

ANNUAL STATEMENT ON
CORPORATE GOVERNANCE AND
OWNERSHIP STRUCTURE
30 JUNE 2017

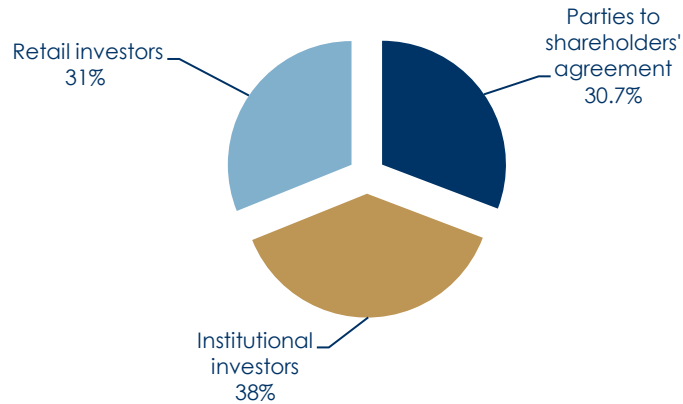
Executive summary



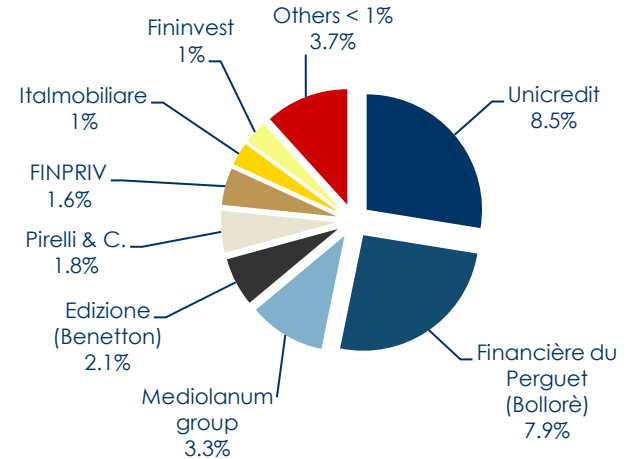
MEDIOBANCA

SHARE CAPITAL AND OWNERSHIP STRUCTURE

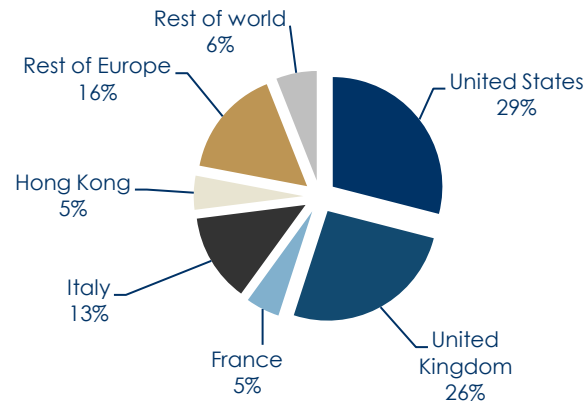
Ownership: composition



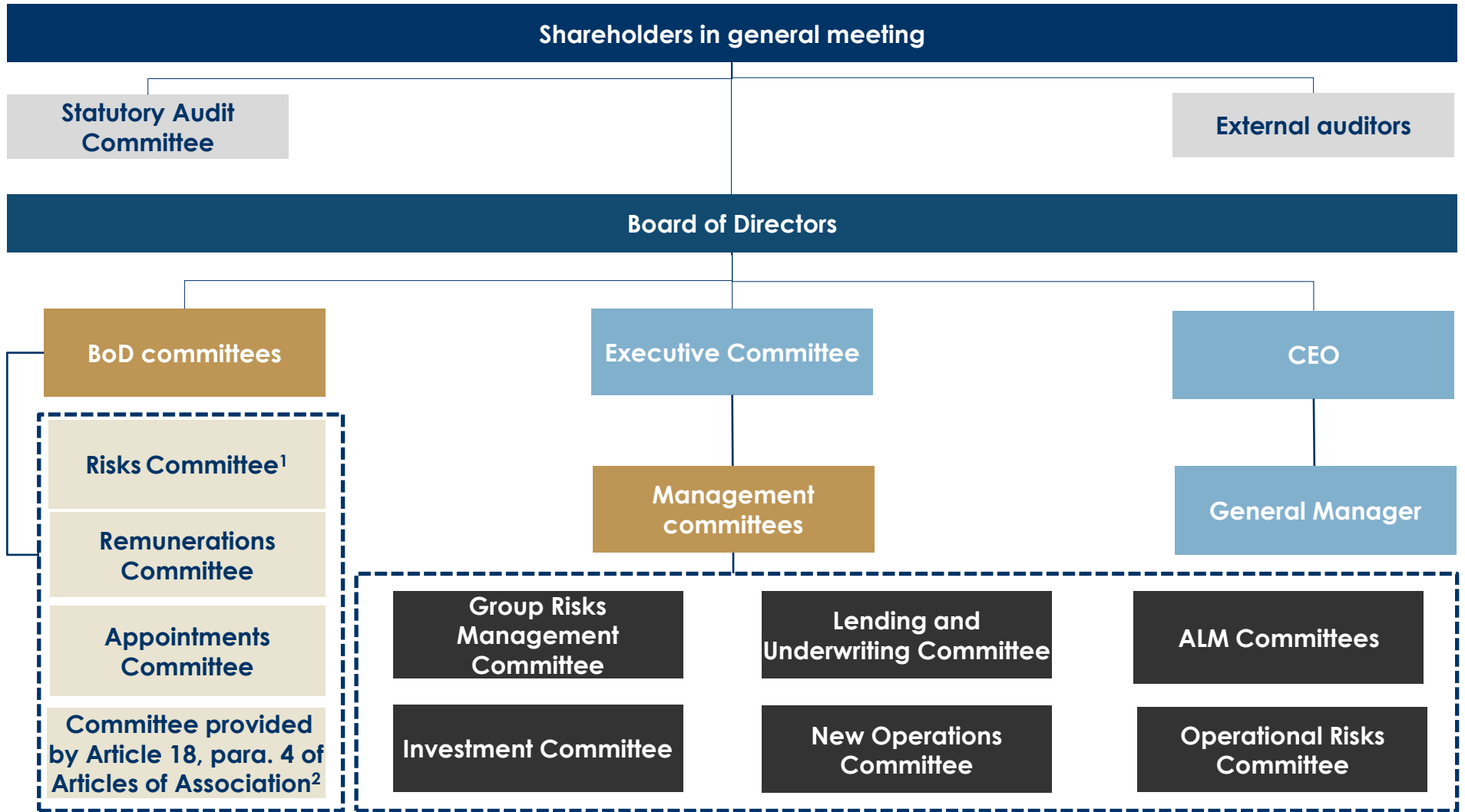
Parties to MB shareholders' agreement (% of share capital)



