

# 2015 FINECOBANK COMPENSATION POLICY

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# SECTION I – COMPENSATION POLICY

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# 1. Introduction

## 1.1. Preamble

In accordance with the VII Update of November 18<sup>th</sup> 2014 of “*Regulations on remuneration and incentive policies and practices of Banks and Banking groups*”, Circular 285 of 17 December 2013, issued by Bank of Italy (hereinafter also the “New Provisions”), FinecoBank S.p.A. has prepared this document, “2015 FinecoBank Compensation Policy” (hereinafter also the “Compensation Policy” on its own remuneration practices.

This document provides the necessary guidance on remuneration and incentives paid by FinecoBank (hereinafter also the “Bank”) in accordance with directly applicable regulations coherently with what UniCredit Group has prepared.

FinecoBank's Compensation Policy is applicable to the entire organization and includes:

- all categories of employees, considering that the Group Compensation Policy, with specific reference to Identified Staff defined according to the regulatory requirements of the *European Banking Authority* (EBA), provides for a centralized, and homogeneous compensation and incentive system guidelines defined at Group level;
- members of the Company's Financial Advisors' Network, in line with the specific pay conditions applicable to them.

## 1.2. Reflecting Our Mission and Values

*We are committed to innovate and simplify our customers' life.*

*We are a reference point for our savers, we aim for excellence and we consistently strive to be easy to deal with.*

*Our continuous dedication to these commitments allows us to generate sustainable value for our shareholders.*

Our set of values is based on integrity as a condition to transform profit into value for our stakeholders: our leaders and all our employees are committed to the Values embedded within our Integrity Charter. We, also through appropriate compensation mechanism aim to create a work environment which is comprehensive of any form of diversity and which foster and unlock individual potential, to attract, retain and motivate a highly qualified, diverse, global workforce capable of creating a competitive advantage and to reward those who reflect our standards of consistently ethical behaviour in conducting sustainable business.

By upholding the standards of sustainability behaviours and values which drive our mission, our compensation strategy represents a key enabler to enhance and protect our reputation and to create long-term value for all stakeholders.

These standards define the principles of a Compensation Policy which, relying on our governance model, sets the framework for a consistent and coherent design, implementation and monitoring of compensation practices across our Company. Within this common policy framework, guidelines are defined to implement compensation programs and plans that reinforce sound risk management policies and our long-term strategy. In so doing, we most effectively meet the specific and evolving needs of our different businesses and employee populations, and ensure that business and people strategies are always appropriately aligned with our remuneration approach.

### 1.3. The Pillars of Our Compensation Policy

***FinecoBank compensation approach is performance-oriented, market-aware and aligned with business strategy and stakeholder interests.***

To ensure the competitiveness and effectiveness of remuneration as well as transparency and internal equity, the principles of sustainable conduct and performance define the key pillars of our Compensation Policy:

**Clear and transparent governance**

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**Compliance with regulatory requirements and principles of good professional conduct**

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**Continuous monitoring of market trends and practices**

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**Sustainable pay for sustainable performance**

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**Motivation and retention of all staff**

## 2. Governance

*Effective organizational and corporate governance structures are an essential prerequisite for the pursuit of our Company's goals. In fact we have clear and rigorous governance and rules existing, in order to establish coherence and transparency also with specific reference to compensation.*

### 2.1. Corporate Governance

**Our Compensation Governance Model** aims to assure control of Company's remuneration practices by ensuring that decisions are made in an independent, informed and timely manner at appropriate levels, avoiding conflicts of interest and guaranteeing appropriate disclosure in full respect of the general principles defined by regulators.

**The Board of Directors** has established a Delegation of Powers system to appropriately regulate effective decision-making processes throughout the organization.

**The Remuneration and Appointments Committee**, instituted in 2014, is vested with the role of advising the Board of Directors on FinecoBank Remuneration Strategy. Availing itself also of the support of an independent external advisor, the Committee analyzes and monitors international market compensation trends, practices and pay levels to provide advice to the Board of Directors

**The FinecoBank Compensation Policy**, as drawn up by the HR function, with the involvement of the Risk function for all risk-related aspects, is validated by the Compliance function for all compliance-related aspects, before being submitted to the Remuneration and Appointments Committee. On annual basis the Compensation Policy, as proposed by the Remuneration and Appointments Committee, is submitted to the Board of Directors for approval and then presented to the Shareholders' Meeting for approval, in line with regulatory requirements.

## 2.2. Organizational Governance

FinecoBank's organizational model reflects the one used at Group level.

UniCredit Group has established appropriate governance mechanisms, by which it directs and coordinates the Group Legal Entities in line with current law and regulations.

In particular, UniCredit Group acts through a managerial / functional system of "*Group Managerial Golden Rules*" ("GMGR") which define the way in which the Group's management is coordinated, conferring to UniCredit *Competence Lines*' Managers specific responsibilities with regard to the corresponding functions in the Group Legal Entities.

With regard to the compensation policies, UniCredit *Competence Lines*' Managers, after consulting with the Group Human Resources function, can make recommendations for performance appraisal and incentive systems for Line Managers. The recommendations are sent to the division of FinecoBank with the power to make decisions in the relevant area. If FinecoBank decisions differ from the Group's recommendations, the relevant departments are informed as soon as possible.

With specific reference to Identified Staff, the Group HR function establishes guidelines and coordinates a centralized and consistent management of compensation and incentive systems. For the other employees, with reference to each category, FinecoBank is accountable for the respect of the compensation policy.



## 3. Compliance

*Compliance with laws, rules and regulations and integrity in conduct and behaviours are essential elements of our way of doing business, which is based on the concept of trust.*

Through full compliance with applicable legal and regulatory requirements, we protect and enhance our Company reputation in the short and long term. Compliant compensation guarantees that all our remuneration policies, practices and programs avoid conflicts of interest between roles within the Bank or with customers and are consistent with ethical codes of conduct, our Company values and business strategy, guaranteeing its long-term sustainability.

Compliance function<sup>1</sup> is vested with the role to verify whether the Company compensation system is consistent *“with the goal of complying with regulations, articles of association and any other code of ethics or other standards of conduct applicable to the Bank, so that legal and reputational risks mostly embedded in the relation with customers are duly contained”* (ref. Bank of Italy).

Upon performing its activity in this context:

- FinecoBank adopts – for all aspects that fall within its perimeter and in accordance with regulations time to time in force – a specific set of *Compliance drivers* which are designed to guarantee the compliance of the incentive systems for FinecoBank staff as drawn up by HR functions for the employees and by Network PFA Sales Department, Monitoring & Service Network for the Financial Advisors;
- Compliance function validates, for all aspects that fall within its perimeter, the Compensation Policy and – referring to applicable Regulations – the incentive systems for FinecoBank staff as drawn up by HR functions for the employees and by Network PFA Sales Department, Monitoring & Service Network for the Financial Advisors.

In compliance with regulatory requirements and in the spirit of transparency and accountability which forms the basis of the trust placed in us by our stakeholders, FinecoBank undertakes to guarantee proper disclosure of information with regard to the strategic approach and process by which our compensation policy is defined and by which compensation practices are designed. We support any law or regulatory initiative which implies an enhancement of transparency requirements and, subject to the limits set by privacy and data protection laws and by the opportunity of not eroding our competitive advantage, we wish to make clear to all our stakeholders what we do, how and why. Information about our compensation policy and remuneration approach is published in the Financial Statement, Annual Compensation Report, Corporate Governance Report and in other publications as required, which may be available for consultation also via our Company website.

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<sup>1</sup> A « Compliance Outsourcing agreement » has been signed with UniCredit S.p.A.

## 4. Continuous Monitoring of Market Trends and Practices

*We aim to adopt remuneration practices capable of guaranteeing distinctive and effective compensation solutions that best drive our overall business strategies and people development. Our continuous monitoring of market trends and awareness of practices contributes to sound formulation of competitive compensation as well as transparency and internal equity.*

With specific reference to Identified Staff, an independent external advisor supports the Remuneration and Appointments Committee on the definition of a list of selected competitors that represent our peer group with regards to whom compensation benchmarking analysis is performed, considering our main national and European competitors in terms of market capitalization, total assets, business scope and dimension, to assure a competitive alignment with the market of reference.

The results of this analysis will be at FinecoBank Remuneration and Appointments Committee's disposal, in order to support the formulation of opinions by the Bodies of the Bank responsible for taking such decisions.

On the basis of constant benchmarking, we aim to adopt competitive ranges in compensation levels, pay-mix and total reward structures for effective retention and motivation of our critical resources, as well as payments consistent with long-term value for stakeholders.

FinecoBank salary and compensation structures defined on the basis of business or market-specific benchmarking must, in any case, be fully aligned with the general principles of the Group Compensation Policy, with particular reference to the pillars of compliance and sustainability.

## 5. Sustainability

*Our Bank's greatest strength is our rigorous commitment to our customers, to our people, to our investors. We want this commitment to highlight our values and sustainability in everything we do.*

Our approach of “sustainable pay for sustainable performance” drives us to set coherent standards for the mechanisms by which we establish compensation levels and payouts (sustainable pay), as well as the results and behaviours we aim to incentive (sustainable performance). All incentive systems at all organizational levels are required to contribute to the sustainability of the Bank by aligning individual goals and behaviours to our common long-term mission.

### 5.1. Sustainable pay

Pay is considered sustainable when there is a direct link between pay and performance and when rewards are consistent with long-term stakeholder value creation.

The mechanisms by which we set compensation levels and payout should be based on the following principles:

| Principle                                    | FinecoBank Practice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Balanced total compensation structure</b> | <ul style="list-style-type: none"> <li>▪ In line with the applicable regulations, is paid particular attention in avoiding disequilibrium towards variable compensation which may induce behaviours not aligned with the Company's sustainable business results and risk appetite;</li> <li>▪ in line with most recent regulations is set a maximum limit to the ratio between the variable and the fix component of compensation. FinecoBank, coherently with the powers recognized under that legislation, has deemed appropriate to establish, in general, a ratio between the former and the latter component of the remuneration of 2:1. This ratio is applicable in particular to the remuneration components of all employees belonging to Business functions; therefore for Company Control Functions personnel a more conservative approach is provided. With reference to the New Provisions, regarding the Financial Advisors belonging to Identified Staff, the 2:1 ratio will be adopted between the non-recurring and the recurring component of the remuneration, by the transitional provisions of Bank of Italy (1st half of 2016);</li> <li>▪ where applicable, is set an appropriate mix between short and long term variable compensation as applicable and relevant on the basis of market and business specifics, and in line with long-term interests of the Bank.</li> </ul> |

**Direct link between pay and performance**

- Align incentive payout levels with overall Company risk and cost-of-capital adjusted profitability;
- guarantee financial sustainability and affordability of bonus opportunity and program effectiveness, setting also caps on performance-related payouts as appropriate and consistent with market practice in the context of our specific business area;
- design flexible incentive system such as to manage payout levels in consideration of Group and FinecoBank performance results and individual achievements, adopting a meritocratic approach to selective performance-based reward;
- design incentive systems to set minimum performance thresholds below which zero bonus will be paid;
- take into consideration the long-term performance in terms of shareholder added-value for the calculation of any *severance* payouts prescribed or suggested by the specific market of reference, as well as any local legal requirements, collective/individual contractual provisions, and any individual circumstances, including the reason for termination;
- a specific policy on payments to be agreed in case of early termination of a contract (so called *severance*) will be submitted for approval to Shareholders' Meeting, according to the New Provisions. For details on criteria, limits and authorization processes, reference is made in the above mentioned Policy.

**Multi-year view of performance**

- Ensure that pay moves over time in the same direction as sustainable profitability;
- evaluate the opportunity to phase, as foreseen by regulatory requirements, performance-based incentive payout to coincide with the risk timeframe of such performance by subjecting the payout of any deferred component of performance-based compensation to the actual sustainable performance demonstrated and maintained over the deferral timeframe, so that the variable remuneration takes into account the time trend of the risks assumed by the Bank (e.g. *malus* mechanisms);
- consider *claw back* actions as legally enforceable on any performance-based incentive paid out on the basis of a pretext subsequently proven to be erroneous.

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| <p><b>Incentive Systems compliant with organizational processes and with behaviours and conduct rewarded</b></p> | <ul style="list-style-type: none"> <li>▪ Include clauses for zero bonus in circumstances of non-compliant behaviour or qualified disciplinary action, subjecting payout to the absence of any proceeding undertaken by the Company for irregular activities or misconduct of the employee with particular reference to risk underwriting, sales processes of Banking and financial products and services, internal code of conduct or values breach;</li> <li>▪ formalize incentive systems, plans and programs in legally solid and technically precise terms such as to uphold their validity in all circumstances;</li> <li>▪ assure independence between front and back office functions in order to guarantee the effectiveness of cross-checks and avoid conflict of interest, with a particular focus on trading activities, as well as ensuring the appropriate independence levels for the functions performing control activities;</li> <li>▪ guarantee that evaluations and appraisals linked to compensation are, as far as possible, available for the scrutiny of independent checks and controls;</li> <li>▪ evaluate all incentive systems, programs and plans against the degree to which they enhance our Company reputation.</li> </ul> |
| <p><b>Non-standard compensation aligned with our Company guidelines</b></p>                                      | <ul style="list-style-type: none"> <li>▪ Non-standard compensation are those compensation elements not usually provided under our Compensation Policy and are considered exceptions (for instance welcome bonus, guaranteed bonus, special award, retention bonus);</li> <li>▪ awards are limited only to specific situations related to hiring phases, launch of special projects, achievement of extraordinary results, high risk of leaving for critical/strategic people/roles;</li> <li>▪ awards must in any case be in accordance with regulations time to time in force (e.g. cap on the ratio between variable and fix remuneration, technical features fixed by regulation for bonus payout) and subject to UniCredit and FinecoBank governance processes, periodically monitored and disclosed as for regulatory requirements and must be subject to <i>malus</i> conditions and <i>claw back</i> actions, as legally enforceable and where applicable.</li> </ul>                                                                                                                                                                                                                                                                               |

## 5.2. Sustainable performance

Performance is considered sustainable to the extent that it contributes to the achievement of our Company mission over time, to the creation of long-term value for all stakeholders and to the enhancement of our reputation, in adherence to our Integrity Charter and Code of Conduct values.

Sustainable performance refers to actual results achieved (the “what” of performance) and the means by which they are achieved (the “how” of performance):

| Principle                                                                                                      | FinecoBank Practice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Measurement of performance aligned with shareholder interests and firm-wide risk-adjusted profitability</b> | <ul style="list-style-type: none"> <li>▪ Establish coherence between annual objectives and sustainable, risk-adjusted value creation;</li> <li>▪ consider performance on basis of annual achievements and on their impact over time;</li> <li>▪ include reflection of the impact of individual's / business units' return on the overall value of related business groups and organization as a whole;</li> <li>▪ base performance evaluation upon profitability and other drivers of sustainable business with particular reference to risk, cost of capital and efficiency;</li> <li>▪ consider the customer as the central focus of our mission, placing customer satisfaction in the forefront of all incentive systems, at all levels, both internally and externally;</li> <li>▪ design forward-looking incentive plans which balance internal key value driver achievement with external measures of value creation relative to the market;</li> <li>▪ establish reward not on the sole basis of financially-based objectives and mechanisms, but also on other performance measures as appropriate, for example risk management, adherence to Company values or other behaviours.</li> </ul> |
| <b>Balanced risk management</b>                                                                                | <ul style="list-style-type: none"> <li>▪ Incentive systems must not in any way induce risk-taking behaviours in excess of strategic risk appetite; in particular they should be coherent to the Risk Appetite Framework (“RAF”);</li> <li>▪ evaluate performance in terms of risk-adjusted profitability and provide for risk-weighted systems and mechanisms.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Multi-perspective view of sustainable performance results and quality</b>                                   | <ul style="list-style-type: none"> <li>▪ Maintain an adequate mix of financial goals with non-financial (quantitative and qualitative) performance objectives;</li> <li>▪ use both absolute and relative performance achievement metrics as appropriate and relevant, where relative performance-based measures are based on comparison of achieved results to those of market peers;</li> <li>▪ reinforce sustainability of quality performance over time.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## 6. Motivation and retention

### 6.1. Employees

*We aim to attract, motivate and retain the best resources capable of achieving our Company mission in adherence to our Company values. Effective compensation strategies represent a key driver to positively reinforce employee commitment, engagement and alignment with organizational goals.*

Within the framework provided by the “Group Compensation Policy”, FinecoBank is committed to ensure fair treatment in terms of compensation and benefits regardless of age, race, culture, gender, disability, sexual orientation, religion, political belief and marital status.

Our total compensation approach provides for a balanced package of fix and variable, monetary and non-monetary elements, each designed to impact in a specific manner the motivation and retention of employees.

| Type of remuneration | Purposes | Features |
|----------------------|----------|----------|
|----------------------|----------|----------|

## Fixed salary

**The fixed salary remunerates the role covered and the scope of responsibilities, reflecting the experience and skills required for each position, as well as the level of excellence demonstrated and the overall quality of the contribution to business results.**

The relevance of fix compensation weight is such as to reduce the risk of excessively risk-oriented behaviours, to discourage initiatives focused on short-term results which might jeopardize mid and long-term business sustainability and value creation, and to allow a flexible bonus approach.

Specific pay-mix guidelines for the weight of fix versus variable compensation are defined with respect to each target of employee population.

With particular reference to Identified Staff, the Remuneration and Appointments Committee establishes:

- the criteria and guidelines to perform market benchmarking analysis for each position in terms of compensation levels and pay-mix structure, including the definition of a specific peer group at local level and the identification of an external consultant to provide “executive compensation” services;
- the positioning in terms of compensation, in line with relevant market’s competitive levels, defining operational guidelines to perform single compensation reviews as necessary;
- the compensation structure for top positions, defining the mix of fix and variable compensation elements, consistently with market trends and internal analyses performed;
- the remuneration policy for Company Control Functions, providing for total compensation weighted in favor of the fix part, in order to ensure the requirements of independence, professionalism and authority.

Moreover, the Board of Directors annually approves the criteria and features of Identified Staff incentive plans, ensuring the appropriate balance of variable reward opportunities within the pay-mix structure.

These recommendations, as formulated by the UniCredit’s executive Bodies, are then submitted for approval to the relevant organs of FinecoBank. If FinecoBank’s decisions differ from the UniCredit’s recommendations, the relevant departments are informed as soon as possible.



## Variable compensation

**The variable compensation includes payments depending on performance, independently from how it is measured (profitability/revenues goals, etc.) or on other parameters (e.g. length of service).**

Variable compensation aims to remunerate achievements by directly linking pay to performance outcomes in the short, medium and long term, and risk adjusted.

To strengthen the alignment of shareholders' interest and the interests of management and employees, performance measurement reflects the actual results of the Company overall, the business unit of reference and the individual. As such, variable compensation constitutes a mechanism of meritocratic differentiation and selectivity.

Adequate range and managerial flexibility in performance-based payouts are an inherent characteristic of well-managed, accountable and sustainable variable compensation, which may be awarded via mechanisms differing by time horizon and typology of reward.

Incentives remunerate the achievement of performance objectives, both quantitative and qualitative, by providing for a variable bonus payment.

An appropriately balanced performance-based compensation element is encouraged for all employee categories as a key driver of motivation and alignment with organizational goals, and is set as a policy requirement for all business roles.

The design features, including performance measures and pay mechanisms, must avoid an excessive short-term focus by reflecting the principles of this policy, focusing on parameters linked to profitability and sound risk management, in order to guarantee sustainable performance in the medium and long term. In alignment with our overall mission, the characteristics of incentive systems also reflect the requirements of specialized businesses.

Group common guidelines on the key elements of contracts for Identified Staff ensure alignment with regulatory requirements and also with Audit recommendations, in particular regarding contract elements with specific regulatory provisions, such as variable compensation and *severance* provisions. More details on the design of remuneration and incentive systems, with particular reference to Control Functions, are reported in the section "*Compliance Drivers*" at the end of this section.

### Incentive Systems linked to yearly performance

Incentive systems linked to yearly performance aim to attract, motivate and retain strategic resources and maintain full alignment with the latest national and international regulatory requirements and with best market's practices.

- With particular reference to Identified Staff, common and homogeneous compensation guidelines are defined at Group level. Incentives take into account overall risk and do not induce risk-taking in excess of the risk appetite, and reflect the impact of business units' returns on the overall value of related business groups, the organization as a whole and the achievement of risk management and other sustainability goals.
- Reward is directly linked to performance, which is evaluated on the basis of results achieved and on the alignment with our leadership model and values. The *Executive Development Plan* (EDP) as the Group-wide framework for Identified Staff performance management is a cornerstone of fair and coherent appraisal across the organization.
- Each year, detailed information about our compensation governance, key figures and the features of FinecoBank incentive systems is fully disclosed in the Annual Compensation Report.
- Payout is based on a "*bonus pool*" approach providing for a comprehensive performance measurement at individual and at Group and local level and the elimination of the predetermined individual *bonus opportunity*.
- Moreover, the payout is phased to coincide with an appropriate risk time horizon. The design features of incentive plans for Identified Staff are aligned with shareholder interests and long-term, firm-wide profitability, providing for an appropriate allocation of a performance related incentive in cash and in shares, upfront and deferred.
- The yearly incentive system for Identified Staff is paid according to 2 payment schemes ("*EVP & above and*

|                                |                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                |                                                                                                                                                               | <p><i>other Identified Staff with bonus &gt;500k<sup>2</sup> and "SVP and other Identified Staff with bonus &lt;500k").</i></p> <ul style="list-style-type: none"> <li>▪ Incentive systems are essential elements of the "sustainable pay for sustainable performance" approach.</li> </ul>                                                                                                                                                                 |
| <b>Long-term loyalty plans</b> | <p>The aim of these plans is the allocation of free shares, in order to build retention, subject to the fulfilment of specific sustainability conditions.</p> | <p>FinecoBank's Board of Directors approved the following plans, when applied for listing on the Italian Stock Exchange and subject to the favourable outcome of it:</p> <ul style="list-style-type: none"> <li>▪ <i>"2014-2017 Multi-year plan Top Management"</i> for the Chief Executive Officer and General Manager and for the Executives with strategic responsibilities;</li> <li>▪ <i>"2014 Plan Key People"</i> per 80 selected people.</li> </ul> |

<sup>2</sup> Including direct reports to strategic supervisory, management and control bodies and other Identified Staff.

**Incentive system for below Executive population**

The aim is to reward results by establishing a direct link between pay and performance over the short term, and is weighted according to risk.

- For the remaining employees (the ones not belonging to Identified Staff), annual incentives are determined on a discretionary basis according to the individual performance appraisal.
- This process is mainly supported by *Performance Management*, which is the tool used to appraise performance and development for all employees. It includes a yearly, written, and documented process for the goals setting, self-assessment, managerial assessment and the definition of an individual development plan. In particular, individual goals are assessed on an *ex-ante* basis and are defined in accordance with the duties and responsibilities of each employees' role.
- While there is no a direct and definite link between the contents of the Performance Management appraisal and the payment of an incentive, the bonus will reflect the targets met and the performance appraisal, to ensure that the incentive is mechanism based on differentiation and meritocratic selection.
- The individuals' behaviours (compliance with internal and external rules and regulations, absence of disciplinary actions and completion of mandatory training) are also evaluation elements to assign individual incentives.

## Benefit

**Benefits include welfare benefits that are supplementary to social security plans and are intended to provide substantial guarantees for the well-being of staff and their family members during their active career as well as their retirement. In addition, special terms and conditions of access to various FinecoBank and UniCredit Banking products and other services may be offered to employees in order to support them during different stages of their lives.**

Benefits aim to reflect internal equity and overall coherence of our remuneration systems, catering to the needs of different categories as appropriate and relevant.

- In coherence with Group governance framework and Global Job Model, benefits are aligned against general common criteria for each employee category, while benefits plans are established on the basis of FinecoBank practices.
- FinecoBank employees can also join the Group Employee Share Ownership Plan, named “Let’s Share” which was launched for the first time in 2008. The plan offers to the participants the opportunity to buy ordinary UniCredit shares and to receive a 25% discount in the form of free shares allocated by the Company with a one-year restriction period.

## 6.2. Financial Advisors

Financial Advisors are tied to the Company by an agency agreement, under which the Advisor is engaged on a permanent basis (without representation) to provide independent services, exclusively for the Bank, for the promotion and placement of financial instruments and Banking/financial services in Italy, as well as insurance and welfare products or any other products indicated in the contract. Advisors are also responsible for diligently monitoring the assistance to the existing and/or allocated customers in order to fulfil the Company's objectives.

In accordance with existing regulations, contractual relationships with customers acquired by the Financial Advisor, and any other that is subsequently allocated, are conducted exclusively between the customer and the Bank.

The Financial Advisors' Network has a hierarchical structure. The Advisors are coordinated by a managerial team made of Area Managers reporting directly to the PFA Commercial Network Department, and Group Managers.

The Commercial Department uses Company's employees, named Area Coordinators, to provide support to the network. Their tasks are to control the local activities and provide support for commercial activity.

Area Managers and Group Managers are Financial Advisors tasked by the Bank with additional tasks. A specific agreement disciplines their activities and remuneration.

Area Managers are responsible for coordinating Advisors in their geographic area, for growing the business and for reaching the targets set by Commercial Management, and are supported by Group Managers.

As mentioned in the preamble, the provisions of this Compensation Policy also apply to the members of the Financial Advisors' Network, in line with the Advisors' specific remuneration.

Financial Advisors are freelancers and their remuneration is entirely variable. This leads to a distinction between a "recurring" and a "non-recurring" pay component.

| Type of remuneration          | Purposes                                                                                                          | Features                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Recurring remuneration</b> | This is the most stable and ordinary part of the total remuneration, equivalent to the fixed salary of employees. | <ul style="list-style-type: none"> <li>▪ Sales commission, in other words the payment to the Financial Advisor of a percentage of the sales charge, paid by the customer at the time of purchase of investment instruments. It is paid on an individual basis or as a supplement if the Advisor has been given coordination tasks;</li> <li>▪ Management and maintenance commission, in other words the Financial Advisor monthly remuneration for assistance provided to customers during the contract, commensurate with the average value of the investments and the type of product, paid on an individual basis or as a</li> </ul> |

|                                                |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                |                                                                                                                                               | <p>supplement if the Advisor has coordination tasks.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Non-recurring remuneration</b>              | <p>This is the incentive element, in other words it is tied to reach certain goals, equivalent to the variable compensation of employees.</p> | <ul style="list-style-type: none"> <li>▪ The so called “All in fee” bonus, based on the value attributed to the customer and the Advisor depending on the portfolio composition and the use of services offered by the Bank;</li> <li>▪ “Net Inflows Bonus”, in other words the bonus paid to the Financial Advisor on the basis of annual inflow targets for the Advisor, and group targets for Managers, as determined every years by the Bank. This bonus is paid if the agency agreement is in force on the bonus payment date, and there is no notice period in progress.</li> <li>▪ “Loyalty Plan”, which, if the conditions are met, provides for an amount to be invested in a unit-linked insurance policy, with the option of redemption on the stipulated deadlines, on condition that the Advisor's contract is in force at the time of payment.</li> <li>▪ Benefit, e.g.: <ul style="list-style-type: none"> <li>- special conditions for Banking products and other services offered by FinecoBank, in order to provide financial support during the business relationship;</li> <li>- insurance cover for death, permanent disability and illness. Also, if the conditions are met, there is coverage for medical expenses;</li> <li>- full rent car;</li> <li>- payment in kind, in relation to incentive travel.</li> </ul> </li> </ul> |
| <b>Incentive System for Financial Advisors</b> | <p>The aim is to motivate, retain and incentive the Financial Advisors and the Managers, in full accordance with regulations.</p>             | <ul style="list-style-type: none"> <li>▪ For the Advisors belonging to Identified Staff, due to their business' peculiarities, there is a dedicated Incentive System;</li> <li>▪ the incentive is determined according to KPIs aligned with the key elements of the incentive plans mentioned above, in order to guarantee continuity in terms of objectives and purposes;</li> <li>▪ the annual incentive is paid in instalments of cash and/or Phantom shares over a multi-year period (2016-2020);</li> <li>▪ payment is deferred to an appropriate time period, to reflect the risk assumed;</li> <li>▪ the system is based on sustainability mechanisms according to results and is aligned with the regulations.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                                |                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Long-term loyalty plans</b> | <p>The aim is to retain and incentive the Financial Advisors and the Managers.</p> | <p>FinecoBank's Board of Directors approved the following plans, when applied for listing on the Italian Stock Exchange and subject to the favourable outcome of it:</p> <ul style="list-style-type: none"> <li>▪ “2014 Plan PFA”, subject to the fulfilment of specific performance targets for 2014;</li> <li>▪ “2015-2017 Plan PFA”, subject to the fulfilment of specific performance targets for the period 2015-2017.</li> </ul> |
|--------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

As required by the New Provisions, the “non-recurring” pay items referring to:

- 2015 Incentive System for Financial Advisors belonging to Identified Staff;
- Long-term loyalty plans (“2014 Plan PFA” and “2015-2017 Plan PFA”);
- Loyalty Plan;
- Net Inflow Bonus;
- All In Fee,

except for benefits relating to insurance cover, provide for: *ex-ante* (entry conditions) and *ex-post* (*malus* on any deferred components) adjustment mechanisms, linked to the Bank's income status, appraisal criteria and *claw back* clauses.

In relation to the Net Inflows Bonus, for Area Managers there is an indicator that expresses the operational risks (Network operating losses / Bank's total intermediation margin), which reduces the amount of bonus if the tolerance threshold is exceeded.



