

# Articles of association

26 March 2020



MEDIOBANCA



MINISTERIAL DECREE of 29 April 1946 (published in the Official Gazette of the Kingdom of Italy No. 101 dated 2 May 1946).

**Authorization given to Banca di Credito Finanziario of Milan to carry out the activities envisaged in Article 1 of Royal Decree Law No. 375 dated 12 March 1936, and subsequent amendments thereto.**

Having regard to Decree Law No. 375 of 12 March 1936 on the safeguarding of savings and on the regulation of credit, amended by Laws No. 141 of 7 March 1938, No. 636 of 7 April 1938, No. 933 of 10 June 1940 and No. 1752 of 3 December 1942,

and having regard to Regency Legislative Decree No. 226 of 14 September 1944, concerning the abolition of the Inspectorate for the safeguarding of savings and for the regulation of credit and the transfer of the Inspectorate's rights and powers to the Treasury,

and having regard to the Memorandum of Association and the Articles of Association of Banca di Credito Finanziario, Società per Azioni, having its Head Office in Milan and a subscribed capital of one billion lire,

and having regard to the petition of the aforesaid Company,

**THE TREASURY MINISTER**

**hereby decrees that**

Banca di Credito Finanziario, Società per Azioni, having its Head Office in Milan and a subscribed capital of one billion lire, is authorized as from the date of publication of this Decree to carry out the activities envisaged in Article 1 of the Decree No. 375 of 12 March 1936 as amended for the fulfilment of the corporate purposes specified in the Articles of Association indicated above.

This Decree will be published in the Official Gazette of the Kingdom of Italy. Rome, 29 April 1946.

*The Minister: Corbino.*

**SECTION I**

## Establishment, Head Office, Duration and Purpose of the Company

*Article 1*

A Company is hereby established under the name of MEDIOBANCA - Banca di Credito Finanziario Società per Azioni, in abbreviated form MEDIOBANCA S.p.A.

The Company's Head Office is located at Piazzetta Enrico Cuccia 1, Milan.

*Article 2*

The duration of the Company shall be until 30 June 2050.

*Article 3*

The purpose of the Company shall be to raise funds and provide credit in any of the forms permitted, especially medium- and long-term credit to corporates.

Within the limits laid down by current regulations, the Company may execute all banking, financial and intermediation-related transactions and/or services and carry out any transaction deemed to be instrumental to or otherwise connected with achievement of the Company's purpose.

As part of its supervisory and co-ordinating activities in its capacity as parent company of the Mediobanca Banking Group within the meaning of Article 61, paragraph 4, of Legislative Decree No. 385 dated 1 September 1993, the Company shall issue directives to member companies of the Group to comply with instructions given by the Bank of Italy in the interests of maintaining the Group's stability.

**SECTION II**

## Share Capital and Shares

*Article 4*

The Company's subscribed and fully paid up share capital is Euro 443,616,723.50 represented by 887,233,447 Euro 0.50 par value shares.

The share capital may also be increased as provided under legal provisions, including Article 2441, paragraph 4, point 2 of the Italian Civil Code, in compliance with the terms and procedure set forth therein.

Profits may, in the ways and forms permitted by law, be awarded to employees of the Company or Group companies via the issuance of shares, under Article 2349 of the Italian Civil Code.

The shares shall be registered.

As a result of resolutions adopted at Extraordinary General Meetings held on 25 June 2004 and 28 October 2004, the Bank's share capital was increased by up to a further Euro 7.5m via the issue of up to 15 million par value Euro 0.50 ordinary shares, ranking for dividends *pari passu* and for subscription no later than 1 July 2020, pursuant to paragraphs 8 and 5 Article 2441 of the Italian Civil Code, to be set aside as follows:

- ◇ up to 11 million shares for employees of the Mediobanca Group;
- ◇ up to 4 million shares for Bank Directors, carrying out particular duties. Of these, a total of 2,500,000 new shares have still to be subscribed.

At an Extraordinary General Meeting held on 27 June 2007, shareholders approved a resolution to increase the company's share capital in an amount of up to Euro 20m through the issue of up to 40 million ordinary par value Euro 0.50 new shares, ranking for dividends *pari passu*, to be set aside for subscription by Mediobanca Group employees by and no later than 1 July 2022 pursuant to Article 2441, paragraph 8 of the Italian Civil Code. Of these 40 million shares, a total of 15,585,000 new shares have to date been subscribed.

The Board of Directors is also authorized under Article 2443 of the Italian Civil Code, to increase the Bank's share capital free of charge as permitted by Article 2349 of the Italian Civil Code, in one or more tranches by and not later than 28 October 2020, in a nominal amount of up to €10m through the issue of no more than 20 million ordinary par value €0.50 shares, ranking for dividends *pari passu*, to be awarded to Mediobanca Group employees in execution of and in compliance with the terms of the performance share schemes approved by shareholders in general meeting.

The Board of Directors is also authorized under Article 2443 of the Italian Civil Code, to increase the Bank's share capital by means of rights or bonus issues in one or more tranches by and no later than 28 October 2020, in a nominal amount of up to Euro 100m, including via warrants, through the issue of up to 200 million ordinary par value Euro 0.50 shares, to be offered in option or otherwise allotted to shareholders, and also to establish the issue price of such new shares from time to time, including the share premium, the date from which they shall rank for dividends, and whether or not any of the shares shall be used for exercising warrants, and is further authorized under Article 2420-ter of the Italian Civil Code to issue bonds convertible into ordinary shares and/or shares cum warrants in one or more tranches by and no later than 28 October 2020, in a nominal amount of up to Euro 2bn to be offered in option to shareholders, establishing that exercise of such authorizations shall not, without prejudice to the foregoing, lead to the issue of a total number of shares in excess of 200 million.

