



Mediobanca Group Human Resource Management Policy

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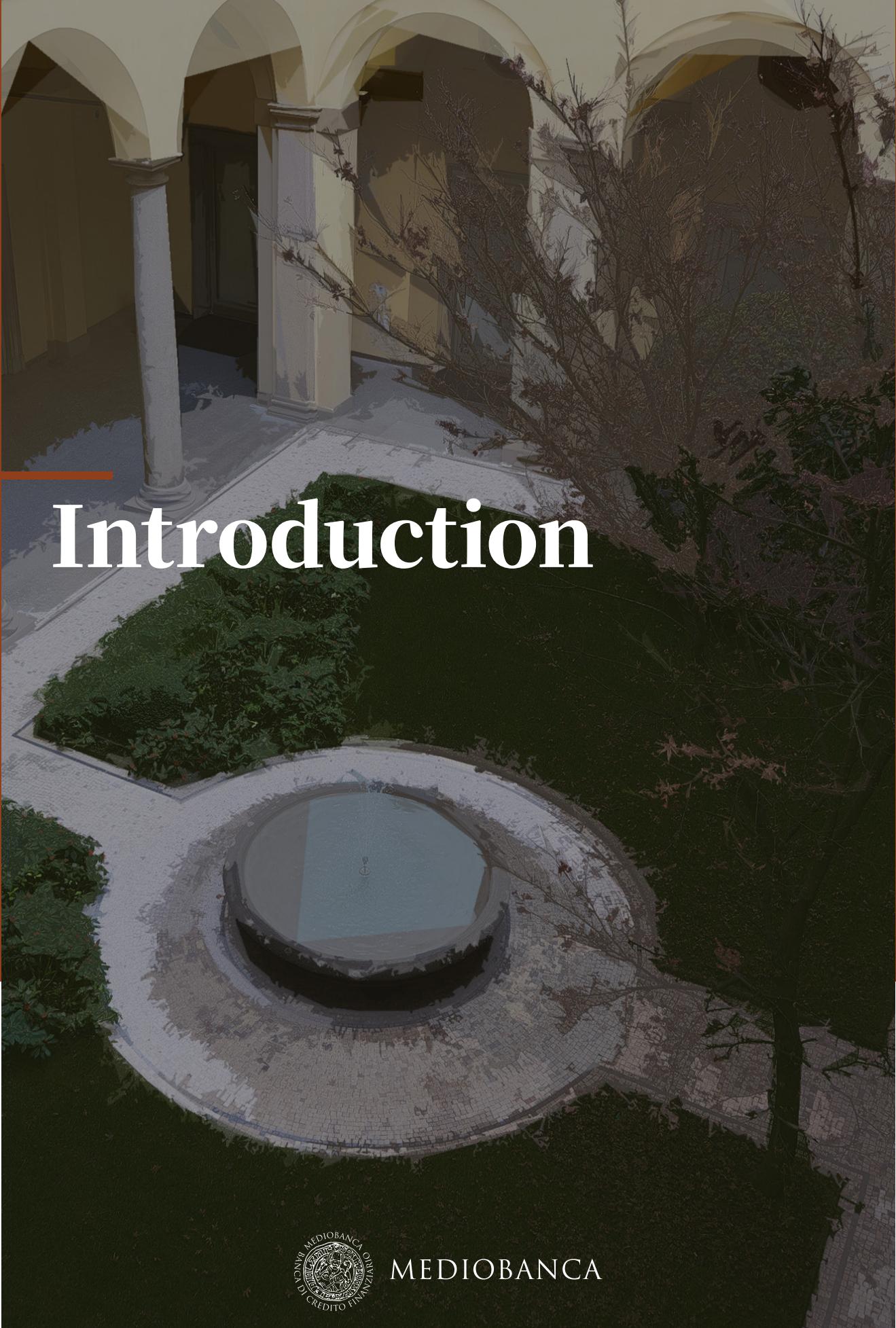
MEDIOBANCA



Contents

1.	Introduction	5
2.	General principles	9
3.	Roles and responsibilities in Mediobanca	15
3.1	Board of Directors	16
3.2	Chief Executive Officer	16
3.3	Group General Manager	16
3.4	Group HR	16
4.	Internal HR management procedures	19
5.	Staff selection	23
6.	Staff management and inclusion	27
7.	Staff evaluation	31
8.	Career progression process	35
9.	Succession planning	39
10.	Staff remuneration and incentivization policy	45
11.	Training initiatives	49
12.	Internal and external communications and engagement	53
13.	Staff health, safety and well-being	57





Introduction



MEDIOBANCA

1. Introduction

The Bank of Italy requires that the Board of Directors of banks approve **human resource management policies** among their general organizational principles, so as to ensure that “their staff have the **requisite competences and professional qualifications** in order to exercise the duties assigned to them (Supervisory Instructions for Banks – Bank of Italy circular no. 285/2013 as amended, in particular Part I, Title IV, Chapter 3, Section I, Paragraph 6).

The Mediobanca Group Human Resource Management Policy sets out the **fundamental principles** on which our policy is based and is closely **co-ordinated with the other codes and policies adopted** which impact on staff management, including the following in particular:

- Code of Ethics;
- Code of Conduct;
- Disciplinary codes;
- Mediobanca Group Diversity, Equity and Inclusion Code;
- Mediobanca Group staff remuneration and incentivization policy;
- Policies on selection, appointment, succession and assessment of the adequacy of company representatives and key function holders;
- Group Sustainability Policy.

