

# Statement on corporate governance and ownership structure

ISSUER NAME:  
MEDIOBANCA S.P.A. – BANCA DI CREDITO FINANZIARIO

WEBSITE:  
[WWW.MEDIOBANCA.COM](http://WWW.MEDIOBANCA.COM)

FINANCIAL YEAR TO WHICH STATEMENT REFERS:  
1 JULY 2022 – 30 JUNE 2023



MEDIOBANCA



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# Statement on Corporate Governance and Ownership Structure 2023

## Introduction

This statement has been prepared in accordance with the provisions of Article 123-*bis* of Italian legislative decree 58/98 and the Corporate Governance Code for listed companies (the 2020 version is available on the Corporate Governance Committee's website at <https://www.borsaitaliana.it/comitato-corporate-governance/homepage/homepage.htm>, to which Mediobanca adheres, on the terms set forth below. The Corporate Governance Committee monitors its application in practice, and informs listed companies of possible areas for improvement. The recommendations made by the Chairman of Corporate Governance Committee in a letter dated 25 January 2023 were brought to the attention of the Appointments Committee (on 2 March 2023) and the Board of Directors (on 23 March 2023), and were incorporated at the self-assessment stage.

The statement is also intended to meet the public disclosure requirements for banks instituted by the Bank of Italy's supervisory instructions on the issue of corporate governance.

This statement has also been submitted to the external auditor. The judgement regarding its consistency required under Article 123-*bis* of the Italian Finance Act is contained in the reports drawn up in compliance with Article 14 of Italian Legislative Decree 39/2010, included with the individual and consolidated financial statements.





# Mediobanca Group Profile



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# 1. Mediobanca Group Profile

Mediobanca, set up in 1946, is the parent company of the Mediobanca Banking Group.

It has branch offices in London, Paris and Madrid, and subsidiaries based in New York, Luxembourg, London, Paris, Monte Carlo and Geneva. It also holds a 13.1% interest in Assicurazioni Generali.

The guidelines of the 2023-26 Strategic Plan presented in May 2023 leverage on the Bank's distinctive features and responsible approach to banking, which are two of Mediobanca's founding values and which have been closely associated with it since its inception, and lays the foundations for further significant growth in revenues, earnings, profitability and shareholder remuneration.

The Group aims to achieve growth in all its segments of operation – Wealth Management, Corporate & Investment Banking, Consumer Banking and Insurance – by leveraging on its distinctive features: responsible approach to business, brand strength, focus and positioning in highly-specialized, highly profitable businesses driven by long-term trends; strong capital resources, and ongoing investment in talent, innovation and distribution.

The 2023-26 Strategic Plan reaffirms the responsible approach to banking, and entails the adoption of an integrated plan that will combine growth in business and financial solidity with social and environmental sustainability.

Mediobanca qualifies among the largest and most complex banks, and as such is subject to prudential supervision by the European Central Bank (ECB), and also qualifies as a “large company” according to the definition provided in the Corporate Governance Code for listed companies.

Mediobanca, in its capacity as parent company of the Mediobanca Group, directs and co-ordinates the companies forming part of the Group (activities which are regulated by the Group Regulations) by governing the planning process, issuing Policies, Regulations and Directives, providing centralized risk management, and issuing guidance on how to implement instructions received from the supervisory authorities.

Mediobanca adopts a traditional model of corporate governance based on the presence of Board of Directors and a Statutory Audit Committee. This corporate governance system combines maximum efficiency in terms of operations with effective control, fostering the necessary debate between the Board's executive and strategic supervisory functions, with the control body, despite not being part of the Board, nonetheless participating actively in discussions at meetings of the Board itself, the Executive Committee, Risks Committee and Remuneration Committee, providing it with access to all documentation.

The system of governance is based on the broad powers which are granted to the Executive Committee and Chief Executive Officer to manage the Bank's current operations.

Mediobanca devotes particular attention to the issue of governance and how to improve it, considering it to be one of the pillars of the proper functioning of a company.



In the past three years the Board of Directors has proposed several changes to the Articles of Association which it has submitted to the approval of shareholders gathered in general meeting, and which the shareholders have duly approved, with a view, *inter alia*, to aligning the traditional governance model to the best international practices in the banking industry.

In particular, the changes to the Articles approved by shareholders at the Annual General Meeting held on 28 October 2020 introduced greater flexibility in the process of selecting the Chief Executive Officer, and strengthened the independence criteria for non-executive Directors (which criteria are fully aligned with those of the new version of the Corporate Governance Code for listed companies published in 2020).

Meanwhile, the changes approved by shareholders at the Annual General Meeting held on 28 October 2021 removed the restriction on having members of the Group's management represented on the Board of Directors, providing for: i) a number of minority Directors to be appointed which varies according to the size of the Board itself, equal to 20% of the Board members; ii) one Director to be appointed in representation of institutional investors; and iii) a reduction in the minimum number of votes required for a Director to be appointed from the second minority list (from 5% to 2% of the company's share capital).

Mediobanca is a party to a shareholder agreement in an unlisted Group Legal Entity (Messier & Associés SA) which, in the event of a change of control, provides for the other shareholders to exercise put options over their own interests.



A long, ornate hallway with a red carpet and classical architecture. The hallway is lined with dark wood paneling and features a series of doorways. The ceiling is high and has a decorative pattern. The lighting is warm and focused on the carpet.

# Information on ownership structure



MEDIOBANCA

# 2. Information on ownership structure

## 2.1 Structure of share capital, powers to increase share capital and authorization to acquire treasury shares

The Bank's share capital at 30 June 2023 totalled €444,169,467.50, made up of 849,257,474 ordinary shares with no par value. The shares are registered, and entitle shareholders to one vote per share.

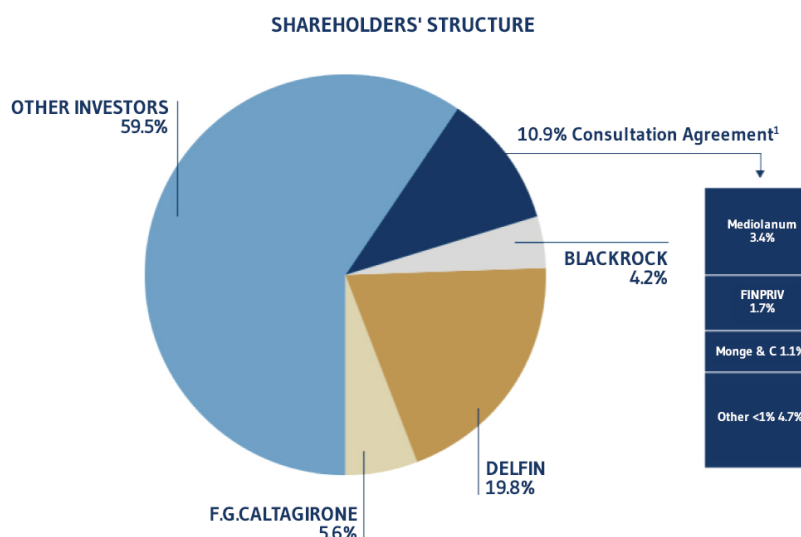
The powers vested in the Board of Directors by holders at the Annual General Meeting held on 28 October 2020, all with five-year duration, are as stated in Article 4 of the Articles of Association and involve in particular:

- ◇ Authorization, under Articles 2443 and 2420-ter of the Italian Civil Code, to issue shares or convertible bonds up to a maximum of up 200 million ordinary shares;
- ◇ Authorization, under Article 2443 of the Italian Civil Code, to issue up to a maximum of 80 million ordinary shares, to be set aside for subscription by Italian and non-Italian professional investors with option rights excluded, under and pursuant to the provisions of Article 2441 paragraph four, second sentence of the Italian Civil Code.

As at the date of this statement, the number of treasury shares owned by Mediobanca was 8,454,929, equal to approx. 1% of the company's share capital.

## 2.2 Ownership structure

Mediobanca has more than 49,000 shareholders.



As at the date of this statement, as shown by the notifications received pursuant to Article 120 of the Italian Finance Act or other information received by the company, the shareholders with an interest of 3% or more of the share capital, held directly and/or indirectly, were as follows:

SHAREHOLDER	% OF SHARE CAPITAL (*)
<b>DELFIN S.à r.l.</b>	<b>19.74%</b>
<b>FRANCESCO GAETANO CALTAGIRONE</b>	<b>5.60%</b>
<b>BLACKROCK GROUP (**)</b>	<b>4.15%</b>
<b>MEDIOLANUM GROUP</b>	<b>3.43%</b>

(\*) Share capital following the issue of performance shares in March 2023.

(\*\*) Black Rock Inc. (NY) via fifteen asset management subsidiaries (form 120b, 6 August 2020), 0.69 % of which by way of potential investment as part of securities lending and 0.13% in other long positions with cash settlement.

Some shareholders (10.9%)<sup>1</sup> are parties to a consultation agreement, which makes no provision for commitments in terms of lock-up or votes in respect of the shares syndicated to it. The parties confirm their shared interest in the Group's growth, with a view to ensuring unified management in accordance with its traditions of autonomy and independence. The agreement governs the means by which the parties meet to share reflections and considerations regarding the Group's performance, without prejudice to the principle of full parity of information versus the market. The parties also recognize that the preferred practice is for the outgoing Board to submit a list of Directors to be reappointed to the Board, as already provided for in the Articles of Association. The agreement is valid until 31 December 2024 and is automatically renewed for further three-year periods between those parties who have not given notice of their intention to withdraw from it at least three months prior to the original or extended date of expiry. The agreement is filed with the Milan companies' register, and an excerpt from it may be found on the Bank's institutional website at <https://www.mediobanca.com/en/corporate-governance/main-shareholders/shareholder-consultation-agreement.html>.

1. Mediolanum, FIN.PRIV., Monge & C., Gavio group, Ferrero group, Pecci group, Angelini Investments, Finprog Italia (Doris), Sinpar (Lucchini), Fin.Fer. (Pittini), Vittoria Assicurazioni, Mais (Seragnoli), Romano Minozzi.



# General meetings



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# 3. General meetings

The general meeting is the body that gives expression to the wishes of the company's shareholders, and decisions taken in such meetings are binding on all shareholders.

Issues approved by shareholders in general meeting, which by practice are held in a single session on 28 October each year, include the following:

- Approval of financial statements and allocation of profits;
- Appointment and/or dismissal of the Board of Directors and Statutory Audit Committee;
- Engagement of, and termination of agreements with, external legal auditors;
- Remuneration policies and incentivization schemes based on financial instruments adopted for directors, Group employees and collaborators.

The right to attend and vote at General Meetings is governed by the Articles of Association (Article 7) and the notice of meeting for the AGM illustrates the methods and conditions for attendance. Parties authorized to participate and vote may choose to be represented at the Annual General Meeting by the means provided in the regulations in force. Since 2011 Mediobanca has appointed an Appointed Representative for each Annual General Meeting.

The Bank has not adopted a specific set of regulations for holding general meetings, as its Articles of Association ensure that proceedings are conducted in an orderly manner, providing that the Chairman of the meeting, who under the Articles is the Chairman of the Board of Directors, has the duty of establishing that a quorum has been reached, ascertaining the identity of those in attendance, and assessing their entitlement to be so present, chairing and conducting the proceedings, and checking and announcing the results of any votes taken.

In accordance with Article 127-ter of the Italian Finance Act, shareholders may table questions on items on the agenda even prior to the meeting itself. The notice of meeting contains an indication of the deadline by which questions must be submitted. Such questions will be responded to in the Annual General Meeting itself at the latest.

The Board of Directors reports on the activities performed to shareholders at the general meeting, in its Review of Operations; and prepares reports on the various items on the agenda, publishing them within the timeframe set by the regulations in force.

A summary of the results of the voting at the meeting is published on the Bank's website at "Governance – General Meetings – General Meeting 2022".







# Board of Directors



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# 4. Board of Directors

## 4.1 Composition and appointment

The Board of Directors consists of between nine and fifteen members. Of the Directors thus appointed, at least two must qualify as independent as required by Article 148, paragraph 3 of the Italian Legislative Decree 58/98, and the majority qualify as independent in accordance with the definition provided in Article 19 of the Articles of Association. At least two-fifths of the Directors must be of the less-represented gender. No person may be appointed Director if they are aged seventy-five or over.

The independence qualifications provided by Article 19 of the Articles of Association are aligned with those in the Corporate Governance Code<sup>2</sup>. Under the Articles in force, Directors are held not to qualify as independent if they own an interest of over 3% in the company or are significant representatives of the group to which the company belongs, regardless of whether they are parties to shareholder agreements. Furthermore, given that such requisites are stipulated in the Articles, by their nature no exceptions to them are possible.

The Board of Directors of the parent company of a banking group has overall responsibility for management of the group as a whole and for the rules and mechanisms of governance to ensure such management is prudent and effective. In particular, the Board of a bank which, like Mediobanca, adopts the so-called “traditional” governance model has responsibilities for both management and supervision.

The current Board of Directors of Mediobanca was appointed for the 2021-23 three-year period by shareholders at the Annual General Meeting held on 28 October 2020. The appointments were made on the basis of lists of candidates in possession of the requisites stipulated by the regulations in force and the Articles of Association (in particular Article 15), submitted by shareholders representing in the aggregate at least 1% of the company’s share capital (in this case consisting of a group of institutional investors plus Bluebell) and the outgoing Board of Directors, who chose to avail itself of the right to do so provided by the Articles of Association, following a process disclosed to the public on 13 May 2020.

In submitting their lists of candidates, the Board of Directors and shareholders took account of the guidance issued in the “Report on the qualitative-quantitative composition of the Board of Directors” published on 3 September 2020. The documentation required for each candidate was submitted together with each list, in particular a CV containing details of their professional qualifications, declarations stating the absence of grounds that would render them incompatible with or ineligible for office, and possession of the requisites stipulated by the law in force and the Articles of Association, and attaching a list of the management and control positions held in other companies.

The current Board of Directors consists of 15 members, nine men and six women, twelve of whom qualify as independent under Article 148 of the Italian Finance Act, nine of which twelve also qualify as independent under Article 19 of the Articles of Association:

2. The Board of Directors has adopted quantitative criteria for assessing the significance of commercial or professional relations that could influence the Directors’ independence.

MEMBER	POST HELD	DATE OF BIRTH	INDEP. *	INDEP. **	MANAGEMENT	IN OFFICE SINCE ***
<b>Renato Pagliaro</b> ♦	Chairman	20/02/1957				02/07/2007
<b>Maurizia Angelo Comneno</b> ♦	Deputy Chair	18/06/1948		x		28/10/2014
<b>Alberto Nagel</b> ♦	CEO	07/06/1965			x	02/07/2007
<b>Francesco Saverio Vinci</b> ♦	Group General Manager	10/11/1962			x	02/07/2007
<b>Virginie Banet</b> ♦	Director	18/01/1966	x	x		28/10/2020
<b>Maurizio Carfagna</b> ♦	Director	13/11/1947	x	x		28/10/2014
<b>Laura Cioli</b> ♦	Director	10/07/1963	x	x		28/10/2020
<b>Maurizio Costa</b> ♦	Director	29/10/1948	x	x		28/10/2014
<b>Angela Gamba</b> □	Director	15/08/1970	x	x		28/10/2017
<b>Valérie Hortefeux</b> ♦	Director	14/12/1967	x	x		28/10/2017
<b>Maximo Ibarra</b> ♦	Director	13/12/1968	x	x		20/09/2018
<b>Alberto Lupoi</b> □	Director	29/03/1970	x	x		28/10/2017
<b>Elisabetta Magistretti</b> ♦	Director	21/07/1947		x		28/10/2011
<b>Vittorio Pignatti Morano</b> ♦	Director	14/09/1957	x	x		20/09/2018
<b>Gabriele Villa</b> ♦	Director	18/06/1964		x		28/10/2017

\* Independent in accordance with the definition provided in Article 19 of the Articles of Association.

\*\* Independent as required by Article 148, paragraph 3 of Italian Legislative Decree 58/98.

\*\*\* Period also comprises post held in governing bodies under dualistic governance system adopted by Mediobanca from 27/6/07 to 28/10/08.