The Board of Directors is also authorized under Article 2443 of the Italian Civil Code, to increase the Bank's share capital by means of rights issues in one or more tranches by and not later than 28 October 2020, in a nominal amount of up to Euro 40m including via warrants, through the issue of up to 80 million ordinary par value Euro 0.50 shares, to be set aside for subscription by Italian and non-Italian professional investors with option rights excluded under and pursuant to the provisions of Article 2441 paragraph 4 point 2 of the Italian Civil Code and in compliance with the procedure and conditions precedent set forth therein.

At a Board meeting held on 21 September 2016, the directors of Mediobanca adopted a resolution to increase the Bank's share capital by means of a bonus issue as permitted by Articles 2443 and 2349 of the Italian Civil Code, in an amount of up to €4,771,609.50, by withdrawing the equivalent amount from the statutory reserve, with the issue of up to 9,543,219 ordinary par value Euro 0.50 shares, ranking for dividends *pari passu*, to be allocated to identified staff in accordance with the provisions of the performance share schemes in force. Of these a total of 6,023,920 shares have been issued.

At a Board meeting held on 15 September 2017, the directors of Mediobanca adopted a resolution to increase the Bank's share capital by means of a bonus issue as permitted by Articles 2443 and 2349 of the Italian Civil Code, in an amount of up to €877,179, by withdrawing the equivalent amount from the statutory reserve, with the issue of up to 1,754,358 ordinary par value Euro 0.50 shares, ranking for dividends *pari passu*, to be allocated to identified staff in accordance with the provisions of the performance share schemes in force. Of these a total of 13,370 shares have been issued.

At a Board meeting held on 20 September 2018, the directors of Mediobanca adopted a resolution to increase the Bank's share capital by means of a bonus issue as permitted by Articles 2443 and 2349 of the Italian Civil Code, in an amount of up to €935,542, by withdrawing the equivalent amount from the statutory reserve, with the issue of up to 1,871,084 ordinary par value Euro 0.50 shares, ranking for dividends *pari passu*, to be allocated to identified staff in accordance with the provisions of the performance share schemes in force. Of these a total of 8,563 shares have been issued At a Board meeting held on 19

September 2019, the directors of Mediobanca adopted a resolution to increase the Bank's share capital by means of a bonus issue as permitted by Articles 2443 and 2349 of the Italian Civil Code, in an amount of up to €858,098.50, by withdrawing the equivalent amount from the statutory reserve, with the issue of up to 1,716,197 ordinary par value Euro 0.50 shares, ranking for dividends *pari passu*, to be allocated to identified staff in accordance with the provisions of the performance share schemes in force.

At a Board meeting held on 19 December 2019, the directors of Mediobanca adopted a resolution to increase the Bank's share capital by means of a bonus issue as permitted by Articles 2443 and 2349 of the Italian Civil Code, in an amount of up to €169,420.50, by withdrawing the equivalent amount from the statutory reserve, with the issue of up to 338,841 ordinary par value Euro 0.50 shares, ranking for dividends *pari passu*, to be allocated to identified staff in accordance with the provisions of the performance share schemes in force.

## SECTION III

# General Meetings

### *Article 5*

General Meetings shall be called in Milan or elsewhere in Italy, as indicated in the notices convening such Meetings.

### *Article 6*

Ordinary General Meetings shall be called at least once a year within 120 days of the close of the Company's financial year.

Ordinary and Extraordinary General Meetings shall pass resolutions on matters attributable to each under regulations in force or these Articles of Association.

Resolutions in respect of mergers, as provided for by Articles 2505 and 2505-bis of the Civil Code, including in the cases referred to in Article 2506-ter of the Civil Code, the institution or removal of branch offices, reductions in the Company's share capital as a result of shareholders exercising their right of withdrawal, amendments to the Company's Articles of Association to comply with regulatory requirements, and transfer of the Company's headquarters within Italian territory, are by law the sole competence of the Board of Directors.

The procedures for calling and powers to call meetings shall be those laid down by the law.

Such notice also includes an indication of the sole date scheduled for the Meeting.

### *Article 7*

The right to attend and vote at General Meetings shall be governed by the law.

Shareholders are authorized to attend and vote at General Meetings if, by the end of the third open market day prior to the meeting, the issuer has received notification in respect of them from an authorized intermediary based on evidence as at the close of business on the seventh open market day prior to the date set for the general meeting in only instance.

Without prejudice to the foregoing, a shareholder is authorized to attend and to vote at a general meeting if such notification reaches the issuer after the terms indicated in the above paragraph, provided that it does so by the start of proceedings on the single date called for the general meeting.

Shareholders authorized to attend and vote at general meetings may elect to have themselves be represented in such a meeting via a proxy issued in writing or made electronically in cases where

such possibility is provided for by regulations in force and in accordance therewith, subject to cases of incompatibility and the limits prescribed by law.

Proxies may be notified electronically using the relevant section of the Company's website or by email, in accordance with the instructions provided in the notice of meeting.

