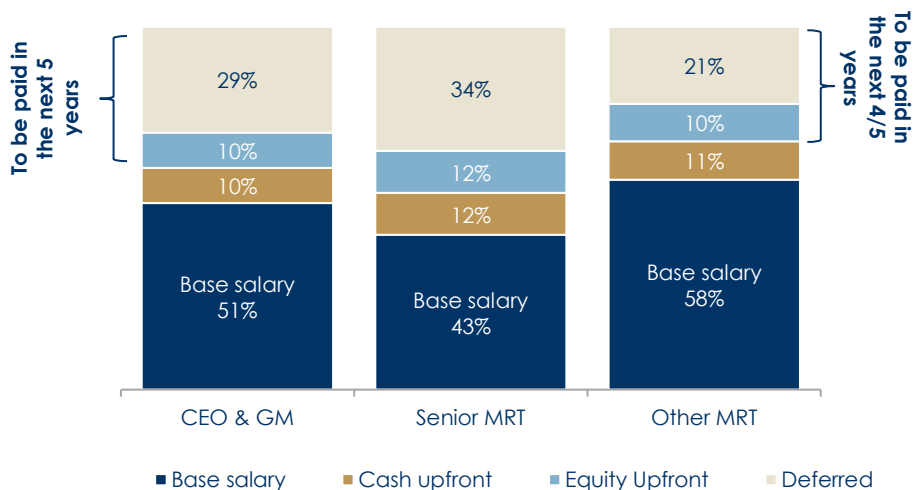
# GROUP PAY MIX AND VARIABLE/FIXED REMUNERATION RATIO FY 24

- ◆ Group variable/fixed remuneration ratio 2024 vs. 2023: pay for performance and sustainable remuneration mechanism applied in main BUs
  - ◆ MB WB: avg. 90% as in 2023 (Group MRT: 127% vs. 123 %)
  - ◆ WM MB PB: avg. 57% vs. 55% (Group MRT: 148% vs. 150%)
  - ◆ WM Premier: avg. 13% vs. 14% in 2023 (Group MRT 102% vs. 85%)
  - ◆ Consumer: avg. 9% vs. 10% in 2023 (Group MRT 78% vs. 94%)
- ◆ CEO & GM FY24
  - ◆ short-term variable component capped to 100% of the fixed remuneration (100% for LTI 23-26)
  - ◆ average STI variable/fixed ratio 95% vs. 128% in 2023
  - ◆ 60% of variable compensation deferred
  - ◆ pay-mix: ≈40% to be paid in 5 years