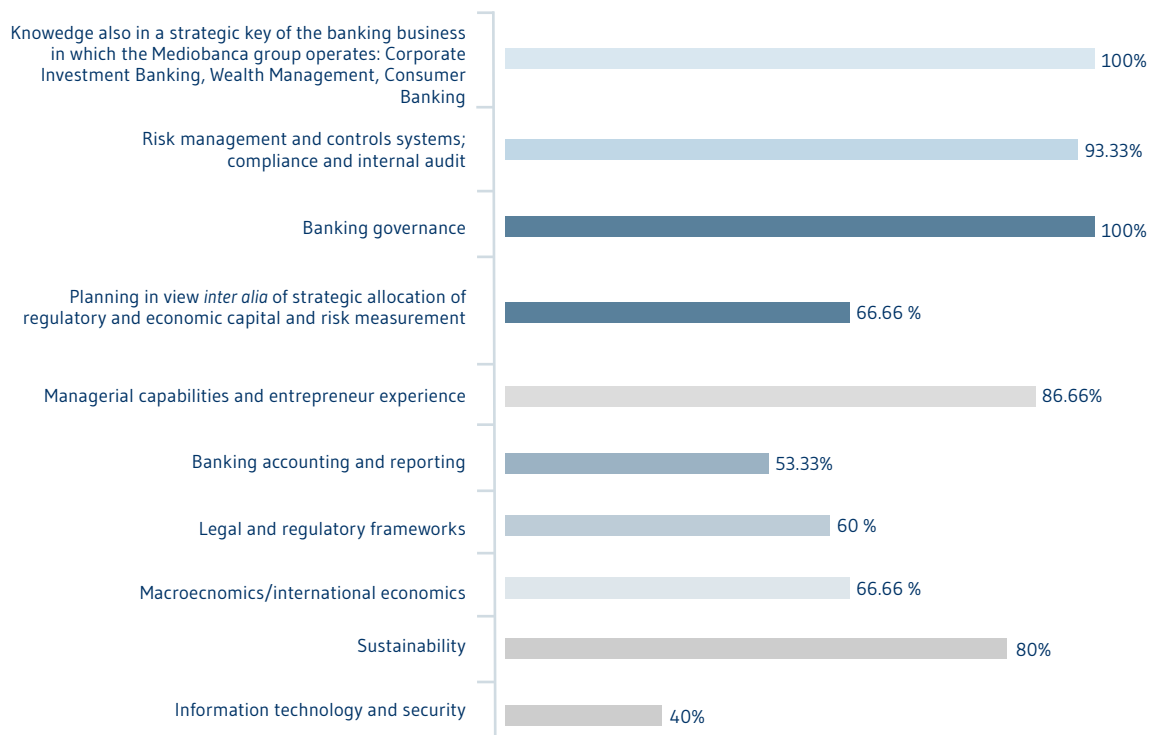
♦ Taken from the list submitted by the Board of Directors.

□ Taken from the list submitted by a group of investors holding 4.76% of the share capital.

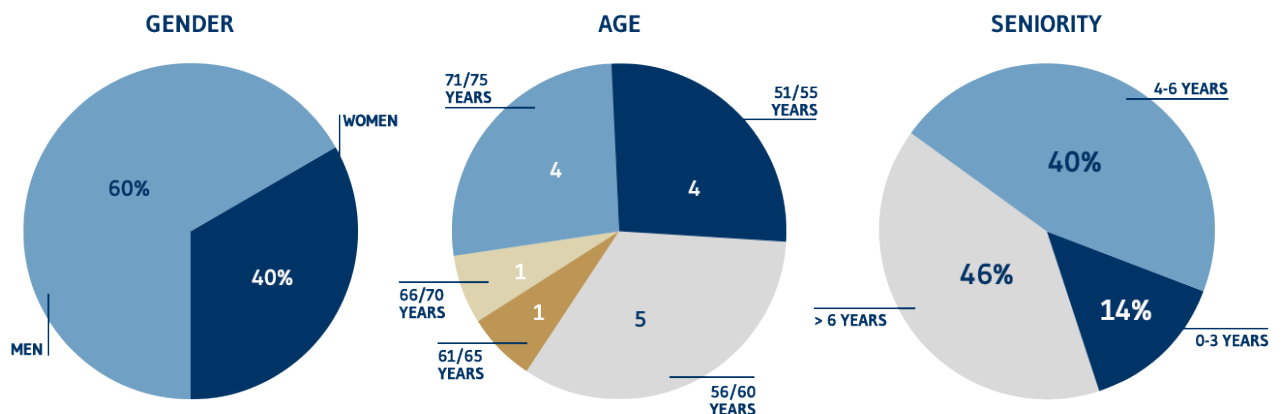
In accordance with the Supervisory Instructions for banks on corporate governance, Directors who are not part of the Group’s management but do sit on the Executive Committee are treated as Executive Directors, and accordingly do not sit on any of the other Board Committees.

The Board of Directors verified that the independence requirements were met at the time when the Directors were appointed, and has ascertained that they have continued to be met as the circumstances that underlay the original assessment have changed; the Statutory Audit Committee has also verified that the criteria and procedures adopted by the Board of Directors in order to ascertain that the independence criteria set for its members have been met, have been applied properly in practice.

The composition of the Board of Directors in office reflects an appropriate combination of competences and professional skills, in line with the requirements set in the Report on the Qualitative and Quantitative Composition of the Board of Directors. In particular, the independent Directors’ competences were held to be adequate for the needs of Mediobanca, the functioning of the Board of Directors, and the institution of the various Board Committees.



A breakdown by gender, age bracket and number of years in the role is provided below:



In the current Board of Directors, women represent 40% of the total number of members, are represented on all Board Committees, represent the majority of the Risks and the Corporate Social Responsibility Committees, and both the chairperson of the Risks Committee and the Lead Independent Director are women.

For further information on diversity policies, reference is made to the Consolidated Non-Financial Statement and the “Responsible business” section of the Group’s official website.

The Report on the Qualitative and Quantitative Composition of the Board of Directors, to be submitted for the attention of shareholders ahead of the Board’s reappointment sets out, based on the regulations in force, the requirements for Directors to hold office. For its next Board of Directors Mediobanca has also instituted additional requirements: in order to mitigate the risk of conflicts of interest, Directors must not hold, or have held in the past six months, the post of executive director or senior management member of companies forming part of banking groups, or be shareholders in them, directly or indirectly via fiduciary companies, subsidiaries or other persons, with stakes of above 3%.

The documentation submitted by the Directors for appointment to the Board of Directors, including their CVs, is available on the Bank’s website, in the lists or proposals published in the section entitled “General Meeting 2020” (<https://www.mediobanca.com/en/corporate-governance/annual-general-meeting/general-meetings/general-meetings.html>).

## 4.2 Role and functioning

The following matters are the sole jurisdiction of the Board of Directors under the Articles of Association:

1. Definition and approval of strategic guidelines and directions, business and financial plans, budgets, and risk management and internal control policies;
2. Approval of quarterly and interim accounts and of draft individual and consolidated financial statements;
3. Decisions concerning the acquisition or disposal of equity investments which are equal to 10% of the investee company’s share capital and also involve an amount which is above 5% of the Group’s consolidated regulatory capital;
4. Appointment and dismissal of the Executive Committee, Chief Executive Officer, Group General Manager, head of company financial reporting and the heads of the Group Audit, Compliance & AML and Risk Management units;
5. Definition of the overall governance arrangements and approval of the Bank’s organizational structure, ensuring clear distinction of duties and function and preventing conflicts of interest.

Under the regulations currently in force, and the resolution in respect of powers, the following matters are also under the sole jurisdiction of the Board of Directors:

- The business model, in full knowledge of the risks to which such a model exposes the Bank;
- Proposals to be submitted to shareholders in ordinary and extraordinary general meetings, including Group staff remuneration policies. Particularly Mediobanca, as parent company, prepares the document on the remuneration and incentive policies of the entire banking group, ensures its overall consistency, provides the guidelines necessary for its implementation and verifies its correct application;
- Ascertaining that the members of the Board themselves, upon their appointment and if events occur subsequently that affect their suitability to serve as Directors, meet the requirements set by the regulations in force and the Articles of Association;

- Approval of “most significant” transactions involving related parties of relevance to the Bank of Italy’s prudential regulations, and, if they do not qualify as ordinary transactions, transactions with related parties for purposes of the transparency regulations;
- Approval of the Risk Appetite Framework and the general guidelines for the ICAAP and ILAAP processes;
- Adoption of internal risk measurement models, the roll-out plan for them, and the general guidelines of the risk mitigation technique management system;
- Approval of the Recovery Plan (required under EU Directive 2014/59);
- Approval of annual plans and review of reports by the internal control units;
- Acquisitions and disposals, total or partial, of investments (controlling or minority interests) or assets (business units, etc.) that alter the Group’s area of consolidation or serve to pursue the Mediobanca Group’s strategic objectives, involving amounts of over €50m.

The oversight role of the management body in its supervisory function includes challenging the implementation of the institution’s strategy and monitoring the systems that ensure the integrity of financial information as well as the soundness and effectiveness of risk management and internal controls.

Twice a year the Board of Directors also assesses the adequacy of the Bank’s administrative and accounting structure, with particular attention paid to the internal control system and risk management based on the enquiries made by the Risks Committee and the report presented by the Head of Company Financial Reporting on the adequacy and application of administrative and accounting procedures required by Italian law 262/05.

The delegated bodies report regularly to the Board of Directors on the Bank’s general performance, outlook, and the principal transactions in terms of size or characteristics that have been executed either by Mediobanca itself or by Mediobanca Group companies.

The Board normally adopts resolutions on proposals from the Executive Committee or Chief Executive Officer, with a majority of those in attendance voting in favour. The Board Committees provide preliminary analysis and serve in an advisory capacity to the Board of Directors.

The means by which Board meetings are called are established by Article 17 of the Articles of Association.

Regulations governing the functioning of the Board of Directors and the Board Committees have also been approved, partly in order to ensure that the information provided to the Board is managed effectively.

The Chairman is responsible for ensuring that the Directors receive adequate information on the various items on the agenda in good time for the meeting: most of the documentation on the items on the agenda is sent at the same time as the notice of meeting (which the Articles of Association stipulate must be sent five clear days prior to the date scheduled for the meeting; in FY 2022-23 the notice of meeting was sent six days before). The only document which constitutes an exception to this is the market presentation of financial results, as it does not require Board approval, and accordingly may be made available at shorter notice given the need to present a document which is as up-to-date as possible. In such cases the Chairman guarantees that the subject is adequately illustrated during the course of the meeting. The Lead Independent Director works together with the Chairman to ensure that the Directors receive exhaustive information flows in a timely manner.

Lengthy documents on matters for approval are usually sent to the Board of Directors at the same time they are sent to the Board committee, solely for the purpose of allowing the Directors more time to read them, before the final version of the document is received including any comments or changes made by the Committee itself.



The Chairman ensures that sufficient room is made for discussing all items, giving priority to issues of strategic relevance and guaranteeing that the debate is effective. The Chairman regularly invites Board members to indicate issues of interest to them which require further analysis or explanation. The secretary to the Board is available to arrange induction sessions or further analysis for the directors.

Each Director may formulate questions, comments and requests for clarification, in writing, on the items included in the agenda in the days prior to the meeting. The queries are answered during the meeting itself.

The Secretary to the Board, the Group Chief Risk Officer, the Group Chief Financial Officer and/or other Group staff and representatives, invited based on the items on the agenda, also take part in Board meetings. In particular, the following persons took part in Board meetings during FY 2022-23: the Heads of the Group's business areas; the Heads of the Group Audit and Compliance & AML units; the Head of Group Strategy & Investor Relations; the Head of Group HR and Organization; the Head of Group Sustainability; and the Group Chief Operating Officer.

The Secretary is responsible for drawing up minutes of the meetings of the Board of Directors. The minutes provide evidence of the discussions that took place in the meetings, and of the decisions taken. They are submitted to the Directors for approval, usually at the following meeting.

The Secretary to the Board is appointed in accordance with the provisions of Article 16 of the Articles of Association, and his/her duties are as defined in the Regulations on the Functioning of the Board of Directors and Board Committees. The secretary provides assistance to the Board and the Board Committees on matters pertaining to corporate governance; assists the Chairman and the Chief Executive Officer in preparing the Board meetings, drawing up the agenda and resolutions, ensuring the information flows to the Board of Directors is adequate and exhaustive, and communicating with the Directors; and in preparing and implementing the induction and training programmes and organizing the respective meetings; and assists the Lead Independent Director in activities that require her attention. The Secretary to the Board also performs the same duties for the Board Committees. Massimo Bertolini is the Secretary to the Board of Directors.

A total of ten Board meetings took place in the period from 1 July 2022 to 30 June 2023. The average duration of Board meetings was around 4 hours and 30 minutes. The average attendance rate among members was 98.6%.

The independent Directors meet regularly without the other Directors present. The meetings are chaired by the Lead Independent Director who chairs them and co-ordinates the proceedings. In the period from 1 July 2022 to 30 June 2023, the independent Directors met on three occasions, discussing in particular the new management-style reporting format, and the new 2023-26 Strategic Plan.

### **4.3 Role of the Chairman**

The Chairman of the Board of Directors calls, chairs and directs proceedings at general meetings and Board meetings, and ensures that the other Directors are provided with adequate information regarding the items on the agenda. No person aged seventy or over may be elected as Chairman.

The Chairman is responsible for ensuring that the corporate governance system runs smoothly in practice, guaranteeing due balance between the powers of the Chief Executive Officer and the other Executive Directors; he is the counterparty for dialogue with the body with oversight function and the internal committees.

He ensures that the self-assessment process is completed effectively, and that the corrective measures devised in order to meet any shortcomings detected are implemented in practice; he ensures that

the directors are able to take part in meetings to analyse strategic issues in greater depth, with a view to providing adequate knowledge of the company itself, principles of proper risk management and the regulatory framework.

The Board of Directors has not vested the Chairman with specific powers save for his role in liaising with the Group Audit Unit, which he performs based on the reports on the audit results and by monitoring of the remediation measures identified.

In addition to the duties associated with his role, the Chairman of Mediobanca is currently a member of the Appointments Committee and is invited to take part in certain committee meetings, including management committees, in order to facilitate effective reporting flows versus the Board of Directors.

The Chairman is Renato Pagliaro.

#### 4.4 Lead Independent Director

The Lead Independent Director, appointed in April 2022, has the following duties:

- She convenes and presides over meetings of the independent Directors, to discuss matters of interest regarding the functioning of the Board of Directors;
- She serves as a point of contact within the Board of Directors in order to co-ordinate the independent Directors' requests and contributions;
- She works together with the Chairman of the Board of Directors to ensure that the receive exhaustive and timely reporting flows on the Bank's operations;
- She performs the role of spokesperson in the Board evaluation process with regard to the functioning, size and composition of the Board of Directors and its Committees;
- She performs any other duties that may be assigned by the Board of Directors from time to time, in particular on strategic issues and/or extraordinary transactions.

The Lead Independent Director also normally takes part in meetings with investors on governance issues, as provided for in S-D engagement Policy.

The Lead Independent Director assists the Appointments Committee in co-ordinating the entire process for submission of the list of candidates for the position of Director selected by the outgoing Board of Directors.

Angela Gamba, an independent Director appointed from the Assogestioni minority list, is the Lead Independent Director.

#### 4.5 Induction and regular training

The Board promotes induction and training programmes for members of the governing bodies, ensuring that the necessary resources are provided to this end.

The objective of the induction meetings is to provide knowledge to enable the members to take an informed part in the Board of Directors' discussions and deliberations.

The induction programmes are divided into:

- a) Knowledge alignment programmes for newly-appointed representatives. When a representative is appointed, they are immediately provided with the necessary information to enable them to quickly expand their knowledge of the Group (strategic plan, governance model, Group structure, etc.) and recent relevant documentation (minutes of the Board of Directors, correspondence with the ECB, financial statements, RAF, ICAAP/ILAAP, Recovery Plan, documentation reviewed at the induction meetings, etc.). The programme also includes thematic meetings with the participation of the heads of the internal units concerned. All Directors and Statutory Auditors are free to take part in the meetings;

- b) Induction meetings devoted to topics subsequently to be discussed by the governing bodies;
- c) Specific induction sessions for individual Directors at their own request or the request of the supervisory bodies.

The training meetings serve to refresh members' knowledge of general issues in the banking world, such as the regulatory scenario, risks, etc. Training meetings are open to participation by the Directors and Statutory Auditors of the Group's other banks as well.

The induction and training programmes distribute meetings over the financial year according to a timetable decided annually by the Chairman, in agreement with the Lead Independent Director. The agenda takes account of the findings to emerge from the self-assessment process, any requests from the Directors themselves, and suggestions made by the heads of business area and control units. Based on the topics to be covered, the Chairman decides whether or not external speakers are necessary. The draft programme is approved by the Appointments Committee.

Each meeting is usually supported by documentation which is sent to participants in advance.

The Secretary to the Board of Directors takes part in the meetings, along with any other Group staff deemed appropriate. A summary of the discussion is attached to the minutes of the next meeting of the Board of Directors.

The following meetings and sessions were arranged during the year under review:

- Six induction meetings for the whole Board, on the following issues: ICAAP/ILAAP; Group ESG risks monitoring; the consumer credit market and risks facing Compass; AML: updates to the regulations on greenwashing; budget and RAS for FY 2023-24; new products and operations: processes and controls;
- Four training meetings on the following issues: digital Euro; technology and the disruption of the European banking model; implications of developments in technology in the cyber-security area; sustainability issues of relevance to the Group's main areas of operations; geopolitical scenarios.

In the twelve months from 1 July 2022 to 30 June 2023, the average duration of the induction and training meetings approximately 1 hour and 40 minutes. The heads of the relevant company units took part in the meetings, speaking on the items discussed at the meetings from time to time, along with some specialist outside speakers.

## 4.6 Self-assessment of Board of Directors and Statutory Audit committee

Mediobanca considers the self-assessment process as an important opportunity for reflecting on the functioning of the Board of Directors and the corporate governance system more generally, for evaluating its effectiveness and identifying possible areas for improvement, and for identifying the composition of the Board considered to be optimal in qualitative and quantitative terms ahead of its reappointment during the third year of its term in office.