### 6.3. Compliance drivers

**To support the design of remuneration and incentive systems, and with particular reference to Company Control Functions, the following “compliance drivers” have been defined:**

|                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ✓ maintenance of an adequate ratio between financial and non-financial goals                                                                                                                                                                                                                                      | ✓ qualitative measures must be accompanied by an <i>ex-ante</i> indication of objective parameters to be considered in the evaluation, the descriptions of expected performance and the person in charge for the evaluation                                                                                                              |
| ✓ non-financial quantitative measures should be related to an area for which the employee perceives a direct link between her/his performance and the trend of the indicator                                                                                                                                      | ✓ among the non-financial goals (quantitative and qualitative), include, where relevant, goals related to Risk as well as to Compliance (e.g. credit quality, operational risks, application of MIFID principles, products sale quality, respect of the customer, Anti Money Laundering requirements fulfillment)                        |
| ✓ set and communicate <i>ex-ante</i> clear and pre-defined parameters as drivers of individual performance                                                                                                                                                                                                        | ✓ avoidance of incentives with excessively short timeframes (e.g. less than three months)                                                                                                                                                                                                                                                |
| ✓ promotion of a customer-centric approach which places customer needs and satisfaction at the forefront and which will not constitute an incentive to sell unsuitable products to clients                                                                                                                        | ✓ take into account, even in remuneration systems of the external networks (Financial Advisors), the principles of fairness in relation with customers, management of legal and reputational risks, protection and loyalty of customers, compliance with the provisions of law, regulatory requirements, and applicable self-regulations |
| ✓ create incentives that are appropriate in avoiding potential conflicts of interest with customers, considering fairness in dealing with customers and the endorsement of appropriate business conduct                                                                                                           | ✓ provide individual goals for employees in Company Control Functions that reflect primarily the performance of their own function (to minimise potential conflicts of interest)                                                                                                                                                         |
| ✓ define – for personnel providing investment services and activities – incentives that are not only based on financial parameters, but also take into account the qualitative aspects of the performance; this in order to avoid potential conflicts of interest in the relationship with customers <sup>3</sup> | ✓ avoid economic goals for Company Control Functions (Compliance, Risk Management, Audit and HR) and, for functions with a control role belonging to the Competence Line Planning, Finance & Administration, provide a set of goals which avoid possible conflict of interests in controlled activities and business                     |

<sup>3</sup> As for example:

- ESMA requirements, with reference to MIFID remuneration policies and practices
- Technical Advice ESMA on MiFid II (Final Report 2014/1569)
- MiFid II specific articles regarding remuneration/incentives for relevant subjects

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ✓ avoidance of incentives on a single product/financial instrument, as well as single Banking product                                                                                                                                                                                                                                                                                                                                                                                                                       | ✓ for the purpose of granting incentive, take also into account any disciplinary sanctions and/or sanctions by regulatory authorities imposed on the resource. In the presence of these measures, the possible allocation of the incentive will require a written explanation, which will make possible a case-by-case verification of the managerial decisions                                                                                                                                     |
| ✓ define – for the Commercial network roles – quantitative (financial and non-financial) goals aimed at sale of risk-controlled, sustainable, quality products, and in line with client risk profile                                                                                                                                                                                                                                                                                                                        | ✓ indicate clearly in all rewarding system communications and reporting phases that the final evaluation of employee's achievements cannot disregard a formal verification of compliant behaviour to the rules and regulations - external and internal - and to Code of Conduct. In particular, adopt systems of performance evaluation that keep adequate evidence of this approach (the performance is evaluated also on the basis of evidence of Compliance, Risk Management and Audit findings) |
| ✓ maintenance of adequate balance of fixed and variable compensation elements also with due regard to the role and the nature of the business performed. The fix portion is maintained sufficiently high in order to allow the variable part to decrease, and in some extreme cases to drop down to zero                                                                                                                                                                                                                    | ✓ the entire evaluation process must be conveniently put in writing and documented                                                                                                                                                                                                                                                                                                                                                                                                                  |
| ✓ in case of individual performance evaluation systems are fully or partially focused on a managerial discretionary approach, the evaluation parameters should be defined <i>ex-ante</i> , should be clear and documented to the manager at the beginning of the evaluation period. Such parameters should reflect all applicable regulation requirements <sup>4</sup> . The results of managerial discretionary evaluation should be formalized for the adequate and predefined monitoring process by the proper functions |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

Within network roles incentive systems, particular attention is put on “*Commercial Campaigns*”.

Such Campaigns may be organized after the evaluation and authorization of the competent Product Committee.

They represent business actions aimed at providing guidance to the sales network towards the achievement of the period's commercial targets (also intermediate, for instance on a half-year basis) and with a direct impact on the budget and related incentive systems.

<sup>4</sup> Also in line with the regulation references reported in the note above

Among the distinctive features of commercial campaigns, there is the expectation of the award - in cash or non-monetary reward. Commercial Campaigns can also have the function to accelerate the achievement of certain objectives of the incentive system. The grant of awards related to a Campaign will be subordinated to behaviours compliant with the external and internal regulations.

Under no circumstances may the system of remuneration and evaluation of the sales network employees constitute an incentive to sell products unsuitable to the financial needs of the clients.

In particular the following “*compliance drivers*” have been defined:

- ✓ setting-up of the incentive mechanisms using criteria which are consistent with the best interest of the client, and which avoid in any case conditions of potential conflicts of interest with customers, and coherently with relevant regulatory provisions (e.g. MiFID)
- ✓ ensuring consistency between a Campaign’s objectives with the objectives set when defining the budget and when assigning targets to the sales network
- ✓ avoidance of “commercial campaigns” on a single financial or Banking product/financial instrument
- ✓ inclusion of clauses for zero bonus payment in case of relevant non-compliant behaviour or qualified disciplinary actions
- ✓ avoidance of campaigns which – not being grounded on an objective and customer interests related basis – may directly or indirectly lead to breaching the rules of conduct regarding clients
- ✓ avoidance of campaigns lacking a clear indication of the targets and of the maximum level of incentive to be granted for achieving those targets
- ✓ avoidance – in general – of campaigns that link incentives not only to the targets assigned to specific roles/structures but also to higher hierarchical levels or to the budget of the higher territorial structure.

# SECTION II – ANNUAL COMPENSATION REPORT

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## 1. Introduction

The *Annual Compensation Report* discloses all relevant FinecoBank compensation-related information and methodologies with the aim to increasing Stakeholders' awareness of our compensation policies, practices and outcomes, demonstrating their coherence with business strategy and performance, responsible remuneration and sound risk management. The report provides *ex-post* information on 2014 outcomes, as well as *ex-ante* disclosure for 2015 approach, covering both our Identified Staff population and Corporate Bodies' members.

Remuneration solutions implemented in 2014 provided for:

- compliance of incentive structures with all relevant regulations, including deferred and equity incentives based on financial instruments;
- comprehensive performance measurement to foster sound behaviours aligned with different types of risk.

Over the year we constantly remained abreast of ongoing changes in national and international regulations. Among most recent innovations in the regulatory framework, we highlight the following: on January 1<sup>st</sup>, 2014 the *Capital Requirements Directive* (CRD IV) entered into force, providing for a cap on variable remuneration for Identified Staff and asking local regulators to issue regulations for local implementation; the *European Banking Authority* published on December 16<sup>th</sup>, 2013 the *Regulatory Technical Standards*, qualitative and quantitative criteria which are common at European level in order to define Identified Staff population; in order to introduce CRD IV requisites, Bank of Italy issued on November 18<sup>th</sup>, 2014 the final regulations which replace the "*Regulations on remuneration and incentive policies and practices of Banks and Banking groups*" issued in 2011.

In October 2014 we gave our contribution, through UniCredit by means we provided disclosure to Bank of Italy, to the *European Banking Authority's* ("EBA") remuneration benchmarking exercise and data collection of high earners. In particular our contribution was related to information regarding remuneration for 2013 of all staff and of Identified Staff, including the number of individuals in pay brackets of at least 1 mln Euros.

The Annual Report, a unique document providing complete and comprehensive information on compensation, includes also this year details referring to Members of Administrative and Auditing bodies, General Managers and Executives with strategic responsibilities.

Data pursuant section 84-quater of the Italian National Commission for Listed Companies (Consob) Issuers Regulation no.11971, as well as the information on incentive systems under section 114-bis, are included in this report and in the annex to the 2015 FinecoBank Compensation Policy, named "*2015 Compensation Systems based on Financial Instruments for FinecoBank Staff*".

## 2. Governance & Compliance

*FinecoBank's corporate governance framework assures clarity and accountability in decision-making regarding remunerations.*

### 2.1 Remuneration and Appointments Committee

The Remuneration and Appointments Committee performs a strategic role in supporting Board of Directors' oversight of FinecoBank Compensation Policy and plans design.

The Board of Directors of FinecoBank, renewed on April 15<sup>th</sup>, 2014, during the first session started the process to adopt Corporate Governance system to the status of Listed Company, that is subjected, *inter alia*, to legislation and regulations for Companies that appeals to the market of capital risk, to TUF and Issuers Regulation provisions, as well as to the need to bring its own Corporate Governance model in line with the one foreseen by the Corporate Governance Code.

Later, on May 13<sup>th</sup>, 2014, the Board of Directors established an internal Remuneration and Appointments Committee, one committee with proposal making and advisory functions to the Board itself.

This Committee is composed of Directors Mr. Gianluigi Bertolli, Mrs. Mariangela Grosoli and Mr. Girolamo Ielo, who met the independence requirements set out in Article 3 of the Corporate Governance Code and also Article 148 (3) of the TUF and have adequate knowledge and experience in finance or remuneration policies.

The Chairman, Mr. Gianluigi Bertolli, has presided the Committee's meeting during 2014.

In performing its duties and if important and suitable, also availing itself with the support of an external consultant, The Remuneration and Appointments Committee:

- A. provides opinions to the Board of Directors - on the proposals formulated, as appropriate, by the Chairman of the Board or by the Chief Executive Officer and General Manager - concerning:
  - the definition of policies for appointing the Company's directors (including the qualitative- quantitative characteristics required by the Supervisory Regulations of the Bank of Italy);
  - the appointment of the Chief Executive Officer and General Manager and the other Executives with strategic responsibilities;
  - the definition of any succession plans for the Chief Executive Officer and General Manager and for the other Executives with strategic responsibilities;
  - the identification of FinecoBank director candidates in the event of co-optation, and of independent director candidates to be submitted for approval by the Company shareholders' meeting, taking into account any reports received from shareholders;
  - the appointment of members of the Committees established within the Board of Directors, upon the proposal of the Chairman;
- B. presents proposals to the Board for the definition of a general remuneration policy for the Chief Executive Officer and General Manager, for the other Executives with strategic responsibilities, for the Heads of Company Control Functions e for the other

Identified Staff – also so that the Board is able to prepare the Annual Compensation Report to be presented to the Shareholders' Meeting on an annual basis, and to periodically assess the suitability, overall consistency and effective application of the general remuneration policy approved by the Board;

- C. presents proposals to the Board relating to the total remuneration of the Chief Executive Officer and General Manager, of the other Executives with strategic responsibilities, of the Heads of Company Control Functions e of the other Identified Staff, including the relevant performance targets related to the variable component of the remuneration;
- D. monitors the implementation of the decisions adopted by the Board and verifies, in particular, the achievement of the performance targets;
- E. examines any share-based or cash incentive plans for employees of the Company, and strategic staff development policies.

The Committee may, when it deems it appropriate, invite other individuals from within the Company to attend the meetings, in relation to the corporate functions and organizations concerned by the issues at hand, including members of other committees within the Board of Directors, or external parties, whose presence may facilitate the Committee in performing its functions. The Committee shall meet when convened by its Chairman, whenever he/she deems necessary, or upon the request of one of its members.

In 2014 the Head of Human Resources has been always invited to Committee's meetings. The Chairman has also invited the Chief Risk Officer of FinecoBank to have his evaluation on the consistency of Long-term Incentive Plans for employees and Financial Advisors with the risk policies of the Bank, and the Head of Network PFA Sales Department, Monitoring & Service Network to analyze the Guidelines of Stock Granting Plans for the Financial Advisors.

During 2014 the key activities of the Remuneration and Appointments Committee included:

- compensation package and performance targets of the Executives with strategic responsibilities;
- Compensation Policy and Guidelines of Incentive and Loyalty Plans for employees and Financial Advisors.

On December 2014 the Committee, by means of its budget assigned for the year, has started a collaboration with an independent external advisor.

In 2014 the Remuneration and Appointments Committee met 5 times. The meetings had an average duration of two hours. As of April 2015, 4 meetings of the Committee have been held this year. Minutes are taken of each meeting of the Remuneration and Appointments Committee and placed on record by the Secretary designated by Committee itself.

The main topics discussed by the Committee are also submitted to the attention of the Board of Statutory Auditors.

The following table summarizes the composition of the Committee in 2014 and, in addition to the information on the independency of the members, provides details regarding their attendance to the meetings that have been called during the year.



| REMUNERATION AND APPOINTMENTS COMMITTEE – (YEAR 13/05/2014 – 31/12/2014)                                                                                                                                                                                                                                                                                                                                                              |                    |                           |     |   |    |      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------|-----|---|----|------|
| Office                                                                                                                                                                                                                                                                                                                                                                                                                                | Name               | Independency according to |     | * | ** | ***  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                       |                    | Code                      | TUF |   |    |      |
| <b>Members currently in office</b>                                                                                                                                                                                                                                                                                                                                                                                                    |                    |                           |     |   |    |      |
| Chairman                                                                                                                                                                                                                                                                                                                                                                                                                              | Gianluigi Bertolli | Yes                       | Yes | C | 5  | 100% |
| Director                                                                                                                                                                                                                                                                                                                                                                                                                              | Mariangela Grosoli | Yes                       | Yes | M | 5  | 100% |
| Director                                                                                                                                                                                                                                                                                                                                                                                                                              | Girolamo Ielo      | Yes                       | Yes | M | 5  | 100% |
| Notes<br>(*) In this column is pointed out the office covered in the Committee (C=Chairman; M=Member)<br>(**) In this column is pointed out the number of meetings attended during the period when the office has been covered<br>(***) In this column is pointed out the percentage of attending to Committee's meetings (no. of participation / no. of meetings taken during the effective period when the office has been covered) |                    |                           |     |   |    |      |

## 2.2 The Role of Company Control Functions: Compliance, Risk Management and Audit<sup>5</sup>

Key contributions in 2014 of FinecoBank Compliance function, for all aspects that fall within its perimeter and in collaboration with Group Compliance, included:

- validation of the 2014 Compensation Policy submitted to the Board of Directors for subsequent approval of the Shareholders' Meeting on June 5<sup>th</sup>, 2014;
- validation of the 2014 Incentive System for Identified Staff;
- preparation – in collaboration with the Human Resources function – and distribution of FinecoBank guidelines for the development and management of 2014 incentive systems for the population not belonging to Identified Staff (ref. *FinecoBank Internal Regulation 5/2013*);
- participation in specific initiatives of Human Resources function (e.g.: review of definition of Identified Staff for the application of Incentive System);
- analysis of specific non-standard compensation within the 2014 cycle.

In 2015, the Compliance function will continue to operate in close co-ordination with the Human Resources function to support not only in the validation but also in the design and definition of compensation policy and processes.

The link between compensation and risk has been maintained in 2014 with the involvement of the Risk Management function in compensation design and the definition of an explicit framework to base remuneration within an overarching *FinecoBank Risk Appetite*, which is consistent with *Group Risk Appetite*, so that incentives to take risk are appropriately constrained by incentives to manage risk. In particular, the Board of Directors and Remuneration and Appointments Committee draw upon the input of involved functions to define the link between profitability, risk and reward within FinecoBank incentive systems.

<sup>5</sup> Internal Audit function is centralized in UniCredit and works based on a specific service contract.



### ***Internal Audit of the 2014 FinecoBank remuneration policies and practices***

The Internal Audit function performed the annual audit on FinecoBank variable remuneration system, in consistency with the new provisions issued by Bank of Italy on November 2014. The objective was to perform a follow-up of the recommendations issued by the previous audit in 2014 and to assess the correct implementation of the 2014 remuneration process, verifying the consistency with internal and external regulations.

The results of the audit have been presented to the Remuneration and Appointments Committee on March 20<sup>th</sup>, 2015.

The population in scope included the following categories, to whom FinecoBank Compensation Policy applies:

- all the employees belonging to “Identified Staff”;
- a sample of no. 160 employees not belonging to “Identified Staff” (*below executive*), chosen taking into consideration employees that have received in 2014 an incentive higher than Euro 5.000 (around 16% of the overall population on 31/12/14);
- members of Corporate Bodies;
- the Financial Advisors of the Bank, with particular attention to the “non-recurring” remuneration named “Net Inflows Bonus”, representing around 70% of the total variable compensation paid in 2014.

The annual Internal Audit assessment resulted in a satisfactory rating, based on the overall correct implementation of the bonus mechanism, as defined in FinecoBank Compensation Policy.

There still persist, however, some areas of improvement that have been suggested to the Management, to make the definition of incentive plans for employees and Financial Advisors more consistent with regulations. In particular:

- the need to integrate the internal regulation on the individual incentives for “*below executive*”, to formally discipline responsibilities and internal controls on goal setting and performance evaluation for each employee. In fact the incentive paid out must be consistent with *ex-post* performance evaluation compared with goals assigned, that should be done by the Manager in the available Company HR tools;
- regarding the process to identify employees belonging to “Identified Staff”, a more accurate formalization of the evaluations done by the relevant involved functions on the reasons behind the decision to not include managerial position that have been examined;
- the need to foresee, in the internal regulation/guidelines for Financial Advisors’ incentive systems, *claw back* mechanisms, with a specific reference to the cash advance of the bonuses paid during the year to Advisors that have been subjected to a disciplinary action in a later stage.

It is signalled that the improvement proposed have been already submitted during the audit assessment to the Management, that will acknowledged them in the internal regulation.

### 3. Continuous Monitoring of Market Trends and Practices

*Remuneration and Appointments Committee and Board of Directors make informed decisions on compensation, in line with business strategy and based on appropriate market awareness.*

Key highlights of total compensation policy defined this year with the support of external benchmarking and trends analysis provided by the independent external advisor to the Remuneration and Appointments Committee include:

- the definition of executive compensation policy with particular reference to the design of the 2015 incentive systems;
- the pay recommendations based on specific benchmarking analysis versus our defined peer group to inform any decision.

Compensation levels and ratio between fix and variable component of overall remuneration for Identified Staff are planned, managed and reviewed based on our strategic framework and also aligned with FinecoBank relative performance over time. As policy target, total compensation is set around upper quartile, with individual positioning defined considering specific market of the business and talent, skills and competencies that the individual brings to the Bank. The level of fix pay should be sufficient so that inappropriate risk-taking is not encouraged.

The peer group used to benchmark compensation policy and practice with particular reference to Identified Staff has been defined by the Remuneration and Appointments Committee upon proposal of the independent external advisor on the basis of criteria including: comparability of size, complexity and business model, presence in customer, talent and capital markets, risk and legal-socio-economic environment.

The peer group is subject to annual review to assure its continuing relevance. For 2015 it has been defined a national peer group that includes:

- some Banks operating in the same industry of FinecoBank, in particular those listed as:
  - Generali
  - Mediolanum
  - Azimut
- positions of Asset Management, Wealth Management, Trading internal to national Banks:
  - Banco Popolare
  - Veneto Banca
  - Generali
  - Carige
  - Credem
  - Cariparma
  - BNP Paribas (Italy)
  - BPER
  - Deutsche Bank (Italy)
  - Monte Paschi di Siena

- Intesa SanPaolo
- UBI Banca

In addition to what mentioned above, for the Chief Executive Officer and General Manager and for the Executives with strategic responsibilities it will be realized a benchmark also with European market, based on a sample of European Banks listed, belonging to FT Europe 500 listing, and approximately of Banks with Wealth Management, Asset Management and Private Banking activities, trading platform, on top of a US comparables' analysis.

## 4. Compensation of Directors and Executives with Strategic Responsibilities

*The remuneration for members of the administrative and auditing Bodies of FinecoBank is represented only by a fix component, determined on the basis of the importance of the position and the time required for the performance of the tasks assigned. This policy applies to non-Executive Directors and to the Supervisory Body members that are not employees of FinecoBank or other Legal Entities of UniCredit Group, as well as to Statutory Auditors.*

### 4.1 Non-Executive Directors Compensation

The compensation paid to non-executive directors is not linked to the economic results achieved by FinecoBank, as it is represented only by a fix component, determined on the basis of the importance of the position and the time required for the performance of the tasks assigned.

In light of the above, and as detailed in the 2014 FinecoBank Compensation Policy, the Ordinary Shareholders' Meeting of April 15th, 2014 – also considering market practices – has resolved to assign to the Board of Directors, for each year of activity, the overall annual amount of Euro 370.000, an amount of Euro 50.000 for the Directors holding offices in the Board's Committees and an amount of Euro 20.000 for the Chairman of the Supervisory Body (pursuant to Legislative Decree 231/2001). It is also confirmed the attendance fee of Euro 300 for each meeting of the Board of Directors, of the Board's Committees, even if these meetings held on the same day.

Pursuant to section 2389, paragraph 3 of the Italian Civil Code, the Board of Directors has also established, after consultation with the Board of Statutory Auditors, to give FinecoBank's Directors vested with particular offices an additional remuneration consisting of a fix annual amount for each year of their term of office, whose amounts are reported in the Table 1 as per section 84-quater (Annex 3A, Schedule 7-bis) of Consob Issuers' Regulation (chapter 7 of this report).

Non-executive directors do not take part in any incentive plans based on stock options or, generally, based on financial instruments.

***Indemnities to directors in the event of resignations, dismissal or termination of employment following a public purchase offer (as per section 123/bis, paragraph 1, letter i), of TUF):***

None of the Directors have contracts containing clauses envisaging the payment of indemnities, or the right to keep post-retirement benefits, in the event of resignations or dismissal/revocation without just cause or if the employment relationship is terminated following a public purchase offer. In case of early termination of the mandate, the ordinary law provisions would therefore apply.

The individual employment, as Executive, of the Chief Executive Officer and General Manager, Mr. Alessandro Foti, is today governed - also with regards to the event of resignations, dismissal/revocation or termination - by the ordinary provisions of the law and National Labor Agreement for Banking Industry Executives dated February 29, 2012.

In such context, the annual remuneration used to define the possible indemnity due in the above mentioned instances would include the fix remuneration, any other continuative compensation and the average of the variable pay (inclusive of the components paid in equity - such as for example free shares, restricted shares, performance shares - with the only exclusion of the valorization of the stock options potentially assigned within long-term incentive plans) received in the last three years prior to the termination. The actual amount of such indemnity – in terms of months of compensation considered – is then bound to vary depending on the events which led to the termination and on the relationship's duration.

Non-executive Directors do not receive, within incentive plans, stock options or others equities. For the Chief Executive Officer and General Manager no specific provisions are provided with reference to the right to keep, in case of termination, the options received and the plans' provisions apply.

For none of the Directors currently in office, provisions exist regarding the establishment of advisory contracts for a term following the termination of the directorship, nor the right to keep post retirement perks. No agreements exist either providing compensation for non-competition undertakings.

## **4.2 Compensation of Statutory Auditors**

The compensation paid to the Board of Statutory Auditors is in no way linked to the economic results achieved by FinecoBank; in fact their remuneration is represented only by a fix component, determined on the basis of the importance of the position and the time required for the performance of the tasks assigned.

In light of the above, the Ordinary Shareholders' Meeting held on April 15th, 2014, while appointing the Board of Statutory Auditors, resolved an annual compensation of Euro 50.000 for the Chairman of the Board of Statutory Auditors and of Euro 40.000 for each standing Statutory Auditor plus an attendance fee of Euro 300 for every meeting of the Board of Statutory Auditors they attend.

Alternate Auditors do not receive any compensation unless they are actually asked to join the Board of Statutory Auditors in substitution of a standing member.

No Statutory Auditor is beneficiary of any incentive plan, including those based on stock options or, generally, on financial instruments.

## **4.3 Compensation of Executives with Strategic Responsibilities**

The Board of Directors has identified as "Executives with strategic responsibilities" – to the ends of the application of all statutory and regulatory instructions – the Chief Executive Officer and General Manager, the Deputy General Manager and Head of Global Banking

Services, the Head of Direct Banking, the Head of Commercial PFA Network, the Head of Investment Services and Wealth Management as well as the Chief Financial Officer.

For 2014, according to our Compensation Policy, in line with the provisions of CRD IV and the national and international authorities, the fix and variable components of the compensation of the Chief Executive Officer and General Manager (the sole executive director sitting on the Board of Directors and employee of the Company) – consistently with the other Executives with strategic responsibilities – are balanced through the *ex-ante* definition of the maximum ratio between variable and fix component of the compensation, considering also the Company's strategic goals, risk management policies and other elements influencing firm's business.

The fix component is defined taking into opportune consideration market information and in such a way to be sufficient to reward the activity rendered even if the variable part of the remuneration package were not paid due to non-achievement of performance goals.

The Chief Executive Officer and General Manager, as well as the Executives with strategic responsibilities have a balanced part of their remuneration linked to the economic results of FinecoBank and the Group, taking also into consideration the overall profitability, weighted by risk and cost of capital, as well as sustainability goals (based on capital and liquidity ratios) of FinecoBank. Such variable compensation considers the achievement of specific goals which, in compliance with the Board of Directors' Regulation, are previously approved by the Board upon proposal of the Remuneration and Appointments Committee.

*Ex-ante* defined specific metrics that reflect categories of our FinecoBank Risk Appetite Framework, which is consistent with Group Risk Appetite Framework, align the remuneration of the Chief Executive Officer and General Manager and of the others Executives with strategic responsibilities to sustainable performance and value creation for the shareholders in a medium/long term perspective. Specific individual goals are set out taking into consideration the market practices and the role assigned within the Bank, through the systematic use of specific indicators aimed at strengthening the sustainability of business, such as, for example, the satisfaction of the customer, risk and financial sustainability indicators and profitability measures. → [More information regarding our performance management and evaluation are provided further in chapter 5.4.](#)

2014 variable incentive systems provide for a cap to the variable pay. The maximum value of the variable compensation could not exceed the 200% of fix compensation, with the exception of Company Control Functions to whom a maximum ratio of 100% is applied.

It is also foreseen the deferral in cash and shares of minimum 70% of the incentive, including the percentage of "upfront" shares with payout subject to the achievement of future performance conditions over the following financial years. The measure and duration of the deferral are aligned with the provisions set by regulators and are consistent with the characteristics of the business and with the Company's risk profiles.

For the Heads of the Company Control Functions the goals, pursuant to the provisions of Bank of Italy, are established by the Board of Directors in line with the tasks assigned to them and avoiding, unless good reasons exist, goals connected to the Bank's performance.

In particular, for 2014, for the Manager in charge of preparing Company's financial reports (CFO), the Board of Directors has verified the existence of valid reasons to insert goals linked to the performance results of FinecoBank only in a very limited measure. → [More information regarding compensation approach for Company Control Functions is provided further in chapter 5.5.](#)

The 2014 Incentive System provides for 50% of the annual incentive to be deferred and paid in the five following years through the granting of Fineco shares. The number of such

shares is set at the beginning of the deferring period, thus creating a link between the evolution of the share price and the actual value of the incentive. → [More information regarding the 2014 incentive plan implementation and outcomes are provided further in chapter 5.2.](#)

The Chief Executive Officer and General Manager, on top of 2014 Incentive System, benefits also from:

- *“2011 Group Executive Variable Compensation System – Executive Vice President”*
- *“2012 Group Incentive System - Executive Vice President”*
- *“2013 Group Incentive System – Executive Vice President & Above”*
- *“2014-2017 Multi-year Plan Top Management”*

→ [More information regarding the plans above mentioned are provided further in chapters 6 and 7.](#)



## 5. Compensation Systems

### 5.1 Target Population

FinecoBank, starting from last year conducted, in alignment with specific regulation, the self-evaluation process to define Identified Staff population to whom, according to regulators, specific remuneration rules apply.

For 2014, the assessment process, documented into 2014 FinecoBank Compensation Policy, brought to the identification of 9 resources, pursuant to the *European Banking Authority Regulatory Technical Standard (RTS)*<sup>6</sup>.

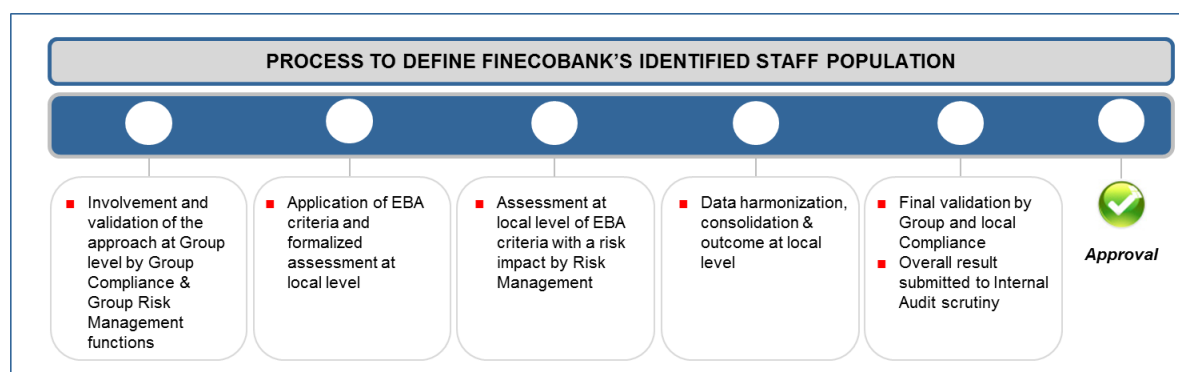
In 2015, Identified Staff population has been reviewed also taking into consideration the latest regulatory requirements (ref. Supervisory Provisions “*Regulations on remuneration and incentive policies and practices of Banks and Banking groups*” issued on November 18<sup>th</sup>, 2014).

The definition of 2015 Identified Staff followed a structured and formalized assessment process both at Group and local level, based on the qualitative and quantitative criteria common at European level defined by EBA and on the guidelines provided by the Group functions Human Resources, Risk Management and Compliance.

In particular, Risk Management function has been directly involved in the assessment at local level on the application of qualitative criteria with a risk impact.

Finally Compliance function validated FinecoBank approach both at Group and local level.

The application of qualitative criteria brought, based on role, decisional power and senior accountability of staff, to the identification of Management staff, risk takers and staff belonging to control functions, regardless of their remuneration; quantitative criteria have been used as residual criteria in order to include in the Identified Staff category those employees whose overall compensation reflects the impact of their professional activity on the risk profile of the Bank.



The result of the assessment process for the definition of Identified Staff, submitted to Internal Audit scrutiny, brought to the identification of a total number of 13 employees and 6 Financial Advisors for 2015<sup>7</sup>.

<sup>6</sup> European Banking Authority (EBA) Regulatory Technical Standards on criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile under Article 94 (2) of Directive 2013/36/EU.