## STI Variable remuneration distribution by MB Group activity (% on total bonus pool)

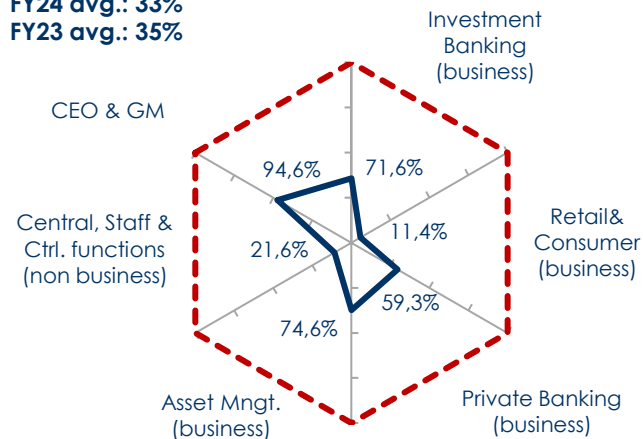


## STI FY23/24 identified staff pay mix



## STI Variable remuneration/fixed salary by activity<sup>1</sup> (%)

FY24 avg.: 33%  
FY23 avg.: 35%



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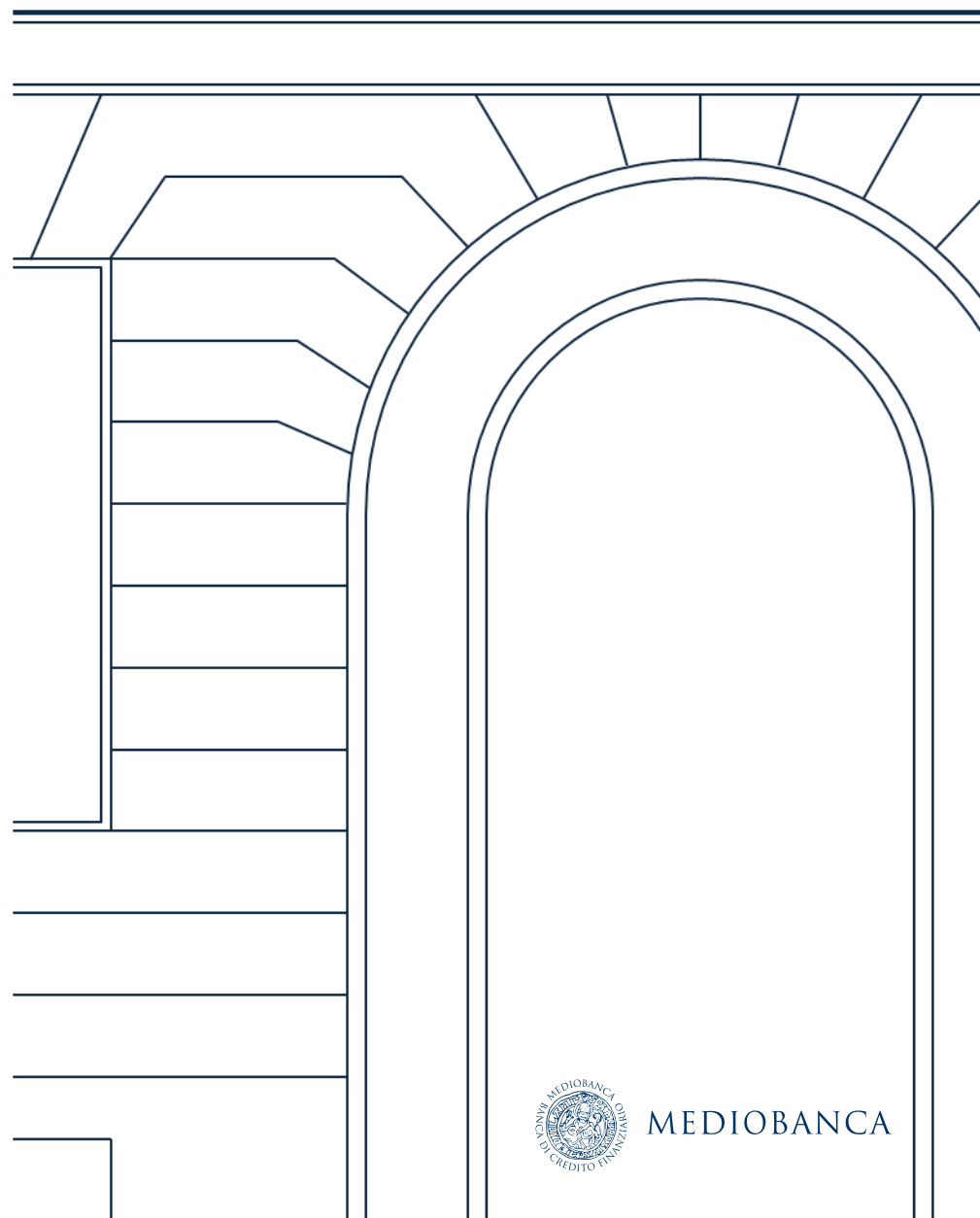
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# LONG-TERM INCENTIVE PLAN 2023 - 2026