The process of self-assessment of the size, composition and functioning of the Board of Directors and its committees required by the Supervisory Instructions for banks in the area of corporate governance, by the relevant EU regulations, and by the Corporate Governance Code for listed companies, is conducted annually, in accordance with the provisions of the relevant internal regulations, which also govern the process for identifying the optimal qualitative and quantitative composition of the governing bodies. The process also provides for use of an external consultant where considered appropriate.

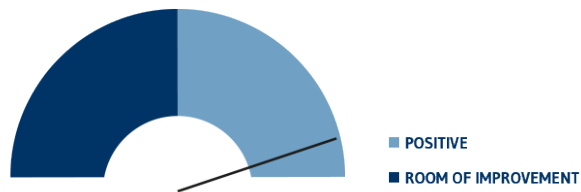
In FY 2022-23 Mediobanca was assisted by Deloitte. The self-assessment process was directed by the Appointments Committee, and the Lead Independent Director was asked to act as representative for the process. The process is subdivided into three phases:

- Collecting the questionnaires completed by the Directors, the contents of which this year were structured in two sections: i) functioning and collective suitability of the Board and the Board Committees; ii) identification of the composition of the Board of Directors considered to be optimal ahead of its reappointment. The questionnaire also reflects the results of the previous self-assessment exercise, with evidence of possible areas for improvement, and the recommendations made by the Corporate Governance Committee for 2023. Each Director was able to approach the Lead Independent Director, the Secretary to the Board of Directors, and the external consultant;
- Analysis by the Appointments Committee of the collected data, in aggregated form;
- Approval by the Board of Directors of the Summary Report, at the Appointments Committee’s proposal.

All the Directors participated in the self-assessment process, as did, in line with the Supervisory Instructions for banks, the, standing auditors plus the five members of the Group’s management most frequently in contact with the Board.

**Board functioning**

**OVERALL ASSESSMENT**



Analysis of the results shows a generally positive appraisal with reference to the issues considered, as well as appreciation for the methods by which the Board of Directors functions.

The results show:

- Quality of the minutes taken at meetings of the governing bodies and the induction/training meetings;
- Effectiveness of the methods by which the Chairman instructs, directs and stimulates discussions, and of the work done by the Statutory Audit Committee collectively.

The following areas were assessed as being adequate: information flows on resolutions to be adopted in meetings; the induction and training sessions; the preliminary analysis and information flows provided by the Board Committees; the number of meetings; the participation and involvement of the Directors in the Board’s deliberations and in debate with senior management; and the quality and effectiveness of the work done by the Board as a whole.

**Areas for improvement**

**OVERALL ASSESSMENT**



The verdict on the initiatives taken to address the areas for improvement identified during the previous self-assessment exercise was positive.

In particular, all the actions recommended following the FY 2021-22 self-assessment process have been implemented:

- In relation to the quality of the documentation made available to the Board of Directors, standard-format executive summaries were introduced (containing a summary description of the contents, main points requiring attention, plus the wording of any proposed resolutions) and new management-style presentation formats, in particular for earnings performances and risk reporting, including evidence of risks and opportunities;
- Individuals have been given the opportunity to ask questions or request further information on the items on the agenda in writing before the Board meeting, and share both questions and answers with the other Directors;
- Items on the agenda at Board meetings have been identified for which to omit presentations, proceeding directly to discuss the issues instead;
- Further training sessions on ESG issues and risk monitoring have been organized, with the assistance also of external advisors;
- Meetings of the independent Directors have been held ahead of particularly important Board meetings (e.g. approval of strategic plan).

As indicated in the self-assessment process, the recommendations made in the letter by the Chairman of the Corporate Governance Committee on 25 January 2023 have been duly taken into consideration. No need has emerged for specific actions in this respect, as the governance structure was already aligned with the Recommendations overall.

As for the areas for improvement identified as a result of the self-assessment process, the Board of Directors agreed on a series of measures, including the following:

- In order to reduce the length of the meetings, to devote even more time to discussion of the items on the agenda rather than to illustration of the supporting documents, which are usually sent to the Directors before Board meetings;
- To continue the process of making the documentation for Board meetings even more efficient by completing the management-style reporting for all formats, including risk management, and consolidating the possibility for Directors to send questions on items on the agenda in advance.

#### **4.6.1 Self-assessment of Statutory Audit Committee**

The Statutory Audit Committee has also carried out its own self-assessment with the assistance of Deloitte, which produced an entirely positive verdict on its own composition, functioning and adequacy in terms of knowledge, competences and experience regarding the different areas of the Bank's business, and the related risks.

In view of its reappointment, the Statutory Audit Committee has also prepared a Report on its own qualitative and quantitative composition, which is available on the company website.

## 4.7 Appointed bodies

### 4.7.1. Chief Executive Officer

The Board of Directors appoints a Chief Executive Officer who must not be more than sixty-five years old. In order to ensure greater flexibility, at the Annual General Meeting which took place on 28 October 2020, shareholders removed the restriction requiring the Chief Executive Officer to be chosen from among Directors who are members of the Group's senior management.

The Board of Directors establishes the duties and powers of the Chief Executive Officer. In particular, the Chief Executive Officer has executive powers and is responsible for executing the resolutions adopted by the Board of Directors and the Executive Committee (which he chairs). In addition, he also:

- 1) Within the limits of his own powers, implements the plans and strategic guidelines set by the Board of Directors and Executive Committee;
- 2) Is empowered to make proposals to the Board of Directors and Executive Committee, with reference in particular to: i) management direction, proposed strategic plans and budgets, draft financial statements and interim accounts, and definition of the RAF and RAS; ii) disposal, acquisition or trading in equity investments that are equal to at least 10% of the investee company's share capital, and at the same time involve an amount in excess of 5% of the Group's own consolidated regulatory capital; iii) staff remuneration and incentivization policies;
- 3) Makes proposals to the Board of Directors regarding the assignation of powers to sign on behalf of the company to the Board of Directors, and is authorized to assign such powers by the means established in Article 27 of the Articles of Association;
- 4) Approves, in accordance with the Group General Manager, the acquisition or disposal, *inter alia* partial, of investments (controlling or minority interests) or assets (business units) functional to the pursuit of the Group's strategic objectives, up to an amount of €50m.

He is responsible for taking all actions necessary to ensure that the organization and internal control system meet all regulatory requirements, and for monitoring the execution of such actions in practice.

As head of the executive body and as the Bank's Chief Executive Officer, he has responsibility for the CIB and Principal Investing divisions, the Global MAAM and Group M&A units, and also Group Risk Management, Compliance & Group AML, Group Legal, Group HR & Organization, Group Investor Relations & Strategic Corporate Development, Group Communication & Institutional Relations, Group Sustainability and the Mediobanca Research Area. He is therefore responsible for:

- 5) Staff management, and, having sought the opinion of the Group General Manager, for the appointment of managerial staff, determining their variable remuneration;
- 6) Appointing key function holders apart from the head of the company's control units and the Head of Company Financial Reporting; updating the related succession lists; and assessing their suitability on at least an annual basis, including for purposes of determining their remuneration and career progression;
- 7) Governance (with the right to sub-delegate) of other matters not subject to approval by the governing bodies, including (but not limited to): i) leasing or purchase of property, plant or equipment up to the regulatory capital limits; ii) acquisition of goods and services directly related to the Bank's activities; iii) settlement of any legal and/or tax disputes; iv) authorization of spending in connection with property maintenance and the publications edited by the Bank; v) advertising and communications; vi) charitable donations and initiatives as part of the annual plan drawn up by the management Corporate Social Responsibility Committee.

The Chief Executive Officer also:

- 8) Ensures that the organizational, administrative and accounting systems of the Bank are adequate for the operations and size of the company;
- 9) Reports, with the Group General Manager, to the Board of Directors and Executive Committee on the Bank's operating performance and prospects once a quarter, and on the most significant transactions carried out by the Company and its subsidiaries;
- 10) Supervises activities in the area of sustainability and social responsibility and the actions to be taken, and monitors their implementation, to ensure the Group is correctly positioned on CSR issues in the relevant areas. In order to perform such activities (which include preparing the Consolidated Non-Financial Statement published annually) the Chief Executive Officer is assisted by the Corporate Social Responsibility management committee. The Chief Executive Officer chairs the Corporate Social Responsibility Committee.

The Chief Executive Officer is also vested with the powers assigned to him by the internal policies from time to time, in particular the responsibilities in the areas of risk management, financial reporting and media relations.

The Chief Executive Officer is Alberto Nagel.

#### **4.7.2. Group General Manager**

The Board of Directors may, if proposed by the Chief Executive Officer's proposal with an indication of powers and duties, appoint a Group General Manager. The Group General Manager must not be more than sixty-five years old.

At the Annual General Meeting held on 28 October 2020, the shareholders removed the restriction which requires that the Group General Manager must be chosen from among the Directors who are members of the Group's senior management.

The Group General Manager is part of the management function, and is responsible for carrying out the day-to-day business of the Bank, with a particular focus on supervising the Holding Functions division, which includes Finance and Group Technology and Operations, Planning, Financial Reporting and Treasury. He is also responsible for supervising and co-ordinating the Group's Wealth Management Division. The Group General Manager is tasked with specific duties under the internal policies in force, in particular with regard to product governance and IT systems, and also, in conjunction with the Chief Executive Officer, has responsibility for the parent company's activities of direction and co-ordination in accordance with the powers vested in him under the Group Regulations. The Group General Manager also:

- Manages the preparation and implementation of the regulations and policies approved by the Board of Directors, and approves the internal regulations, including those for the company control units (where these are not the jurisdiction of the Board of Directors or the Chief Executive Officer);
- Issues the notices regarding changes to the Bank's organizational structure, in conjunction with the Chief Executive Officer;
- Releases the authorizations required by the Group Regulations for extraordinary transactions between Group Legal Entities (mergers, spinoffs, disposals of business units, etc.) and operations involving the share capital of the companies that form part of the Group;
- Approves the opening and closure of the Bank's branches and representative offices.

The Group General Manager is Francesco Saverio Vinci.

## 4.8 Board Committees

In accordance with Article 20 of the Articles of Association, the Board of Directors, at the Appointments Committee's proposal, has instituted the Executive Committee and the four Board Committees (Risks, Related Parties, Remuneration and Appointments) provided by the regulations in force, consisting exclusively of non-executive directors, the majority of whom are independent, from whom the Chairman is selected. Each Director appointed from minority lists is included in at least one Committee. As proof of Mediobanca's attention to sustainability, a fifth, Corporate Social Responsibility Committee, has also been set up by the Board, it too consisting of a majority of non-executive and independent Directors, with responsibilities for processing matters relating to corporate social responsibility. Another Committee has also been established pursuant to Article 18 of the Articles of Association, regarding appointments to be made to the governing bodies of particular investee companies at their annual general meetings, companies, that is, in which the Bank holds a stake of at least 10% of the share capital and for which the value of such stakes represents more than 5% of the Group's own consolidated regulatory capital.

The Board committees reach a quorum when the majority of Directors in office participate, and resolutions are adopted on the basis of the majority of those participating voting in favour.

Minutes are taken of meetings by each Committee and entered in specific registers.

The Chair of each Committee may choose to invite the Chairman of the Board of Directors, the Chief Executive Officer and the other Directors to the individual meetings, if they are not already Committee members themselves.

The Chair of each Committee reports to the Board of Directors at the first available meeting on its activities and the Committee's proposals to be submitted for examination by the Board.

### 4.8.1. Executive Committee

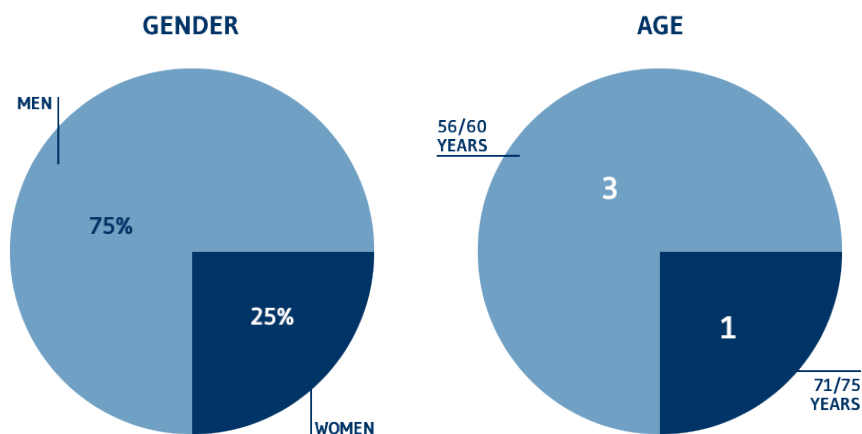
The Executive Committee consists of:

MEMBERS	POST HELD	EXECUTIVE
<b>Alberto Nagel (C)</b>	Chief Executive Officer and Committee Chairman	x
<b>Maurizia Angelo Comneno *</b>	Deputy Chair	
<b>Francesco Saverio Vinci</b>	Group General Manager	x
<b>Gabriele Villa *</b>	Director	

\* Independent as defined under Article 148, paragraph 3 of the Italian Finance Act.



A breakdown of the committee members by gender and age is provided below:



The Chief Executive Officer, as Chairman, and the Group General Manager, are *de jure* members of the Executive Committee. The Executive Committee remains in office for the entire duration of the office of the Board of Directors which appointed it.

The Chairman of the Board of Directors is also invited to take part in Executive Committee meetings, to ensure adequate information and reporting flows to the full Board of Directors, as are the Statutory Audit Committee, the Secretary to the Board of Directors, the Group Chief Risk Officer, the Group Chief Financial Officer, and other Group staff and representatives who are invited based on the resolutions adopted. In the twelve months under review these were the head of the Debt Division and her collaborators, and the Head of Group HR and Organization.

Resolutions are approved by the Executive Committee with the majority of its members in attendance and voting in favour. In the event of a tie, the Committee Chairman has the casting vote. Meetings are called on the initiative of the Chairman based on the requirements of the business.

A total of five meetings were held in the period from 1 July 2022 to 30 June 2023, with an average duration of roughly 1 hour and 30 minutes. The attendance rate among members was 100%.

Under the Articles of Association, the Executive Committee is responsible for managing the ordinary activities of the Bank, without prejudice to those issues for which the Board of Directors has sole jurisdiction or which the Board has otherwise delegated to the Chief Executive Officer. In particular, the Executive Committee:

- Approves resolutions, in accordance with the guidelines and general directives adopted by the Board of Directors, to grant loans, including pursuant to Article 136 of the Italian Banking Act, and trading involving shareholdings considered relevant under the terms of the Articles and for percentage values not to exceed those over which the Board of Directors has decision-making powers;
- Establishes operating limits on the taking of various types of risk, in accordance with the Risk Appetite Framework;
- Is responsible for the investment process and for the methods of providing the asset management and investment advisory services for Mediobanca Private client;
- Reviews transactions which qualify as “most significant” (i.e. those which are above a given size threshold, based on the counterparty’s rating, established by the Board of Directors) and have received a negative opinion from the Risk Management, and, if appropriate, authorizes them; and informs the Board of Directors and the Statutory Audit Committee of such transactions.

The Executive Committee may delegate some of their powers to internal managerial committees or to individual management staff, while giving priority to the principle of collegiality in decision-making. In particular, in order to facilitate the smooth running of the company's operations, the Executive Committee has assigned the following powers to the following committees:

- Group Risk Management Committee, with the following powers: i) to process all proposed resolutions on pertinent risk issues for which the Risks Committee and the Board of Directors are responsible; ii) to address all risks at Group level, including credit risk, issuer risk, non-financial risks, liquidity and interest rate risk; and iii) to approve matters pertaining to market risk for Mediobanca (including trading book valuation risk). The Committee is also responsible for assessing the plan of action to be taken in crisis situations, as provided by the Recovery Plan; and directs the assumption, modelling and management of risks on ESG issues;
- Lending and Underwriting Committee, with powers of approval for credit, counterparty, and Mediobanca issuer risk;
- Group ALM Committee, for approval of the funding plan, monitoring the Group's ALM risk-taking and management policy (treasury and funding) and approving the methodologies for determining the internal funds transfer rate;
- Investments Committee, with powers of approval for equity investments (for trading in the investments referred to in Article 18 of the Bank's Articles of Association, involving stakes of 5% or less of the holding in the individual securities) and for other shares and holdings in funds and for the banking book in general (excluding shares in Banking Group companies);
- New Operations Committee, for prior analysis of new operations and approval of entry to new sectors, new products and the related pricing models and fair value calculation methodologies;
- Group Non-Financial Risks Committee, with duties of monitoring and mitigating non-financial risks at Group level, including IT, fraud, outsourcing, legal, tax and reputational risks;
- Group Wealth Investments, for defining market views at Group level based on analysis of the economic situation for relevant markets and countries, and monitoring their track record;
- Private & Premier Investments, for defining strategic and tactical asset allocation, selecting investment houses, funds and other financial instruments, monitoring the investment services provided, and the powers delegated in order for such services to be performed;
- Conduct Committee, with the duties of addressing, governing and approving resolutions on conduct risks for Mediobanca and the Group.

