

STATUTORY AUDIT COMMITTEE'S REPORT

as required under Article 153 of Italian Legislative Decree 58/98

Dear Shareholders,

This report, which has been prepared as required under Article 153 of Italian Legislative Decree 58/98 (the “Italian Consolidated Finance Act”), refers to the activities carried out by the Statutory Audit Committee (the “Statutory Audit Committee”) of Mediobanca S.p.A. (“Mediobanca”, the “Bank” or the “Company”) during the financial year ended 30 June 2022, in accordance with the relevant regulations, and taking into account the Rules of Conduct for Statutory Audit Committees recommended by the Italian national council of chartered accountants and accounting experts (“CNDCEC”).

During the course of the year, the Statutory Audit Committee met on a total of 41 occasions, 15 of which with the Risks Committee; it also took part in 12 Board meetings, 9 Executive Committee meetings, 5 Related Parties’ Committee meetings, and 10 Remuneration Committee meetings.

The Statutory Audit Committee members also took part in the induction programme for members of Mediobanca’s governing bodies, involving a total of 7 induction sessions and five training sessions, on issues ranging from ESG topics and digital developments to application of IFRS 9 and Group strategies, with a particular focus on risks facing the Bank (IRRBB, climate risk and market risk), and analysis of the geopolitical scenario and macroeconomic prospects in view of the Russia/Ukraine conflict.

1. Supervision of compliance with law and Articles of Association

The Statutory Audit Committee has received regular information from the Directors, *inter alia* through participating in meetings of the Board of Directors, Executive Committee and the other Board committees, and on the occasion of the meetings with the chairpersons of the Statutory Audit Committees of the Group legal entities and other members of the Bank’s own management, on the activities carried out, the management actions performed, and based on the information available, the Committee is able to provide reasonable confirmation that these transactions have been carried out in compliance with the provisions of the law and the company’s Articles of Association.

Significant events during the twelve months under review which the Statutory Audit Committee considers appropriate to recall here in view of their relevance to assessment of the Bank’s solidity and the consistency of the management decisions made with the strategic guidelines established in the 2019-23 business plan include the following:

- Confirmation of the SREP prudential requirements which, in view of the Group’s operating performance, has driven a further increase in the capital buffers; the Total SREP Capital Requirement (“TSCR”), which includes application of the Calendar Provisioning rules, has been set at 12.09%, which translates to a minimum CET1 requirement of 7.90%;
- The acquisition of Bybrook Capital LLP by Cairn Capital Group Limited: the deal was completed on 31 August 2021, after clearance was received from the competent regulatory authorities. Bybrook’s activities have been consolidated as from 1 September 2021;

- The launch of the project for a partial pro rata demerger of the NPL acquisitions business unit from Group Legal Entity MBCS to a newly-incorporated company entitled Revalea S.p.A., 100%-owned by Compass Banca, subject to receipt of the necessary authorizations;
- Disposal of the Issuer Services business unit by Group Legal Entity Spafid Connect (shareholders' register, AGM management and appointed representative services).

With reference to relations with the authorities, the Statutory Audit Committee has at all times been kept updated by the relevant company units – in particular the Risk Management unit insofar as regards the ECB, and the Compliance unit insofar as regards Consob – of the enquiries and checks made by the authorities. The Risk Management unit informs the Committee on a monthly basis of the various activities performed by the ECB, presents the results of such activities, and reports on the remediation actions in progress for problems raised by the authority.

The Statutory Audit Committee has monitored the communications exchanged between the ECB and the Bank, and the actions requested in the SREP 2021 received during 2022, as well as the work requested following the inspections carried out in specific areas of activity.

2. Monitoring compliance with principles of proper management

The Statutory Audit Committee has been informed regarding, and has monitored, the Bank's compliance with the principles of proper management, by obtaining information from the heads of the control units and the Head of Company Financial Reporting (the "Head of Company Financial Reporting"), and through meetings with the External Auditors involving the mutual exchange of relevant data and information. It also met with the Chief Executive Officer and Group General Manager and other senior management figures of the Bank in the course of meetings of the Board of Directors, the Board Committees and the induction sessions, as well as in *ad hoc* meetings, on several occasions in the course of the financial year, to obtain information on the operating performance, internal controls system and the principal risks facing the company. During these meetings the Committee was able to note that the reporting flows from the main company units and the Group legal entities had been regular, and that the Board of Directors had been kept informed on an ongoing basis regarding the Bank's and the legal entities' activities.

The Statutory Audit Committee may therefore reasonably affirm that the operations performed have been carried out in accordance with the principles of proper management, and that the operating decisions have been taken on the basis of adequate reporting flows being made available and with awareness of the risks involved.