Institutional investors by country ¹



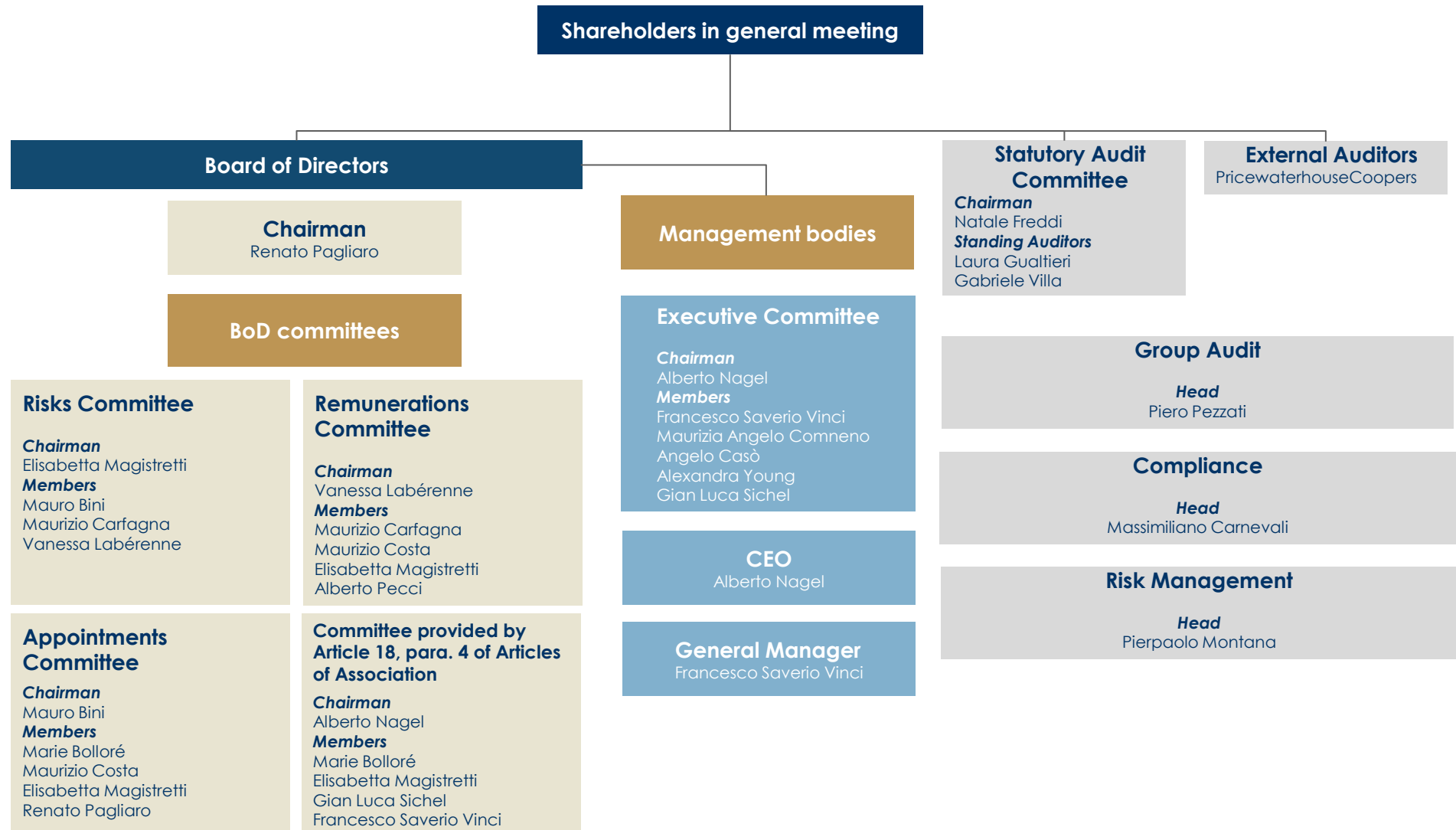
CORPORATE GOVERNANCE STRUCTURE



1) Acts also as the Related Parties Committee
 2) Adopts resolutions in respect of decisions to be taken in general meetings of the investee listed companies, with reference to the appointments to be made to their governing bodies, in which investments are equal to at least 10% of the investee company's share capital and at the same time involve an amount in excess of 5% of the Group's own consolidated regulatory capital



CORPORATE GOVERNANCE STRUCTURE



BOARD OF DIRECTORS

Composition of Board of Directors (appointed by shareholders in AGM on 28/10/14 with expiry of mandate in AGM which approves the financial statements at 30/6/17)

Director	Post	Independent	Committees				Provided by Article 18, para. 4 of Articles of Association
			Executive	Risks - Related Parties	Remunerations	Appointments	
Renato Pagliaro	Chairman					X	
Maurizia Angelo Comneno	Deputy Chair	X ^{1,2}	X				
