

# Mediobanca Corporate Governance

January 2024



MEDIOBANCA

# Introduction

In the past decade **Mediobanca has continually delivered on its strategy and targets**, growing and reshaping over time, with robust revenue growth and attractive, higher-than-industry returns.

**Continuity of management** has preserved Mediobanca's **distinctive culture, based on responsibility and professionalism**, plus a **coherent business trajectory**.

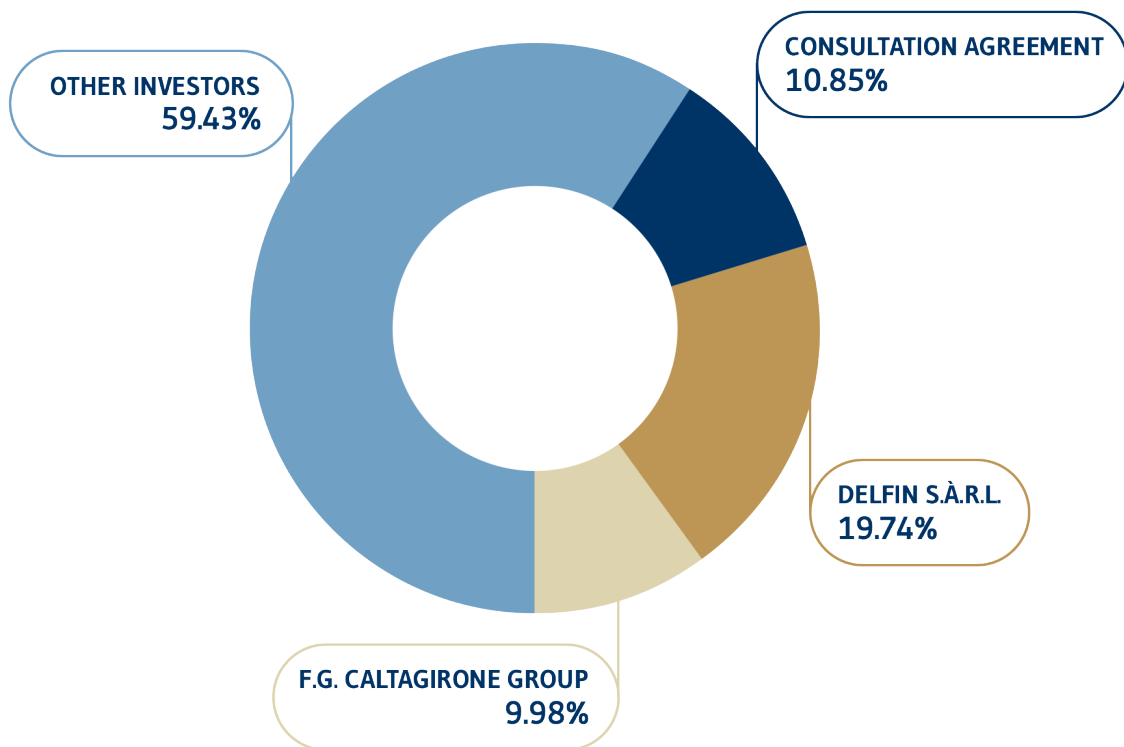
Leveraging on this strong reputational and business stance, the BoD in May 2023 approved the new Strategic Plan

## **"ONE BRAND – ONE CULTURE"**

**The Board's slate received the highest number of votes** at the AGM held in 2023 for reappointment of the Board of Directors, reaffirming the **shareholders' appreciation of the Mediobanca executive team, its track record in delivering results, and the targets set in the new Strategic Plan**.

Mediobanca, **supported by strong governance and a strong leadership team**, will continue to focus on superior sustainable growth, innovation, and stakeholder remuneration, remaining anchored to its **one-of-a-kind "school of responsible banking"** firmly rooted in the Bank's traditions.

## Mediobanca shareholders' structure\*



**Consultation Agreement:** the agreement, which makes no provision for lockup clauses or restrictions on voting in respect of the shares syndicated to it, governs the means by which the parties meet to share thoughts and observations on the Group's performance, in accordance with the principle of full parity of information versus the market. Participants: Mediolanum, FIN.PRIV., Monge & C., Gavio group, Ferrero group, Pecci group, Angelini Investments, Finprog Italia (Doris), Sinpar (Lucchini), Fin. Fer. (Pittini), Vittoria Assicurazioni, Mais (Seragnoli), Romano Minozzi.

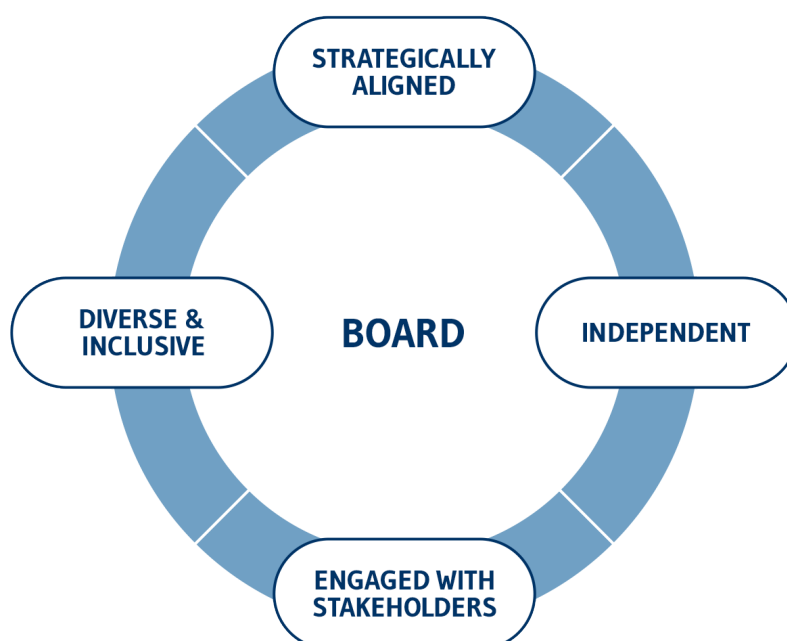
\*) Source: As at the date of AGM held on 28 October 2023

