



Ordinary business

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

Authorisation to buy and sell treasury shares

Dear shareholders,

At an Annual General Meeting held on 27 October 2018, the shareholders of Mediobanca authorised the Board of Directors to acquire treasury shares for a period of eighteen months from the date when the resolution was adopted in general meeting, which authorization has since expired. Accordingly, a new resolution is hereby submitted to your approval in respect of a share buyback and sale programme pursuant to Article 2357 and Article 2357-ter of the Italian Civil Code and Article 132 of Italian Legislative Decree 58/98.

The application forms part of the 2019-23 Strategic Plan in terms of dividends and earnings per share. It was not possible to submit it to the approval of shareholders at the Annual General Meeting held last year, in light of the ECB Recommendation of 27 March 2020 which asked credit institutions not to distribute dividends and to refrain from implementing share buybacks until 1 October 2020, which term was then extended until 1 January 2021. As you are aware, this recommendation was withdrawn on 23 July 2021 with effect from 30 September 2021, so the Board of Directors has decided to resume the programme of returning funds to shareholders envisaged in the Strategic Plan.

Given that the CET1 ratio as at 30 June 2021 had reached 16.31%, we are submitting to your approval a new treasury share buyback and sale programme involving 25,871,097 Mediobanca shares, equal to 3%¹ of the current share capital in accordance with the provisions of Article 2357 of the Italian Civil Code, subject to the regulatory clearances to be released by the ECB. The shares bought back may be used, according to needs and opportunities that the Board of Directors may assess, both for possible future acquisitions and to implement compensation schemes, existing and future, based on financial instruments for members of the Group's staff. Where the needs referred to above do not materialize, the treasury shares may also be cancelled, subject to the relevant resolution being approved as extraordinary business by shareholders at today's Annual General Meeting (see below). In this respect, it should be noted that the Bank cannot and may not in the future hold a number of treasury shares that exceed in the aggregate the limit set out under the prudential regulations in this respect, which is 3% of the company's share capital.

The authorisation to buy back own shares is requested until the earliest of either: (a) 18 months from the date on which the resolution is approved at the AGM; and (b) 12 months from the date on which the ECB grants authorisation. Conversely, there is no time limit on the authorisation for use of the same shares. Own shares may be acquired in one or more tranches in accordance with the regulations in force, and shall be made within the limits on distributable earnings and available reserves as per the most recent financial statements approved and, without prejudice to the foregoing, in accordance with the ECB authorisation. They shall also entail an equivalent

¹ Net of the treasury shares already owned by the Group.



reduction in net equity by a specific heading being recorded among the liabilities in the balance sheet. From a prudential standpoint, the maximum amount authorised by the ECB shall be deducted from regulatory capital until such time as the authorisation is released, regardless of the actual buybacks made.

Under Article 3 of Commission Delegated Regulation (EU) 2016/1052, the volume of shares acquired in a single trading day may not exceed 25% of the average daily volume of the shares on the trading venue on which the purchase is carried out, and no purchase may be made at a price higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue on which the purchase is carried out. Furthermore, the minimum buy price shall not be lower than €0.51,² while the maximum price cannot be more than 5% higher than the reference price which the stock has recorded during the stock market session on the day prior to the date on which each individual purchase is made.

The purchases of own shares shall be made, in accordance with the provisions of Article 132 of Italian Legislative Decree 58/98, Article 144-bis, paragraph 1, letter b) of the Regulations for Issuers published by Consob under resolution no. 11871 of 14 May 1999, as amended, by the means established in the regulations of the stock market operators themselves, to ensure parity of treatment between shareholders. For this reason, the purchases will be made exclusively, *inter alia* in different tranches, on regulated markets, by the means established in the regulations of the same markets, which do not allow buy bids to be matched directly with pre-existing sale bids.

Without prejudice to the foregoing, the purchases shall also be made in compliance with any further trading limits, internal or provided by the applicable external regulations, and any guidelines that may be received from the competent supervisory authorities.