Elements	Indications
<b>Performance evaluation time horizon</b>	N° 3 fiscal years from FY 2023/2024 to FY 2025/2026, consistent with Strategic Plan 23 - 26
<b>LTI Group Recipients</b>	<ul style="list-style-type: none"> <li>◆ Mediobanca <b>CEO and GM</b></li> <li>◆ Cluster 3 Group MRT – Key business unit managers</li> <li>◆ Cluster 5 Group MRT – Selected top managers of the Group</li> <li>◆ Other <b>Group resources relevant to the achievement of the Plan's objectives</b></li> </ul>
<b>Pay Mix STI/LTI</b>	<ul style="list-style-type: none"> <li>◆ Proposed pay mix (on an annual basis):               <ul style="list-style-type: none"> <li>◆ <b>CEO / GM Mediobanca 50% STI - 50% LTI</b></li> <li>◆ Others : approximately 80% STI - 20% LTI, differentiated on an individual basis (of the overall variable target estimated at the beginning of the plan)</li> <li>◆ To comply with the 2:1 cap approved by the Shareholders' Meeting, redefine short-term plans annually on an individual basis</li> </ul> </li> </ul>
<b>Gateways</b>	<p>Those under the Remuneration Policies, assessed over the Plan period as follows:</p> <ul style="list-style-type: none"> <li>◆ verification at the closing date in each financial year for the capital adequacy and liquidity indicators in the RAF;</li> <li>◆ in aggregate at the end of the Plan for income indicators.</li> </ul>
<b>KPI</b>	<ul style="list-style-type: none"> <li>◆ <b>Integrated scorecard Financial KPIs (70%), financial and non-financial ESG KPIs (20%), rTSR (10%).</b></li> <li>◆ KPIs are selected from Plan targets, linked to value creation objectives: capital, risk-adjusted profitability, growth, and ESG</li> </ul>
<b>Disbursement mode</b>	<p>In accordance with the deferral schemes of the current Remuneration Policies adapted taking into account an <b>all-equity payment</b> (60% deferred over five-year and four-year time horizons). The value of the MB share is determined based on the normal value of the Mediobanca stock in the 30 days prior to the approval of the 23-26 Strategic Plan by the BoD (May 23, 2023 - namely €9.822)</p>
<b>Malus and Clawback</b>	Malus and clawback as per the Remuneration Policies

# LTI INDICATORS 2023 - 2026 - FINANCIAL

		Assessment criteria				
		KPI	Weight	Threshold KPIs	KPIs	% fixed salary - annual basis - Plan horizon for CEO
70% - FINANCIAL KPIs	Growth	EPS Growth	25%	Max and/or >	15.5%	100%
				BTW Target and Max	15% - 15.5%	85% - 100% linear interpolation
				Target Plan	15%	85%
				BTM Min and Target	13% - 15%	65% - 85% linear interpolation
				Below Min	13%	0
	Risk Adjusted Profitability	Group ROTE	25%	Max and/or >	15,5%	100%
				BTW Target and Max	15% - 15.5%	85% - 100% linear interpolation
				Target Plan	15%	85%
				BTM Min and Target	13% - 15%	65% - 85% linear interpolation
				Below Minimum	13%	0
	Capitalisation	CET 1 (fully loaded)	20%	Max and/or >	14%	100%
				BTW Target and Max	13.5% - 14%	85% - 100% linear interpolation
				Target Plan	13.5%	85%
				BTM Min and Target	13% - 13.5%	65% - 85% linear interpolation
				Below Minimum	13%	0

# LTI INDICATORS 2023 - 2026 - ESG / rTSR

			Assessment criteria			
		KPI	Weight	Threshold KPIs	KPIs	% fixed salary - annual basis - Plan horizon for CEO
20% - ESG KPIs	Climate Risk Related	% reduction in portfolio carbon intensity (portfolio decarbonization) <sup>1</sup>	10%	Max and/or >	>-22%	100%
				BTW Target and Max	-18% / -22%	85% - 100% linear interpolation
				Target Plan	-18%	85%
				BTM Min and Target	- 16% / -18%	65% - 85% linear interpolation
				Below Minimum	<-16%	0
	D&I (toDEI) Human Capital	% women Executives among the Group	10%	Max and/or >	> 23%	100%
				BTW Target and Max	20%-23%	85% - 100% linear interpolation
				Target Plan	20%	85%
				BTM Min and Target	19% - 20%	65% - 85% linear interpolation
				Below Minimum	< 19%	0
10% - rTSR	Relative Performance Total Shareholder Return (rTSR)	Relative positioning of Mediobanca stock performance vs. Peers Banks <sup>2</sup>	10%	Max and/or >	> 90% percentile	100%
				BTW Target and Max	75%-90% percentile	85% - 100% linear interpolation
				Target Plan	75% percentile	85%
				BTM Min and Target	Median – 75% perc.	65% - 85% linear interpolation
				Below Minimum	< median	0

1) Climate emissions intensity (tCO<sub>2</sub>eq./€mil.) Purpose 1-2-3 of loans granted by the CIB division (excluding Specialty Finance) to non-financial counterparties  
 2) Over the time horizon 1/7/23 - 30/6/2026: includes the change in value of the stock and all dividends distributed during the benchmark period (subject to the implicit assumption that these dividends are reinvested in the stock itself). Peer used for the purpose of benchmarking CEO remuneration, public in the Remuneration Policy