Marco Tronchetti Provera	Deputy Chair	X ²					
Alberto Nagel	CEO		Chairman				Chairman
Francesco Saverio Vinci	General Manager		X				X
Tarak Ben Ammar		X ^{1,2}					
Gilberto Benetton							
Mauro Bini		X ^{1,2}		X			Chairman
Marie Bolloré		X ²				X	X
Maurizio Carfagna		X ^{1,2}		X	X		
Angelo Casò		X ^{1,2}	X				
Maurizio Costa		X ^{1,2}			X	X	
Marina Natale ³		X ²					
Vanessa Labérenne		X ^{1,2}		X	Chairman		
Elisabetta Magistretti		X ^{1,2}		Chairman	X	X	X
Alberto Pecci					X		
Gian Luca Sichel			X				X
Alexandra Young			X				

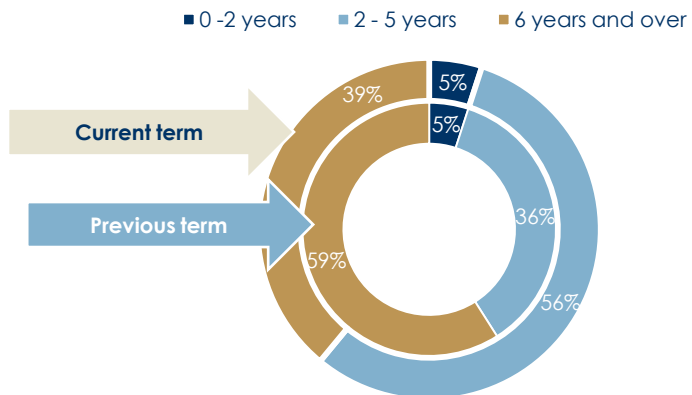
BOARD OF DIRECTORS

Directors holding posts in other listed or unlisted companies

	Group companies	Other listed companies	Other unlisted companies
Marco Tronchetti Provera	-	1	3
Francesco Saverio Vinci	3	-	-
Tarak Ben Ammar	-	2	5
Gilberto Benetton	-	2	1
Marie Bolloré	-	3	5
Maurizio Carfagna	-	1	2
Angelo Casò	-	1	9
Maurizio Costa	-	1	-
Elisabetta Magistretti	-	1	1
Marina Natale	-	2	-
Alberto Pecci	-	1	2
Gian Luca Sichel	2	-	-
Alexandra Young	2	-	-