Any amendments deriving from organizational changes, updates to the reference regulations and/or internal regulations are made, at the proposal of Group HR,¹ by the Chief Executive Officer, with ex-post reporting to the competent Board Committee and the Board of Directors. The Group Legal Entities adopt this Policy as part of their own body of regulations.

This Directive has been disclosed and made available and accessible to all Group staff members through the company intranet, both in English and Italian. It has also been published on the Mediobanca Group official website.

1. With the Compliance unit’s input as well where appropriate, in the event of changes to the regulations.



General principles



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2. General principles

Our staff members are our **human capital** and the indispensable foundation of the Group's **competitiveness**. For this reason the Mediobanca Group's Human Resource Management Policy is based on a series of **non-negotiable general principles**.

SUSTAINABILITY

- Growth and sustainability are hallmarks of the Mediobanca Group and play an integral and fundamental role in the definition of its strategies. The Group's Human Resource Management Policy is also intended to increase and protect reputation, credibility and consensus over time, as the Group sees these factors as the bases on which to develop a business that seeks to create and protect value for all stakeholders. The aim of the Policy is to generate sustainable value over the long term by means of:
 - Specific governance mechanisms involving a plurality of bodies, organizational units and individuals, to guarantee that structured and controlled processes are put in place which can be verified ex-post;
 - Staff selection, management, evaluation and training process focused on the people who constitute the Group's true human capital;
 - Fair, responsible and transparent remuneration mechanisms;
 - Succession planning, defined in advance, for senior management figures in order to guarantee sustainability over the long term.

HUMAN RIGHTS

- The Group believes that **respect for human rights** is a fundamental prerequisite to its own sustainability. For this reason it seeks to protect and promote such rights in the conduct of its business, including in its relations with its own staff in accordance with the principles set out in the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the International

- **Respect for** each worker's **personality and dignity** is fundamental in order to develop a working environment which is based on **mutual trust and loyalty**, in accordance with all legal obligations in force in every geographical region and area in which the Group operates.

ETHICS AND INTEGRITY

- The Mediobanca Group promotes an **ethical culture** which is based on values of **proper conduct, professionalism, customer protection and responsibility**. To share these values means to honour the trust placed in the Group and to preserve its reputation of excellence.
- In particular, in the exercise of their duties, staff must adopt **conduct which is commensurate with the duties required of them** in relation to the roles and activities assigned to them, i.e. conduct which is strongly **ethical in nature and marked by its integrity**. Each staff member is required to conduct themselves in a way that does not conflict with their inclusion in the company's organization.
- All conduct, including in cases not expressly contemplated by the Code of Ethics and Code of Conduct, must be based on the principles of **lawfulness, transparency, common sense and personal ethics**, in accordance with the values, guiding principles and procedures of the company and with the awareness of not exposing the Mediobanca Group to **regulatory and reputational risks**.

DIGNITY AND CIVIL LIBERTIES

- The Mediobanca Group undertakes to prevent every form of unsolicited behaviour, expressed in physical, spoken or unspoken form, engaged in with the aim or the effect of violating the **dignity and civil liberties** of an employee and creating a climate that is intimidatory, hostile, degrading, humiliating or offence. Specific internal regulations on discriminatory and abusive behaviour, bullying and harassment governing the procedures to be adopted in such cases have been drawn up and published to ensure that inappropriate behaviour is prevented, reported and suitably censured. Staff members receive specific training on these issues.
- The Mediobanca Group **rejects any type of harassment, whether physical, verbal, sexual or psychological, abuse, threatening or intimidatory behaviour** in the workplace, guaranteeing **working conditions which are respectful and favourable** in the countries in which it operates.

MERITOCRACY

- Mediobanca **valorizes its staff on a meritocratic basis**, seeking to develop their professional capabilities in accordance with the principle of equal opportunities as well as the Bank's own strategic decisions and organizational and productive requirements, at the same time taking into account the staff's needs for training.
- Professional development is achieved by, among other things, adequate training, and practical work experience under the direction of line managers, in some cases experience in different positions, performance evaluation, career progression and promotion.

DILIGENCE

- The **Code of Conduct** is the document which, along with the **Code of Ethics**, sets out the fundamental principles on which the Bank's reputation is based, and contains the values which underlie its everyday **operations**. It constitutes the **benchmark for conduct** required of all staff and collaborators.
- The **trust** which underpins every working relationship is based on the duty of **diligence** and on **respect**, both in form and in substance, of all **internal regulations** as formalized and approved by the company's governing bodies or the internal offices responsible.
- Failure to comply with these regulations may lead to the **sanctions stipulated in the company's internal disciplinary code** being applied: if so, they will be applied based on the two principles of **relevance and proportionality**.