In particular, with regard to the most significant earnings, financial and capital transactions executed by the Bank and supervised by the Committee, the latter is able to reasonably confirm that the transactions referred to are compliant with the provisions of the law and the company's Articles of Association and are not manifestly imprudent, reckless, or such as to compromise the integrity of the company's capital. The transactions in which Directors had interests were approved in accordance with the provision of the law, regulations, the Articles of Association in force and the internal regulations. The disclosure required under Article 150 of the Italian Finance Act was made by the Chief Executive Officer and the Head of Company Financial Reporting in the disclosure provided in connection with the annual and interim financial statements.

Based on the financial reporting and the information received in the course of the meetings of the Board of Directors and the information provided by the Head of the Group Audit Unit, the Statutory Audit Committees of the directly-owned subsidiaries, and the external audit firm, the Statutory Audit Committee also noted that no atypical and/or unusual transactions have been entered into with Group companies, third parties or related parties, that is to say, no transactions that could give rise to doubts over the accuracy and/or thoroughness of the information contained in the financial statements, over conflicts of interest, the safe keeping of the company's capital, or the protection of minority shareholders.

Our meetings with members of the main Group companies' Statutory Audit Committees, and our review of their annual reports on the companies' financial statements, have revealed no critical issues. Equally, no such issues emerged from our meetings with the same Committees regarding the activities performed as supervisory bodies instituted pursuant to Italian Legislative Decree 231/01.

3. Supervisory activity of the adequacy of the Bank's organizational structure

The Bank's organizational structure has not changed materially during the twelve months under review. Work has continued on streamlining certain internal units, in particular the Rating, ESG and Capital Solutions unit, with focus on credit ratings and ESG products activities.

Mediobanca currently operates in the United Kingdom through its London branch office on a cross-border basis under the Temporary Permissions Regime (TPR) granted by the Financial Conduct Authority (FCA), which enables the Bank to continue performing its current activities as though formally authorized. On 21 June 2022, the Bank submitted an application to the FCA for authorization to operate via the London branch office on a cross-border basis in the United Kingdom, in line with the decision approved by the Brexit Steering Committee. The FCA has a period of 6-12 months in which to analyse the application and complete the authorization process.

The Statutory Audit Committee has also supervised the performance of the parent company's activities of co-ordination and control over the Group companies. The Bank has adopted Group Regulations to define the organizational architecture, co-ordination mechanisms and governance instruments, and the areas for which the parent company's central units have jurisdiction and responsibility. Each individual legal entity's Board of Directors must also approve the Group Regulations, as well as any internal regulations of its own insofar as these are consistent with those of the Group.

The parent company performs its activities of direction and co-ordination through: a) issuing strategic guidelines for the Group as a whole and for each individual legal entity, via the preparation of three-year strategic plans and annual budgets; b) issuing Group Policies, Regulations and Directives compiled by the central units at parent company level; c) centralized coverage of the principal risks facing the Group. The individual legal entities' control units, where these have not been centralized, also report to the equivalent units at parent company level.

The Committee has also monitored the adequacy of the instructions given by the company to its subsidiaries, as required by Article 114, paragraph 2 of the Italian Finance Act.

4. Corporate governance

The Statutory Audit Committee has assessed the ways in which the new Corporate Governance Code (version 2020) (the “Code”) operated by Borsa Italiana and adopted by Mediobanca on the terms illustrated in the “Annual statement on corporate governance and ownership structure” is implemented. In particular, the recommendations made by the Chairman of the Corporate Governance Committee on 3 December 2021 were brought to the attention of the Board of Directors (at a meeting held on 9 February 2022) and incorporated as part of the self-assessment process.

In accordance with best international practice, at a Board meeting held on 7 April 2022, appointed a Lead Independent Director, whose duties include convening and presiding over meetings of the independent Directors to discuss matters of interest regarding the functioning of the Board of Directors, and to ensure that the Directors receive exhaustive and timely reporting flows on the Bank’s operations.

On 29 July 2022, the Board of Directors completed its own self-assessment exercise, as required by the Supervisory Instructions for banks in the area of corporate governance and the relevant EU regulations, on the Board’s functioning, size and composition and those of the Committees set up by it. The results of this exercise are described at length in the Annual Statement on Corporate Governance and Ownership Structure.

The self-assessment process involved all Directors (in relation to their membership of both the Board itself and the Board committees) and Statutory Auditors, and was performed with the support of an external consultant by means of answering a questionnaire.

In accordance with the Supervisory Instructions and with the recommendations made in the Conduct Regulations for the Statutory Audit Committees of Listed Companies instituted by the Italian national association of chartered accountants, the Committee has carried out its own self-assessment of the collective suitability of the Committee’s composition, including with reference to the qualitative and quantitative assessment in July 2021. The Committee concluded that its collective composition conformed to the regulatory requirements and is in line with the composition identified as optimal in the report just referred to, and meets the requisites in terms of professional qualifications, competence, integrity, absence of situations of incompatibility, proper conduct and independence, and the other requisites set, in particular regarding time commitment and situations of potential conflict of interest involving individual members.