BOARD OF DIRECTORS

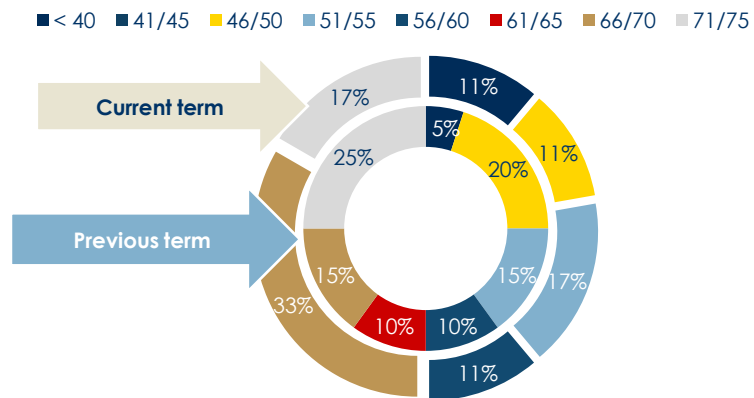
Length of time in office



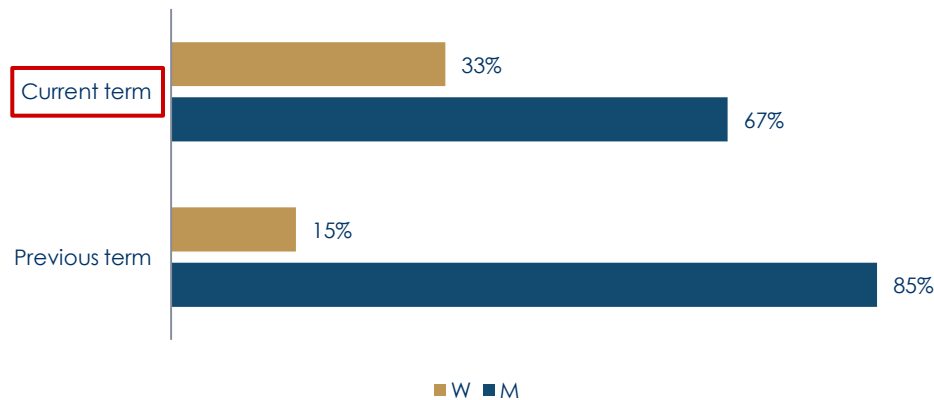
BoD members' areas of expertise



Age of BoD members

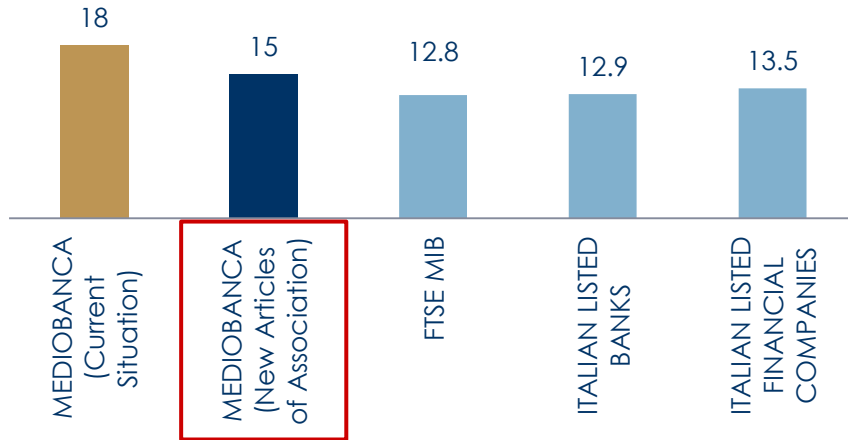


BoD composition by gender



BOARD OF DIRECTORS

Average number of Directors (benchmarks*)



Average age of Directors on the basis of qualification (benchmarks*)

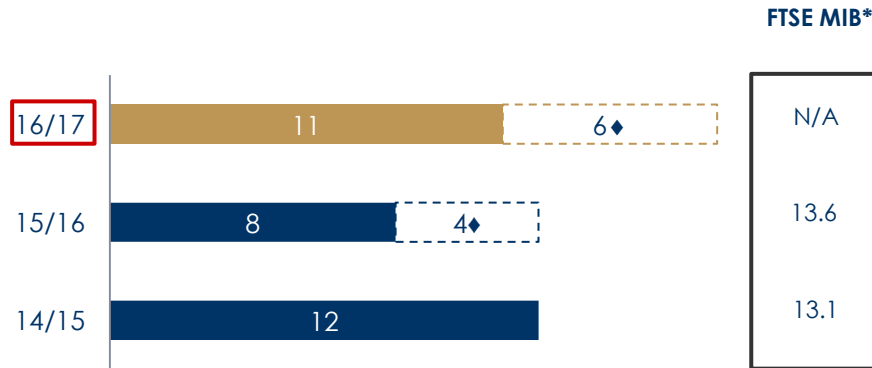
	Mediolanica	FTSE MIB	Italian listed banks	Italian listed financial companies
Independent ¹	63.6	58.9	59.9	59.9
Non - Executive	61.3	59.2	60.6	60.8
Executive	50	59.2	62.4	62.3