#### *Article 8*

Shareholders shall be entitled to one vote for each share held.

#### *Article 9*

General Meetings shall be presided over by the Chairman of the Board of Directors or, in his stead, by the elder Deputy Chairman, the other Deputy Chairman, if appointed, or by the most senior of the other Board members, in that order.

The Chairman shall be assisted by a Secretary. In cases where Article 2375 of the Civil Code applies, and in any other case where he considers it advisable, the Chairman shall call upon a notary to compile the minutes.

The Chairman shall be responsible for establishing that a quorum has been reached, ascertaining the identity of those in attendance and assessing their entitlement to be so present, chairing and conducting the proceedings, and checking and announcing the results of any votes taken thereat.

#### *Article 10*

An ordinary general meeting shall be validly constituted regardless of the percentage of the share capital represented, with resolutions being adopted on an absolute majority basis. For resolutions adopted pursuant to Article 13, para. 3, at least two-thirds of the share capital represented is required to vote in favour if the quorum of at least half the share capital has been reached, or with at least three-quarters of the share capital represented if less than one-half of the share capital is represented at the meeting. An extraordinary general meeting is validly constituted if at least one-fifth of the company's share capital is represented, and resolutions are adopted with at least two-thirds of the share capital in attendance voting in favour.

Members of the Board of Directors and Statutory Audit Committee shall be appointed in accordance with the procedures set out respectively in Articles 15 and 28 hereof.

#### *Article 11*

Transactions with related parties, including those which fall within the jurisdiction of shareholders in general meeting or otherwise required to be submitted to the approval of shareholders under Article 2364 of the Italian Civil Code, are approved in compliance with the procedures adopted by the Board of Directors as required by law.

In urgent cases, transactions (including of Group companies) with related parties other than those which fall within the jurisdiction of shareholders in general meeting or otherwise required to be submitted to the approval of shareholders under Article 2364 of the Italian Civil Code may be approved in derogation of the procedures referred to in the previous paragraph, provided — without prejudice to the effectiveness of the resolutions adopted and compliance with the additional conditions set forth in the same procedure — that they are subsequently submitted to non-binding resolution by shareholders in general meeting to be adopted on the basis of a report by the Board and the Statutory Audit Committee's opinion on the reasons for the urgency.

#### *Article 12*

Resolutions shall be taken by a show of hands, or by any other clear and transparent method, including

electronic, that may be proposed by the Chairman, save where legal provisions require otherwise without exception.

Resolutions passed at General Meetings in accordance with the law and these Articles of Association shall be binding on all Members, including those who dissent or are absent.

Shareholders voting against resolutions to approve:

- a. an extension to the Company's duration;
- b. the introduction and/or removal of restrictions on the trading of securities, shall not have the right of withdrawal in respect of all or part of their shares.

Members are entitled to inspect all deeds deposited at the Company's Head Office in respect of General Meetings that have already been called, and to obtain copies of such deeds at their own expense.

#### *Article 13*

Shareholders in general meeting shall determine the fixed annual remuneration payable to members of the Board of Directors, upon their appointment and for the entire duration of their term of office, to be shared between the individual Board members in accordance with the decisions of the Board of Directors itself.

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.

Shareholders in general meeting, in accordance with the terms provided for in the regulatory provisions in force at the time, also approve remuneration policies and compensation schemes based on financial instruments operated for Directors, Group staff and collaborators, and the criteria for determining the compensation to be agreed in the event of early termination of the employment relationship or term of office.

At the Board of Directors' proposal, shareholders in general meeting may, with the majorities provided for under Article 10 para. 1, cap the variable remuneration of Group staff and collaborators within the limit of 200% of their fixed salary or any other limit set by law and/or the regulations in force at the time.

## **SECTION IV**

# **Management**

#### *Article 14*

The Board of Directors shall be responsible for management of the company, and shall exercise such management through the Executive Committee if appointed, the Managing Director and the General Manager, if appointed, in accordance with the provisions hereof.

### **Sub-section I - Board of Directors**

#### *Article 15*

The Board of Directors comprises between nine and fifteen members. The duration of their term of office shall be three financial years, save where otherwise provided in the resolution approved for their appointment.

Members of the Board of Directors shall be in possession of the requisite qualifications for holding such

office expressly stipulated under regulations in force at the time and the Articles of Association, failing which they shall become ineligible or, in the event of such circumstances materializing subsequently, shall be disqualified from office.

A number of Directors at least corresponding to the number stipulated in the Code of Conduct for Listed Companies shall also qualify as independent as defined in Article 19. If a Director qualifying as independent ceases to do so, this shall not result in him/her being disqualified from office provided the minimum number of Directors required to be independent under the present Articles of Association in compliance with regulations in force is still represented.

Three Directors are chosen from among employees with at least three years' experience of working for Mediobanca Banking Group companies at senior management level.

No director aged seventy-five or over may be elected.

Directors are appointed on the basis of lists in which the candidates are numbered consecutively. Lists may be submitted by the Board of Directors and/or by shareholders representing in the aggregate at least the percentage of the Company's share capital established under regulations in force at the time and specified in the notice of general meeting. Ownership of the minimum percentage of the Company's share capital required to submit a list is established on the basis of shares recorded as being in the shareholders' possession at the date on which the lists are filed with the issuer and is stated in accordance with the terms of the law. Statement of ownership may also be made subsequent to the list's filing, provided that it is forthcoming within the term provided for the issuer to make the lists public.

