

## **STATUTORY AUDIT COMMITTEE'S REPORT TO THE SHAREHOLDERS OF MEDIOBANCA S.P.A. IN ANNUAL GENERAL MEETING**

as required under Article 153 of Italian Legislative Decree 58/98 and Article 2429 of the Italian Civil Code

Dear Shareholders,

This report, which has been prepared as required under Article 153 of Italian Legislative Decree 58/98 as amended (the "Italian Finance Act"), refers to the activities carried out by the Statutory Audit Committee (the "Committee") of Mediobanca S.p.A. ("Mediobanca", the "Bank" or the "Company") during the financial year ended 30 June 2024, in accordance with the relevant regulations, and taking into account the rules of conduct for Statutory Audit Committees for Listed Companies issued by the Italian national council of chartered accountants and accounting experts ("CNDCEC"), as updated on 21 December 2023 (the "New Rules of Conduct"), the Consob regulations on corporate controls, and the guidance contained in the Corporate Governance Code promoted by Borsa Italiana.

Furthermore, as Mediobanca has adopted a traditional model of corporate governance, the Statutory Audit Committee is Committee for Internal Control and Auditing, which has additional specific duties in terms of control and monitoring of financial reporting and legal auditing, as provided by Article 19 of Italian Legislative Decree no. 39/2010, as amended.

The current Statutory Audit Committee was appointed on 28 October 2023, and its term of office shall expire with the Annual General Meeting of Mediobanca shareholders called to approve the financial statements for the twelve months ending 30 June 2026.

### **1. SUPERVISORY ACTIVITIES**

#### ***1.1. Supervisory activities regarding compliance with the legal, regulatory and statutory provisions***

During the course of the year, the Statutory Audit Committee held a total of 41 meetings, 16 of which jointly with the Risks Committee, plus 7 meetings after the joint meetings, to discuss at greater length, where appropriate, some of the issues discussed at the meetings of the Risk Committee, the other Board Committees, and the Board of Directors itself. The Statutory Audit Committee also took part in 13 Board meetings, 6 Related Parties' Committee meetings, 10 Remuneration Committee meetings, 10 Appointments Committee meetings, and 4 Sustainability Committee meetings. The Committee, in its previous composition, also participated in one meeting of the Executive Committee, which existed until 28 October 2023.

The Statutory Audit Committee members also took part in the induction and training programme for members of Mediobanca's governing bodies. In particular, the training involved a total of 5 induction sessions, 9 induction sessions for the newly-appointed members in particular, and three training sessions on the following issues: SREP Letter – IT issues; Recovery Plan and Resolution Plan; Consumer credit market and Compass risks; RAF, RAS and Budget; Budget and RAS for FY 2024-25; Governance: regulations, Articles of Association, Regulations; Treasury: ALM and FTP; Group Risk Management Unit: activities, organizational structure and reporting flows; Group Risk Management Unit: capital and liquidity requirements; Group Remuneration Policy; Financial Reporting and Accounting; Group Audit Unit, Group Compliance Unit, and Group

AML Unit; IT Governance: Organization; ESG issues; Artificial Intelligence, and its main uses within the Group; Cyber-Security; Geopolitical scenarios.

During the twelve months under review, the Statutory Audit Committee has received regular information from the Directors – *inter alia* through participating in meetings of the Board of Directors, and also in meetings of all the Board Committees in accordance with the best practices recommended in the New Rules of Conduct, and on the occasion of the meetings with the chairpersons of the Statutory Audit Committees of the main Group Legal Entities, and with the Bank’s senior management – on the activities carried out, the management actions performed by the Bank, and, in view of the information available, the Committee is able to provide reasonable confirmation that the operations performed are compliant 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 2023-26 Strategic Plan, include the following:

- Substantial confirmation of the SREP prudential requirements, in view of the Group’s operating performance;
- Acquisition, after the relevant clearance was issued, of a controlling interest in Arma Partners LLP, an independent financial advisory company that became part of the Group and has been fully consolidated since October 2023;
- Acquisition by Compass Banca S.p.A. (“Compass Banca”) of a 100% interest in HeidiPay Switzerland AG, a fintech company specializing in the Buy Now Pay Later (“BNPL”) sector;
- Sale of Group Legal Entity Revalea S.p.A., after the relevant clearance was issued, which exited the Group’s scope of consolidation with effect from 1 October 2023;
- The rebranding process of Mediobanca Premier S.p.A. (formerly “CheBanca!”; “Mediobanca Premier”) versus a higher client bracket;
- The Bank’s registration in the list of BTP Specialists operated by the Italian Ministry for the Economy and Finance starting from 1 June 2024, resulting in its being accredited to operate as Primary Dealer; and
- The securitization of loans granted by Compass Banca, recognized by the ECB as a “Significant Credit Risk Transfer” (“SRT Consumer”) transaction.

The Committee would also like to remind shareholders that at the Annual General Meeting held on 28 October 2023, some important initiatives in relation to the Strategic Plan 2023-26 were approved, in particular the following:

- The Long-Term Incentive Plan for senior and strategic Group staff, to be awarded upon the achievement of certain objectives;
- The Employee Share Ownership and Coinvestment Plan (“ESOP 2023-2026”) for Group staff members who wish to acquire shares in the Bank on a voluntary basis and on favourable terms; and
- The first share buyback programme, following which the shares acquired were cancelled, on 11 June 2024.

Furthermore, following the amendment to the Articles of Association which authorized them to do so, the Board of Directors adopted a resolution to distribute an interim dividend, which was paid on 9 May 2024, and the Statutory Audit Committee supervised the process to ascertain it

was performed in accordance with the legal and statutory provisions, finding that it was compliant.

The Committee found that during the financial year, the Company has complied with all the reporting requirements in terms of regulated and inside information or otherwise requested by the Authorities.

With reference to relations with the Supervisory Authorities (ECB, Bank of Italy and Consob), the Statutory Audit Committee has at all times been kept updated by the relevant Company units – in particular the Compliance unit with regard to the activities of the Consob and the Bank of Italy on money-laundering issues – and by the Chairpersons of the Statutory Audit Committees of the main Group Legal Entities, on the requests made and checks carried out, including in relation to inspections activity and with regard to the correspondence exchanged between them. In particular, the Risk Management unit has reported to the Statutory Audit Committee once a month on the various activities performed by the ECB and by the Bank of Italy, presenting the results of these activities, and reporting on the remediation actions completed or in the course of being implemented, regarding the various points raised by the Authorities.

The Statutory Audit Committee has also, in the exercise of its supervisory activities, consulted with the relevant members of the Company's management on various topics of interest.

The Committee also met with the OSI inspection ECB team to discuss the issue of "Remuneration and risk culture" on 23 April 2024.

### ***1.2. Supervisory activities regarding 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 responsible Company units and the Head of Company Financial Reporting (the "Head of Company Financial Reporting"), and on the occasion of meetings with the external auditors involving the mutual exchange of relevant data and information. It also met with the Chief Executive Officer, the Group General Manager and the other senior management figures of the Bank in the course of meetings of the Board of Directors and the Board Committees, as well as in *ad hoc* meetings, on several occasions in the course of the financial year, to obtain information on the operating performance, the internal controls system and the principal risks facing the Company. During these meetings the Committee noted a thorough willingness to engage in dialogue, and found 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.

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, Bank of Italy Circular no. 285/2013 (the "Circular no. 285") 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 of the information provided by the Head of the Group Audit Unit, the Statutory Audit Committees of the main directly-owned Group Legal Entities, and the external audit firm, the Statutory Audit Committee also noted the absence of any atypical and/or unusual transactions – that is, transactions which, because of their characteristics, could give rise to concerns regarding the accuracy or thoroughness of the disclosure provided in the financial statements, over conflicts of interest, the safeguarding of the Company’s assets or the protection of minority shareholders – entered into with Group Legal Entities, third parties or related parties.

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.

### ***1.3. Supervisory activity regarding the adequacy of the organizational structure***

The Bank’s organizational structure has undergone certain changes during the course of the twelve months, which were duly supervised by the Committee.

