



Ordinary business

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

Appointment of Board of Directors for 2024-26 three-year period:

- a. establishment of number of Directors**
- b. appointment of Directors**
- c. establishment of their annual remuneration**

Dear Shareholders,

The term of office of the current Board of Directors expires with this Annual General Meeting; accordingly, you are invited to appoint the new Board in accordance with the provisions of the Company's Articles of Association and the applicable regulations.

In particular Shareholders in Annual General Meeting are called to:

- a) establish the number of members for the governing body;
- b) proceed to appoint the Directors according to the list voting mechanism instituted pursuant to law and the provisions of the Articles of Association;
- c) establish the annual remuneration payable to the Board.

The duration of the term of office is three years and the term will therefore expire on the date of the Annual General Meeting held to approve the Group's financial statements for the twelve months ending 30 June 2026.

The Board of Directors, as required by the regulations in force, has compiled a "Report on the qualitative and quantitative composition of the Board of Directors" published on 4 September 2023, which illustrates the individual requirements and collective profile of the new Board considered optimal in terms of its qualitative and quantitative profile. The report – which Shareholders are advised to read carefully – is available on the Bank's official website at www.mediobanca.com (Governance/General Meetings/General Meeting 2023).

On this occasion, the Board of Directors feels it is appropriate to underline the following aspects:

- members of the Board of Directors must meet the requirements set by the regulations and the Articles of Association currently in force. The most relevant regulations in this



respect are Article 26 of the Italian Banking Act, and the implementing provisions contained in Italian Ministerial Decree no. 169/20, the EBA/ESMA joint guidelines on the assessment of the suitability of members of the management body, as revised by the ECB guide to fit and proper assessments updated in 2021;

- an adequate time commitment must be guaranteed for Directors to be able to perform the required duties properly and to comply with the limit on the number of directorships as required by the regulations currently in force;
- careful scrutiny is required on any potential conflicts of interest that could compromise the Directors' independence of judgement. The Board recommends in particular that each candidate: i) should not be in any of the situations contemplated under Article 2390 of the Italian Civil Code (being a partner with unlimited liability or director or general manager of companies in competition with Mediobanca, or exercising on a proprietary basis or on behalf of third parties, activities which are in competition with those performed by Mediobanca); and ii) should not hold, or have held in the last six months, the position of executive director or senior management member in companies that form part of banking groups, and should not be, directly or indirectly through fiduciary companies, subsidiaries or other persons, a shareholder in such companies with an interest of over 3%.

The Board of Directors will be appointed based on the list voting mechanism described in Article 15 of the Company's Articles of Association. According to the same Article, lists may be submitted by Shareholders representing in the aggregate at least 1% of the Company's share capital or by the Board of Directors.

Lists containing a number of candidates equal to or above three must ensure that the balance between male and female candidates complies with at least the minimum requirement stipulated by the regulations in force, which at present is two-fifths (the number of candidates is rounded up, except for lists containing three candidates, which are rounded down), and must contain a majority of candidates qualifying as independent according to the definition provided in Article 13 of Italian Ministerial Decree no. 169/20, supplemented, as permitted by the Decree itself, by the stricter criteria set by Article 19 of the Articles of Association, in particular the limit set of 3% (rather than 10%) to be considered as Shareholders in the Bank and the extension of the period of professional relationship or term of office as executive Director of the Bank or any of its subsidiaries or investor companies from two to three years.

No candidate aged seventy or over may be elected as Chairperson, and no candidate aged sixty-five or over may be elected as Chief Executive Officer.



Under the terms of Article 15 of the Articles of Association, the procedure for the appointment of Directors is as follows:

- a. if more than two lists are submitted, all the Directors to be appointed will be taken from the list which has obtained the highest number of votes from shareholders (the "Majority List") based on the consecutive order in which they appear in the list, save for a number equal to 20% of the Directors to be appointed, rounded up to the nearest full number to the number obtained by applying the said percentage (the "Minority Directors"). Without prejudice to the provisions of letter (b) below, if there are three Minority Directors to be appointed: (i) two will be taken from the list – without taking into account any votes cast by Shareholders related, *inter alia* indirectly, to those that submitted or otherwise voted for the Majority List – which ranks second by number of votes (the "First Minority List"), and (ii) one will be taken from the list – again without taking into account any votes cast by Shareholders related, *inter alia* indirectly, to those that submitted or otherwise voted for the Majority List – which ranks third by number of votes (the "Second Minority List"), always provided that the Second Minority List has received votes representing at least 2% of the Company's share capital. Once again without prejudice to the provisions of letter (b) below, if there are only two Minority Directors to be appointed: (i) one will be taken from the First Minority List, and (ii) one will be taken from the Second Minority List, provided that the Second Minority List receives votes representing at least 2% of the Company's share capital. If the Second Minority List does not votes representing at least 2% of the Company's share capital, all the Minority Directors to be appointed will be taken from the First Minority List;
- b. if, in cases where more than two Minority Lists are submitted, one is presented exclusively by EU-based entities managing undertakings for collective investment in transferable securities falling within the scope of application of Directive 2009/65/EC, or, if non-EU-based, which are subject, under the applicable regulations, to equivalent restrictions on holding voting rights (the "Institutional Market List"), the Institutional Market List, if it ranks fourth in terms of the number of votes received, will in any case be treated as the Second Minority List for purposes of the allocation provided for under letter (a) above, always provided it receives votes representing at least 2% of the Company's share capital;
- c. if only two lists are submitted, all the Directors to be appointed will be taken from the Majority List based on the consecutive order in which they appear in the list, save for a number equal to 20% of the Directors to be appointed, rounded up to the nearest full number to the number obtained by applying the same percentage, who will be taken from the list that – without taking into account any votes cast by shareholders related, *inter alia* indirectly, to those that submitted or otherwise voted for the Majority List – ranked



second in terms of number of votes (the “Minority List”).

