



MEDIOBANCA GROUP

2023 REMUNERATION POLICY

28 October 2023



MEDIOBANCA



Section 1. Executive summary

Section 2. Remuneration Governance

Section 3. Remuneration Policy and Structure

Section 4. Mediobanca Performance

Section 5. Short-term Incentive

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Section 7. CEO's Remuneration



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EXECUTIVE SUMMARY

FY23 – BUSINESS ACHIEVEMENTS AND REMUNERATION HIGHLIGHTS

BUSINESS RESULTS

- ◆ **Strongest results ever posted** in terms of revenues (€3.3bn), earnings (above €1bn), and profitability (ROTE 13%)
- ◆ **2019-23 Business Plan** strategy and targets **significantly exceeded**
- ◆ Mediobanca Group's **ESG profile and commitment improved**
- ◆ Shareholders' remuneration: DPS up 13% YoY, total pay-out ~70%

PAY FOR PERFORMANCE

- ◆ The **notable improvement in** divisional **performance** led to **bonus pools increasing**
- ◆ **Sustainable pay for performance** from a long-term perspective
- ◆ **All Gateways met:** Capital and liquidity ratios enhanced as defined in the Risk Appetite Framework and Positive Group Gross Operating Profit

CEO'S REMUNERATION

- ◆ **Overall achievement of 2023 annual scorecard KPIs** for the STI
- ◆ **LTI 19-23 targets** were met **in line with the results delivered**

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.

- ◆ **New 2023-26 Long Term Incentive Plan**, subject to the approval by shareholders at the 2023 Annual General Meeting (AGM), linked to the new Strategic Plan
 - ◆ **Paid 100% in equity**
 - ◆ **CEO paymix (STI:LTI): 50:50 (vs 80:20 previously)**
- ◆ **Full disclosure** of the 2019-2023 LTIP KPIs achievement, and the 2023 annual STI scorecard
- ◆ **Further** quantitative **disclosure** regarding the Group's positioning in terms of ESG KPIs, Gender Pay Gap and Equal Pay Gap
- ◆ **Launch of the 2023-26 Employee Share Ownership Plan** subject to approval by shareholders at the 2023 AGM

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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"> ◆ Set, at each BoD renewal, the annual fixed pay for members of the Board of Directors ◆ Approve the remuneration policies and compensation schemes based on financial instruments for Group directors, staff and collaborators ◆ Approve the criteria for determining the compensation to be awarded in the event of early termination of the employment relationship or term of office ◆ Approve the variable remuneration cap for employees and advisors of the Group at 200% of fixed remuneration, following Board of Directors proposal or any other limit set by the regulations 	<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"> ◆ reviews and assesses remuneration proposals and guidelines ◆ advises on decisions regarding the criteria to be used for compensation payable to all identified staff with focus on main MRTs ◆ regularly reviews (benchmarks & market practice analysis, regulatory framework & recommendations) the adequacy, congruity, adherence and application of remuneration policies, including equality policy and gender pay gap ◆ verifies performance achievements involving all relevant company units in devising and checking the remuneration and incentive policies and practice ◆ Co-operates with Risk and CSR Committees 	<div style="border: 1px solid #c88e3d; padding: 5px; margin-bottom: 5px; text-align: center;"> <p>GROUP HR</p> <p>process owner, governs and controls units to verify the Group's earnings and financial data</p> </div> <div style="border: 1px solid #c88e3d; padding: 5px; margin-bottom: 5px; text-align: center;"> <p>AUDIT</p> <p>reviews data and monitors process adherence</p> </div> <div style="border: 1px solid #c88e3d; padding: 5px; margin-bottom: 5px; text-align: center;"> <p>ACCOUNTING</p> <p>provides data for determining the business areas' performances based on results</p> </div> <div style="border: 1px solid #c88e3d; padding: 5px; margin-bottom: 5px; text-align: center;"> <p>COMPLIANCE</p> <p>evaluates compliance of policy with legal and regulatory frameworks</p> </div> <div style="border: 1px solid #c88e3d; padding: 5px; text-align: center;"> <p>RISK MANAGEMENT</p> <p>contributes to establishing metrics to calculate risk adjusted performance</p> </div>



REMUNERATION COMMITTEE

Composition

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

Member	Position	Independent
Maurizio Carfagna	Chairman	X ^{1,2}
Virginie Banet	Member	X ^{1,2}
Valerie Hortefeux	Member	X ^{1,2}
Maximo Ibarra	Member	X ^{1,2}
Alberto Lupoi	Member	X ^{1,2}

Supported by external independent compensation consultant (Deloitte Consulting in FY 23)

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.**

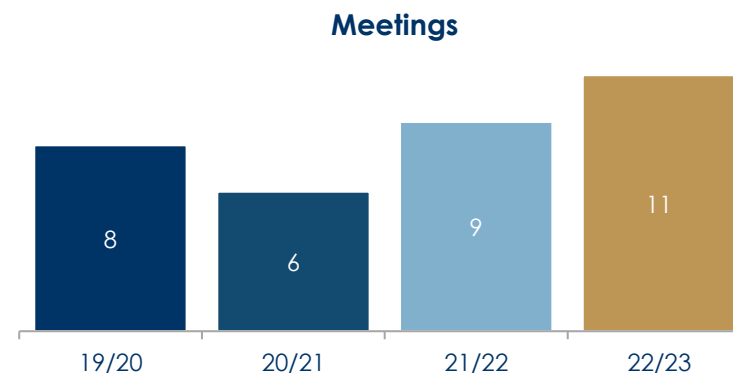
Vote results are carefully analyzed to understand any motivations for dissent. Despite receiving strong support from all institutional investors, the Committee actively adapts the design to ensure maximum alignment with the interests of all stakeholders (for example, increase the weighting of long-term incentives in the paymix, ESOP, etc.)

FY23 main topics

- ◆ **Definition of scorecards for CEO and GM**, with financial and non-financial criteria, including ESG KPIs, evaluation
- ◆ **The end of the LTI 2019-23 Plan**, and in-depth **analysis of the LTI 2023-26 Plan**, consistent with the new 2023-26 Strategic Plan approved on 23 May 2023
- ◆ Analysis of the **ESOP 2023-26 for the Group's employees**
- ◆ **Review of compensation** for relevant MRTs, evaluation of performance and bonus pools for the Group relevant units and staff
- ◆ **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 Annual General Meeting**
- ◆ Review of the new Remuneration Policy and Plans to be approved by the Board of Directors and by shareholders at the 2023 AGM

Activity

The Rem Co has increased the number of meetings it holds in a year, which last on average close to 2 hours.



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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.

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/ROAC.

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 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.