5. Supervision of transactions with related parties

The Statutory Audit Committee has reviewed the Procedure in respect of related parties, its compliance with the regulations in force, and its application in practice. It has taken part in all meetings of the Related Parties Committee, instituted under the procedure referred to, and has received regular information on the transactions that have been performed. The Statutory Audit Committee is not aware of any intra-group transactions or deals with related parties carried out in conflict with the interests of Mediobanca.

During the year under review, no transactions qualifying as “most significant” under the terms of the Procedure were executed.

The Statutory Audit Committee checked that adequate information had been provided on transactions with related parties by the Board of Directors in its Review of Operations and the notes to the accounts, in view of the requirements set in the regulations in force.

The scope of Related Parties was revised in line with the provisions of the Regulations governing Transactions with Related Parties and their Associates approved in June 2021 to incorporate the updated version of Consob resolution no. 21624 of 10 December 2020 which came into force on 1 July 2021.

The Statutory Audit Committee, having reviewed the activities performed by the various units involved in the Related Parties procedure, and in particular the results of the checks carried out by the Group Audit Unit, considers that transactions with related parties are managed adequately, and as far as the Committee is aware, the procedure has been applied accurately in practice.

6. Supervision of the internal control and risk management system

The Statutory Audit Committee has monitored the adequacy of the internal control and risk management system, by:

- Holding meetings with the Bank's senior management to examine the internal control and risk management system;
- Holding regular meetings with the Group Audit, Compliance, AML and Risk Management units (the "Control Units") to evaluate the methods used for planning activities based on identification and assessment of the principal risks involved in the various processes and organizational units;
- Review of the control units' reports and regular information on the outcome of monitoring activity and the status of corrective action highlighted;
- Receiving information from the heads of the various divisions of the company;
- Being informed of the activities performed by the Compliance Officer of the London branch, who performs the role of the London Branch Money Laundering Reporting Officer, subject to approval of the FCA;
- Meetings with the heads of the supervisory bodies of the leading Group companies, in accordance with the provisions of Article 151, paragraphs 1 and 2 of the Italian Consolidated Finance Act, in the course of which the Statutory Audit Committee obtained information on developments involving the Group companies and the internal controls system considered to be significant;
- Discussion of the results of the work performed by the External Auditors;
- Taking part in meetings of the Risks Committee, and through the organization of joint meetings between the Statutory Audit Committee and the Risks Committee.

The Statutory Audit Committee has also monitored observance of the remuneration policies in force with reference to the compensation paid to the control units, taking part in all meetings of the Remunerations Committee and of the Risks Committee.

Mediobanca updated its Group Policy on the Internal Controls System in July 2021. This Policy defines the internal control system's structure, the roles and responsibilities of the governing bodies and the control units, and the means of co-ordination between these units. The Mediobanca internal controls system is compliant with the recommendations of international progress as applied in Italy by Bank of Italy circular no. 285. The control system is structured across three levels: the first refers to line controls intended to guarantee that operations are performed correctly; the second level to control of risks and compliance with the regulations; and the third level to identifying breaches of procedures and internal regulations. To complete the framework in place for the internal controls system and in line with the regulatory provisions in force, specific control duties are assigned to certain units not strictly

attributable to the second- and third-level controls described above (e.g. relating to financial disclosure and IT risk).

Regarding the first-level controls, Mediobanca has instituted operational procedures (or process flows) which cover all activities performed and define, in accordance with the company process tree, the relevant activities, roles, instruments and line controls. These procedures are updated by Group Organization – with which the Statutory Audit Committee has met regularly to receive updates on its activities – on a regular basis, to bring them in line with any changes in the external or internal regulations, changes to the Bank’s organizational structure and operating methods, and to incorporate suggestions for improvement which emerge from the activities performed by the control units themselves.

As far as regards the second and third levels, in the performance of its control activities, the Statutory Audit Committee has maintained an ongoing dialogue with the Control Units.

The Statutory Audit Committee duly notes that the annual reports by the Control Units conclude with a positive overall verdict of the company’s internal controls system.

The Group Audit Unit prepared the annual combined report based on the annual reports received from all the control units. The combined report shows that the coverage of risks is substantially adequate in terms of the thoroughness, adequacy, functioning, and reliability of the internal controls system.

Based on the activities performed, the information obtained, the contents of the Control Units’ six-monthly and annual reports, and in particular the overall favourable opinion expressed by the Group Audit Unit on the internal controls system, the Statutory Audit Committee believes there are no critical issues that could jeopardize the Group’s internal controls and risk management system.