# Governance at Mediobanca

## Evolving from holding company to specialized financial group

Mediobanca's governance has evolved in line with the Group's strategic transformation, simplifying, strengthening and improving its positioning. The Board has continuously improved its functioning to meet the expectations of its global shareholder base and further aligning to global peers.

- **Strategically Aligned:** the competences and governance framework are designed to fully support strategic development and executive oversight.
- **Independent:** through ongoing development, and the introduction of roles such as the Lead Independent Director, Mediobanca continues to strengthen independent oversight and leadership.
- **Engaged with Stakeholders:** shareholders, as well as other key stakeholder groups, are provided with increasing opportunity to engage in the strategic development of the Group, including on sustainability issues.
- **Diverse & Inclusive:** reflective of the highly diverse Board, Mediobanca has launched dedicated projects with disclosed KPIs to promote an organizational approach based on understanding, respecting and valuing diversities, starting with gender.



Mediobanca qualifies as one of the largest and most complex banks, and as such is subject to prudential supervision by the **European Central Bank (ECB)**

# Corporate Governance Structure

**SHAREHOLDERS**  
in general meeting

**Statutory Audit Committee**

Responsible for **control activities**. It also performs the functions assigned to the supervisory unit instituted pursuant to Italian legislative decree 231/01.

**External auditors**  
Ernst & Young

**Board of Directors**

**Strategic Supervision** is attributed to the BoD with the support of the BoD Committees, which have processing, advisory and proposal functions.

**BoD committees**

**Risks Committee**

**Remuneration Committee**

**Appointments Committee**

**Related Parties Committee**

**Sustainability Committee**

**Committee provided by Art. 18, para. 4 of Articles of Association**

**Management committees**

- Group Risks Management Committee
- Credit and Market Committee
- Group ALM Committee
- Group Non Financial Risks Committee
- Investments Committee
- New Operations Committee
- Group Wealth Investments Committee
- Private & Premier Investments Committee
- Conduct Committee

**CEO**

The BoD has delegated the **management function** to the Chief Executive Officer.

**General Manager**

The General Manager is part of the management function, with reference especially to the Parent Company's activity of direction and coordination.

# Board of Directors in office until 28 October 2026

The Board of Directors was appointed for the 2024-26 three-year period by shareholders at the AGM held on 28 October 2023. The appointments were made on the basis of lists of candidates (Article 15 of the Articles of Association), submitted by shareholders representing in the aggregate at least 1% of the company's share capital (in this case consisting of a group of institutional investors and Delfin) and the outgoing Board of Directors.



**Renato Pagliaro**  
Chair

● A

Established Board leader with track record of strategic delivery and oversight.

1957 / Italian / 2007



**Alberto Nagel**  
CEO

● S #

Strategic leader, responsible for strong performance and growth.

1965 / Italian / 2007



**Francesco Saverio Vinci**  
GM-Executive

●

Experienced Group manager, with experience holding key functions in various departments.

1962 / Italian / 2007



**Angela Gamba**  
Lead Independent Director

● S A #

Experience in corporate finance, equity investments and financial management. Experience in listed companies.

1970 / Italian / 2017



**Vittorio Pignatti Morano**  
Deputy Chair  
Independent NED

● R Re #

Accomplished private equity and investment banking professional.

1957 / Italian / 2018



**Sabrina Pucci**  
Deputy Chair  
Independent NED

new

● Re A S

Business administration professor and expert in insurance sector with strong experience in listed companies.

1967 / Italian / 2023



**Mana Abedi**  
Independent NED

new

● Re

Wealth and investment banking professional with knowledge of risk, compliance and change management.

1968 / Iranian / 2023



**Virginie Banet**  
Independent NED

● P S

Financial markets expert, with indepth expertise in M&A, sustainability and listed companies governance.

1966 / French / 2020



**Laura Cioli**  
Independent NED

● R A

Experience as senior executive in Media, Financial Services, and Energy companies.

1963 / Italian / 2020



**Marco Giorgino**  
Independent NED

new

● R #

Finance and risk management professor with considerable board experience listed companies.

1969 / Italian / 2023



**Valérie Hortefeux**  
Independent NED

● A S

Experienced private banker with a background in marketing and communications.

1967 / French / 2017



**Maximo Ibarra**  
Independent NED

● Re S

Top Telco executive with broad experience in digitalization, marketing and customer centricity.

1968 / Colombian / 2018



**Sandro Panizza**  
Independent NED

new

● R P #

Strong financial services professional with experience in wealth management and insurance.