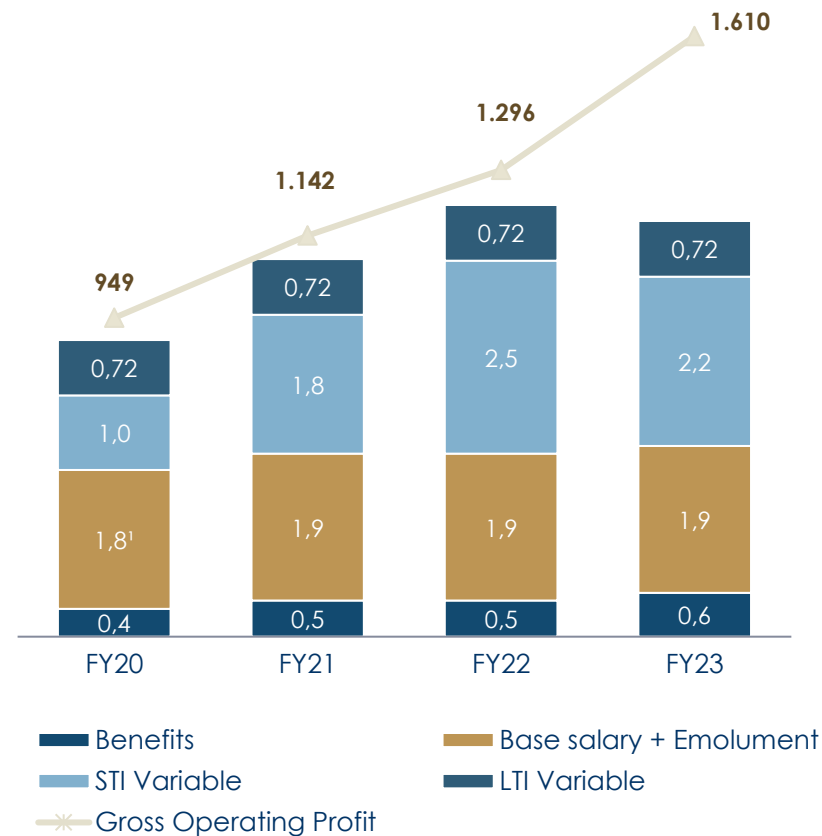


PRACTICES ALIGNED WITH THE INTERESTS OF ALL STAKEHOLDERS THAT PROMOTES A STRONG PAY FOR PERFORMANCE CULTURE

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)		New LTI (Strategic Plan 23 - 26)		Old LTI (Strategic Plan 19 - 23)	
	Upfront	Annual contrib.	5 Y deferral - 60% deferred*		5 Y deferral - 60% deferred		5 Y deferral - 60% deferred	
	Cash	Cash	Cash	Shares	Cash	Shares	Cash	Shares
Non Executive directors included Chairman	100%							
Executive Directors	100%	100%	47%	53%		100%	47%	53%
Executives - Senior Managers	100%	100%	47%	53%		100%	47%	53%
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 € 404,000 for 2023 and higher than € 424,000 in 2024

◆ **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)
- ◆ New 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 2023 represents around 2% of the total Group staff and are as follows: 103 resources qualified as identified staff, including Executives, Senior Management, Manager of business units and other resources with managerial responsibilities.

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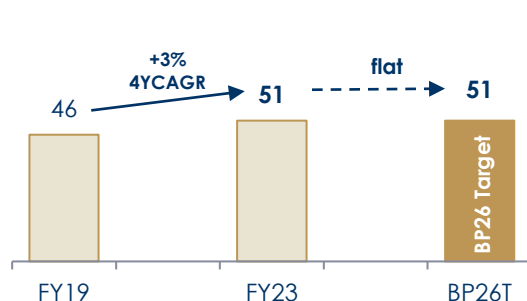
FY23: BP TARGETS OVER-DELIVERED - NEW BP26 TARGETS SET

FY23: successful delivery of the 2019-23 Strategic Plan targets with all-time high results.

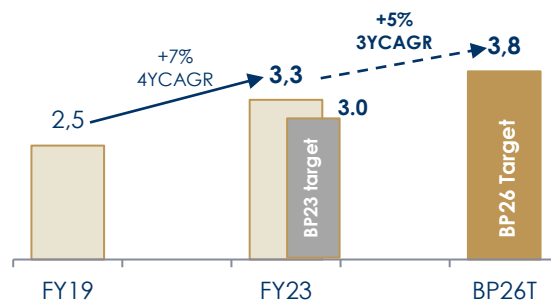
Revenues at €3.3bn (up 16% YoY; plan target of €3bn), EPS at €1.21 (up 15% YoY, plan target of €1.1) and ROE at 13% (up 3pp YoY; plan target of 11%) due to **strong positioning and business segment diversification**. **Solid capital position** with CET1 at 15.9% (up 30 bps YoY) **along with high stakeholder remuneration** (2.2bn distributed in line with plan target).

New BP26 targets set: revenues at €3.8bn (+5% 3YCAGR); EPS at €1.80 (+14% 3YCAGR), ROE at 15% (up 2pp). CET1 down at 14.5% to support business growth (with stable RWA) and high shareholder distribution (€3.7bn, up 70%, cash pay-out and share but back)

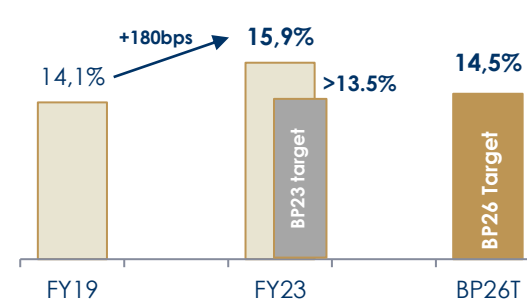
RWAs up to €51bn in FY23 and remaining flat in next 3Y (€bn)



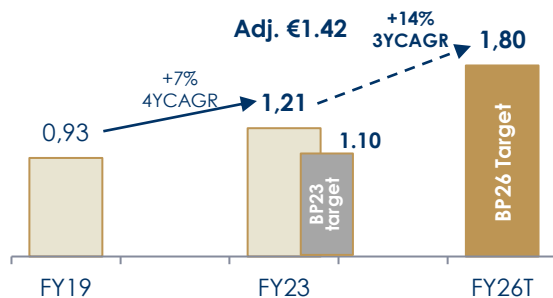
Revenues up to €3.3bn in FY23 and expected to reach €3.8bn in BP26T (€bn)



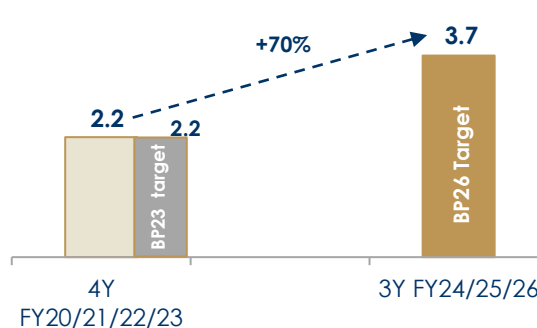
CET1 ratio up 15.9% in FY23 and staying >14.5% in next 3Y



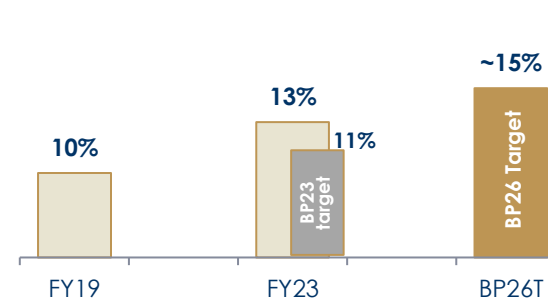
EPS up to €1.21 in FY23 and to increase to €1.80 in BP26T (€)



Shareholder distribution¹⁾: €2.2bn in BP23, set to increase by 70% in BP26T (€bn)



ROE up to 13% in FY23 and expected to reach 15% in BP26T



BP26 STRATEGY WELL SUPPORTED BY THE MARKET

Brokers - Confidence in Strategy and Management

“MB’s new business plan meets our call for evolution, shifting the focus to lower capital-absorbing business...”

