



## ***Extraordinary business***

### **Report by Board of Directors on item no. 2 on the agenda**

#### **Renewal of powers to increase share capital pursuant to Article 2443 of the Italian Civil Code already vested in the Board of Directors under Article 4 of the Articles of Association; related resolutions**

Dear Shareholders,

We have called you together in extraordinary general meeting to submit to your approval the proposal to renew the powers already provided for in the Articles, in order to: (i) reduce the amount of time necessary to implement a capital increase, to allow the Bank to take advantage of any market opportunities (powers to increase the share capital via rights issues), or alternatively (ii) implement the performance share schemes in force at the time (powers to increase the share capital via bonus issues), while maintaining the same amounts.

Accordingly, we submit the three resolutions illustrated below to your approval.

**1. *Renewal of authorization to the Board of Directors pursuant to Articles 2443 and 2420-ter of the Italian Civil Code to increase the Company's share capital by means of rights and/or bonus issues in an amount of up to €100m, and to issue bonds convertible into ordinary shares and/or cum warrants, in an amount of up to €2bn. Amendments to Article 4 of the Company's Articles of Association and related resolutions.***

Shareholders are reminded that, at an extraordinary annual general meeting held on 28 October 2015, the shareholders of Mediobanca authorized the Board of Directors, under Article 2443 of the Italian Civil Code, to increase the Company's share capital within a term of five years in an amount of up to €100m, including via warrants, and also, under Article 2420-ter of the Italian Civil Code, to issue bonds convertible into ordinary shares and/or shares *cum* warrants, in an amount of up to €2bn, provided that the exercise of said mandates did not lead to the issue of a total number of shares in excess of 200 million.



Given that the above powers will expire in October 2020 and have not yet been exercised even in part, we propose renewing the authorization concerned in respect of the same amount and for the same duration, with the new term being set for 28 October 2025.

The said powers allow the execution times for capital increases to be reduced, which are especially lengthy in comparison with European practice, and the size of such increases to be established on the basis of specific opportunities, and the risk of changes in share prices from the time of the announcement to the time when the deal is executed to be minimized.

In this connection, the amendment will allow market opportunities to be leveraged for the purpose of supporting the Group's growth in connection with the 2019-23 strategic plan approved last year.

**2. Renewal of authorization to the Board of Directors pursuant to Article 2443 of the Italian Civil Code to increase the Company's share capital by means of rights issues in an amount of up to €40m, including via warrants, 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. Amendment to Article 4 of the company's Articles of Association and related resolutions.**

Shareholders are reminded that, at an Extraordinary General Meeting held on 28 October 2015, shareholders approved a resolution authorizing the Board of Directors, under Article 2443 of the Italian Civil Code, to increase the company's share capital, on or prior to the fifth anniversary of the date of the said resolution in an amount of up to €40m, including via warrants, through the issue of up to 80 million par value €0.50 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, in accordance with the procedure and conditions set forth therein, with the right to establish the issue price of the shares from time to time (again in accordance with the provisions of Article 2441, paragraph four, second sentence of the Italian Civil Code).

Given that the above powers will expire in October 2020 and have not yet been exercised even in part, we propose renewing the authorization concerned in respect of



the same amount and for the same duration, with the new term therefore being set at 28 October 2025.

These powers too are intended to reduce the execution times for capital increases without option rights, and so allow potential market opportunities to be leveraged.

**3. *Renewal of authorization pursuant to Article 2443 of the Italian Civil Code, to increase the Bank's share capital free of charge by an amount of up to €10m through the award, as permitted by Article 2349 of the Italian Civil Code, of an equivalent amount of profits or profit reserves as shown in the most recent financial statements approved, through the issue of no more than 20 million shares to be reserved to Mediobanca Group employees in execution of the performance share schemes in force at the time. Amendment to Article 4 of the Company's Articles of Association and related resolutions***

Shareholders are reminded that, at an annual general meeting held on 28 October 2015, the shareholders of Mediobanca approved the adoption of a performance share scheme – then updated by shareholders at the general meeting held on 28 October 2019 – and authorized the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, to increase the Company's share capital free of charge in order to implement the above scheme until 28 October 2020. In these five years, pursuant to the above authorization and in execution of the said scheme, the Board of Directors has increased the Company's share capital by an amount of € 8,293,826.00 via the issue of 16,587,652 new shares<sup>1</sup>. As at the date hereof, a total of 6,045,853 of these shares have been issued.

As illustrated in the Board's report submitted to the approval of shareholders at today's ordinary general meeting, the Directors of Mediobanca have decided, at the Remunerations Committee's proposal, to submit the new performance share scheme to your approval.