EQUALITY AND INCLUSION

- The Mediobanca Group considers **diversity of gender and thought** as an advantage to be leveraged, as a source of cultural and professional enrichment. The Group believes in the importance of valorizing different perspectives and experiences, through promoting an **inclusive culture**, in which diversity and personal and cultural perspectives are respected and considered to be key success factors. Staff members receive specific training on these issues.
- **No distinction** may be used with reference to the following areas specifically: access to work, assignation of duties or qualifications, transfers, disciplinary measures, promotion and professional training, including professional and career advancement, and conditions of employment, which include remuneration, complementary pension forms and other benefits.
- The Mediobanca Group guarantees that **all its collaborators are treated without distinction, exclusion, restriction or preference**, whether direct or indirect, based on their: age,

gender, sexual orientation, civil status, religion, language, ethnic/racial, geographical or national origins, physical or mental disabilities, state of pregnancy, maternity or paternity (including as a result of adoption), personal convictions, political opinions, and/or trade union affiliation or activities.

- The Mediobanca Group works hard to ensure that a correct **balance between genders is maintained at all levels of the company**, focusing in particular on senior and management positions where the gender gap is most felt.
- The Mediobanca Group also safeguards **the right and freedom of association and collective bargaining**. The national collective labour contract for the banking sector covers all staff employed in Italy, and sets the minimum period for engaging with trade union organizations before implementing material organizational changes.

HEALTH AND SAFETY

- The Mediobanca Group guarantees high standards of **protection of health and safety in the workplace**, seeking to raise awareness of risks and **promoting responsible behaviour**, including via **information and training** activities.
- **Protection of workers' health and psychological and physical well-being** is achieved by adopting specific **prevention and protection programmes**, thereby ensuring that all levels of the company take responsibility for this area.

CONFIDENTIALITY

- Each staff member is required to maintain the **utmost confidentiality** regarding the Mediobanca Group's activities and information regarding its clients.

DATA PRIVACY

- **All information** that regards the Group's collaborators is **processed** in accordance with the provisions of the law and the applicable confidentiality undertakings, **using suitable methods** to ensure that only the data subjects and authorized parties have access to such information.





Roles and responsibilities in Mediobanca



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3. Roles and responsibilities in Mediobanca

3.1 Board of Directors

The Board of Directors, at the Chief Executive Officer's proposal, **assigns powers to sign on behalf of the company** or powers of attorney authorizing an employee to represent Mediobanca, in accordance with the provisions of Article 27 of the Articles of Association.

Such powers are assigned only to staff members who, on account of the specific role occupied by them within the organization, require them on an ongoing basis in order to perform their duties, or are employed in offices where to be authorized to sign on behalf of the company is useful in terms of supporting/completing the operations performed by that office.

3.2 Chief Executive Officer

Under the terms of the Board resolution on powers to operate on behalf of the Bank, the Chief Executive Officer is **responsible for staff management**, and appoints managerial staff after consulting with the Group General Manager. He ensures that the Bank's **organizational, administrative and accounting systems are adequate**, and submits the proposed **remuneration policies** to the governing bodies for approval.

The Chief Executive Officer also has responsibility, with the right to sub-delegate, for determining levels of staff remuneration and pensions, in accordance with the policies approved by the Board of Directors and save obviously for cases which fall within areas for which the Board itself has sole responsibility, and for finalizing any additional agreements with staff representatives.

3.3 Group General Manager

The Group General Manager **assists the Chief Executive Officer** as provided by the Board resolutions and regulations in force.

3.4 Group HR

As established by the **Group Regulations**, Group HR has the objective of enhancing human resource governance at Group level, and ensuring the organizational structure is both effective and efficient. It is also responsible for governing the compliance of the company's processes with the legal and/or regulatory requirements, by defining and implementing guidance and best practices. Group HR:

- Co-ordinates the activities of selecting, training, assessing and developing human resources performed by the Group's legal entities;
- Works with the line managers in mapping and assessing the competences and managerial capabilities represented, designing career pathways for each profile in conjunction with them. Group HPR defines shared staff performance evaluation methodologies for certain figures and families of professionals within the Mediobanca Group;
- Draws up the principal Group regulations for which it is responsible, and ensures they are updated over time;
- Defines the reward systems implemented and monitors their application;
- Prepares the budget for labour costs, and manages the administrative activities related to the employment relationship, which include the payment of emoluments;
- Ensures governance and development of the IT systems used for HR management at Group level;
- Co-ordinates management of relations with trade unions.

Also included in Group HR's remit are the following activities:

- Governance of diversity and inclusion issues through the person of the Diversity & Inclusion Officer;
- Ensuring effective internal communication and governance of staff engagement activities.

Group HR provides **the Group companies, through their respective HR departments**, with guidelines on all aspects relating to human resource management, to ensure a unified approach Group-wide through adequate processes which are able to valorize staff and retain talent, increasing the sense of belonging to the Group.



Internal HR management procedures



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4. Internal HR management procedures

Staff management is generally governed by the **internal regulations** regulating the many different corporate **activities** and **processes** on HR-related issues, along with the respective **information flows**.

In general terms, the following factors **contribute to the professional valorization** of human resources, in addition to their personal qualities:

- The **quality of the competences** acquired **and performances** delivered over time, previous work experience outside the company;
- The **internal career pathway** followed under the direction of the respective line managers, learning “on the job” and professional and managerial training;
- **Mastery** of the role, the **aptitudes** and **potential** of the individual as appropriately assessed;
- **Compliance with the rules of conduct** laid down by the Group, in order to guarantee conduct which is aligned with the regulations in force and sector practice, so that customers’ interests are served in optimal fashion.