Regarding the employees, as a result of the analysis and as approved by the Board of Directors upon Remuneration and Appointments Committee proposal, the following categories of employees have been identified for 2015 as Identified Staff: Chief Executive Officer and General Manager, Executives with strategic responsibilities, executive positions in Company Control Functions (Compliance, Risk Management and Human Resources) and other positions that are responsible at local level for strategic decisions which may have a relevant impact on the Bank's risk profile.

→ *Compensation data and vehicles used for the target population in 2014 are disclosed in chapters 6 e 7.*

Regarding the Financial Advisors, FinecoBank has applied a qualitative criteria to select those belonging to Identified Staff, on the basis of their impact on business risk (represented by the risk that the Bank's profitability decreases consequently to the exit of Advisors from the Network and the related loss of customers and assets), the only type of risk that the Bank considers attributable to PFA, due to the absence of power of attorney they have to assume any other kind of risks.

As a result of the analysis and as approved by the Board of Directors upon Remuneration and Appointments Committee proposal, the following categories of employees have been identified for 2015 as Identified Staff:

- for the single PFA the criteria above mentioned has been applied selecting those Advisors who have a total yearly compension higher/equal to Euro 750.000;
- for PFA who have a managerial role have been selected Managers that coordinate Advisors with a total asset on their own higher/equal to 5% of the total asset of the PFA Network.

## **5.2 Implementation and Outcomes of 2014 Incentive System for employees belonging to Identified Staff**

The 2014 Incentive System, approved by FinecoBank Board of Directors on April 15<sup>th</sup>, 2014, provides for a "*bonus pool*" approach which takes into consideration most recent national and international regulatory requirements and directly links bonuses with Company results at Group and local level, furtherly ensuring the link between profitability, risk and reward.

The System, implemented within the framework of our policy and governance, provides for the allocation of a performance related bonus in cash and/or free ordinary shares over maximum 6 years.

### ***Bonus pool sizing***

The bonus pool dimension is related to the actual profitability measure multiplied for the percentage of the bonus pool funding rate defined in the budgeting phase.

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<sup>7</sup> Identified Staff data refers to the population at the date of March 2015, providing for an *ex-ante* definition, in line with regulatory requirements.

This calculation determines the so called “theoretical bonus pool”. After this step the process foresees a verification on the entry conditions at Group and local level, as described in the following paragraph.

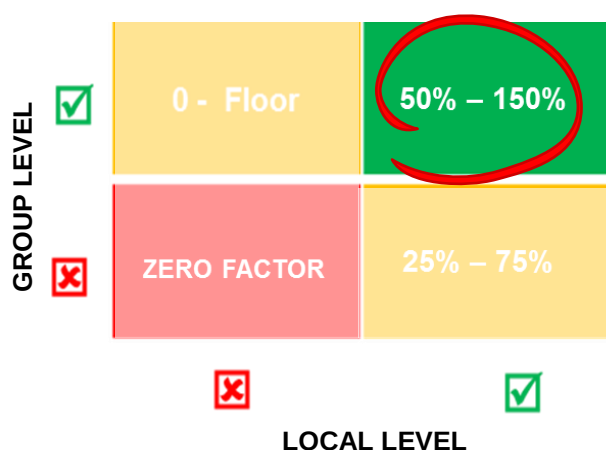
### 2014 Entry conditions at Group and local level

In order to align to regulatory requirements, specific indicators measuring annual profitability, solidity and liquidity results had been set both local and Group level as Entry Conditions. In particular, risk metrics and thresholds for 2014 Incentive System as defined within the Entry Conditions that confirms, reduces or cancels upfront and deferred payouts include:

| Group level                                | Local level                                |
|--------------------------------------------|--------------------------------------------|
| Net Operating Profit adjusted $\geq 0$ and | Net Operating Profit adjusted $\geq 0$ and |
| Net Profit $\geq 0$ and                    | Net Profit $\geq 0$                        |
| Core Tier 1 $\geq 9\%$ and                 |                                            |
| Cash Horizon $\geq 90$ days                |                                            |

- **Net Operating Profit adjusted** (NOP excluding income from buy-back of own debt and from the fair value accounting of own liabilities) to measure profitability. In case of loss the Zero Factor is triggered.
- **Net Profit** to measure profitability considering the results stated in the balance sheet excluding any extraordinary item as considered appropriate by the Board of Directors upon Remuneration and Appointments Committee proposal. In case of loss the Zero Factor is triggered.
- **Core Tier 1 Ratio** to measure the Bank’s solidity in terms of highest quality common equity, consistent with regulatory limits and conservation buffers. As per regulatory requirements, this parameter threshold was set at EBA Limit 9%.
- **Cash Horizon** to measure the Bank’s capacity to face up to its liquidity obligations consistent with Basel 3 Horizon Liquidity Coverage. The threshold is set at 90 days.

According to the actual results, verified and approved by the Board of Directors of FinecoBank on February 9<sup>th</sup>, 2015, and by the Board of Directors of UniCredit on February 11<sup>th</sup>, 2015, at local and Group level the relevant entry conditions have been achieved. As a consequence, FinecoBank bonus pool falls in a range between 50% and 150% of the theoretical bonus pool value, calculated applying the funding rate percentage to the actual profitability results:



Based on the achievements, no *malus* condition is activated (at Group and local level) both for 2014 bonus and for payouts provided by previous years incentive plans deferred instalments

### ***Risk & Financial sustainability***

After the verification of the Entry Conditions achievement, the actual bonus pool of FinecoBank had been adjusted within respective ranges, based on the assessment of the overall financial and risk sustainability evaluated by CRO & CFO dashboards including respectively:

- risk indicators linked to local *RAF*<sup>8</sup>
- performance indicators connected with the Strategic Plan, to evaluate the financial sustainability.

### ***Evaluation and payout for Identified Staff***

In line with FinecoBank governance, 2014 evaluations for Chief Executive Officer and General Manager, Deputy General Manager, other Executives with strategic responsibilities, Chief Risk Officer, Head of Legal & Corporate Affairs and Head of Referente Compliance have been approved by the Board of Directors, based on favourable advice of Remuneration and Appointments Committee.

The Board of Directors of FinecoBank on February 9<sup>th</sup>, 2015, has approved the allocation of a total number of shares equal to 269.728 to be assigned in 2017, 2018, 2019 and 2020.

## **5.3 2015 Incentive System for employees belonging to Identified Staff**

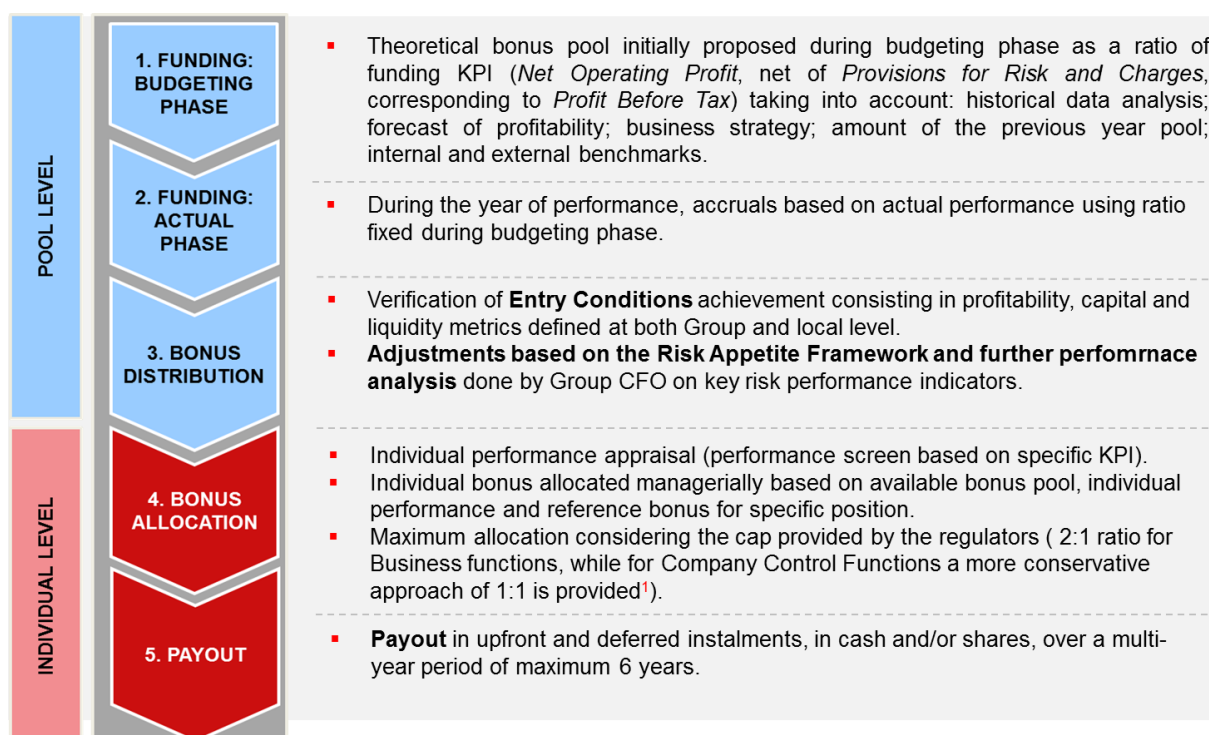
The 2015 Incentive System, as approved by the Board of Directors of FinecoBank on January 22<sup>nd</sup>, 2015, is based on a “*bonus pool*” approach which takes into consideration most recent national and international regulatory requirements and directly links bonuses with Company results at Group and local level, furtherly ensuring link between profitability, risk and reward. In particular, the system provides for:

- allocation of a variable incentive defined on the basis of the determined bonus pool;
- a *malus* clause (Zero Factor) which applies in case specific thresholds (profitability, capital and liquidity) are not met at both Group and local level;
- risk adjusted measures in order to guarantee long-term sustainability, regarding Company financial position and to ensure compliance with regulations;
- definition of a balanced structure of upfront (following the moment of performance evaluation) and deferred payments, in cash and in shares, to be paid over a period of up to maximum 6 years;
- distributions of share payments which take into account the applicable regulatory requirements regarding the application of share retention periods.

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<sup>8</sup> Risk Appetite Framework

The 2015 Incentive System is based on a process that includes the following steps:



<sup>1</sup> Including also the 2015 allocation of «2014-2017 Multi-year Plan Top Management».

## 1. FUNDING: BUDGETING PHASE

- Theoretical bonus pool is initially proposed during the budgeting phase as a percentage of the funding KPI (*Net Operating Profit*, net of *Provisions for Risk and Charges*, corresponding to *Profit Before Tax*) considering: historical data analysis, expected profitability, business strategy and previous year pool. Budget is submitted for approval to the Board of Directors of FinecoBank.

## 2. FUNDING: ACTUAL PHASE

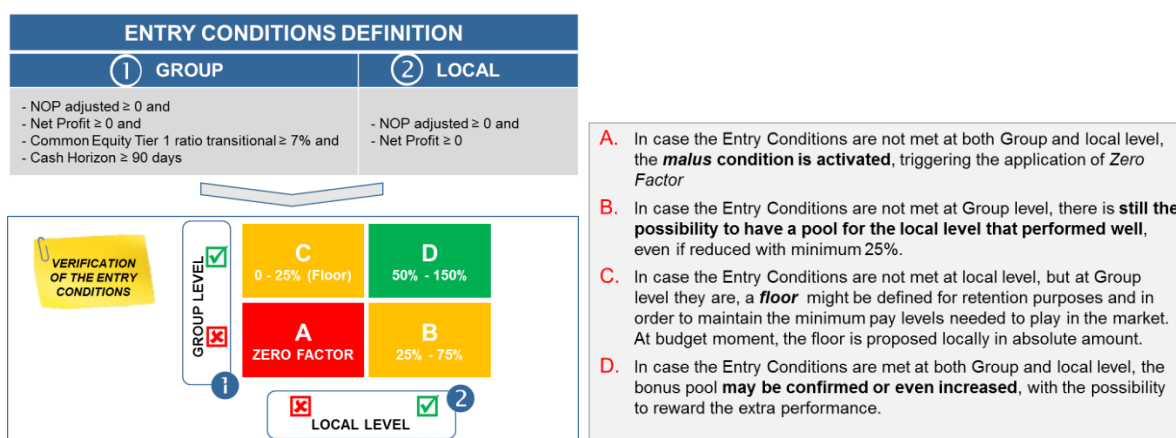
- During the year of performance, quarterly accruals are based on the actual results, with adjustments made throughout the year with 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarter forecast being affected by performance trends;
- for the pool the accruals would be determined according to the actual trend of the funding KPIs defined in the budgeting phase. In this way the bonus pool set is adjusted accordingly to the infra-annual trend of funding KPI.

## 3. BONUS DISTRIBUTION

- Consistency with FinecoBank performance and sustainability is ensured through specific “Entry Conditions” set at both Group and local level;
- application of a *malus* clause in case specific profitability, liquidity and capital thresholds are not reached at Group and local level;

- the distribution is risk adjusted in order to guarantee sustainability with respect to Company's financial position based on FinecoBank *Risk Appetite Framework* and further performance analysis done by CFO;
- the bonus pool is proposed by FinecoBank on the basis of the latest forecast data, taking into consideration the forecasted results evaluation – risk-adjusted – both at Group and local level.

The Entry Conditions is the mechanism that determines the possible application of *malus* clause (Zero Factor) on the basis of performance indicators in terms of profitability, capital and liquidity defined at both Group and local level.

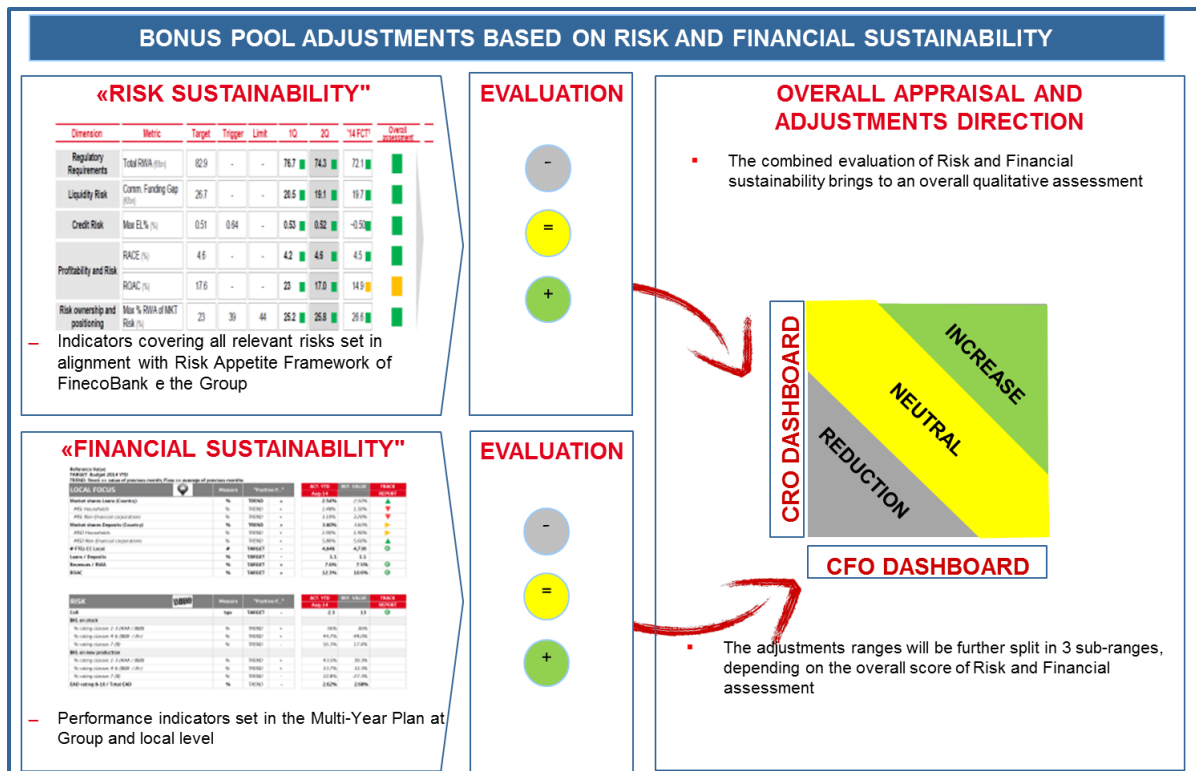


In order to align to regulatory requirements, in case both at Group and local level set KPIs are not met (box A of the matrix included in the scheme "Entry Conditions definition"), a Zero Factor will apply to the Identified Staff population<sup>9</sup> whereas for the rest of the population, a significant reduction will be applied. Moreover, at individual level it will be also considered the respect and the individual adherence to provisions of discipline, conduct and behaviour and the application of *claw back* clauses, as legally enforceable.

In case Zero Factor is not activated (boxes B and D of the matrix included in the scheme "Entry Conditions definition"), bonus pool adjustments will be applied within respective ranges based on the assessment of local and Group performance and risk factors:

- the Group and local risk dashboards include indicators covering all relevant risks including cost of capital and different risks such as credit, market and liquidity and are measured against their relevant thresholds (e.g. limit, trigger and target), which are set in alignment with Risk Appetite Framework of FinecoBank and the Group;
- Group and local CFO performs a further bonus pool analysis on the main performance and sustainability KPIs defined in the local and Group performance dashboard;
- the CRO and CFO Group function, via specific Memos, provide an overall qualitative assessment of the dashboards on the risk and financial sustainability, including a synthetic evaluation on the pool adjustments.

<sup>9</sup> The Bonus Pool of 2015 will be zeroed, while deferrals of previous year systems could be reduced from 50% to 100% of their value, based on final effective results and dashboard assessments done by CFO and CRO.



In any case, as requested by regulations as per Bank of Italy provisions, the final evaluation of sustainable performance parameters and the alignment between risk and remuneration will be assessed by Remuneration and Appointments Committee and defined under the governance and accountability of the Board of Directors.

In case the Entry Conditions are not met at local level, but at Group level they are (box C of the matrix included in the scheme “Entry Conditions definition”), a floor (equal to 25%) might be defined for retention purposes and in order to maintain the minimum pay levels needed to play in the market. In this specific case, no specific sub-ranges can be applied, however the decision regarding pool size from 0 to the Floor level will also consider CRO & CFO dashboards assessment.

The Board of Directors does not take into account, when deciding bonus, balance sheet extraordinary items which do not impact operational performance, regulatory capital and liquidity (e.g. goodwill impairment).

Moreover, following potential changes in current regulations and/or in relation to potential extraordinary and/or unpredictable contingencies which can impact the Group, the Company or the market in which it operates, the Board of Directors, having heard the opinion of Remuneration and Appointments Committee, maintains the right to amend the system and relevant rules.

#### 4. BONUS ALLOCATION

- Individual bonus will be allocated to beneficiaries considering bonus pool, the individual performance appraisal, the internal benchmarking analysis on similar roles and the



- maximum ratio between variable and fix compensation as approved by Shareholder's Meeting;
- individual performance appraisal is based on 2015 performance screen: 4 individual goals (suggested max. 6) assigned during the performance year, selected also from our catalogue of main key performance indicators ("KPI Bluebook") and based on the 5 Fundamentals of Group Competency Model<sup>10</sup>. Competencies and behaviours considered as relevant can be taken into account by the manager for the overall performance appraisal; → *Further details in chapter 5.4*
- the goals appraisal system is based on a 1-5 rating scale with a descriptive outcome.

| EXAMPLE OF 2015 PERFORMANCE SCREEN                            |                                        |            |                                                |                               | EXAMPLE OF 2015 APPRAISAL |  |
|---------------------------------------------------------------|----------------------------------------|------------|------------------------------------------------|-------------------------------|---------------------------|--|
| #                                                             | GOAL                                   | PERIMETER  | TARGET                                         | LINK TO 5 FUNDAMENTALS        |                           |  |
| 1                                                             | Goal 1<br><small>RISK ADJUSTED</small> | FinecoBank | vs. budget                                     | People & Business Development |                           |  |
| 2                                                             | Goal 2<br><small>RISK ADJUSTED</small> | FinecoBank | vs. qualitative assessment based on CRO report | Risk Management               |                           |  |
| 3                                                             | Goal 3                                 | FinecoBank | vs target                                      | Execution & Discipline        |                           |  |
| 4                                                             | Goal 4                                 | FinecoBank | vs. qualitative assessment                     | Client Obsession              |                           |  |
| 5                                                             | Goal 5                                 | FinecoBank | vs. budget                                     | Cooperation & Synergies       |                           |  |
| <b>LEGEND:</b><br>sustainability drivers<br>Risk adjusted KPI |                                        |            |                                                |                               |                           |  |

## 5. BONUS PAYOUT

- As approved by the Board of Directors of January 22<sup>nd</sup>, 2015, with reference to payout structure, the Identified Staff population will be differentiated into two clusters, using a combined approach of banding and compensation:

- *Executive Vice President (EVP) & High Earner* (bonus ≥ 500k)<sup>11</sup>: 5-year deferral scheme;
- *Senior Vice President (SVP) & other Identified Staff* (bonus < 500k): 3-year deferral scheme.



### REGULATORY REQUIREMENTS

- The payment structure of 2015 Incentive System has been defined in line with the Bank of Italy provisions issued on November 2014:
  - 5-year deferral period maintained only for Top Management and selected key senior roles. In general a deferral period from 3 to 5 years is required, and the request for 5 years is limited to «high earners», Top Management and Head of key business lines<sup>11</sup>
  - minimum 50% of bonus to be allocated in shares or other financial instruments
  - minimum 40% of bonus to be paid out under a deferral period (minimum 60% for specific positions and particularly high amounts)
  - 2 years minimum retention period for the upfront shares and shorter retention period (1 year) for the deferred shares

<sup>10</sup> Group Competency Model represents the framework in which the Executives are assessed within the *Executive Development Plan* process. The 5 Fundamental are: *Client Obsession, Execution & Discipline, Cooperation and Synergies, Risk management, People and Business Development*.

<sup>11</sup> Including other direct reports to strategic supervisory, management and control bodies and other Identified Staff.

- The payout of incentives will be done through upfront and deferred instalments, in cash or in Fineco ordinary shares, up to a maximum 6-year period:
  - in 2016 the first instalment of the total incentive will be paid in cash in absence of any individual/values compliance breach<sup>12</sup>;
  - over the period 2017-2021 the remaining part of the overall incentive will be paid in cash and/or Fineco ordinary shares; each further tranche will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual/values compliance breach<sup>12</sup>.

|                                                                                  | 2015             | 2016             | 2017              | 2018               | 2019                                     | 2020                | 2021                                     |
|----------------------------------------------------------------------------------|------------------|------------------|-------------------|--------------------|------------------------------------------|---------------------|------------------------------------------|
| <b>EVP &amp; ABOVE AND OTHER IDENTIFIED STAFF WITH BONUS ≥ 500K<sup>11</sup></b> | PERFORMANCE YEAR | 20% UPFRONT CASH | 10% DEFERRED CASH | 20% UPFRONT SHARES | 10% DEFERRED SHARES                      | 10% DEFERRED SHARES | 20% DEFERRED CASH<br>10% DEFERRED SHARES |
| <b>SVP AND OTHER IDENTIFIED STAFF WITH BONUS &lt; 500K</b>                       | PERFORMANCE YEAR | 30% UPFRONT CASH | 10% DEFERRED CASH | 30% UPFRONT SHARES | 10% DEFERRED CASH<br>10% DEFERRED SHARES | 10% DEFERRED SHARES |                                          |

- All the instalments are subject to the application of *claw back* conditions, as legally enforceable;
- the number of shares to be allocated in the respective instalments shall be defined in 2016, on the basis of the arithmetic mean of the official closing market price of Fineco ordinary shares during the month preceding the Board resolution that evaluates 2015 performance achievements;
- the payment structure has been defined in line with Bank of Italy provisions requiring a share retention period for upfront and deferred shares. In particular, the implementation of the share retention periods may be carried out in line with the fiscal framework, either via the allocation of restricted shares or the promise of shares that shall subsequently be allocated at the end of the intended retention period;
- in line with national market practices, a minimum threshold<sup>13</sup> will be introduced, below which no deferral mechanisms will be applied, accordingly with relevant regulatory indications;
- 2015 Incentive System provides for an expected impact on FinecoBank share capital of approximately 0,08%, assuming that all free shares for employees have been distributed. The overall dilution for all other current outstanding FinecoBank equity-based plans equals 0,69%;
- the beneficiaries cannot activate programs or agreements that specifically protect the value of unavailable financial instruments assigned within the incentive plans. Any form of coverage will be considered a violation of compliance rules and imply the consequences set out in the regulations, rules and procedures.

<sup>12</sup> Considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob).

<sup>13</sup> Equal to Euro 75.000.



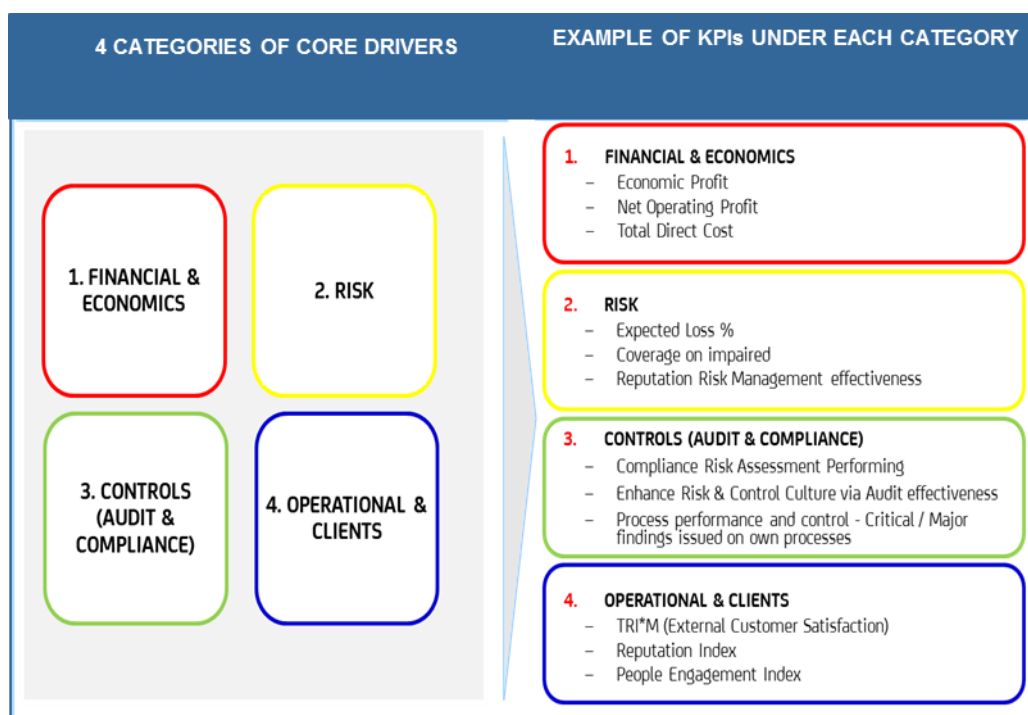
## 5.4 Comprehensive Performance Management

The 2015 Incentive System, described in the chapter 5.3, is supported by an annual performance measurement framework assuring coherence, consistency and clarity of performance objectives with business strategy, and encouraging and rewarding desired behaviours and risk orientation. Our performance management process ensures all Identified Staff know what is expected from them and includes a rigorous review of their goals achievements.

The *KPI Bluebook* supports Managers and Human Resources function in defining Performance Screens through a set of goals and guidelines. In particular, it provides guidelines for:

- target-setting: to define a reference target for expected performance;
- goal setting with focus on risk perspective by considering the main risks that the business/function itself could positively affect and mitigate;
- setting and evaluating qualitative goals;
- accurate goal selection for Company Control Functions, in order to ensure their independency.

The *KPI Bluebook* maps 4 categories of core drivers that include a list of goals (*KPI Dashboard*):



The 4 categories represent financial and non-financial performance and are mapped into 5 clusters of similar businesses (Overall, Commercial Banking, Wealth Management, Investment/Markets, Non-Commercial) to help identifying the most relevant standardized KPIs (all certified by relevant Group functions) according to each role, with specific focus on risk-adjusted, sustainability-driven metrics and economic measure.

## 2015 Chief Executive Officer and General Manager Performance Screen

5 KPIs defined and approved by FinecoBank Board of Directors as the core drivers of performance for FinecoBank Chief Executive Officer and General Manager include goals related to Bank profitability, risk management focus and sustainability indicators such as execution of Company strategic vision with focus on growth and development of strategic projects.

| # | CORE GOALS                                                                                                      | REFERENCE PERIMETER | REFERENCE TARGET          | LINK TO 5 FUNDAMENTALS                                                                                            |
|---|-----------------------------------------------------------------------------------------------------------------|---------------------|---------------------------|-------------------------------------------------------------------------------------------------------------------|
| 1 | Net sales                                                                                                       | FinecoBank          | vs budget                 | Execution & Discipline         |
| 2 | Net Profit                                                                                                      | FinecoBank          | vs budget                 | People & Business Development  |
| 3 | Net growth of number of clients                                                                                 | FinecoBank          | vs budget                 | Client Obsession               |
| 4 | TRI*M Index                                                                                                     | FinecoBank          | vs target                 | Client Obsession               |
| 5 | Operational Risk Management  | FinecoBank          | vs qualitative assessment | Risk Management               |

For the other Identified Staff of FinecoBank KPIs that include profitability and risk management are reflected also in their Performance Screens, with differences given by the perimeter of reference and the relevant activities.

## 5.5 Compensation of Company Control Functions

In line with regulatory framework, a specific ratio between variable and fix compensation is defined for Company Control functions (Compliance, Risk Management and Human Resources). The fix compensation must be appropriate to the level of responsibility and commitment associated with the role. The incentive mechanisms for the Company Control Functions have to be *"in accordance with the achievement of the objectives linked to their function, independent of the performance of the business areas they control"* (CRD IV).

According to the Bank of Italy's new regulations, for Identified Staff belonging to Company Control Functions, the ratio between variable and fix component of the remuneration cannot be higher than 33%. Such ratio should be adopted by 1<sup>st</sup> half 2016, as requested by the Regulatory provisions.

In the perspective to adopt such ratio by 1<sup>st</sup> half of June and with the phased approach followed in previous years to balance the pay-mix, the ratio between variable and fix compensation for 2015 is equal to 1:1.