The activity of these Committees is reported on at each meeting of the Executive Committee, which in turn reports to the Board of Directors.

#### **4.8.2. Risks Committee**

The Committee consisted of five non-executive Directors, four of whom qualify as independent as defined in Article 19 of the Articles of Association. One Committee member is an independent director in possession of the requisite experience in accounting and financial matters, on account of their being a registered auditor.

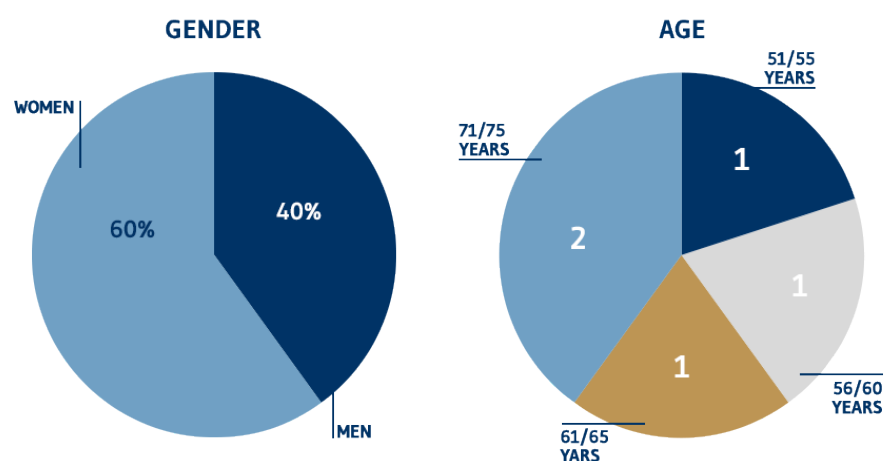
MEMBERS	INDEPENDENT ART. 19*	INDEPENDENT FINANCE ACT**
Angela Gamba (C)	x	x
Maurizio Carfagna	x	x
Laura Cioli	x	x
Elisabetta Magistretti ◊		x
Vittorio Pignatti Morano	x	x

◊ Registered auditor.

\* Independent as defined in Article 19 of the Articles of Association.

\*\*Independent as defined in Article 148, paragraph 3 of the Italian Finance Act.

A breakdown of the Committee members by gender and age is shown below:



The following persons take part in Committee meetings: the Secretary to the Board of Directors, the Group Chief Financial Officer, the Group Chief Risk Officer, the Heads of the Audit, Compliance and Group Audit Units, and other staff and Group management depending on the items on the agenda. The Chief Executive Officer and the Group General Manager also take part in meetings at least twice a year, to report on the adequacy of the internal control systems.

During the financial year under review, the heads of the Group's main business areas, the Chief Operating Officer and the Heads of Group HR and Organization and Sustainability all took part in Committee meetings, as did representatives of the external audit firm and of certain Group Legal Entities, plus the Risk Committee Chairpersons and heads of control and business units again of certain Group Legal Entities, each for matters falling within their respective areas of responsibility.

The Statutory Audit Committee also takes part in Risks Committee meetings based on a joint programme. In order to reflect the concept of collegiate control more completely, such joint meetings are organized in such a way that the discussion is directed by the Risks Committee Chairperson, leaving the Statutory Audit Committee Chair free to deal with the more indepth analysis required specifically in the control area. Similarly, the Statutory Audit Committee may also invite members of the Risks Committee to take part in some of its meetings.

The Committee:

- Performs duties for the Board of Directors which involve monitoring, preliminary analysis and support in terms of:

- Defining the strategy guidelines and risk governance policies (e.g. the RAF) and for reviewing their implementation over time;
  - Defining the guidelines for the internal control and risk management system, to ensure that the principal risks facing the Bank and its Group companies are identified properly and adequately measured, managed and monitored;
  - Reviewing, at least once a year, the adequacy of the internal control and risk management system vis-à-vis the Bank's characteristics and the risk profile assumed;
- Issues opinions on the appointment of any external advisors which the Board might retain;
  - Makes recommendations to the Board on any risk strategy adjustments that might prove necessary based on the business model, market developments or which otherwise derive from Risk Management;
  - Expresses non-binding opinions, with the assistance of the Appointments Committee, on the appointment and dismissal of the Heads of the internal control units (Group Audit, Compliance & AML and Risk Management), their salaries and powers, and the means guaranteed for them to exercise their duties;
  - Examines the regular reports and work plans of the Group Audit, Compliance & AML and Risk Management units, and supervises the internal auditing system;
  - Reviews plans for calculating the adequacy of the Bank's aggregate capital and liquidity, current and estimated, at the consolidated level, in view of the large risks to which the Bank and Group are exposed (ICAAP and ILAAP), and reporting to the Board on this issue;
  - Checks that the Bank's remuneration and incentivization system is consistent with the Risk Appetite Framework, and defines the KPI Blue Book for compiling the performance scorecards for the company's senior management;
  - Reports to the Board, at least once every six months, on the activities performed and the adequacy of the internal control and risk management system.

The Compliance, Group AML and Risk Management units report to the Committee in functional terms; the Committee may ask the heads of both units to carry out specific enquiries, audits and/or assessments on matters of interest to it.

With reference to the structure of the Bank's financial reporting organization, the Committee, together with the Head of Company Financial Reporting and after consulting the external auditors and the Statutory Audit Committee, assesses the correct application of accounting standards for purposes of drawing up individual and consolidated financial statements, assesses the external auditors' recommendations, and generally serves in an advisory capacity to assist the Board of Directors in taking the decisions for which it has responsibility on matters relating to financial documents.

The Committee met on a total of eighteen occasions in the period from 1 July 2022 to 30 June 2023. The average duration of Risks Committee meetings was around 3 hours and 15 minutes. The average attendance rate of Committee members was 96.6%.

The Committee engaged one external advisor during this period, namely Boston Consulting, in connection with a specific project in the risk management area.

The main issues reviewed and discussed during the twelve months ended 30 June 2023 are summarized below:

SCOPE OF ACTIVITY	KEY ISSUES	SUMMARY OF MAIN ACTIVITIES PERFORMED
<b>Strategic direction</b>	Strategic Plan Budget RAF LTI Plan Strategic transactions	<p>Review of 2023-26 Strategic Plan (including the cloud strategy) and budget, examination of the Risk Appetite Framework structure on which the Plan is based and the performance indicators introduced to the Long Term Incentive Plan.</p> <p>Review of the Group IT Plan.</p> <p>Analysis of the main risk issues linked to strategic deals (e.g. acquisition of Arma Partners, sale of Revalea).</p> <p>Review of Regulations for acquisitions and disposals of assets functional to the strategic development of the Group.</p>
<b>Risk management and monitoring</b>	RAF Dashboard Risk monitoring, including credit risk, climate and environmental risks, IT risks and cyber-security risks Recovery Plan Group Policies ICAAP/ILAAP Model change applications	<p>Review of Risk Appetite Framework and regular monitoring of its application in practice through Dashboard for all Group risk issues.</p> <p>Review of RAF structure across the various Group Legal Entities and the portfolio's exposures to climate and environmental risks.</p> <p>Assessment of new Retail Credit Risk Management framework and resulting new Risk Management unit organizational structure. Analysis of the main risk issues linked to Compass's Buy Now, Pay Later operations on the Swiss market.</p> <p>Numerous regular activities for which the Committee is responsible in the area of the Group's risk monitoring implemented, including the following: Group Recovery Plan indicators; annual Recovery Plan update; regular monitoring of IT outsourcer and review of annual reporting on IT risk status and the adequacy of the IT system and related costs.</p> <p>Review of Group Data Governance Policy, and revision of Group Regulations and the Group Prudent Valuation, Independent Price Verification and Measuring Financial Instruments at Fair Value Policies.</p> <p>Appraisal of internal capital and liquidity adequacy assessment processes.</p> <p>With reference to internal models, review of Model Change applications to be sent to the supervisory authorities.</p>
<b>Internal control system</b>	<p>Meetings with company management and heads of company control units.</p> <p>Meetings with management and Risks Committees of the main Group Legal Entities.</p> <p>Organizational Model instituted pursuant to Italian Legislative Decree No. 231/01.</p> <p>Tax Control Framework.</p> <p>Organizational structure for IT and security risk management.</p>	<p>To enable the Board of Directors to express its opinion on the company's internal control system and organization, the Committee has met with the Bank's CEO and the Group General Manager on a half-yearly basis, and has met regularly with the Head of Company Financial Reporting, the heads of the company control units and the Statutory Audit Committee (with which it has jointly discussed virtually all items on the agendas at the various meetings), including in its capacity as supervisory body. The Committee has also met with the management and Risks Committees of some of the Group Legal Entities.</p> <p>Review of the new Organizational Model instituted pursuant to Italian Legislative Decree No. 231/01 which includes the Mediobanca Group Code of Ethics. The Committee is kept informed to the application and monitoring of the Code of Ethics by supervisory body established pursuant to Legislative Decree No. 231 of 2001 and by Group Audit and Compliance units.</p> <p>Review of the Tax Risk Management Regulations in connection with the project to implement the Tax Control Framework, with a view to establishing an adequate control system to manage tax risk in accordance with best sector practice.</p>

SCOPE OF ACTIVITY	KEY ISSUES	SUMMARY OF MAIN ACTIVITIES PERFORMED
		Review of the organizational structure for IT and security risk management, including the related revisions to the Group IT regulations, the Group IT and Security Risk Management Policy, and the Group Information Security Policy, in accordance with the most recent update of Bank of Italy Circular No. 285/2013.
<b>Accounting system</b>	Regular financial reporting. Meetings with the Head of Company Financial Reporting, external audit firm and Statutory Audit Committee.	Review of correct usage of accounting standards and their consistency of application for purposes of preparing the individual and consolidated financial reporting, duly noting the observations made by the audit firm.  Feedback on: the main financial reporting issues, individual and consolidated, the annual and interim accounting data, the criteria used to establish the IFRS 9 provisioning and overlays for credit risk; report on the adequacy and application of the administrative and accounting procedures; analysis of the impairment indicators, in line with the relevant Group Policy; Pillar III Disclosure to the Public; reporting on the possible tax dispute.
<b>Other</b>	Remuneration policies and practices. Dialogue with supervisory authorities. Changes to regulations. Code of Conduct.	Updated of KPI Blue Book, review of gateways for payment of bonus pool, risk assessment of bonus pool and opinion on alignment vs KPIs contained in the scorecards of the CEO, Group General Manager and heads of the control units relative to the Group risk profile defined in the RAF.  The Committee has received regular updates on dialogue and correspondence with the supervisory authorities, the main regulatory changes impacting on the Bank and the Group, and on the possible civil dispute.  The Committee examines the revisions of Code of Conduct.

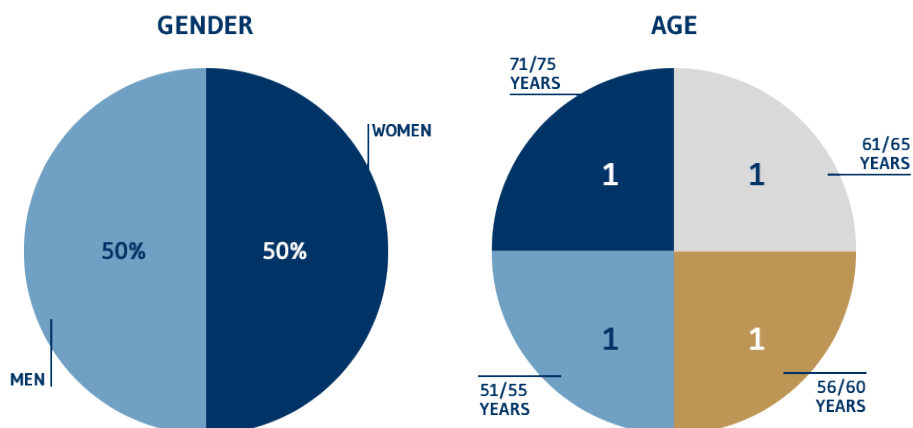
#### 4.8.3. Related Parties Committee

The Related Parties Committee consists of four non-executive Directors who also qualify as independent according to the definition provided in Article 19 of the Articles of Association.

COMPONENTI	INDEPENDENT ART. 19*	INDEPENDENT FINANCE ACT**
<b>Vittorio Pignatti Morano (C)</b>	x	x
<b>Maurizio Carfagna</b>	x	x
<b>Laura Cioli</b>	x	x
<b>Angela Gamba</b>	x	x

\* Independent as defined in Article 19 of the Articles of Association.

\*\*Independent as defined in Article 148, paragraph 3 of the Italian Finance Act.



The Secretary to the Board of Directors also takes part in the meetings, as does the Statutory Audit Committee, the Group Chief Risk Officer, the Group Chief Financial Officer, the Head of the Internal Division Responsible instituted in accordance with the Regulations on Transactions with related parties and their associates; and other members of staff and Group representatives who may be invited by the Committee Chairperson based on the items on the agenda. During the financial year under review, the following persons took part in Committee meetings: the Head of the Group Audit Unit, the Head of the Compliance Unit, the Head of Business & Capital Planning, the Head of the Private Banking Division and the Head of Group Legal, General Counsel & Institutional Relations.

The Committee, instituted pursuant to the Regulations for transactions with related parties approved on 27 June 2012 and most recently revised on 24 June 2021 (<https://www.mediobanca.com/en/corporate-governance/governance-reports-and-documents/documents.html>):

- 1) Expresses opinions in advance on the adoption of, and possible amendments to, the Regulations;
- 2) Is informed of the state of progress in negotiations, and is involved in the processing of, the most significant transactions with related parties, by receiving thorough and prompt reporting on them with the right to request further information and make comments;
- 3) Expresses reasoned opinions (binding only in respect of the largest transactions) on the Bank's interest in executing the transaction with related parties and the convenience and substantial correctness of the financial terms, including with the help of independent experts.

The Committee met on a total of six occasions in the period from 1 July 2022 to 30 June 2023. The average duration of Related Parties Committee meetings was around 30 minutes. The Committee member attendance rate was 100%. The Committee issued one opinion during the same year.

The Committee did not engage external consultants in 2023.

The main issues reviewed and discussed during the twelve months ended 30 June 2023 are summarized below:

SCOPE OF ACTIVITIES	SUMMARY OF MAIN ACTIVITIES PERFORMED
<b>Review of operations with related parties</b>	Favourable opinion, with reasons given and non-binding, for a transaction involving the placement of a fund, approved by the Board of Directors <i>inter alia</i> pursuant to Article 136 of the Italian Banking Act.
<b>Aggregate exposure versus related parties</b>	Favourable opinion on the extent of the overall exposure to all related parties subject to the approval of the Board of Directors.
<b>Disclosure of transactions completed</b>	Review of deals closed by Mediobanca and the Group Legal Entities, including combined, in accordance with the Regulations on Transactions with Related Parties.
<b>Other</b>	The Committee agreed with the revised versions of the Regulations for acquisitions and disposals of assets functional to the strategic development of the Group and the Group Policies for selection, appointment, succession and assessment of suitability of company representatives and key function holders, approved by the Board of Directors.

#### 4.8.4. Remuneration Committee

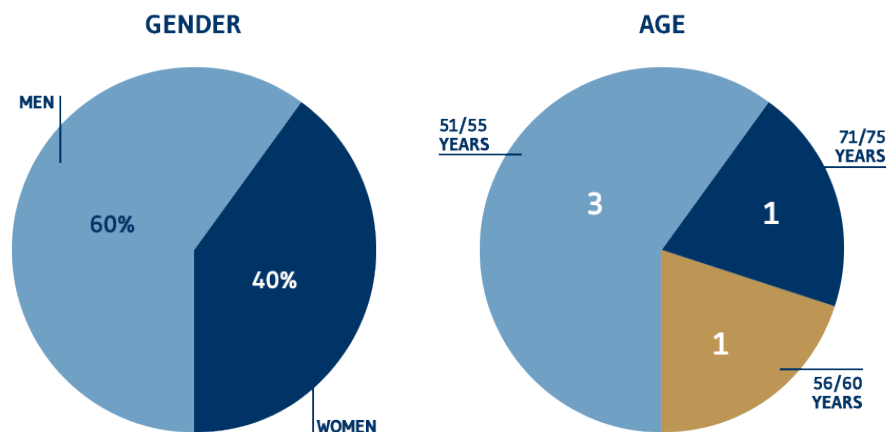
The Committee consists of five non-executive members, independent according to the definition provided in Article 19 of the Articles of Association.

MEMBERS	INDEPENDENT ART. 19*	INDEPENDENT FINANCE ACT**
<b>Maurizio Carfagna (C)</b>	x	x
<b>Virginie Banet</b>	x	x
<b>Valérie Hortefeux</b>	x	x
<b>Maximo Ibarra</b>	x	x
<b>Alberto Lupoi</b>	x	x

\* Independent as defined in Article 19 of the Articles of Association.

\*\*Independent as defined in Article 148, paragraph 3 of the Italian Finance Act.