* Source: Assonime – Emittenti Titoli, Corporate Governance in Italy: self-discipline, compensation and comply-or-explain, November 2016. The 2016 analysis covers 227 Italian companies, listed on the Italian stock market as at 31 December 2015, whose corporate governance statements were available as at 15 July 2016
 1) As defined by Italian Code of Conduct for Listed Companies

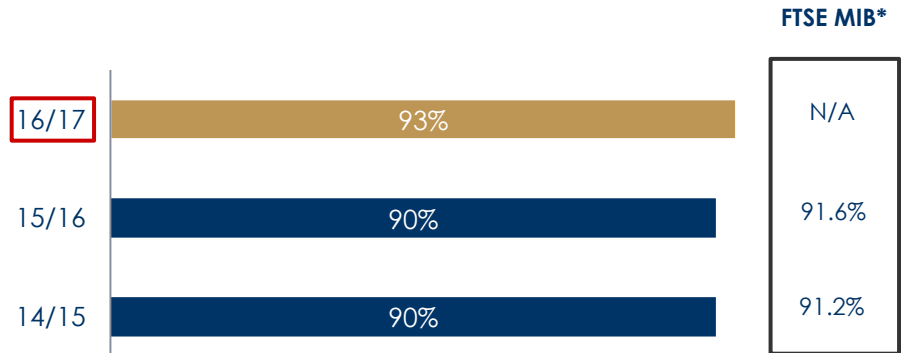


BOARD OF DIRECTORS

No. of meetings



Directors' attendance records



- * **Sources:** Assonime– Emittenti Titoli, Corporate Governance in Italy: self-discipline, compensation and comply-or-explain November 2015 and November 2016. The 2015 analysis covers 228 Italian companies, listed on the Italian stock market as at 31 December 2014, whose corporate governance statements were available as at 15 July 2015. The 2016 analysis covers 227 Italian companies, listed on the Italian stock market as at 31 December 2015, whose corporate governance statements were available as at 15 July 2016.
- ♦ Six induction meetings were held for Directors and Auditors during the year, outside of Board meetings, for discussion of issues pertaining to the company's strategic plan, cyber crime and digital transformation, the new regulations on governance and suitability of company representatives, internal models and IFRS 9 impact, stress test scenarios, corporate social responsibility, the resolution plan, the geopolitical scenario and its possible repercussions for the business.

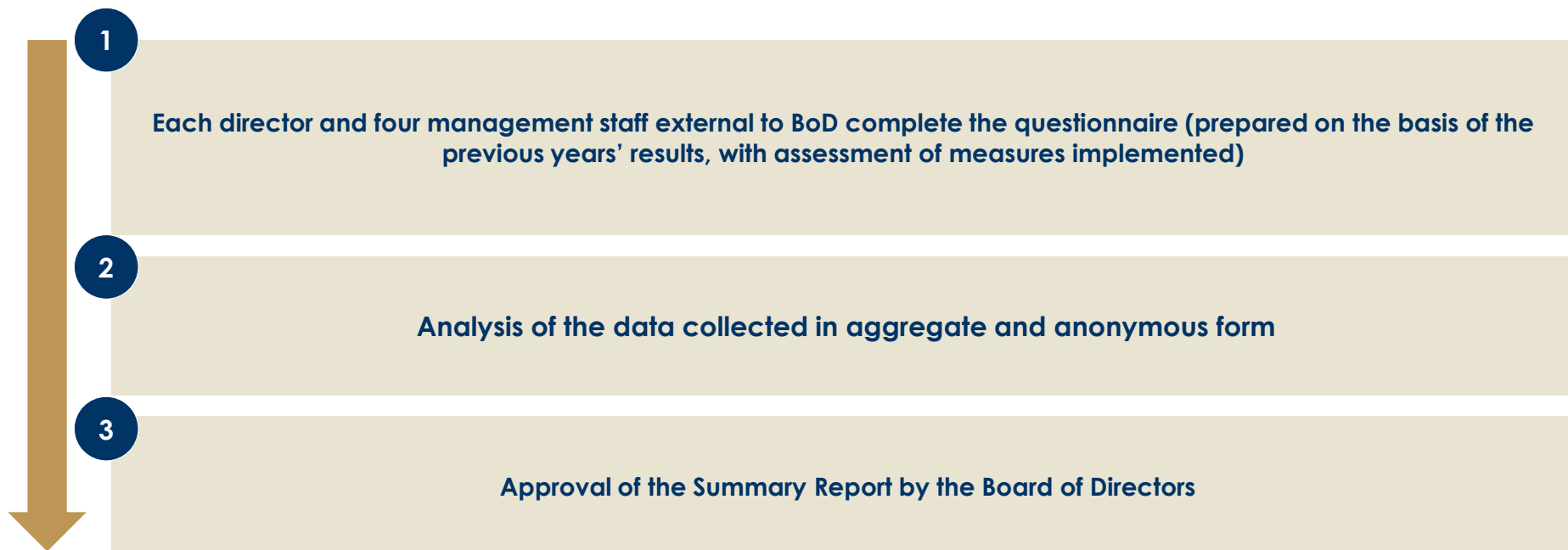
	Previous term	Current term	Proposed new Articles	FTSE MIB ¹
No. of directors	20	18	15	12.8
Directors appointed by minorities	1	1	2	2.3
% of women (as least-represented gender)	15%	33%	At least one-third	30.3% ²
% of independent directors ³	50%	44%	At least one-third	48.4%
Avg. age of directors	60	60	-	59.3
Executive powers for Chairman	No	No	No	-