Incentive plans for Identified Staff in Company Control Functions are implemented in line with specific policies which assure independence in order to avoid conflict of interest.

Goals are defined to measure individual performance related to the activities of the specific Company Control Function:

- in order to assure independency of the function, no economic measure must be selected for Compliance, Risk Management and Human Resources functions;
- for Chief Risk Officer roles, or – where present – roles reporting to them which are responsible for Risk Management and Credit activities, selection of goals in individual performance screen should directly reflect correlation and integration among the Risk Management and Credit, in order to correctly balance individual responsibilities.

In compliance with regulatory requirements, FinecoBank Incentive System provides for a goals scheme definition that excludes financial goals for Company Control Function.

Moreover, in order to further limit connection with business results and to maintain the adequate independence level of Compliance and Risk Management (as guaranteed in 2014 with "Alternative Group Gate"), a specific governance process will be followed, providing for:

- *malus* condition is activated providing a reduction of bonus pool until 50% of the budgeted figure;
- bonus pool can be phased out to zero only in presence of an exceptionally negative situation (e.g.: Core Tier 1 Ratio Transitional dropping under the minimum regulatory requirement, persistent "recession" scenario, etc.) within an escalation process including a governance step in the Board of Directors.

## 5.6 2015 Incentive System for Financial Advisors belonging to Identified Staff

The 2015 Incentive System for Financial Advisors belonging to Identified Staff, approved by the Board of Directors on March 10<sup>th</sup>, 2015, aims to retain and provide incentives to the beneficiary Advisors and confirms the alignment of FinecoBank with the latest national and international regulatory requirements.

In particular the system provides for:

- the allocation of an incentive based on mechanisms of sustainability with regard to the results;
- the definition of a balanced structure of "upfront" (done at the moment of performance evaluation) and "deferred" payments, in cash and Phantom shares;
- the distribution of payments in Phantom shares, coherently with the applicable regulatory requirements regarding the application of instruments retention periods. In fact, the payment structure defined requires a retention period on Phantom shares (of 2 years for the "upfront" payment and of 1 year for "deferred" payment);
- a *malus* clause (Zero Factor) applies in case specific conditions for access are not met. In particular, the bonus relating to the 2015 performance will be zeroed.

Total incentive payout as defined will be made over a multi-year period (2016-2020), as indicated below, in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob) and provided that the agency relationship of the beneficiaries is in place at the time of each payment:

- in 2016 the first instalment of the overall incentive will be paid in cash;
- over the period 2017-2020 the remaining amount of the overall incentive will be paid in several instalments in cash and/or Phantom shares; each further instalments will be subject to the application of the Zero Factor for the year of allocation;

|                                                  | 2016     | 2017     | 2018               | 2019                          | 2020               |
|--------------------------------------------------|----------|----------|--------------------|-------------------------------|--------------------|
| Financial Advisors belonging to Identified Staff | 30% cash | 10% cash | 30% Phantom shares | 10% cash + 10% Phantom shares | 10% Phantom shares |

- it's foreseen a specific minimum threshold<sup>14</sup> below which deferrals and instruments will not be applied;
- the number of Phantom shares to be allocated with the third, fourth and fifth instalments will be defined in the year 2016, on the basis of the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that evaluates 2015 performance achievements to the same day in the previous month (both inclusive);
- in addition at the time of effective payment of each instalment, the number of Phantom shares granted will be converted to cash based on the arithmetic mean of the official closing price of the shares of each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the month prior to the resolution by the Board of Directors approving the payment;
- the beneficiaries cannot activate programs or agreements that specifically protect the value of unavailable financial instruments assigned within the incentive plans.

<sup>14</sup> Equal to Euro 75.000.

## 6. Compensation Data

### 6.1 2014 Remuneration Outcomes

| (€ thousand)                                                    | Aggregate Compensation Amounts <sup>15</sup> |                                           |                                          |                      |
|-----------------------------------------------------------------|----------------------------------------------|-------------------------------------------|------------------------------------------|----------------------|
|                                                                 | Number of incumbents                         | Fixed & other non-performance related pay | Variable pay related to 2014 performance |                      |
|                                                                 |                                              |                                           | Cash                                     | Equity <sup>16</sup> |
| Chief Executive Officer and General Manager (CEO) <sup>17</sup> | 1                                            | 804                                       | 170                                      | 0                    |
| Others Executive Directors <sup>18</sup>                        | 1                                            | 0                                         | 0                                        | 0                    |
| Non-Executive Directors <sup>18</sup>                           | 7                                            | 547                                       | 0                                        | 0                    |
| Executives with strategic responsibilities                      | 5                                            | 1.413                                     | 321                                      | 0                    |
| Other Identified Staff                                          | 4                                            | 515                                       | 147                                      | 7                    |

<sup>15</sup> Considering pro-rata amounts for incumbents in office for part of the year.

<sup>16</sup> Amounts shown as equity compensation reflect the arithmetic mean of the UniCredit shares from January 8<sup>th</sup> to February 8<sup>th</sup>, 2015.

<sup>17</sup> It is highlighted that the amount represents the fixed remuneration paid in 2014, considering that from July 1st, 2014 his fixed remuneration is equal to Euro 850.000. Furthermore part of this amount has been paid by UniCredit S.p.A. (respectively 20% from 01/01/2014 to 30/06/2014, 10% from 01/07/2014 to 31/12/2014).

<sup>18</sup> Including employees of UniCredit Group. In compliance with what has been defined at Group level in the "Policy in materia di struttura, composizione e remunerazione degli Organi Sociali della Società di Gruppo", the Board of Directors' members who are employees of UniCredit Group renounce to the total amount of their appointment as Board members.

| (€ thousand)                                      | Deferred Compensation Amounts <sup>19</sup> |                      |                                         |                      |          |                      |
|---------------------------------------------------|---------------------------------------------|----------------------|-----------------------------------------|----------------------|----------|----------------------|
|                                                   | Paid out in 2014                            |                      | Outstanding based on future performance |                      |          |                      |
|                                                   | Cash                                        | Equity <sup>20</sup> | Vested                                  |                      | Unvested |                      |
|                                                   |                                             |                      | Cash                                    | Equity <sup>21</sup> | Cash     | Equity <sup>22</sup> |
| Chief Executive Officer and General Manager (CEO) | 355                                         | 279                  | 141                                     | 579                  | 432      | 4.790                |
| Others Executive Directors                        | 0                                           | 0                    | 0                                       | 0                    | 0        | 0                    |
| Non-Executive Directors                           | 0                                           | 0                    | 0                                       | 0                    | 0        | 0                    |
| Executives with strategic responsibilities        | 462                                         | 233                  | 190                                     | 482                  | 413      | 7.288                |
| Other Identified Staff                            | 264                                         | 12                   | 4                                       | 10                   | 5        | 476                  |

Deferred amounts paid out in 2014 include payouts based on demonstrated multi-year performance achievements. Amounts shown as outstanding deferred compensation represent the potential gain on deferred awards that remain subject to future performance. These amounts are not related to nor indicative of the benefit (if any) that may ultimately be realized on the cash award or the underlying stock options/shares that may become exercisable or be actually allocated.

Vested cash payments refers to *2013 Group Incentive System*.

Vested equity payments refers to *2011 and 2012 Group Incentive System*, whose price has been calculated on the basis of the arithmetic mean of the official closing market price of UniCredit shares from January 8<sup>th</sup> to February 8<sup>th</sup>, 2015.

Unvested cash payments refers to *2012, 2013 and 2014 Group Incentive System*.

Unvested equity payments refers to *2012, 2013 and 2014 Group Incentive System*, to *2014-2017 Multi-year Plan Top Management* and to *2014 Key People Plan*.

<sup>19</sup> Considering pro-rata amounts for incumbents in office for part of the year.

<sup>20</sup> Amounts shown as equity compensation reflect the market value of the shares at the moment of actual grant.

<sup>21</sup> Based on the "Hull&White" option pricing model, the fair value estimates of the equity instruments (underlying UniCredit shares) as at 01/01/2015 would be (€ thousand): 1; 0; 0; 2 and 0 respectively, for each of the categories for which data is disclosed in the table.

<sup>22</sup> Economic value of financial instruments weighted by the probability of achieving the performance as at 01/01/2015 would be (€ thousand): 4.242; 0; 0; 6.372 and 422 respectively, for each of the categories for which data is disclosed in the table.

The unvested component refers to cash and equity awards to which the right has not yet matured and for which any potential future gain has not been yet realized and remains subject to future performance.

The value of shares shown as unvested equity is calculated considering:

- for *2014 Group Incentive System 2014* the arithmetic mean of the official closing market price of Fineco shares from January 8th to February 8th, 2015.
- for “*2014-2017 Multi-year Plan Top Management*” the listing price of Fineco shares;
- for “*2014 Key People Plan*” the arithmetic mean of the official closing market price of Fineco shares from January 8th to February 8th, 2015;
- for the other *Group Incentive System* (underlying UniCredit shares), consistently with the calculation for *2014 Group Incentive System*, the arithmetic mean of the official closing market price of UniCredit shares from January 8th to February 8th, 2015.

All stock options granted under existing Group LTI plans represent zero gain for the beneficiaries as long as the entry conditions will not allow the exercise.

The Chief Executive Officer and General Manager for 2014 have been rewarded with more than 1 mln Euros.

## 6.2 2015 Remuneration Policy

| (in percentage)                    | Target Total Compensation                 |                                         |
|------------------------------------|-------------------------------------------|-----------------------------------------|
|                                    | Fixed & other non-performance related pay | Target variable performance-related pay |
| <b>NON-EXECUTIVE DIRECTORS</b>     |                                           |                                         |
| Chairman and Vice Chairman         | 100%                                      | 0%                                      |
| Directors                          | 100%                                      | 0%                                      |
| Statutory Auditors                 | 100%                                      | 0%                                      |
| <b>OVERALL EMPLOYEE POPULATION</b> |                                           |                                         |
| Business Areas                     | 77%                                       | 23%                                     |
| Support functions                  | 92%                                       | 8%                                      |
| Overall Company                    | 88%                                       | 12%                                     |

Total compensation policy for non-Executive Directors, Identified Staff and for the overall employee population demonstrates in particular how:

- remuneration of the non-Executive Directors, as approved by the Shareholders' Meeting, does not include variable performance-related pay;

- Identified Staff are offered opportunities for variable compensation in line with their strategic role, regulatory requirements and our pay for performance culture;
- the general employee population is offered a balanced pay-mix in line with the role, scope and business or market context of reference.

### 6.3. Benefits Data

Our employees enjoy welfare, healthcare and life balance benefits that supplement social security plans and minimum contractual requirements. These benefits are intended to provide substantial guarantees for the well-being of staff and their family members during their active careers as well as in retirement.

In Italy, among the complementary pension plans, there are both defined performance funds (whose performances, which come to fruition once the retirement requirements are reached, are known in advance as they are set by the fund statute) and defined contribution plans (whose performances depend on the results of the asset management).

Complementary pension plans can also be classified as external or internal pension funds, where external funds are legally autonomous from the Group, while internal funds are accounting items entered into UniCredit S.p.A.'s balance sheet, whose creditor counterparts are the employees enrolled (both active and retired).

Both these categories are closed and, as such, they do not allow new subscriptions. The only exception is represented by the individual capitalization section of the "Fondo Pensione per il Personale delle Aziende del Gruppo UniCredit". Within this section (which counted approximately 35.000 enrolled active employees in 2013) subscribers can distribute their contribution – depending on their own risk appetite – among four investment lines (Insurance, Short, Medium and Long Term) characterized by different risk/yield ratios. In addition, always in this section, the enrolled employees may open complementary pension plan positions in favor of their family members dependent for tax purposes.



## 7. Compensation Tables

### 7.1 Disclosure as per section 84-quater of the Italian National Commission for Listed Companies (Consob) Issuers Regulation no.11971

A set of tables presents in the following pages the information that the Company is required to provide as per Section 84-quater of Consob's Issuers Regulation nr. 11971.

For a more detailed understanding of the methodological criteria underlying the information reported in the various tables, reference is made to Annex 3A of the said Consob Regulation.

In particular:

#### ***TABLE 1: Compensation paid to members of the Administrative and Auditing Bodies, to General Managers and to other Executives with strategic responsibilities***

Provides, at an individual level and on an accrual basis, the details of the compensation paid to the Chief Executive Officer and General Manager, to the members of the Board of Directors and of the Board of Statutory Auditors.

For the other 5 executives with strategic responsibilities the information is provided on an aggregate basis.

The overall compensation paid by FinecoBank to the Board of Directors for 2014 amounts to Euro 1.672.288.

The overall compensation paid by FinecoBank to the Board of Statutory Auditors for 2014 amounts to Euro 159.983.

The "Fair value of equity compensation" (column 7) does not represent a value actually paid to/gained by the beneficiaries of equity plans, being instead the cost that the Company is booking - on an accrual basis and during the vesting period - in consideration of the provision of the incentives based on financial instruments. More details on such plans are provided at the following Table 2 and Table 3A.

#### ***TABLE 2: Stock Options assigned to the members of the Administrative Body, to General Managers and other Executives with strategic responsibilities***

Nor the non-executive members of the Board of Directors, nor the members of the Board of Statutory Auditors benefit from any incentive plan, be it based on financial instruments or cash.

Only the Chief Executive Officer and the Executives with strategic responsibilities benefit from Stock Option/Performance Stock Options plans launched by UniCredit Group in the previous years.

At current prices, all stock options, for which it could be possible to exercise the right ("vested"), are largely underwater.

#### ***TABLE 3A: Incentive plans based on financial instruments other than stock options, in favor of members of the Administrative Body, General Managers and other Executives with strategic responsibilities***

The table reports - additionally to the shares granted within medium and/or long term incentive and retention equity plans - also the number of shares promised and/or granted in connection with the deferral of the annual incentive systems.

***TABLE 3B: Monetary Incentive Plans in Favor of Members of the Administrative Body, General Managers and other Executives with strategic responsibilities***

Provides the details of all the cash incentives accrued during the year in favor of the Chief Executive Officer and General Manager and of the other Executives with strategic responsibilities. Neither the non-executive members of the Board of Directors, nor the Statutory Auditors receive any variable compensation.

***Information on the investments held by the members of the Administrative and Auditing Bodies, by General Managers and by other Executives with strategic responsibilities***

Table 1 and Table 2, drafted in compliance with schedule 7-ter, provide the shareholding in FinecoBank held by the Chief Executive Officer and General Manager, the other members of the Board of Directors, the members of the Board of Statutory Auditors and the other Executives with strategic responsibilities.

## Consob Issuers Regulation nr. 11971 - Annex 3A / Schedule 7-bis

| Amounts in Euro                                                                                                                                                                                                                                                                                                                                                                                               |                                                                          | TABLE 1: Compensation paid to members of the administrative and auditing bodies, to general managers and to other executives with strategic responsibilities                                                                                                                                                       |                                                                                                |                                                                                                |                                                                                                                                                                             |                                                               |                                                                   |                         |                                                |                                                                 |                                  |                |                       |                    |                            |                                                                 |                                                                    |   |   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------|-------------------------|------------------------------------------------|-----------------------------------------------------------------|----------------------------------|----------------|-----------------------|--------------------|----------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------|---|---|
| (A)                                                                                                                                                                                                                                                                                                                                                                                                           | (B)                                                                      | (C)                                                                                                                                                                                                                                                                                                                | (D)                                                                                            | (1)                                                                                            |                                                                                                                                                                             |                                                               |                                                                   |                         |                                                | (2)                                                             | (3)                              |                | (4)                   | (5)                | (6)                        | (7)                                                             | (8)                                                                |   |   |
| Name and surname                                                                                                                                                                                                                                                                                                                                                                                              | Office                                                                   | Period for which office was held                                                                                                                                                                                                                                                                                   | Office expiry                                                                                  | Fixed compensation                                                                             |                                                                                                                                                                             |                                                               |                                                                   |                         |                                                | Compensation for committee participation                        | Variable non-equity compensation |                | Non-monetary benefits | Other remuneration | Total                      | Fair value of equity compensation                               | Severance indemnity for end of office or termination of employment |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                          |                                                                                                                                                                                                                                                                                                                    |                                                                                                | Emoluments resolved by the Shareholders' Meeting                                               | Attendance tokens                                                                                                                                                           | Lump sum expense reimbursements                               | Compensation for specific offices ex sec. 2389 Italian Civil Code | Employment fixed salary | Total                                          |                                                                 | Bonuses and other incentives     | Profit sharing |                       |                    |                            |                                                                 |                                                                    |   |   |
| B<br>O<br>A<br>R<br>D<br><br>O<br>F<br><br>D<br>I<br>R<br>E<br>C<br>T<br>O<br>R<br>S                                                                                                                                                                                                                                                                                                                          | Enrico Cotta Ramusino                                                    | Chairman of the Board of Directors<br>Member of the Audit Committee<br>Chairman of the Board of Directors                                                                                                                                                                                                          | 01/01/2014<br>01/01/2014<br>15/04/2014                                                         | 14/04/2014<br>14/04/2014<br>31/12/2014                                                         | approv.AR al 31/12/14<br>approv.AR al 31/12/14<br>approv.AR al 31/12/16                                                                                                     | 11.397<br>4.274<br>35.753                                     | 1.040<br>1.300<br>3.300                                           | -                       | 42.740<br>5.574<br>146.314                     | 55.177<br>5.574<br>146.314                                      | -                                | -              | -                     | 2.930              | 58.107<br>5.574<br>146.314 | -                                                               | -                                                                  |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (I) Total compensation in the company preparing the financial statements |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 51.425                                                        | 5.640                                                             | -                       | 150.000                                        | -                                                               | 207.065                          | -              | -                     | -                  | 2.930 *                    | 209.995                                                         | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (II) Compensation from subsidiaries and associates                       |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 51.425                                                        | 5.640                                                             | -                       | 150.000                                        | -                                                               | 207.065                          | -              | -                     | -                  | 2.930 *                    | 209.995                                                         | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (III) Total                                                              |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 51.425                                                        | 5.640                                                             | -                       | 150.000                                        | -                                                               | 207.065                          | -              | -                     | -                  | 2.930 *                    | 209.995                                                         | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | Francesco Salta                                                          | Vice Chairman of the Board of Directors<br>Chairman of the Audit and Related Parties Committee                                                                                                                                                                                                                     | 15/04/2014<br>15/04/2014                                                                       | 31/12/2014<br>31/12/2014                                                                       | approv.AR al 31/12/16<br>approv.AR al 31/12/16                                                                                                                              | 28.603<br>14.301                                              | 3.000<br>4.800                                                    | -                       | 35.753<br>19.101                               | 67.356<br>19.101                                                | -                                | -              | -                     | -                  | -                          | 67.356<br>19.101                                                | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (I) Total compensation in the company preparing the financial statements |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 42.904                                                        | 7.800                                                             | -                       | 35.753                                         | 86.458                                                          | -                                | -              | -                     | -                  | -                          | 86.458                                                          | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (II) Compensation from subsidiaries and associates                       |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 42.904                                                        | 7.800                                                             | -                       | 35.753                                         | 86.458                                                          | -                                | -              | -                     | -                  | -                          | 86.458                                                          | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (III) Total                                                              |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 42.904                                                        | 7.800                                                             | -                       | 35.753                                         | 86.458                                                          | -                                | -              | -                     | -                  | -                          | 86.458                                                          | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | Alessandro Foti                                                          | Chief Executive Officer / General Manager**                                                                                                                                                                                                                                                                        | 01/01/2014                                                                                     | 31/12/2014                                                                                     | approv.AR al 31/12/16                                                                                                                                                       | -                                                             | -                                                                 | -                       | -                                              | 804.533<br>804.533                                              | 311.075<br>311.075               | -              | 6.456<br>6.456        | -                  | -                          | 1.122.064<br>1.122.064                                          | 902.956<br>902.956                                                 | - | - |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (I) Total compensation in the company preparing the financial statements |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | -                                                             | -                                                                 | -                       | -                                              | 804.533                                                         | 311.075                          | -              | 6.456                 | -                  | 1.122.064                  | 902.956                                                         | -                                                                  | - |   |
| (II) Compensation from subsidiaries and associates                                                                                                                                                                                                                                                                                                                                                            |                                                                          |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                | -                                                                                                                                                                           | -                                                             | -                                                                 | -                       | 804.533                                        | 311.075                                                         | -                                | 6.456          | -                     | 1.122.064          | 902.956                    | -                                                               | -                                                                  |   |   |
| (III) Total                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                          |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                | -                                                                                                                                                                           | -                                                             | -                                                                 | -                       | 804.533                                        | 311.075                                                         | -                                | 6.456          | -                     | 1.122.064          | 902.956                    | -                                                               | -                                                                  |   |   |
| O<br>F<br><br>D<br>I<br>R<br>E<br>C<br>T<br>O<br>R<br>S                                                                                                                                                                                                                                                                                                                                                       | Girolamo Ielo                                                            | Vice Chairman of the Board of Directors<br>Member of the Audit and Related Parties Committee<br>Chairman of the Audit and Related Parties Committee<br>Chairman Corporate Governance<br>Member of the Board of Directors<br>Chairman Corporate Governance<br>Member of the Remuneration and Appointments Committee | 01/01/2014<br>01/01/2014<br>24/03/2014<br>01/01/2014<br>15/04/2014<br>15/04/2014<br>13/05/2014 | 14/04/2014<br>14/04/2014<br>14/04/2014<br>14/04/2014<br>31/12/2014<br>31/12/2014<br>31/12/2014 | approv.AR al 31/12/14<br>approv.AR al 31/12/14<br>approv.AR al 31/12/14<br>approv.AR al 31/12/14<br>approv.AR al 31/12/16<br>approv.AR al 31/12/16<br>approv.AR al 31/12/16 | 8.548<br>3.699<br>1.205<br>5.699<br>28.603<br>14.301<br>9.575 | 1.040<br>1.300<br>-<br>-<br>3.000<br>1.200<br>1.200               | -                       | 14.247<br>-<br>-<br>-<br>-<br>15.501<br>10.775 | 23.835<br>4.999<br>1.205<br>5.699<br>31.603<br>15.501<br>10.775 | -                                | -              | -                     | -                  | -                          | 93.617<br>4.999<br>1.205<br>5.699<br>31.603<br>15.501<br>10.775 | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (I) Total compensation in the company preparing the financial statements |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 71.630                                                        | 7.740                                                             | -                       | 14.247                                         | 93.617                                                          | -                                | -              | -                     | -                  | -                          | 93.617                                                          | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (II) Compensation from subsidiaries and associates                       |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 71.630                                                        | 7.740                                                             | -                       | 14.247                                         | 93.617                                                          | -                                | -              | -                     | -                  | -                          | 93.617                                                          | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (III) Total                                                              |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 71.630                                                        | 7.740                                                             | -                       | 14.247                                         | 93.617                                                          | -                                | -              | -                     | -                  | -                          | 93.617                                                          | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | Pietro Angelo Guindani                                                   | Member of the Board of Directors<br>Member of the Audit and Related Parties Committee                                                                                                                                                                                                                              | 15/04/2014<br>15/04/2014                                                                       | 31/12/2014<br>31/12/2014                                                                       | approv.AR al 31/12/16<br>approv.AR al 31/12/16                                                                                                                              | 28.603<br>10.726                                              | 2.400<br>4.500                                                    | -                       | -                                              | 31.003<br>15.226                                                | -                                | -              | -                     | -                  | -                          | 31.003<br>15.226                                                | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (I) Total compensation in the company preparing the financial statements |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 39.329                                                        | 6.900                                                             | -                       | -                                              | 46.229                                                          | -                                | -              | -                     | -                  | -                          | 46.229                                                          | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (II) Compensation from subsidiaries and associates                       |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 39.329                                                        | 6.900                                                             | -                       | -                                              | 46.229                                                          | -                                | -              | -                     | -                  | -                          | 46.229                                                          | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (III) Total                                                              |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 39.329                                                        | 6.900                                                             | -                       | -                                              | 46.229                                                          | -                                | -              | -                     | -                  | -                          | 46.229                                                          | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | Mariangela Grosoli                                                       | Member of the Board of Directors<br>Member of the Audit and Related Parties Committee<br>Member of the Board of Directors<br>Member of the Audit and Related Parties Committee<br>Member of the Remuneration and Appointments Committee                                                                            | 01/01/2014<br>24/03/2014<br>15/04/2014<br>15/04/2014<br>13/05/2014                             | 14/04/2014<br>14/04/2014<br>31/12/2014<br>31/12/2014<br>31/12/2014                             | approv.AR al 31/12/14<br>approv.AR al 31/12/14<br>approv.AR al 31/12/16<br>approv.AR al 31/12/16<br>approv.AR al 31/12/16                                                   | 8.548<br>904<br>28.603<br>10.726<br>9.575                     | 790<br>520<br>2.700<br>4.200<br>1.200                             | -                       | -                                              | 9.328<br>1.424<br>31.303<br>14.926<br>10.775                    | -                                | -              | -                     | -                  | -                          | 9.328<br>1.424<br>31.303<br>14.926<br>10.775                    | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (I) Total compensation in the company preparing the financial statements |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 58.356                                                        | 9.400                                                             | -                       | -                                              | 67.756                                                          | -                                | -              | -                     | -                  | -                          | 67.756                                                          | -                                                                  | - |   |
| (II) Compensation from subsidiaries and associates                                                                                                                                                                                                                                                                                                                                                            |                                                                          |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                | 58.356                                                                                                                                                                      | 9.400                                                         | -                                                                 | -                       | 67.756                                         | -                                                               | -                                | -              | -                     | -                  | 67.756                     | -                                                               | -                                                                  |   |   |
| (III) Total                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                          |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                | 58.356                                                                                                                                                                      | 9.400                                                         | -                                                                 | -                       | 67.756                                         | -                                                               | -                                | -              | -                     | -                  | 67.756                     | -                                                               | -                                                                  |   |   |
| G<br>I<br>A<br>N<br>L<br>U<br>G<br>I<br><br>B<br>E<br>R<br>T<br>O<br>L<br>L<br>I                                                                                                                                                                                                                                                                                                                              | Gianluigi Bertolli                                                       | Member of the Board of Directors<br>Chairman of the Remuneration and Appointments Committee                                                                                                                                                                                                                        | 15/04/2014<br>13/05/2014                                                                       | 31/12/2014<br>31/12/2014                                                                       | approv.AR al 31/12/16<br>approv.AR al 31/12/16                                                                                                                              | 28.603<br>12.767                                              | 3.300<br>1.500                                                    | -                       | -                                              | 31.903<br>14.267                                                | -                                | -              | -                     | -                  | 31.903<br>14.267           | -                                                               | -                                                                  |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (I) Total compensation in the company preparing the financial statements |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 41.370                                                        | 4.800                                                             | -                       | -                                              | 46.170                                                          | -                                | -              | -                     | -                  | 46.170                     | -                                                               | -                                                                  |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (II) Compensation from subsidiaries and associates                       |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 41.370                                                        | 4.800                                                             | -                       | -                                              | 46.170                                                          | -                                | -              | -                     | -                  | 46.170                     | -                                                               | -                                                                  |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (III) Total                                                              |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 41.370                                                        | 4.800                                                             | -                       | -                                              | 46.170                                                          | -                                | -              | -                     | -                  | 46.170                     | -                                                               | -                                                                  |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | Laura Stefania Penna***                                                  | Member of the Board of Directors                                                                                                                                                                                                                                                                                   | 15/04/2014                                                                                     | 31/12/2014                                                                                     | approv.AR al 31/12/16                                                                                                                                                       | -                                                             | -                                                                 | -                       | -                                              | -                                                               | -                                | -              | -                     | -                  | -                          | -                                                               | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (I) Total compensation in the company preparing the financial statements |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | -                                                             | -                                                                 | -                       | -                                              | -                                                               | -                                | -              | -                     | -                  | -                          | -                                                               | -                                                                  |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (II) Compensation from subsidiaries and associates                       |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | -                                                             | -                                                                 | -                       | -                                              | -                                                               | -                                | -              | -                     | -                  | -                          | -                                                               | -                                                                  |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (III) Total                                                              |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | -                                                             | -                                                                 | -                       | -                                              | -                                                               | -                                | -              | -                     | -                  | -                          | -                                                               | -                                                                  |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | Marina Natale***                                                         | Member of the Board of Directors                                                                                                                                                                                                                                                                                   | 15/04/2014                                                                                     | 31/12/2014                                                                                     | approv.AR al 31/12/16                                                                                                                                                       | -                                                             | -                                                                 | -                       | -                                              | -                                                               | -                                | -              | -                     | -                  | -                          | -                                                               | -                                                                  | - |   |
|                                                                                                                                                                                                                                                                                                                                                                                                               | (I) Total compensation in the company preparing the financial statements |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | -                                                             | -                                                                 | -                       | -                                              | -                                                               | -                                | -              | -                     | -                  | -                          | -                                                               | -                                                                  | - |   |
| (II) Compensation from subsidiaries and associates                                                                                                                                                                                                                                                                                                                                                            |                                                                          |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                | -                                                                                                                                                                           | -                                                             | -                                                                 | -                       | -                                              | -                                                               | -                                | -              | -                     | -                  | -                          | -                                                               | -                                                                  |   |   |
| (III) Total                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                          |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                | -                                                                                                                                                                           | -                                                             | -                                                                 | -                       | -                                              | -                                                               | -                                | -              | -                     | -                  | -                          | -                                                               | -                                                                  |   |   |
| * The amount is referred to the entire 2014.                                                                                                                                                                                                                                                                                                                                                                  |                                                                          |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             |                                                               |                                                                   |                         |                                                |                                                                 |                                  |                |                       |                    |                            |                                                                 |                                                                    |   |   |
| ** It is highlighted that the amount represents the fixed remuneration paid in 2014, considering that from July 1st, 2014 his fixed remuneration is equal to Euro 850.000. Part of this amount has been paid by UniCredit S.p.A. (respectively 20% from 01/01/2014 to 30/06/2014, 10% from 01/07/2014 to 31/12/2014). Furthermore it is highlighted that the General Manager office is held since 15/05/2014. |                                                                          |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             |                                                               |                                                                   |                         |                                                |                                                                 |                                  |                |                       |                    |                            |                                                                 |                                                                    |   |   |
| *** Employees of UniCredit Group. In compliance with what has been defined at Group level in the "Policy in materia di struttura, composizione e remunerazione degli Organi Sociali della Società di Gruppo", the Board of Directors' members who are employees of UniCredit Group renounce to the total amount of their appointment as Board members.                                                        |                                                                          |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             |                                                               |                                                                   |                         |                                                |                                                                 |                                  |                |                       |                    |                            |                                                                 |                                                                    |   |   |
| TOTAL BOARD OF DIRECTORS                                                                                                                                                                                                                                                                                                                                                                                      |                                                                          |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 305.014                                                       | 42.280                                                            | -                       | 200.000                                        | 804.533                                                         | 1.351.827                        |                | 311.075               |                    | 9.386                      | 1.672.288                                                       | 902.956                                                            |   |   |
| (I) Total compensation in the company preparing the financial statements                                                                                                                                                                                                                                                                                                                                      |                                                                          |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 305.014                                                       | 42.280                                                            | -                       | 200.000                                        | 804.533                                                         | 1.351.827                        |                | 311.075               |                    | 9.386                      | 1.672.288                                                       | 902.956                                                            |   |   |
| (II) Compensation from subsidiaries and associates                                                                                                                                                                                                                                                                                                                                                            |                                                                          |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | -                                                             | -                                                                 | -                       | -                                              | -                                                               | -                                |                | -                     |                    | -                          | -                                                               | -                                                                  |   |   |
| (III) Total                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                          |                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                |                                                                                                                                                                             | 305.014                                                       | 42.280                                                            | -                       | 200.000                                        | 804.533                                                         | 1.351.827                        |                | 311.075               |                    | 9.386                      | 1.672.288                                                       | 902.956                                                            |   |   |