Group Audit Unit

The Group Audit Unit’s operations are based on three-year and one-year audit plans. The three-year Group plan sets the objectives, and serves also to co-ordinate and direct the work for the three-year and one-year plans prepared by the individual companies. In the space of three years assurance is provided for all processes identified in the risk assessment used to define priority of audit. The one-year plan establishes which activities and processes are to be analysed in accordance with the three-year plan and from a risk-based perspective. The plans are approved once a year by the Board of Directors.

The dialogue between the Statutory Audit Committee and the Group Audit Unit is ongoing during the year. The Group Audit Unit informs the Committee promptly if any negative evidence emerges in the course of its audit activity.

The activities planned for the year under review substantially covered the scope of activities which the unit had undertaken to execute, and also the target in terms of mix of audits to be carried out was basically met. No significant critical issues emerged from this activity. The audit and follow-up activities performed (including at Group level) in any case highlighted the need for the relevant company units to implement the residual remediation actions identified, in order to mitigate the risks inherent in certain operating processes and practices without prejudicing the reliability of the internal controls system which as a whole continues to be adequate.

In planning its activities, the Committee agreed the annual audit plan for matters relating to the RAF and Most Significant Transactions with the Group Audit Unit. The results of these controls were then brought to the attention of the Statutory Audit Committee, which analysed the work done by the unit, and the various suggestions made from a continuous improvement perspective, while monitoring the state of progress on the various activities in progress.

The Group Audit Unit has continued to provide support to the regulators, mainly the ECB, by providing regular briefings (annual meeting, Brexit, Covid-19 updates), performing the audits requested by the ECB (e.g. market risk, business model, forbearance etc.), and support in the area of control activities.

Compliance unit

The Compliance unit presides directly over those regulatory areas considered to present the highest reputational risks (e.g. MiFID II, MiFIR, market abuse, transparency, of banking and financial products and conduct, ESG), and also, by means of a “graduated” model, the areas of regulations covered by other specialist units.

The unit has submitted its institutional and regular reports for the year ended 30 June 2022 to the Committee, along with its action plans for the twelve months ending 30 June 2023, as required under the Bank of Italy’s Supervisory Instructions and Consob’s Regulations for Intermediaries. In particular it was reported to the Statutory Audit Committee that the Compliance unit’s activities for the Private Banking Division were focused, *inter alia*, on: (i) revision of the MiFID rules of the new front office platform Armundia, which has been in operation since October 2022; (ii) definition and implementation of additional measures for the sale and monitoring of illiquid products, especially private markets products.

The annual report also contains information on the Key Risk Indicators (KRIs) for which no significant issues were noted. The number of complaints received remains low (11), instances of whistle-blowing (1) revealed no major issues, and no compliance breaches were recorded.

AML unit

Anti-money-laundering activities are managed via a mixed model headed up by the Group AML unit based at Mediobanca S.p.A. In particular, for the Italian Group companies, governance is assured by a centralized approach, while for the non-Italian companies a decentralized approach is followed, with the unit functioning as co-ordinator. Organizationally it is part of the Compliance & Group AML unit.

With regard to new regulations, the AML Manual has been updated to incorporate the regulatory and organizational changes that have been made, and the new controls introduced performed by the unit, and the Group AML Unit Regulations to incorporate the changes to the reporting flows.

Regarding the *ex-post* controls carried out to ensure that the AML procedures have been complied with, the unit has completed all the activities provided for in the annual plan of activities and controls. The situation was found to be adequate overall.

Since the start of the Russia-Ukraine conflict, the numerous financial sanctions introduced against Russia and Belarus on 23 February 2022 have assumed increasing importance. The unit has finalized the processes for monitoring those accounts that could potentially fall within the scope of reporting to the authority.

During FY 2021-22, the unit co-ordinated the performance of an inspection by the Bank of Italy regarding “compliance with the regulations on tackling money laundering and terrorist financing”, which involved Mediobanca as direct recipient of anti-money-laundering regulations. The unit is preparing its response to the operational observations, which will be transmitted on the terms agreed with the authority, subject to approval by the governing bodies.

Training activity has continued via e-learning, and the percentage of completion rate for courses has been adjudged satisfactory.

With reference to the AML risk self-assessment, there were no changes in Mediobanca’s exposure to money-laundering and terrorism financing risk which remains at a “Low” level.

Risk Management unit

The Risk Management unit manages and monitors the principal risks to which the Bank is involved with reference to credit risk, financial and market risks and operational risks. This activity revealed no critical issues worth reporting.

During the year under review, the strengthening of processes and the Risk Management unit at Group level continued, with more precise definition of the governance, interactions and information flows between the local and central teams, and the integrated Group processes.

The Committee has examined the internal capital adequacy assessment process (ICAAP) which quantifies the internal capital, current and future, to be held to cover the risks faced by the Group, and the internal liquidity adequacy assessment process (ILAAP), which assesses the adequacy of the liquidity held by the Bank, both of which were approved by the Board of Directors at a meeting held on 27 October 2021, *inter alia* on the basis of the updated reports received from the Validation and Group Audit units which conclude that the regulatory provisions have been complied with.