1958 / Italian / 2023



**Laura Penna**  
Independent NED

new

● R P

Strong banking professional with experience in impact finance, strategy and innovation.

1965 / Italian / 2023



**Angel Vilà Boix**  
Independent NED

new

● P Re

Accomplished executive with a track record of holding CFO, COO and Chief Strategy Officer roles.

1964 / Spanish / 2023

## Committees

A Appointments P Related Parties S Sustainability  
Re Remuneration R Risks # Committee Chair

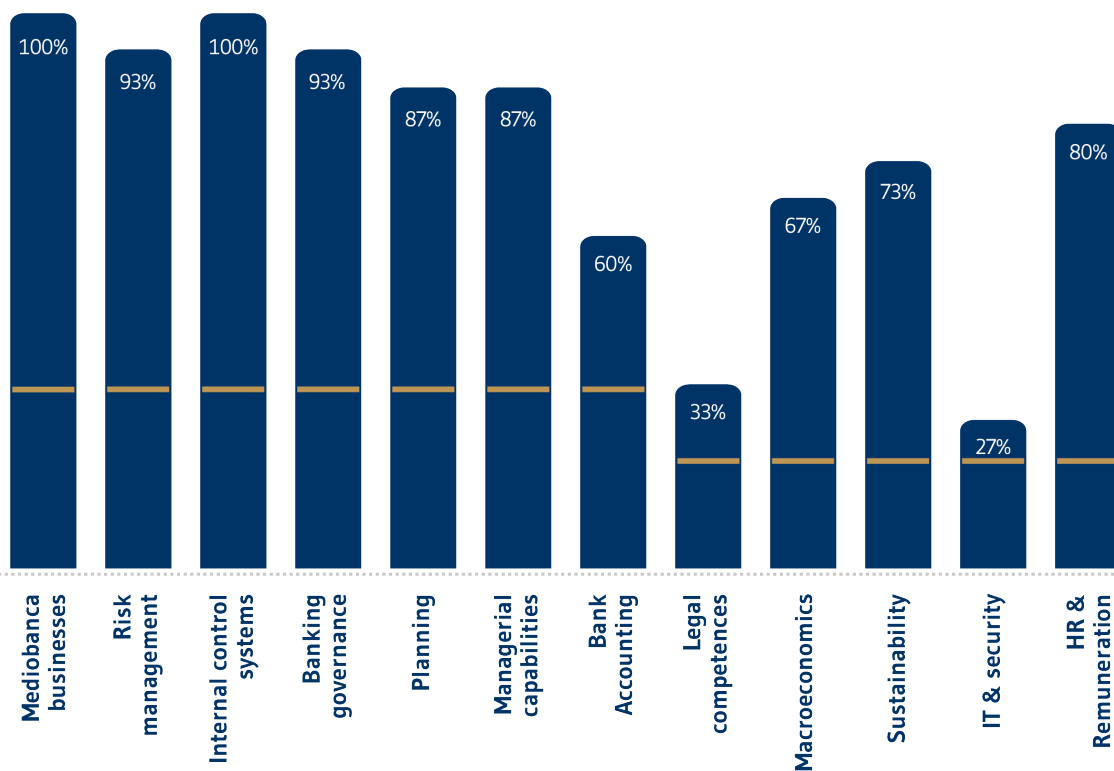
● List 1: Taken from the list submitted by the BoD

● List 2: Taken from the list submitted by Delfin

● List 3: Taken from the list submitted by a group of institutional investors (Assogestioni)

# Enriched blend of skills to strengthen business profile

	Mediobanca businesses	Risk management	Internal control systems	Banking governance	Planning	Managerial capabilities	Bank Accounting	Legal competences	Macroeconomics	Sustainability	IT & security	HR & Remuneration
Renato PAGLIARO	●	●	●	●	●	●	●	●	●	●		●
Alberto NAGEL	●	●	●	●	●	●	●	●	●	●		●
Francesco Saverio VINCI	●	●	●	●	●	●	●	●	●	●	●	●
Angela GAMBA	●	●	●	●		●						
Vittorio PIGNATTI MORANO	●	●	●	●	●	●	●		●	●		●
Sabrina PUCCI	●	●	●	●	●		●			●		●
Mana ABEDI	●	●	●	●		●						
Virginie BANET	●	●	●	●	●	●	●		●	●		●
Laura CIOLI	●	●	●	●	●	●			●	●	●	●
Marco GIORGINO	●	●	●	●	●		●	●		●	●	●
Valérie HORTEFEUX	●	●	●	●	●	●			●			●
Maximo IBARRA	●	●	●	●	●	●			●	●	●	●
Sandro PANIZZA	●	●	●	●	●	●	●	●	●	●		●
Laura PENNA	●	●	●	●	●	●	●			●		●
Angel VILA BOIX	●		●		●	●			●			



% minimum target established in the Report on the qualitative and quantitative Composition of the BoD 2023

**Mediobanca businesses:** Knowledge, including strategic, of the banking businesses in which the Mediobanca Group operates (Corporate and Investment Banking, Wealth Management, Consumer Banking)