In particular, the outgoing Board of Directors, after debating the issue at length, decided not to establish an Executive Committee: (i) in line with the experience in terms of governance prevailing among the European banks supervised by the ECB; and (ii) so as not to increase the number of executive Directors, to benefit the Board of Directors’ functioning.

Following the resignation of the Head of the Risk Management Unit on 20 December 2023, the Company launched the process to select the new Group Chief Risk Officer (the “CRO”), which involved, out of the Board Committees, the Appointments, Remuneration and Risks Committees, each for those aspects that fall within their remit, plus an external advisor. In addition to participating in all the above meetings and interviews with candidates, the Statutory Audit Committee exercised supervision to ensure that the selection procedure was carried out correctly, with regard in particular to the requirements in terms of the candidates’ professional qualifications, which included obtaining the documents subject to the various Committee’s scrutiny. The Committee, in close conjunction with the Remuneration Committee, also carried out monitoring to ensure that the rules on compensation were applied correctly.

During the twelve months under review, the Company also elected to set up a new unit, the Retail Credit Risk Management, reporting to the CRO, with a view to reinforcing centralized control of this risk area for Compass Banca and Mediobanca Premier, both of which, in view of the Strategic Plan 2023-26, have seen a significant increase and expansion of their activities.

A new Fraud Risk team has also been set up as part of the Non-Financial Risk Management area, with responsibility for promoting and maintaining coverage to ensure that fraud risk is identified, mitigated and managed at Group level.

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 has performed its activities of direction and co-ordination through: a) the guidelines set out in the 2023-26 Strategic Plan, which are valid for the Group as a whole and for each individual Group Legal Entity; 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 in functional terms 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, para. 2 of the Italian Finance Act.

#### ***1.4. Supervisory activities regarding the internal control and risk management systems***

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 (follow-up) actions highlighted;
- Receiving information from the Heads of the various divisions of the Company;
- Meetings with the supervisory bodies of the leading Group Legal Entities, in accordance with the provisions of Article 151, paras 1 and 2 of the Italian Consolidated Finance Act, in the course of which the Statutory Audit Committee obtained information on developments considered to be significant and the internal controls system;
- Discussion of the results of the work performed by the external auditors; and
- Taking part in the joint meetings with the Risks Committee.

The activities performed with regard to the Company, over which the Committee has exercised supervision, are described below.

During the twelve months under review, the Company has adopted a new Group Fraud Management Policy in the area of non-financial risks, consistent with the related organizational change, on which the Committee expressed its appreciation for the attention which the Company is devoting to this issue.

Furthermore, after a new strategy for assuming market risk was compiled, the Company has also adopted a new Group Market, Credit, Counterparty and Issuer Risk Management Policy, thus completing the internal regulations already in force, to strengthen the guidelines issued to the Group Legal Entities for centralized and co-ordinated management of the relevant risks.

In connection with the SRT Consumer securitization, the Company has adopted a new policy to lay down the regulations for performing this type of transaction. The Committee has actively taken part in joint meetings with the Risks Committee, providing its comments and suggestions in the drawing up of the policy.

During the year under review, the Committee has also continued to monitor the process carried out by the Group Audit Unit to reduce the number of high-age findings.

The Statutory Audit Committee has also monitored observance of the Group Remuneration Policy 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 has adopted and regularly updates its Group Policy on the Internal Controls System. 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 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 organizational 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 constant dialogue with the Control Units.

During the twelve months, the Bank, with the support of an independent advisor, has carried out a self-assessment of the Control Units, to assess their adequacy and identify any points requiring attention. The Statutory Audit Committee has taken part actively in this activity, through meetings with the advisor, following which the opinions expressed were largely positive, and shared areas for improvement and development with the Heads of the Units involved.

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.

Based on the activities performed, the information obtained, the contents of the Control Units' quarterly 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 has been ongoing during the year. In addition to the regular scheduled meetings, the Unit is in any case bound to inform 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 these activities. The audit and follow-up activities performed (including at Group level) in any case highlighted specific areas requiring attention, and the need for the relevant organizational units to implement the residual 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 various issues including the RAF, Most Significant Transactions and the Recovery and Resolution Plan 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 provided ongoing and increasing support to the Supervisory Authorities, primarily the ECB, but also the Bank of Italy, in conjunction with its on-site inspections, deep-dives, and thematic reviews, in filling in the various questionnaires and templates, and in sending the regular reporting flows required.