| TABLE 1: Compensation paid to members of the administrative and auditing bodies, to general managers and to other executives with strategic responsibilities |                                                                          |                                  |               |                                                  |                   |                                  |                                                                   |                         |       |                                          |                                  |                |                       |                    |        |                                   |                                                                    |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|----------------------------------|---------------|--------------------------------------------------|-------------------|----------------------------------|-------------------------------------------------------------------|-------------------------|-------|------------------------------------------|----------------------------------|----------------|-----------------------|--------------------|--------|-----------------------------------|--------------------------------------------------------------------|-----------|
| Amounts in Euro                                                                                                                                              |                                                                          |                                  |               |                                                  |                   |                                  |                                                                   |                         |       |                                          |                                  |                |                       |                    |        |                                   |                                                                    |           |
| (A)                                                                                                                                                          | (B)                                                                      | (C)                              |               | (D)                                              | (1)               |                                  |                                                                   |                         |       |                                          | (2)                              | (3)            |                       | (4)                | (5)    | (6)                               | (7)                                                                | (8)       |
| Name and surname                                                                                                                                             | Office                                                                   | Period for which office was held | Office expiry | Fixed compensation                               |                   |                                  |                                                                   |                         |       | Compensation for committee participation | Variable non-equity compensation |                | Non-monetary benefits | Other remuneration | Total  | Fair value of equity compensation | Severance indemnity for end of office or termination of employment |           |
|                                                                                                                                                              |                                                                          |                                  |               | Emoluments resolved by the Shareholders' Meeting | Attendance tokens | Lump sum expense reimbursements* | Compensation for specific offices ex sec. 2389 Italian Civil Code | Employment fixed salary | Total |                                          | Bonuses and other incentives     | Profit sharing |                       |                    |        |                                   |                                                                    |           |
| Gian-Carlo Noris Gaccioli                                                                                                                                    | Chairman of the Board of Statutory Auditors                              | 01/01/2014                       | 14/04/2014    | approv.AR al 31/12/14                            | 11.397            | 1.040                            | 840                                                               |                         |       | 13.278                                   |                                  |                |                       | 5.758              |        | 19.036                            |                                                                    |           |
|                                                                                                                                                              | Chairman of the Board of Statutory Auditors                              | 15/04/2014                       | 31/12/2014    | approv.AR al 31/12/16                            | 35.753            | 3.300                            | 2.990                                                             |                         |       | 42.043                                   |                                  |                |                       |                    |        | 42.043                            |                                                                    |           |
|                                                                                                                                                              | (I) Total compensation in the company preparing the financial statements |                                  |               |                                                  | 47.150            | 4.340                            | 3.830                                                             | -                       | -     | 55.320                                   |                                  |                |                       | 5.758              |        | 61.078                            |                                                                    |           |
|                                                                                                                                                              | (II) Compensation from subsidiaries and associates                       |                                  |               |                                                  |                   |                                  |                                                                   |                         |       |                                          |                                  |                |                       |                    |        |                                   |                                                                    |           |
|                                                                                                                                                              |                                                                          |                                  |               |                                                  | 47.150            | 4.340                            | 3.830                                                             | -                       | -     | 55.320                                   |                                  |                |                       | 5.758              |        | 61.078                            |                                                                    |           |
|                                                                                                                                                              |                                                                          |                                  |               |                                                  |                   |                                  |                                                                   |                         |       |                                          |                                  |                |                       |                    |        |                                   |                                                                    |           |
|                                                                                                                                                              |                                                                          |                                  |               |                                                  | 47.150            | 4.340                            | 3.830                                                             | -                       | -     | 55.320                                   |                                  |                |                       | 5.758              |        | 61.078                            |                                                                    |           |
| Barbara Aloisi                                                                                                                                               | Standing Auditor                                                         | 01/01/2014                       | 14/04/2014    | approv.AR al 31/12/14                            | 8.548             | 780                              |                                                                   |                         |       | 9.328                                    |                                  |                |                       | 5.758              |        | 15.086                            |                                                                    |           |
|                                                                                                                                                              | Standing Auditor                                                         | 15/04/2014                       | 31/12/2014    | approv.AR al 31/12/16                            | 28.603            | 3.300                            | 138                                                               |                         |       | 32.041                                   |                                  |                |                       |                    |        | 32.041                            |                                                                    |           |
|                                                                                                                                                              | (I) Total compensation in the company preparing the financial statements |                                  |               |                                                  | 37.151            | 4.080                            | 138                                                               | -                       | -     | 41.369                                   |                                  |                |                       | 5.758              |        | 47.127                            |                                                                    |           |
|                                                                                                                                                              | (II) Compensation from subsidiaries and associates                       |                                  |               |                                                  |                   |                                  |                                                                   |                         |       |                                          |                                  |                |                       |                    |        |                                   |                                                                    |           |
|                                                                                                                                                              |                                                                          |                                  |               |                                                  | 37.151            | 4.080                            | 138                                                               | -                       | -     | 41.369                                   |                                  |                |                       | 5.758              |        | 47.127                            |                                                                    |           |
|                                                                                                                                                              |                                                                          |                                  |               |                                                  |                   |                                  |                                                                   |                         |       |                                          |                                  |                |                       |                    |        |                                   |                                                                    |           |
| Mariano Viozzi                                                                                                                                               | Standing Auditor                                                         | 01/01/2014                       | 14/04/2014    | approv.AR al 31/12/14                            | 8.548             | 1.040                            | 1.400                                                             |                         |       | 10.988                                   |                                  |                |                       | 5.758              |        | 16.746                            |                                                                    |           |
|                                                                                                                                                              | Standing Auditor                                                         | 15/04/2014                       | 31/12/2014    | approv.AR al 31/12/16                            | 28.603            | 3.300                            | 3.131                                                             |                         |       | 35.034                                   |                                  |                |                       |                    |        | 35.034                            |                                                                    |           |
|                                                                                                                                                              | (I) Total compensation in the company preparing the financial statements |                                  |               |                                                  | 37.151            | 4.340                            | 4.531                                                             | -                       | -     | 46.022                                   |                                  |                |                       | 5.758              |        | 51.780                            |                                                                    |           |
|                                                                                                                                                              | (II) Compensation from subsidiaries and associates                       |                                  |               |                                                  |                   |                                  |                                                                   |                         |       |                                          |                                  |                |                       |                    |        |                                   |                                                                    |           |
|                                                                                                                                                              |                                                                          |                                  |               |                                                  | 37.151            | 4.340                            | 4.531                                                             | -                       | -     | 46.022                                   |                                  |                |                       | 5.758              |        | 51.780                            |                                                                    |           |
|                                                                                                                                                              |                                                                          |                                  |               |                                                  |                   |                                  |                                                                   |                         |       |                                          |                                  |                |                       |                    |        |                                   |                                                                    |           |
| Federica Bonato                                                                                                                                              | Alternate Auditor                                                        | 15/04/2014                       | 31/12/2014    | approv.AR al 31/12/16                            |                   |                                  |                                                                   |                         |       | -                                        |                                  |                |                       |                    |        | -                                 |                                                                    |           |
|                                                                                                                                                              | (I) Total compensation in the company preparing the financial statements |                                  |               |                                                  | -                 | -                                | -                                                                 | -                       | -     | -                                        |                                  |                |                       |                    | -      |                                   |                                                                    |           |
|                                                                                                                                                              | (II) Compensation from subsidiaries and associates                       |                                  |               |                                                  |                   |                                  |                                                                   |                         |       |                                          |                                  |                |                       |                    |        |                                   |                                                                    |           |
|                                                                                                                                                              | (III) Total                                                              |                                  |               |                                                  | -                 | -                                | -                                                                 | -                       | -     | -                                        |                                  |                |                       |                    | -      |                                   |                                                                    |           |
| Marzio Duilio Rubagotti                                                                                                                                      | Alternate Auditor                                                        | 01/01/2014                       | 14/04/2014    | approv.AR al 31/12/14                            |                   |                                  |                                                                   |                         |       | -                                        |                                  |                |                       |                    |        | -                                 |                                                                    |           |
|                                                                                                                                                              | Alternate Auditor                                                        | 15/04/2014                       | 31/12/2014    | approv.AR al 31/12/16                            |                   |                                  |                                                                   |                         |       | -                                        |                                  |                |                       |                    |        | -                                 |                                                                    |           |
|                                                                                                                                                              | (I) Total compensation in the company preparing the financial statements |                                  |               |                                                  | -                 | -                                | -                                                                 | -                       | -     | -                                        |                                  |                |                       |                    | -      |                                   |                                                                    |           |
|                                                                                                                                                              | (II) Compensation from subsidiaries and associates                       |                                  |               |                                                  |                   |                                  |                                                                   |                         |       |                                          |                                  |                |                       |                    |        |                                   |                                                                    |           |
|                                                                                                                                                              |                                                                          |                                  |               |                                                  | -                 | -                                | -                                                                 | -                       | -     | -                                        |                                  |                |                       |                    | -      |                                   |                                                                    |           |
|                                                                                                                                                              |                                                                          |                                  |               |                                                  |                   |                                  |                                                                   |                         |       |                                          |                                  |                |                       |                    |        |                                   |                                                                    |           |
| TOTAL BOARD OF STATUTORY AUDITORS                                                                                                                            | (I) Total compensation in the company preparing the financial statements |                                  |               |                                                  | 121.452           | 12.760                           | 8.499                                                             | -                       | -     | 142.710                                  |                                  |                |                       | 17.273**           |        | 159.983                           |                                                                    |           |
|                                                                                                                                                              | (II) Compensation from subsidiaries and associates                       |                                  |               |                                                  | -                 | -                                | -                                                                 | -                       | -     | -                                        |                                  |                |                       |                    | -      |                                   |                                                                    |           |
|                                                                                                                                                              | (III) Total                                                              |                                  |               |                                                  | 121.452           | 12.760                           | 8.499                                                             | -                       | -     | 142.710                                  |                                  |                |                       | 17.273**           |        | 159.983                           |                                                                    |           |
| Other Executives with Strategic Responsibilities (total no. 5)                                                                                               | (I) Total compensation in the company preparing the financial statements |                                  |               |                                                  |                   |                                  |                                                                   |                         |       | 1.413.182                                | 1.413.182                        |                | 510.953               |                    | 38.875 | 4.860                             | 1.967.869                                                          | 1.154.678 |
|                                                                                                                                                              | (II) Compensation from subsidiaries and associates                       |                                  |               |                                                  |                   |                                  |                                                                   |                         |       |                                          |                                  |                |                       |                    |        |                                   |                                                                    |           |
|                                                                                                                                                              | (III) Total                                                              |                                  |               |                                                  |                   |                                  |                                                                   |                         |       | 1.413.182                                | 1.413.182                        |                | 510.953               |                    | 38.875 | 4.860                             | 1.967.869                                                          | 1.154.678 |

To be considered as expense reimbursements "a più di lista".

\*\* The amount is referred to the fringe benefit of the insurance policy Directors & Officers (D&O) that covers the entire year.

\* To be considered as expense reimbursements "a più di lista".

\*\* The amount is referred to the fringe benefit of the insurance policy Directors & Officers (D&O) that covers the entire year.

| Amounts in Euro                                                         | TABLE 2: Stock Options Assigned to the Members of theAdministrative Body, to General Managers and Other Executives with Strategic Responsibilities |                                                           |                                  |                |                                       |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         |                                     |                                           |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------|----------------|---------------------------------------|----------------------------------|----------------|---------------------------------------|-------------------------------|-----------------|--------------------------------------------------------------|-----------------------------------|----------------|----------------------------------------------------|-----------------------------------------|-------------------------------------|-------------------------------------------|
| (A)                                                                     | (B)                                                                                                                                                | (1)                                                       | Options Held at Star of the Year |                |                                       | Options Assigned During the Year |                |                                       |                               |                 |                                                              | Options Exercised During the Year |                |                                                    | (14)                                    | (15)                                | (16)                                      |
|                                                                         |                                                                                                                                                    |                                                           | (2)                              | (3)            | (4)                                   | (5)                              | (6)            | (7)                                   | (8)                           | (9)             | (10)                                                         | (11)                              | (12)           | (13)                                               |                                         |                                     |                                           |
| Name and surname                                                        | Office                                                                                                                                             | Plan                                                      | Number of Options                | Exercise Price | Period of Possible Exercise (from.to) | Number of Options                | Exercise Price | Period of Possible Exercise (from.to) | Fair Value at Assignment Date | Assignment Date | Market Price of Underlying Shares upon Assignment of Options | Number of Options                 | Exercise Price | Market Price of Underlying Shares on Exercise Date | Options Lapsed During the Year (Number) | Options Held at the End of the Year | Options Relevant to the Year (Fair Value) |
|                                                                         |                                                                                                                                                    |                                                           |                                  |                |                                       |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         |                                     |                                           |
| Alessandro Foti                                                         | Chief Executive Officer/General Manager                                                                                                            |                                                           |                                  |                |                                       |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         |                                     |                                           |
| (I) Compensation in the Company preparing the Financial Statement       |                                                                                                                                                    | LTI UniCredit Plan - 2008 Stock Options                   | 216.384                          | 23,351         | 09/07/2012<br>09/07/2018              |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         | 216.384                             |                                           |
|                                                                         |                                                                                                                                                    | LTI UniCredit Plan - 2012-2015 Performance Stock Options* | 116.094                          | 4,010          | 01/04/2016<br>31/12/2022              |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         | 116.094                             | 130.025                                   |
| (II) Compensation from Subsidiaries and Associates                      |                                                                                                                                                    | -                                                         |                                  |                |                                       |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         |                                     |                                           |
| (III) Total                                                             |                                                                                                                                                    |                                                           | 332.478                          |                |                                       |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         | 332.478                             | 130.025                                   |
| Other Executives with Strategic Responsibilities                        |                                                                                                                                                    |                                                           |                                  |                |                                       |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         |                                     |                                           |
| (I) Compensation in the Company preparing the Financial Statement       | no. 2 Executives                                                                                                                                   | LTI UniCredit Plan - 2004 Stock Options                   | 24.000                           | 22,420         | 03/09/2008<br>31/12/2017              |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         | 24.000                              |                                           |
|                                                                         | no. 2 Executives                                                                                                                                   | LTI UniCredit Plan - 2005 Stock Options                   | 45.500                           | 26,878         | 26/11/2009<br>31/12/2018              |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         | 45.500                              |                                           |
|                                                                         | no. 2 Executives                                                                                                                                   | LTI UniCredit Plan - 2006 Stock Options                   | 34.400                           | 33,205         | 28/06/2010<br>31/12/2019              |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         | 34.400                              |                                           |
|                                                                         | no. 2 Executives                                                                                                                                   | LTI UniCredit Plan - 2007 Stock Options                   | 57.793                           | 39,583         | 13/07/2011<br>15/07/2017              |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         | 57.793                              |                                           |
|                                                                         | no. 2 Executives                                                                                                                                   | LTI UniCredit Plan - 2008 Stock Options                   | 194.748                          | 23,351         | 09/07/2012<br>09/07/2018              |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         | 194.748                             |                                           |
|                                                                         |                                                                                                                                                    |                                                           |                                  |                |                                       |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         |                                     |                                           |
| (II) Compensation from Subsidiaries and Associates                      |                                                                                                                                                    | -                                                         |                                  |                |                                       |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         |                                     |                                           |
| (III) Total                                                             |                                                                                                                                                    |                                                           | 356.441                          |                |                                       |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         | 356.441                             |                                           |
| * Plan also named "LTI UniCredit Plan - 2011 Performance Stock Options" |                                                                                                                                                    |                                                           |                                  |                |                                       |                                  |                |                                       |                               |                 |                                                              |                                   |                |                                                    |                                         |                                     |                                           |

\* Plan also named "LTI UniCredit Plan - 2011 Performance Stock Options"

| Amounts in Euro                                                                                                                                                                                                                                                                                                                                             | TABLE 3A: Incentive plans based on financial instruments other than stock options, in favour of members of the administrative body, general managers and other executives with strategic responsibilities |                                                                   |                                                                                     |                                                    |                                                |                               |                                                                      |                 |                              |                                                               |                                                             |                        |                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------|-------------------------------|----------------------------------------------------------------------|-----------------|------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|------------------------|--------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                           |                                                                   | Financial instruments assigned during previous years and not vested during the year |                                                    | Financial instruments assigned during the year |                               |                                                                      |                 |                              | Financial instruments vested during the year and not assigned | Financial instruments vested during the year and assignable |                        | Financial instruments relevant to the year |
| (A)                                                                                                                                                                                                                                                                                                                                                         | (B)                                                                                                                                                                                                       | (1)                                                               | (2)                                                                                 | (3)                                                | (4)                                            | (5)                           | (6)                                                                  | (7)             | (8)                          | (9)                                                           | (10)                                                        | (11)                   | (12)                                       |
| Name and surname                                                                                                                                                                                                                                                                                                                                            | Office                                                                                                                                                                                                    | Plan                                                              | Number and type of financial instruments                                            | Vesting period                                     | Number and type of financial instruments       | Fair value on assignment date | Vesting period                                                       | Assignment date | Market price upon assignment | Number and type of financial instruments                      | Number and type of financial instruments                    | Value on maturity date | Fair Value                                 |
| Alessandro Foti                                                                                                                                                                                                                                                                                                                                             | Chief Executive Officer/General Manager                                                                                                                                                                   |                                                                   |                                                                                     |                                                    |                                                |                               |                                                                      |                 |                              |                                                               |                                                             |                        |                                            |
| (i) Compensation in the Company preparing the Financial Statement                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                           | UniCredit shares - 2011 Group Incentive System                    |                                                                                     |                                                    |                                                |                               |                                                                      |                 |                              |                                                               | 47.381                                                      | 278.994                | 0                                          |
|                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                           | UniCredit shares promised - 2011 Group Incentive System           | 47.381                                                                              | 31.12.2014                                         |                                                |                               |                                                                      |                 |                              |                                                               |                                                             |                        | 54.859                                     |
|                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                           | UniCredit shares promised - 2012 Group Incentive System           | 151.810                                                                             | 40% 31.12.2014<br>40% 31.12.2015<br>20% 31.12.2016 |                                                |                               |                                                                      |                 |                              |                                                               |                                                             |                        | 143.907                                    |
|                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                           | UniCredit shares promised - 2013 Group Incentive System           | 60.165                                                                              | 40% 31.12.2015<br>40% 31.12.2016<br>20% 31.12.2017 |                                                |                               |                                                                      |                 |                              |                                                               |                                                             |                        | 87.213                                     |
|                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                           | Fineco shares promised - 2014 Group Incentive System              |                                                                                     |                                                    | 89.946                                         | 425.000                       | 40% 31.12.2017<br>30% 31.12.2018<br>30% 31.12.2019                   | 09.02.2015      | 4,725                        |                                                               |                                                             |                        | 89.250                                     |
|                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                           | Fineco shares promised - 2014-2017 Multy year Plan Top Management |                                                                                     |                                                    | 918.800 *                                      | 3.399.560                     | 25% 31.12.2016<br>25% 31.12.2017<br>25% 31.12.2018<br>25% 31.12.2019 | 15.07.2014      | 3,7                          |                                                               |                                                             |                        | 397.702                                    |
| (ii) Compensation from Subsidiaries and Associates                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                           | -                                                                 |                                                                                     |                                                    |                                                |                               |                                                                      |                 |                              |                                                               |                                                             |                        |                                            |
| (iii) Total                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                           |                                                                   |                                                                                     |                                                    |                                                | 3.824.560                     |                                                                      |                 |                              |                                                               |                                                             | 278.994                | 772.931                                    |
| Other Executives with Strategic Responsibilities                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                           |                                                                   |                                                                                     |                                                    |                                                |                               |                                                                      |                 |                              |                                                               |                                                             |                        |                                            |
| (i) Compensation in the Company preparing the Financial Statement                                                                                                                                                                                                                                                                                           | no. 5 Executives                                                                                                                                                                                          | UniCredit shares - 2011 Group Incentive System                    |                                                                                     |                                                    |                                                |                               |                                                                      |                 |                              |                                                               |                                                             |                        | 0                                          |
|                                                                                                                                                                                                                                                                                                                                                             | no. 5 Executives                                                                                                                                                                                          | UniCredit shares promised - 2011 Group Incentive System           | 39.586                                                                              | 31.12.2014                                         |                                                |                               |                                                                      |                 |                              |                                                               | 39.586                                                      | 233.094                |                                            |
|                                                                                                                                                                                                                                                                                                                                                             | no. 5 Executives                                                                                                                                                                                          | UniCredit shares promised - 2012 Group Incentive System           | 101.062                                                                             | 50% 31.12.2014<br>50% 31.12.2015                   |                                                |                               |                                                                      |                 |                              |                                                               |                                                             |                        | 53.922                                     |
|                                                                                                                                                                                                                                                                                                                                                             | no. 5 Executives                                                                                                                                                                                          | UniCredit shares promised - 2013 Group Incentive System           | 64.700                                                                              | 50% 31.12.2015<br>50% 31.12.2016                   |                                                |                               |                                                                      |                 |                              |                                                               |                                                             |                        | 122.676                                    |
|                                                                                                                                                                                                                                                                                                                                                             | no. 5 Executives                                                                                                                                                                                          | Fineco shares promised - 2014 Group Incentive System              |                                                                                     |                                                    | 155.445                                        | 734.478                       | 40% 31.12.2017<br>30% 31.12.2018<br>30% 31.12.2019**                 | 09.02.2015      | 4,725                        |                                                               |                                                             |                        | 125.771                                    |
|                                                                                                                                                                                                                                                                                                                                                             | no. 5 Executives                                                                                                                                                                                          | Fineco shares promised - 2014-2017 Multy year Plan Top Management |                                                                                     |                                                    | 1.604.600 *                                    | 5.937.020                     | 25% 31.12.2016<br>25% 31.12.2017<br>25% 31.12.2018<br>25% 31.12.2019 | 15.07.2014      | 3,7                          |                                                               |                                                             |                        | 157.758                                    |
| (ii) Compensation from Subsidiaries and Associates                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                           | -                                                                 |                                                                                     |                                                    |                                                |                               |                                                                      |                 |                              |                                                               |                                                             |                        | 694.551                                    |
| (iii) Total                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                           |                                                                   |                                                                                     |                                                    |                                                | 6.671.498                     |                                                                      |                 |                              |                                                               |                                                             | 233.094                | 1.154.678                                  |
| * Maximum number of shares granted in 2014 that will be adjusted for each further assignments to respect the ratio between fixed and variable remuneration in line with current regulations.<br>** For no. 1 Executive the 2014 Group Incentive System guidelines foresee the following payment deferral: 60% 31.12.2017 - 20% 31.12.2018 - 20% 31.12.2019. |                                                                                                                                                                                                           |                                                                   |                                                                                     |                                                    |                                                |                               |                                                                      |                 |                              |                                                               |                                                             |                        |                                            |

\* Maximum number of shares granted in 2014 that will be adjusted for each further assignments to respect the ratio between fixed and variable remuneration in line with current regulations.

\*\* For no. 1 Executive 2014 Group Incentive System guidelines foresee the following payment deferral: 60% 31.12.2017 - 20% 31.12.2018 - 20% 31.12.2019

| Amounts in Euro                                                   | TABLE 3B: Monetary Incentive Plans in Favour of Members of the Administrative Body, General Managers and Other Executives with Strategic Responsibilities |                             |                |          |                                  |                        |                |                |               |
|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------|----------|----------------------------------|------------------------|----------------|----------------|---------------|
| (A)                                                               | (B)                                                                                                                                                       | (1)                         | (2)            |          |                                  | (3)                    |                |                | (4)           |
| Name and surname                                                  | Office                                                                                                                                                    | Plan                        | Annual Bonus   |          |                                  | Previous Years Bonuses |                |                | Other Bonuses |
|                                                                   |                                                                                                                                                           |                             | (A)            | (B)      | (C)                              | (A)                    | (B)            | (C)            |               |
|                                                                   |                                                                                                                                                           |                             | Payable / paid | Deferred | Deferral period                  | Non longer payable     | Payable / paid | Still Deferred |               |
|                                                                   |                                                                                                                                                           |                             |                |          |                                  |                        |                |                |               |
| Alessandro Foti                                                   | Chief Executive Officer/General Manager                                                                                                                   |                             |                |          |                                  |                        |                |                |               |
| (I) Compensation in the Company preparing the Financial Statement |                                                                                                                                                           | 2014 Group Incentive System | 170.000        | 255.000  | 50% 31.12.2015<br>50% 31.12.2016 |                        |                |                |               |
|                                                                   |                                                                                                                                                           | 2013 Group Incentive System |                |          |                                  |                        | 141.075        | 70.538         |               |
|                                                                   |                                                                                                                                                           | 2012 Group Incentive System |                |          |                                  |                        |                | 106.875        |               |
| (II) Compensation from Subsidiaries and Associates                |                                                                                                                                                           |                             |                |          |                                  |                        |                |                |               |
| (III) Total                                                       |                                                                                                                                                           |                             | 170.000        | 255.000  |                                  |                        | 141.075        | 177.413        |               |
| Other Executives with Strategic Responsibilities                  |                                                                                                                                                           |                             |                |          |                                  |                        |                |                |               |
| (I) Compensation in the Company preparing the Financial Statement | n. 5 Dirigenti                                                                                                                                            | 2014 Group Incentive System | 321.300        | 413.200  | 50% 31.12.2015<br>50% 31.12.2016 |                        |                |                |               |
|                                                                   | n. 5 Dirigenti                                                                                                                                            | 2013 Group Incentive System |                |          |                                  |                        | 189.653        |                |               |
| (II) Compensation from Subsidiaries and Associates                |                                                                                                                                                           |                             |                |          |                                  |                        |                |                |               |
| (III) Total                                                       |                                                                                                                                                           |                             | 321.300        | 413.200  |                                  |                        | 189.653        |                |               |

Consob Issuers Regulation nr. 11971 - Annex 3A / Schedule 7-ter

| TABLE 1: Investments of the Members of the Administrative and Auditing Bodies and General Managers |                                           |                  |                          |                          |          |                         |                         |
|----------------------------------------------------------------------------------------------------|-------------------------------------------|------------------|--------------------------|--------------------------|----------|-------------------------|-------------------------|
| Name and surname                                                                                   | Office                                    | Investee Company | Type of shares           | Number of shares         |          |                         |                         |
|                                                                                                    |                                           |                  |                          | Held at the end of 2013* | Acquired | Sold                    | Held at the end of 2014 |
|                                                                                                    |                                           |                  |                          |                          |          |                         |                         |
| BOARD OF DIRECTORS                                                                                 |                                           |                  |                          |                          |          |                         |                         |
| Enrico Cotta Ramusino                                                                              | Chairman                                  | FinecoBank       | Ord.                     | -                        | 25.000   |                         | 25.000                  |
| Francesco Saita                                                                                    | Vice Chairman                             |                  |                          |                          |          |                         |                         |
| Alessandro Foti                                                                                    | Chief Executive Officer / General Manager |                  |                          |                          |          |                         |                         |
| Gianluigi Bertolli                                                                                 | Director                                  |                  |                          |                          |          |                         |                         |
| Mariangela Grosoli                                                                                 | Director                                  |                  |                          |                          |          |                         |                         |
| Pietro Angelo Guindani                                                                             | Director                                  |                  |                          |                          |          |                         |                         |
| Girolamo Ielo                                                                                      | Director                                  |                  |                          |                          |          |                         |                         |
| Marina Natale                                                                                      | Director                                  |                  |                          |                          |          |                         |                         |
| Laura Stefania Penna                                                                               | Director                                  |                  |                          |                          |          |                         |                         |
|                                                                                                    |                                           |                  |                          |                          |          |                         |                         |
| BOARD OF STATUTORY AUDITORS                                                                        |                                           |                  |                          |                          |          |                         |                         |
| Gian-Carlo Noris Gaccioli                                                                          | Chairman of the Board Statutory Auditors  | FinecoBank       | Ord.                     |                          | 6.600    |                         | 6.600                   |
| Barbara Aloisi                                                                                     | Standing Auditor                          |                  |                          |                          |          |                         |                         |
| Marziano Viozzi                                                                                    | Standing Auditor                          |                  |                          |                          |          |                         |                         |
| Federica Bonato                                                                                    | Alternate Auditor                         |                  |                          |                          |          |                         |                         |
| Marzio Duilio Rubagotti                                                                            | Alternate Auditor                         |                  |                          |                          |          |                         |                         |
|                                                                                                    |                                           |                  |                          |                          |          |                         |                         |
| TABLE 2: Investments of Other Executives with Strategic Responsibilities                           |                                           |                  |                          |                          |          |                         |                         |
| Number of Executives with strategic responsibilities                                               | Investee Company                          | Type of shares   | Number of shares         |                          |          |                         |                         |
|                                                                                                    |                                           |                  | Held at the end of 2013* | Acquired                 | Sold     | Held at the end of 2014 |                         |
| 4                                                                                                  | FinecoBank                                | Ord.             | -                        | 11.000                   |          | 11.000                  |                         |
| *The Company is listed since 02.07.2014                                                            |                                           |                  |                          |                          |          |                         |                         |



# **2015 COMPENSATION SYSTEMS BASED ON FINANCIAL INSTRUMENTS FOR FINECOBANK STAFF**

**FinecoBank Shareholder's Meeting  
April 2015**

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## 1. INTRODUCTION

Pursuant to the provision set forth in Article 114-bis of legislative decree no. 58 of February 24<sup>th</sup>, 1998 as well as to the provisions of the issuer adopted by Consob with resolution no. 11971 of May 14<sup>th</sup>, 1999 (the “Issuers Regulations”) regarding the information to be disclosed to the market in relation to the granting of awarding plans based on financial instruments, the Board of Directors of FinecoBank (the “Board of Directors”) prepared this information memorandum which will be reported to the Ordinary General Shareholders’ Meeting of FinecoBank on April 23<sup>rd</sup>, 2015 which is called to resolve, *inter alia*, upon the approval for 2015 of the following new incentives plans:

- **“2015 Incentive System for employees”** defined in order to reward employees, belonging to Identified Staff, with an incentive payable in cash and/or free Fineco ordinary shares over a multi-year period, according to the modalities described below and subject to the achievement of specific performance objectives;
- **“2015 Incentive System for Financial Advisors”** defined in order to reward Financial Advisors, belonging to Identified Staff, with an incentive payable in cash and/or Phantom shares over a multi-year period, according to the modalities described below and subject to the achievement of specific performance objectives;

This Information Memorandum - prepared in compliance with Scheme 7 of Annex 3A to the Issuers Regulation – has also been prepared for the purpose of giving information concerning the execution of the following plans already approved by the Shareholders’ Meeting of June 5<sup>th</sup>, 2014:

- **“FinecoBank Compensation System”** defined in order to assign free shares to selected resources of FinecoBank, according to the modalities described below and subject to the achievement of specific performance objectives:
  - **2014 Incentive System**
  - **“2014-2017 Multi-year Plan Top Management”**
  - **“2014 Key People Plan”**
  - **“2014 Plan PFA”**

Pursuant to the definition set forth in article 84-bis of the issuer regulations, the above mentioned incentive plans, in consideration of their beneficiaries, have the nature of “relevant plans”.