- Jefferies

“We see this plan as the first one through which the group can fully exploit all the groundwork of last decade both organically and via bolt-on deals”

- Citi

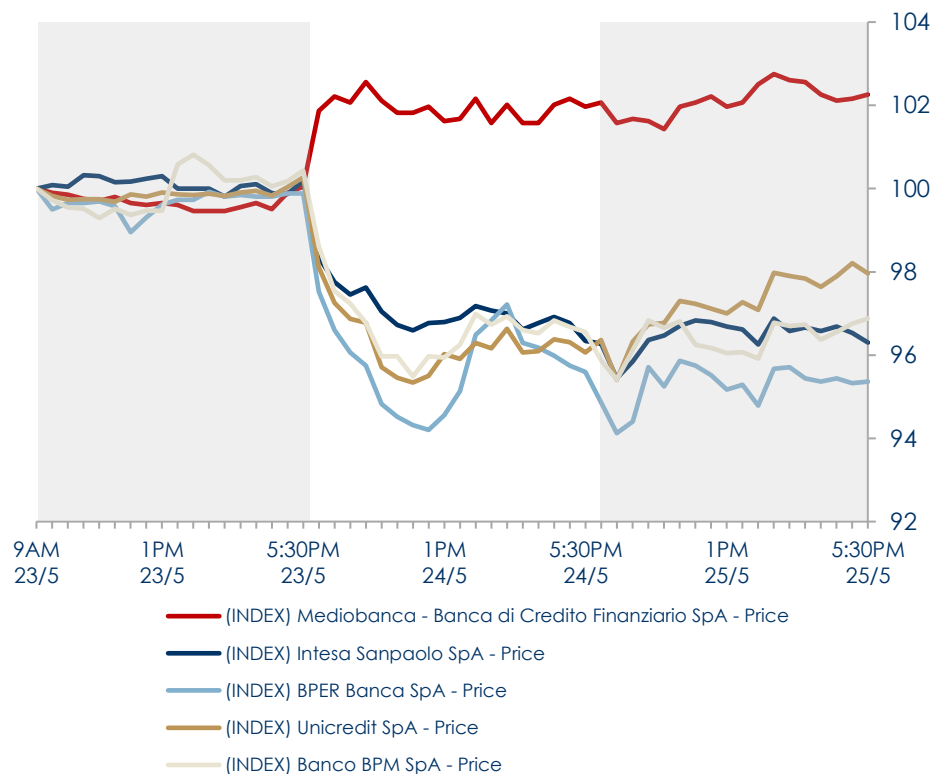
“Mediobanca management has demonstrated to be able to overdeliver its targets”

- Intesa Sanpaolo

“MB has an excellent track record in terms of achieving targets...”

- Equita

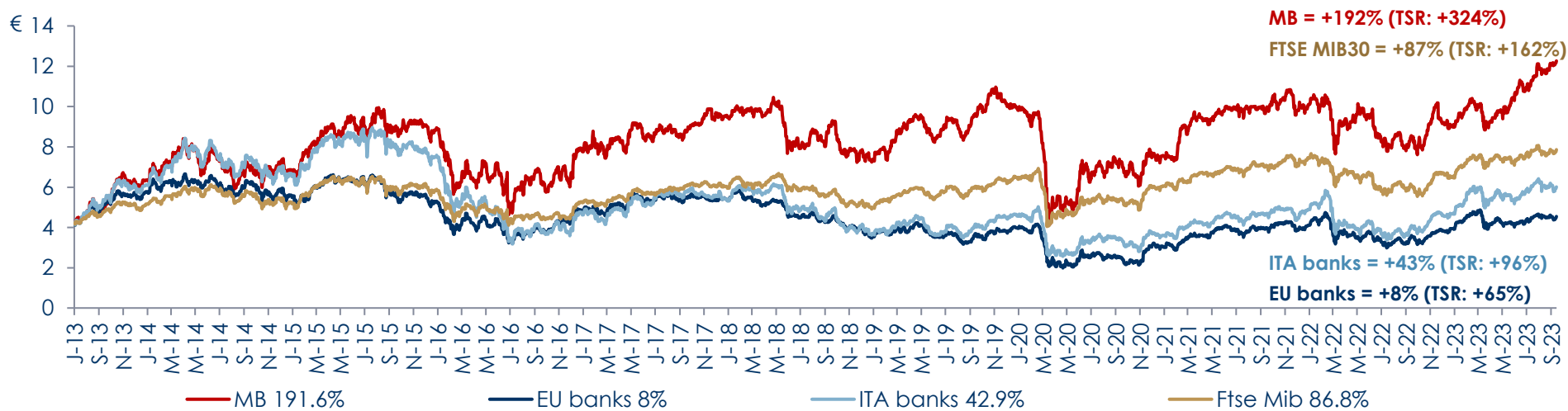
Market Reaction



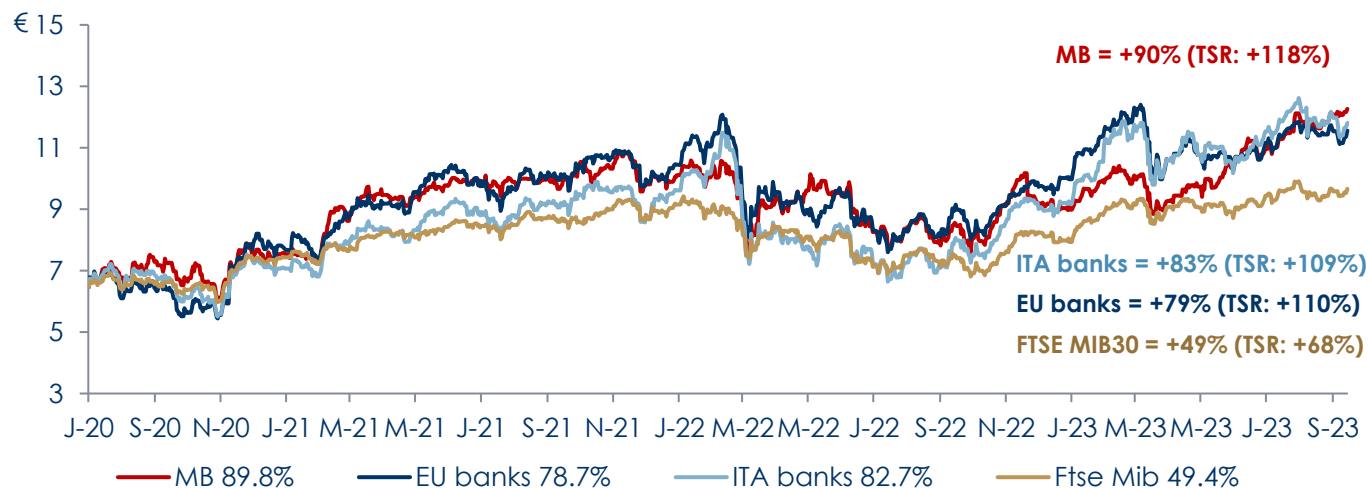
Engagement on Strategy: A Board Shareholder-Director (“S-D”) Engagement Policy was adopted in 2022 with aims to ensure a healthy shareholder base and facilitate ongoing constructive dialogue with the market, including in relation to strategic decisions regarding organic growth and growth by acquisitions.