The Statutory Audit Committee has reviewed the annual reports by the Validation and Group Audit units on Mediobanca’s corporate rating system. Both conclude with an overall positive judgement of the adequacy of Mediobanca’s corporate rating system, which has demonstrated that it meets the regulatory requisites set for the IRB approach, including the capability to generate accurate and reasonable estimates.

Business continuity and IT risk

IT risk analysis is performed annually, in accordance with the provisions of the Group Policy on IT Risk Management, and consists of an assessment of the IT risk related to the principal applications and infrastructure resources. In line with Bank of Italy Circular No. 285, which requires that the analysis must be extended to include non-critical systems at least once every three years, the Group IT unit has analysed all the applications included in the scope for Mediobanca, regardless of the level of importance. In general terms, the IT risk analysis for FY 2021-22 did not detect any “high” or “critical” risk levels.

The IT risk analysis process considers the potential impact of cyber threats and their frequency of occurrence, and also the trend in the main cyber-attacks at national level and the capability of both Mediobanca and the Group in terms of identifying and tackling such events effectively.

In the light *inter alia* of the developments in the security measures and the increase in cyber threat awareness and training initiatives, in FY 2021-22 no serious security incidents were recorded in connection with the Group's IT system and/or users.

With reference to business continuity, the tests scheduled have all been run successfully, and the results overall have been positive.

7. Supervision of the administrative and accounting system and the financial reporting process

The Statutory Audit Committee, in its capacity as the committee responsible for internal control and auditing pursuant to Article 19, paragraph 2, letter C) of Italian Legislative Decree 39/10, has monitored the process and reviewed the effectiveness of the internal controls and risk management systems with reference to the issue of financial reporting, ascertaining compliance with the general principles on financial reporting adopted by the Mediobanca Group pursuant to the Group Disclosure Policy.

Financial reporting is monitored by the Head of Company Financial Reporting, in accordance with the Group Disclosure Policy, adopting Models based on the best market practices (the COSO Report and the CobIT Framework) which provide reasonable assurance over the reliability of the financial reporting, the effectiveness and efficiency of the business operations, and compliance with the provisions of the law and the internal regulations. The processes and controls are revised and updated annually.

Work continued in FY 2021-22 on ensuring that the mapping of processes is aligned with the project initiatives undertaken, the new forms of operation commenced and the organizational changes that have taken place in the twelve months.

The Group's administrative/accounting model instituted pursuant to Italian Law 262 was strengthened during the year under review. In this connection, certain process changes were introduced as a result of the Chief Financial Office restructuring. In the Reporting area in particular, certain activities were transferred and some of the Italian Law 262 controls reallocated. In particular, the scope of intervention regarded the creation of second levels in hierarchical terms, alignment of tax accounting activities, and the centralization of the securities management activities.

In accordance with the Principles of Tax Conduct approved by the Board of Directors on 11 May 2021 and the project to implement the Tax Control Framework which followed, a Group Tax unit has been set up in order to adhere to the co-operation regime with the Italian revenue authority. Implementation of the Tax Control Framework will involve changes and revisions to the procedural and organizational structure, which should be complete by the end of FY 2022-23.

The Committee has met regularly with the Head of Company Financial Reporting and the external auditors, with which it discussed and analysed the activities implemented.

Controls to ensure that the Italian Law 262 Model is functioning correctly are guaranteed by a series of self-assessments made by the individual process owners as supplemented by checks carried out by the Group Audit Unit.

The Statutory Audit Committee has regularly exchanged information with the Head of Company Financial Reporting on the reliability of the administrative and accounting system, for purposes of representing operations, and has reviewed the Head of Company Financial Reporting's report containing the results of the tests of the controls performed and the main issues noted in the application of Italian law 262/05.

The Statutory Audit Committee also reviewed the statements made by the Chief Executive Officer and the Head of Company Financial Reporting as required by the instructions contained in Article 154- *bis* of the Italian Finance Act.

As far as regards the formation of the individual and consolidated financial statements, these have been prepared, as required by Italian Legislative Decree 38/05, in accordance with the IAS/IFRS issued by the IASB (International Accounting Standard Board), which have been ratified by the European Commission as established by Regulation (EC) 1606/2002, and following the guidance released by the Bank of Italy in its circular no. 262/2005. The Statutory Audit Committee also:

- Duly notes that the Board of Directors, at a meeting held on 22 June 2022, approved the Impairment Policy as required by the joint Bank of Italy/Consob/ISVAP document dated 3 March 2010;
- The Bank has incorporated the changes to its financial statements required by Bank of Italy circular No. 262 in its seventh update of 29 October 2021, and has supplemented the disclosure with a description of the effects of Covid-19, to provide a representation of the impact of the pandemic on the capital and earnings situation and risks (in particular with reference to the issue of credit quality) of intermediaries.
- The Bank has also incorporated the provisions of the ESMA Recommendation of 29 October 2021 “European common enforcement priorities for 2021 annual financial reports”, which outlines the priorities on which listed companies should focus in preparing their annual financial statements starting from December 2021. ESMA recommends in particular that IFRS-compliant reporting for 2021 should include disclosure on the four following issues: a) long-term impacts of the Covid-19 pandemic and the recovery phase, with careful assessment and transparency of accounting; b) effects of climate risks (climate change), impacts, estimates and strategies used to mitigate them and to indicate the company's positioning relative to sustainability objectives; c) measurement of Expected Credit Losses (ECL), including sensitivity analysis and a breakdown of how overlays are managed (amounts provided and amounts used), material adjustments and significant increases in credit risk (SICR); d) disclosures relating to the taxonomy and the alignment of economic activities pursuant to Article 8 of Regulation (EU) 2020/852;
- The Bank has provided the qualitative and quantitative disclosures on “direct” and “indirect” impacts deriving from the Russia/Ukraine conflict required by ESMA in its Recommendation of 13 May 2022, “Implications of Russia's invasion of Ukraine on half-yearly financial reports”, and by Consob in its Reminder no. 3/22 of 19 May 2022 referring to the Public Statement on “Implications of Russia's invasion of Ukraine on half-yearly financial reports”;
- Mediobanca S.p.A. has implemented the process of marking up its annual financial reporting in XHTML (eXtensible HyperText Markup Language) format, using iXBRL

(“Inline Extensible Business Reporting Language”) to mark up its consolidated financial statements;

- For legal and tax risks, the Statutory Audit Committee has also ascertained that the financial statements contain the relevant information regarding the main Group legal entities obtained by the Committee itself in the course of its exchanges with the Chairpersons of the equivalent Committees at the other companies. In this connection, the Committee refers readers to the notes and accompanying schedules to the consolidated financial statements on the subject of litigation pending.

The representatives of the External Auditors, in their regular meetings with the Statutory Audit Committee, have not reported any issues which could affect the internal controls system with reference to the administrative and accounting procedures.

The Statutory Audit Committee has ascertained that the flows provided by the non-EU Group companies of significant relevance are adequate, and allow the activity of auditing the annual and interim accounts to be performed as required by Article 15 of the Regulations for Markets.

Based on the foregoing, no evidence has emerged of deficiencies that could affect the assessment of the internal control system’s adequacy, the process of financial reporting, and the reliability of the administrative and accounting procedures in representing the Bank’s operations.

8. Supervision of External Auditors’ activity

In accordance with the provisions of Article 19 of Italian Legislative Decree 39/10, the Statutory Audit Committee, identified therein as the “Committee for internal control and auditing”, duly carried out the required activity in terms of monitoring the External Auditor’s operations.

EY S.p.A. is the company which the shareholders of Mediobanca, at an ordinary annual general meeting held on 28 October 2020, appointed to serve as its external auditors to audit the company’s individual and consolidated financial statements until the end of the financial year ending on 30 June 2030. This appointment includes the responsibility for checking that the company’s books are kept properly, that operations are recorded correctly in the book entries, reviewing the accounts of the international branches for their inclusion in the consolidated reporting, limited audit of the interim statements, audits relating to signing off tax returns, and the statements to be made to the Italian deposit guarantee fund.

The Statutory Audit Committee met regularly with the External Auditors as appointed *inter alia* pursuant to Article 150 of the Italian Consolidated Finance Act in order to exchange information regarding the latter’s activity and in particular to receive knowledge of the audit plan, timescales for activities, and dedicated staff involved. In such meetings the External Auditor has at no stage shown evidence of facts considered to be censurable or other irregularities such as would warrant reporting as required by Article 155, paragraph 2 of the Italian Consolidated Finance Act.

In particular, in the twelve months under review, the Statutory Audit Committee met with EY to obtain information on the audit plan for FY 2021-22, the first year of the firm’s engagement to audit the Group’s financial statements, and the state of progress made in achieving it. EY

updated the Statutory Audit Committee on significant risks, identified, confirming the main ones as credit risk and other types of risks to complex financial instruments and recovering the book value of equity investments, plus assets with undefined useful lives originating from business combinations, plus possible risks of fraud. In the course of these meetings, EY has not reported any limitations on the performance of its engagement with reference to the handover of activities from the previous audit firm (PWC).