BOARD OF DIRECTORS

Board assessment process

In FY 2016-17 the Board of Directors carried out a self-assessment process on the role, size, composition and functioning of the Board itself and its various committees, with the help of an external consultant and taking due account of the EBA guidelines on *internal governance*, the EBA/ESMA guidance on qualifications for Directors, and the ECB fit and proper person guide.

Stages in Board assessment process



BOARD OF DIRECTORS

Outcome of self-assessment process

Largely positive assessment of the composition and functioning of the Board and the Committees (adequacy and self-assessment)

Composition (in terms of size, capabilities, diversity and number of independent members) and functioning of the Board itself and the committees set up by it considered to be adequate

Flow of information ahead of the meetings, operations of the Board in terms of the number and duration of its meetings, meetings agendas in terms of the amount of time devoted to dealing with each item, documentation on risks facing company and risk controls, and segmentation of budget and closing data by business line, all held to be satisfactory

Exchanges of information with the bodies delegated by the Board, debate within the Board itself, and accuracy of minutes for the meetings were all judged to be effective

Board members were appreciative of the ways in which the Chairman informs, directs and stimulates the discussions in the Board meetings and of the leadership shown by him

General satisfaction at induction sessions arranged and supporting documentation provided

Verdict on the work done by the Board as a whole and by each of its members also generally satisfactory

The Executive, Appointments, Remunerations and Risks Committee were felt to be excellent in terms of role, functioning, composition and side

Complete satisfaction with the progress made during the year in the areas identified in the previous self-assessment:

- ✓ Strategic indepth study of the interaction between RAF and management of the institute's business
- ✓ Intensification of attendance at Board meetings and induction meetings for people in charge of the Group's control functions and principal activities
- ✓ Focusing on issues pertaining to the succession of senior management and assessment of key resources

At least half of Directors independent as defined by article 19 of Articles of Association

Consolidation of progress on the schedule for sharing documents in preparation for meetings

Areas for improvement

More lively discussion and active participation of all Directors in the Board's debates

More detailed discussion of business issues

BOARD OF DIRECTORS

The other banks in the Group also conducted their own self-assessment processes

Largely positive assessment

Role and adequacy of Board

Timeliness of flow of information on the items on the agenda

Role of the Chairman and Statutory Audit Committee (if present)

Professions represented in the Board of Directors

Number and duration of meetings, and of Board debates

Clearer description of the connection between company and group-wide strategies and discussion on succession plans

Holding longer sessions when discussing particularly complicated topics and greater involvement in meeting on the part of the company units responsible

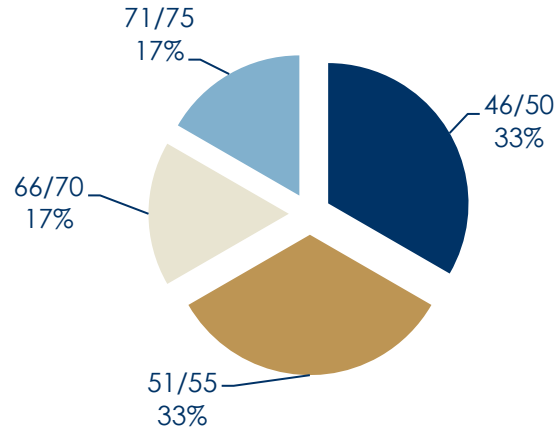
Areas for improvement

Advisability of setting up a Risks Committee within the Board to focus on the issues of conduct, compliance and operative risks

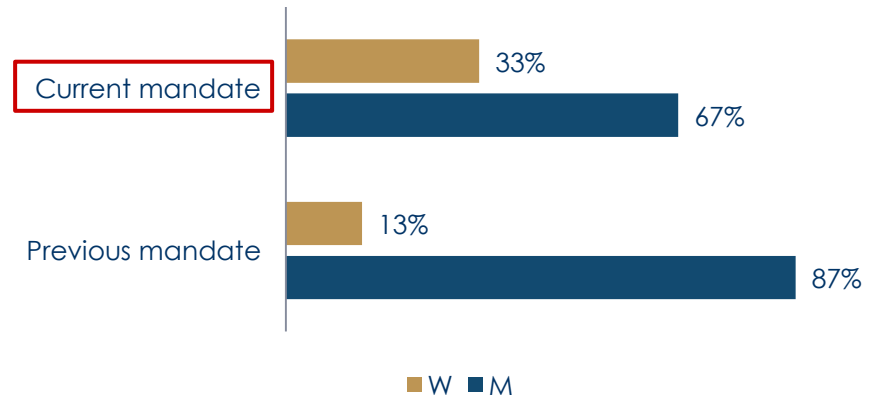
Advisability of extending an invitation to attend induction sessions held by the parent company to the Directors of the other banks in the Group

