

Employee Share Ownership and Coinvestment Plan 2023-26 ("ESOP 2023-26") for Mediobanca Group Staff

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MEDIOBANCA

Contents

Information Document

Required under article 84-bis, paragraph 1, of the regulations adopted by Consob under resolution no. 11971 of 14 May 1999, as amended, regarding Incentivization Systems Based on Financial Instruments (Esop 2023-26)

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Employee Share Ownership and Coinvestment Plan 2023-26 (“ESOP 2023-26”) for Mediobanca Group Staff

Dear shareholders,

Under the Mediobanca Group Remuneration Policy, the Board of Directors is authorized to approve an employee share ownership and coinvestment plan for Group staff.

The Mediobanca Group Remuneration Policy is intended to attract and retain highly qualified professional and ethical staff members, who are suited to the complexity, increasing internationalization and specialization of its businesses, based on a rationale of prudent management and sustainability of costs and results over time. Responsible, equal pay and transparent remuneration mechanisms increase and protect reputation, credibility and consensus over time, forming the basis for developing business with the objective of creating and protecting value for all stakeholders.

The ESOP 2023-26 enables:

- ◇ Group staff to take part in a share ownership and/or coinvestment scheme that allows them, on a voluntary basis, to issue instructions to acquire Mediobanca shares on the market, to be received on favourable terms (“discount”);
- ◇ Broader participation by the corporate population in the creation of sustainable value for the Group, with provision made for premium to be paid (or “matched”) when certain conditions are met (e.g. shares bought must be held for three years, the recipient must still be employed by Mediobanca at the end of the vesting period, and certain KPIs included in the new 2023-26 Strategic Plan must be met), with a specific share issue to be made for use in connection with the scheme.

The advantages of this scheme include:

- ◇ Investment in the Group’s people, to guarantee they participate directly in achieving the company’s objectives and creating sustainable value;
- ◇ A sense of involvement and belonging to be stimulated among Group staff;
- ◇ A culture of ownership being embedded at all levels;
- ◇ The remuneration strategy being expanded with the adoption of innovative instruments;
- ◇ An enhanced sense of financial awareness, risk management culture and entrepreneurial spirit being developed in the Group’s staff;
- ◇ The remuneration of Group staff being correlated to the achievement of positive results over time, having regard to performances delivered, consistent with an overall approach based on sustainable pay mechanisms;
- ◇ Alignment with Italian and international best practices.

The ESOP 2023-26 will be an important motivational tool for the long term, in line with market practice, and in accordance with the limits and other terms and conditions set by the regulations in force.

Accordingly, you are invited to approve the Employee Share Ownership and Coinvestment Plan 2023-26 ("ESOP 2023-26"), providing for the allocation of up to one million "matching" Mediobanca shares for Group staff.

In accordance with the provisions of Article 114-bis of the Italian Finance Act and Article 84-bis of Consob's Regulations for Issuers, the characteristics of the ESOP 2023-26 are illustrated in the Information Document set forth below, which constitutes an integral and substantive part hereof.

The Board of Directors therefore invites you to adopt the following resolutions.

Proposed resolutions submitted to the approval of shareholders in AGM as ordinary business

Dear shareholders,

In view of the foregoing, we hereby invite you to:

- a) Approve the Employee Share Ownership and Coinvestment Plan 2023-26 ("ESOP 2023-26") for Mediobanca Group Staff as part of the remuneration and incentivization systems provided for in the Staff Remuneration Policy, in line with the regulations in force, and on the terms and conditions and by the means set forth in the attached Information Document;
- b) Confer on the Board of Directors, and the Chief Executive Officer and Group General Manager, jointly and severally, all suitable powers to
 - ◇ Enact this resolution and adopt any other measures that should become necessary to implement the ESOP 2023-26;
 - ◇ Make such amendments and/or additions to the ESOP 2023-26 and the documents that constitute an integral part thereof (without altering its substance) that should prove necessary in order to implement the resolution submitted to your approval or to bring it in line with any changes to the legal or regulatory provisions or guidance issued by the regulatory and/or supervisory authorities.

Milan, 20 September 2023

The Board of Directors

Information Document Required under article 84- bis, paragraph 1, of the regulations adopted by Consob under resolution no. 11971 of 14 May 1999, as amended, regarding Incentivization Systems Based on Financial Instruments (ESOP 2023-26)

1) Recipients

The recipients of the Employee Share Ownership and Coinvestment Plan 2023-26 (“ESOP 2023-26”) are all staff of Mediobanca and the Group Legal Entities employed under permanent contracts, with the exception of the Group Material Risk-Takers identified at the time when the ESOP 2023-26 is launched, and the staff of the Group Legal Entities operating in countries where for legal, tax or operating/organizational reasons, it is not possible to implement the ESOP 2023-26 on the terms defined and approved by Mediobanca.