On 29 September 2022 the External Auditor, appointed pursuant to Article 14 of Italian Legislative Decree 39/10, issued its reports on the individual and consolidated financial statements for the year ended 30 June 2022. With reference to the opinions and declarations, in its audit report on the financial statements the External Auditors:

- Issued an opinion from which it emerges that Mediobanca's company's individual and consolidated financial statements present a truthful and proper reflection of the company's and Group's capital and financial situation as at 30 June 2022, their earnings results, changes to their net equity and cash flows during the year under review in accordance with the International Financial Reporting Standards adopted by the European Union, and the rulings issued in implementation of Article 9 del Italian Legislative Decree n. 38/05 and Article 43 del Italian Legislative Decree 136/15;
- Presented the key aspects of the auditing process which according to its own professional judgement, are most significant and contribute to the formation of the overall opinion on the financial statements;
- Issued their opinion that the Reviews of Operations attached to the individual and consolidated financial statements for the twelve months ended 30 June 2022 are consistent with certain specific information contained in the "Report on Corporate Governance and Ownership Structure" stipulated in Article 123-bis, paragraph 4 of the Italian Consolidated Finance Act, responsibility for which lies with the Bank's directors, and have been drawn up in accordance with the legal provisions in force;
- Stated that the Group's consolidated financial statements have been prepared using the XHTML format, in accordance with the provisions of Commission Delegated Regulation (EU) No. 2019/815;
- Declared, with reference to the possibility of there being material errors in the Reviews of Operations, that based on their knowledge and understanding of the company and the scenario in which it operates, obtained as a result of their audit activities, that they had no comment to make in this connection.
- Reviewed the Directors' approval of the Consolidated Non-Financial Statement.

On 29 September 2022, the External Auditors also submitted the additional report required under Article 11 of Regulation (EU) no. 537/2014 to the Statutory Audit Committee. As an annex to the additional report, the External Auditor also submitted its statement of independence, as required by Article 6 of Regulation (EU) no. 537/2014, to the Statutory Audit Committee, from which no situations emerged that could compromise its independence. The Committee also duly noted the 2021 report on transparency prepared by the external auditors and published on its own website pursuant to Article 18 of Italian Legislative Decree 39/2010.

Mediobanca has adopted a Group Directive for engaging external auditors and their network, which includes a reference model based on which a Principal Auditor is engaged, which is also assigned engagements by the other Group companies, and a Secondary Auditor, which is assigned those duties which, for demonstrable reasons such as regulatory requirements or compulsory terms for engagements, cannot be assigned to the Principal Auditor.

The Directive also establishes a specific procedure for engaging the audit firm for the parent company and the Group companies, plus additional engagements under the terms of Article 14 of Italian Legislative Decree 39/10. Such engagements, which under the regulations in force must be authorized by the Statutory Audit Committee, and which – where they are not incompatible with the primary audit engagement – may not exceed 70% of the average of the fees paid in the last three consecutive financial years for the statutory audit(s) of the audited entity (the “Fee Cap”). For such engagements, the Directive requires a process to be instituted in order to obtain prior authorization and monitoring from the Statutory Audit Committee, in order to protect the audit firm’s independence, in accordance with the provisions of Italian Legislative Decree 39/10.

As provided by the Directive, the Head of Company Financial Reporting submits a report on the situation regarding the services provided by the Principal Auditor and its network to the Statutory Audit Committee once every six months, along with information on how much of the annual limit set in accordance with the fee cap has been used. The Statutory Audit Committee has performed the duties required of it under the regulations in force in terms of approving the non-auditing services requested of the external auditor and/or the other companies forming part of its network. These services, charged to the profit and loss account and stated in the financial statements as required by Article 149-*duodecies* of the Regulations for Issuers, were as follows:

Type of service	EY €'000	EY Network €'000
Statements	192	31
Other services	—	---
Total	192	31

Given the non-audit mandates conferred on EY and its network by Mediobanca and the Group companies, their nature and the total fees paid, plus the independence procedures adopted by EY in general, the Statutory Audit Committee does not consider that there are any critical issues arising with respect to the independence of EY S.p.A.

The External Auditors have also confirmed to the Statutory Audit Committee that no external opinions have been expressed by them as required by law in the course of the financial year under review, in the absence of any grounds for such opinions.

9. Omissions, censurable facts, opinions given and initiatives undertaken

The Statutory Audit Committee has received one report under Article 2408 of the Italian Civil Code regarding the failure to respond to certain questions tabled prior to the Annual General Meeting. The Committee duly reviewed the report, performing the enquiries and the analysis considered necessary, and obtained information from the relevant units of the Bank. Based on the preliminary analysis carried out, the Committee found that there were no grounds for pursuing the report any further.

The Statutory Audit Committee also received a letter from a qualified shareholder which constituted a complaint pursuant to Article 2408 of the Italian Civil Code, without, however,

clear indication of censurable acts. The Committee reviewed the letter, treating it as a complaint, made the enquiries and investigations considered to be necessary, and obtained information from the relevant units of the Bank. Based on the enquiries made, the Committee felt there was no need to follow up any further on the communication received.

The Statutory Audit Committee is not aware of any facts or complaints to be reported on to shareholders in general meeting.