# DISBURSEMENT MODE AND DEFERRAL STRUCTURE LTI 2023 - 2026

Instrument	Long Term Incentive 2023 -2026								Total
	Performance assessment	Disbursement <sup>1</sup>						2032	
	FY 23/24 - FY 25/26	2026	2027	2028	2029	2030	2031		
Equity Top Mngt		40%	12%	12%	12%	12%	12%	100%	
Equity Other Mngt		40%	15%	15%	15%	15%	15%	100%	

3 Years (FY 23/24 - FY 25/26)

5 / 6 years (2026 - 2031)

8 / 9 years (2026 - 2032)

Legend: ■ up front, ■ deferred

The equity component has been valued at €9.822 per share. This is equal to the average Mediobanca stock market price in the thirty days prior to 23 May 2023, the date on which the BoD approved the “One Brand-One Culture” 2023-26 Strategic Plan. No external events occurred during this period, the effects of which would have distorted the performance of financial markets and/or the Mediobanca stock market price.

The actual number of shares to be granted, subsequently subject to the additional performance/malus conditions and/or holding period provided for in the Policies, will be re-proportioned at the time of the Plan's finalisation according to the variable component actually accrued.



**Section 1. Executive Summary**

**Section 2. Remuneration Governance**

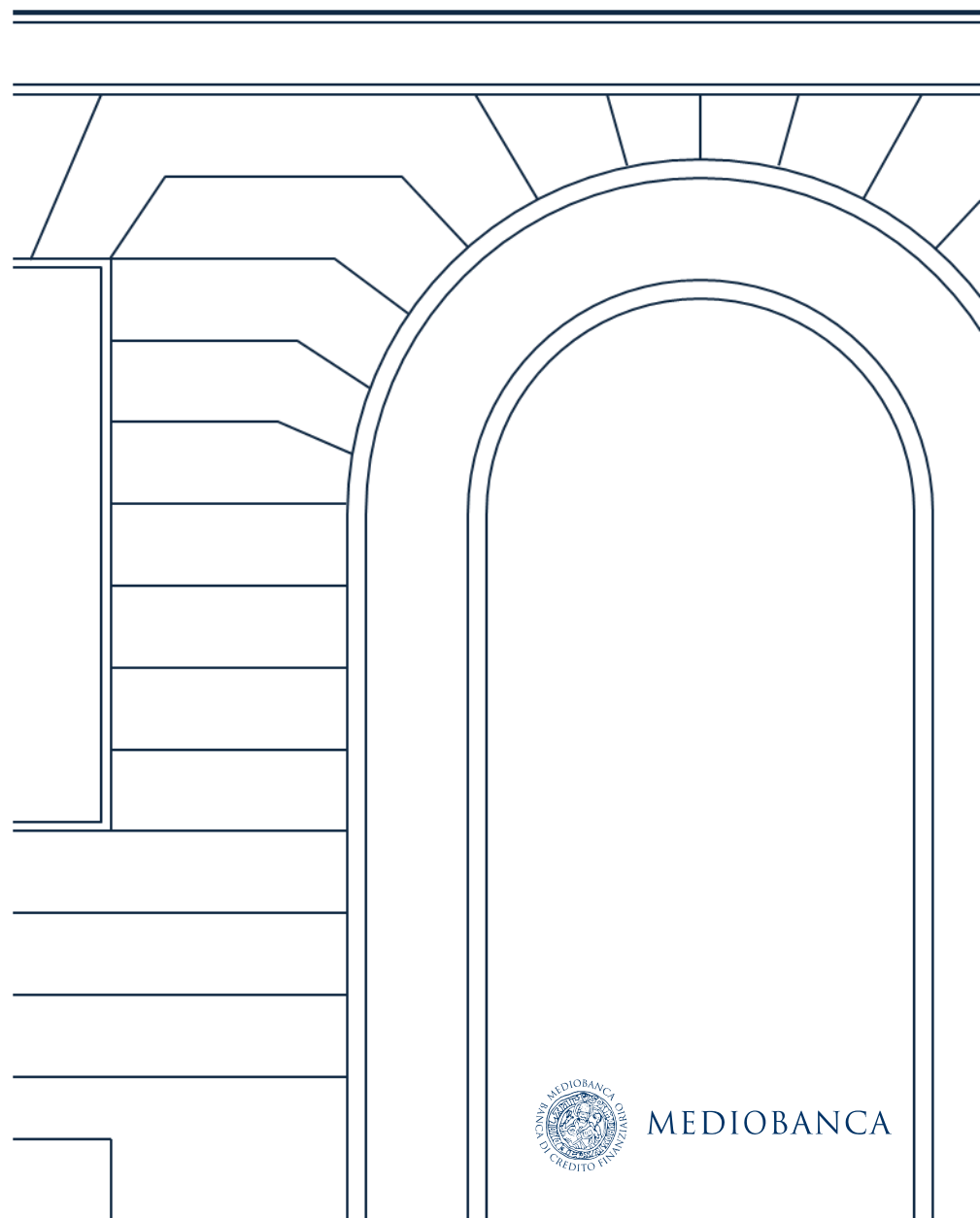
**Section 3. Remuneration Policy and Structure**