### *Compliance Unit*

The Compliance unit presides directly over those regulatory areas considered to present the highest reputational risks, 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 2024 to the Committee, along with its action plans for the twelve months ending 30 June 2025, as required by Circular no. 285 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) due diligence activities for certificates and products in the Private Markets area; (ii) checks carried out *ex-post* on the distribution of such products; (iii) controls and audits in the area of advisory activities; and (iv) training initiatives.

The annual Report also contains information on the Key Risk Indicators (KRIs) based on a compliance KRI framework approved by the Conduct Committee. No significant issues emerged from the KRIs monitoring: the number of complaints received remains low, and lower even than last year (7, as compared to the 11 received last year), and the instances of whistle-blowing (1) revealed no major issues.

#### *AML unit*

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. The unit has submitted its annual and regular reports to the Committee in the year ended 30 June 2024, along with its action plan for the 2024-25 financial year, as required by the Instructions on organization, procedures and internal controls in the area of anti-money-laundering issued by the Bank of Italy on 26 March 2019, following the update released on 1 August 2023 (the “AML Instructions”).

With regard to new regulations, reference is made to the revised version of the Group Policy on Money Laundering and Terrorist Financing Risk Management, which has been updated to specify the duties of the new AML Officer appointed in response to the AML Instructions, and to incorporate certain new general principles into the model adopted by the Group for AML/terrorist financing risk management, and to include a specific section on international financial sanctions.

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

As a result of the Russia-Ukraine war, the numerous international sanctions handed down against Russia and Belarus have assumed particular importance, including in view of their impacts on the operations of banks and financial intermediaries. The unit has continued to monitor relations potentially falling within the scope which would require reporting to the Authority.

During the twelve months under review, the Unit has co-ordinated the completion of the residual remediation actions, which are scheduled to be completed by end-October 2024, based on the results of the inspections activity performed by the Bank of Italy in the money-laundering area.

Following the update to the AML Instructions on 1 August 2023, the Unit has provided support to the Board of Directors on matters within its remit for the appointment of the new AML Officer for both Mediobanca and the Group, effective immediately in the case of the former and starting from 1 January 2025 in the case of the latter, after the Officer has been appointed by the Group Legal Entities included in the relevant scope.

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.



### *Group 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.

As part of the strategic risk monitoring processes, the Unit has carried out checks on the regulatory and management metrics included in the RAS, ICAAP and ILAAP, confirming that an adequate risk profile has been maintained relative to the Risk Appetite thresholds.

During the twelve months under review, the Group's risks map has been updated, fully integrating the results of the materiality analysis carried out for climate factors into the individual risk categories.

The Group has approved the annual fine-tuning of the RAS proposed by the Unit for FY 2024-25, in accordance with the Risk Appetite defined in the Strategic Plan 2023-26. The process of applying the primary indicators to the various business lines has also been strengthened, thus ensuring compliance with the Group's risk objectives.

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 26 October 2023, *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 the Bank'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 and Security Risk Management, and consists of an assessment of the risk related to the principal applications and infrastructure technology resources. In line with regulatory provisions, which require 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.

Against a general backdrop of risk profile governance and careful monitoring of any developments in the profile, the IT and security risk analysis for the Bank for FY 2023/24 did not detect any "critical" or "high" risk levels.

The IT and security 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.

The IT and security risk analysis for this financial year has confirmed once again that the IT system's main vulnerability, with a "medium" or "medium-high" risk level, regards applications and infrastructure obsolescence, which is cross-divisional and applies equally to all Group Legal Entities.

For this reason and given the ECB's increasing focus on the obsolescence of technology, infrastructure and applications components ("End of Life"), during the twelve months under review, the Group has compiled a plan with a view to systematically reducing the obsolescence of its IT systems.