Staff selection



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5. Staff selection

The staff selection process is based on **approval** of a staff recruitment plan consistent with the **annual budget** over the time horizon of the strategic plan, **definition of profiles sought**, holding **several interviews** conducted both by HR and by the heads of the organizational units involved in the recruitment, and for more specific roles, by the Chief Executive Officer and/or the Group General Manager as well.

The policies on selection, appointment, succession and assessment of the adequacy of company representatives and key function holders establish specific suitability requisites and procedures for senior roles and heads of the control units.

Every selection process encourages **all individuals in possession of the requisite qualifications and/or professional experience and is carried out exclusively on the basis of merit**. The same principle underpins the assessment of any opportunities that may arise within each individual company (changes from one organizational unit to another) or within the Group as a whole (changes from one company to another).

Selection is based on assessment of the **knowledge acquired during the training period and the professional and technical skills developed**, as shown by the candidates' CV and the path followed by them in the company to date. Basic cognitive, relational and executive skills are assessed, as well as, for younger candidates, potential to emerge in the course of the selection process. For the most senior figures, **key leadership skills** are assessed, including: **vision and strategic thought** regarding the business and/or activities covered by them and all related risks, and the ability to implement the decisions taken; **focus on results and clients**, adapting the relevant process to achieve this objective; **managerial and organizational skills** with a view to prioritizing colleagues and team work, optimizing talent, valorizing diversity, identifying opportunities for change, and cultivating leadership, assertiveness and credibility.

HR is responsible for ascertaining that the professional profile requested **contains no discriminatory aspect whatever**. It also ensures that the processes followed by any external selection companies engaged comply with the principles of **non-discrimination and inclusion**. An appropriate balance between genders is maintained at the stage of collecting and screening CVs (i.e. the same percentage of applications for both genders is assessed and submitted for consideration), based on the actual availability of candidates in the workplace, and with the intention wherever possible, of giving preference to the less-represented gender in the organizational unit concerned where candidates have the same qualifications and professional experience. In interviews, every care is taken to ensure that candidates are not asked questions that could represent sources of discrimination. Questions that are

not permitted may regard (without limitation): sexual orientation, health, married status (current or future), expectations and/or situations regarding maternity or paternity leave (existing or potential), situations involving caring for relatives and/or third parties, other personal and/or sensitive issues, including religious or political beliefs, etc. In defining the financial terms to be offered to successful candidates, the objective of **gender wage parity** is pursued.

The Mediobanca Group works continually with the best Italian and international universities, participating in **on-campus selection and employer branding activities**, and staging regular events at its own offices, to provide young people and new graduates with a variety of opportunities to meet with the Group Legal Entities' management. This gives talented young people the chance to engage directly with sector professionals, allowing them to receive guidance and support in the educational and professional choices they make. With a view to promoting talented women in the workplace, the Group liaises with the relevant university associations to help contribute to embedding a culture of inclusion in the financial world as well. The Group also offers students the possibility of doing internships to complete their academic course of studies, including also the opportunity to use what they learn from this experience in the choice of their undergraduate or graduate theses.

Under no circumstances may recruitment be an opportunity for possible exchanges of favours with parties representing the public administration. No former employee of the public administration who has participated personally and actively in business negotiations with the Group Legal Entities in the previous two years may be recruited.

Offers of employment or training may also be considered as a benefit versus clients, suppliers and counterparties, with a specific value, and accordingly may constitute instances of bribery and/or corruption. Therefore the internal processes are structured in such a way as to ensure that such offers do not constitute means by which unfair economic advantages may be obtained or maintained.

The Mediobanca Group therefore requires that **every decision regarding recruitment** must involve a plurality of stakeholders and **be taken on a collegiate basis** by the relevant HR team and the heads of the offices involved in the recruitment itself.

Staff management and inclusion



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6. Staff management and inclusion

The Mediobanca Group devotes considerable attention to the issue of **talent management and retention** which is considered to be a strategic factor for its own development

The Group is consistently committed to including **people with disabilities of various kinds** in its workforce, in accordance with the regulations in force, and incentivizing the various organizational units to integrate them as appropriate. The success of their inclusion is guaranteed by the ongoing attention paid by the Group to provide working instruments and environments which are appropriate to their needs, and to encouraging participation in training and social initiatives, all of which with the necessary support.

The Group is also appreciative of the contribution of its staff members who have **long-standing experience and/or many years of seniority within the company**, and run regular refresher courses and management training programmes for them, involving them also in projects with the highest innovation component. The Group believes that the professionalism of its most experienced employees is an important factor in the development and growth of those of its staff members who have joined the workforce more recently.

The increasingly international projection of the Group's operations gives us an opportunity to meet talent and recruit staff from different **nations, cultures and religious traditions**. Each new staff member will find a positive and healthy working environment in which the rights of all people are respected.

The Group is committed to promoting all possible inclusion initiatives, and to devoting the attention which any new needs that may emerge will require in the future.

To strengthen its commitment to diversity and inclusion, a **Group Diversity and Inclusion Manager** has been identified within Group HR, working with Group Sustainability in this area. To this end, a **Diversity, Equity and Inclusion management committee** has also been set up, to strengthen the Mediobanca Group's commitment in this area, among other things by defining and monitoring specific indicators on issues related to diversity, equity and inclusion, helping to build an inclusive working culture in which professional capabilities, prospects and personal ideas are fully leveraged.