**Section 4. Mediobanca Performance**

**Section 5. Short-term Incentive**

**Section 6. Long-term Incentive**

**Section 7. CEO's Remuneration**



MEDIOBANCA

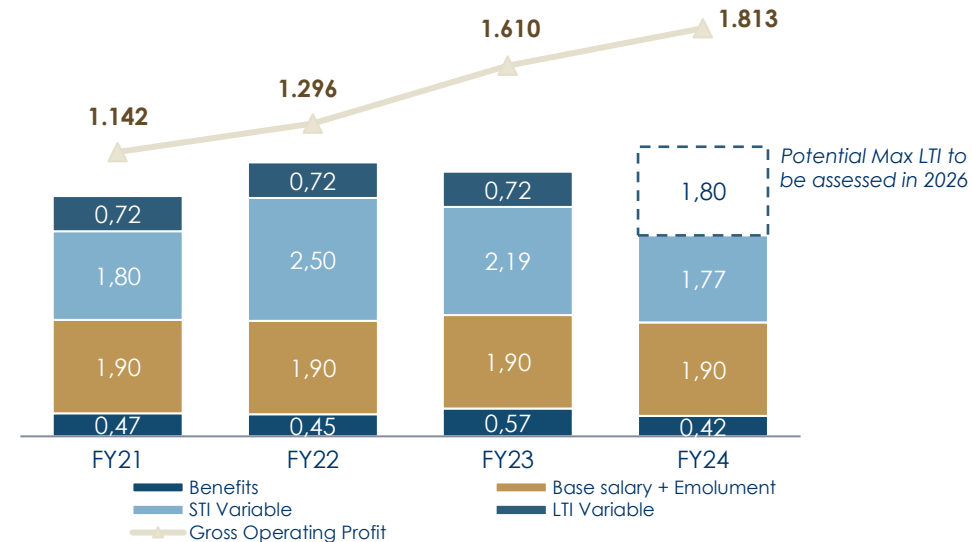


# FY24 CEO TOTAL REMUNERATION EVOLUTION REFLECTING A STRONG PAY-FOR-PERFORMANCE TREND AND LONG-TERM SUSTAINABILITY

## CEO - FY24 STI scorecard

PARAMETER	WEIGHT	KPI target/max	FY23	ASSESSMENT
RORWA Banking Activities	30%	2.9% / 3.1%	3.18%	EXCEEDED
Cost of Risk	20%	49bps / 46bps	46.5bps	MAXIMUM
Banking Revenues	20%	3,000m / 3,060m	3,097m	EXCEEDED
Total fee income	20%	938m / 960m	939m	TARGET
<b>Financial ESG targets</b>	10%			
CIB Loan book with ESG/Green features	2.5%	27% / 35%	38%	EXCEEDED
ESG new loans to retail clients	2.5%	440m / 500m	430m	BELOW
SFDR Article 8/9 funds in clients' portfolio (MB PR)	2.5%	68% / 70%	73%	EXCEEDED
SFDR Article 8/9 funds in clients' portfolio (MB PB)	2.5%	36% / 38%	36%	TARGET
<b>ESG: Our People</b>	non-financial with BoD evaluation			MET
<b>ESG: Our Community</b>	non-financial with BoD evaluation			MET

