

Reasoned proposal by Statutory Audit Committee to increase man hours and fees stipulated in contract with external auditors PricewaterhouseCoopers S.p.A. for FY 2016-2021

Dear shareholders,

Under a resolution adopted on 27 October 2012, the shareholders of Mediobanca approved a proposal by PricewaterhouseCoopers S.p.A. made on 8 October 2012 to appoint them as external auditors pursuant to Articles 14 and 16 of Italian Legislative Decree 39/2010 and Articles 155ff of Italian Legislative Decree 58/1998, with responsibility of auditing the financial statements of Mediobanca S.p.A. (including the Madrid, London, Paris and Frankfurt branch offices) and the Mediobanca Group's consolidated financial statements for the financial years ending from 30 June 2013 to 2021.

The proposal included a section which stipulated that the fees may be changed subsequently in the event of exceptional or unforeseen circumstances which would determine the need for a higher number of man hours and/or a different commitment from the professionals involved. These may include, without limitation, changes to the structure and size of the company, regulatory changes in the accounting and/or auditing standards and in the IT systems underpinning the accounting processes, changes to the laws and regulations currently in force.

PricewaterhouseCoopers S.p.A., in view of the contractual provisions, notified Mediobanca in a letter sent on 3 September 2015, that as a result of the events that had taken place in the financial year ended 30 June 2015 it would be necessary to redesign the audit process to include additional activities which will require more man hours and hence higher fees. PricewaterhouseCoopers S.p.A. listed the following events in particular:

- increase in the London branch office's operations as a result of growth in the business with the creation of new trading desks and new types of deal;
- creation of the European Banking Authority and new regulation, with new activities to be performed by the auditor;
- introduction of new accounting principles (IFRS 10, 11, 12 and 13), which require extra auditing activity, including in terms of the disclosure to be made by the auditor;
- introduction of Implementing Technical Standards by the EBA and the new supervisory regulations, which require the Mediobanca Group to create new processes which will have to be recorded and assessed by the auditor.

In view of the additional audit activities considered to be necessary, PricewaterhouseCoopers S.p.A. has submitted the following proposal to increase the man hours and fees payable to it starting from the financial year ending 30 June 2016:

	Man hours	Fee Euros
Extra activity due to increase in London office	200	20,000
Extra activity due to changes in European regulations, revision of IFRS disclosure, new supervisory regulations	300	30,000
Total	500	50,000

In more detail, the proposal stipulates a total annual fee for the 2016-2021 period of €440,000 made up as follows:

FY 2016-21	Current proposal (excl. ISTAT)		Proposed addition		Revised total	
	Hours	Fees	Hours	Fees	Hours	Fees
Audit of MB statutory accounts	1.980	184.630	150	15.000	2.130	199.630
Audit of Group consolidated accounts	670	63.050	200	20.000	870	83.050
Limited audit of interim financial statements	220	27.280	50	5.000	270	32.280
Limited audit of interim financial statements to determine the profit for the period for purposes of calculating regulatory capital	730	86.980	100	10.000	830	96.980
Audits in connection with signing off tax declarations	100	6.160	0	0	100	6.160
Audits in connection with the national compensation fund	100	11.900	0	0	100	11.900
Audit of Madrid branch accounts di Madrid	100	10.000	0	0	100	10.000
Total no. of man hours and fees	3.900	390.000	500	50.000	4.400	440.000

The Statutory Audit Committee, as required by Article 13, para. 1 of Italian Legislative Decree 39/10 (*“the shareholders gathered in general meeting, at the reasoned proposal of the control body, appoints the external auditor and establishes the fee due to the external auditor or the company acting as external auditor for the entire duration of the mandate and the criteria, if any, to be adopted in amending said fee in the course of the mandate”*), has reviewed the above request with a view to formulating the proposal to be made to shareholders in annual general meeting.

The Statutory Audit Committee met with the external auditors to obtain further details on the activities to be performed and the reasons for the request for the revision. The Committee then met with the company units involved which gave their opinions on the request made by the auditors and assessment of whether or not the contents of the proposal were reasonable. Based on the results of these meetings, the Statutory Audit Committee considers that the proposal made by the external auditors is consistent with the audit process required of them under the mandate in force, appropriate in view of the new audit activities required as a result of the events listed above, fair in relation to the commitment envisaged, and in line with the terms and conditions presently in force.

In view of the foregoing, the Statutory Audit Committee invites shareholders to adopt the following resolution:

“The shareholders of Mediobanca gathered in ordinary general meeting, having reviewed the reasoned proposal submitted by the Statutory Audit Committee containing the terms proposed by PricewaterhouseCoopers,

hereby resolve

to revise, in line with the terms and conditions of the proposal submitted by con i termini and PricewaterhouseCoopers, the man hours and fees provided for in the mandate to audit the Bank’s accounts granted by the shareholders of Mediobanca in an annual general meeting held on 27 October 2012 pursuant to Article 13, para. 1 of Italian Legislative Decree 39/10 for the 2016-21 period, for a total fee of €440,000 per annum, made up as follows:

- ◆ €83,050 to audit the Mediobanca Group’s consolidated accounts, corresponding to 870 man hours;
- ◆ €199.630 to audit Mediobanca’s statutory accounts and book-keeping in general as provided by Article 14, para. 1 of Italian Legislative Decree 39/10 corresponding to 2,130 man hours;
- ◆ €96,980 for the limited audit of the interim financial statements in order to determine the profit for the period for purposes of calculating regulatory capital, corresponding to 830 man hours;
- ◆ €32,280 for the limited audit of the consolidated interim financial statements, corresponding to 270 man hours;
- ◆ €11,900 for audits in connection with the national compensation fund, corresponding to 100 man hours;
- ◆ €10,000 in respect of the audit of the Madrid branch’s accounts for local regulatory purposes, corresponding to 100 man hours;
- ◆ €6,160 for audits in connection with signing off tax declarations, corresponding to 100 man hours,

duly noting that such fees are net of ISTAT increases for inflation, out-of-pocket expenses, VAT and regulatory contributions.

The foregoing is based on the proposal formulated by the audit company PricewaterhouseCoopers S.p.A.

All other clauses contained in the original proposal shall continue to apply”.

Milan, 11 September 2015

Statutory Audit Committee