The lists undersigned by the shareholder or shareholder submitting them (including by means of a proxy to one of them) shall contain a number of candidates not to exceed the maximum number of directors to be elected, and must be lodged at the Company's head office at least twenty-five days prior to the date scheduled for the general meeting only instance, to be stipulated in the notice of meeting.

The list submitted by the Board of Directors, if any, shall be lodged and made public using the same methods provided as the lists submitted by shareholders at least thirty days prior to the date scheduled for the general meeting to take place in only instance.

Lists containing a number of candidates equal to or above two-thirds of the Directors to be appointed shall contain three candidates numbered consecutively starting from the first in possession of the requisites stipulated under the foregoing paragraph 4.

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 at the time.

Along with each list a curriculum vitae shall be filed for each candidate, along with all the other information and statements required under regulations in force at the time. Such curriculum vitae shall contain an indication of the candidate's professional credentials, together with statements whereby each candidate declares, under his/her own responsibility, that there are no grounds for his/her being incompatible with or ineligible for the post under consideration, and that he/she is in possession of the requisites specified under law and these Articles, and a list of the management or supervisory roles held by him/her at other companies.

Lists submitted which do not conform to the above specifications shall be treated as null and void.

Outgoing Directors who have served their terms of office may be re-elected.

One individual shareholder may not submit or vote for more than one list, including via proxies or trustee companies. Shareholders belonging to the same group— that is, the parent company, subsidiaries and companies subject to joint control – and shareholders who are parties to a shareholders' agreement in

respect of the issuer's share capital as defined in Article 122 of Italian Legislative Decree 58/98 may not submit or vote for more than one list, including via proxies or trustee companies. Individual candidates may only feature in one list, failing which they shall become ineligible.

The procedure for the appointment of Directors is as follows: all Directors save two are chosen on the basis of the consecutive number in which they are ordered from the list obtaining the highest number of votes; the other Directors are chosen from the list which ranks second in terms of number of votes cast and which is not submitted or voted for by shareholders who are related, as defined under regulations currently in force, to the shareholders who submitted or voted for the list ranking first in terms of number of votes cast, again on the basis of the consecutive number in which the candidates are ordered.

In the event of an equal number of votes being cast, a ballot shall be held.

In the event that following the procedure set out above does not result in a sufficient number of Directors in possession of the requisites stipulated under the foregoing paragraphs 3 and 4 hereof being elected and if the number of Directors of one or other gender proves to be fewer than the number required by the regulations in force, the procedure shall be to replace the necessary number of candidates elected from among those in the majority list in the last consecutive positions with candidates in possession of the requisite qualifications or characteristics, from the same list based on their consecutive numbering. If it proves impossible to complete the number of Directors required via this procedure, again in order to comply with the provision of the foregoing paragraphs 3 and 4 and the regulations in force in respect of equal gender representation, the remaining Directors shall be appointed by shareholders in general meeting on the basis of the legal majority, at the proposal of the shareholders in attendance.

In the event of just one list being submitted, the Board of Directors is taken from this list in its entirety, providing the quorum established by law for ordinary general meetings has been reached.

For the appointment of those Directors who for whatever reason could not be elected to comply with the provisions set forth in the foregoing paragraphs, or in the event that no lists are submitted, the Board of Directors is appointed by shareholders in general meeting on the basis of the legal majority, again without prejudice to the requirements stipulated in Article 15, paragraphs 3 and 4 hereof and the regulations in force in respect of equal gender representation.

Directors who are also members of the Banking Group's senior management must leave office if and when they cease to be employed by the companies which make up the Banking Group.

In the event of one or more Directors leaving office before their term expires, the procedure shall be as described in Article 2386 of the Italian Civil Code, without prejudice to the obligation to comply with the provisions of Article 15, paragraphs 3 and 4 hereof and the regulations in force in respect of equal gender representation. Directors co-opted by the Board shall remain in office until the next successive annual general meeting, where shareholders will appoint a new Board member to replace the Director who has left office. Shareholders in general meetings shall adopt resolutions based on a relative majority, in compliance with the provisions in respect of the Board's composition set forth in Article 15, paragraphs 3 and 4 herein and the regulations in force in respect of equal gender representation. If the Directors being replaced had been elected from a minority list, where possible they are replaced with unelected Directors taken from the same list while respecting the regulations in force in respect of equal gender representation.

For the purposes hereof, control shall be defined, including with respect to entities not incorporated as companies, as in the cases listed under Article 93 of Italian Legislative Decree 58/98.

The foregoing shall be without prejudice to other and/or further provisions regarding the appointment of, and qualifications for, members of the Board of Directors required without exception under law and/or regulations in force.

In the event of more than half of the Board of Directors leaving office before its term expires, whether as a result of resignations being tendered or for any other reason, the entire Board shall be deemed to have tendered its resignation and a general meeting called to appoint new Directors. However, the Board shall remain in office until shareholders have approved its reappointment in general meeting and until at least half the new Directors have accepted the position.

#### *Article 16*

The Board of Directors shall approve from among its own number a Chairman and one or two Deputy Chairmen and the Managing Director provided for in Article 24 hereunder, who shall remain in office for the entire duration of their terms as Directors.

No person aged seventy or over may be elected as Chairman, and no person aged sixty-five or over may be elected as Managing Director.