## CEO total compensation evolution (€m)



- ◆ **Base salary for the CEO remained constant since 2011.**
- ◆ **First year of the new pay mix coming into effect** where the pay mix between short- and long-term incentive was 50:50.
- ◆ **2024 STI Scorecard Assessment** – Based on the results of the STI scorecard, **the BoD assigned a short-term variable remuneration** of € 1,766 million to the CEO, **equal to 98% the fixed remuneration.**
- ◆ **LTI 2023-2026:** for up to 50% of CEO's total variable remuneration (100% fixed remuneration) for each year of the Plan will be assessed with the completion of the Strategic Plan 2023-26 "One Brand-One Culture" on 30 June 2026.
- ◆ **Stock ownership requirement:** CEO is required to reinvest in Mediobanca shares and retain for his entire mandate an amount equivalent to 200% of his fixed remuneration (increasing to 300% with the new Remuneration Policy). As at June 2024, CEO retains shares 20.5x his fixed remuneration.
- ◆ **CEO / STAFF PAY RATIO** - 2024 CEO's gross total compensation / average gross total compensation for Group staff members approx. 45x (vs 61x last year included LTI 19-23 effective award)

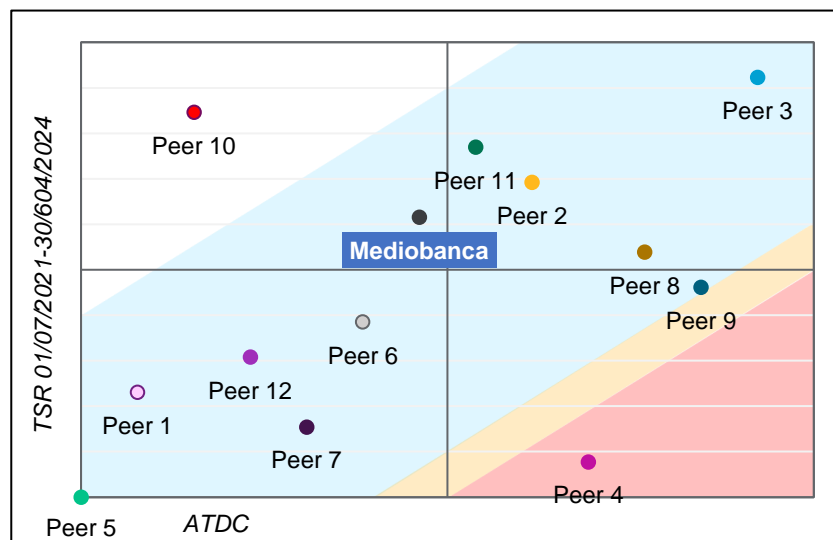
# FY24 CEO PAY-FOR-PERFORMANCE AND PEERS' POSITIONING

The total maximum remuneration payable to the CEO is **aligned with performance of both the Group itself and that of the Peer Group selected by Mediobanca.**

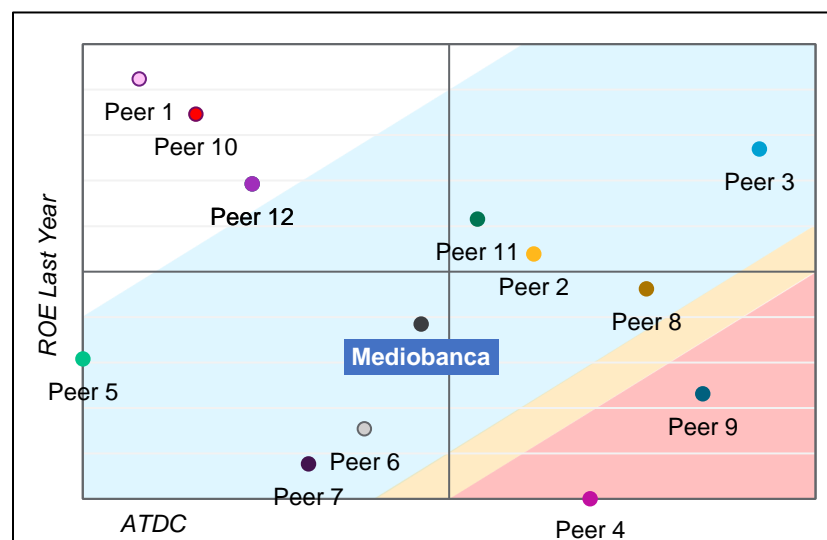
The benchmark **Peer group** consists of the following **twelve companies**: BNP Paribas, BPER Banca, Deutsche Bank, Fineco Bank, Intesa Sanpaolo, EFG International, Julius Baer Group, KBC Group, Lazard, Santander, Société Générale, and Unicredit<sup>1</sup>.