The Statutory Audit Committee issued opinions or made observations as required by the regulations in force, in particular as follows:

- The opinion required by Bank of Italy Circular no. 285 of 2013 as amended regarding the covered bond issuance programme pursuant to Article 7-bis of Italian Law 130/99;
- Its opinion in favour of the proposed compensation payable to the Chairman of the Board of Directors pursuant to Article 2389(3) of the Italian Civil Code;
- Its opinion on the process for determining the variable remuneration and scorecards for FY 2022-23 for the Chief Executive Officer and Group General Manager and for the heads of the control units;
- Its opinion on the additional payment to the external audit firm as at 30 June 2022 in connection with the opinion issued by it with regard to the individual and consolidated financial statements and their compliance with the provisions of Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018 as amended;
- Favourable opinion on the formal approval by the Board of Directors on meeting the requisites to use the internal risk measurement systems;
- Considerations on the annual report on outsourcing important corporate functions.

In the course of the Committee's activities and based on the information obtained, no omissions, censurable facts, irregularities or other significant circumstances such as would require the supervisory authorities to be notified or as would warrant inclusion in this report have come to its attention.

10. Consolidated Non-Financial Statement

The Statutory Audit Committee, in the exercise of its functions, has monitored compliance with the provisions of Italian Legislative Decree 254/16 and the Consob regulation implementing the said decree adopted under resolution no. 20267 of 18 January 2018, in particular with reference to the process of drawing up, and the contents of, the Consolidated Non-Financial Statement (CNFS) published by Mediobanca.

The CNFS was approved by the Board of Directors at a meeting held on 22 September 2022 as a document separate from the consolidated Review of Operations for the year ended 30 June 2022.

The CNFS for FY 2021-22 also contains a section devoted to the state of progress made in reaching the ESG targets contained in the Strategic Plan in order to achieve the Sustainable Development Goals. As from FY 2021-22, the CNFS also includes EU Taxonomy alignment disclosures. The Bank has also published further reports on the self-assessment regarding the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD), and a preliminary self-assessment relative to the Principles for Responsible Banking, and the

first two interim sector targets for indirect emissions, as required by the Net-Zero Banking Alliance.

The external auditors retained to perform the limited assurance with reference to the CNFS as required by Article 3, paragraph 10 of Italian Legislative Decree 254/16, in its report issued on 29 September 2022, state that no evidence has reached its attention such as to suggest that the CNFS prepared by the Mediobanca Group for the year ended 30 June 2022, has not been prepared in all significant aspects, as required by Articles 3 and 4 of Italian Legislative Decree 254/16 and the “Global Reporting Initiative Sustainability Reporting Standards”.

The Statutory Audit Committee is not aware of any breaches of the regulatory provisions.

11. Supervisory body

The Statutory Audit Committee, having been vested with the duties of the supervisory body to be instituted in accordance with the provisions of Article 6, paragraph 4-*bis* of Italian Legislative Decree 231/01 on corporate administrative liability, has obtained and reviewed information on the organizational and procedural activities implemented by the Bank in pursuance of the foregoing legislative decree.

The Organizational Model introduced pursuant to Italian Legislative Decree 231/01 (the “Model”) is in the process of being updated, in order to incorporate the new predicate crimes introduced by the regulations introduced in the twelve months ended 30 June 2022, and will be completed during the new financial year.

The supervisory body reported on the activities performed by it during the year ended 30 June 2022, raising no particular issues, describing a situation held to be satisfactory overall and basically in line with the provisions of the organizational, management and control model in force.

12. Conclusions

The agenda for the ordinary Annual General Meeting of Mediobanca shareholders to take place on 28 October 2022 includes the following items:

1. Financial statements as at 30 June 2022, Board of Directors’ review of operations and external auditors’ report; report by the Statutory Audit Committee:
 - a. Approval of financial statements for the year ended 30 June 2022;
 - b. Allocation of profit for the year and distribution of dividend to shareholders.
2. Remuneration:
 - a. Group Remuneration Policy and Report: Section I – Mediobanca Group Remuneration Policy FY 2022-23;
 - b. Group Remuneration Policy and Report: resolution not binding on Section II – Group Remuneration Report FY 2021-22;
 - c. Policy in the event of the beneficiary leaving office or the employment arrangement being terminated;
 - d. 2023 incentivization system based on financial instruments (annual performance share scheme).

Without prejudice to the specific duties and responsibilities assigned to the External Auditors in terms of auditing the Group's accounts and appraising the reliability of its financial statements, the Statutory Audit Committee has no observations to make to shareholders in general meeting, pursuant to Article 153 of the Italian Consolidated Finance Act, regarding approval of the financial statements for the year ended 30 June 2022 and the Review of Operations as presented by the Board of Directors, and the proposed profit allocation.

Milan, 30 September 2022

The Statutory Audit Committee