**Risk Management** (including environmental risks)

**Internal control systems:** compliance, AML and internal audit

**Planning** including in terms of strategic allocation of regulatory and economic capital and risk measurement

**Managerial capabilities** and entrepreneurial experience

**Bank accounting** and reporting

**Legal competences** and regulatory

**Macroeconomics/international economics**



# Features of the governance system

## Non-executive leadership



### Renato Pagliaro

Chair

*Renato Pagliaro has been the Non-Executive Chair of the Board since 2010.*

#### The main duties of the Non-Executive Chair include:

- Calling and chairing Board meetings, and ensuring that Directors are provided with adequate information regarding the items on the agenda
- Ensuring sufficient time is given for discussing all items, and giving priority to issues of strategic relevance and guaranteeing that the debate is effective
- Ensuring that the corporate governance system runs smoothly, guaranteeing due balance between the powers of the executive team
- Ensuring that the self-assessment process is completed effectively, and corrective measures developed to address shortcomings are implemented



### Angela Gamba

LID

*The LID role was created to strengthen independent leadership.*

*Angela Gamba, appointed from the minority Assogestioni slate, has held the role since 2022.*

#### The Lead Independent Director's (LID) core duties include:

- Convening and presiding over meetings of the independent Directors
- Serving as a point of contact within the Board to co-ordinate the independent Directors' requests and contributions
- Working with the Chairman to ensure that the Directors receive exhaustive information flows in a timely manner
- Overseeing the board evaluation process (supported by an external consultant), as well as the report on the optimal qualitative and quantitative composition of the Board
- Participating in meetings with investors on governance issues, as provided by the S-D Engagement Policy
- Performing any other duties that may be assigned by the Board, particularly on strategic issues and/or extraordinary transactions

# Executive Leadership

## Supported by the oversight of the Board of Directors

Mediobanca's strategic vision, and strong delivery on disclosed targets, has been driven by an executive team led by **CEO, Alberto Nagel**. This executive team has benefited from **continuity** aided by the **stability** of the Group's governance structures.

The ambition to **transform the business model**, and **disciplined execution** of the transformation, has been the result of the strong collaborative relationship between the executive team and the Board of Directors.

### Board of Directors

The Board of Directors sets the strategic direction, and supports in the achievement of targets through active oversight.



## Alberto Nagel

Chief Executive Officer

*CEO of Mediobanca since 2007; during this time, he has led the Group in its strategic transformation from a holding company to a specialized financial Group.*

### Results of Management Continuity:

- ✓ **Consistent Leadership** of Transformation and Growth
- ✓ **Reliable Delivery** of Core Strategic Outcomes
- ✓ **Repeated Success**, meeting communicated targets
- ✓ **Long-term Alignment** on Group vision and change management
- ✓ **Personnel Stability** helping to embed strong corporate culture

## RISK COMMITTEE

100% independent members



**Chairman**  
**Marco Giorgino**

**Members**  
Laura Cioli  
Sandro Panizza  
Laura Penna  
Vittorio Pignatti Morano

The Committee reports to the Board on risk management (including ESG risk assessment and monitoring), the internal control system, and the accounting and financial reporting structure.

## REMUNERATION COMMITTEE

100% independent members



**Chairman**  
**Vittorio Pignatti Morano**

**Members**  
Mana Abedi  
Maximo Ibarra  
Sabrina Pucci  
Angel Vilà Boix

The Committee performs advisory and consultation functions on remuneration policies, the calculation of remuneration for senior management positions, the remuneration of employees and incentive and retention plans.

## APPOINTMENTS COMMITTEE

80% independent members



**Chair**  
**Angela Gamba**

**Members**  
Laura Cioli  
Valérie Hortefeux  
Renato Pagliaro  
Sabrina Pucci

The Committee supports the Board in the appointment of Directors (when new members are co-opted), the outgoing Board's presentation of the list of directorship candidates, the Board assessment and the drafting of succession plans for senior management positions.

## RELATED PARTIES COMMITTEE

100% independent members



**Chairman**  
**Sandro Panizza**

**Members**  
Virginie Banet  
Laura Penna  
Angel Vilà Boix

The Committee expresses binding opinions on the adoption of, and potential amendments to, the related parties procedure; and expresses its reasoned opinion on the Bank's interest in executing transactions with related parties.

## SUSTAINABILITY COMMITTEE

80% independent members



**Chairman**  
**Alberto Nagel**

**Members**  
Virginie Banet  
Angela Gamba  
Valérie Hortefeux  
Maximo Ibarra  
Sabrina Pucci

The Committee advises the Board on sustainability issues, including the Group CSR Policy and the Consolidated Non Financial Statement.

## COMMITTEE EX ART. 18

60% independent members



**Chairman**  
**Alberto Nagel**

**Members**  
Marco Giorgino  
Valérie Hortefeux  
Angel Vilà Boix  
Francesco Saverio Vinci

The Committee adopts resolutions regarding the appointment of the governing bodies at the general meetings of investees (in which the Mediobanca group holds an interest of at least 10% and the interest is worth more than 5% of the group's consolidated supervisory capital).