A breakdown of the Committee members by gender and age is shown below:





The Secretary of the Board of Directors, the Statutory Audit Committee, the Group Chief Risk Officer, the Group Chief Financial Officer and the Head of Group HR and Organization take part in Committee meetings, along with (in an advisory capacity) any other staff and Group representatives based on the items on the agenda. During the financial year under review, the following persons took part in Committee meetings: the Head of the Compliance Unit, the Head of Group Strategy and Investor Relations, the Co-Head of the CIB Division, and staff from Group HR and the Group Risk Management Unit. The Chief Executive Officer and the Group General Manager are also invited, for matters pertaining to their respective responsibilities.

The Committee has duties of consultation and enquiry to determine the remuneration of Directors vested with particular duties and the Group General Manager, as well as on the proposals formulated by the Chief Executive Officer regarding the guidelines for the remuneration system for senior management and Group staff remuneration, loyalty retention and incentivization schemes. In particular the Committee:

- 1) Regularly assesses the adequacy, overall consistency and practical application of the remuneration policy for directors and relevant staff;
- 2) Formulates proposals and/or opinions regarding the remuneration of the Chief Executive Officer, the Group General Manager and the heads of the company control units, and for their scorecards and for those of the main Group Material Risk Takers;
- 3) Monitors application of the rules on the remuneration of the heads of the company's control units, liaising closely with the body with responsibility for control and with the Risks Committee;
- 4) Gives its opinion on the Remunerations Policies to be submitted to the approval of the Board of Directors and shareholders in annual general meeting, with reference in particular to the issue of whether or not the performance objectives on which the incentivization schemes are based have been reached, and to ascertaining whether or not the further conditions set to payment of bonuses have been met;
- 5) Proposes the allocation of the aggregate fixed compensation to the Board of Directors established by shareholders in annual general meeting to the Board itself for approval;
- 6) Monitors the neutrality of the remuneration policies with respect to gender issues, examining the Gender Pay Gap and the Equal Pay Gap, as a whole Group.

The Committee met eleven times in the period from 1 July 2022 to 30 June 2023. The average duration of Committee meetings was roughly 1 hour and 45 minutes. The average attendance record was 96.3% of members.

The Committee engaged one external consultant (Deloitte) in the same period, which took part in all meetings.

The main issues reviewed and discussed during the twelve months ended 30 June 2023 are summarized below:

SCOPE OF ACTIVITIES	KEY ISSUES	SUMMARY OF MAIN ACTIVITIES PERFORMED
<b>Remuneration proposals to be submitted to the approval of shareholders in Annual General Meeting</b>	Group Remuneration Policy. Share-based remuneration and incentivization schemes. Group Remuneration Report.	Update of Group Remuneration Policy. Opinion on Performance Share Compensation Scheme 2023, on the Group Remuneration Report, on the Long-Term Incentive Plan 2023-26 and the Employee Share Ownership Plan 2023-26.
<b>Review of the application of the remuneration policy approved by shareholders in Annual General Meeting</b>	Identification of scope of Material Risk-Takers. Remuneration and incentivization systems for Group Material Risk-Takers.	Proposals to BoD on scorecard for the CEO, the Group General Manager, and the heads of the control units. Review of proposed scope of Group MRTs. Review of scorecards for the main Group MRTs.
<b>Checks to ascertain that the compensation rules have been implemented correctly</b>	Checks to ascertain that performance objectives have been met. Review of remuneration policies and practices.	Assessment of whether or not the performance objectives (as expressed in the scorecards for the CEO and Group General Manager) have been met, and whether the other conditions for payment of compensation have been met, including based on information from the relevant units, and without prejudice to the Risk Committee's assessments for matters for which it is responsible; such assessment also involved the annual scorecards and those for the Long-Term incentive Plan 2019-23. Review of the Group Audit Unit's report on application of the remuneration policy.
<b>Other</b>	Pay benchmarking and market practice.	Review of EBA pay benchmarks plus a panel of competitors. Analyses of the vote results and review comments made by proxy advisors.

For further information on the issue of remuneration, please see the Report on Remuneration available on the Bank's website <https://www.mediobanca.com/en/corporate-governance/remuneration/remuneration.html>.

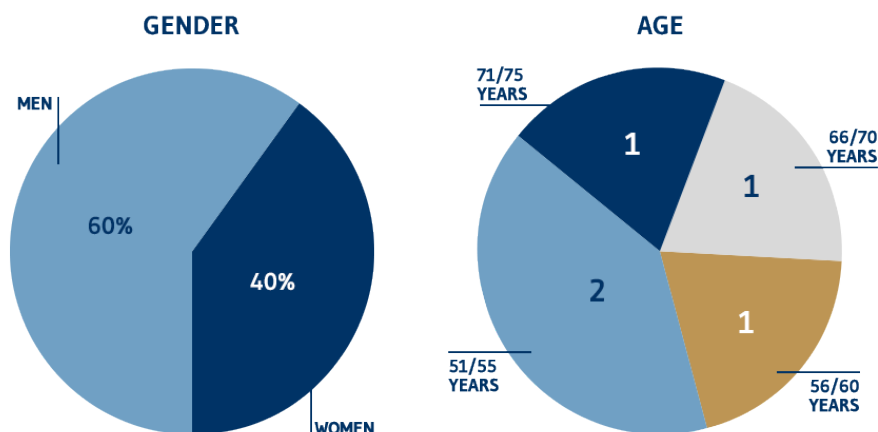
#### 4.8.5. Appointments Committee

The Appointments Committee consisted of five non-executive directors, the majority of whom qualify as independent under Article 19 of the Articles of Association, including the Chairman.

MEMBERS	INDEPENDENT ART. 19*	INDEPENDENT FINANCE ACT**
<b>Maurizio Costa (C)</b>	x	x
<b>Laura Cioli</b>	x	x
<b>Valérie Hortefeux</b>	x	x
<b>Alberto Lupoi</b>	x	x
<b>Renato Pagliaro</b>		

\* Independent as defined in Article 19 of the Articles of Association.

\*\* Independent as defined in Article 148, paragraph 3 of the Italian Finance Act.



The Secretary to the Board of Directors takes part in Committee meetings, and the Chief Executive Officer and Group General Manager are invited, as are other staff members and Group representatives depending on the items on the agenda. During the financial year under review, the following persons took part in Committee meetings: the Lead Independent Director, the Statutory Audit Committee, the Head of Group HR and Organization, the Head of the Compliance Unit and the Co-Head of the CIB Division.

The Committee has duties of consultation and enquiry with regard to:

- The Board of Directors’ annual self-assessment exercise;
- Identification of the optimal qualitative/quantitative composition of the Board of Directors, and subsequently checks to ascertain that it corresponds to the actual composition which results from the appointment process;
- Proposals of submission of lists for the Board of Directors, co-opting of new directors to replace those who have left their post, and for the appointment of the Executive Committee, Chief Executive Officer and, at the CEO’s proposal, the Group General Manager;
- Succession planning for the Executive Directors, Chairman and key function holders appointed by the Board (Heads of the Group’s control units and Head of Company financial reporting);
- Assessment of the suitability of Directors, the Group General Manager, the Heads of the control units and the Head of Company Financial Reporting, including monitoring their time commitments;
- Approval of induction and training programmes, including those for newly-appointed members;
- Review and analysis of feedback received from institutional investors in the course of the one-on-one engagement meetings, and their publicly available guidance on board composition and effectiveness;
- Governance issues.

The Committee also supports the Risks Committee in identifying the heads of the company control units.

The Committee met eleven times in the period from 1 July 2022 to 30 June 2023. The average duration of committee meetings was roughly 1 hour and 30 minutes. The average attendance record was 100% of members.

The Committee engaged two consultants during the same period (Deloitte and Spencer Stuart), which participated in all meetings of relevance to them.

The main issues reviewed and discussed during the twelve months ended 30 June 2023 are summarized below:

SCOPE OF ACTIVITIES	KEY ISSUES	SUMMARY OF MAIN ACTIVITIES PERFORMED
<b>Annual BoD self-assessment process</b>	<p>Annual BoD and Board Committee self-assessment process.</p> <p>Identification of optimal qualitative and quantitative composition.</p>	<p>Selection of external consultant, appointed by Board, to assist in preparing the self-assessment and the Board's report on the optimal qualitative and quantitative composition.</p> <p>The Committee and the Lead Independent Director agreed on the self-assessment questionnaire, assessed the results, proposed the corrective measures and the draft of the report on the optimal qualitative and quantitative composition.</p>
<b>Process for reappointment of BoD and submission of list by outgoing Board</b>	<p>"Process" for submission of list by outgoing Board.</p> <p>Selection and identification of candidates to be included in the list.</p> <p>Finalization of the outgoing Board's list of candidates.</p>	<p>Selection of external consultant, retained by the Board, to identify and select possible candidates.</p> <p>The Committee and the Lead Independent Director proposed the "process" for submission of the list by the outgoing BoD.</p> <p>The Appointments Committee and the Lead Independent Director selected the candidates in conjunction with the consultant, interviewed them and proposed the shortlist to be included in the outgoing Board's list of candidates.</p> <p>The Statutory Audit Committee followed the process.</p>
<b>Assessment of suitability requirements of Directors, Group General Manager and Key Function Holders appointed by the BoD</b>	<p>Review of the suitability requirements of the Board of Directors, the heads of the control units and the Head of Company Financial Reporting.</p>	<p>Assessment of whether certain Directors and the Group General Manager continued to possess the suitability requirements in view of developments during the period.</p> <p>Assessment pursuant to Italian Ministerial Decree 169/2020 as to whether the heads of the control units and the Head of Company Financial Reporting meet the suitability requirements.</p>
<b>Other</b>	<p>Revision of suitability policies.</p> <p>Annual self-assessment process for the Boards of Directors of Group Legal Entities whose term of office is expiring.</p>	<p>Opinion on the updated version of the Group Policies for selection, appointment, succession and assessment of suitability of company representatives and key function holders.</p> <p>The Committee met with the management of the banks forming part of the Group, whose Boards have terms of office expiring, to review the shareholder's guidance as contained in the report on the optimal qualitative and quantitative composition.</p>

#### 4.8.6. Corporate Social Responsibility Committee

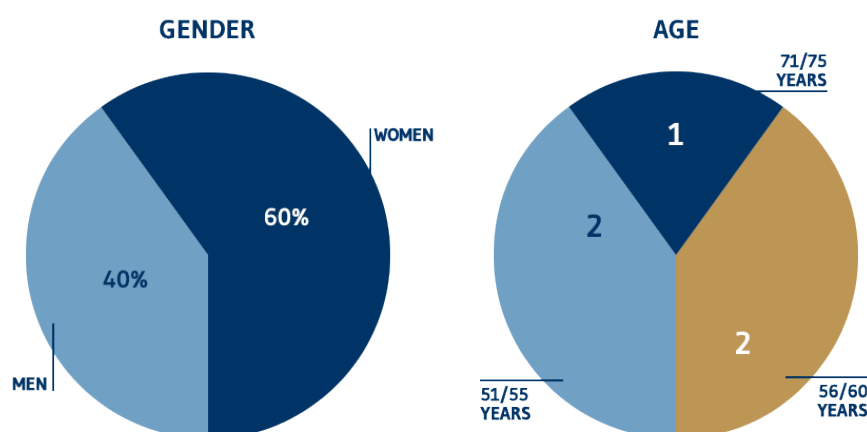
The Committee consists of five Directors, one executive, and four non-executive qualifying as independent according to the definition provided in Article 19 of the Articles of Association.

MEMBERS	INDEPENDENT ART. 19*	INDEPENDENT FINANCE ACT**
<b>Alberto Nagel (C)</b>		
<b>Virginie Banet</b>	x	x
<b>Angela Gamba</b>	x	x
<b>Maximo Ibarra</b>	x	x
<b>Elisabetta Magistretti</b>		x

\* Independent as defined in Article 19 of the Articles of Association.

\*\*Independent as defined in Article 148, paragraph 3 of the Italian Finance Act.

A breakdown of the Committee members by gender and age is shown below:



The Group General Manager, Secretary, the Secretary to the Board of Directors, the Head of Group Sustainability, the Head of Group HR and Organization, the Group Chief Risk Officer all take part in Committee meetings, along with other staff and Group representatives based on the items on the agenda. During the financial year under review, the following persons took part in Committee meetings: the Diversity & Inclusion Manager and the Head of Funding.

The Committee has responsibility for processing matters relating to corporate social responsibility and proposals to be submitted to the Board's approval, including the Group CSR Policies and the Consolidated Non-Financial Statement prepared by the management committee, and is chaired by the Chief Executive Officer. It also has responsibilities for preliminary analysis of ESG strategy. In particular, the Committee supervises the process of defining the sustainability objectives (climate, diversity and ESG objectives, sustainability issues being integrated in the Mediobanca governance and culture, including its Strategic Plan), and monitors the progress made relative to the objectives/commitments set.

The Committee also liaises with the Remuneration Committee in evaluating whether the CSR objectives set in the management scorecards have been met, and with the Risks Committee, to monitor sustainability risks as part of the risk management strategy. The Committee monitors changes in ESG issues within the sector.

The Committee met five times in the period from 1 July 2022 to 30 June 2023. The average duration of committee meetings was roughly 1 hour and 30 minutes. The average attendance rate was equal to 92% of members.

The Committee did not engage external consultants in the same period.

The main issues reviewed and discussed during the twelve months ended 30 June 2023 are summarized below:

SCOPE OF ACTIVITIES	KEY ISSUES	SUMMARY OF MAIN ACTIVITIES PERFORMED
<b>ESG strategy</b>	ESG targets in 2023-26 Strategic Plan. Group policies.	Identification of the ESG objectives for inclusion in the 2023-26 Strategic Plan. Review of updated version of Group Sustainability Policy.
<b>Consolidated non-financial statement</b>	Consolidated Non-Financial Statement. Materiality matrix.	Analysis of material topics and support to the Board in approving the Consolidated Non-Financial Statement.
<b>Climate and environment</b>	Task Force on Climate-Related Financial Disclosures Report. ECB Thematic Review on climate and environmental risks. Green Bond Report.	Review of climate reporting based on the recommendations of the Task Force on Climate-Related Financial Disclosures, the overall results of the ECB Thematic Review on climate and environmental risks and the Green Bond Report.
<b>Diversity and inclusion</b>	Diversity, Equity and Inclusion Code. toDEI project. Words project.	Favourable opinion on the Mediobanca Group Diversity, Equity and Inclusion Code. Regular updates on developments in the toDEI project (to promote Diversity, Equity and Inclusion).
<b>Other</b>	Charitable initiatives. Human Capital.	The Committee is briefed on an ongoing basis regarding the various charitable initiatives supported by the Group. The Committee reviews employee engagement levels and human resources related initiatives.

#### 4.8.7. Committee instituted pursuant to Article 18 of Articles of Association

In addition to the Committees provided for in the regulations and codes of conduct, the Board of Directors has also set up a committee pursuant to Article 18, paragraph 4 of the Articles of Association which adopts resolutions in respect of decisions to be taking regarding appointments to be made to the governing bodies of particular investee companies at their annual general meetings, companies, that is, in which the Bank holds a stake of at least 10% of the share capital and for which the value of such stakes represents more than 5% of the Group's consolidated regulatory capital. The Committee adopts resolutions at the Chief Executive Officer's proposal.

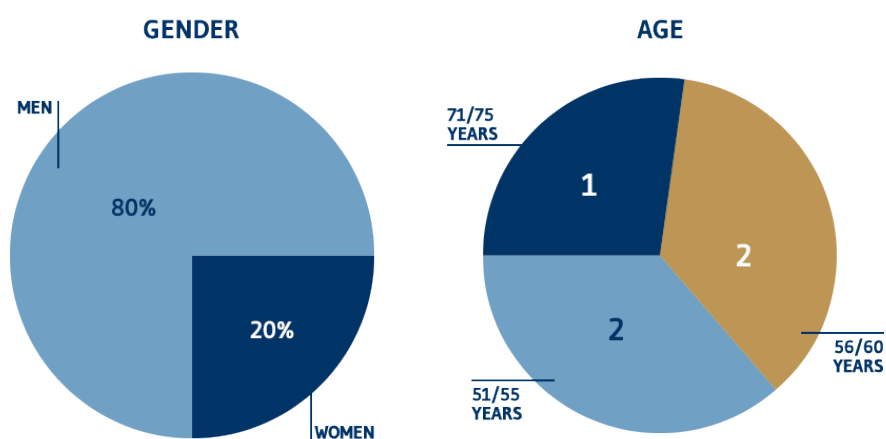
The Committee consisted of the Chief Executive Officer, Group General Manager and three independent Directors.

MEMBERS	INDEPENDENT ART. 19*	INDEPENDENT FINANCE ACT**
Alberto Nagel (C)		
Maurizio Costa	X	X
Valérie Hortefeux	X	X
Alberto Lupoi	X	X
Francesco Saverio Vinci		

\* Independent as defined in Article 19 of the Articles of Association.

\*\* Independent as defined in Article 148, paragraph 3 of the Italian Finance Act.

A breakdown of the Committee members by gender and age is shown below:



The Secretary to the Board of Directors takes part in the meetings, as does the Head of Principal Investing and other Group representatives depending on the items on the agenda.