The recipients of the ESOP 2023-26 therefore do not include members of the Board of Directors of Mediobanca (including Chief Executive Officer Alberto Nagel, and Group General Manager Francesco Saverio Vinci), or other staff members with regular access to inside information directly or indirectly concerning the issuer who have power to take management decisions that could impact on its future development and prospects, i.e. “Management with Strategic Responsibilities” as defined in Article 3 of Regulation (EU) 596/2014, and as identified in the BoD resolution currently in force.

There are no categories of staff for which different treatment is provided in the ESOP 2023-26, which is the same for all recipients.

2) Rationale for adopting ESOP 2023-26

The ESOP 2023-26 will allow:

- ◇ Investment in the Group's people, to guarantee they participate directly in achieving the company's objectives and creating sustainable value;
- ◇ A sense of involvement and belonging to be stimulated among Group staff;
- ◇ A culture of ownership being embedded at all levels;
- ◇ The remuneration strategy being expanded with the adoption of innovative instruments;
- ◇ An enhanced sense of financial awareness, risk management culture and entrepreneurial spirit being developed in the Group's staff;
- ◇ The remuneration of Group staff being correlated to the achievement of positive results over time, having regard to performances delivered, consistent with an overall approach based on sustainable pay mechanisms;
- ◇ Alignment with Italian and international best practices.

3) Governance

The Board of Directors approves the proposals of the Remunerations Committee and the Chief Executive Officer regarding:

- ◇ The total quantity of "matching" shares to be issued for use in connection with the ESOP 2023-26, in accordance with the ESOP 2023-26 itself;
- ◇ The Regulations of the ESOP 2023-26, which set down the rules by which it operates in practice.

The Chief Executive Officer is responsible for operating the ESOP 2023-26, with the support of Group HR.

4) Methods of allocation

The ESOP 2023-26 provides for:

- ◇ The opportunity to recipients to invest in Mediobanca shares ("buy"), with a view to increasing motivation to achieve the company's objectives and to strengthen the sense of belonging to the Group, based on pre-established packages. Each staff member will be able to issue instructions to the intermediary selected by the Group to acquire shares for a value equal to a maximum investment amount set, in accordance with the different sizes of buy tranches to be defined in the Regulations, with a maximum amount of 400 shares. In the event of there not being sufficient shares for demand to be met, taking the matching shares available for purposes of ESOP 2023-26 as the maximum or cap, and assuming the maximum performance is achieved at the end of the plan, the share packages requested will be split pro rata between all the subscribers, ensuring full parity of treatment between them;
- ◇ Such shares to be received on favourable terms with a contribution from the employer ranging from 10% to 20% of their value ("discount");
- ◇ A premium to be paid ("matching") when certain conditions described below are met, with a specific share issue to be made for use in connection with the ESOP 2023-26, for a total of 4 shares for every 10 shares acquired.

The conditions that will enable the shares to be matched are as follows:

- ◇ The shares must be kept for a period of at least three years from when they are bought;

- ◇ The buyer must still be an employee of the Mediobanca Group at the end of the period;
- ◇ The performance conditions identified in the Staff Remuneration Policy in force at the time regarding the sustainability of results delivered must be met, including those referring to the company's capital solidity and liquidity (the "Gateways"); the Gateways will be verified at the closing date of the financial year ending 30 June 2026 for the capital and liquidity adequacy indicators included in the RAF, and on an aggregated basis at the end of the ESOP 2023-26 for the earnings indicators;
- ◇ Achievement of the following KPIs contained in the 2023-26 Strategic Plan, which, if met individually but not jointly, will entitle buyers to receive matched shares based on the following ratios:
 - CET 1 ratio above 13.5 % (2 shares for every 10 shares);
 - ESG Diversity and Inclusion indicator (% women in senior management >20%) (1 share for every 10 shares);
 - ESG Climate Change indicator (100% of electricity used at Group level from renewable sources) (1 share for every 10 shares).

For use in connection with the proposed initiative, a resolution will be submitted to the approval of shareholders at the Annual General Meeting to be held on 28 October 2023 to issue new Mediobanca shares in an amount of up to 1,000,000, ranking for dividends *pari passu*, via a bonus issue based on a ratio of 4 shares being assigned for every 10 shares acquired as described above.

In general terms:

- ◇ The initial investment does not constitute remuneration as it is a direct investment on the part of the employee;
- ◇ The employer's contribution and specifically the discount therefore qualify fringe benefits, as provided *inter alia* by the tax regulations in force on this subject. As well as being a payment and/or fringe benefit, it is granted to staff members on a non-discretionary basis, forms part of the Bank's general policy, and has no effect on the plan of incentives for recruitment or on risk control;
- ◇ The matching shares to be allocated constitute variable remuneration subject to the achievement of long-term performance conditions. For purposes of the cap in place under the banking regulations, the whole value of the shares is included in the calculation of the variable remuneration payable in the year in which the allocation is effectively made.