EXECUTIVE COMMITTEE

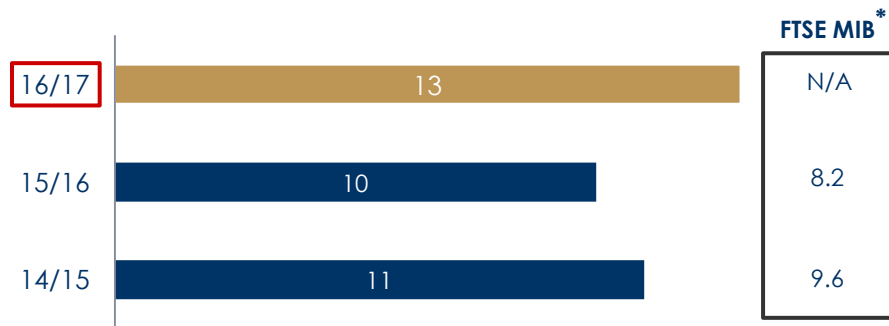
Age of Executive Committee's members



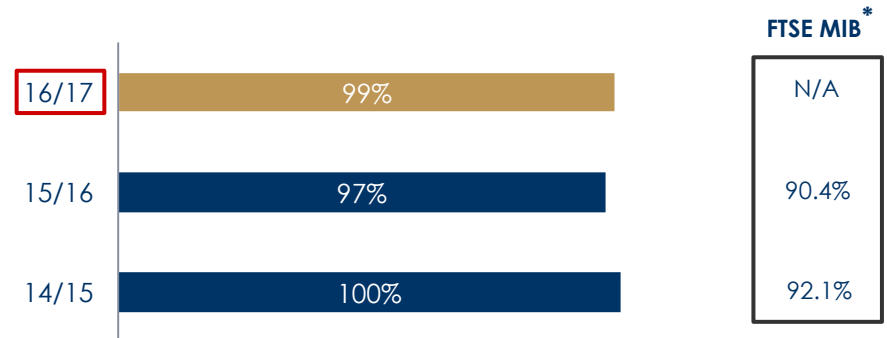
Executive Committee's composition by gender



No. of meetings



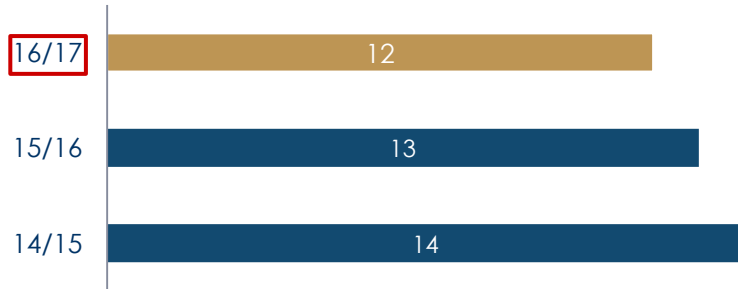
Attendance record



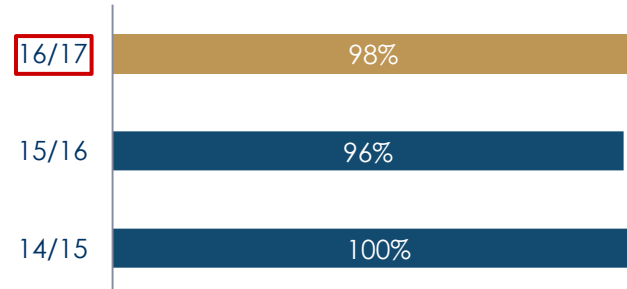
COMITATI DEL CONSIGLIO DI AMMINISTRAZIONE

Risks Committee (100% independent Directors)

No. of meetings

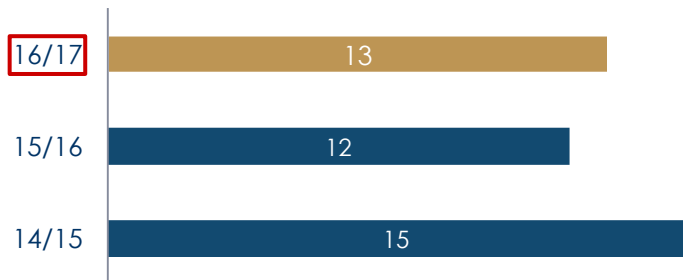


Attendance record

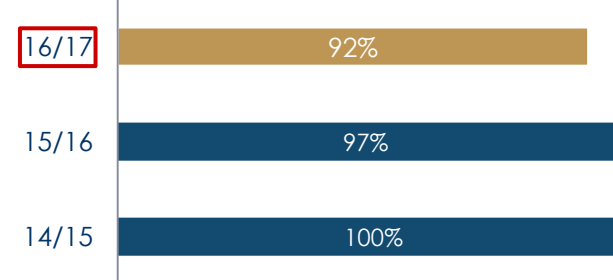


Related Parties Committee (1)