The Committee met once in the period from 1 July 2022 to 30 June 2023. The average attendance record was 100% of members.







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**Other  
information  
required under  
Article 123-*bis*  
of the Italian  
Finance Act on  
severance pay  
agreements**



MEDIOBANCA

## 5. Other information required under Article 123-*bis* of the Italian Finance Act on severance pay agreements

The Group Remuneration Policy and Report, on the compensation payable both to Directors and to Identified Staff, is drawn up by the Board of Directors, subject to the opinions of the Remunerations and Risks Committees on the matters falling within their respective remits. It is intended to pursue the sustainable success of Mediobanca and reflects the need to attract, retain and motivate staff with the competences and professional skills required by their role.

The aggregate compensation payable to the Board of Directors is set by shareholders in general meeting, in a fixed amount for each year in which the Board is in office<sup>3</sup>, with no provision made for incentives linked to the Bank's performance. This compensation is split by the Board on the basis of the individual members' participation in the Board Committees and their role within the Board (e.g. the Lead Independent Director). It does not include the remuneration paid to the Chairman and the Executive Directors (Chief Executive Officer and Group General Manager) which, as members of the Group's senior management, is governed by the "Mediobanca Group staff remuneration and incentivization policy", approved annually by the shareholders in general meeting<sup>4</sup>. The policy provides, for the Chief Executive Officer and Group General Manager, a fixed salary<sup>5</sup>, a variable short-term component, and a variable long-term component as well, plus other staff benefits such as complementary pension scheme, healthcare policy, corporate welfare, etc. Directors who are members of the Group's senior management receive the emolument due to them for serving on the Board but no further emoluments for serving on the Board Committees.

The Articles of Association provide that the Board of Directors, after consulting with the Statutory Audit Committee, may decide on the remuneration payable to Directors with particular duties separate from the collective emolument payable to the Board as a whole which is approved by shareholders in general meeting. Accordingly, the Board of Directors, based on the proposal made by the Remuneration Committee and the Statutory Audit Committee, approved the compensation payable pursuant to Article 2389(3) for the office of Chairman.

With reference to the requirements of Article 123-*bis* of the Italian Finance act, in the event of the directors employed by Mediobanca ceasing to work for the company for any reason, the provisions of the Group's remuneration policy shall apply.

3. The remuneration determined by shareholders at the Annual General Meeting held on 28 October 2020 was €2,500,000.

4. The Remuneration Policy for FY 2021-22 as approved by shareholders in Annual General Meeting is available at <https://www.mediobanca.com/en/corporate-governance/remuneration/remuneration.html>

5. The annual gross fixed salary of the Chief Executive Officer is €1,800,000, that of the Group General Manager €1,500,000.







# Conflicts of interest and transactions with related parties



MEDIOBANCA

# 6. Conflicts of interest and transactions with related parties

## 6.1 Conflicts of interest policy

Mediobanca has adopted a conflict of interest management policy to identify, monitor and manage conflicts which may arise in the provision of banking, investment or ancillary services, and insurance brokerage. Taking into account the provisions of the ECB Guide to fit and proper assessments for Directors, it also governs the measures to be taken in the event of one of them or a Statutory Auditor becoming involved in a conflict of interest.

The Policy describes the methods by which to identify and manage real and potential conflicts of interest that affect Mediobanca's ability to act independently and could thereby harm the interests of the Bank or of one or more of its clients. The assessments made take into account potential reputational risks that could result from such situations.

Mediobanca believes prompt, correct identification and management of conflicts of interest is not only necessary in order to comply with the provisions of the laws and regulations but of essential importance for protecting clients' rights and safeguarding Mediobanca's assets and reputation before its clients, the market, other institutions and the authorities.

## 6.2 Transactions with related parties

Following the unanimous favourable opinion of the Related Parties Committee and the Statutory Audit Committee, the Directors of Mediobanca, at a meeting held on 24 June 2021, approved a revised version of the Regulations in respect of transactions with related parties and their associates adopted in pursuance of the Consob<sup>6</sup> and Bank of Italy regulations on this subject, which lay down the rules with which the Bank must comply to ensure that transactions with related parties carried out directly or via Group companies are executed transparently, fairly in terms of both substance and procedure, objectively and impartially, whether directly or via subsidiaries, and also that the prudential limits on risk assets versus related parties are complied with.

6. Consob resolution no. 17221 of 12 March 2010 as amended.

The Regulations use a definition of “related party” which combines the areas of application provided under the Consob regulations with Bank of Italy instructions in respect of procedural and approval obligations. The scope of the definition of related parties to which the prudential limits set by the Bank of Italy and the transparency regulations set by Consob apply remains distinct.

The Regulations are activated every time the Bank intends to implement a transaction with a related party (as defined in Annex 4 of the Regulations). They involve an initial classification between “Most significant transactions” and “Transactions of minor significance”, which determines the respective responsibilities and approval procedures. The Procedure does not apply to transactions which qualify as “Exemptions” (which include “Transactions involving negligible amounts”).

The Regulations also prescribe a specific “transparency regime” which defines the reporting requirements and deadlines versus both the public and the company’s governing bodies. The Regulations are published on the Bank’s website at <https://www.mediobanca.com/en/corporate-governance/governance-reports-and-documents/documents.html>.

Information on related party disclosure for Mediobanca and the Mediobanca Banking Group is provided in Part H of the Notes to the Accounts, Consolidated and Individual.







# Internal controls and risk management system



MEDIOBANCA

# 7. Internal controls and risk management system

The internal controls system is a fundamental part of banks' overall governance system. It has a central role in the organization, and allows risks and the inter-relations between them to be governed in an effective manner, to ensure that the business is carried on in line with the company strategy and policies, and is based on sound and prudent management principles.

## 7.1 Bodies and duties

In the implementation of the internal controls and risk management system, control activities are not solely the province of the governing bodies and control units (Group Risk Management, Group Compliance & AML, Group Audit), but involve the entire company organization, starting from the so-called first- and second-level controls.

Such controls, carried out by the business units, serve to ensure that operations are performed correctly. The heads of the business areas are therefore responsible for ensuring that the risks related to the activities performed by their areas are identified, assessed, managed and monitored correctly, and for putting in place adequate first-level controls to such end.

### 7.1.1 Board of Directors

The Board of Directors sets the direction for the internal controls and risk management system, in accordance with the strategic guidelines and risk appetite chosen. In this way it ensures that the principal risks are identified correctly, measured, managed and monitored adequately, *inter alia* according to how they develop.

To this end, it reviews the revised version of the Group's Risk Appetite Framework once a year (principally via the Risk Appetite Statement), in accordance with the budget process and strategic plan definition timing, to ensure that business develops in line with the desired risk profile.

The Board makes its assessments and decisions on the internal controls and risk management system. It appoints the heads of the control units, approves the plans of their activity, and receives regular reporting from them.

The Board of Directors of Mediobanca is responsible for the adequacy of the Bank's internal controls and risk management system. It is the Board which draws up measures to ensure that the internal controls system is effective and efficient and remains so over time, on the back of an understanding of all the risks facing the company and the inter-relations between them with a view to ensuring integrated risk management.

## 7.1.2 Risks Committee

The Risks Committee performs duties of instruction and consultation for the Board of Directors on matters pertaining to risks and the internal controls system as described in section 4.8.2.

## 7.1.3 Group Risk Management Unit

The unit co-operates in the definition and execution of the Risk Appetite Framework and the related risk governance policies, through an adequate risk management process. It plays an important role in strategy and risk-taking decisions, in the appraisal of extraordinary transactions, and in identifying, measuring, valuing, managing, mitigating, monitoring and adequate representation of risks. The unit is responsible for drawing up the ICAAP and ILAAP documents and the Recovery Plan, and for executing the Group's stress tests.

In particular the unit, and the Chief Risk Officer who heads it up, are tasked with identifying and activating an efficient risk management process and for ensuring this is embedded across the Group. To this end it presides over the functioning of the Bank's and the Group's risk management systems, defining the appropriate methodologies for measuring the current and future set of risks faced by them. The unit ensures ongoing control of the aggregate exposure, at Group and individual unit level, to credit, financial, operational and other relevant risks, within the limits set by the internal and supervisory regulations. The unit also issues guidance to the Group companies, to ensure that the entire Group's exposure to the above risks is governed appropriately, calling also on the assistance of the other Risk Management teams of the various Group companies which to this end report in functional terms to the Group Chief Risk Officer.

The Risk Management unit is involved in decisions regarding new markets and products for the Bank, and in extraordinary transactions, to assess the impact of such changes and transactions on the overall risk level.

The Risk Management unit includes the Group Internal Validation unit for risk measurement systems, even in cases where such systems are not used for regulatory purposes, and the Non-Financial Risks Management unit, which provides global coverage of all risks defined as "non-financial" (i.e. operational and reputational risks).

The Risk Management unit also includes a newly-established Risk Management Retail team, responsible for monitoring the retail risks facing the Group, and, as from 1 July 2023, the new ICT & Security Risk team, tasked with performing second-level control activities in the IT risk and security area. The unit also provides secretarial duties on behalf of the Group Risk Management Committee, the Lending & Underwriting Committee and the Group Non-Financial Risks Committee.

The Group Chief Risk Officer participates in meetings of the Board of Directors and the Executive, Risks, Remunerations and Corporate Social Responsibility Committees, assisting them in their control tasks. Once a year the unit submits a report to the Risks Committee, the Board of Directors and the Statutory Audit Committee on the activities performed and an assessment of the Group's risk profile and the adequacy of the Group's risk management measures; once a quarter it draws up the integrated risks, RAF and Recovery Plan monitoring report.

The Group Risk Management unit reports directly to the Chief Executive Officer under the leadership of the Group Chief Risk Officer, Pierpaolo Montana. In functional terms the unit reports to the Risks Committee.

#### **7.1.4 Compliance Unit**

The Compliance unit manages the regulatory risks facing the Group and the subsequent reputational risks, checking in particular that the internal regulations are consistent with the objective of preventing breaches of the regulations applicable to the Bank and the Group. For the Bank, the unit proposes and monitors the adoption of procedures intended to manage risks of non-compliance linked to the provision of banking services and MiFID investment and ancillary services, ensuring staff are fully updated on developments in the domestic and European regulatory scenario. The unit also supervises compliance risks at the Group level, with the assistance of representatives and officers of the various Group companies, who in functional terms report to the head of the Compliance unit on such matters.

The Compliance unit (through the Group Data Protection unit), handles activities governing the regulations on personal data protection for the Group, and ensures co-ordination with the equivalent units at the non-Italian legal entities.

Since 1 July 2023, through the Governance and ICT Compliance governance unit, the Compliance unit has also been responsible for performing second-level ICT compliance activities, thus reabsorbing staff members who previously performed the same duties for the IT Governance unit.

The Head of Compliance takes part in meetings of the Conduct Committee, for which the unit performs secretarial duties. He also participates in meetings of the Risks and Remuneration Committees, providing support in their control activities and updates on changes in the regulations. The Compliance unit reports to the Risks Committee, the Board of Directors and the Statutory Audit Committee once a year, plus an executive summary once a quarter to flag up any critical issues in a timely manner.

The Compliance unit is headed up by Massimiliano Carnevali, who reports directly to the Chief Executive Officer. In functional terms the unit reports to the Risks Committee.

#### **7.1.5 Group Anti-Money-Laundering Unit**

The Anti-Money-Laundering unit, as required by the instructions issued by the Bank of Italy in a measure dated 26 March 2019, is responsible for ongoing monitoring, for the Bank and Group, procedures to ensure that the internal regulations are consistent with the objective of preventing and tackling breaches of the regulations on money-laundering and terrorist financing, and to prevent the Bank being involved in crimes in this area. In this connection, it supervises the client onboarding process in order to ascertain that the Bank's due diligence obligations have been complied with, performs controls on a regular basis to ensure the data obtained is up-to-date at all times and retained correctly, and identifies any suspicious transactions.

In 2018, the unit was centralized at Mediobanca for the Italian Group companies, while at the non-Italian companies the unit supervises these risks with the assistance of the respective representatives and officers, who in functional terms report to the head of the AML unit on such matters. In addition to performing the controls required of it under the regulations in force, the unit may also perform inspections at the non-Italian Group companies that are most exposed to money-laundering and terrorism financing risks.

The Head of the Group AML unit participates in meetings of the Conduct and Risks Committees, on issues for which he is responsible. He submits an annual report to the Risks Committee, the Board of Directors and the Statutory Audit Committee, plus a quarterly summary to flag up any issues immediately they become apparent.

The Head of the Group AML and Reporting Suspicious Transactions unit is Andrea Verger, who reports to the Head of the Compliance unit. In functional terms the unit reports to the Risks Committee.

## 7.1.6 Group Audit Unit

The Group Audit Unit is responsible for checking that the company's operations are performed properly and for monitoring developments in the company's risks, assessing the thoroughness, adequacy, functioning and reliability of the organizational structure, and the other components of the internal controls system.

The unit, which is centralized at the parent company, performs audit activities to all companies in the Group under the terms of specific outsourcing contracts, or in limited cases, based on the co-ordination role it performs for equivalent local units (i.e. in cases where there is a unit responsible for third-level controls, notably CMB Monaco).

Centralizing internal audit activities in this way allows Mediobanca's role of co-ordination of the internal controls system to be strengthened and makes the whole third-level control structure more efficient by:

- Responsibilities to be allocated, and direct coverage provided, by the Group Audit Unit for all subsidiaries;
- Defining a Group audit plan, to be submitted to the approval of Mediobanca's Board of Directors; the individual companies' Boards approve the annual audit plans, and where applicable, the three-year audit plans;
- Sharing specialized skills (e.g. IT auditing, quantitative issues), and audit methodologies and reporting standards vis-à-vis governing bodies and senior management.

The unit operates independently of the business areas, and has direct access to all information useful to it, and adequate means are made available for it to be able to perform its mandate.

The Head of the Group Audit Unit takes part in meetings of the Risks Committee, providing support in relation to aspects regarding the internal control system. The unit submits a report to the Risks Committee, meeting in conjunction with the Statutory Audit Committee, and to the Board of Directors on the activities performed (annually) and remediation of any critical issues noted (twice a year), and a quarterly report to flag up any critical issues in a timely manner.

The Head of the Group Audit Unit is Giorgio Paleari, who reports to the Board of Directors.

## 7.2 Financial reporting process

### 7.2.1. Head of Company Financial Reporting

The Head of Company Financial Reporting presides over the duties governed by Article 154-bis of the Italian Finance Act.

The Head of Company Financial Reporting is appointed by the parent company's Board of Directors at the proposal of the Chief Executive Officer, with the Statutory Audit Committee's favourable opinion.

The Head of Company Financial Reporting is responsible for putting in place adequate administrative and accounting procedures for the preparation of the individual and consolidated accounts, plus all other reporting of a financial nature. He performs a role of direction and co-ordination for the Group in administrative and accounting matters, and of governance for the internal controls system put in place to manage the Group's accounting and financial reporting disclosure. This role is performed *inter alia* by means of representatives at the Group's legal entity appointed by the Head of Company Financial Reporting himself, who are responsible for preparing the administrative/accounting documentation at local level according to the guidelines laid down in the Group's reference internal regulations, and

in co-ordination with the Head of Company Financial Reporting himself.

Assessment of the adequacy and effectiveness of the controls in practice, conducted in accordance with the model adopted, enables the Head of Company Financial Reporting to issue:

- The declarations attached to the annual report, the interim report and the consolidated financial statements, issued in conjunction with the Chief Executive Officer, as required by Article 154-*bis*, paragraph 5 of the Italian Finance Act, that the procedures in force are adequate and have been effectively applied during the period to which the documents apply, and that the documents correspond to the data recorded in the company's books and accounts ledgers and are adequate for the purpose of providing a truthful and adequate representation of the capital, earnings and financial situation of the issuer and the group of companies included within its area of consolidation;
- The declarations, required under Article 154-*bis*, paragraph 2 of the Italian Finance Act, to be attached to the financial reporting issued to the market, regarding the results for the period (analyst presentations and press releases), and the Basel III Pillar III disclosure.

The Head of Company Financial Reporting presents a report on the activities performed twice a year to the Statutory Audit Committee, which is responsible for carrying out supervision to ensure that the Bank's organizational and administration/accounting structure and financial reporting process are adequate.

The Head of Company Financial Reporting also participates in meetings of the Board of Directors, the Executive Committee and the Risks Committee. Once every six months, in the light of the report presented by the Head of company financial reporting on the adequacy of the administration/accounting procedures required by Italian Law 262/05 the Board of Directors appraises the adequacy of the Bank's administration and accounting arrangements.

The Board of Directors exercises supervision to ensure that the Head of Company Financial Reporting is vested with suitable powers and means to carry out the duties entrusted to him, and to ensure that the administrative and accounting procedures are complied with in practice.

The Head of Company Financial Reporting is Emanuele Flappini, who is also Group Chief Financial Officer.

### 7.2.2. Financial control process

The Group's financial reporting reflects the provisions of the Group Disclosure Policy, approved by the Board of Directors, which describes in detail the internal processes for producing, collecting and preparing the documentation. The Statutory Audit Committee is responsible for monitoring compliance with the general principles contained in the Policy.