In view of the fact that the existing powers to increase the Company's share capital expire in October 2020, you are invited to adopt the following proposal to authorize the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, to increase the Company's share capital free of charge, in one or more tranches and for a period of up to five years from the date hereof, and therefore until 28 October 2025, in accordance with the provisions of Article 2349 of the Italian Civil Code, in an amount of up to €10m, via

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<sup>1</sup> Data have been updated following Board's resolution of 16/09/2020 which is being filed with the Companies' Register.



the issue of up to 20 million ordinary shares, to be assigned to Mediobanca Group staff members in execution of the performance share schemes. Such capital increase is to be made via the use of profits or profit reserves as per the most recent financial statements approved from time to time. Shareholders are reminded that provision has already been made in the Articles of Association for the right, pursuant to Article 2349 of the Italian Civil Code, to award profits to employees of the Company or Group companies.

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It is hereby specified that the amendments above are not such as to grant shareholders the right of withdrawal and are subject to authorization from the European Central Bank.

Accordingly, the Board of Directors invites you to adopt resolutions in respect of the foregoing.

### **Resolutions submitted to the approval of shareholders in extraordinary general meeting**

Dear shareholders,

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

#### **Resolution no. 1**

a) Authorize the Board of Directors:

- Under Article 2443 of the Italian Civil Code, to increase the Company's share capital, by means of rights issues and/or bonus issues in one or more tranches on or prior to the fifth anniversary of the date of this resolution in an amount of up to €100m, including via warrants, through the issue of up to 200 million ordinary shares to be offered as an option or assigned to shareholders, and accordingly, to establish from time to time the issue price of the new shares, including the share premium, if any, the date from which they shall rank for dividends, and whether or not any of the shares shall be used for exercising the warrants attached to the shares to be issued;
- Under Article 2420-ter of the Italian Civil Code, to issue bonds convertible into ordinary shares and/or shares cum warrants, in one or more tranches on or prior to the fifth anniversary of the date of this resolution, in an amount of up to €2bn, to be offered as an option to shareholders, and accordingly, to establish from time to time the conversion ratio of the bonds to be issued and any other feature thereof, and to authorize the corresponding increase in the Bank's share capital for use in the conversion of the bonds;



- b) Establish that exercise of the mandates set forth under point a) above shall not, without prejudice to the foregoing, lead to the issue of a total number of shares in excess of 200 million;
  
- c) Amend Article 4 of the Company's Articles of Association by deleting paragraph 6 thereof and adding a new paragraph as follows:

**CURRENT TEXT**

**PROPOSED TEXT**

Article 4

Article 4

*Omissis*

*omissis*

The Board of Directors is also authorized under Article 2443 of the Italian Civil Code, to increase the Bank's share capital by means of rights or bonus issues in one or more tranches by and no later than 28 October 2020, in a nominal amount of up to Euro 100m, including via warrants, through the issue of up to 200 million ordinary par value Euro 0.50 shares, to be offered in option or otherwise allotted to shareholders, and also to establish the issue price of such new shares from time to time, including the share premium, the date from which they shall rank for dividends, and whether or not any of the shares shall be used for exercising warrants, and is further authorized under Article 2420-ter of the Italian Civil Code to issue bonds convertible into ordinary shares and/or shares cum warrants in one or more tranches by and no later than 28 October 2020, in a nominal amount of up to Euro 2bn to be offered in option to shareholders, establishing that exercise of such authorizations shall not, without prejudice to the foregoing, lead to the issue of a total number of shares in excess of 200 million.

~~The Board of Directors is also authorized under Article 2443 of the Italian Civil Code, to increase the Bank's share capital by means of rights or bonus issues in one or more tranches by and no later than 28 October 2020, in a nominal amount of up to Euro 100m, including via warrants, through the issue of up to 200 million ordinary par value Euro 0.50 shares, to be offered in option or otherwise allotted to shareholders, and also to establish the issue price of such new shares from time to time, including the share premium, the date from which they shall rank for dividends, and whether or not any of the shares shall be used for exercising warrants, and is further authorized under Article 2420-ter of the Italian Civil Code to issue bonds convertible into ordinary shares and/or shares cum warrants in one or more tranches by and no later than 28 October 2020, in a nominal amount of up to Euro 2bn to be offered in option to shareholders, establishing that exercise of such authorizations shall not, without prejudice to the foregoing, lead to the issue of a total number of shares in excess of 200 million.~~

The Board of Directors is also authorized under Article 2443 of the Italian Civil Code, to increase the Bank's share capital by means of rights or bonus issues in one or tranches by and no later than 28 October 2025, in an amount of up to Euro 100m,



including via warrants, through the issue of up to 200 million ordinary shares, to be offered in option or otherwise allotted to shareholders, and also to establish the issue price of such new shares from time to time, including the share premium, the date from which they shall rank for dividends, and whether or not any of the shares shall be used for exercising warrants, and is further authorized under Article 2430-ter of the Italian Civil Code to issue bonds convertible into ordinary shares and/or shares cum warrants in one or more tranches by and no later than 28 October 2025, in an amount of up to Euro 2bn, to be offered in option to shareholders, establishing that exercise of such authorizations shall not, without prejudice to the foregoing, lead to the issue of a total number of shares in excess of 200 million.