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

### ***1.5. Supervisory activity regarding 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 Framework" 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 on a six-monthly basis.

Work continued in FY 2023-24 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 and accounting model instituted in connection with Italian Law 262 has been reinforced during the year. In this area, the internal regulations regarding the Head of Company Financial Reporting have been updated, and synergies with the Tax Control Framework have been identified.

This framework, instituted as a result of project activity carried out by the Group Tax unit, entails a structured system in order to detect, measure, manage and control tax risk. After the Tax Control Framework was adopted, and in accordance with the Tax Conduct Principles approved by the Board of Directors on 11 May 2021, on 27 June 2024 the Bank was admitted to the co-operative compliance programme instituted by the Italian revenue authority, and at the same time applications for admission to the same programme were submitted also for Group Legal Entities Compass Banca and Mediobanca Premier.

Work has already begun on the activities required by Italian Legislative Decree no. 209 of 27 December 2023 on "implementing reform in the area of international tax" (the so-called Global

Minimum Tax), the first year of application for which will be, for Mediobanca, the financial year ending 30 June 2025.

The Committee has met regularly with the Head of Company Financial Reporting, the Head of the Financial Reporting Management at Tax unit 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 which are subsequently audited on a sample basis 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 Reports 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 has 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 as amended (the "Circular no. 262"). The Statutory Audit Committee also duly notes that:

- The Board of Directors, at a meeting held on 27 June 2024 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 Circular no. 262 in its eighth update of 17 November 2022;
- The Bank has also incorporated the provisions of the ESMA Recommendation of 25 October 2023 "European common enforcement priorities for 2023 annual financial reports", which outlines the priorities on which listed companies should focus in preparing their annual financial statements for 2023. ESMA recommends in particular that adequate disclosure should be provided in the financial statements of the effects, direct and indirect, of the sudden rise in interest rates, through disclosure of the composition of its fixed- and floating-rate exposures, including a sensitivity analysis where appropriate; of the effects of the increased volatility due to the macroeconomic scenario on the determination of fair values; on possible material effects on financial disclosure due to climate change, at the same time ensuring that such disclosure is provided in line with the IFRS; and of the need to make clear and consistent use of Alternative Performance Measures (APMs).
- In the same document, ESMA again focuses attention on the issue of ESEF tagging, implemented in accordance with Commission Delegated Regulation (EU) No. 2019/815 (the "ESEF Regulation"), which requires annual financial reporting to be compiled in XHTML (eXtensible HyperText Markup Language) format, using iXBRL ("Inline

Extensible Business Reporting Language”) to mark up the consolidated financial statements, in particular on the priority use of the compulsory existing elements in the taxonomy; in particular, it should be specified that only if following careful analysis it is clear that there is no suitable tag for a certain numerical datapoint can an element be created *ad hoc*.

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. In this connection, the Committee refers readers to the notes and accompanying schedules to the consolidated financial statements on the subject of litigation pending which involves Mediobanca.

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 Consob’s 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.

#### ***1.6. Supervisory activities regarding the means by which the corporate governance rules are implemented in practice***

The Statutory Audit Committee has assessed the ways in which the Corporate Governance Code (version 2020) operated by Borsa Italiana and adopted by Mediobanca on the terms illustrated in the “Annual statement on corporate governance and ownership structure” has been implemented. In particular, the recommendations made by the Chairman of the Corporate Governance Committee in the letter dated 14 December 2023 were brought to the attention of the Board of Directors at the meeting held on 8 February 2024, and incorporated as part of the self-assessment process.

The Lead Independent Director, who was reappointed to the position on 23 November 2023, worked closely with the Chairman of the Board of Directors to ensure the Directors received exhaustive and timely flows of information for the discussion of issues regarding the Board’s functioning and in the preparation of the annual timetable of induction and training sessions. She also met with and chaired meetings of the independent Directors, and acted as spokesperson for the self-assessment process of the Board and its Committees.

In connection with the governing bodies’ reappointments, the Committee supervised the process of forming the Board Committees to ensure it was carried out correctly, in view *inter alia* of the provisions of the Articles of Association and the Corporate Governance Code.

