



Ordinary business

Board of Directors' report on item no. 3 on the agenda

Appointment of Statutory Audit Committee for 2021-23 three-year period:

- a. Appointment of Committee Chairman and members**
- b. Establishment of their annual remuneration**

Dear shareholders,

The mandate of the Statutory Audit Committee currently in office expires with the imminent Annual General Meeting: accordingly, you are invited to appoint the new Statutory Audit Committee and establish their remuneration.

The Articles of Association provide that the Statutory Audit Committee shall consist of three standing and three alternate auditors, who must be in possession of the requisite qualifications for holding such office expressly stipulated by the regulations in force and the statutory provisions, including those relating to the number of posts held, failing which they shall become ineligible. Of particular importance in this respect are the requirements in terms of professional qualifications, assessment as fit and proper person to hold such office, and independence,¹ and the contents of the "Report on the qualitative and quantitative composition of the Statutory Audit Committee" (cf. below). The duration of the term of office is three years and said term will therefore expire on the date of the Annual General Meeting held to approve the Group's financial statements for the twelve months ending 30 June 2023.

In view of the importance of the responsibilities to be assumed by Statutory Auditors, for purposes of submitting lists shareholders are advised to familiarize themselves with due attention with the contents of the "Report on the qualitative and quantitative composition of the Statutory Audit Committee", which illustrates the individual and collective qualities that Statutory Auditors are required to demonstrate under the regulations in force. The report is available on the Bank's website at www.mediobanca.com, in the section entitled

¹ Pursuant to Article 26 of Italian Legislative Decree 385/93 (the "Italian Banking Act"), as replaced by Article 1, paragraph 13 of Italian Legislative Decree 72/2015. The regulatory provision stipulates that a decree should be issued by the Italian ministry for the economy and finance, following consultation with the Bank of Italy, laying down the rules to be implemented inter alia in respect of the qualifications of company representatives. In the absence of such a decree, reference is made to the Report on the qualitative and quantitative composition of the Statutory Audit Committee available on the Bank's website at www.mediobanca.com, in the section entitled Governance/General Meetings/General Meeting 2020.

As far as regards professional qualifications, activities closely related to those of the company are defined as those listed in Article 1 of Italian legislative decree 385/93 (the "Italian Banking Act"), along with the provision of investment and collective asset management services, both of which as defined by Italian legislative decree 58/98 (the "Italian Finance Act").



Governance/General Meetings/General Meeting 2020). In particular the following recommendations were made:

- Size: the Statutory Audit Committee considers its size to be adequate; accordingly, ahead of the reappointment process the Committee did not feel any recommendations regarding changes in size from the guidance provided in the Articles of Association were necessary;
- Composition: the Committee recommends that future statutory auditors should possess at least three of the following competences:
 - ◆ Knowledge of the banking and financial businesses in which the Mediobanca Group operates;
 - ◆ Risk governance and control systems; compliance and internal audit;
 - ◆ Accounting, reporting and auditing;
 - ◆ Banking governance and organizational structures;
 - ◆ Legal, economic, statutory and regulatory competences.

It is also considered to be appropriate that at least one of the three standing auditors should possess specific competence in the area of information systems, security and the new technologies relevant to the banking and financial sectors;

- Diversity: the diversity expressed by the existing Committee is considered to be adequate with reference to the following aspects: gender, age, experience/seniority, education, culture and International dimension.

Appointments to the Statutory Audit Committee are made on the basis of lists.

Lists containing a number of candidates equal to or above three must ensure that the balance between male and female candidates complies with at least the minimum requirement stipulated by the regulations in force, which at present is two-fifths.² It is also recommended that the lists' composition include at least one alternate auditor from the less-represented gender, to ensure the balance required by the regulations is maintained even in cases where a standing auditor has to be replaced.

The following procedure is adopted for the appointment of statutory auditors: two statutory auditors and two alternate auditors are chosen based on the consecutive order in which they are numbered from the list obtaining the highest number of votes; one standing auditor and one alternate auditor are chosen based on the consecutive order in which they are

² Cf. Consob resolution no. 21359 of 13 March 2020, which provides that, if the committee consists of five members, at least two-fifths should be of the least-represented gender; in cases where the committee consists of three members, the figure is rounded down to the nearest unit.



numbered in the respective list sections, from the list ranking second in terms of number of votes in general meeting and which under regulations in force is not linked even indirectly with the shareholders who submitted or voted for the list which ranked first.

In the event of the same number of votes being cast for more than one list, a new vote is held in the form of a ballot between the lists, with the candidates from the list which obtains a simple majority in this case being elected.

The candidate ranking first in the section for election of standing auditors in the list ranking second in terms of the number of votes cast is appointed Chairperson of the Statutory Audit Committee.

If only one list is submitted, shareholders in general meeting vote on it; if the list obtains the majority required by law for the ordinary general meeting, the three candidates numbered consecutively in the relevant section are appointed standing auditors, and the three candidates numbered consecutively in the relevant section are appointed alternate auditors; the candidate listed first in the section for candidates to the post of standing auditor in the list submitted is appointed as Chairperson of the Statutory Audit Committee. If no lists are submitted, or if the list voting mechanism returns a lower number of candidates appointed than the number required by these Articles, the Statutory Audit Committee is appointed or completed by shareholders in general meeting according to the majorities stipulated by law.

You are also called to determine the remuneration payable to the new Committee. Based on the indications provided by the outgoing Committee, we would remind you that a total of 28 Committee meetings were held during FY 2019-20, twelve of which in conjunction with the Risks Committee, and had an average duration of almost three hours per meeting. The Statutory Auditors also took part in meetings of the Board of Directors, the Executive Committee, the Remunerations Committee and the Related Parties Committee. The Statutory Audit Committee has also been assigned by the Board of Directors with the duties of the supervisory body instituted pursuant to Article 6 of Italian legislative decree 231/01 (as provided by paragraph 4-bis of the same Article, as amended by Italian law 183/11), in line with the Bank of Italy's Supervisory Instructions on internal controls. For the Statutory Audit Committee currently in office, at the Annual General Meeting held on 28 October 2017, the shareholders of Mediobanca, in view of the commitment required by Committee members, set a gross annual compensation payable to the Committee Chairperson of €180,000 and to each Standing Auditor of €140,000.

The means by which lists for appointment to the Statutory Audit Committee should be submitted are illustrated in detail in the Notice of Meeting.



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Accordingly, the Board of Directors invites you to take the relevant decisions regarding the appointment of the new Committee.

Resolutions submitted to the approval of shareholders in ordinary general meeting

Dear shareholders,

In view of the foregoing, we invite you to:

- a) appoint members of the Statutory Audit Committee and its Chairperson for the financial years ending 30 June 2021, 2022 and 2023 in accordance with the list voting mechanism instituted pursuant to the law and the company's Articles of Association;
- b) establish the remuneration payable to them.

Milan, 16 September 2020

THE BOARD OF DIRECTORS