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*omissis*

- d) Authorize the Chief Executive Officer and the General Manager in office at the time, jointly and severally and to every legal effect, to adjust the figures contained in Article 4 of the Articles of Association regarding the Company's share capital to reflect the issuance of new shares, and to perform every formality necessary to ensure that the resolutions hereby adopted are duly registered in the Milan Companies' Register.

## **Resolution no. 2**

- a) Authorize the Board of Directors, under Article 2443 of the Italian Civil Code, to increase the company's share capital by means of rights issues, in one or more tranches, on or prior to the fifth anniversary of the date of this resolution in an amount of up to €40m, including via warrants, through the issue of up to 80 million 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 2441, paragraph four, second sentence of the Italian Civil Code, in accordance with the procedure and conditions set forth therein, with the right to establish the issue price of the shares from time to time (again in accordance with the provisions of Article 2441, paragraph four, second sentence of the Italian Civil Code);



- b) Amend Article 4 of the company's Articles of Association, deleting paragraph 7 and adding a new paragraph as set forth below:

**CURRENT TEXT**

**PROPOSED TEXT**

Article 4

Article 4

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The Board of Directors is also authorized under Article 2443 of the Italian Civil Code, to increase the Bank's share capital by means of rights issues in one or more tranches by and not later than 28 October 2020, in a nominal amount of up to Euro 40m including via warrants, through the issue of up to 80 million ordinary par value Euro 0.50 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 4 point 2 of the Italian Civil Code and in compliance with the procedure and conditions precedent set forth therein.

~~The Board of Directors is also authorized under Article 2443 of the Italian Civil Code, to increase the Bank's share capital by means of rights issues in one or more tranches by and not later than 28 October 2020, in a nominal amount of up to Euro 40m including via warrants, through the issue of up to 80 million ordinary par value Euro 0.50 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 4 point 2 of the Italian Civil Code and in compliance with the procedure and conditions precedent set forth therein.~~

The Board of Directors is also authorized under Article 2443 of the Italian Civil Code, to increase the Bank's share capital by means of rights issues in one or more tranches by and not later than 28 October 2025, in an amount of up to Euro 40m, including via warrants, through the issue of up to 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 4 point 2 of the Italian Civil Code and in compliance with the procedure and conditions precedent set forth therein.

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- c) Authorize the Chief Executive Officer and the General Manager in office at the time, jointly and severally and to every legal effect, to adjust the figures contained in Article 4 of the Articles of Association regarding the Company's share capital to reflect the issuance of new shares, and to perform every formality necessary to



ensure that the resolutions hereby adopted are duly registered in the Milan Companies' Register.

**Resolution no. 3**

- a) Authorize the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, to increase the Company's share capital free of charge, in one or more tranches and for a period of up to five years from the date hereof, and therefore until 28 October 2025, in an amount of up to €10m through the award, under the terms of Article 2349 of the Italian Civil Code, of the equivalent amount of profits or profit reserves as per the most recent financial statements approved from time to time, via the issue of up to 20 million shares, to be reserved to Mediobanca Group staff members in execution of the performance share schemes in force from time to time;
- b) Amend Article 4 of the Company's Articles of Association by deleting paragraph 5 thereof and adding a new paragraph as follows:

**CURRENT TEXT**

Article 4  
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**PROPOSED TEXT**

Article 4  
*omissis*

The Board of Directors is also authorized under Article 2443 of the Italian Civil Code, to increase the Bank's share capital free of charge as permitted by Article 2349 of the Italian Civil Code, in one or more tranches by and not later than 28 October 2020, in a nominal amount of up to Euro 10m through the issue of no more than 20 million ordinary par value Euro 0.50 shares, ranking for dividends pari passu, to be awarded to Mediobanca Group employees in execution of and in compliance with the terms of the performance share schemes approved by shareholders in general meeting.

~~The Board of Directors is also authorized under Article 2443 of the Italian Civil Code, to increase the Bank's share capital free of charge as permitted by Article 2349 of the Italian Civil Code, in one or more tranches by and not later than 28 October 2020, in a nominal amount of up to Euro 10m through the issue of no more than 20 million ordinary par value Euro 0.50 shares, ranking for dividends pari passu, to be awarded to Mediobanca Group employees in execution of and in compliance with the terms of the performance share schemes approved by shareholders in general meeting.~~

**The Board of Directors is also authorized, under Article 2443 of the Italian Civil Code, to increase the Bank's share capital free of charge as permitted by Article 2349 of the Italian Civil Code, in one or more tranches by and no later than 28 October 2025, in an**





amount of up to Euro 10m through the issue of no more than 20 million ordinary shares, ranking for dividends pari passu, to be awarded to Mediobanca Group employees in execution of and in compliance with the terms of the performance share schemes approved by shareholders in general meeting.

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*omissis*

- c) To authorize the Chief Executive Officer and the General Manager in office at the time, jointly and severally and to every legal effect, to adjust the figures contained in Article 4 of the Articles of Association regarding the Company's share capital to reflect the issuance of new shares, and to perform every formality necessary to ensure that the resolutions hereby adopted are duly registered in the Milan Companies' Register.

Milan, 16 September 2020

THE BOARD OF DIRECTORS