Mediobanca has equipped itself with an internal control system for accounting and financial reporting requirements based on benchmark standards which are widely accepted at international levels (CoS and CobIT Framework<sup>7</sup>). The system provides for:

- Company level controls: controls to ensure that general and supervisory regulations are complied with in the running of the business, which are the norms, regulations and control mechanisms in force in the Group.
- Administrative/accounting model: organizational processes (operators, activities, risks and

7. The CoSO Report – "Internal Control Integrated Framework" (developed by the Committee of Sponsoring Organization of the Treadway Commission) and the COBIT framework (for structuring an adequate internal controls system for the IT component) constitute the reference standards used at international level.

controls) which generate the most significant earnings and asset figures included in the financial statements and information disclosed to the market.

- IT general controls: general rules of governance for technologies and developing applications, which are common to all core architectures and applications used to produce the financial reporting.

The objectives of the Group Financial Reporting and Tax office, which forms part of the Group CFO area, include co-ordinating activities relating to governance and risk management for the Group's financial disclosure, which chiefly involve:

- ◇ Monitoring the company level controls;
- ◇ Identifying the relevant scope, i.e. the Group legal entities which contribute sufficiently to the financial reporting from a quantitative or qualitative standpoint;
- ◇ Defining and managing the tests of controls (test of design and test of effectiveness), which allow the adequacy and functioning of the controls for the administrative and accounting procedures to be assessed<sup>8</sup>;
- ◇ Performing the gap analysis for any gaps that emerge from the testing activity, in conjunction with the organizational units involved, and co-ordinating the remediation plans, assigning responsibilities and setting the deadlines for resolving the gaps;
- ◇ Defining a tax control framework, which includes specialist coverage of tax compliance issues, in co-ordination with the Compliance & Group AML unit.

Risks in relation to financial reporting are also governed through the exchange of reporting flows between the Head of Company Financial Reporting and the company control units, as well as through the activities performed by the Non-Financial Risks Committee. Furthermore, because, under the control model adopted, the controls are performed using the self-assessment methodology<sup>9</sup>, the Group Audit Unit carries out audits on the testing performed in connection with Italian Law 262/05 (on a sample chosen according to risk-based criteria) to ensure that the testing is carried out in accordance with the methodologies provided. With reference in particular to IT risks for financial reporting, Group IT & Governance prepares specific annual reports on the relevant control model activities (IT General Controls and Company Level Controls) and on monitoring activities for IT outsourcing arrangements with impact on the financial reporting at Group level.

### 7.3 External auditors

At the Annual General Meeting held on 28 October 2020, the shareholders of Mediobanca engaged audit firm Ernst & Young to audit its annual and interim financial statements and to perform all other controls required under Italian Legislative Decree 39/10 for the financial years from 2022 to 2030.

### 7.4 Organizational model instituted pursuant to Italian Legislative Decree 231/01

At a Board meeting held on 20 December 2022, the Directors of Mediobanca approved the revised version of the new organizational model following changes to the regulatory framework (including the introduction of new predicate offences, e.g. crimes involving methods of payment other than cash, and crimes against cultural heritage).

8. Including all IT General Controls, which are governed with the support of Group IT & Governance.

9. Based on the self-assessment methodology, the tests are performed by the process owners, i.e. the staff responsible for governing the specific process involved.

The organizational model consists of:

- 1) A **General Part**, which provides an overview of the set of principles on which the model is based and functions, containing references to the primary regulations and with them a list of the crimes pursuant to Italian Legislative Decree 231/01, the cases of possible exemption from liability, an indication of the requisites for the supervisory body and its members, references to the disciplinary system and reporting flows versus the supervisory body.
- 2) **Special parts:**
  - **Map of crimes and activities at risk:** this identifies instances of crimes and possible means of committing them in the performance of the Bank's activities.
  - **Protocols**, summarizing the principles of conduct and operating procedures for each sensitive area.
  - **Group Code of Ethics**, which has been adopted by all Group companies, constitutes an integral part of the model, and contains references and principles which are complementary to the legal obligations and self-regulation requirements for directors, advisors, outside staff and suppliers, and are continuous and consistent with the Group's mission and its basic values.
  - **Reporting flows** from/to the supervisory body: these contain the data and information which each organizational unit is required to transmit to the supervisory body.
  - **Form for reporting** suspected breaches of the model to the supervisory body.
  - **List of crimes:** document describing the crimes assumed to be applicable to the Bank.

The Statutory Audit Committee also performs the functions assigned to the supervisory unit instituted pursuant to Italian legislative decree 231/01. In this connection, the Statutory Audit Committee is responsible for monitoring the functioning of and compliance with the model and the functioning of the disciplinary system. It maintains and ensures flows of information to the Board of Directors, including the annual report on the activity carried out, and the serious breaches of the model, also informing the Chairman of the Risks Committee without delay.

## 7.5. Processing of company data, internal dealing and personal trading, whistle-blowing

### 7.5.1. Processing of company data

Mediobanca has adopted regulations on the management of confidential information and on the management and external disclosure of inside information, as required under the regulations on market abuse, for Mediobanca, the Mediobanca Group Legal Entities, and the clients and counterparties of Mediobanca.

The regulations apply to members of the Board of Directors, to the employees and collaborators of Mediobanca and the Group Legal Entities who for whatever reason come to have access to confidential and inside information.

### 7.5.2. Internal Dealing and personal trading

The Board of Directors has adopted Regulations on Internal Dealing to govern reporting requirements for transactions involving financial instruments issued by Mediobanca by persons defined as "relevant" (chiefly Directors, statutory auditors, strategic management and relevant shareholders).



Such persons notify Mediobanca of any transaction involving these instruments, within two days of execution, and Mediobanca discloses all relevant information to the market and Consob. Relevant persons may not, for example, trade in such instruments in the thirty days prior to the date on which the Board of Directors' approval of the Bank's annual, interim and quarterly accounts is made public (black-out period). A more restrictive regime applies to certain management figures (including the Chief Executive Officer, Group General Manager and Head of Company Financial Reporting), limiting the restrictions on them trading to certain "window" periods only, usually in the 15 open market days subsequent to the results for the period being published. The Regulations reflect the obligations set by the regulations on parties that own more than 10% of the share capital.

Mediobanca, in accordance with the provisions of regulations in this area, has adopted a procedure to govern personal transactions made (or transactions recommended, solicited or divulged to third parties) by relevant persons (including members of the Executive Committee and the Statutory Audit Committee, and also other Directors in cases where they have been included in the insider or transaction watch lists) which could give rise to conflicts of interest or otherwise be in breach of the regulations on insider or confidential information.

The Regulations also institute a ban on staff members executing trades in financial instruments with equity content (shares, convertible bonds, derivatives, etc., apart from those involving Mediobanca or SPVs promoted by Mediobanca) if the main market on which the instrument is listed or the issuer's registered office is in one of the member states of the European Union or in the United Kingdom.

### **7.5.3. Whistle-blowing**

Mediobanca has also adopted a Policy on whistleblowing, to enable staff to report, including anonymously, any issues with the functioning of the Bank's organizational structure or internal control systems, or any other irregularity in the Bank's operations or breaches of the regulations on banking activity. The Policy provides for liaison with the supervisory body for reports relevant for Italian Legislative Decree 231/01. The policy, adopted by all Group companies, defines the principles, methods and measures to ensure that such instances of whistle-blowing are managed correctly, protecting the confidentiality of the parties involved and in particular protecting them from possible repercussions.

The Board of Directors and the Risks Committee receive updates on episodes of whistle-blowing in the regular reports on the activities performed by the Compliance unit.

The Head of the internal reporting system for Mediobanca is Massimiliano Carnevali, who is also head of the Compliance unit. One report was received during the twelve months, regarding the alleged improper use of confidential information, which proved to be unfounded.





# Statutory Audit Committee



MEDIOBANCA

# 8. Statutory Audit Committee

The Statutory Audit Committee consists of three standing auditors and three alternate auditors. Appointment to the Statutory Audit Committee is made on the basis of lists deposited by shareholders owning at least 1% of the share capital, at least twenty-five calendar days prior to the date scheduled for the general meeting to be held in the first or only instance, along with professional CVs for the individual candidates and statements by them agreeing to stand as candidates and confirming that they are in possession of the requisite qualifications. The Articles in particular provide that members of the Statutory Audit Committee may not hold posts in governing bodies other than those with responsibility for control of other Group companies or in companies in which Mediobanca holds, including indirectly, an investment which qualifies as strategic under the Bank of Italy's Supervisory Instructions, hold the post of Chief Executive Officer, manager or officer in companies or entities, or who otherwise work with the management of companies, operating directly or indirectly (including through subsidiaries) in the same sectors as Mediobanca. The mechanism for appointments provides that the Chairman of the Statutory Audit Committee shall be chosen from the minority list. Its composition also respects the gender balance required by law.

The shareholders who submitted lists of candidates (the Parties to the Consultation Agreement, the group of institutional investors and Bluebell) did so having regard to the guidance issued by the outgoing Statutory Audit Committee in "Report on the Qualitative and Quantitative Composition of the Statutory Audit Committee" published on 3 September 2020. The documentation required for each candidate by the regulations was submitted together with each list, in particular a CV containing details of their professional qualifications, declarations stating the absence of grounds that would render them incompatible with or ineligible for office, and possession of the requisites stipulated by the law in force and the Articles of Association, plus a list of the management and control positions held in other companies.

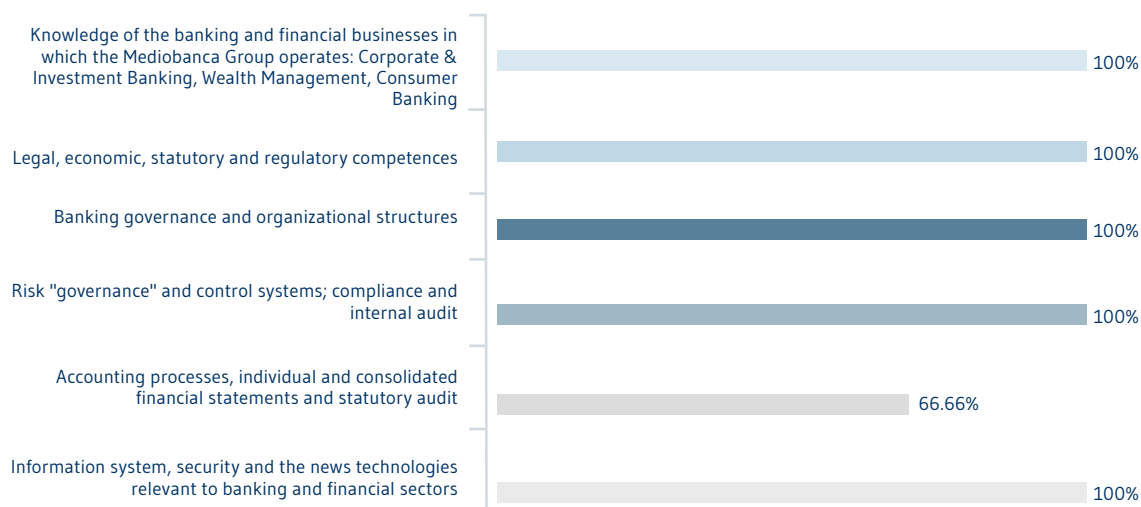
The current Statutory Audit Committee, appointed on 28 October 2020 for the 2021, 2022 and 2023 financial years, is made up as follows:

MEMBERS	POSITION	IN OFFICE SINCE
<b>Francesco Di Carlo</b>	Chairman	28/10/2017
<b>Elena Pagnoni*</b>	Standing Auditor	28/10/2020
<b>Ambrogio Virgilio*</b>	Standing Auditor	28/10/2020
<b>Marcella Caradonna*</b>	Alternate Auditor	28/10/2020
<b>Roberto Moro *</b>	Alternate Auditor	28/10/2020
<b>Stefano Sarubbi*</b>	Alternate Auditor	28/10/2017

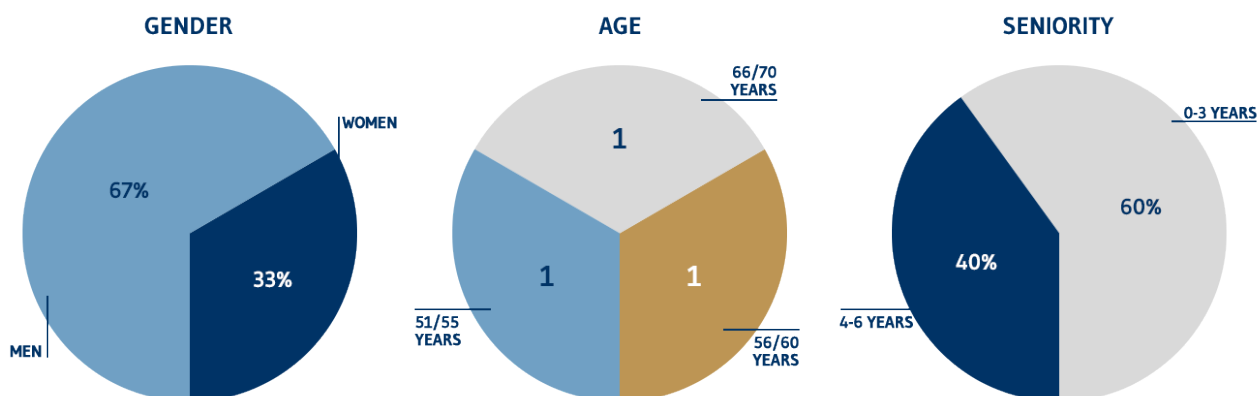
\* Appointed from the list submitted by Banca Mediolanum S.p.A. owner of 2.55% of the share capital.  
 \* Appointed from the list submitted by a group of investors owning 4.76% of the share capital.

The members of the Statutory Audit Committee all qualify as independent under Article 148 of Italian legislative decree 58/98 and the Code of Conduct.

The composition of the current Statutory Audit Committee is in line with the guidance contained in the "Report on the Qualitative and Quantitative Composition of the Statutory Audit Committee".



A breakdown by gender, age bracket and number of years in the role is provided below:



All members of the Statutory Audit Committee possess recent and relevant experience for the performance of their roles: Mr Di Carlo and Ms Pagnoni have over twenty years' experience in providing advice and assistance to financial institutions and investment funds, both Italian and international, on banking, financial and insurance regulations, and company law; and Mr Virgilio has over 30 years' experience in auditing of banks, insurance companies and fund managers.

The CVs of the Statutory Auditors deposited along with the lists for appointments to the Statutory Audit Committee may be found on the Bank's website in the lists themselves published in the "General Meeting 2020" section of the Bank's website (<https://www.mediobanca.com/en/corporate-governance/annual-general-meeting/general-meetings/general-meetings.html>).

The Statutory Audit Committee performs the duties and functions required of it under the regulations in force. In particular it monitors:

- Compliance with the provisions of the law, regulations and the Company's Articles of Association, as well as with the principles of proper management;

- Adequacy of the organizational, administrative and accounting arrangements set in place by the company and the financial reporting process;
- The thoroughness, adequacy, functioning and reliability of the internal control system and Risk Appetite Framework;
- The process of auditing the annual and consolidated financial statements;
- The independence of the external auditors, in particular regarding the provision of non-audit-related services;
- The thoroughness, adequacy, functioning and reliability of the business continuity plan.

The Statutory Auditors are vested with the broadest powers provided for by the legal and regulatory provisions in force.

The Statutory Audit committee takes part in all meetings of the Board of Directors, the Executive Committee, and the Risks, Remuneration and Related Parties Committees. In this way the Statutory Audit Committee is kept informed at all times of the activities carried out and the most significant transactions in earnings, financial and capital terms, executed by the company or its subsidiaries, transactions with related parties, and transactions in which the Directors have an interest either in their own right or by means of third parties.

The Statutory Audit Committee receives organized information flows via the company's control units, i.e. Group Audit, Risk Management and Compliance, deals with issues in conjunction with the Risks Committee, and maintains regular relations, with a view to engaging in reciprocal exchanges of information, with the external legal auditors, and with other Group companies' Statutory Audit Committees. The heads of the various areas of the company hold regular meetings with the Statutory Audit Committee to provide further analysis or training on issues of interest to them.