A specific **Group Diversity, Equity and Inclusion Code** has been drawn up with the specific purpose of defining the Group's approach in terms of objectives, strategies and active practices, to promote a collaborative and inclusive working environment, where the contributions of all employees are welcomed, with a view to achieving equal growth and improving the level of inclusion and social cohesion among staff, clients, and civil society in general. Staff members receive specific training on these issues.

The Group, in listening to the needs of its staff as they are expressed, believes that promoting a healthy work-life balance is fundamental in order to safeguard the objective of creating value that is solid and sustainable in economic, financial, social and environmental terms, based also on the value of people. The Mediobanca Group, to the extent permitted by the provisions of the law, collective contracts and negotiated agreements in force, offers a variety of solutions, that differ according to the Group Legal Entity involved, that promote policies to improve balance and help staff manage the time requirements of their personal lives relative to the company's organizational needs, in particular as follows:

- **Working part-time:** based on professional role, with priority being given to those with complex family and difficult personal situations. Working part-time in no way constitutes grounds for discrimination in working relationships and/or professional development;
- **Remote working:** flexible forms of remote working, with positive impact on staff responsibility, satisfaction and motivation levels. These flexible arrangements help employees to balance their work/life commitments, and generate a sense of well-being within the organization that in turn increases company productivity and reduces the Group's environmental impact;
- **Time bank:** annual time bank consisting of a number of hours' paid absence in addition to ordinary leave, to be used by staff in serious personal and/or family circumstances. Hours are contributed to the time bank by the company and by the employees themselves, who can donate their time voluntarily to colleagues in difficulty;
- **Flexi-time:** this solution is available for most staff who have normal working hours, with a view inter alia to limiting the recourse to overtime, which in any case is used exclusively in accordance with the relevant contractual and employment law regulations;
- **Policies for parenting:** the company provides information on employee rights and duties with respect to maternity leave, offering new mothers opportunities to find out more about issues relating to pregnancy and the time following childbirth. A total of ten days' paid paternity leave is also guaranteed, in addition to those provided by the local legislation, to allow new fathers to share and be present during the first days of their child's life. The company welfare instruments made available to staff members include a series of benefits: vouchers and refunds for services such as preventative medicine, counselling and solutions for specific problems, as well as seminars on parent/child relationships and managing parenthood generally. Furthermore, in addition to the possibilities provided for by the regulations and national collective labour contract in force, different forms of leave are available for cases in which children require special assistance and for periods where children are starting kindergarten or infant school for the first time, or with SLD (Specific Learning Disorders), expressing great attention to the issue related to equal rights, including of more uxorio cohabitants, as well as special situations such as adoption/foster care paths.

In order to improve the balance between work life and home life, supporting colleagues in managing their movements from home to work, both in terms of improving the quality of connections and promoting the use of more sustainable forms of transport, the Mediobanca Group has identified a **Mobility Manager** who acts as facilitator for aspects relating to mobility. The Group cannot fail to recognize that the issue of **sustainable mobility** and good sustainability planning in particular improve the **quality of the environment, and keeps down energy cost and consumption levels**, thereby also helping local and corporate policy making.



Staff evaluation



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7. Staff evaluation

With a view to **leveraging the development** of the Group staff's professional capabilities, at the start of each financial year the respective line managers **assign and discuss** their team members' **objectives** with them (professional, operational, personal development and corporate) based on their professional profile, role within the organization and the strategic objectives of the unit to which they belong (the performance evaluation process). Such objectives are weighted according to the priority assigned to each staff member, clearly established in terms of results, measurable where possible, achievable and at the same time challenging, and if possible, clearly delineated in terms of time.

Intermediate feedback during the year allows the line managers and their team members to agree on the degree to which the objectives have been met. The employee is encouraged to ask for clarification where necessary, and in any case the line manager is required to give **ongoing feedback** to allow their team members to be aware of the expected performance and ensure that each of them has the right skills in order to meet their objectives.

At the **end of the financial year**, the line managers make their assessment of the individual staff members as part of an objective discussion of individual performances, ensuring that the organization and each employee reach their objectives while respecting the Group's corporate values, and that transparency is assured in the area of training opportunities, professional development and evaluation criteria for the individual evaluatees.

The Group also actively encourages the use of a further staff management and development tool known as "Continuous Feedback!", which allows immediate and constructive feedback to be exchanged on specific activities completed or projects followed with Mediobanca Group colleagues with whom a person has worked. Constructive feedback can be positive or provide scope for improvement; it is an effective tool for learning and change; and is indispensable for improving company performances and interpersonal relations and for keeping motivation levels high, while at the same time offering immediate satisfaction and stimulus for improvement. For staff belonging to the **business units**, the evaluation reflects:

- The **results** achieved, e.g. reaching budget objectives and improvements versus the previous year, with reference to the risk/return and cost/income ratios;
- **Qualitative criteria:** development of product offering, professional conduct and reliability, quality in terms of customer relationships, technical and analytical skills in the field of finance, cost control, importance placed on achieving operating efficiency, and co-operation with other areas of the Bank, reputational and compliance issues, and adherence to the Bank's values.