## 2. 2015 INCENTIVE SYSTEM FOR EMPLOYEES BELONGING TO IDENTIFIED STAFF

In compliance with the recent Bank of Italy provisions set forth in Circular 285, December 17<sup>th</sup>, 2013 (Section “*Regulations on remuneration and incentive policies and practices of Banks and Banking groups*”) – VII Update of November 18<sup>th</sup>, 2014, First Part, Title IV, Chapter 2, implementing the *Capital Requirements Directive* 2013/36/EU (CRD IV) and in line with the guidelines issued by *European Banking Authority* (EBA), FinecoBank defined compensation systems based on financial instruments in order to align shareholders and management interests, reward long-term value creation, share price appreciation and motivate and retain key resources of FinecoBank. For this purpose it has been proposed the adoption of the Plan “**2015 Incentive System**” (hereinafter also “**2015 System**”), which provides for the allocation of an incentive – in cash and/or free Fineco ordinary shares – to be granted in a multi-year period, subject to the achievement of specific performance objectives.

### 2.1 BENEFICIARIES OF THE PLAN

The employees of FinecoBank that benefit from the 2015 Incentive System are 13 Identified Staff whose activities have impacts on Bank’s risks as specified in section 2.1.2.

On the basis of the criteria established by Shareholders’ Meeting, the Board of Directors will be delegated to identify the actual beneficiaries belonging to the categories described in this section 2.1.

#### 2.1.1 Indication of the name of beneficiaries who are members of the Board of Directors of FinecoBank and of the companies directly or indirectly controlled by FinecoBank

Mr. Alessandro Foti, Chief Executive Officer and General Manager of FinecoBank, is among the beneficiaries of 2015 Incentive System.

#### 2.1.2 The categories of employees or collaborators of FinecoBank and companies controlling or controlled by this issuer

The employees of FinecoBank that are defined as Identified Staff and benefit from the 2015 Incentive System are defined based on criteria provided by *European Banking Authority* (EBA) *Regulatory Technical Standards* issued on December 16<sup>th</sup>, as follows:

- Chief Executive Officer (CEO) and General Manager (GM), Deputy General Manager (DGM), Executive Vice Presidents (EVP), Senior Vice Presidents (SVP), direct reports to strategic supervisory, management and control bodies;
- Employees with total remuneration greater than €500,000 in the last year;
- Employees included within 0,3% of staff with the highest remuneration at local level;
- Employees whose remuneration is within the remuneration ranges of senior management and other Identified Staff;
- Other selected roles (including new hires).

#### 2.1.3 Individuals who benefit from the Plan belonging to the following groups:

##### a) General Manager of FinecoBank

Mr. Alessandro Foti, Chief Executive Officer and General Manager of FinecoBank, is among the beneficiaries of 2015 Incentive System.

- b) other Executives with strategic responsibilities of FinecoBank not classed as "small", in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the Board of Directors or Management Board, and to the General Manager of FinecoBank**

None of FinecoBank executives meet the description; therefore no information is provided in connection thereto.

- b) natural persons controlling FinecoBank, who are employee or collaborator of FinecoBank**

No individual controls FinecoBank and, therefore, no information is provided in connection thereto.

#### **2.1.4 Description and numerical indication, broken down according to category:**

- a) Executives with strategic responsibilities other than those specified under lett. B) of paragraph 2.1.3**

Amongst the beneficiaries of the 2015 Incentive System, along with the Chief Executive Officer and General Manager, there are n. 5 executives of FinecoBank who have regular access to privileged information and are authorized to take resolutions capable of influencing the development and prospects of FinecoBank:

1. the Deputy General Manager and Head of Global Banking Services, Mr. Fabio Milanesi
2. the Head of Direct Banking, Mr. Paolo Di Grazia
3. the Head of Commercial PFA Network, Mr. Mauro Albanese
4. the Head of Investment Services and Wealth Management, Mr. Carlo Giausa
5. the Chief Financial Officer, Mrs. Lorena Pellicciari

- b) in the case of "small" companies, in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all Executives with strategic responsibilities of the financial instrument issuer**

This provision is not applicable and, therefore, no information is provided in connection thereto.

- c) other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees etc.)**

There are no classes of employees to which different characteristics of the 2015 Incentive System apply.

## **2.2 THE REASONS FOR THE ADOPTION OF THE PLAN**

### 2.2.1 The targets which the parties intend to reach through the adoption of the plan

The 2015 Incentive System aims to attract, retain and motivate FinecoBank beneficiaries in compliance with the most recent national and international regulatory requirements with the aim to define – in the interest of all stakeholders – incentive systems in line with long-term Company strategies and goals, linked to Bank results, adjusted in order to consider all risks, in coherence with capital and liquidity levels needed to cover the activities in place and, in any case, able to avoid misleading incentives that could drive to regulatory breaches or to assume excessive risks for the Bank and the system in its whole.

The 2015 Incentive System is compliant with FinecoBank Compensation Policy and with the most recent national and international regulatory requirements providing for:

- allocation of a variable incentive defined based on available bonus pool, individual performance evaluation, internal benchmark for specific roles and bonus cap as set by the Ordinary Shareholder's meeting;
- definition of a balanced structure of “upfront” (done at the moment of performance evaluation) and “deferred payments”, in cash and in shares;
- distribution of share payments, coherently with the applicable regulatory requirements regarding the application of share retention periods. In fact the payment structure defined requires a retention period on shares (of 2 years for upfront shares and of 1 year for deferred shares);
- risk-adjusted metrics in order to guarantee long-term sustainability with respect to Company's financial position and to ensure compliance with regulatory expectations;
- *malus* clause (Zero Factor) applies in case specific thresholds (profitability, capital and liquidity) are not met at both Group and local level. In particular, the bonus pool of 2015 will be zeroed, while previous systems deferrals could be reduced from 50% to 100% of their value, based on final effective results and dashboards assessments done by CRO and CFO.

### 2.2.2 Principal factors of variation and performance indexes taken into account for the assignment of plans based on financial instruments

Individual bonuses will be allocated managerially based on available bonus pool, individual performance evaluation and bonus reference for specific roles.

Individual performance appraisal is based on specific goals, linked to the 5 fundamentals of UniCredit Group competency model: “*Client obsession*”; “*Execution and Discipline*”; “*Cooperation and Synergies*”; “*Risk Management*”; “*People and Business Development*”.

Incentive payouts shall be made over a multi-year period (2016-2021) subject to continuous employment at each date of payment and as follows:

- In 2016 the first instalment of the overall incentive (“1st instalment”) will be paid in cash, in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob and/or analogous local authorities);
- over the period 2017-2021 the remaining amount of the overall incentive will be paid in several instalments in cash and/or Fineco free ordinary shares; each further tranche will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob and/or analogous local authorities);

- distribution of share payments takes into account the applicable regulatory requirements regarding the application of share retention periods.

### **2.2.3 The factors assumed as basis for the determination of the compensation based upon financial instruments, or the criteria for the determination of the aforesaid compensation**

In 2015 Incentive System the link between profitability, risk and reward is assured by linking directly bonus pool with Company results (at Group and local level), cost of capital and risk profiles relevant for the Bank as stated in the Risk Appetite Framework.

At this stage, the 2015 Incentive System does not contain an exact indication of the value of free shares to be actually allocated to the beneficiaries, rather it merely fixes the maximum number of the free shares to be issued with reference to the Plan. In any case, are already established the criteria that the Board of Directors should follow, in the resolutions that after the Shareholders' Meeting approval will execute the Plan, to define the actual number of beneficiaries and the number of free shares to be granted.

The 2015 Incentive System provides that in 2016 will be formulated the promise to pay the incentive in cash and shares. The percentages of the payments in cash and shares are linked to the beneficiaries' categories as described in the following points of this document.

The final evaluation of sustainable performance parameters and risk-reward alignment will be reviewed by the Remuneration and Appointments Committee and defined under the responsibility and governance of the Board of Directors.

### **2.2.4 The reasons justifying the decision to assign compensation plans based on financial instruments not issued by FinecoBank, such as financial instruments issued by its subsidiaries, its parent companies or third parties; in the event the aforesaid financial instruments are not negotiated on regulated markets, the issuer shall provide information as to the criteria adopted for the calculation of the value attributable to such financial instruments**

The 2015 Incentive System does not contemplate the allocation of similar financial instruments.

### **2.2.5 The evaluations, with respect to the relevant tax and accounting implications, taken into account in the definition of the plans**

The 2015 Incentive System definition has not been influenced by significant tax or accounting consideration.

### **2.2.6 The indication as to whether the plan enjoys any support from the special fund for encouraging worker participation in the companies, as provided for under Article 4, paragraph 112, of Law December, 24 2003 n. 350**

The 2015 Incentive System is not currently supported by the special fund for encouraging worker participation in the companies, as provided for under sect. 4, paragraph 112, of Law December 24, 2003 n. 350.

## **2.3 PROCEDURE FOR THE ADOPTION OF THE PLAN AND TIMEFRAME FOR THE ASSIGNMENT OF THE FINANCIAL INSTRUMENTS**

### **2.3.1 Powers delegated to the Board of Directors by the Shareholders' Meeting for the implementation of the plan**

The best solution identified to execute the 2015 Incentive System is to delegate the Board of Directors, pursuant to sect. 2443 of the Civil Code, the faculty to increase share capital as described in the Director's Report presented to the Extraordinary Shareholders' Meeting called for on April 23<sup>rd</sup>, 2015 (in single call).

In force of this delegation, the Board of Directors could resolve:

- on one or more occasions for a maximum period of five years - to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum nominal amount of 397.453 Fineco ordinary shares, to be granted to employees of FinecoBank. Such an increase in capital shall be carried out using the special reserve known as "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" set up for this purpose and increased each year or in accordance with other methods dictated by applicable laws and regulations.
- Related to section 2443 of Civil Code that provides that the Directors can exercise the right to carry out a free capital increase for a maximum period of five years starting from the date when the Shareholders' Meeting resolution providing the delegation of power has been registered and therefore, until 2020, in order to assign last share instalment provided for 2021 it will be necessary to submit to a future Shareholders' Meeting approval a proposal aimed at integrating the delegation of power already provided to the Board of Directors so that the implementation of 2015 System can be completed.

The number of shares to be allocated in the respective instalments (as described at paragraph 2.4.1.) shall be defined in 2016, on the basis of the arithmetic mean of the official market price of Fineco ordinary shares during the month preceding the Board resolution that evaluates 2015 performance achievements. The allocation of a maximum number of 496.816 Fineco ordinary shares is proposed, representing about 0,08% of FinecoBank share capital, of which a maximum n° of 27.100 Fineco ordinary shares devoted to the payment of so-called "bonus buy-out".

In case the amount of the "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" does not allow the issuance (full or partial) of Fineco ordinary shares to service the 2015 System, an equivalent amount in cash will be allocated to the beneficiaries, determined in base of arithmetic mean of the official market price of Fineco ordinary shares during the month preceding the Board resolution that evaluates performance achievements 2015.

### **2.3.2 Indication of the individuals in charge of the management of the plan, their powers authority**

"Human Resources" function of FinecoBank is in charge for the management of the 2015 Incentive System, as well as of the definition of the FinecoBank Compensation Policy.

### **2.3.3 Procedures for the amendment of the plans, if any, also in connection with potential variation of the original targets**

No specific procedures for the amendment of the 2015 Incentive System are provided for, other than the power of attorney that is provided by the Shareholders' Meeting to the Chairman and the Chief Executive Officer and General Manager, also separately, to possibly make changes to the 2015 System.



### **2.3.4 Description of the modalities for the determination of the availability and assignment of the financial instruments contemplated by the plan**

The best solution identified to execute the 2015 Incentive System is to delegate the Board of Directors, pursuant to sect. 2443 of the Civil Code, the faculty to increase share capital as described in the Director's Report presented to the Extraordinary Shareholders' Meeting called for on April 23rd, 2015 (in single call).

In force of this delegation, the Board of Directors could resolve:

- on one or more occasions for a maximum period of five years - to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum nominal amount of 397.453 Fineco ordinary shares, to be granted to employees of FinecoBank. Such an increase in capital shall be carried out using the special reserve known as "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" set up for this purpose and increased each year or in accordance with other methods dictated by applicable laws and regulations.
- Related to section 2443 of Civil Code that provides that the Directors can exercise the right to carry out a free capital increase for a maximum period of five years starting from the date when the Shareholders' Meeting resolution providing the delegation of power has been registered and therefore, until 2020, in order to assign last share instalment provided for 2021 it will be necessary to submit to a future Shareholders' Meeting approval a proposal aimed at integrating the delegation of power already provided to the Board of Directors so that the implementation of 2015 System can be completed.

The number of shares to be allocated in the respective instalments (as described at paragraph 2.4.1.) shall be defined in 2016, on the basis of the arithmetic mean of the official market price of Fineco ordinary shares during the month preceding the Board resolution that evaluates 2015 performance achievements. The allocation of a maximum number of 496.816 Fineco ordinary shares is proposed, representing about 0,08% of FinecoBank share capital, of which a maximum n° of 27.100 Fineco ordinary shares devoted to the payment of so-called "bonus buy-out".

Over the period 2017-2021 the remaining amount of the overall incentive will be paid in several instalments in cash and/or Fineco free ordinary shares; each further tranche will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob and/or analogous local authorities).

Distribution of share payments takes into account the applicable regulatory requirements regarding the application of share retention periods.

### **2.3.5 The influence exercised by each director in the determination of the characteristics of the plans; the potential conflict of interest which may trigger the obligation for the relevant director to abstain from exercising his vote in the relevant resolution**

In the determination of the proposal submitted to the Shareholders' Meeting, the Board of Directors identified the essential characteristics of the 2015 Incentive System, unanimously approved, following the guidelines and criteria elaborated by the Remuneration and Appointments Committee of FinecoBank.

Since the 2015 System is aligned with the 2015 Group Incentive System defined and implemented by UniCredit and is also consistent with 2015 FinecoBank Compensation

Policy submitted for approval to the Shareholders' Meeting, there hasn't been a conflict of interest situation for the Chief Executive Officer and General Manager.

### **2.3.6 The date on which the Board of Directors of FinecoBank resolved upon the assignment of the financial instruments contemplated by the plan**

The Board of Directors, on January 22<sup>nd</sup>, 2015 approved the proposal related to the 2015 Incentive System to be submitted to FinecoBank Shareholders' Meeting.

Furthermore, in exercising the delegation received by the Shareholders' Meeting, as described in point 2.3.1, the Board of Directors will resolve in one or more occasions to allocate the financial instruments related to the 2015 Incentive System.

### **2.3.7 The date on which the Remuneration and Appointments Committee resolved upon the Plan of FinecoBank**

The Remuneration and Appointments Committee on January 16<sup>th</sup>, 2015 positively resolved upon the criteria and the methodology elaborated for the definition of the 2015 Incentive System, sharing the reasons and motivations thereof.

### **2.3.8 The market price of Fineco ordinary shares, on the dates mentioned in points 2.3.6 and 2.3.7**

The market price of Fineco ordinary shares, registered on the date of Board of Directors approval of 2015 Incentive System proposal (January 22<sup>nd</sup>, 2015) and on the date of the decision made by the Remuneration and Appointments Committee of FinecoBank (January 16<sup>th</sup>, 2015), resulted equal to € 4,69 and to € 4,60 respectively.

### **2.3.9 In which terms and modalities FinecoBank takes into account, in the determination of the timeframe for the assignment of the plans, of the possible time-coincidence between::**

- i) such assignment or the decision, if any, adopted thereon by the Remuneration and Appointments Committee, and**
- ii) the dissemination of relevant information, if any, pursuant to sect. 114, paragraph 1 of Legislative Decree 58/98; for instance, in cases in which such information is:**
  - a. not already public and capable to positively affect the market quotation, or**
  - b. already published and capable to negatively affect the market quotation**

In relation to the foregoing it is clarified that the resolution of the Board of Directors which approved the proposal to be submitted to the Shareholders' Meeting, has been communicated to the markets, in compliance with the current regulations. It is also clarified that analogous information to the market, if required, will be made available upon any other following resolution adopted by the Board of Directors of the 2015 Incentive System.

The resolutions related to the incentive plans based on financial instruments are examined by the Remuneration and Appointments Committee of FinecoBank in advance to provide for the positive opinion to the Corporate Bodies, the information to the market is given, if needed, after the relevant resolution of the Board of Directors

## 2.4. THE CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS ASSIGNED

### 2.4.1 Description of the compensation plan

Individual bonuses will be allocated managerially based on available bonus pool, individual performance evaluation and bonus reference for specific roles.

Individual performance appraisal is based on specific goals, linked to the 5 fundamentals of UniCredit Group competency model: “*Client obsession*”; “*Execution and Discipline*”; “*Cooperation and Synergies*”; “*Risk Management*”; “*People and Business Development*”.

The final evaluation of sustainable performance parameters and risk-reward alignment will be reviewed by the Remuneration and Appointments Committee and defined under the responsibility and governance of the Board of Directors.

The 2015 Incentive System provides that in 2016 the Board of Directors – once verified the achievement of the goals defined for 2015 – will define the percentage of payments in cash and shares established for each category of beneficiaries, as illustrated in the table below:

|                                                                       | 2016     | 2017     | 2018       | 2019                  | 2020       | 2021                  |
|-----------------------------------------------------------------------|----------|----------|------------|-----------------------|------------|-----------------------|
| EVP & above and other Identified Staff with bonus >500K <sup>23</sup> | 20% cash | 10% cash | 20% shares | 10% shares            | 10% shares | 20% cash + 10% shares |
| SVP & other Identified Staff with bonus <500k                         | 30% cash | 10% cash | 30% shares | 10% cash + 10% shares | 10% shares | -                     |

The number of shares to be allocated in the respective instalments shall be defined in 2016, on the basis of the arithmetic mean of the official market closing prices of Fineco ordinary shares during the month preceding the Board resolution that evaluates 2015 performance achievements. The maximum number of shares to service the 2015 System is estimated at 496.816 representing about 0,08% of FinecoBank share capital, of which maximum n° of 27.100 Fineco ordinary shares devoted to the payment of so called “bonus buy out”.

Payouts in shares comply with the applicable regulatory provisions in terms of holding period.

### 2.4.2 Indication of the time period for the implementation of the plan also indicating different cycles, if any, of its implementation

Incentive payouts shall be made over a multi-year period (2016-2021) in a balanced structure of upfront (following the moment of performance evaluation) and deferred payments, in cash and in shares, subject to what mentioned above and continuous employment at each date of payment. The free shares related to the 2015 Incentive System will be allocated by FinecoBank in multiple instalments (as shown in the table above) subject to the Board assessment in 2016 of the goal achievement set for 2015.

<sup>23</sup> Including direct reports to strategic supervisory, management and control bodies and other Identified Staff as required by local regulation.

### **2.4.3 The termination date of the plan**

The 2015 Incentive System will lapse by July 2021.

### **2.4.4 The overall maximum number of financial instruments, also in the form of options, assigned over any fiscal years with respect to the beneficiaries namely identified or identified by categories, as the case may be**

The maximum number of Fineco free shares is estimated at 496.816, representing about 0,08% of FinecoBank share capital, of which maximum n° of 27.100 Fineco ordinary shares devoted to the payment of so called “bonus buy out”.

For the assignment of the last instalment of shares planned for 2021 it will be submitted to one of the future Shareholders’ Meetings the proposed integration of the power of attorney, already provided to the Board of Directors, for capital increase to service the above mentioned 2015 System.

At this stage it is not possible to indicate the maximum number of free shares allocated in each fiscal year during the life of the 2015 Incentive System, since the actual definition will be done by the Board of Directors on the basis of the criteria approved by the Shareholders’ Meeting.

### **2.4.5 The procedures and clauses for the implementation of the plan, specifying whether the assignment of the financial instruments is subject to the satisfaction of certain specific conditions and, in particular, to the achievement of specific results, including performance targets; a description of the aforesaid conditions and results**

Bonus pool is defined as a percentage of the specific funding KPI (*Net Operating Profit*, net of *Provisions for Risk and Charges*, corresponding to *Profit Before Tax*) at local level, taking into consideration the “Entry Conditions” criteria assessment (based on forecasted results – risk-adjusted – both at Group and local level) e and local risk and performance assessment.

The Entry Conditions is the mechanism that determines the possible application of *malus* clause (Zero Factor) on the basis of performance indicators in terms of profitability, capital and liquidity defined at both Group and local level. In particular the bonus pool of 2015 will be zeroed, while previous systems deferrals could be reduced from 50% to 100% of their value, based on final effective results and dashboards assessments done by CRO and CFO.

In order to align to regulatory requirements, in case both at Group and local level set KPIs are not met, a Zero Factor will apply to the Identified Staff population whereas for the rest of the population, a significant reduction will be applied. In case Zero Factor is not activated, bonus pool adjustments will be applied within respective ranges based on the assessment of local and Group performance and risk factors.

In case the Entry Conditions are not met at local level, but at Group level they are, a floor (equal to 25%) might be defined for retention purposes and in order to maintain the minimum pay levels needed to play in the market.

### **2.4.6 Indication of the restrictions on the availability of the financial instruments allocated under the plan or of the financial instruments relating to the exercise of the options, with particular reference to the time limits within which the subsequent transfer of the stocks to the issuer or third parties is permitted or prohibited**

The 2015 Incentive System provides that the free Fineco ordinary shares that will be allocated will be freely transferable, considering the applicable regulatory requirements regarding the application of share retention periods, as described in section 2.2.1.

**2.4.7 Description of any condition subsequent to the plan in connection with the execution, by the beneficiaries, of hedging transactions aimed at preventing the effects of potential limits to the transfer of the financial instruments assigned there under, also in the form of options, as well as to the transfer of the financial instruments relating to the exercise of the aforesaid options**

In accordance with national regulatory guidelines and the 2015 Compensation Policy, beneficiaries are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. Involvement in any form of hedging transaction shall be considered in breach of the Bank compliance policies and therefore the relevant rights under the plan shall automatically expire.

**2.4.8 Description of the consequences deriving from the termination of the employment or working relationship**

The 2015 Incentive System provides that the Board of Directors will have the faculty to identify, in the resolution that will execute the 2015 System, the termination of the beneficiary with the Bank, as cause for the expiring of the right to receive the free shares, coherently with the Plan guidelines.

**2.4.9 The indication of any other provisions which may trigger the cancellation of the plan**

The 2015 Incentive System does not provide for any provision which may trigger its cancellation.

**2.4.10 The reasons justifying the redemption, pursuant to sect. 2357 and followings of the Italian Civil Code, by FinecoBank, of the financial instruments contemplated by the plan; the beneficiaries of such redemption, indicating whether the same is limited only to certain categories of employees; the consequences of the termination of the employment relationship with respect to such redemption rights**

The 2015 Incentive System does not provide for the redemption by FinecoBank with reference to the free shares.

**2.4.11 The loans or other special terms that may be granted for the purchase of stocks pursuant to sect. 2358, paragraph 3, of the Italian Civil Code**

The 2015 Incentive System does not provide for a loan or other special terms for the purchase of the shares.

**2.4.12 The evaluation of the economic burden for FinecoBank at date of the assignment of the plan, as determined on the basis of the terms and conditions already defined, with respect to the aggregate overall amount as well as with respect to each financial instrument contemplated by the plan**

The estimation of the overall cost expected by FinecoBank in relation to the 2015 Incentive System at the grant date of the free shares, has been made on the basis of the IAS principles, considering the accounting assumptions on the foreseeable beneficiaries exits before the allocation of the free shares and on the probability to achieve the performance targets related to the allocation of the free shares.

On the basis of these estimations, the overall expected cost for FinecoBank at the grant date of the target number of free shares is equal to € 3.666.500 to be split in 6 years.

Depending on actual performance achievements, actual IAS cost of the Plan will vary from € 0 to a maximum of € 3.666.500.

At this stage it is not possible to define the exact cost in each year of life of the 2015 Incentive System, since the definition of the actual number of the free shares to be allocated is subject to the Board of Directors resolution.

#### **2.4.13 The indication of any dilution on the corporate capital of the issuer resulting from the compensation plan, if any**

The maximum impact of the 2015 Incentive System on FinecoBank share capital shall be approx. 0,08% in case of the potential allocation of all free shares to employees.

#### **2.4.14 Any limitation to the voting and to the economic rights**

At this stage, the 2015 Incentive System does not provide for any limitation to the voting or economic rights for the shares allocated.

#### **2.4.15 In the event the stocks are not negotiated on a regulated market, any and all information necessary for a complete evaluation of the value attributable to them**

The 2015 Incentive System provides only for the use of shares negotiated on regulated markets.

#### **2.4.16 The number of financial instruments belonging to each option**

The 2015 Incentive System does not provide for options.

#### **2.4.17 The termination date of the options**

The 2015 Incentive System does not provide for options.

#### **2.4.18 The modalities, time limits and clauses for the exercise of the options**

The 2015 Incentive System does not provide for options.

#### **2.4.19 The strike price of the options or the criteria and modalities for its determination, with respect in particular to:**

- a) the formula for the calculation of the exercise price in connection with the fair market value; and to
- b) the modalities for the calculation of the market price assumed as basis for the calculation of the exercise price

The 2015 Incentive System does not provide for options.



**2.4.20 In case the strike price is different from the fair market value as determined pursuant to point 2.4.19.b, the indication of the reasons for such difference**

The 2015 Incentive System does not provide for options.

**2.4.21 The criteria justifying differences in the exercise prices between the relevant beneficiaries or class of beneficiaries**

The 2015 Incentive System does not provide for options.

**2.4.22 In the event the financial instruments underlying granted options are not negotiated on a regulated market, the indication of the value attributable to the same or of the criteria for its determination**

The 2015 Incentive System does not provide for options.

**2.4.23 The criteria for the adjustments required in connection with any extraordinary transaction involving the corporate capital of the issuer as well as in connection with transaction triggering a variation in the number of the financial instruments underlying granted options**

The 2015 Incentive System does not provide for adjustments applicable in connection with extraordinary transactions involving FinecoBank corporate capital (saving the provisions that the Board of Directors may define in the resolution in which the Board will exercise the delegation received from the Shareholders' Meeting).

### **3. 2015 INCENTIVE SYSTEM FOR FINANCIAL ADVISORS BELONGING TO IDENTIFIED STAFF**

In compliance with the recent Bank of Italy provisions set forth in Circular 285, December 17<sup>th</sup>, 2013 (Section "*Regulations on remuneration and incentive policies and practices of Banks and Banking groups*") – VII Update of November 18<sup>th</sup>, 2014, First Part, Title IV, Chapter 2, implementing the *Capital Requirements Directive* 2013/36/EU (CRD IV) and in line with the guidelines issued by *European Banking Authority* (EBA), FinecoBank defined compensation systems based on financial instruments in order to align shareholders and management interests, reward long-term value creation, share price appreciation and motivate and retain key resources of FinecoBank. For this purpose it has been proposed the adoption of the Plan "**2015 Incentive System for Financial Advisors**" ("**2015 Incentive System PFA**"), which provides for, to selected Financial Advisors belonging to Identified Staff, the allocation of an incentive – in cash and/or Phantom shares – to be granted in a multi-year period, subject to the achievement of specific objectives.

#### **3.1 BENEFICIARIES OF THE PLAN**

The Financial Advisors of FinecoBank that benefit from the 2015 Incentive System PFA are 6 Identified Staff whose activities have impacts on Bank's risks.

On the basis of the criteria established by Shareholders' Meeting, the Board of Directors will be delegated to identify the actual beneficiaries belonging to the categories described in this section 3.1.

**3.1.1 Indication of the name of beneficiaries who are members of the Board of Directors of FinecoBank and of the companies directly or indirectly controlled by FinecoBank**

There are no members of the Board of Directors that benefit from the 2015 Incentive System PFA; therefore no information is provided in connection thereto.