In the event of the Chairman being absent or otherwise impeded, his duties shall be discharged by, in order, the elder of the two Deputy Chairmen, the other Deputy Chairman if appointed, and the most senior of the Directors in attendance.

Meetings of the Board are called by the Chairman who is responsible for setting the agenda, presiding over the proceedings, and ensuring that all Directors are provided with adequate information regarding the business to be transacted.

The Chairman is also responsible for ensuring that the corporate governance system runs smoothly in practice, guaranteeing due balance between the powers of the Managing Director and the other executive Directors; he is the counterparty for dialogue with the bodies with duties of control and the internal committees.

The Board also appoints a Secretary, who may be chosen from outside its number. In the event of the Secretary being absent or otherwise impeded, the Board designates the person to replace him/her.

#### *Article 17*

Meetings of the Board of Directors are called at the head office of the Company or elsewhere by the Chairman or the Acting Chairman, on his own initiative or when requisitioned by at least three Directors. As a rule the Board of Directors meets at least six times a year.

Board meetings may also be called by the Statutory Audit Committee, provided the Chairman of the Board has been notified to such effect in advance.

Board meetings are called by notice in writing to be given by electronic mail, facsimile transmission, letter or telegram dispatched at least five clear days prior to the date scheduled for the meeting. In urgent cases this may be reduced to two days. The notice in writing shall contain an indication of the place, day and time of the meeting, along with an agenda briefly setting out the business to be transacted.

Board meetings may also be held via video- or tele-conference, provided that the persons entitled to attend may be properly identified, speak in real time on items on the agenda, and receive or transmit documents, and further provided that the Chairman or acting Chairman and Secretary are in attendance at the place where the meeting is being held.

The Board may also pass valid resolutions without a formal meeting being called, provided that all the Directors and standing auditors in office take part.

#### *Article 18*

The Board of Directors, as described below, delegates management of the Company's day-to-day business to the Executive Committee, if appointed, and Managing Director, who execute such management in accordance with the guidelines and directives formulated by the Board of Directors.

Without prejudice to legal and regulatory provisions in force from time to time, and without prejudice to those matters which are reserved to the sole jurisdiction of shareholders in general meeting, the following matters fall within the remit of the Board of Directors:

1. definition and approval of the strategic guidelines and directions, business and financial plans, budgets, and risk management and internal control policies;
2. appointment and dismissal of the Executive Committee, Managing Director, General Manager, Head of Company Financial Reporting, and the heads of the Group Audit, Compliance and Risk Management units;
3. approval of quarterly and interim accounts and of draft individual and consolidated financial statements;
4. the Bank's organization, ensuring clear distinction of duties and functions and avoiding conflicts of interest;
5. approval of acquisition and disposals of investments which 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.

Without prejudice to each Director's entitlement to submit proposals, the Board of Directors normally adopts resolutions based on the proposal of the Executive Committee, if appointed, or the Managing Director.

The Board of Directors delegates a committee consisting of the three Banking Group senior management members and two Directors who qualify as independent pursuant to Article 19 hereof, in respect of decisions to be taken in general meetings of the investee companies referred to in para. 5 above, if the companies are listed, with reference to the appointments to be made to their governing bodies. The committee adopts resolutions with a majority of its members voting in favour.

The Board of Directors may take resolutions on matters falling within the remit of powers delegated by it.

#### *Article 19*

The Board of Directors assesses the independence of its own non-executive members, bearing in mind that a Director does not qualify as independent in the following cases:

- a. if they hold, directly or indirectly, including through subsidiaries, fiduciaries or other intermediaries, a shareholding of over 2% in the company or is a significant representative of the group to which the company belongs;
- b. if they are, or have been in the three preceding financial years, a significant representative of the company or of one of its strategically relevant subsidiaries;
- c. if they have or have had in the past three financial years, directly or indirectly, a significant commercial, financial or professional relationship with the group;
- d. if they receive or have received in the past three financial years, significant additional remuneration from the group compared to their fixed emolument as non-executive director;
- e. if they have been a Director for more than nine of the last twelve years;
- f. if they are partner or director of a company or entity forming part of the network of the company retained by the issuer as its external auditor;
- g. if they are a close relative of a person in one or other of the situations listed under the points above.

The Board of Directors shall establish among its own number the Committees envisaged by the regulations in force and the other internal committees, including, if no Executive Committee has been appointed, the managerial committees it is deemed appropriate to institute, establishing their powers and composition in accordance with the regulations in force.

#### Article 21

For Board resolutions to be valid, a majority of the Directors in office must be present. The Board of Directors adopts resolutions with a majority of those in attendance voting in favour.

In the event of an equal number of votes being cast, the Chairman of the Board of Directors shall have the deciding vote.

In the event of Directors abstaining from votes owing to an interest which such Directors may have in the transaction concerned, either themselves or through third parties, the Directors so abstaining are included for purposes of establishing the quorum required for the meeting to be validly constituted, but are not included for determining the majority required to pass the resolution.

As required under Articles 2381 of the Italian Civil Code, the appointed bodies report to the Board of Directors every three months on general operating performance and prospects, as well as on the most significant transactions in terms of size or characteristics carried out by the Company or its subsidiaries.

#### Article 22

Resolutions shall be recorded in the minutes of the meeting and entered in the book required to be kept by law, shall be signed by the Chairman or whoever presides over the meeting in his stead, by another Director and by the Secretary.