SOUND SHARE PRICE PERFORMANCE

Mediobanca's last 10Y share price performance vs banking sector and FTSE MIB30



Mediobanca's last 3Y share price performance vs banking sector and FTSE MIB30



10Y PERFORMANCE
 MB performance remarkably stronger than the banking sector and FTSE MIB

3Y PERFORMANCE
 MB outperforming banking sector and FTSE MIB

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FY23: 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	FY23 RESULTS	KPIs	FY23 RESULTS	KPIs	FY23 RESULTS
>0	1,621m	≥ 9,5%	15,9%	≥ 4%	8,4%
PARAMETER		PARAMETER		PARAMETER	
AFR/ECAP 		Liquidity Coverage ratio 		Net Stable Funding Ratio 	
KPIs	FY23 RESULTS	KPIs	FY23 RESULTS	KPIs	FY23 RESULTS
≥ 115%	190%	≥ 115%	180%	≥ 104,5%	119%

- ◆ Economic Profit and/or ROAC 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.

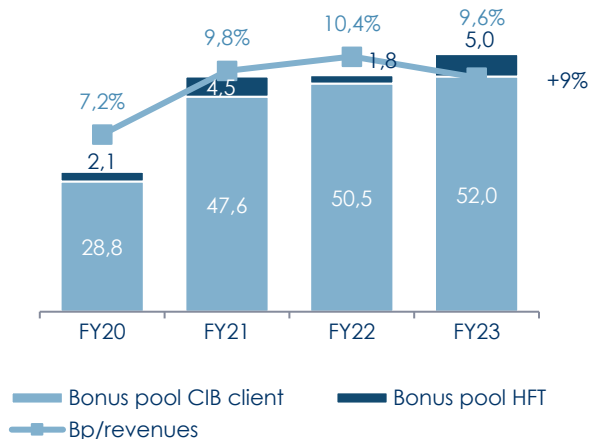
FY23 BONUS POOLS INCREASED OVERALL LINKED TO RESULTS

◆ **All gateways were satisfied**

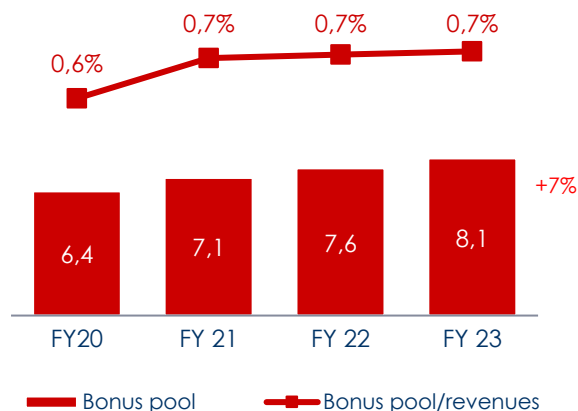
◆ **Consistency of pay for performance:**

- ◆ Overall bonus pool of major Group companies (closing 30 June 2023) increasing in absolute terms (from €110 million to around €121 mln, +10%) in line with improved divisional performance, based on the specific type of pay mix
- ◆ Bonus pool/revenue ratios broadly in line with the previous year against improved Group performance
- ◆ Pay for performance sustainable over the long term
- ◆ The FY 2023 variable component assigned to Group MRTs (approx. € 31m) affects CET1 by about 4 bps as in previous years (€30/4 bps in 2022 mln vs.)

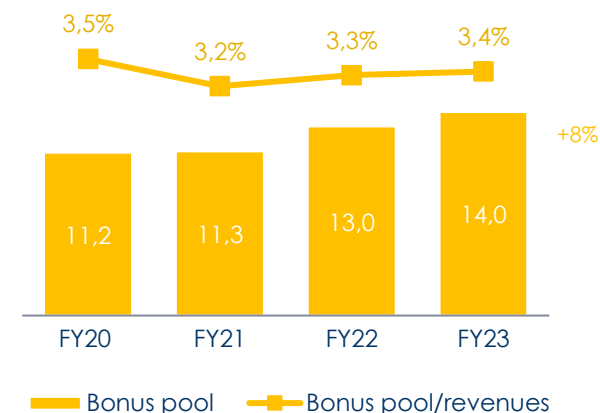
CIB: Wholesale Banking (€m)



Consumer (€m)



WM Premier (€m)

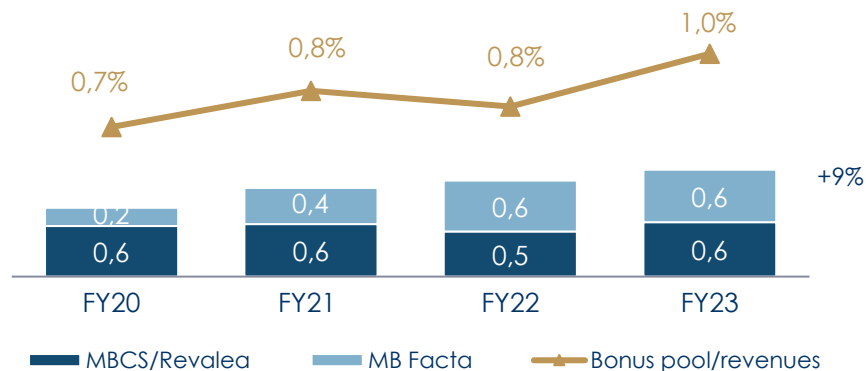


1) The pools of the MB Group companies with financial year ending 31 December 2022 were as follows CMB €10.8 mln (vs. €9/2021), RAM €1.5 mln (vs. €2.3 mln/2021), Polus €9.8 mln (€4.9/2021), MA €5 mln (€7.1 /2021), of which approx. €1.5 mln to MRTs