### ***1.7. Supervisory activities regarding transactions with related parties***

The Statutory Audit Committee has reviewed: the compliance of the Regulations governing Transactions with Related Parties and their Associates adopted by the Company (the “Regulations”) with the Regulations on Transactions with Related Parties issued by Consob and with Circular no. 285, which lays down the principles to be complied with in order to ensure that transactions with related parties and their associates are carried out transparently and properly in substantial and procedural terms; and on their application in practice, taking part in all meetings of the Related Parties Committee and regularly receiving and analysing information on the transactions executed.

In this connection it should be noted that, during the year under review, no transactions qualifying as “most significant” were executed, and that the Statutory Audit Committee is not aware of any transactions entered into with related parties that are in conflict with the Company’s interests.

The Regulations were amended, pursuant to a resolution adopted by the Board of Directors on 27 June 2024, subject to a prior favourable opinion being expressed by the Statutory Audit Committee and the Related Parties Committee, for the purpose of ensuring the Regulations are fully aligned with the Regulations on acquisitions and disposals of assets functional to Group strategic development.

The Statutory Audit Committee checked that the Board of Directors, in its Review of Operations and in the Notes to the Accounts, has provided adequate disclosure of all transactions involving related parties, having regard to the requirements of the regulations in force on this subject.

The scope of Related Parties was revised in line with the provisions of the Regulations.

The Statutory Audit Committee, having examined 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.

## **2. COMMITTEE FOR INTERNAL CONTROL AND AUDITING**

### ***2.1. Legal audit of the individual and consolidated accounts***

In accordance with the provisions of Article 19 of Italian Legislative Decree 39/10, the Statutory Audit Committee, in its capacity as 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. (the “External Auditors”, or “EY”) 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 approval of the financial statements for the year ended 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 individual and 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 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. External Auditors have at no stage shown evidence of facts considered to be censurable or other irregularities such as would warrant reporting as required by Article 155, para. 2 of the Italian 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 2023-24, 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. During these meetings, EY informed the Committee of the changes to the scope of the engagement to audit the financial statements of the relevant Group Legal Entities for purposes of the plan to audit the Group's consolidated financial statements.

On 25 September 2024, the External Auditors, appointed pursuant to Article 14 of Italian Legislative Decree 39/10 and Article 10 of Regulation (EU) no. 537/2014, issued its reports on the individual and consolidated financial statements for the year ended 30 June 2024. 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 2024, 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. 38/2005 and Article 43 del Italian Legislative Decree no. 136/2015;
- 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 2024 are consistent with certain specific information contained in the "Annual statement on corporate governance and ownership structure" stipulated in Article 123-bis, para. 4 of the Italian 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 individual and consolidated financial statements have been compiled in XHTML format, and that the consolidated financial statements have been marked up on all significant respects in conformity with the provisions of the ESEF Regulation;
- 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 25 September 2024, 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 Auditors 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 2023 report on transparency prepared by the External Auditors and published on its own website pursuant to Article 18 of Italian Legislative Decree no. 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, cannot be assigned to the Principal Auditor.

The Directive also establishes a procedure for engaging the audit firm for the Parent Company and the Group companies, as well as for additional engagements, for which the regulations require prior authorization by the Statutory Audit Committee. These engagements – if related to services compatible with the statutory auditing – 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”) to guarantee the audit firm’s independence, in accordance with the provisions of Italian Legislative Decree no. 39/2010.

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 the use of the annual limit set in accordance with the Fee Cap. 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. The costs 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	304	29
Other services	329	—
Total	633	29

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 considers that there are no critical issues arising with respect to the independence of EY S.p.A.

The External Auditors issued the opinion required by Article 2433-bis of the Italian Civil Code regarding the documents drawn up by the Board of Directors for purposes of distributing the interim dividend.

## **2.2. Consolidated Non-Financial Statement**

The Statutory Audit Committee in the exercise of its functions, has monitored compliance with the provisions of Italian Legislative Decree no. 254/2016, and the Consob regulation implementing the said decree adopted under resolution no. 20267/2018, 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 19 September 2024 as a separate document from the consolidated Review of Operations for the year ended 30 June 2024.