For all the **other units**, the main aspects of the evaluation are based on qualitative objectives and a broader appraisal regarding compliance with regulations, control of costs and efficient management of resources. In particular:

- For staff employed in the accounting, planning and control areas the following aspects are considered: all obligatory, supervisory and market disclosure requirements being complied with, and all the accounting processes, related electronic procedures and tax requirements being managed efficiently and accurately;
- For staff employed in the control units, i.e. Group Audit, Compliance and Risk Management, continuous monitoring and control of the Bank's processes and operations, carried out independently and autonomously to prevent risk situations developing and ensure irregular behaviour or events is picked up swiftly; continuous assessment of compliance with the regulations in the form of appropriate audit plans, updates to internal guidance, training of internal units; correct development of models, methodologies and metrics with which to measure market, credit and operational risks, producing adequate reporting for monitoring processes and accurate analysis of new products and their risk profile.

Particular attention is paid to **proper individual conduct** in accordance with the provisions of the Code of ethics, Organizational model and Business conduct policy, and in general terms with the principles established by the laws, regulations, operational rules and internal procedures, with reference in particular to those considered to be most relevant in terms of reputational risk. A Group directive lays down the rules for identifying and assessing compliance breaches, i.e. the violations noted by the control units or the authorities which have exposed Mediobanca to a significant risk of non-compliance with the regulations (i.e. breaches of the regulations which give rise or which could give rise to criminal or administrative liability as a result of a crime being committed and violations specific to the banking and financial sector).

Increasing consideration is being devoted as part of the evaluation process to the achievement of **environmental, social and governance (ESG) objectives** within the individual and business areas of responsibility. These objectives encourage individual conduct which fosters a working environment where **diversity** is valued, and personal and professional growth respected, in accordance with meritocratic principles.

The provisions of the law, employment contracts and in some cases also individual contractual arrangements govern the means by which certain issues are managed, such as negative evaluations, corrective measures to restore satisfactory working performances, possible impact on career advancement and variable remuneration not payable in cases where an objective negative assessment has been duly documented and formalized.

Career progression process



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8. Career progression process

In close connection with the evaluation process, staff may **rise to new contractual levels or be assigned new corporate titles**, as part of a career progression process being asked to cover new roles within the organization based on experience acquired and results achieved. Balance between genders is pursued in the career progression process as well, with equal access guaranteed to roles of responsibility and/or with managerial content, and with the intention where possible of bridging any gaps in terms of gender representation among the most senior employees in the various organizational units, in cases where candidates have the same skills, qualifications and abilities.

For the **highest professional levels** (i.e. managerial or equivalent), the process entails specific assessment of the candidate, including by **other senior members of the Bank's and/or Group's staff** from a variety of different professional backgrounds, experiences and roles.

The promotion process consists of the following stages: proposal of the candidate by the **head of the organizational unit to which they belong**; agreement with the **relevant HR unit**; and final approval, with the involvement of the **Group General Manager and/or Chief Executive Officer** where appropriate (for management personnel).





Succession planning



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9. Succession planning

The Board of Directors approves the **"Group policies for the selection, appointment, succession and assessment of the adequacy of company representatives and key function holders"** which govern, among other thing, succession planning for executive Directors (including the Chief Executive Officer and Group General Manager) non-executive Directors, Statutory Audit Committee members and Key Function Holders; it sets out the specific suitability requisites and defines the emergency plan for succession at management level in the event of a sudden need emerging for replacements to be made. Under the Bank of Italy's Supervisory Instructions on corporate governance, plans must be formalized to ensure orderly succession for the senior positions of the executive in the event of its term of office ending or for any other reason, to ensure that the company continues to operate as a going concern and to avoid financial and reputational repercussions.

The definition of company representatives includes the members of the Board of Directors and the Statutory Audit Committee; while the Key Function Holders are individuals who are not members of the Board but who have a significant influence of the management of the Bank and/or of the Group, as illustrated below:

ROLE	DIVISION/UNIT	GENDER
Co-Head of Corporate & Investment Banking	Corporate & Investment Banking	M
Co-Head of Corporate & Investment Banking	Corporate & Investment Banking	M
Head of Debt Division	Corporate & Investment Banking	F
Head of Markets Division	Corporate & Investment Banking	M
Head of Consumer Finance - AD Compass ²	Consumer Finance	M
Head of Premier Banking – CEO, CheBanca!	Wealth Management	M
Head of Mediobanca Private Banking	Wealth Management	M
CEO, CMB	Wealth Management	M
CEO, Mediobanca SGR	Wealth Management	M
Head of Insurance and Principal Investing	Insurance	M
Group Chief Human Resources Officer	Holding Function	F
Group Chief Financial Officer ³	Holding Function	M
Head of Company Financial Reporting	Holding Function	M

2. The roles of CEO of Compass and CheBanca! are performed by the same person.

3. The roles of Group Chief Financial Officer and Head of Company Financial Reporting are covered by the same person.

ROLE	DIVISION/UNIT	GENDER
Group Chief Strategy & Investor Relations Officer	Holding Function	F
Group Chief Communication Officer	Holding Function	F
Group Chief Sustainability Officer	Holding Function	F
Group Chief Technology and Operations Officer (COO)	Holding Function	M
Group Legal & General Counsel	Holding Function	M
Group Chief Governance Officer	Holding Function	M
Group Chief Risk Officer	Control Function	M
Group Chief Audit Officer	Control Function	M
Group Chief Compliance Officer	Control Function	M
Group Head AML	Control Function	M

Regarding the succession of the executive directors, and in particular the **Chief Executive Officer and Group General Manager**, the Appointments Committee is responsible for selecting a limited number of candidates, chosen inter alia from among the members of the Group's management, considered to be able to succeed to the positions of Chief Executive Officer and Group General Manager. In general terms an executive director must possess all the requisites required of directors, and also specific experience in banking, professional or corporate institutions which demonstrates the ability to take decisions promptly and on an informed basis.