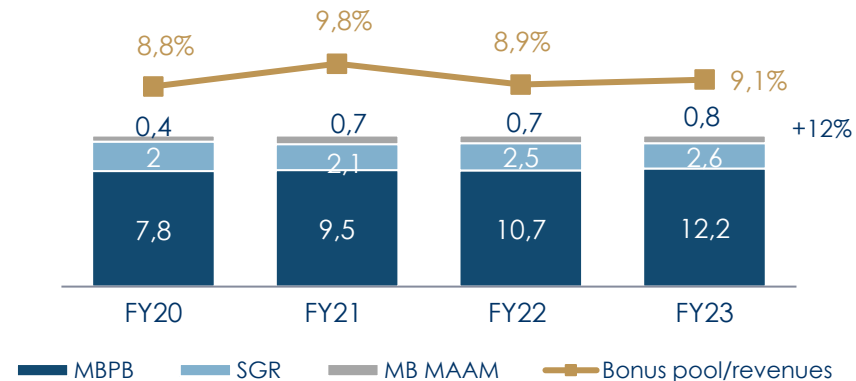


FY23 BONUS POOLS INCREASED OVERALL LINKED TO RESULTS (CONT'D)

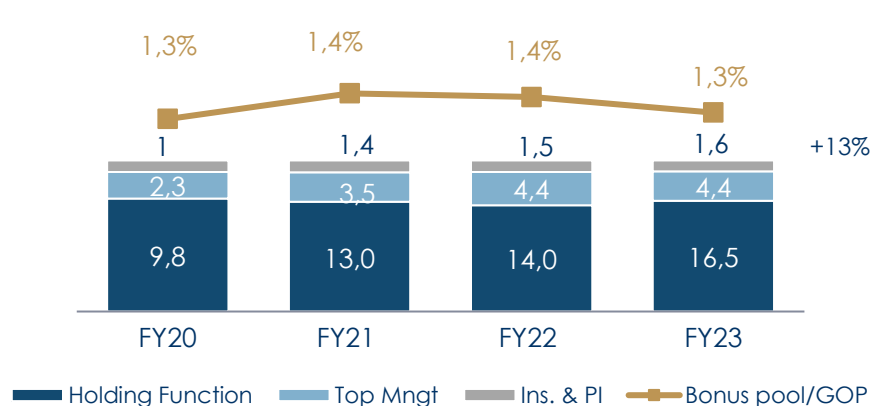
CIB: Specialty Finance (€m)



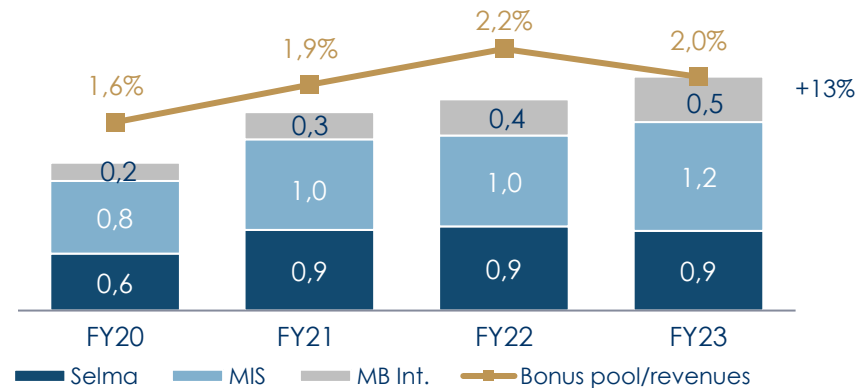
WM: MBPB - MB SGR – MB WM/MAAM (€m)



Holding Function MB¹, Top Mngt, Ins. (€m)



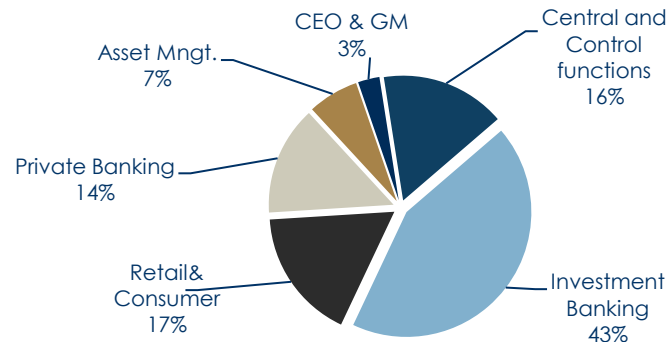
HF Other: Selma, MIS, MB Intl. (€m)



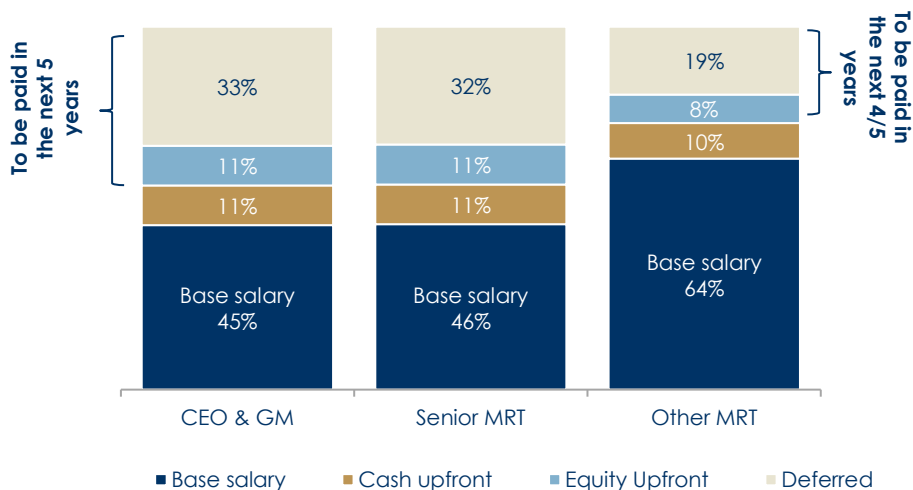
GROUP PAY MIX AND VARIABLE/FIXED REMUNERATION RATIO FY 23

- ◆ Group variable/fixed remuneration ratio 2023 vs. 2022: pay for performance and sustainable remuneration mechanism applied in main BUs
 - ◆ MB WB: avg. 90% as in 2022 (Group MRT: 123% vs. 121 %)
 - ◆ WM MB PB: avg. 55% vs. 57% (Group MRT: 150% vs. 138%)
 - ◆ WM Premier: avg. 14% as 13% in 2022 (Group MRT 85% vs. 93%)
 - ◆ Consumer: avg. 10% as 9% in 2022 (Group MRT 94% vs. 85%)
- ◆ CEO & GM FY23
 - ◆ average STI variable/fixed ratio 128% vs. 134% in 2022
 - ◆ 60% of variable compensation deferred
 - ◆ pay-mix: ≈45% to be paid in 5 years