The CNFS for FY 2023-24 also contains the disclosures required by Regulation (EU) 2020/852 of 18 June 2020 (the “EU Taxonomy Regulation”) and by the related Commission Delegated Regulations (EU) 2021/2178 and (EU) 2021/2139.

The Bank has subscribed to the Task Force on Climate-related Financial Disclosures (“TCFD”) Recommendations for transparent disclosure of information on its own environmental impact in preparing the TCFD Report, publishing, in conjunction with the CNFS, a separate report based on the following four pillars: Governance, Strategy, Risk Management, Metrics and Targets. The document contains the decarbonization targets for the remaining sectors identified by the Net-Zero Banking Alliance (“NZBA”) and by Pillar III, and information on the performance in terms of portfolio emissions and progress made with regard to the targets set in the TCFD Report for FY 2022-23.

The Bank has also renewed its subscription to the Principles for Responsible Banking (“PRB”), the objective of which is to ensure, within four years of membership, that its business model is aligned with the United Nations’ Sustainable Development Goals. For this reason, again in conjunction with the CNFS, the Bank has also published its PRB Report for FY 2023-24, which for the first time has also been subjected to limited assurance by the External Auditors.

The Bank has published its Group Diversity, Equity and Inclusion Code which is published on its website, and which defines the approach in terms of the objectives, strategies and practices adopted in this area.

The External Auditors engaged to perform the limited assurance with reference to the CNFS as required by Article 3, para. 10 of Italian Legislative Decree no. 254/16, in its report issued on 25 September 2024, 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 2024, has not been prepared in all significant aspects, as required by Articles 3 and 4 of Italian Legislative Decree no. 254/16 and the Global Reporting Initiative Sustainability Reporting Standards, “in accordance” option.

The Bank has launched activities with a view to meeting the requirements set by the Corporate Sustainability Reporting Directive (“CSRD”), which becomes mandatory as from the current financial year pursuant to Article 8 of Italian Legislative Decree 125/2024.

The External Auditors, as permitted by Article 18, para. 1, of Italian Legislative Decree no. 125/2024, have said they are willing to extend the terms of their audit engagement issued under Article 3, para. 10 of Italian Legislative Decree no. 254/2016 until the agreed expiry date for the declaration regarding the sustainability reporting.

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



### 3. OTHER ACTIVITIES

#### *3.1. Omissions or censurable facts and initiatives undertaken*

The Statutory Audit Committee has received a total of five reports under the terms of Article 2408 of the Italian Civil Code.

In connection with the Annual General Meeting held on 28 October 2023, the Committee received a total of three complaints from two shareholders regarding: (i) the inconsistency of the answers provided to certain questions submitted prior to the meeting itself, and the failure to publish the responses provided to the pre-AGM questions; (ii) the illegitimacy of the joint discussion of certain items on the agenda regarding both the ordinary and extraordinary business to be transacted, and the failure to put the proposal to discuss these items separately to the vote; and (iii) the legitimacy of the proceedings, and the validity of the calling and holding of the Board of Directors immediately after the governing bodies were reappointed at the AGM.

Furthermore, it should also be noted that on 13 Aprile 2024 the Statutory Audit Committee received two complaints pursuant to Article 2408 of the Italian Civil Code regarding certain press articles dealing with Group Legal Entity CMB Monaco which is involved in a court proceeding in the United States. The Committee acted quickly, meeting with the Heads of the relevant Bank units, both in the course of its own meetings and in the joint meetings with the Risks Committee. In particular it met with the Group General Counsel & Legal and the Chief Compliance Officer to receive ongoing updates regarding developments in the case. On 13 June 2024 the California District Court acknowledged that the case had been dismissed, with no loss of earnings for CMB Monaco, precluding the possibility of any further action in other jurisdictions.

The Committee examined the complaints, and conducted the necessary analysis and enquiries, inter alia based on the legal opinions received. Based on such preliminary analysis, the Committee found that there was no need to follow up on the complaints received.

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

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.