This selection is performed with the support of the Chief Executive Officer and the Group General Manager currently in office, and with Group HR for candidates who are members of the Group's management, plus also with a specialist advisor if appropriate. This shortlist of candidates is kept 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 in annual general meeting promptly. In "emergency" conditions, the Chairman promptly calls a meeting of the Board of Directors and Appointments Committee to assign powers on an interim basis to ensure the company can continue to operate as a going concern, and to launch the procedures for ordinary succession.

As for the **Key Function Holders**, who are normally linked to the Group by an employment contract, the competences required for such roles must be adequately defined. Candidates must possess the requisite personal qualifications, mutatis mutandis, and qualify as fit and proper and competent persons to hold the office of Directors, inter alia on the basis of the regulations in force at the time, with reference in particular to the control units and the position of Head of Company Financial Reporting. The Chief Executive Officer and Group General Manager, with the support of Group HR, identify internal staff members who are able to ensure succession in the short and medium term.

The process requires a **pool of possible high-potential replacements** to be identified ("senior talent pool") for key positions in view of future requirements in terms of strategic leadership and/or professional and managerial capabilities based on a global organizational approach, without neglecting to monitor the market on an ongoing basis. Career growth and development pathways are devised for such staff,

including involvement in specific strategic projects, exposure to Board/committee meetings, and international and intra-Group rotation. As when candidates are initially recruited to the Group, **selection** is based on assessment of **professional and technical skills**, as shown by CV and company record, as well as performance over time, possession and development of key **leadership** capabilities.

Particular importance in the drawing up and updating the succession plans is attributed to the issue of ensuring an equal gender balance is maintained between candidates. In such activities balanced gender representation is pursued, guaranteeing that candidates with the same qualifications have equal access to roles of responsibility, with the aim inter alia of ensuring that any existing gaps in this respect are reduced appropriately, assuming the same competences, qualifications and capabilities.







Staff remuneration and incentivization policy



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10. Staff remuneration and incentivization policy

The “Mediobanca Group Staff Remuneration and Incentivization Policy”, is intended **to attract and retain highly qualified professional and ethical staff**, who are suited to the complexity, increasing internationalization and specialization of its businesses, based on a rationale of prudent management and sustainability of costs and results over time.

The Group devotes considerable attention to managing its remuneration policies, in particular to ensure ongoing **compliance with the regulations issued by the authorities and the code of conduct in respect of corporate governance**, with regard to the structuring of compensation packages, and the means and instruments by which the various remuneration components are paid.

Responsible, ethical and transparent compensation mechanisms grow and protect the Bank's reputation, credibility and consensus over time, laying the foundation for sustainable development of the business which is able to **create and defend value for all stakeholders**.

The structure of the Group's staff remuneration is based on various components, with the objective of: **balancing** the fixed and variable parts over time (**pay mix**), implementing a flexible approach to remuneration, and helping to **gear compensation towards performance** in view of the significance of role within the company **without encouraging risky and/or short-term behaviour**.

The adequacy of the remuneration packages is assessed annually, through analysis of the Bank's positioning relative to its reference market, including with the assistance of specialist advisors.

The Group ensures that all its staff members are treated **without distinction or exclusion**, including in terms of remuneration, complementary pension forms and other benefits.

In the meritocratic professional and remuneration growth process it has implemented, the Group also undertakes to offer a **fair level of compensation** reflecting the skills, abilities and professional experience of each staff member, thus guaranteeing that the principle of **equal opportunities** is applied in practice, with the objective of pursuing a fair wage for everyone, and monitoring any gaps. The ratio between basic salary and overall remuneration for men and women is monitored on an ongoing basis, and steps taken to reduce any differences that are noted.

Based on awareness that **corporate welfare** makes a significant contribution to the implementation of CSR, the Group has adopted instruments which produce positive effects outside the company, benefiting not only staff members but also their family and the local community in general. Corporate welfare creates value that is shared with a broad range of stakeholders, and so helping to produce

From this viewpoint and in line with the market, the remuneration package is complemented by a series of benefits that reflect the attention devoted by Mediobanca to the personal needs and welfare of its staff, including those who have already retired. The benefits are for the Group's entire population (permanent or temporary staff, full-time or part-time), and may be distinguished by families of professionals and geographical areas but do not make provision for individual discretionary systems.





Training initiatives



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11. Training initiatives

In view of the increasing international dimension of the Group's activities, developments in technology, innovation in products and banking services and the ongoing changes to sector regulations, the Mediobanca Group recognizes **the importance and centrality of staff training and professional formation** for its own employees, which are key aspects of its staff development process.

The Group draws up a **compulsory training programme**, with the aim of ensuring that all staff members are continuously aligned on the issues identified by the regulations in force. The Group also promotes ongoing and structured **professional and managerial training pathways**, taking into account the different contributions made by the various professionals. At the same time it promotes solutions based on the **use of different technologies** through initiatives that are appropriate to the levels of preparation and experience required by the various roles.