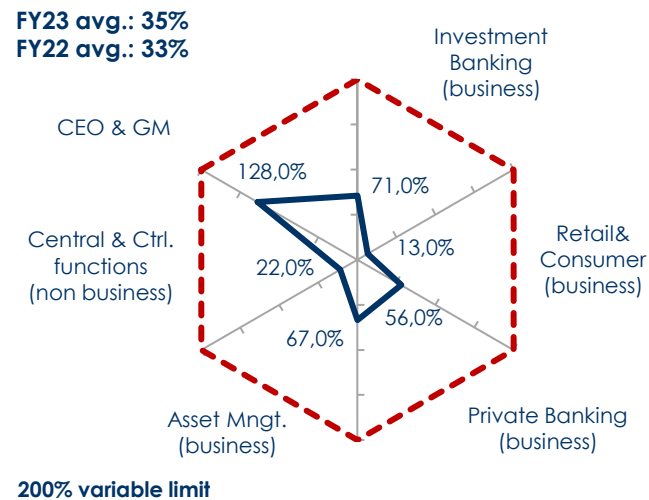
STI Variable remuneration distribution by MB Group activity (% on total bonus pool)



STI FY22/23 identified staff pay mix



STI Variable remuneration/fixed salary by activity¹ (%)



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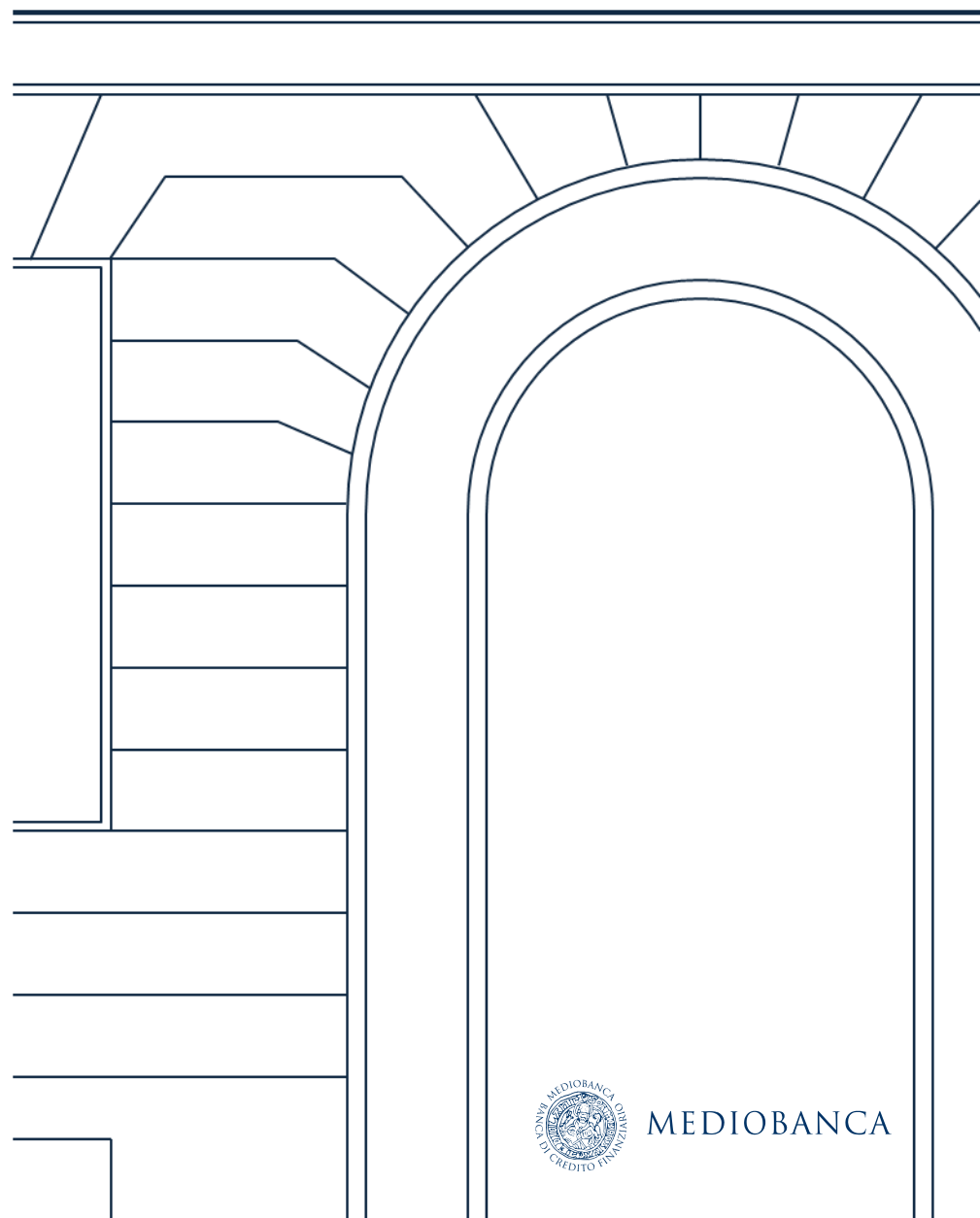
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



CLOSURE OF THE LTI 2019 - 2023

The **record results** delivered by the Group **exceeded the targets set as part of the 2019-23 Plan** and resulted in high remuneration for all stakeholders. The final scores for the financial KPIs are shown below.





	KPI	Weight	KPIs Target Plan 2023	30 June 2023 19 -23	Assessment criteria	
					Threshold KPIs	% fixed salary - annual basis - Plan horizon for CEO
Growth	EPS Growth	33%	4%	6.8%	> 5%	40%
					4% - 5%	30% - 40%
					4%	30%
					3% - 4%	20%
					< 3%	0
Risk Adjusted Profitability	Group ROTE	34%	11%	12.7%	> 12.1%	40%
					11% - 12.1%	30% - 40%
					11%	30%
					10% - 11%	20%
					< 10%	0
Capitalization	CET 1	33%	13,5%	15.9% With shareholder remuneration of €2,2 bn over 4 years (€1,9 bn cash dividends and €0,3 bn buy back with cancellation)	> 13.5%	40%
					13% - 13.5%	20% - 40%
					< 13%	0

NON FINANCIAL AND QUALITATIVE KPIS LTI 2019 - 2023

Qualitative and non-financial KPIS correction has not been applied due to quantitative and financial targets being met (see previous slide); nonetheless, the indicators were still assessed and considered by the Remuneration Committee.