Excerpts from the minutes signed by the Chairman or by two Directors and countersigned by the Secretary constitute full proof.

### **Sub-section II - Executive Committee**

#### Article 23

The Board of Directors may appoint an Executive Committee ranging in number from a minimum of three to a maximum of five Directors, establishing the Committee's composition and rules of functioning in accordance with the regulations in force. If appointed, the Executive Committee is responsible for the ordinary management of the Company, with all powers – including to extend credit – not reserved by the applicable regulations or these Articles of Association to the collegiate jurisdiction of the Board of Directors, or which the latter has not otherwise delegated to the Managing Director.

The Executive Committee may delegate its powers to approve resolutions to committees made up of the Company's management or individual managers up to certain pre-established limits.

Save in cases of incompatibility and up to the limits set by the regulations in force, the Directors who are members of the Group's management with the requisites stipulated under the foregoing Article 15 and elected from the list which receives the highest number of votes are members of the Executive Committee de jure.

Without prejudice to the provisions of the law, Executive Committee members in possession of the requisites stipulated under the foregoing Article 15 are bound to devote themselves solely to performance of activities involved in such office, and unless otherwise provided by the Board of Directors, may not perform duties of administration, management or control or of any other kind at companies or entities

which are not investee companies of Mediobanca. Without prejudice to the provisions of the law, the other members of the Executive Committee, save otherwise provided by the Board of Directors, may not perform duties of administration, management, control or of any other kinds for banking groups or insurance companies.

The Executive Committee is chaired by the Managing Director.

The Committee shall remain in office for the entire duration of the Board of Directors which appointed it.

The Chairman of the Board of Directors takes part in Executive Committee meetings as a guest, and the Statutory Audit Committee also takes part.

The Committee appoints a Secretary, who does not necessarily have to be one of its own number.

### **Sub-section III - Managing Director**

#### *Article 24*

The Board of Directors appoints a Managing Director to be chosen from among the Directors in possession of the requisites specified under the foregoing Article 15, paragraph 4 hereof, determining his/her duties and powers. In particular the

Managing Director has executive powers, and is responsible for implementing the resolutions adopted by the Board of Directors and the Executive Committee (if appointed).

### **Sub-section IV – General manager**

#### *Article 25*

The Board of Directors may appoint a General Manager at the Managing Director's proposal along with a description of duties and powers. If appointed, the General Manager will be chosen from among the Directors in possession of the requisites specified under Article 15, paragraph 4 of these Articles, and may not be more than sixty-five years old.

### **Sub-section V – Head of company financial reporting**

#### *Article 26*

On the proposal of the Managing Director and having sought the opinion of the Statutory Audit Committee, the Board of Directors appoints one person to act as head of financial reporting, who shall be chosen from among the Bank's management and who has held management positions for a period of at least three years in the field of accounting administration at the Bank itself or at other leading banks. The person identified to act as head of financial reporting shall put in place adequate administrative and accounting procedures for the preparation of the individual and consolidated accounts, and all other reporting which is financial in nature. The appointed bodies and the head of financial reporting issue the statements on the Company's capital, earnings and finances required under law.

The Board of Directors exerts supervision to ensure the head of financial reporting is vested with suitable powers and means to carry out the duties entrusted to him and to ensure that the administrative and accounting procedures are complied with in practice.

## Sub-section VI - Powers to represent the Bank

### Article 27

The corporate signature shall be vested in the Chairman of the Board of Directors, the Managing Director, the General Manager if appointed, and in such other employees of the Bank to whom such right has been specifically granted.

The corporate signature shall be binding when it is jointly executed by two of the authorized persons appending their signatures under the Company's name, always provided that one of the two signatures is that of the Chairman, the Managing Director, or the General Manager or one of the employees of the Bank in whom such right has been specifically vested.

The Board of Directors may, however, empower the corporate signature to be appended to certain categories of the Company's instruments of day-to-day administration jointly by any two of the authorized persons. The Board of Directors may moreover delegate to its members or to one of the employees of the Bank expressly so authorized the power to sign severally certain specific instruments or contracts of the Company.

The Board of Directors may furthermore delegate to employees of the Bank specifically so authorized the power to sign severally certain categories of the Company's instruments of day-to-day administration.

The Board of Directors may also grant the right to sign in the name of the Company to other Banks, always provided that such right shall be exercised only in relation to services performed on the Company's behalf. In such cases the Banks so authorized shall insert the words "per procura della Mediobanca - Banca di Credito Finanziario" above their own Company signature executed in accordance with the provisions of their Articles of Association.

The power to represent the Bank as a Member, whether on its own behalf or on behalf of third parties, at the time companies are established and at General Meetings of other companies may also be exercised severally by the Chairman, the Managing Director, the General Manager or by employees of the Bank specifically designated by the Board of Directors.

The power to represent the Company in judicial and administrative procedures shall be vested severally in the Chairman, the Managing Director and General Manager if appointed, and in employees of the Bank specifically designated by the Board of Directors for such purpose.

## SECTION V

## Statutory Audit Committee

### Article 28

Shareholders in ordinary general meeting appoint three standing and three alternate auditors and establish the emoluments payable to each auditor for each financial year. Statutory Auditors are entitled to receive refunds for the expenses incurred by them in the exercise of their duties. Their term of office is governed by regulations in force.