#### *3.2 Opinions issued*

During the twelve months under review, the Statutory Audit Committee issued opinions or made observations as required by the regulations in force, in particular as follows:

- Opinion regarding the proposed compensation payable to the Chairman of the Board of Directors pursuant to Article 2389 of the Italian Civil Code;
- Opinion on the compensation package payable to the new CRO;
- Opinion on the FY 2023-24 scorecards for the Chief Executive Officer and the Group General Manager;
- Opinion on the remuneration FY 2023-24 payable to the Heads of the Control Units;
- Opinion on the compliance of the Covered Bond programme of issuance with Circular no. 285, update no. 42;
- Considerations regarding the Annual report on the outsourcing of important operating functions; and
- Opinion regarding the revisions to the Regulations governing Transactions with Related Parties and their Associates.

### 3.3. *Self-assessment*

On 31 June 2024, the Board of Directors completed a self-assessment exercise, as required by Circular No. 285, the relevant EU regulations and the Corporate Governance Code, on the Board's functioning, size and composition and those of the Board Committees. 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 by answering a questionnaire with the support of an external consultant.

In accordance with the provisions of Circular No. 285 and the New Rules of Conduct, the Committee has carried out its own self-assessment of the collective suitability of the Committee's composition, size and functioning, including with reference to the assessment of its optimal qualitative and quantitative composition completed in July 2023.

The Committee concluded that its collective composition conformed to the regulatory requirements and is in line with the composition identified as optimal, 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.

## 4. **SUPERVISORY BODY**

The Statutory Audit Committee, having been vested with the duties of the Supervisory Body (the "SB") referred to in Article 6, para. 4-*bis* of Italian Legislative Decree no. 231/2001 (the "Decree") on corporate administrative liability, has obtained and reviewed information on the organizational and procedural activities implemented by the Bank in pursuance of the Decree.

During the twelve months under review, the SB has performed its supervisory activities by reviewing the adequacy of the Organizational Model introduced pursuant to Italian Legislative Decree 231/01 (the "Organizational, Management and Control Model", or the "Model") in the light of the changes to the regulations, meeting with the Control Units, exchanging information with the Chairpersons of the main Group Legal Entities' SBs, and monitoring the training initiatives adopted by the Bank.

In its meetings with the supervisory bodies of the principal Group Legal Entities, no critical issues have emerged regarding these entities.

It should also be noted that the SB requested an analysis be made with an external consultant to assess the possibility of making revisions and changes to the Model's structure, in particular regarding the changes to the regulations regarding computer crime and environmental crime.

The SB reported on the activities performed by it during the year ended 30 June 2024, 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, which was found to be adequate.

## 5. CONCLUSIONS

The agenda for the ordinary and extraordinary Annual General Meeting of Mediobanca shareholders to take place on 28 October 2024 includes the following items:

### Ordinary business

1. Financial statements as at 30 June 2024, Board of Directors' Review of Operations and external auditors' report:
  - a. Approval of financial statements for the year ended 30 June 2024;
  - b. Allocation of profit for the year and distribution of dividend.
2. Proposed authorization to buy and dispose of treasury shares.
3. Remuneration:
  - a. Group Remuneration Policy and Report: Section I – Mediobanca Group Remuneration Policy FY 2024-25.
  - b. Group Remuneration Policy and Report: resolution not binding on Section II – Group Remuneration Report FY 2023-24.
  - c. 2024-25 incentivization system based on financial instruments (annual performance share scheme).

### Extraordinary business

1. Cancellation of treasury shares with no reduction of share capital; Article 4 of the company's Articles of Association to be amended accordingly and related resolution.

Having regard 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, for the matters that lie within its sphere of responsibility, regarding approval of the financial statements for the year ended 30 June 2024 and the Review of Operations, and expresses a favourable opinion regarding the proposed allocation of the annual profit amounting to €1,243,992,400.81, formulated by the Board of Directors at the meeting held on 19 September 2024.

Milan, 25 September 2024

The Statutory Audit Committee

Mario M. Busso      Chairman

Elena Pagnoni      Standing Auditor

Ambrogio Virgilio      Standing Auditor