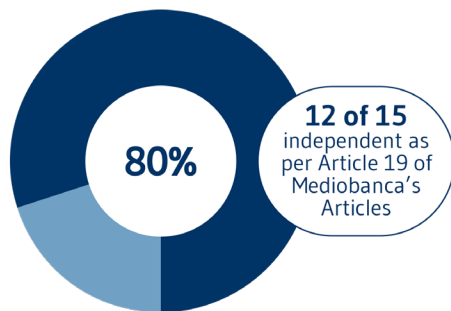
# Strengthened composition and effective functioning

## Governance practices aligned with market expectations

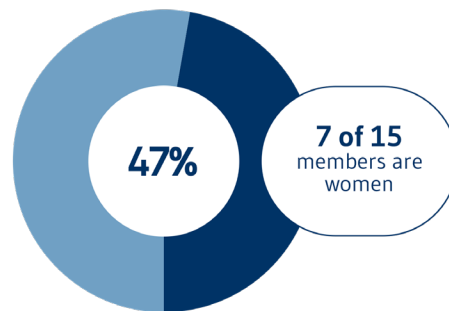
Majority Independent Board	✓	Regular Meetings of Independent Directors	✓
Majority Independent Committees	✓	Focused on Diversity	✓
Transparent Appointment Process	✓	Independent Board Evaluation	✓
Separate Chair and CEO	✓	Committee Focused on Sustainability	✓
Lead Independent Director	✓	Engaged with Shareholders	✓
Established Succession Planning	✓	Ongoing Training	✓

## Board comprised of independent and diverse profiles...

A Board that provides strong **independent oversight**

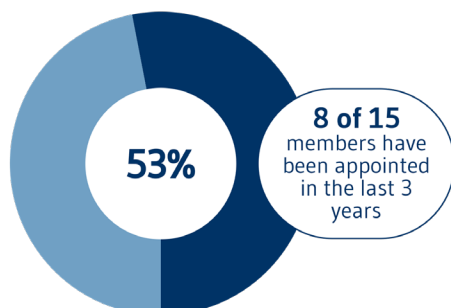


...and values dimensions of diversity.

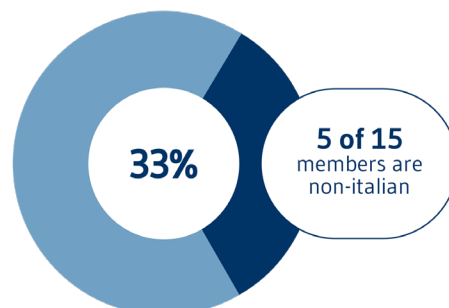


## ...that bring fresh, international perspectives

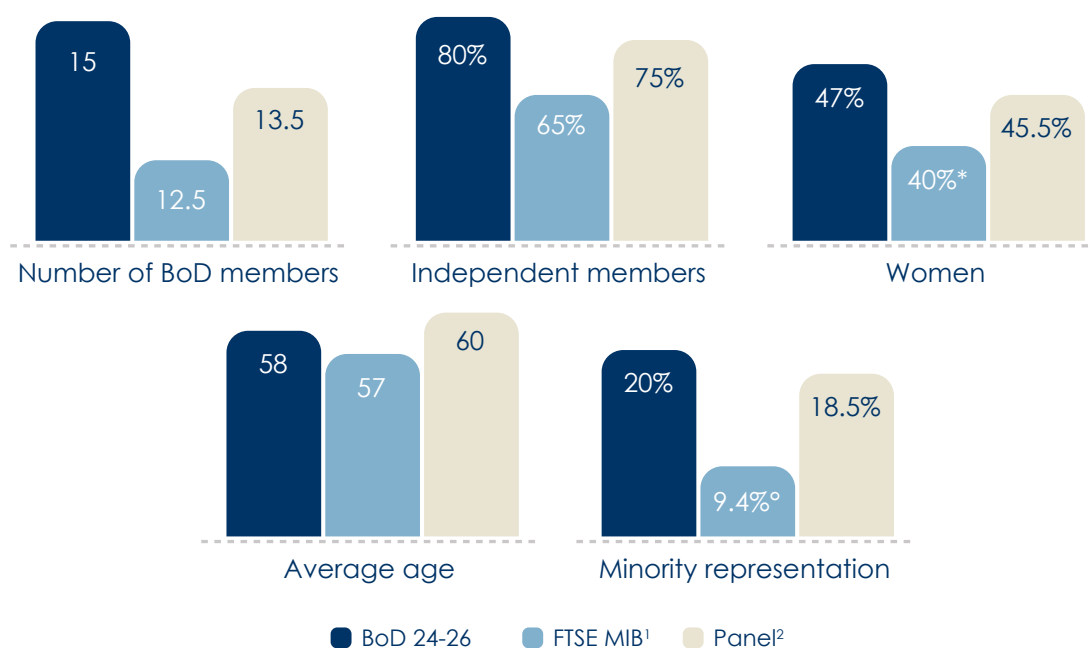
A Board that is open to **fresh perspectives...**



...and an international view to add value to the debate.



# BoD KPIs and Trends



## TRENDS IN THE BOD - TERM COMPARISON

	BoD 21 – 23	BoD 24 – 26
Number of BoD members	15	15
Independent members	10	12
Quota less represented gender	6	7
Average age of Directors	63	58
Directors from minority list	2	3

1) Assonime Report on Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code (2022).

2) Panel composed of banks included on the FTSE MIB Index (Intesa SanPaolo, Unicredit, Banco BPM, BPER, Banca Generali, Mediolanum, MPS, FincoBank). The panel referring to minority members does not include BPER.