Own shares may also not be traded in the 30 days before the approval of Mediobanca's full-year or interim financial statements is announced.

The shares may be disposed of, in one or more tranches, even before all the purchases have been completed: i) for their sale, on the market and/or "over the counter" (OTC); ii) as part of possible extraordinary transactions, including, but not limited to, exchanges, in kind or otherwise, spinoffs or transactions involving the share capital or other company and/or financial transactions; and iii) for allocation to members of the Mediobanca Group's staff, in execution of compensation schemes, existing and future, based on financial instruments approved by the Board of Directors. Moreover, it should be noted that as an alternative the treasury shares may simply be cancelled, subject to approval of the relevant resolution submitted as extraordinary business at today's Annual General Meeting. The disposals or uses shall be recorded in the accounts as required by the legal provisions in force and the applicable accounting standards. Additional purchases and sales of treasury shares may also be made, up to the limits set forth in the foregoing paragraphs.

For purposes of full disclosure, and as mentioned above, please note that the Board of Directors has submitted a proposal as extraordinary business to the approval of shareholders at today's Annual General Meeting, to cancel the treasury shares acquired under this authorisation (up to a maximum of 25,871,097) as well as those already owned by the Bank as at the date hereof (up to a maximum of 22,581,461), with no reduction in the nominal value of the share capital in view of

² The implicit accounting par value of the shares, following the cancellation of up to a maximum of 22,581,461 treasury shares.



the fact that the shares themselves have no par value. Please refer to the relevant report for all further information.

We would remind shareholders once again that in the course of the proposed share buyback and sale programme, the Bank may not, under any circumstances, hold a number of ordinary own shares which exceeds the limit set out under the prudential regulations currently in force, which is 3% of the current share capital.

Resolutions proposed to shareholders as ordinary business in Annual General Meeting

Dear shareholders,

In view of the foregoing, you are invited to adopt the following resolution:

The shareholders of Mediobanca, convened in Annual General Meeting, as ordinary business, having regarding the Board of Directors' report, and in view in particular of Articles 2357 e 2357-ter of the Italian Civil Code, Article 132 of Italian Legislative Decree 58/1998, and Article 144-bis of Consob Regulation no. 11971/99,

Hereby resolves to:

- 1) Authorise, until the earliest of either: (a) 18 months from the date on which the resolution is approved at the AGM; and (b) 12 months from the date on which the ECB grants authorisation, the acquisition of ordinary shares issued by the company – subject to authorisation being received from the Supervisory Authority in accordance with Articles 77-78 of Regulation (EU) No. 575/2013 (CRR) of 26 June 2013, as amended by Regulation (EU) 2019/876 of 20 May 2019 – and the use of said shares, without limits or restrictions in terms of time: i) involving their sale, on the market and/or “over the counter” (OTC); ii) as part of possible extraordinary transactions, including, but not limited to, exchanges, in kind or otherwise, spinoffs or transactions involving the share capital or other company and/or financial transactions; iii) for allocation to members of the Mediobanca Group's staff, in execution of compensation schemes, existing and future, based on financial instruments approved by the Board of Directors;
- 2) Authorise the Board of Directors, and the Chief Executive Officer and Group General Manager on their behalf, jointly and severally, to arrange the purchase and sale transactions of the shares, in accordance with the foregoing authorisation, and also (such instances not to be construed restrictively) to:
 - Establish the means, time and all other executive and ancillary terms for the purchases and disposals of the treasury shares;
 - Perform all deeds, measures and formalities as prove necessary in order to implement this resolution;
- 3) Vest the Chief Executive Officer and the Group General Manager, jointly and severally, with the broadest powers to make such amendments, changes and/or additions to this resolution as prove necessary in order to bring it in line with any changes that are made to the regulations and the regulatory and/or supervisory authorities' guidance.

Milan, 23 September 2021

THE BOARD OF DIRECTORS