**3.1.2 The categories of employees or collaborators of FinecoBank and companies controlling or controlled by this issuer**

There are no employees of FinecoBank that benefit from the 2015 Incentive System PFA; therefore no information is provided in connection thereto.

**3.1.3 Individuals who benefit from the Plan belonging to the following groups:**

**a) General Manager of FinecoBank**

Mr. Alessandro Foti, Chief Executive Officer and General Manager of FinecoBank, is not among the beneficiaries of 2015 Incentive System PFA.

**c) other Executives with strategic responsibilities of FinecoBank not classed as "small", in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the Board of Directors or Management Board, and to the General Manager of FinecoBank**

None of FinecoBank executives meet the description; therefore no information is provided in connection thereto.

**b) natural persons controlling FinecoBank, who are employee or collaborator of FinecoBank**

No individual controls FinecoBank and, therefore, no information is provided in connection thereto.

**3.1.4 Description and numerical indication, broken down according to category:**

**a) Executives with strategic responsibilities other than those specified under lett. B) of paragraph 3.1.3**

None of FinecoBank executives meet the description; therefore no information is provided in connection thereto.

**b) in the case of "small" companies, in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all Executives with strategic responsibilities of the financial instrument issuer**



This provision is not applicable and, therefore, no information is provided in connection thereto.

**c) other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees etc.)**

There are no classes of employees to which different characteristics of the 2015 Incentive System PFA apply.

## **3.2 THE REASONS FOR THE ADOPTION OF THE PLAN**

### **3.2.1 The targets which the parties intend to reach through the adoption of the plan**

The 2015 Incentive System PFA aims to retain and provide incentives to the beneficiary Advisors, taking into account the objectives of growth in the medium and long term, in a general framework of overall sustainability. It also confirms the alignment of FinecoBank with the latest national and international regulatory requirements by providing:

- the allocation of an incentive based on mechanisms of sustainability with regard to the results;
- the definition of a balanced structure of “upfront” (done at the moment of performance evaluation) and “deferred” payments, in cash and Phantom shares;
- the distribution of payments in Phantom shares, coherently with the applicable regulatory requirements regarding the application of instruments retention periods. In fact, the payment structure defined requires a retention period on Phantom shares (of 2 years for the “upfront” payment and of 1 year for “deferred” payment);
- a *malus* clause (Zero Factor) applies in case specific conditions for access are not met. In particular, the bonus relating to the 2015 performance will be zeroed.

### **3.2.2 Principal factors of variation and performance indexes taken into account for the assignment of plans based on financial instruments**

Total incentive payout as defined will be made over a multi-year period (2016-2020), as indicated below and provided that the agency relationship of the beneficiaries is in place at the time of each payment:

- in 2016 the first instalment of the overall incentive will be paid in cash (“1st instalment”), in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob);
- over the period 2017-2020 the remaining amount of the overall incentive will be paid in several instalments in cash and/or Phantom shares; each further instalments will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob)

### **3.2.3 The factors assumed as basis for the determination of the compensation based upon financial instruments, or the criteria for the determination of the aforesaid compensation**

Incentive determination is based on sustainability mechanisms linked to results, in particular on goals related to net inflow, development and value generated by direct and indirect activities.

At this stage, the 2015 Incentive System PFA does not contain an exact indication of the value of Phantom shares to be actually allocated to the beneficiaries. In any case, are already established the criteria that the Board of Directors should follow, in the resolutions that after the Shareholders' Meeting approval will execute the Plan, to define the actual number of beneficiaries and the number of Phantom shares to be granted.

The 2015 Incentive System PFA provides that in 2016 will be formulated the promise to pay the incentive in cash and Phantom shares.

The final evaluation of sustainable performance parameters and risk-reward alignment will be reviewed by the Remuneration and Appointments Committee and defined under the responsibility and governance of the Board of Directors.

**3.2.4 The reasons justifying the decision to assign compensation plans based on financial instruments not issued by FinecoBank, such as financial instruments issued by its subsidiaries, its parent companies or third parties; in the event the aforesaid financial instruments are not negotiated on regulated markets, the issuer shall provide information as to the criteria adopted for the calculation of the value attributable to such financial instruments**

The 2015 Incentive System PFA does not contemplate the allocation of similar financial instruments.

**3.2.5 The evaluations, with respect to the relevant tax and accounting implications, taken into account in the definition of the plans**

The 2015 Incentive System PFA definition has not been influenced by significant tax or accounting consideration.

**3.2.6 The indication as to whether the plan enjoys any support from the special fund for encouraging worker participation in the companies, as provided for under Article 4, paragraph 112, of Law December, 24 2003 n. 350**

The 2015 Incentive System PFA is not currently supported by the special fund for encouraging worker participation in the companies, as provided for under sect. 4, paragraph 112, of Law December 24, 2003 n. 350.

### **3.3 PROCEDURE FOR THE ADOPTION OF THE PLAN AND TIMEFRAME FOR THE ASSIGNMENT OF THE FINANCIAL INSTRUMENTS**

**3.3.1 Powers delegated to the Board of Directors by the Shareholders' Meeting for the implementation of the plan**

To execute the 2015 Incentive System PFA, in 2016 the Board of Directors will define the number of Phantom shares to assign for the 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> instalments (as described in paragraph 3.4.1), taking into consideration the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that evaluates 2015 performance achievements to the same day in the previous month (both inclusive).

Furthermore at the moment of the effective payment of each instalments, the number of Phantom shares will be turned into cash on the basis of the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that approves the payment to the same day in the previous month.

### **3.3.2 Indication of the individuals in charge of the management of the plan, their powers authority**

“Human Resources” function and “Network PFA Sales Department, Monitoring & Service Network” function of FinecoBank are in charge for the management of the 2015 Incentive System PFA, as well as of the definition of the FinecoBank Compensation Policy for Financial Advisors.

### **3.3.3 Procedures for the amendment of the plans, if any, also in connection with potential variation of the original targets**

No specific procedures for the amendment of the 2015 Incentive System PFA are provided for, other than the power of attorney that is provided by the Shareholders’ Meeting to the Chairman and the Chief Executive Officer and General Manager, also separately, to possibly make changes to the 2015 Incentive System PFA.

### **3.3.4 Description of the modalities for the determination of the availability and assignment of the financial instruments contemplated by the plan**

To execute the 2015 Incentive System PFA, in 2016 the Board of Directors will define the number of Phantom shares to assign for the 3rd, 4th and 5th instalments (as described in paragraph 3.4.1), taking into consideration the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that evaluates 2015 performance achievements to the same day in the previous month (both inclusive).

Furthermore at the moment of the effective payment of each instalments, the number of Phantom shares will be turned into cash on the basis of the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that approves the payment to the same day in the previous month.

Over the period 2018-2020 each instalments of Phantom shares assigned will be subject to the application of the Zero Factor for the year of allocation and in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob).

Distribution of Phantom shares payments takes into account the applicable regulatory requirements regarding the application of retention periods.

### **3.3.5 The influence exercised by each director in the determination of the characteristics of the plans; the potential conflict of interest which may trigger the obligation for the relevant director to abstain from exercising his vote in the relevant resolution**

In the determination of the proposal submitted to the Shareholders' Meeting, the Board of Directors identified the essential characteristics of the 2015 Incentive System PFA, unanimously approved, following the guidelines and criteria elaborated by the Remuneration and Appointments Committee of FinecoBank.

Since the Chief Executive Officer and General Manager of FinecoBank is not among the potential beneficiaries of the 2015 Incentive System PFA, he participated in the definition of the 2015 Incentive System PFA.

### **3.3.6 The date on which the Board of Directors of FinecoBank resolved upon the assignment of the financial instruments contemplated by the plan**

The Board of Directors, on March 10<sup>th</sup>, 2015 approved the proposal related to the 2015 Incentive System PFA to be submitted to FinecoBank Shareholders' Meeting..

### **3.3.7 The date on which the Remuneration and Appointments Committee resolved upon the Plan of FinecoBank**

The Remuneration and Appointments Committee on March 6<sup>th</sup>, 2015 positively resolved upon the criteria and the methodology elaborated for the definition of the 2015 Incentive System PFA, sharing the reasons and motivations thereof.

### **3.3.8 The market price of Fineco ordinary shares, on the dates mentioned in points 3.3.6 e 3.3.7**

The market price of Fineco ordinary shares, registered on the date of Board of Directors approval of 2015 Incentive System PFA proposal (March 10<sup>th</sup>, 2015) and on the date of the decision made by the Remuneration and Appointments Committee of FinecoBank (March 6<sup>th</sup>, 2015), resulted equal to € 5,98 and to € 5,94 respectively.

### **3.3.9 In which terms and modalities FinecoBank takes into account, in the determination of the timeframe for the assignment of the plans, of the possible time-coincidence between:**

- i) such assignment or the decision, if any, adopted thereon by the Remuneration and Appointments Committee, and
- ii) the dissemination of relevant information, if any, pursuant to sect. 114, paragraph 1 of Legislative Decree 58/98; for instance, in cases in which such information is:
  - a. not already public and capable to positively affect the market quotation, or
  - b. already published and capable to negatively affect the market quotation

In relation to the foregoing it is clarified that the resolution of the Board of Directors which approved the proposal to be submitted to the Shareholders' Meeting, has been communicated to the markets, in compliance with the current regulations. It is also clarified that analogous information to the market, if required, will be made available upon any other following resolution adopted by the Board of Directors of the 2015 Incentive System PFA.

The resolutions related to the incentive plans based on financial instruments are examined by the Remuneration and Appointments Committee of FinecoBank in advance to provide for the positive opinion to the Corporate Bodies, the information to the market is given, if needed, after the relevant resolution of the Board of Directors

### 3.4. THE CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS ASSIGNED

#### 3.4.1 Description of the compensation plan

Individual bonuses will be allocated based on performance evaluation and entry conditions.

The final evaluation of sustainable performance parameters and risk-reward alignment will be reviewed by the Remuneration and Appointments Committee and defined under the responsibility and governance of the Board of Directors.

The 2015 Incentive System PFA provides that in 2016 the Board of Directors – once verified the achievement of the goals defined for 2015 – will define the percentage of payments in cash and Phantom shares, as illustrated in the table below:

|                                                  | 2016     | 2017     | 2018               | 2019                          | 2020               |
|--------------------------------------------------|----------|----------|--------------------|-------------------------------|--------------------|
| Financial Advisors belonging to Identified Staff | 30% cash | 10% cash | 30% Phantom shares | 10% cash + 10% Phantom shares | 10% Phantom shares |

To execute the 2015 Incentive System PFA, in 2016 the Board of Directors will define the number of Phantom shares to assign for the 3rd, 4th and 5th instalments (as described in paragraph 3.4.1), taking into consideration the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that evaluates 2015 performance achievements to the same day in the previous month (both inclusive).

Furthermore at the moment of the effective payment of each instalments, the number of Phantom shares will be turned into cash on the basis of the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that approves the payment to the same day in the previous month.

Distribution of Phantom shares payments takes into account the applicable regulatory requirements regarding the application of retention periods..

#### 3.4.2 Indication of the time period for the implementation of the plan also indicating different cycles, if any, of its implementation

Incentive payouts shall be made over a multi-year period (2016-2020) in a balanced structure of upfront (following the moment of performance evaluation) and deferred payments, in cash and in Phantom shares, subject to what mentioned above and continuous employment at each date of payment. Phantom shares related to the 2015 Incentive System PFA will be allocated by FinecoBank in multiple instalments (as shown in the table above) subject to the Board assessment in 2016 of the goal achievement set for 2015.

#### 3.4.3 The termination date of the plan

The 2015 Incentive System PFA will lapse by July 2020.

**3.4.4 The overall maximum number of financial instruments, also in the form of options, assigned over any fiscal years with respect to the beneficiaries namely identified or identified by categories, as the case may be**

At this stage it is not possible to indicate the maximum number of Phantom shares allocated in each fiscal year during the life of the 2015 Incentive System PFA, since the actual definition will be done by the Board of Directors on the basis of the criteria approved by the Shareholders' Meeting.

**3.4.5 The procedures and clauses for the implementation of the plan, specifying whether the assignment of the financial instruments is subject to the satisfaction of certain specific conditions and, in particular, to the achievement of specific results, including performance targets; a description of the aforesaid conditions and results**

Incentive payment is subject to the verification of the "Entry Conditions".

The Entry Conditions measure the Company's profitability and solidity. They are the mechanism that determines the possible application of *malus* clause (Zero Factor) on the basis of indicators defined at both Group and local level.

In order to align to regulatory requirements, in case Entry Conditions are not met, a Zero Factor will apply and bonuses will not be paid.

**3.4.6 Indication of the restrictions on the availability of the financial instruments allocated under the plan or of the financial instruments relating to the exercise of the options, with particular reference to the time limits within which the subsequent transfer of the stocks to the issuer or third parties is permitted or prohibited**

There are no retention periods applicable on the financial instruments assigned.

**3.4.7 Description of any condition subsequent to the plan in connection with the execution, by the beneficiaries, of hedging transactions aimed at preventing the effects of potential limits to the transfer of the financial instruments assigned there under, also in the form of options, as well as to the transfer of the financial instruments relating to the exercise of the aforesaid options**

In accordance with national regulatory guidelines and the 2015 Compensation Policy, beneficiaries are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

**3.4.8 Description of the consequences deriving from the termination of the employment or working relationship**

The 2015 Incentive System PFA provides that the Board of Directors will have the faculty to identify, in the resolution that will execute the 2015 Incentive System PFA, the termination of the agency relationship of beneficiary with the Bank, as cause for the expiring of the right to receive the Phantom shares, coherently with the Plan guidelines.

**3.4.9 The indication of any other provisions which may trigger the cancellation of the plan**



The 2015 Incentive System PFA does not provide for any provision which may trigger its cancellation.

**3.4.10 The reasons justifying the redemption, pursuant to sect. 2357 and followings of the Italian Civil Code, by FinecoBank, of the financial instruments contemplated by the plan; the beneficiaries of such redemption, indicating whether the same is limited only to certain categories of employees; the consequences of the termination of the employment relationship with respect to such redemption rights**

The 2015 Incentive System PFA does not provide for the redemption by FinecoBank with reference to the free shares.

**3.4.11 The loans or other special terms that may be granted for the purchase of stocks pursuant to sect. 2358, paragraph 3, of the Italian Civil Code**

The 2015 Incentive System PFA does not provide for a loan or other special terms for the purchase of the shares.

**3.4.12 The evaluation of the economic burden for FinecoBank at date of the assignment of the plan, as determined on the basis of the terms and conditions already defined, with respect to the aggregate overall amount as well as with respect to each financial instrument contemplated by the plan**

The estimation of the overall cost expected by FinecoBank in relation to the 2015 Incentive System PFA at the grant date of the Phantom shares, has been made on the basis of the IAS principles, considering the accounting assumptions on the foreseeable beneficiaries exits before the allocation of the free shares and on the probability to achieve the performance targets related to the allocation of the Phantom shares.

IAS cost estimation of the plan is around € 1.500.000 on the overall duration period, considering a maximum level of performance. This cost estimation could decrease to € 0 or increase considering the share price trend related to number of Phantom shares assigned.

At this stage it is not possible to define the exact cost in each year of life of the 2015 Incentive System PFA, since the definition of the actual number of the Phantom, shares to be allocated is subject to the Board of Directors resolution.

**3.4.13 The indication of any dilution on the corporate capital of the issuer resulting from the compensation plan, if any**

The financial instruments for 2015 Incentive System PFA (Phantom shares) does not foresee impact on FinecoBank share capital.

**3.4.14 Any limitation to the voting and to the economic rights**

2015 Incentive System PFA does not foresee to assign shares, therefore this provision is not applicable.

**3.4.15 In the event the stocks are not negotiated on a regulated market, any and all information necessary for a complete evaluation of the value attributable to them**

2015 Incentive System PFA foresees exclusively to assign Phantom shares linked to Fineco ordinary shares that are negotiated on regulated markets.

#### **3.4.16 The number of financial instruments belonging to each option**

The 2015 Incentive System PFA does not provide for options.

#### **3.4.17 The termination date of the options**

The 2015 Incentive System PFA does not provide for options.

#### **3.4.18 The modalities, time limits and clauses for the exercise of the options**

The 2015 Incentive System PFA does not provide for options.

#### **3.4.19 The strike price of the options or the criteria and modalities for its determination, with respect in particular to:**

- a) the formula for the calculation of the exercise price in connection with the fair market value; and to
- b) the modalities for the calculation of the market price assumed as basis for the calculation of the exercise price

The 2015 Incentive System PFA does not provide for options.

#### **3.4.20 In case the strike price is different from the fair market value as determined pursuant to point 3.4.19.b, the indication of the reasons for such difference**

The 2015 Incentive System PFA does not provide for options.

#### **3.4.21 The criteria justifying differences in the exercise prices between the relevant beneficiaries or class of beneficiaries**

The 2015 Incentive System PFA does not provide for options.

#### **3.4.22 In the event the financial instruments underlying granted options are not negotiated on a regulated market, the indication of the value attributable to the same or of the criteria for its determination**

The 2015 Incentive System PFA does not provide for options.

#### **3.4.23 The criteria for the adjustments required in connection with any extraordinary transaction involving the corporate capital of the issuer as well as in connection with transaction triggering a variation in the number of the financial instruments underlying granted options**

The 2015 Incentive System PFA does not provide for adjustments applicable in connection with extraordinary transactions involving FinecoBank corporate capital (saving the provisions that the Board of Directors may define in the resolution in which the Board will exercise the delegation received from the Shareholders' Meeting).



## 4. EXECUTION OF “FINECOBANK COMPENSATION SYSTEMS”

### 4.1 BENEFICIARIES OF THE PLAN

With reference to the Board of Directors’ resolution of April 15<sup>th</sup>, 2014 for the execution of FinecoBank Compensation Systems, approved by the Shareholders’ Meeting of June 5<sup>th</sup>, 2014, here below the beneficiaries of each plan:

- the **2014 Incentive System**, distinguished in two different plans depending on the category of beneficiaries, foresees an incentive – payable in cash and/or free Fineco ordinary shares – for the Identified Staff of FinecoBank over a multi-year period of maximum 6 years (2015-2020), after the verification of the achievement of specific performance goals, of entry conditions and of those individual (continuous employment and no compliance breach).
- **“2014-2017 Multi-year Plan Top Management”**, foresees an incentive – linked to FinecoBank IPO – payable in free Fineco ordinary shares, for the Chief Executive Officer and General Manager and for the Executives with strategic responsibilities of FinecoBank over a multi-year period (2017-2020) subject to the achievement of specific entry conditions. This plan foresees, *inter alia*, that the assignment of the 1st instalments of shares promised in 2014 will be done in 2017 for the 6 beneficiaries of FinecoBank, after the verification of the achievement of entry conditions and of those individual (continuous employment and no compliance breach);
- **“2014 Key People Plan”**, foresees an incentive – linked to FinecoBank IPO – payable in free Fineco ordinary shares, for 80 selected employees of FinecoBank over a multi-year period (2015-2017) subject to the achievement of specific entry conditions. This plan foresees, *inter alia*, that the assignment of the 1st instalments of shares promised in 2014 will be done in 2015 (in 2016 for the those belonging to Identified Staff), after the verification of the achievement of entry conditions and of those individual (continuous employment and no compliance breach);
- **“2014 Plan PFA”**, foresees to determine an amount to be granted through the assignment of ordinary shares to Area Managers and Financial Advisors of FinecoBank that, during 2014, have met specific performance goals. This plan foresees, *inter alia*, that the amount and the shares’ calculation will be done in 2015 and that the assignment of the 1<sup>st</sup> instalment of shares promised in 2014 will be done in 2015, after the verification of the achievement of net inflows goal for the entire Advisors’ Network, of the entry conditions and of those individual (continuous employment and no compliance breach).

#### 4.1.1 Indication of the name of beneficiaries who are members of the Board of Directors of FinecoBank and of the companies directly or indirectly controlled by FinecoBank

Mr. Alessandro Foti, Chief Executive Officer and General Manager of FinecoBank, is among the beneficiaries of the 2014 Incentive System and of “2014-2017 Multi-year Plan Top Management”.

#### 4.1.2 The categories of employees or collaborators of FinecoBank and companies controlling or controlled by this issuer

The employees of FinecoBank that benefit from FinecoBank Compensation Systems (along with the Chief Executive Officer and General Manager of FinecoBank) are:

for the **2014 Incentive System**:

- the Deputy General Manager, the other Executives with strategic responsibilities and the other Identified Staff 2014 of FinecoBank

for **“2014-2017 Multi-year Plan Top Management”**:

- the Deputy General Manager and the other Executives with strategic responsibilities of FinecoBank;

for **“2014 Key People Plan”**:

- 80 selected employees of FinecoBank, among which 3 belonging to Identified Staff 2014;

for **“2014 Plan PFA”** there are no employees of FinecoBank that benefit from the plan. It is highlighted that the beneficiaries are 846 Financial Advisors, 172 Group Managers and 32 Area Managers.

#### **4.1.3 Individuals who benefit from the Plan belonging to the following groups:**

##### **a) General Managers of FinecoBank**

Mr. Alessandro Foti, Chief Executive Officer and General Manager of FinecoBank, is among the beneficiaries of the 2014 Incentive System and of “2014-2017 Multi-year Plan Top Management”.

##### **b) other Executives with strategic responsibilities of FinecoBank not classed as "small", in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the Board of Directors or Management Board, and to the General Manager of FinecoBank**

None of FinecoBank Executives meet the description; therefore no information is provided in connection thereto.

##### **c) natural persons controlling FinecoBank, who are employee or collaborator of FinecoBank**

No individual controls FinecoBank and, therefore, no information is provided in connection thereto.

#### **4.1.4 Description and numerical indication, broken down according to category:**

##### **a) Executives with strategic responsibilities other than those specified under lett. B) of paragraph 4.1.3**

Amongst the beneficiaries of FinecoBank Compensation Systems, along with the Chief Executive Officer and General Manager, there are n. 5 executives of FinecoBank who have

regular access to privileged information and are authorized to take resolutions capable of influencing the development and prospects of FinecoBank.

Benefit from the **2014 Incentive System** and from **“2014-2017 Multi-year Plan Top Management”**:

1. the Deputy General Manager and Head of Global Banking Services, Mr. Fabio Milanesi
2. the Head of Direct Banking, Mr. Paolo Di Grazia
3. the Head of Commercial PFA Network, Mr. Mauro Albanese
4. the Head of Investment Services and Wealth Management, Mr. Carlo Giauxa
5. the Chief Financial Officer, Mrs. Lorena Pellicciari

Regarding **“2014 Key People Plan”** and **“2014 Plan PFA”** there are no beneficiaries among the Executives with strategic responsibilities.

**b) in the case of "small" companies, in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all Executives with strategic responsibilities of the financial instrument issuer**

This provision is not applicable and, therefore, no information is provided in connection thereto.

**c) other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees etc.)**

There are 3 employees belonging to Identified Staff of FinecoBank to which different characteristics of **“2014 Key People Plan”** apply.

## 4.2 THE REASONS FOR THE ADOPTION OF THE PLAN

### 4.2.1 The targets which the parties intend to reach through the adoption of the **“FinecoBank Compensation Systems”**

The **2014 Incentive System** aims to attract, retain and motivate FinecoBank beneficiaries in compliance with the most recent national and international regulatory requirements with the aim to define – in the interest of all stakeholders – incentive systems in line with long-term Company strategies and goals, linked to Bank results, adjusted in order to consider all risks, in coherence with capital and liquidity levels needed to cover the activities in place and, in any case, able to avoid misleading incentives that could drive to regulatory breaches or to assume excessive risks for the Bank and the system in its whole.

The **2014 Incentive System** is compliant with FinecoBank Compensation Policy and with the most recent national and international regulatory requirements providing for:

- allocation of a variable incentive defined based on available bonus pool, individual performance evaluation and internal benchmark for specific roles;
- definition of a balanced structure of “upfront” (done at the moment of performance evaluation) and “deferred payments”, in cash and in shares;
- distribution of share payments, coherently with the applicable regulatory requirements regarding the application of share retention periods;

- risk-adjusted metrics in order to guarantee long-term sustainability with respect to Company's financial position and to ensure compliance with regulatory expectations;
- *malus* clause (Zero Factor) applies in case specific thresholds (profitability, capital and liquidity) are not met at both Group and local level.

**“2014-2017 Multi-year Plan Top Management”** is a special award for Top Management of FinecoBank, linked to the IPO. It aims to build retention of the Top Management, taking into account the objectives of growth in the medium and long term.

**“2014 Key People Plan”** is a special award for selected employees of FinecoBank, linked to the IPO. It aims to build retention of the “key people”, taking into account the objectives of growth in the medium and long term.

**“2014 Plan PFA”** is a special award for Area Managers and Financial Advisors of FinecoBank, with the aim to retain and incentive them, taking into account the objectives of growth in the medium and long term.

#### **4.2.2 Principal factors of variation and performance indexes taken into account for the assignment of plans based on financial instruments**

The **2014 Incentive System** foresees that individual bonuses will be allocated managerially based on available bonus pool, individual performance evaluation and bonus reference for specific roles.

Individual performance appraisal is based on 4 – 8 goals. Other optional targets and behaviours, as relevant, could be considered by the manager for the overall performance appraisal.

Incentive payouts shall be made over a multi-year period (2015-2020) in a balanced structure of upfront (following the moment of performance evaluation) and deferred payments, in cash and in shares, subject to continuous employment at each date of payment and as follows:

- in 2015 the first instalment of the overall incentive will be paid in cash in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob and/or analogous local authorities);
- over the period 2016-2020 the remainder of the overall incentive will be paid in instalments in cash and/or Fineco shares, further subject to the application of the Zero Factor for the year previous to the year of payment and in absence of any individual/values compliance breach, considering also the gravity of any internal/external findings (e.g. Audit, Bank of Italy, Consob and/or analogous local authorities);
- distributions of share payments takes into account the applicable regulatory requirements regarding the application of share retention periods.

**“2014-2017 Multi-year Plan Top Management”** foresees that the assignment of the 1<sup>st</sup> instalments of shares promised in 2014 will be done in 2017 for the 6 beneficiaries of FinecoBank, after the verification of the achievement of entry conditions and of those individual (continuous employment and no compliance breach).

**“2014 Key People Plan”** foresees that the assignment of the 1st instalments of shares promised in 2014 will be done in 2015 for 77 beneficiaries of FinecoBank, in 2016 for the 3

beneficiaries belonging to Identified Staff, after the verification of the achievement of entry conditions and of those individual (continuous employment and no compliance breach).

“**2014 Plan PFA**” foresees that the assignment of the 1st instalments of shares promised in 2014 will be done in 2015, after the verification of the achievement of net inflows goal for the entire Advisors’ Network, of the entry conditions and of those individual (continuous employment and no compliance breach).

#### **4.2.3 The factors assumed as basis for the determination of the compensation based upon financial instruments, or the criteria for the determination of the aforesaid compensation**

Here below the general criteria that the Board of Directors has followed, in the resolutions that after the Shareholders’ Meeting approval will execute the Plans, to define the actual number of beneficiaries and the number of free shares to be granted.

The **2014 Incentive System** provides that in 2015 the Board of Directors – once verified the achievement of the goals defined for 2015 – will define the percentage of payments in cash and shares established for each category of beneficiaries.

“**2014-2017 Multi-year Plan Top Management**” provides that in 2015 the Board of Directors – once verified the achievement of the entry conditions and of those individual – will define the individual assignments of the 2<sup>nd</sup> instalments of shares to be granted in 2018, adjusting the shares promised in 2014 respect the ratio between fixed and variable remuneration.

“**2014 Key People Plan**” provides that in 2015 the Board of Directors – once verified the achievement of entry conditions and of those individual – will authorize the assignment of the 1<sup>st</sup> instalment of shares granted in 2014.

“**2014 Plan PFA**” provides that in 2015 the Board of Directors – once verified the achievement of net inflows goal for the entire Advisors’ Network, of the entry conditions and of those individual – will authorize the assignment of the 1st instalment of shares granted in 2014.

#### **4.2.4 The reasons justifying the decision to assign compensation plans based on financial instruments not issued by FinecoBank, such as financial instruments issued by its subsidiaries, its parent companies or third parties; in the event the aforesaid financial instruments are not negotiated on regulated markets, the issuer shall provide information as to the criteria adopted for the calculation of the value attributable to such financial instruments**

FinecoBank Compensation Systems do not contemplate the allocation of similar financial instruments.

#### **4.2.5 The evaluations, with respect to the relevant tax and accounting implications, taken into account in the definition of the plans**

The FinecoBank Compensation Systems definition has not been influenced by significant tax or accounting consideration.

#### **4.2.6 The indication as to whether the plan enjoys any support from the special fund for encouraging worker participation in the companies, as provided for under Article 4, paragraph 112, of Law December, 24 2003 n. 350**

FinecoBank Compensation Systems are not currently supported by the special fund for encouraging worker participation in the companies, as provided for under sect. 4, paragraph 112, of Law December 24, 2003 n. 350.

#### **4.3 PROCEDURE FOR THE ADOPTION OF THE PLAN AND TIMEFRAME FOR THE ASSIGNMENT OF THE FINANCIAL INSTRUMENTS**

##### **4.3.1 Powers delegated to the Board of Directors by the Shareholders' Meeting for the implementation of the plan**

The best solution identified to execute FinecoBank Compensation Systems for the employees is to delegate the Board of Directors, pursuant to sect. 2443 of the Civil Code, the faculty to increase share capital as described in the Director's Report presented to the Extraordinary Shareholders' Meeting of June 5<sup>th</sup>, 2014.

In force of this delegation, the Board of Directors could resolve:

- for the **2014 Incentive System**, on one or more occasions, a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of 420.000 Fineco ordinary shares;
- for **"2014-2017 Multi-year Plan Top Management"**, on one or more occasions, a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of 2.900.000 Fineco ordinary shares;
- for **"2014 Key People Plan"**, on one or more occasions, on one or more occasions, a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of 900.000 Fineco ordinary shares.

Regarding the execution of **"2014 Plan PFA"** instead, the best solution identified is to delegate the Board of Directors, pursuant to sect. 2357 of the Civil Code, the faculty to buy and carry out disposals for maximum no. 5.000.000 ordinary shares (the total number includes also **"2015-2017 Plan PFA"**, approved in 2014 whose execution is foreseen starting from 2016).