	KPI LTI 19-23	Assessment 30 June 2023 19 -23
Corporate Social Responsibility Targets (Global Goals SDG UN)	 <ul style="list-style-type: none"> Average hours training up 25%  <ul style="list-style-type: none"> AM: 100% of new investments selected using ESG and financial criteria €700m to be invested in outstanding Italian SMEs 30% increase in ESG products in clients' portfolios  <ul style="list-style-type: none"> €4m per annum earmarked for projects with positive social/environmental impact  <ul style="list-style-type: none"> Customer satisfaction: CheBanca! CSI in core segments @73, NPS @25 - Compass: CSI @85, NPS @55  <ul style="list-style-type: none"> Energy: 92% from renewable resources, CO² emissions to be cut by 15%; hybrid cars @90% of MB fleet CheBanca! green mortgages up 50% 	<ul style="list-style-type: none"> Training hours well above target, four-year average growth of +71% Allocations for projects with positive social/environmental impacts were always above the annual target, with an annual average over the four-year period of more than EUR 6.5 million. All customer satisfaction indicators were above target (average CSI Compass @87; CBI @79; NPS Compass @57; CBI @39) With regards to climate-related targets in particular, it is worth noting the achievement of the percentage of AUM managed directly by the SGR and invested in instruments falling within the scope of the ESG Policy; the exceeding of targets relating to the share of renewable energy and reduction of direct emissions. In addition, the sustained growth of the trend relating to the green economy and the related subsidies also made it possible to far exceed the target of green mortgages for CheBanca!.
Relative Performance Total Shareholder Return	<p>MB stock relative performance vs Total Shareholder Return index (TSR: assumes dividends are reinvested) for 26 leading European banks (Euro Stoxx Banks – code SX7GT-STX), of which Mediobanca is part of</p>	<ul style="list-style-type: none"> In the four years covered by the Plan (1 July 2019 – 30 June 2023) the stock market performance has been positive at all times, up by 22%, outperforming the European banks index (up 21%) but underperforming the index for Italian banks (up 56%), the latter benefiting more as from 2H 2022 from the increased sensitivity to the rise in interest rates. MB's Total Shareholder Return (change in value of shares + dividends reinvested in MB stock) for the same period was equal to 47% (Italian banks up 79%, European banks up 44%).

THE NEW LONG TERM INCENTIVE PLAN 2023 - 2026

Elements	Indications
Performance evaluation time horizon	N° 3 fiscal years from FY 2023/2024 to FY 2025/2026, consistent with Strategic Plan 23 - 26
LTI Group Recipients 	<ul style="list-style-type: none"> ◆ Mediobanca CEO and GM ◆ Cluster 3 Group MRT – Key business unit managers ◆ Cluster 5 Group MRT – Selected top managers of the Group ◆ Other Group resources relevant to the achievement of the Plan's objectives
Pay Mix STI/LTI 	<ul style="list-style-type: none"> ◆ Proposed pay mix (on an annual basis): <ul style="list-style-type: none"> ◆ CEO / GM Mediobanca 50% STI - 50% LTI ◆ Others : approximately 80% STI - 20% LTI, differentiated on an individual basis (of the overall variable target estimated at the beginning of the plan) ◆ To comply with the 2:1 cap approved by the Shareholders' Meeting, redefine short-term plans annually on an individual basis
Gateways	<p>Those under the Remuneration Policies, assessed over the Plan period as follows:</p> <ul style="list-style-type: none"> ◆ verification at the closing date in each financial year for the capital adequacy and liquidity indicators in the RAF; ◆ in aggregate at the end of the Plan for income indicators.
KPI 	<ul style="list-style-type: none"> ◆ Integrated scorecard Financial KPIs (70%), financial and non-financial ESG KPIs (20%), rTSR (10%). ◆ KPIs are selected from Plan targets, linked to value creation objectives: capital, risk-adjusted profitability, growth, and ESG
Disbursement mode 	<p>In accordance with the deferral schemes of the current Remuneration Policies adapted taking into account an all-equity payment (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>
Malus and Clawback	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) ¹	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 ²	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 (tCO2eq./€mil.) Purpose 1-2-3 of loans granted by the ClB 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 (in 2023 Policy: Barclays, BNP Paribas, Fineco Bank, Intesa Sanpaolo, Julius Baer Group, Lazard, Santander, Schroders, Société Générale, Unicredit).



DISBURSEMENT MODE AND DEFERRAL STRUCTURE LTI 2023 - 2026

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

3 Years

5 / 6 years

8 / 9 years

upfront 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 Board of Directors 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

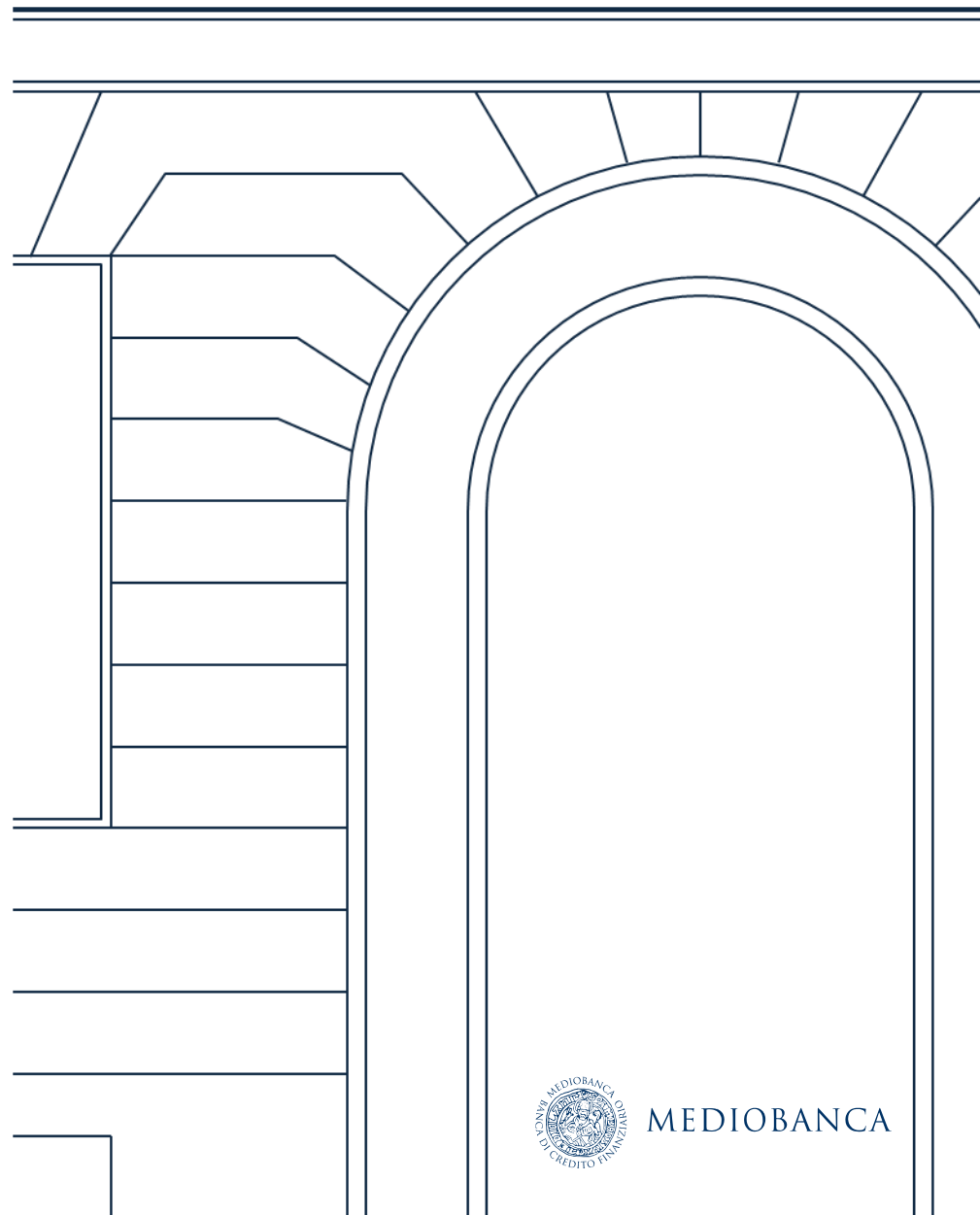
Section 3. Remuneration Policy and Structure