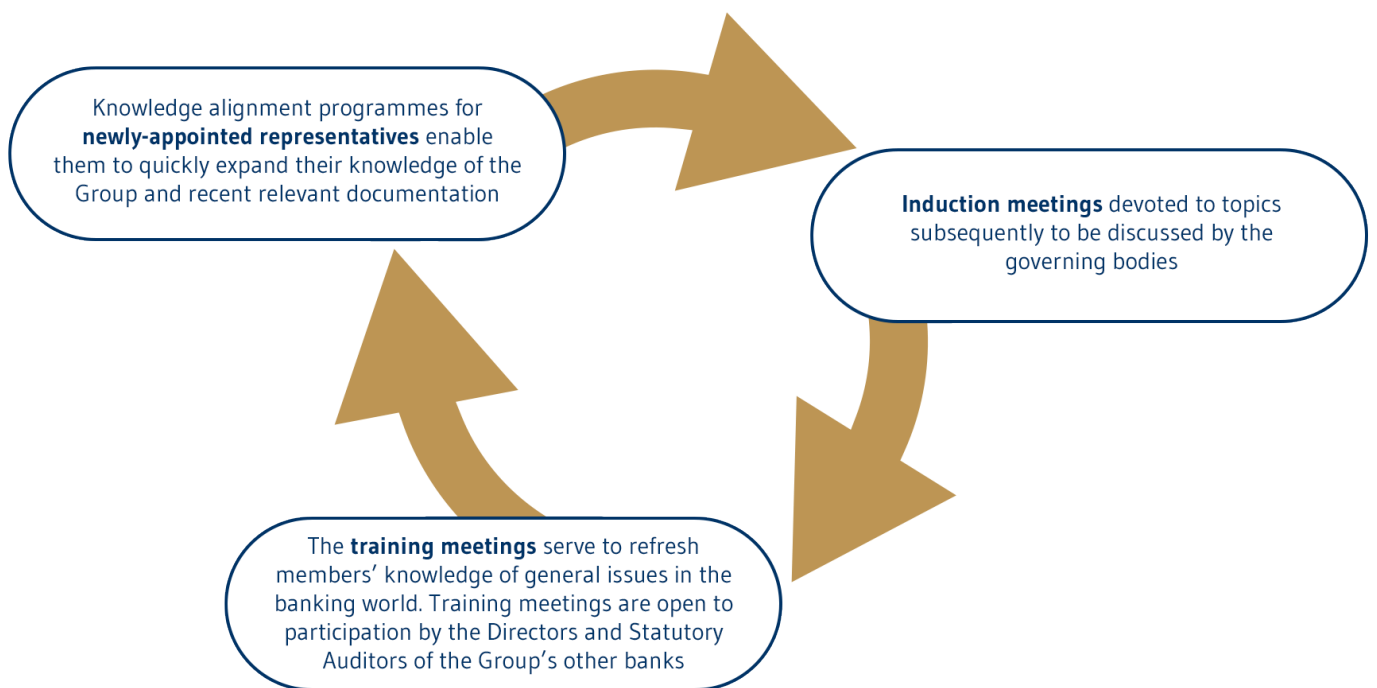
\* ) Consob Report on corporate governance of Italian listed companies 2022.

<sup>o</sup>) Consob Report on corporate governance of Italian listed companies 2022 - Minority members on Board of Directors of Italian listed companies avg weight on Board %.

# Ongoing training

The Board promotes induction and training programmes for members of the governing bodies.

The objective of the induction meetings is to provide knowledge to enable the members to take an informed part in the Board of Directors' discussions and deliberations.



During FY 2022-23 the following meetings and sessions were arranged:

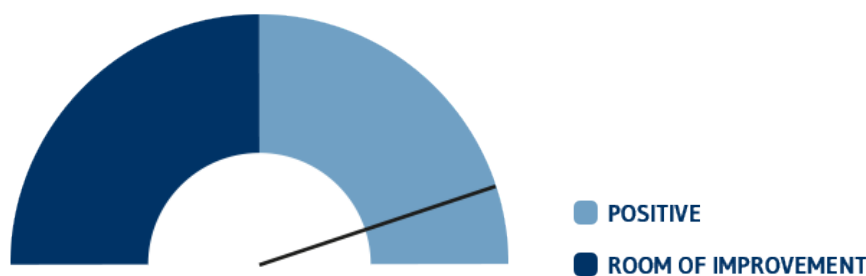
- **Six induction meetings** on the following issues: ICAAP/ILAAP; Group ESG risks monitoring; the consumer credit market and risks facing Compass; AML: updates to the regulations on greenwashing; budget and RAS for FY 2023-24; new products and operations: processes and controls;
- **Four training meetings** on the following issues: digital Euro; technology and the disruption of the European banking model; implications of developments in technology in the cyber-security area; sustainability issues of relevance to the Group's main areas of operations; geopolitical scenarios.

# MB's board self-assessment FY 2022-23

To appraise Board effectiveness and identify areas of improvement, the Board performed a self-assessment exercise.