##### **4.3.2 Indication of the individuals in charge of the management of the plan, their powers authority**

"Human Resources" function and, related to **"2014 Plan PFA"**, "Network PFA Sales Department, Monitoring & Service Network" function, of FinecoBank, are in charge for the management of FinecoBank Compensation Systems, as well as of the definition of the FinecoBank Compensation Policy for employees and Financial Advisors

##### **4.3.3 Procedures for the amendment of the plans, if any, also in connection with potential variation of the original targets**

No specific procedures for the amendment of FinecoBank Compensation Systems are provided for.

##### **4.3.4 Description of the modalities for the determination of the availability and assignment of the financial instruments contemplated by the plan**

The best solution identified to execute FinecoBank Compensation Systems for the employees is to delegate the Board of Directors, pursuant to sect. 2443 of the Civil Code,



the faculty to increase share capital as described in the Director's Report presented to the Extraordinary Shareholders' Meeting of June 5th, 2014.

In force of this delegation, the Board of Directors could resolve:

- for the **2014 Incentive System**, on one or more occasions, a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of 420.000 Fineco ordinary shares;
- for **"2014-2017 Multi-year Plan Top Management"**, on one or more occasions, a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of 2.900.000 Fineco ordinary shares;
- for **"2014 Key People Plan"**, on one or more occasions, on one or more occasions, a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum amount of 900.000 Fineco ordinary shares.

Regarding the execution of **"2014 Plan PFA"** instead, the best solution identified is to delegate the Board of Directors, pursuant to sect. 2357 of the Civil Code, the faculty to buy and carry out disposals for maximum no. 5.000.000 ordinary shares (the total number includes also **"2015-2017 Plan PFA"**, approved in 2014 whose execution is foreseen starting from 2016).

#### **4.3.5 The influence exercised by each director in the determination of the characteristics of the plans; the potential conflict of interest which may trigger the obligation for the relevant director to abstain from exercising his vote in the relevant resolution**

The Board of Directors has verified the entry conditions to FinecoBank Compensation Systems as well as the criteria related to the financial instruments assignment to FinecoBank staff, on the basis of the positive opinion of the Remuneration and Appointments Committee.

Since the Chief Executive Officer and General Manager of FinecoBank is among the beneficiaries of the 2014 Incentive System and of **"2014-2017 Multi-year Plan Top Management"**, he has abstained from participating in the definition of the mentioned plans.

#### **4.3.6 The date on which the Board of Directors of FinecoBank resolved upon the assignment of the financial instruments contemplated by the plan**

To execute the **2014 Incentive System**, in exercising the delegation received by the Shareholders' Meeting, as described in point 4.3.1, the Board of Directors on February 9<sup>th</sup>, 2015 has approved the promise to grant no. 269.728 Fineco ordinary shares to Identified Staff of FinecoBank, after the verification of the achievement of the Entry Conditions foreseen for the beneficiaries, as described in point 4.2.3.

To execute **"2014-2017 Multi-year Plan Top Management"**, in exercising the delegation received by the Shareholders' Meeting, as described in point 4.3.1, the Board of Directors on February 9<sup>th</sup>, 2015 has approved the promise to grant no. 494.493 Fineco ordinary shares to the 6 beneficiaries of FinecoBank, after the verification of the achievement of the Entry Conditions foreseen for the beneficiaries, as described in point 4.2.3.

To execute **"2014 Key People Plan"**, in exercising the delegation received by the Shareholders' Meeting, as described in point 4.3.1, the Board of Directors on February 9<sup>th</sup>, 2015 has approved the assignment of the 1<sup>st</sup> instalments of shares, equal to no. 241.700 Fineco ordinary shares, to the 77 beneficiaries of FinecoBank, after the verification of the

achievement of the Entry Conditions foreseen for the beneficiaries, as described in point 4.2.3.

To execute “**2014 Plan PFA**”, in exercising the delegation received by the Shareholders’ Meeting, as described in point 4.3.1, the Board of Directors on February 9th, 2015 has approved the promise to grant a number of shares equal to a total amount Euro 14.389.650 to the Financial Advisors of FinecoBank beneficiaries, after the verification of the achievement of the Entry Conditions foreseen for the beneficiaries, as described in point 4.2.3.

#### **4.3.7 The date on which the Remuneration and Appointments Committee resolved upon the Plan of FinecoBank**

The Remuneration and Appointments Committee on February 5<sup>th</sup>, 2015 positively resolved upon the criteria to be applied for the execution of FinecoBank Compensation Systems, sharing the reasons and motivations thereof.

#### **4.3.8 The market price of Fineco ordinary shares, on the dates mentioned in points 4.3.6 e 4.3.7**

The market price of Fineco ordinary shares, registered on the date of Board of Directors’ approval of FinecoBank Compensation Systems’ execution (February 9<sup>th</sup>, 2015) and on the date of the decision made by the Remuneration and Appointments Committee of FinecoBank (February 5<sup>th</sup>, 2015), resulted equal to € 5,20 and to € 4,98 respectively.

#### **4.3.9 In which terms and modalities FinecoBank takes into account, in the determination of the timeframe for the assignment of the plans, of the possible time-coincidence between:**

- i) such assignment or the decision, if any, adopted thereon by the Remuneration and Appointments Committee, and
- ii) the dissemination of relevant information, if any, pursuant to sect. 114, paragraph 1 of Legislative Decree 58/98; for instance, in cases in which such information is:
  - a. not already public and capable to positively affect the market quotation, or
  - b. already published and capable to negatively affect the market quotation

In relation to the foregoing it is clarified that the resolution of the Board of Directors which approved the execution of FinecoBank Compensation Systems has been communicated to the markets, in compliance with the current regulations.

The resolutions related to the incentive plans based on financial instruments are examined by the Remuneration and Appointments Committee of FinecoBank in advance to provide for the positive opinion to the Corporate Bodies, the information to the market is given, if needed, after the relevant resolution of the Board of Directors

### **4.4. THE CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS ASSIGNED**

#### **4.4.1 Description of the compensation plan**

The **2014 Incentive System** provides that in 2015 the Board of Directors – once verified the achievement of the goals defined for 2014 – will define the percentage of payments in



cash and shares established for each category of beneficiaries, as illustrated in the table below:

|                                                          | 2015     | 2016     | 2017     | 2018       | 2019       | 2020       |
|----------------------------------------------------------|----------|----------|----------|------------|------------|------------|
| EVP & above and other Identified Staff with bonus >€500k | 20% cash | 15% cash | 15% cash | 20% shares | 15% shares | 15% shares |
| SVP & other Identified Staff with bonus <€500k           | 30% cash | 10% cash | 10% cash | 30% shares | 10% shares | 10% shares |

**“2014-2017 Multi-year Plan Top Management”** foresees an incentive – payable in free Fineco ordinary shares – over a multi-year period (2017-2020), subject to the achievement of specific entry conditions.

**“2014 Key People Plan”** foresees an incentive – payable in free Fineco ordinary shares – over a multi-year period (2015-2017), subject to the achievement of specific entry conditions.

**“2014 Plan PFA”** foresees an incentive – payable in free Fineco ordinary shares – over a multi-year period (2015-2017), subject to the achievement of specific entry conditions.

#### 4.4.2 Indication of the time period for the implementation of the plan also indicating different cycles, if any, of its implementation

The free shares for the **2014 Incentive System** will be assigned by FinecoBank in multiple instalments (in the period 2018-2020) subject to the Board assessment of specific entry conditions, as described in point 4.2.3.

The free shares for **“2014-2017 Multi-year Plan Top Management”** will be assigned by FinecoBank in multiple instalments (in the period 2017-2020) subject to the Board assessment of specific entry conditions, as described in point 4.2.3.

The free shares for **“2014 Key People Plan”** will be assigned by FinecoBank in multiple instalments (in the period 2015-2017) subject to the Board assessment of specific entry conditions, as described in point 4.2.3.

The shares for **“2014 Plan PFA”** will be assigned by FinecoBank in multiple instalments (in the period 2015-2017) subject to the Board assessment of specific entry conditions, as described in point 4.2.3.

#### 4.4.3 The termination date of the plan

The **2014 Incentive System** will lapse by July 2020.

The **“2014-2017 Multi-year Plan Top Management”** will lapse by July 2020.

The **“2014 Key People Plan”** will lapse by July 2017.

The **“2014 Plan PFA”** will lapse by July 2017.

**4.4.4 The overall maximum number of financial instruments, also in the form of options, assigned over any fiscal years with respect to the beneficiaries namely identified or identified by categories, as the case may be**

The maximum number of free shares that the Board of Directors is authorized to allocate within the power of the delegation received by Shareholders' Meeting of FinecoBank for.

- the **2014 Incentive System**
- **"2014-2017 Multi-year Plan Top Management"**
- **"2014 Key People Plan"**

is equal to no. 3.500.000 shares.

Regarding the execution of **"2014 Plan PFA"** instead, the best solution identified is to delegate the Board of Directors, pursuant to sect. 2357 of the Civil Code, the faculty to buy and carry out disposals for maximum no. 5.000.000 ordinary shares (the total number includes also **"2015-2017 Plan PFA"**, approved in 2014 whose execution is foreseen starting from 2016).

At this stage it is not possible to indicate the maximum number of free shares allocated in each fiscal year during the life of FinecoBank Compensation Systems, since the actual definition will be done by the Board of Directors on the basis of the criteria approved by the Shareholders' Meeting.

**4.4.5 The procedures and clauses for the implementation of the plan, specifying whether the assignment of the financial instruments is subject to the satisfaction of certain specific conditions and, in particular, to the achievement of specific results, including performance targets; a description of the aforesaid conditions and results**

Considering the criteria described in the point 4.2.2, the allocation and the exercise of the free shares is subject to the achievement of the performance targets set by the Board of Directors. The assessment of the goals achievement should be done by the Board of Directors at the end of the performance period described in point 4.4.2.

**4.4.6 Indication of the restrictions on the availability of the financial instruments allocated under the plan or of the financial instruments relating to the exercise of the options, with particular reference to the time limits within which the subsequent transfer of the stocks to the issuer or third parties is permitted or prohibited**

FinecoBank Compensation Systems provides that the free Fineco ordinary shares that will be allocated will be freely transferable, considering the applicable regulatory requirements regarding the application of share retention periods.

**4.4.7 Description of any condition subsequent to the plan in connection with the execution, by the beneficiaries, of hedging transactions aimed at preventing the effects of potential limits to the transfer of the financial instruments assigned there under, also in the form of options, as well as to the transfer of the financial instruments relating to the exercise of the aforesaid options**

In accordance with national regulatory guidelines and the 2015 Compensation Policy, beneficiaries are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. For employees, Involvement in any form of

hedging transaction shall be considered in breach of the Bank compliance policies and therefore the relevant rights under the plan shall automatically expire.

#### **4.4.8 Description of the consequences deriving from the termination of the employment or working relationship**

FinecoBank Compensation Systems provides that the Board of Directors will have the faculty to identify, in the resolution that will execute each plan, the termination of the beneficiary with the Bank, as cause for the expiring of the right to receive the free shares, coherently with the Plans guidelines.

#### **4.4.9 The indication of any other provisions which may trigger the cancellation of the plan**

FinecoBank Compensation Systems do not provide for any provision which may trigger their cancellation.

#### **4.4.10 The reasons justifying the redemption, pursuant to sect. 2357 and followings of the Italian Civil Code, by FinecoBank, of the financial instruments contemplated by the plan; the beneficiaries of such redemption, indicating whether the same is limited only to certain categories of employees; the consequences of the termination of the employment relationship with respect to such redemption rights**

FinecoBank Compensation Systems do not provide for the redemption by FinecoBank or other Legal Entities of the Group with reference to the free shares.

#### **4.4.11 The loans or other special terms that may be granted for the purchase of stocks pursuant to sect. 2358, paragraph 3, of the Italian Civil Code**

FinecoBank Compensation Systems do not provide for a loan or other special terms for the purchase of the shares.

#### **4.4.12 The evaluation of the economic burden for FinecoBank at date of the assignment of the plan, as determined on the basis of the terms and conditions already defined, with respect to the aggregate overall amount as well as with respect to each financial instrument contemplated by the plan**

The estimation of the overall cost expected by FinecoBank in relation to the adoption of FinecoBank Compensation Systems at the grant date of the free shares, has been made on the basis of the IAS principles, considering the accounting assumptions on the foreseeable beneficiaries exits before the allocation of the free shares and on the probability to achieve the performance targets related to the allocation of the free shares.

On the basis of these estimations, the overall expected cost for FinecoBank at the grant date of the target number of free shares is equal to a total amount of € 25.807.111, split in:

- Euro 2.598.909, split in 6 years, for the **2014 Incentive System**
- Euro 9.336.580, split in 6 years, for **“2014-2017 Multi-year Plan Top Management”**
- Euro 2.946.643, split in 3 years, for **“2014 Key People Plan”**
- Euro 14.952.999, split in 4 years, for **“2014 Plan PFA”**

**4.4.13 The indication of any dilution on the corporate capital of the issuer resulting from the compensation plan, if any**

The maximum impact of FinecoBank Compensation Systems ("2014 Plan PFA" excluded) on FinecoBank share capital shall be approx. 0,6%.

**4.4.14 Any limitation to the voting and to the economic rights**

At this stage, FinecoBank Compensation Systems do not provide for any limitation to the voting or economic rights for the shares allocated.

**4.4.15 In the event the stocks are not negotiated on a regulated market, any and all information necessary for a complete evaluation of the value attributable to them**

FinecoBank Compensation Systems provide only for the use of shares negotiated on regulated markets.

**4.4.16 The number of financial instruments belonging to each option**

FinecoBank Compensation Systems do not provide for options.

**4.4.17 The termination date of the options**

FinecoBank Compensation Systems do not provide for options.

**4.4.18 The modalities, time limits and clauses for the exercise of the options**

FinecoBank Compensation Systems do not provide for options.

**4.4.19 The strike price of the options or the criteria and modalities for its determination, with respect in particular to:**

- a) the formula for the calculation of the exercise price in connection with the fair market value; and to
- b) the modalities for the calculation of the market price assumed as basis for the calculation of the exercise price

FinecoBank Compensation Systems do not provide for options.

**4.4.20 In case the strike price is different from the fair market value as determined pursuant to point 4.4.19.b, the indication of the reasons for such difference**

FinecoBank Compensation Systems do not provide for options.

**4.4.21 The criteria justifying differences in the exercise prices between the relevant beneficiaries or class of beneficiaries**

FinecoBank Compensation Systems do not provide for options.

**4.4.22 In the event the financial instruments underlying granted options are not negotiated on a regulated market, the indication of the value attributable to the same or of the criteria for its determination**

FinecoBank Compensation Systems do not provide for options.

**4.4.23 The criteria for the adjustments required in connection with any extraordinary transaction involving the corporate capital of the issuer as well as in connection with transaction triggering a variation in the number of the financial instruments underlying granted options**

FinecoBank Compensation Systems do not provide for adjustments applicable in connection with extraordinary transactions involving FinecoBank corporate capital (saving the provisions that the Board of Directors may define in the resolution in which the Board will exercise the delegation received from the Shareholders' Meeting).

**INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS**  
**Table no. 1 of scheme 7 of Annex 3A Regulation no. 11971/1999**

**Date: March 10<sup>th</sup>, 2015**

| Name or category<br>(1)                                    | Capacity | <b>Box 1</b><br><b>Financial instruments other than Stock Options (8)</b>                                                    |                                    |                                      |                                     |                                                 |                                     |                          |
|------------------------------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------------------|-------------------------------------|--------------------------|
|                                                            |          | <b>Section 1</b><br><b>Instruments related to outstanding plans, approved by previous shareholders meetings' resolutions</b> |                                    |                                      |                                     |                                                 |                                     |                          |
|                                                            |          | Date of Shareholders' Meeting resolution                                                                                     | Type of financial instruments (12) | Number of financial instruments (11) | Assignment date (10)                | Purchase price of financial instruments, if any | Market price at the assignment date | Vesting period (14)      |
| Alessandro Foti                                            | CEO/GM   | 29/04/2011                                                                                                                   | Unicredit                          | 47.381                               | 20/03/2012 cpr<br>27/03/2012 cda/oc | 0                                               | 4,010                               | 20/03/2012<br>31/12/2014 |
| Alessandro Foti                                            | CEO/GM   | 11/05/2012                                                                                                                   | Unicredit                          | 151.810                              | 11/04/2013 cpr<br>11/04/2013 cda/oc | 0                                               | 3,520                               | 11/04/2013<br>31/12/2016 |
| Alessandro Foti                                            | CEO/GM   | 11/05/2013                                                                                                                   | Unicredit                          | 60.165                               | 11/03/2014 cpr<br>11/03/2014 cda/oc | 0                                               | 5,862                               | 11/03/2014<br>31/12/2017 |
| 5 Executives with strategic responsibilities               |          | 29/04/2011                                                                                                                   | Unicredit                          | 39.586                               | 20/03/2012 cpr<br>27/03/2012 cda/oc | 0                                               | 4,010                               | 20/03/2012<br>31/12/2014 |
| 5 Executives with strategic responsibilities               |          | 11/05/2012                                                                                                                   | Unicredit                          | 101.062                              | 11/04/2013 cpr<br>11/04/2013 cda/oc | 0                                               | 3,520                               | 11/04/2013<br>31/12/2015 |
| 5 Executives with strategic responsibilities               |          | 11/05/2013                                                                                                                   | Unicredit                          | 64.700                               | 11/03/2014 cpr<br>11/03/2014 cda/oc | 0                                               | 5,862                               | 11/03/2014<br>31/12/2016 |
| Category of other employees: Executives                    |          | 29/04/2011                                                                                                                   | Unicredit                          | 4.364                                | 20/03/2012 cpr<br>27/03/2012 cda/oc | 0                                               | 4,010                               | 20/03/2012<br>31/12/2014 |
| Category of other employees: Executives                    |          | 11/05/2012                                                                                                                   | Unicredit                          | 13.352                               | 11/04/2013 cpr<br>11/04/2013 cda/oc | 0                                               | 3,520                               | 11/04/2013<br>31/12/2015 |
| Category of other employees: Executives                    |          | 11/05/2013                                                                                                                   | Unicredit                          | 7.308                                | 11/03/2014 cpr<br>11/03/2014 cda/oc | 0                                               | 5,862                               | 11/03/2014<br>31/12/2016 |
| Category of other employees: Executives, Middle Management |          | 29/04/2011                                                                                                                   | Unicredit                          | 13.833                               | 20/03/2012 cpr<br>27/03/2012 cda/oc | 0                                               | 4,010                               | 20/03/2012<br>31/12/2014 |

| Name or category (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Capacity | <b>Box 1</b><br><b>Financial instruments other than Stock Options (8)</b>                                                                                                                                                                             |                                    |                                      |                                     |                                                 |                                     |                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------------------|-------------------------------------|--------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |          | <b>Section 2</b><br><b>Financial instruments to be assigned on the basis of the decision of*:</b><br><b>- BoD, as to be proposed to shareholders meeting</b><br><b>X - competent Body to implement Shareholders' Meeting resolution</b><br><b>(9)</b> |                                    |                                      |                                     |                                                 |                                     |                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |          | Date of Shareholders' Meeting resolution                                                                                                                                                                                                              | Type of financial instruments (12) | Number of financial instruments (11) | Assignment date (10)                | Purchase price of financial instruments, if any | Market price at the assignment date | Vesting period (14)      |
| Alessandro Foti                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | CEO/GM   | 05/06/2014                                                                                                                                                                                                                                            | FinecoBank                         | 89.946                               | 05/02/2015 cpr<br>09/02/2015 cda/oc | 0                                               | 4,725                               | 09/02/2015<br>31/12/2019 |
| Alessandro Foti                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | CEO/GM   | 05/06/2014                                                                                                                                                                                                                                            | FinecoBank                         | 918.800**                            | 27/05/2014 cpr<br>15/07/2014 cda/oc | 0                                               | 3,700                               | 15/07/2014<br>31/12/2019 |
| 5 Executives with strategic responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |          | 05/06/2014                                                                                                                                                                                                                                            | FinecoBank                         | 155.445                              | 05/02/2015 cpr<br>09/02/2015 cda/oc | 0                                               | 4,725                               | 09/02/2015<br>31/12/2019 |
| 5 Executives with strategic responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |          | 05/06/2014                                                                                                                                                                                                                                            | FinecoBank                         | 1.604.600**                          | 27/05/2014 cpr<br>15/07/2014 cda/oc | 0                                               | 3,700                               | 15/07/2014<br>31/12/2019 |
| Category of other employees: Executives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          | 05/06/2014                                                                                                                                                                                                                                            | FinecoBank                         | 24.337                               | 05/02/2015 cpr<br>09/02/2015 cda/oc | 0                                               | 4,725                               | 09/02/2015<br>31/12/2017 |
| Category of other employees: Executives, Middle Management, Employees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          | 05/06/2014                                                                                                                                                                                                                                            | FinecoBank                         | 796.390                              | 27/05/2014 cpr<br>15/07/2014 cda/oc | 0                                               | 3,700                               | 15/07/2014<br>31/12/2016 |
| <p>* With regards to "2014 Plan PFA", approved by the Shareholders' Meeting on June 5th, 2014, on February 9th, 2015 the Board of Directors has approved, based on positive opinion expressed by Remuneration and Appointments Committee on February 5th, 2015, to assign to Financial Advisors beneficiaries a number of Fineco free shares equal to the total amount of Euro 14.427.650, defined considering the reference value of the arithmetic mean of the official closing price of the shares on each trading day at the electronic stock market organised and managed by Borsa Italiana S.p.A. in the period from the day preceding the date of the resolution by the Board of Directors that evaluates 2015 performance achievements to the same day in the previous month (both inclusive). Granted date considered was July 15th, 2015.</p> <p>** Maximum number of shares granted in 2014 that will be adjusted for each further assignments to respect the ratio between fixed and variable remuneration in line with current regulations.</p> |          |                                                                                                                                                                                                                                                       |                                    |                                      |                                     |                                                 |                                     |                          |

| Name or category<br>(1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Capacity | Box 2<br>Stock Options                                                                                                         |                                |                                                                                                      |                                                                      |                                     |                |                                                                     |                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------|----------------|---------------------------------------------------------------------|---------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          | Section 1<br>Options relating to outstanding plans approved on the basis of previous shareholders meetings' resolutions<br>(8) |                                |                                                                                                      |                                                                      |                                     |                |                                                                     |                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          | Date of<br>Shareholders'<br>Meeting<br>resolution                                                                              | Instrument<br>description (12) | Financial<br>instruments<br>underlying the<br>option held at<br>the end of<br>previous year<br>(11)* | Financial<br>instruments<br>underlying the<br>options exercised (13) | Assignment date (10)                | Exercise price | Market price of<br>underlying shares<br>at the assignment<br>date** | Period of possible<br>exercise<br>(from.to) |
| Alessandro Foti                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | CEO/GM   | 08/05/2008                                                                                                                     | Unicredit                      | 38.780                                                                                               | 0                                                                    | 17/06/2008 cpr<br>25/06/2008 cda/oc | 23,351         | 22,893                                                              | 09/07/2012<br>09/07/2018                    |
| Alessandro Foti                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | CEO/GM   | 29/04/2011                                                                                                                     | Unicredit                      | 116.094                                                                                              | 0                                                                    | 20/03/2012 cpr<br>27/03/2012 cda/oc | 4,010          | 4,148                                                               | 01/04/2016<br>31/12/2022                    |
| 2 Executives with strategic<br>responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          | 04/05/2004                                                                                                                     | Unicredit                      | 4.300                                                                                                | 0                                                                    | 29/06/2004 cpr<br>22/07/2004 cda/oc | 22,420         | 3,945                                                               | 03/09/2008<br>31/12/2017                    |
| 2 Executives with strategic<br>responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          | 04/05/2004                                                                                                                     | Unicredit                      | 8.153                                                                                                | 0                                                                    | 10/11/2005 cpr<br>18/11/2005 cda/oc | 26,878         | 5,266                                                               | 26/11/2009<br>31/12/2018                    |
| 2 Executives with strategic<br>responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          | 12/05/2006                                                                                                                     | Unicredit                      | 6.165                                                                                                | 0                                                                    | 07/06/2006 cpr<br>13/06/2006 cda/oc | 33,205         | 5,626                                                               | 28/06/2010<br>31/12/2019                    |
| 2 Executives with strategic<br>responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          | 10/05/2007                                                                                                                     | Unicredit                      | 10.357                                                                                               | 0                                                                    | 07/06/2007 cpr<br>12/06/2007 cda/oc | 39,583         | 37,127                                                              | 13/07/2011<br>15/07/2017                    |
| 2 Executives with strategic<br>responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          | 08/05/2008                                                                                                                     | Unicredit                      | 34.902                                                                                               | 0                                                                    | 17/06/2008 cpr<br>25/06/2008 cda/oc | 23,351         | 22,893                                                              | 09/07/2012<br>09/07/2018                    |
| Category of other<br>employees: Executives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |          | 08/05/2008                                                                                                                     | Unicredit                      | 25.262                                                                                               | 0                                                                    | 17/06/2008 cpr<br>25/06/2008 cda/oc | 23,351         | 22,893                                                              | 09/07/2012<br>09/07/2018                    |
| <p>* The data is referred to the number of Financial instruments underlying the options assigned and not forfeited accordingly to the long term incentive plans and have been adjusted because of the capital operation resolved by UniCredit General Meeting on 29, April 2009 (script dividend), on 15, November 2009 and on 16, December 2011.</p> <p>** The market price of the financial instruments at the assignment date for plan 2004, 2005 and 2006 has not been adjusted because of the capital operation.</p> |          |                                                                                                                                |                                |                                                                                                      |                                                                      |                                     |                |                                                                     |                                             |



| Name or category<br>(1)                                                     | Capacity | Box 2<br>Stock Options                                                                                                                                                                        |                                |                      |                      |                |                                                                      |                                              |
|-----------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------|----------------------|----------------|----------------------------------------------------------------------|----------------------------------------------|
|                                                                             |          | Section 2<br>Options to be assigned on the basis of the decision of:<br>BoD, as to be proposed to shareholders meeting<br>competent Body to implement Shareholders' Meeting resolution<br>(9) |                                |                      |                      |                |                                                                      |                                              |
|                                                                             |          | Date of<br>Shareholders'<br>Meeting<br>resolution                                                                                                                                             | Instrument<br>description (12) | Number of<br>options | Assignment date (10) | Exercise price | Market price<br>of underlying<br>shares at the<br>assignment<br>date | Period of possible<br>exercise<br>(from..to) |
| Alessandro Foti                                                             | CEO/GM   | -                                                                                                                                                                                             | -                              | -                    | -                    | -              | -                                                                    | -                                            |
| Executives with strategic<br>responsibilities                               |          | -                                                                                                                                                                                             | -                              | -                    | -                    | -              | -                                                                    | -                                            |
| Category of other<br>employees: Executives, Middle<br>Management, Employees |          | -                                                                                                                                                                                             | -                              | -                    | -                    | -              | -                                                                    | -                                            |

## FOOTNOTES TO THE TABLE:

(1) The issuer shall fill-in a line for each beneficiary namely identified as well as for each category contemplated by the plan; for each individual or category shall be indicated a specific line for: i) each type of financial instrument or option granted (e.g., different exercise prices and/or exercise dates imply different type of options); ii) each plan approved by different shareholders' meetings.

(2) Indicate the name of the members of the board of directors or management body of the issuer and of its subsidiaries or parent companies.

(3) Indicate the name of the General Manager of the shares issuer.

(4) Indicate the name of the individuals controlling the issuer of stocks, who are employee or who render their services to the issuer of stock without being employee of the same.

(5) Indicate the name of other executives with strategic responsibilities of the shares issuer not classed as "small", in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the board of directors or management board, and to the general managers of the financial instrument issuer.

(6) Indicate the category of executives with strategic responsibilities for whom there is an indication by category is.

(7) Indicate the category of other employees and the category of collaborators not employed by the issuer. The issuer shall fill-in different lines in connection with the categories of employees or collaborators for which the plan provides for different characteristics (e.g., managers, officers, employees).

(8) The relevant data shall refer to financial instruments relating to plans approved by means of:

- i. shareholders' resolutions adopted prior to the date on which the competent corporate body approves the proposal to the shareholders' meeting and/or
- ii. shareholders' resolutions adopted prior to the date on which the competent corporate body implements the shareholders' resolution;

therefore the table shall indicate:

- in the event under i) above, data adjourned as at the date of the competent body's proposal to the shareholders' meeting (in which case the table is attached to the information document prepared for the shareholders' meeting called to approve the plan);
- in the event under ii) above, data adjourned as at the date of the competent body's resolution implementing the plan, (in which case the table is attached to the information documents to be published following the competent body's resolution implementing the plan);

(9) The data may refer to:

- a. the resolution of the board of directors preceding the shareholders' meeting, as to the table attached to the information document submitted to the same; in such event the table shall indicate only the characteristics already defined by the board of directors;
  - b. the resolution of the corporate body which resolves upon the implementation of the plan following the approval by the shareholders' meeting, in the event the table is attached to the press release to be issued following such last resolution implementing the plan.
- In both the aforesaid cases the issuer shall cross out the corresponding box relating to this footnote No. 9. For the data not available the issuer shall indicate in the corresponding box the code "N.A." (Not available).

(10) In case the date of the assignment is different from the date on which the remuneration body (comitato per la remunerazione), if any, makes the proposal relating to such assignment, the issuer shall indicate also the date of such proposal highlighting the date of the board of directors or the competent corporate body's resolution with the code "cda/oc" (for the board of directors/competent body) and the date of the proposal of the remuneration body (comitato per la remunerazione) with the code "cpr" (for the remuneration body)."

(11) The number of options held at the end year, preceding the date in which the shareholder's meeting is called resolve the new allocation.

(12) Indicate for example, in box 1: i) stock of issuer X, ii) financial instrument indexed to issuer Y stock value, and in box 2: iii) option on issuer W stock with physical settlement; iv) option on issuer Z stock with cash settlement, etc.

(13) The number of option exercised from the beginning of the plan until the end year, preceding the date in which the shareholder's meeting is called to resolve a new stock option plan.

(14) Vesting period means the period between the moment in which the right to participate to the incentive system is granted and the moment in which the right may be exercised.