Section 4. Mediobanca Performance

Section 5. Short-term Incentive

Section 6. Long-term Incentive

Section 7. CEO's Remuneration



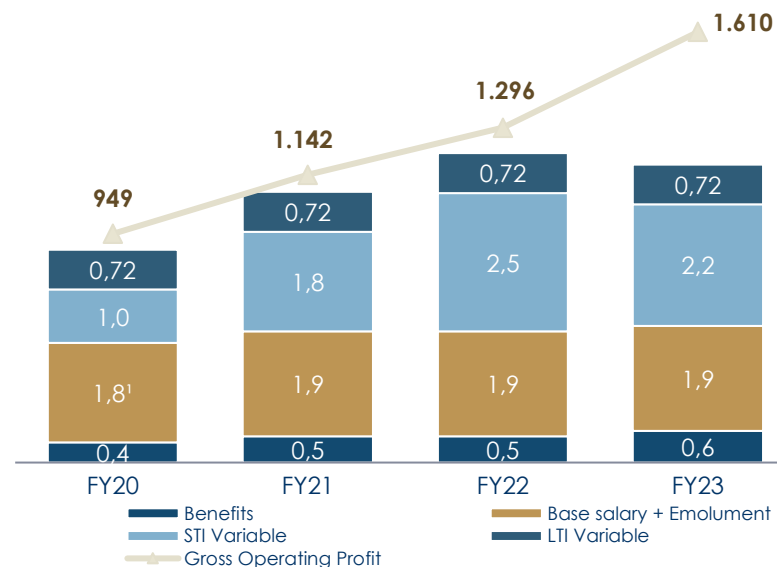
MEDIOBANCA

FY23 CEO TOTAL REMUNERATION EVOLUTION REFLECTING A STRONG PAY-FOR-PERFORMANCE TREND AND LONG-TERM SUSTAINABILITY

CEO - FY23 STI scorecard

PARAMETER	WEIGHT	KPI target/max	FY23	ASSESSMENT
Gross ROAC adj. Banking activities	30%	24.7% / 28,5%	30.7%	EXCEEDED
Cost of risk	20%	45bps / 41bps	52bps	BELOW
Net Interest Income	20%	1,525m / 1,570m	1,801m	EXCEEDED
Fee Income	20%	880m / 945m	844m	BELOW
Financial ESG targets	10%			EXCEEDED
- CIB Loan book with ESG/Green features		2,000m / 2,580m	2,793m	
- WM/Consumer ESG new production		310m / 360m	490m	
- ESG funds in clients' portfolio (WM Premier)		55% / 61%	71%	
- ESG funds in clients' portfolio (WM Private)		13% / 14.25%	15%	
CSR: People Strategy and Human Capital	non-financial with BoD evaluation			MET
ESG: Planet and Environment	non-financial with BoD evaluation			MET

CEO total compensation evolution (€m)



- ◆ **Base salary for the CEO remained constant since 2011.**
- ◆ **2023 STI Scorecard Assessment** – Based on the results of the STI scorecard, the BoD assigned a short-term variable remuneration of € 2,194 million to the CEO, equal to 1,22x the fixed remuneration
- ◆ **LTI 2019-2023 Assessment:** in view of the **overachieved 19-23 Plan's KPIs** (see section 6), the BoD assigned the **full amount accrued equal to 40% of CEO's gross annual salary for each of the four years of the Plan** for a total of €2,880 million (€0,720m x 4 years)
- ◆ **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. As at June 2023, CEO retains shares 15x his fixed remuneration
- ◆ **CEO / STAFF PAY RATIO** - 2023 CEO's gross total compensation / average gross total compensation for Group staff members approx. 61x (vs 49x last year)

FY24 CEO SCORECARD AND PAYMIX - MB GROUP GROWTH AND ESG

CEO – FY24 STI Scorecard

Financial KPIs	WEIGHT	KPI target 75% fixed salary	Δ KPI out perf. 90% fixed salary
Gross RORWA adj. Banking activities <i>Optimization of return on RWAs allocated to banking activities</i>	30%	Vs. Budget	7% target
Cost of risk <i>Focus on cost of risk</i>	20%	Vs. Budget	6% target
Banking Revenues <i>Focus on revenues from banking businesses (WM, CF, CIB and Treasury/HF)</i>	20%	Vs. Budget	2% target
Total Fees <i>Focus on capital-light revenues</i>	20%	Vs. Budget	2% target
Financial ESG targets	10%	Vs. Budget	
- % of loans with ESG characteristics of new Corporate (CIB) production	2.5%		29% target
- ESG loans to retail customers (Consumer - WM Premier)	2.5%		14% target
- Art. 8 and Art. 9 products (Funds and ETF) in the WM Premier customer portfolio	2.5%		3% target
- Art. 8 and Art. 9 products (Funds and ETF) in the MB private customer portfolio	2.5%		5% target
Our People		non-financial BoD evaluation	
Our Community		non-financial BoD evaluation	

Non-financial targets - BoD evaluation

CEO - Non-Financial Targets 2023/2024	Assessment of Achievement
Our People	
Focus on ESG initiatives related to diversity and inclusion, skills development, engagement:	
<ul style="list-style-type: none"> ◆ ToDEI: post survey 23 and Gender Certification projects ◆ Engagement survey - Move Beyond 23-24 ◆ Mediobanca Academy ◆ TeamUP4 Good 2024 	<ul style="list-style-type: none"> ◆ Not achieved ◆ Partially achieved ◆ Achieved ◆ Overachieved
Our Community	
Focus on ESG initiatives related to social responsibility of the Group:	
<ul style="list-style-type: none"> ◆ Project «Insieme» ◆ Financial Education – Program «Conta sul Futuro» ◆ Social volunteering Group employees ◆ Initiative «Refugees Women (UNHCR)» 	<ul style="list-style-type: none"> ◆ Not achieved ◆ Partially achieved ◆ Achieved ◆ Overachieved

2024 Paymix and remuneration opportunity

€ 1,800,000 Fixed salary¹
all cash upfront

Max € 1,800,000 2024 STI
47% cash – 53% equity
5 years deferred

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

1) Excluded emoluments, payable to directors in office for board member role - € 100,000 in 2023 and excluded Pension plan