## ASSESSMENT OF FUNCTIONING LARGELY POSITIVE

### OVERALL ASSESSMENT



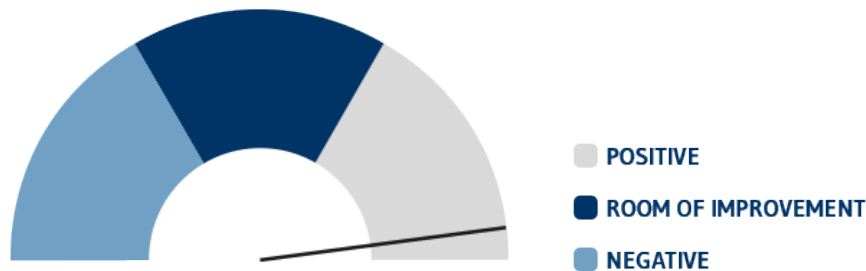
The results reflect:

- adequate number of meetings;
- adequate information flows on resolutions;
- adequate preliminary analysis and information flows provided by Board Committees;
- effectiveness of methods by which the Chairman instructs, directs and stimulates discussions, and of work done by the Statutory Audit Committee collectively;
- adequate participation and involvement of the Directors in the Board's deliberations and in debate with senior management;
- quality and effectiveness of the work done by the Board as a whole;
- adequate induction and training sessions;
- adequate quality of the minutes taken at meetings.

In FY 2022-23 Mediobanca was assisted by Deloitte. The self-assessment process was directed by the Appointments Committee, and the LID was asked to act as representative for the process. All Directors participated in the self-assessment and, in line with the Supervisory Instructions for banks, the Statutory Auditors and 5 Group executives who have more frequent contact with the Board.

## AREAS FOR IMPROVEMENT:

### OVERALL ASSESSMENT



The verdict on the initiatives taken to address the areas for improvement identified during the previous self-assessment exercise was positive.

In particular, the Board agreed on a series of measures, including the following:

- **to devote even more time to discussion of the items** on the agenda rather than to illustration of the supporting documents: which are sent to the Directors, at the same time as the notice (5 days before); in FY 2022-23 the notice of meeting was sent six days before
- to make the **documentation** for Board meetings **even more efficient** by completing the management-style reporting for all formats and consolidating the possibility for Directors **to send questions** on items in advance.

The Board self-assessment was also completed in order to identify the composition of the Board considered to be **optimal in qualitative and quantitative terms**, ahead of its reappointment during the third year of its term in office.



# Statutory Audit Committee in office until 28 October 2026

The Statutory Audit Committee was appointed for the 2024-26 three-year period by shareholders at the AGM held on 28 October 2023. The appointments were made on the basis of lists of candidates (Article 28 of the Articles of Association), submitted by shareholders representing in the aggregate at least 1% of the company's share capital (in this case consisting of a group of institutional investors and Delfin).



**Mario Matteo Busso**  
Chair

new

Chartered accountant and registered in the register of statutory auditors. Specific experience in auditing of banks, insurance companies, financial companies, listed companies.

1951 / Italian / 2023



**Elena Pagnoni**  
Standing auditor

Lawyer with experience in providing advice and assistance to financial institutions and investment funds, both Italian and international.

1963 / Italian / 2020



**Ambrogio Virgilio**  
Standing auditor

Chartered accountant and registered in the register of statutory auditors. Specific experience in auditing of banks, insurance companies and fund managers.

1956 / Italian / 2020

## ALTERNATE AUDITORS

**Angelo Rocco Bonissoni**

1959 / Italian / 2023

**Vieri Chimenti**

1966 / Italian / 2023

**Anna Rita De Mauro**

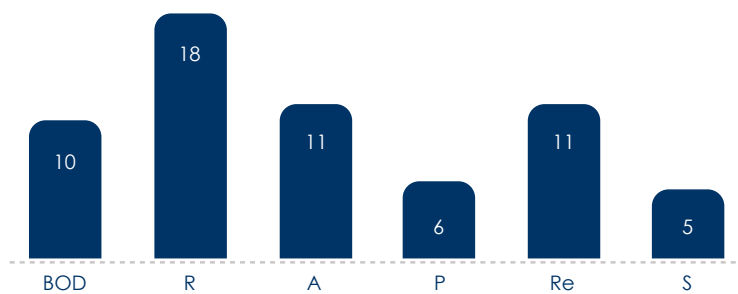
1970 / Italian / 2023

● List 1: Taken from the list submitted by Delfin

● List 2: Taken from the list submitted by a group of institutional investors (Assogestioni)

# BoD and Committes Functioning FY 2022-23

## No. of meetings



Average number of meetings in FTSE MIB (\*)