Initiatives that may be considered to broaden professional experience and facilitate the development of staff's technical and managerial skills include the possibility of **working temporarily**, for briefer or longer periods, at another organizational unit or Group Legal Entity. Such forms of professional mobility are particularly important, and requested specifically by the regulatory authorities, in management of staff employed in control units. Specific provision for this kind of arrangement is made for such staff in accordance with the organization's internal needs.

The training initiatives may be **diversified by role**, by assessment of which staff members require to develop their skills to a more advanced degree, and by changes in the organizational structure, making it necessary for staff to acquire additional knowledge.

Staff involvement in individual initiatives is agreed between the line manager, interested party and the relevant HR unit, within the limits set by the parties and within the annual budget established by each Mediobanca Group Legal Entity for training activities, and is managed by the HR unit itself.

The Group also promotes the practical involvement of its staff in its **company volunteering programme** as a means of harnessing their talent, hunger and commitment in the pursuit of the various environmental and social initiatives supported by the Group.

These instruments as a whole encourage the **holistic development of our staff as people**, which is a fundamental component of the Group's human capital, as well as an indispensable prerequisite for Mediobanca to remain competitive and deliver sustainable performances over the long term.



Internal and external communications and engagement



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12. Internal and external communications and engagement

The Group recognizes the importance of internal corporate communication, as the instrument for **sharing institutional information and as a vehicle for motivating its staff**. Internal communication pursues the following objectives:

- Creating a model and style of communication to generate a consistent flow of information for staff members;
- Improving the sharing of information between people and building team spirit;
- Facilitating understanding of the strategies adopted by the Bank;
- Embedding the Group's identity and values.

Staff engagement, involvement and satisfaction are monitored regularly through specific initiatives.

Digital information and operations channels have been put in place, which are useful and user-friendly, in order to share clear, up-to-date information.

Extra-curricular activities and events are also promoted with a view to building relations and increasing the opportunities for colleagues to meet and socialize with each other, including through company volunteering.

With reference to external communications, **the Group has adopted a speaking policy**, with its own detailed regulations, which lays down the means by which Group staff are allowed to take part in external communications, institutional, cultural commercial or other initiatives, in which they participate as speakers or trainers. In these situations, the Group provides for representation by its staff which reflects diversity, by way of illustration and not exclusively, of gender, age, language, ethnic/racial, geographical or national origin, consistent with the role held within the Group and providing they have the necessary capabilities for the specific issue being treated or the event itself.







Staff health, safety and well-being

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13. Staff health, safety and well-being

The Mediobanca Group considers the **health and safety of its workers to be one of the main priorities in its operations.**

For this reason Mediobanca is committed to meeting, maintaining and respecting the requirements in terms of workers' protection and the health and safety of its workplaces as defined by the specific regulations applicable in the countries in which it operates, with an approach that is geared towards continuous improvement.

To this end, the Group **implements an effective system of security management**, which is co-ordinated and managed by a dedicated organizational unit (Group Safety, Physical Security & Facility Management) which serves as focal point and co-ordination for the figures contemplated by the regulations (such as the head of Prevention and Protection, the Company Doctor, etc). The unit helps to identify and assess company risks, with the objective of mitigating them and eliminating them where possible.

The Group governs and monitors its supporting activities on an ongoing basis, works to embed the principles governing the regulatory obligations throughout the organization through specific training programmes, standardizes the methods by which all staff are involved depending on their role and the activities performed by them, and organizes company healthcare surveillance through the relevant external entities.

As required by the Italian regulatory framework, the Group assesses all risks to the health and safety of its workers, including those for groups of workers exposed to particular risks, including those linked to work-related stress, in accordance with the European agreement signed on '8 October 2004, and those linked to workers who are pregnant, in accordance with the provisions of Italian Legislative Decree no. 151 of 26 March 2001, as well as those linked to differences in terms of gender, age, other nationalities, and those linked to the specific type of contract under which the work is done.

Of particular importance in this connection is the **evaluation of work-related stress**, i.e. the condition which may be **accompanied by physical, psychological or social disturbances or dysfunctions that occur as a result of individuals feeling unable to meet the requests or expectations made of them**. Such an evaluation is carried by means of a scientifically tested methodology using valid and reliable measurement instruments, with the involvement of company figures such as the Head of Prevention and Protection, the workers' health and safety representatives, and the company doctor, and with the support of the relevant internal units (Group Safety & Physical Security, and Group HR). The analysis uses data from:

- Warning sign indicators: accidents, absence due to sick leave, other forms of absenteeism, holiday leave, transfers, staff rotation, legal cases, disciplinary proceedings and sanctions, extraordinary medical examinations, and reports;
- Working environment: organizational function and culture, role within the organization, career

changes, autonomy in decision-making, interpersonal relations at work, home-work relationship, home-life balance;

59

- Content of work: working environment and equipment, planning of duties, workloads, working speed, working hours.

The analysis is carried out across like-for-like groups of workers (e.g. with the same duties or from the same organizational areas) who are exposed to the same types of risk, in order to check that no work-related stress risk elements emerge that could require **corrective action to be taken**. A **regular plan will be implemented to monitor** the warning sign indicators, in order to pick up any changes that may require further investigation.

All these activities fit with the **Group's desire to make the workplace safer, more welcoming and sensitive to its people's needs from a holistic perspective**.



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All photos and other images are of Mediobanca offices and buildings