No. of meetings



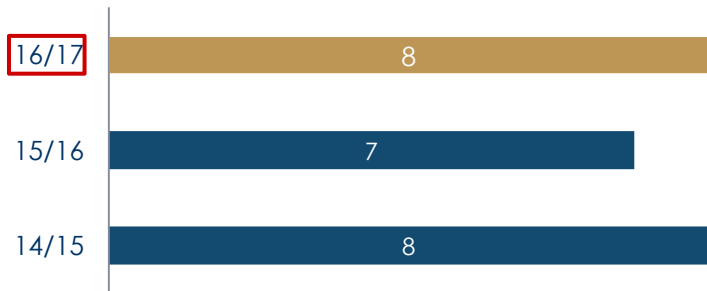
Attendance record



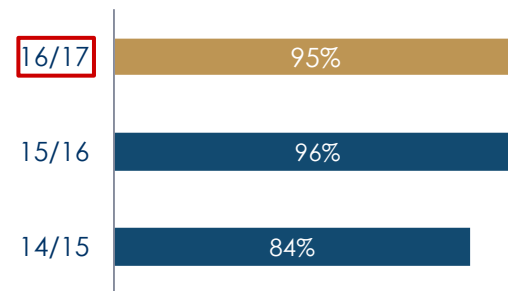
COMITATI DEL CONSIGLIO DI AMMINISTRAZIONE

Remunerations Committee (80% independent Directors)

No. of meetings

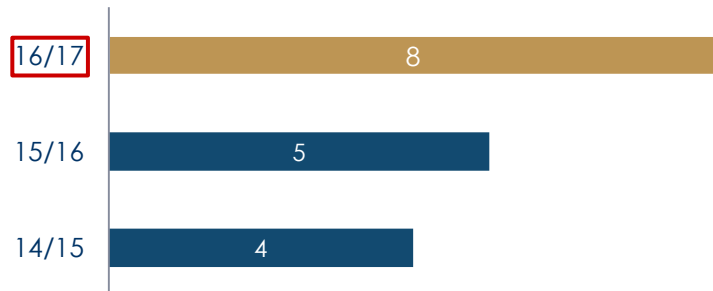


Attendance record

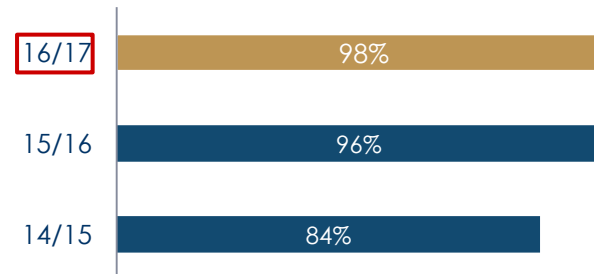


Appointments Committee (60% independent Directors)

No. of meetings



Attendance record

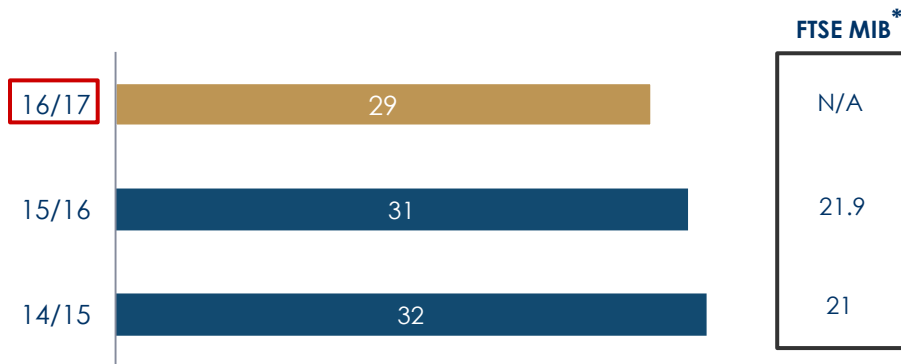


STATUTORY AUDIT COMMITTEE

Composition (appointed by shareholders in AGM on 28/10/14 with expiry of mandate in AGM which approves the financial statements at 30/06/17)

Member	Post	Independent	Other posts
Natale Freddi	Chairman	X ^{1,2}	-
Laura Gualtieri	Standing Auditor	X ^{1,2}	2 ³
Gabriele Villa	Standing Auditor	X ^{1,2}	8 ⁴

No. of meetings



Attendance record