The two diagrams below compare the Actual Total Direct Compensation (ATDC – representing the sum of the fixed salary, variable compensation attributable to the last year's performance, i.e. that for FY 2023-24, and the fair value of the maximum annual component of the Long-Term Incentive – which for Mediobanca is the LTI Plan 2023-26) paid by the companies included in the Mediobanca Peer Group with the equivalent values for the Bank itself for the relevant indicators.

**ATDC vs. TSR<sup>2</sup> (3-years 07/2021-06/2024)**



**ATDC vs. ROE<sup>3</sup> (Last Year)**



1) In view of the changes in the sector in recent years, plus the developments in UK regulations and hence the strategic direction that marks out Mediobanca, Barclays and Schroders have exited the previous peer group and been replaced by BPER Banca, Deutsche Bank, EFG International and KBC Group, increasing the number of peers from ten to twelve. The peer group comprises only European financial institutions except for only one US peer, Lazard, reflecting the strategic relevance of this company to Mediobanca's business activities and long-term growth objectives.  
 2) Total Shareholder Return (TSR) (%). Data compiled by WTW, advisor to the Remunerations Committee. Source: Bloomberg. The TSR figures reflect the  $\Delta$  share value for the period and dividends distributed.  
 3) Return on Equity (ROE) (%). Data compiled by WTW, advisor to the Remunerations Committee. Source: S&P. All ROE figures are taken from closing data at the end of the relevant financial year (which for the companies included in the Peer Group is 31 December 2023, and for Mediobanca is 30 June 2024).

# FY25 CEO SCORECARD AND PAYMIX - MB GROUP GROWTH AND ESG

## CEO – FY25 STI Scorecard

Financial KPIs	WEIGHT 85%	KPI target 75% fixed salary	Δ KPI out perf. 85% fixed salary
<b>RORWA Banking activities</b> <i>Optimization of return on RWAs allocated to banking activities</i>	25%	Vs. Budget/ Plan	11% target
<b>Gross Non-Performing Loans (NPL Ratio)</b> <i>Focus on asset quality</i>	15%	Vs. Budget/ Plan	5% target
<b>Total Revenues</b> <i>Focus on Group total revenues</i>	20%	Vs. Budget/ Plan	4% target
<b>Capital Generation</b> <i>Focus on growth in the Group's capital position through profit generation</i>	15%	Vs. Budget/ Plan	2% target
<b>Financial ESG targets</b>	10%	Vs. Budget/ Plan	
✓ % of loans with ESG characteristics of new Corporate (CIB) production	3,3%		27% target
✓ % ESG new loans to retail customers (Consumer - WM Premier)	3,3%		6% target
✓ Art. 8 and Art. 9 products (Funds and ETF) in the WM customer portfolio	3,3%		3% target
Non Financial KPIs	WEIGHT 15%	KPI target 10% fixed salary	Δ KPI out perf. 15% fixed salary
<b>Our People</b> <i>ESG objectives to support diversity and inclusion, develop skills and promote engagement</i>			Evaluation scale: Not achieved Partially achieved Target Achieved Fully achieved
✓ toDEI initiatives implemented	7,5%		
✓ Mediobanca Academy launch			
✓ Employee engagement initiatives			
<b>Our Community</b> <i>ESG objectives to support value creation for society (linked to the MB Group's CSR)</i>			Evaluation scale: Not achieved Partially achieved Target Achieved Fully achieved
✓ Sustainability initiatives	7,5%		
✓ Third sector initiatives			
✓ Support for social initiatives with Group staff volunteering			
<b>Total scorecard</b>	<b>100%</b>	<b>KPI target = 85% fixed salary</b>	<b>Δ KPI out- performance = 100% fixed salary</b>

**2025 Paymix  
and remuneration  
opportunity**

**€ 1,800,000 Fixed  
salary<sup>1</sup>  
all cash up front**

**Max € 1,800,000  
2025 STI  
47% cash – 53% equity  
5 years deferred**

**Max € 1,800,000  
2023-2026  
pro rata LTI  
100% equity  
5 years deferred**

As in previous years, performance achieved to payments made will be detailed on a retrospective basis

1) Excluded emoluments, payable to directors in office for board member role - € 100,000 in 2024 and excluded Pension plan