The ESOP 2023-26 will comply with all applicable conditions of the tax and/or social security contributions regime in force, including with reference to access to any favourable tax and/or social security regimes in the countries concerned, provided for employee share ownership schemes of this kind, as specified in the regulations implementing the plan.

Sale of the ESOP 2023-26 shares within three years of their being bought and/or matched will cause the employee to forfeit the equivalent applicable benefits.

If the employee participating in the ESOP 2023-26 ceases to work for the Group during the three-year vesting period for the shares (for whatever reason, including death, or the Legal Entity for which the employee works ceasing to fall within the Mediobanca Group area of consolidation), their entitlement to receive the matching shares only is lost.

Staff members are not allowed to use hedging or insurance strategies on their remuneration or other aspects which could alter or otherwise distort the risk alignment effects inherent in the compensation mechanisms, especially if they refer to the variable component paid in the form of financial instruments.

5) Characteristics of the instruments allocated

The ESOP 2023-26 provides for ordinary Mediobanca shares to be matched to those invested in by participating Group staff. The shares are delivered after the dividend, if any, has been paid and in compliance with the Group regulations on internal dealing and personal trading in financial instruments by identified staff. The shares are awarded personally, without prejudice to succession rights. The shares, once received, may be traded immediately up to the limits set by the law and regulations in force (in particular, the internal regulations include provision for specific mechanisms – insider and “sell to cover” lists – in order to limit the risks of the market abuse regulations being breached). The ESOP 2023-26 makes no provision for restrictions on voting rights or capital rights in relation to the ordinary Mediobanca shares awarded, save for any limits instituted by laws and/or regulations in force.

6) Funding

The maximum number of matching shares that may be allocated under the terms of the ESOP 2023-26 is one million, to be issued under the terms of the authorization granted to the Board of Directors pursuant to Article 2443 of the Italian Civil Code to issue the company’s share capital free of charge by shareholders at the Annual General Meeting on 28 October 2023.

Alternatively, treasury shares held by the Bank which are freely available and not earmarked for some other purpose may also be used.

No impact on the stock market price is expected, in view of the number of shares which involves up to a maximum of 0.1% of the share capital.

7) Changes and amendments

Any amendments to and/or cancellation of the ESOP 2023-26 will be made in compliance with the regulations in force. No specific procedures are envisaged.

If extraordinary events impacting materially on the Group’s earnings/financial performance take place, and/or in the event of substantial change and redefinition of the Strategic Plan and/or in the event of material changes to the Group’s ownership (change of control), the Board of Directors may, after consulting with the Remunerations Committee and with any other competent committees, choose to cancel or revise the ESOP 2023-26, its characteristics, and management of the impact on the recipients.

8) Accounting and tax issues

The ESOP 2023-26 implemented through the allocation of Mediobanca shares is booked to the profit and loss account based on a notional cost split over several financial years based on the vesting period and the performance conditions linked to the matching shares being reached. The notional cost is equal to the value of the shares at the time when the ESOP 2023-26 is launched, adjusted to reflect the probabilistic elements connected with the final accrual (e.g. possibility of recipients resigning, actuarial parameters, etc.). The total cost for Mediobanca in the event of all the one million shares being allocated could be approx. €8m, to be spread across the entire vesting period, based on the current stock market price.

The value of the discount being granted to employees for the shares acquired will be recognized in the Group’s profit and loss account for the financial year ending 30 June 2024. It is not possible to estimate the exact cost of the charge that will be payable by the Issuer in respect of ESOP 2023-26, as this will depend on the number of participants and the number of shares acquired.

The matching shares will be subject to taxation and/or social security contributions in accordance with the regulations in force in the country of residence for tax purposes of each recipient.

9) Other information

The ESOP 2023-26:

- ◇ Contemplates the allocation exclusively of ordinary Mediobanca shares traded on regulated markets;
- ◇ Does not contemplate specific accounting and/or tax arrangements, and considers only those aspects provided for by the tax and social security contribution regime in force at the time in each of the recipients' countries of residence;
- ◇ Does not contemplate the shares allocated being bought back.

No provision is made for support from the Special Fund to incentivize investment by employees in the companies for which they work instituted under Article 4, paragraph 112, of Italian law 350/03.

The Board of Directors, having received the favourable opinion of the Remunerations Committee on 13 September 2023, approved the ESOP 2023-26 on 20 September 2023 for submission to the approval of shareholders in Annual General Meeting as ordinary business. The stock market price of ordinary Mediobanca shares on the two dates referred to above was €12.148 and €12.365 per share respectively. The ESOP 2023-26 was reviewed by the Board of Directors on a preliminary basis on 11 May 2023 and on 23 May 2023 as part of the approval process for the 2023-26 Strategic Plan, after the opinion of the Remunerations Committee had been received on 4 May 2023.

The shares allocated under the ESOP 2023-26, along with further details on the terms and conditions of allocation and/or issue, will be disclosed to the market pursuant to and within the meaning of the regulatory provisions in force.





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All photos and other images are of Mediobanca offices and buildings