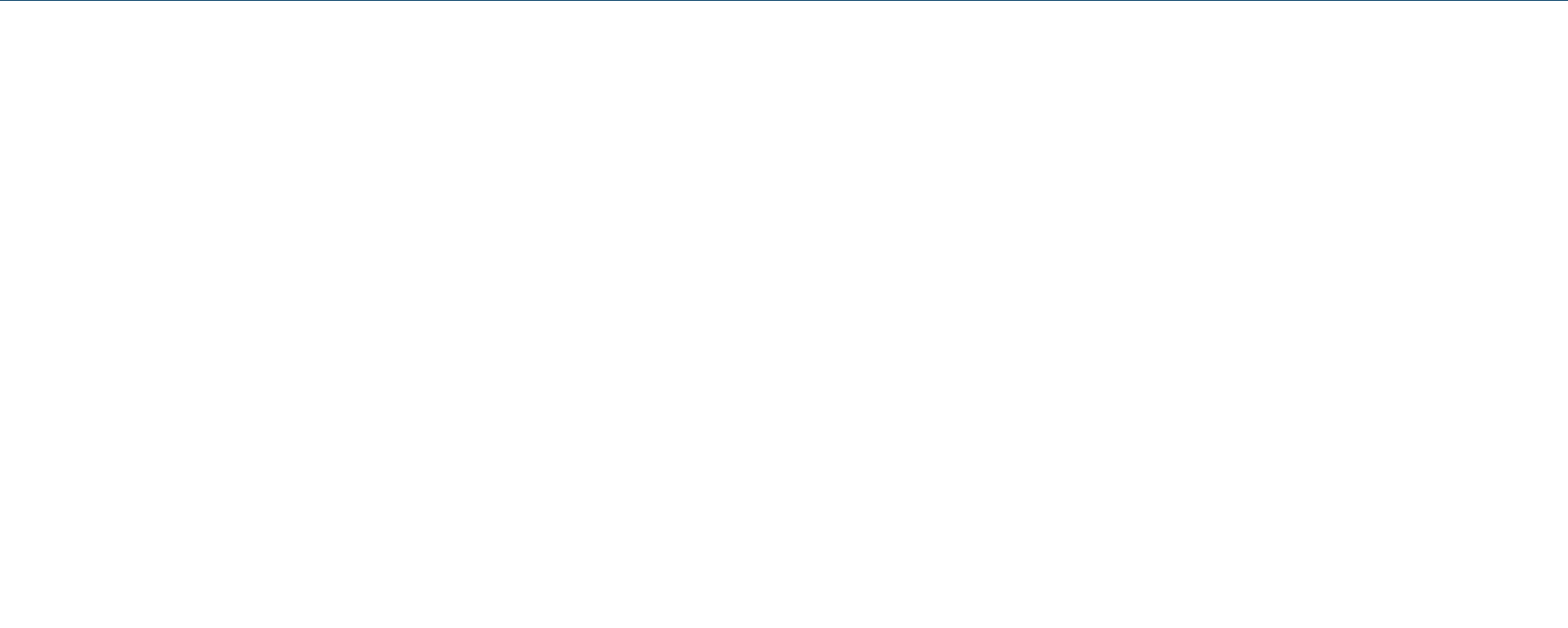
The Statutory Audit Committee regularly illustrates any critical issues that emerge in the course of its control activities to the Board of Directors.

A total of 37 meetings of the Statutory Audit Committee were held in the twelve months ended 30 June 2023, eighteen of which were held jointly with the Risks Committee, and the Committee met on several occasions with representatives of the external auditors engaged to audit the company's financial statements pursuant to the Italian Finance Act. The Committee did not engage any external advisors during this period.

The average duration of committee meetings was roughly 2 hours and 45 minutes. The average attendance record was 98.1% of members.



ARS PATRIÆ DECUS





# Succession planning



MEDIOBANCA

# 9. Succession planning

The Board of Directors has approved, and maintains updated, with the Appointments Committee's contribution, the "Policies for the selection, appointment, succession and performance assessment of company representatives and Group Key Function Holders" governing the suitability requirements of: Directors; Executive Committee members; Chairman, Chief Executive Officer, Group General Manager; Statutory Auditors; Heads of the control units<sup>10</sup>; the Heads of the main business lines or geographical markets in which the Mediobanca Group operates<sup>11</sup>; the Heads of the main internal units<sup>12</sup>.

For each position the Appointments Committee ascertains that all the current holders meet the suitability requirements, and examines the succession planning identifying more than one potential internal candidate for succession. The Policies also provide for a procedure to replace senior figures including the Chairman, Chief Executive Officer and Group General Manager in an emergency situation.

With regard to the succession of the Chairman specifically, this is regularly kept under review, with a specific focus on the performance of his duties and the feedback received from all Board members and institutional investors. In 2022, the employment of Mr Pagliaro with Mediobanca, who to that point had been a member of the Bank's senior management, was ended by mutual consent.

For the Key Function Holders appointed by the Board of Directors, the succession plans are drawn up by the Appointments Committee, with the support of Group HR and the holders currently in office, based on the Chief Executive Officer's proposal and are kept updated. For the other Key Function Holders, the succession plans are prepared by HR staff and by the CEO. In the preparation and revision of the succession plans and benchmarking activity, particular importance is given to application of the principles of gender balance among candidates with the same capabilities, equal access to roles of responsibility, with the aim *inter alia* of ensuring that any existing gaps in this respect are reduced appropriately.

The policies also provide for the replacement of the most senior figures (Chair, CEO, Group General Manager) in an emergency.

Regarding the succession of non-executive directors, those appointed from the minority list are replaced, where possible, by unappointed directors from the same list, in accordance with the requirements of the regulations in force. For directors appointed from the majority list, in line with best practice, the selection of candidates will reflect the guidance issued by the Board in its Report on the qualitative-quantitative composition of the Board of Directors, giving priority to candidates in possession of the same characteristics as the Director leaving office (in terms of gender, independence, international experience and specialization).

10. The Head of Group Audit, the Group Chief Risk Officer, the Chief Compliance Officer, the Head of Group AML, and the Head of Company Financial Reporting/Group Chief Financial Officer.

11. CIB, Debt Division, Market Division, Wealth Management Premier, Consumer Finance, MB Private Banking, Insurance & Principal Investing, CMB, Mediobanca SGR.  
12. Group Chief Strategy & Investor Relations, Group Communication, Group Sustainability, Group Technology and Operations, Group Legal, General Counsel & Institutional Relations, Group Governance, Group HR Director.



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# Relations with shareholders and investors



MEDIOBANCA

# 10. Relations with shareholders and investors

Mediobanca places importance on continuous and proactive engagement with shareholders and other market operators (financial shareholders, proxy advisors, potential investors and ESG Ratings firms), with a view to creating effective two-way communication with the financial community.

Transparency, non-selective disclosure and timeliness of information are the qualities which characterize the relationship between Mediobanca, its shareholders and the market.

The main priorities are:

- ◇ To ensure a permanent, solid shareholder base over the medium and long term;
- ◇ To facilitate ongoing and constructive dialogue between the market and senior management, including in relation to strategic decisions regarding organic growth and growth by acquisitions.

Ongoing relations with the market are managed by Group Investor Relations and Strategic Corporate Development, which supports the Chief Executive Officer through regular participation in meetings and roadshows with analysts, fund managers and shareholders, including potential ones, in which public documents are presented on the Group's performance, past and future.

These activities are all conducted in full compliance with the regulations and internal procedures governing the circulation of inside information, ensuring news is disclosed to all stakeholder at the same time. Communications with the market are based on the principles of timeliness, relevance, clarity and transparency, and reliability. For the transmission and storage of regulated information, Mediobanca uses the eMarket SDIR transmission and the eMarket STORAGE mechanisms.

To allow all shareholders to exercise their rights on an informed basis, information on the following is available in Italian and English on the Bank's website: the Group's business model; corporate governance structure; earnings and financial data, and all price-sensitive communications; products and services; cultural and social initiatives; remuneration policies; and sustainability and conduct issues. The conference calls organized in connection with the publication of the earning results (quarterly, interim and annual) can also be followed using the web streaming service made available through the Bank's website.

To enable the highest possible attendance at general meetings, the documentation on items on the agenda are sent to the address of shareholders who request it.

The Bank has also made available a list of contact details (telephone numbers and dedicated email addresses) on its official website to ensure that questions and feedback from shareholders and the market generally are received and collected in a structured manner.

During the previous financial year, the Board of Directors approved the Board S-D Engagement Policy for Investors and Proxy Advisors, having regard to the principles laid down in the Corporate Governance Code for listed companies, the Supervisory Instructions for banks on matters pertaining to corporate governance, the guidelines contained in the EU Directive regarding the encouragement of long-term shareholder engagement, and the guidance contained in the I-SDX principles compiled by Assogestioni.

The Policy defines the means by which the Investors (both current and potential shareholders) and the Proxy advisors can approach Mediobanca with requests for S-D engagement, the process for managing such requests and the subjects on which the Bank is willing to engage. These subjects include: Business model, strategic direction and risk appetite; the Group's strategic and financial plans; financial and non-financial earnings results; corporate governance; internal control and risk management system; remuneration and incentivization policies; extraordinary transactions of strategic, earnings, capital or financial relevance; capital structure; dividend policy; policies on environmental, social and sustainability issues; and proposed amendments to the Articles of Association.

S-D engagement can take place: i) at the initiative of the Investors or the Proxy advisor (reactive engagement); ii) at the initiative of the Bank (proactive engagement) if it intends to know the opinion of the Investors and Proxy advisors on specific issues.

The Policy is published on the Bank's website under Investor Relations (Board S-D Engagement) at <https://www.mediobanca.com/en/investor-relations/board-s-d-engagement-policy-for-investors-and-proxy-advisors.html>

Milan, 7 September 2023





# Tables



MEDIOBANCA



\* The CVs submitted by the directors in conjunction with the lists for appointment to the Board of Directors are available on the Bank's website in the lists or proposals published in the "General Meeting 2020" section of the Bank's website <https://www.mediobanca.com/en/corporate-governance/annual-general-meeting/general-meetings/general-meetings.html>

\*\* The "date first appointed" for each Director refers to the date on which they were appointed for the first time (ever) to the issuer's Board of Directors.

\*\*\* Data refers to posts held in other listed companies in regulated markets, including outside Italy, in financial companies, banks and/or insurances of significant size.

• Members of the Executive Committee

(a) Taken from the majority list submitted by the Board of Directors.

(b) Taken from a minority list submitted by a group of investors representing an aggregate 4.76% of the Bank's share capital.

(c) Taken from the majority list submitted by Unicredit S.p.A. which at the time owned 8.46% of the Bank's share capital.

A. Indicates the director's role within the committee; "Ch": Chairperson.

B. Indicates the directors' attendance records in percentage terms at meetings of the Board of Directors and Committees (no. of meetings which each director attended out the total no. of meetings which they could have attended).

◊ Main person responsible for managing the issuer (Chief Executive Officer or CEO).

(1) Member of the Management Board from 2 July 2007 to 28 October 2008.

**No. of meetings held during year 1 July 2022/30 June 2023:**

<b>BOARD OF DIRECTORS:</b> 10	<b>EXECUTIVE COMMITTEE:</b> 5	<b>RISKS COMMITTEE:</b> 18	<b>RELATED PARTIES COMMITTEE:</b> 6	<b>REMUNERATIONS COMMITTEE:</b> 11	<b>APPOINTMENTS COMMITTEE:</b> 11	<b>CSR COMMITTEE:</b> 5
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Quorum required for minority shareholders to submit lists for the appointment of one or more directors

at least 1% of the share capital

- During the twelve months ended 30 June 2023, the Board of Directors also held three meetings of Independent Directors, one meeting of the Committee instituted pursuant to Article 18(4) of the Articles of Association, six induction sessions and four training sessions.

**Table 2: Composition of the Statutory Audit Committee as at 30 June 2023**

OFFICE	MEMBER	YEAR OF BIRTH	DATE FIRST APPOINTED*	IN OFFICE SINCE	IN OFFICE UNTIL	LIST	INDEP. CODE OF CONDUCT	PERCENTAGE OF COMMITTEE MEETINGS ATTENDED	NO. OF OTHER POSTS HELD**
Chair	Francesco Di Carlo	1969	28/10/17	28/10/20	28/10/23	(a)	X	95%	1
Standing Auditor	Elena Pagnoni	1963	28/10/20	28/10/20	28/10/23	(b)	X	100%	-
Standing Auditor	Ambrogio Virgilio	1956	28/10/20	28/10/20	28/10/23	(b)	X	100%	-
Alternate Auditor	Marcella Caradonna	1959	28/10/20	28/10/20	28/10/23	(b)			
Alternate Auditor	Roberto Moro	1955	28/10/20	28/10/20	28/10/23	(a)			
Alternate Auditor	Stefano Sarubbi	1965	28/10/17	28/10/20	28/10/23	(b)			

**NO. OF MEETINGS HELD DURING THE YEAR ENDED 30 JUNE 2023§: 37**

Quorum required for minority shareholders to submit lists for the appointment of one or more Statutory Auditors:

at least 1% of the share capital

§ 18 of which in conjunction with the Risks Committee.

\* The "date first appointed" for each Statutory Auditor refers to the date on which they were appointed for the first time (ever) to the issuer's Statutory Audit Committee.

\*\* Indicates the no. of posts as director or Statutory Auditor held by the person concerned in other companies listed on regulated Italian markets.

(a) Taken from the majority list submitted by Banca Mediolanum S.p.A. owner of 2.55% of the share capital.

(b) Taken from a minority list submitted by a group of investors representing an aggregate 4.76% of the Bank's share capital.

**Table 3: Other requirements under code of conduct for listed companies**

	YES	NO	REASONS FOR ANY DEPARTURES FROM RECOMMENDATIONS MADE IN THE CODE
<b>Powers to represent the Bank and related party disclosure</b>			
Has the Board of Directors authorized parties to represent the Bank and established?			
a) Limits	x		
b) Methods for exercising such powers	x		
c) Regular reporting requirements	x		
Has the Board of Directors reserved for itself the right to inspect and approve all significant transactions in terms of earnings, capital and finances (including transactions with related parties)?	x		
Has the Board of Directors set guidelines and established criteria for identifying "significant" transactions?	x		
If so, have such guidelines/criteria been set out in the statement on corporate governance?	x		
Has the Board of Directors implemented procedures for reviewing and approving transactions with related parties?	x		
If so, have such procedures been set out in the statement on corporate governance?	x		
<b>Procedures for most recent appointments to Board of Directors/ Statutory Audit Committee</b>			
Were candidates' applications for the post of director lodged at least twenty-five days in advance?	x		
Were they accompanied by appropriately detailed documentation?	x		
Were they accompanied by statements regarding the candidates' eligibility to stand as independent Board members?	x		
Were candidates' applications for the post of statutory auditor lodged at least twenty-five days in advance?	x		
Were they accompanied by appropriately detailed documentation?	x		

	YES	NO	REASONS FOR ANY DEPARTURES FROM RECOMMENDATIONS MADE IN THE CODE
<b>General Meetings</b>			
Has the Bank adopted specific regulations in respect of the holding of general meetings?		x	Orderly proceedings are ensured by the powers vested in the Chairman under law and the company's Articles of Association, as shown by the minutes of the meeting.
If so, are such regulations attached as an annex hereto, or is indication provided in the annual report as to where they may be obtained or downloaded?		N/A	
<b>Internal control</b>			
Has the company designated staff to take charge of internal control?	x		
If so, are such staff members independent in operational terms from the various heads of the individual operating units?	x		
Organizational unit responsible for internal control	x		Group Audit
<b>Investor relations</b>			
Has the company appointed a head of investor relations?	x		
If so, what are the head of the IR unit's contact details?			Jessica Spina Tel. no.: (0039) 02-8829.860 Fax no.: (0039) 02- 8829.819 e-mail investor.relations@mediobanca.com

## Annex

### Posts held in other financial companies, banks, insurances or other companies of significant size by members of the Board of Directors of Mediobanca in office at 30 June 2023<sup>(1)</sup>

NAME	POST HELD IN MEOBANCANCA	MAIN POSTS HELD IN OTHER COMPANIES
PAGLIARO Renato	Chairman	=
ANGELO COMNENO Maurizia	Deputy Chair and Executive Committee member	=
NAGEL Alberto	Chief Executive Officer and Executive Committee Chairman	=
VINCI Francesco Saverio	Group General Manager, Director and Executive Committee member	=
BANET Virginie	Director	Chair, Iolite Financial Consulting Director, Netgem <sup>13</sup> Director, Lagardère
CARFAGNA Maurizio	Director	Director, Futura Invest Director, FingProg Italia Director, Istituto Europeo di Oncologia
CIOLI Laura	Director	Chief Executive Officer, Sirti Director, Sofina
COSTA Maurizio	Director	Director, Amplifon
GAMBA Angela	Director	Director, Edison
HORTEFEUX Valérie	Director	Director, Socfinasia Director, Compagnie de L'Odet
IBARRA Maximo	Director	Chief Executive Officer, Engineering Ingegneria Informatica Chair and Chief Executive Officer, Engineering D HUB and Cybertech Chair, Be Shaping the Future, Management Consulting
LUPOI Alberto	Director	=
MAGISTRETTI Elisabetta	Director	Director, Smeg Director, Brembo
PIGNATTI MORANO Vittorio	Director	Director, Trilantic Capital Management GP Director, Trilantic Capital Partners Management Director, Trilantic Capital Partners V Management Director, Ocean Ring Jersey Co Director, Ocean Trade Lux Co Director, Istituti Clinici Scientifici Maugeri Director, Edizione
VILLA Gabriele	Director	Standing Auditor, Edison Standing Auditor, Italmobiliare

(1) The full list of positions is available [www.mediobanca.com/en/corporate-governance/board-of-directors/board-of-directors](http://www.mediobanca.com/en/corporate-governance/board-of-directors/board-of-directors) in the individual Director's own profiles.

13. Left office in July 2023.



MEDIOBANCA

All photos and other images are of Mediobanca offices and buildings