If it is not possible to appoint a sufficient number of Directors using this method, other candidates are added from the lists which receive the most votes out of those that obtain votes representing at least 2% of the share capital, based on the consecutive order in which they are ranked.

If the number of candidates appointed in this way included in the lists that have been submitted, minority and majority, is still below the number required to be appointed, the other Directors are elected under a resolution to be adopted by Shareholders in General Meeting based on the majority set by law, ensuring that the minimum number of Directors qualifying as independent, and the requisite number of Directors from the least represented gender are met. The same method of proceeding is adopted if no list is submitted. In the event of an equal number of votes being cast, a ballot will be held.

If the minimum number of Directors qualifying as independent and the requisite number of Directors from the least represented gender are not appointed, the Directors appointed from the list with the most votes and the highest consecutive number but without the necessary qualifications are replaced by the candidates who come after them but who do have the necessary qualifications from the same list. If by this method it is still not possible to appoint Directors with the necessary qualifications, the replacement criterion described above will be applied to the minority lists that receive the most votes, in order. If, by applying these criteria, it is still not possible to identify suitable replacements, shareholders will adopt a resolution in the Annual General Meeting based on the majority set by law. In this case, the candidates will be replaced one by one starting from the lists that receive most votes and the candidates with the highest consecutive number.

The outgoing Board has availed itself of the possibility provided by Article 15 of the Company's Articles of Association to submit its own list of 15 candidates that will be published within the terms set by the Articles themselves. The number of Directors identified – which is the same as the current number – allows for the presence of a broad spectrum of competences, a balanced composition of the Board Committees, and effective oversight by independent Directors for the benefit of internal debate. The process defined by the Board for this purpose was published on 17 April 2023.

In this connection, Shareholders intending to submit lists are reminded that, as required by Consob Reminder No. 1/22 of 21 January 2022, they must make a declaration stating the absence of links with the list submitted by the Board of Directors, specifying any significant



relations that may exist, and the reasons why such relations are not considered relevant to the existence of a link between them, or the absence of any such relations¹.

Shareholders are also invited to take into account Notice No. DEM-9017893 of 26 February 2009, in particular regarding the absence of any links, including indirect, with Shareholders who, severally and/or jointly hold a controlling or relative majority interest.

Under Article 13 of the Articles of Association, Shareholders in Annual General Meeting are called to determine the remuneration payable to the Board of Directors, to be allocated between the individual Board members based on the decisions taken by the Board itself.

It should be remembered that for the Board of Directors currently in office, at the Annual General Meeting held on 28 October 2020, the Shareholders of Mediobanca set the aggregate gross annual compensation payable to the Board at €2,500,000, and authorized the Board to decide on its allocation. The cost actually incurred in this respect during the last financial year was €2,470,000.

The outgoing Board of Directors, availing itself of the right to submit its own list of 15 candidates, has accordingly decided to confirm aggregate gross annual compensation for the new Board in an amount once again of €2,500,000. As previously, this amount does not include compensation payable to Directors who are Mediobanca Group employees under the terms of their employment contracts (as illustrated in the Group Staff Remuneration Policy approved each year by Shareholders in Annual General Meeting) or the compensation payable to the Directors with particular responsibilities (including the Chairperson), which will be determined in accordance with Article 2389(3) of the Italian Civil Code. Directors who are not members of the Group's senior management are entitled to receive refunds for the expenses incurred by them in the exercise of their duties.

In determining the amount of the above proposal, the Board of Directors based its considerations *inter alia* on the following factors:

- the proposal to appoint a Board consisting again of fifteen Directors;
- the need to guarantee the presence of professionals of high standing in the Board of Directors, given the high commitment required, including in terms of time, in view also of the Board Committee activities, the responsibilities entailed by the role, and the strict limits imposed by the regulations on taking on other directorships;

¹ The relevant cases are set out in Notice No. DEM-9017893 of 26 February 2009.



- the positioning of the compensation proposed for Board members is in line with that of banks of comparable complexity.

The means and terms by which lists of candidates for appointment to the new Board of Directors must be filed are illustrated in the Notice of Meeting. Further information on the means by which the lists must be filed and on the list voting mechanism itself is provided in the document entitled "Summary of procedure for appointment to Board of Directors" attached to the "Report on the Qualitative and Quantitative Composition of the Board of Directors".

Accordingly, the Board of Directors invites you to take the following decisions:

- a) establish the number of members of the Board at fifteen;
- b) appoint a new Board of Directors for the financial years ending 30 June 2024, 2025 and 2026 according to the list voting mechanisms provided by law and the Articles of Association;
- c) establish the aggregate gross annual compensation payable to the new Board at €2,500,000, excluding the compensation payable to Directors who are Mediobanca Group employees under the terms of their employment contracts and the remuneration payable to the remuneration of Directors with particular duties (including the Chairperson) pursuant to Article 2389(3) of the Italian Civil Code established by the Board itself.

Milan, 7 September 2023

THE BOARD OF DIRECTORS