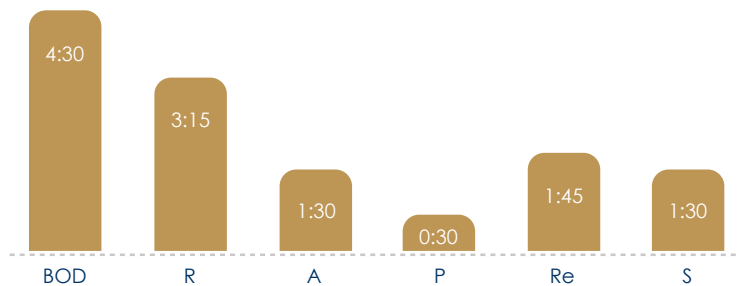
**BoD:** 11.7

**R:** 13.5

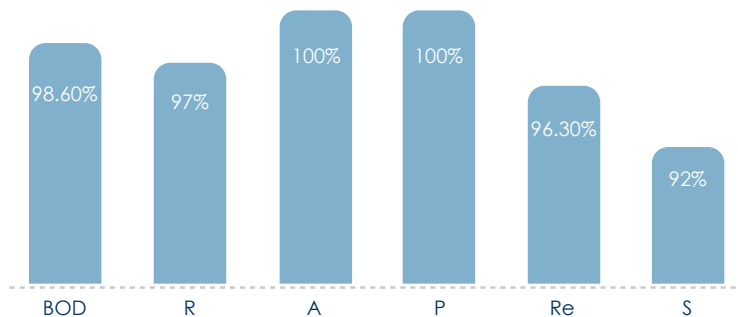
**A.:** 9.8

**Re:** 10

## Average duration of meetings (hours)



## % average attendance at meetings



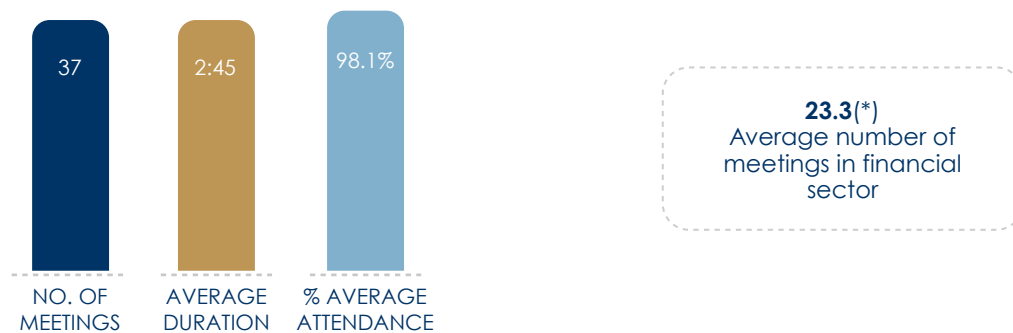
## Committees

**R** Risks   **A** Appointments   **P** Related Parties   **Re** Remuneration   **S** Sustainability

(\*) Consob Report on corporate governance of Italian listed companies 2022

# Statutory Audit Committee Functioning FY 2022-23

## No. of meetings, average duration (hours) and % average attendance



# MB Board succession plans

**Mediobanca has adopted succession plans for the position of Chairperson and for the executive Board members, that are updated on a regular basis.**

## SUCCESSION PLANS

Under the Supervisory Instructions in force, banks must adopt plans to ensure an orderly succession process for senior management (Chairman of the Board of Directors, Chief Executive Officer, Group General Manager) in the event of their term of office ending or for any other reason, to ensure business continuity and to avoid repercussions on earnings or reputation.

### **SUCCESSION IN ORDINARY CONDITIONS** (reappointment of Board and/or new Directors being co-opted)

The Appointments Committee is responsible for drawing up a shortlist of candidates, on the basis of specific suitability and professional requirements, considered able to succeed to the positions of Chairperson of the Board of Directors, Chief Executive Officer and Group General Manager. The selection is carried out with the support of the current officeholders, Group HR for candidates who are Group managers, and also a specialist consultant if appropriate.

The shortlist of candidates is updated continuously over time, to ensure that if need be, the Appointments Committee is able to make proposals to the Board of Directors or to shareholders gathered in Annual General Meeting in a timely manner.

### **SUCCESSION IN “EMERGENCY” CONDITIONS**

The Chair or Deputy Chair promptly calls a meeting of the Board of Directors and the Appointments Committee to adopt the following resolutions:

- Assignment, on an interim basis, of the Chair, or, if the Chief Executive Officer or Group General Manager has left office, of executive powers to ensure that the company continues to operate as a going concern;
- Initiation of ordinary succession procedures, with the Appointments Committee’s involvement.

### **SUCCESSION OF NON-EXECUTIVE DIRECTORS**

Regarding the succession of non-executive directors, those appointed from the minority list are replaced, where possible, by unappointed directors from the same list, in accordance with the requirements of the regulations in force. For directors appointed from the majority list, in line with best practice, the selection of candidates will reflect the guidance issued by the Board in its Report on the qualitative-quantitative composition of the Board of Directors, giving priority to candidates in possession of the same characteristics as the Director leaving office (in terms of gender, independence, international experience and specialization).

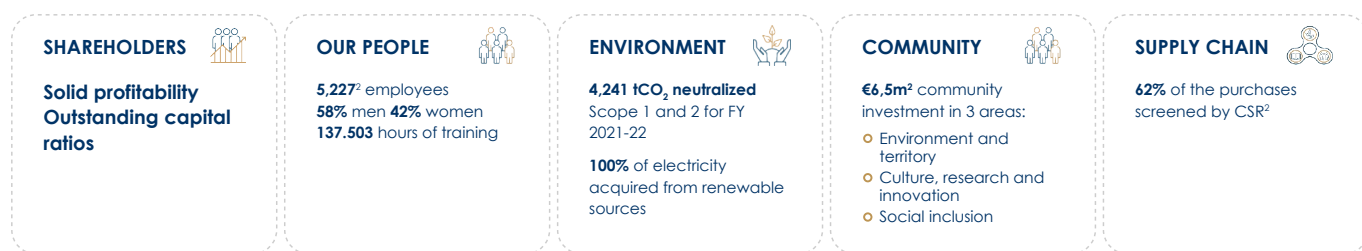
# Group Sustainability

## From compliance to strategy

Integrating sustainability into corporate strategy...



... with the aim of satisfying all our stakeholders



1) Task Force on Climate-related Financial Disclosures

2) Data as at 30 June 2023



MEDIOBANCA