Members of the Statutory Audit Committee shall be in possession of the requisite qualifications for holding such office expressly stipulated under regulations in force at the time, failing which they shall become ineligible or, in the event of such circumstances materializing subsequently, shall be disqualified from office.

In particular, with reference to professional qualifications, these are understood as being strictly pertinent to those in respect of the company, those listed under Article 1 of the Italian Consolidated Banking Act,

and the provision of investment services or collective portfolio management, both of which as defined in Italian Legislative Decree 58/98.

Members of the Statutory Audit Committee may not hold posts in governing bodies other than those with responsibility for control of other Group companies or in companies in which Mediobanca holds, including indirectly, an investment which is deemed to be strategic under supervisory requirements laid down by the Bank of Italy.

In addition, without prejudice to the provisions of the law, candidates who hold the post of director, manager or officer in companies or entities, or who otherwise work with the management of companies operating directly or indirectly (including through subsidiaries) in the same sectors as Mediobanca may not be elected, or if already elected are disqualified from office.

Outgoing Statutory Audit Committee members may be re-elected.

Appointments to the Statutory Audit Committee are made on the basis of lists in which each candidate is numbered consecutively. Each list consists of two sections: one for candidates to the post of Standing Auditor, the other for candidates to the post of Alternate Auditor. 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 at the time. Ownership of the minimum percentage of the Company's share capital required to submit a list, in accordance with the indications provided in Article 15 above in respect of appointments to the Board of Directors, is established on the basis of shares recorded as being in the shareholders' possession at the date on which the lists are filed with the issuer.

One individual shareholder may not submit or vote for any more than one list, including via proxies or trustee companies. Shareholders belonging to the same group – that is, the parent company, subsidiaries and companies subject to joint control – or shareholders who are parties to a shareholders' agreement in respect of the issuer's share capital as defined under Article 122 of Italian Legislative Decree 58/98, may not submit or vote for more than one list, including via proxies or trustee companies. Individual candidates may only feature in one list, failing which they become ineligible.

Lists are deposited at the Company's head office at least twenty-five days prior to the date scheduled for the general meeting to be held in only instance called to adopt resolutions in respect of the appointment of statutory auditors, and shall include:

- a. information on the identity of the shareholders submitting the lists, with an indication of the aggregate percentage shareholding; ownership of the shares must be stated in accordance with the terms of the regulations in force; statement of ownership may also be produced subsequently, provided that it is forthcoming within the term provided for the issuer to make the lists public;
- b. a statement from shareholders submitting the list other than those who own, including jointly, a controlling interest or relative majority, declaring the non-existence or existence as the case may be, of relations with the latter, as required by the provisions of Article 144-quinquies, paragraph 1, of Consob regulation no. 11971/99;
- c. full information on the personal and professional characteristics of the candidates, a list of the management and/or supervisory posts held by them in other companies, plus a statement by the candidates themselves to the effect that they are in possession of the qualifications required under law and these Articles and agree to stand as candidates.

Lists submitted which do not conform to the above specifications shall be treated as null and void.

In the event that by the date on which the term for submission of lists has passed, only one list has been submitted, or only lists submitted by shareholders who are related as defined in Article 144-quinquies,

paragraph 1 of Consob regulation no. 11971/99 based on the statements referred to under the foregoing paragraph 9, letter b) hereof, lists may be presented up to the third calendar day subsequent to such date. In this case the minimum percentage shareholding for submitting lists referred to under the foregoing paragraph 7 is reduced by half.

The proposals for appointments are disclosed to the public on the terms and according to the methods prescribed by law.

Before voting commences, the Chairman presiding over the general meeting reminds shareholders of any statements made pursuant to the foregoing paragraph 9, letter b) hereof, and invites shareholders taking part in the meeting who have not submitted or contributed to submitting lists, to declare any relations, as defined in Article 144-quinquies, paragraph 1 of Consob regulation no. 11971/99, with those shareholders who have submitted lists or with those who hold, including jointly, a controlling interest or relative majority.

In the event of an individual related to one or more shareholders who have submitted or voted for the list ranking first in terms of number of votes voting for a minority list, such relationship shall assume significance only if the vote was decisive in the appointment of the auditor.

The following procedure is adopted for the appointment of statutory auditors:

- a. two statutory auditors and two alternate auditors are chosen based on the consecutive order in which they are numbered from the list obtaining the highest number of votes;
- b. one standing auditor and one alternate auditor are chosen based on the consecutive order in which they are numbered in the respective list sections, from the list ranking second in terms of number of votes in general meeting and which under regulations in force is not linked even indirectly with the shareholders who submitted or voted for the list which ranked first.

In the event of the same number of votes being cast for more than one list, a new vote is held in the form of a ballot between the lists, with the candidates from the list which obtains a simple majority in this case being elected.

The candidate ranking first in the section for election of standing auditors in the list ranking second in terms of the number of votes cast is appointed Chairman of the Statutory Audit Committee.

In the event of only one list being submitted, shareholders in general meeting express their opinion on it; if the list obtains the majority required by law for the ordinary general meeting, the three candidates numbered consecutively in the relevant section are appointed standing auditors, and the three candidates numbered consecutively in the relevant section are appointed alternate auditors; the candidate listed first in the section for candidates to the post of standing auditor in the list submitted is appointed as Chairman of the Statutory Audit Committee.

If the Committee's composition fails to respect the regulations in force on the subject equal gender representation, the necessary replacements will be made in the order in which the candidates are presented.

In the event of no lists being submitted, or if the voting mechanism by lists provides a lower number of candidates appointed than the number established in these Articles, the Statutory Audit Committee is appointed or completed by shareholders in general meeting with the majorities provided by law while respecting the regulations in force on the subject of equal gender representation.

If more than one list is submitted, and in the event of a standing auditor leaving office, an alternate auditor from the same list shall take his place based on the consecutive numbering in the list and in compliance with the principle of equal gender representation.

The procedure for shareholders in general meeting to replace the number of standing and/or alternate auditors to complete the Statutory Audit Committee is as follows (again in compliance with the principle of equal gender representation): if auditors elected from the majority list or sole list have to be appointed, or auditors elected directly by shareholders in general meeting, appointments are made by means of a vote passed by a relative majority without restrictions in terms of lists; if, however, auditors elected from the minority list are to be replaced, shareholders gathered in general meeting replace them by means of a vote passed by a relative majority, but choosing from among the candidates indicated in the list which included the auditor to be replaced, or failing this, from among the candidates contained in any further minority lists.

In the event of there being no candidates on the minority list or lists, the appointment is made by means of a vote based on one or more lists, comprising a number of candidates not to exceed the number of auditors to be elected and such as to ensure compliance with the principle of equal gender representation, to be submitted prior to the general meeting in accordance with the provisions hereof for appointments to the Statutory Audit Committee, provided that lists may not be submitted (and if submitted are treated as null and void) by shareholders who, based on the statements made as required by regulations in force, hold a relative majority, including indirectly, of the voting rights that may be exercised in general meeting, or by shareholders related to them as defined in regulations in force. The candidates featured in the list which obtains the highest number of votes are appointed.

In the event that no lists are submitted that comply with the foregoing provisions, appointments shall be made on the basis of a vote passed by a relative majority without restrictions in terms of lists in compliance with the principle of equal gender representation.

In all circumstances which require the Chairman of the Committee to be replaced, the auditor taking his place also takes on the role of Chairman to the Statutory Audit Committee.

#### *Article 29*

The Statutory Audit Committee performs the duties and functions provided for under the regulations in force. In particular it is responsible for monitoring:

- a. compliance with legal, regulatory and statutory requirements, and observance of the principles of correct management;
- b. the adequacy of the organizational and administrative/accounting structure of the company and its financial reporting process;
- c. the thoroughness, adequacy, functioning and reliability of the internal controls system and the risk appetite framework;
- d. the legal auditing process for the annual and consolidated accounts;
- e. the independence of the legal external auditors, in particular insofar as regards the provision of non-audit services;
- f. the thoroughness, adequacy, functioning and reliability of the business continuity plan.

The Statutory Audit Committee is vested with the powers provided for under regulatory provisions in force, and reports to the Bank of Italy on operating irregularities or breaches of regulations detected in the course of its duties.

The Statutory Audit Committee is usually informed of the activities carried out and the most significant transactions in earnings, financial and capital terms, executed by the Company or its subsidiaries, and in particular transactions in which the Directors have an interest either in their own right or by means of third parties, including via the appointed bodies pursuant to Article 2381 of the Italian Civil Code, directly upon

the occasion of meetings of the Board of Directors and Executive Committee (if appointed), which are held with the frequency established under the foregoing Article 21; note of this is duly made in the minutes of the respective meetings. Information is also furnished to the Statutory Audit Committee outside of meetings of the Board of Directors and Executive Committee (if appointed) in writing, addressed to the Chairman of the Statutory Audit Committee.

Statutory Audit Committee meetings may also be held via video- or tele-conference, provided that the persons entitled to attend may be properly identified, follow the discussions appropriately and speak in real time on items on the agenda; if such conditions are met, the Statutory Audit Committee is held to have met at the place where the Chairman is present.

## SECTION VI

# Auditing

### *Article 30*

Legal auditing shall be carried out by a duly registered external legal auditor, whose terms of appointment, duties and responsibilities shall be governed by law and regulations.

## SECTION VII

# Financial Year and Balance Sheet

### *Article 31*

The Company's financial year shall begin on 1 July of each year and shall end on 30 June of the following year.

### *Article 32*

The Board of Directors shall draw up the balance sheet for the year and shall submit it to shareholders in general meeting for approval.

In its Report to shareholders in general meeting, the Board shall refer to all matters which may assist in providing the most comprehensive account possible of the Company's operations and the state of its affairs.

### *Article 33*

At least 10% of the net profit for each financial year shall be deducted therefrom and taken in the first instance to the Legal Reserve pursuant to Article 2430 of the Civil Code with any balance being allocated to the Statutory Reserve. Should the Board of Directors so propose, the General Meeting may then also resolve that any further sums be deducted which it is deemed prudent either to allocate to the Statutory Reserve for the purpose of increasing its resources, or to set aside in order to establish other reserves of an extraordinary or special nature.

The remainder shall be shared among the shareholders, with the exception of any amounts carried forward.

## Winding-up

### *Article 34*

The liquidation of the Company shall be governed by the provisions of the law.

## Temporary provision

The amendments to Article 15 paras. 1, 3, 4, 9, 15 and Article 23 (the latter with reference only to the number of members) and the whole of Article 19 shall take effect starting from the first reappointments made to the governing bodies following the approval of the new version of the Articles of Association by the shareholders in general meeting.





MEDIOBANCA