

BOARD OF DIRECTORS' REPORT

Proposal for authorization to buy back and sell treasury shares

Dear shareholders,

You have been called together in general meeting *inter alia* to adopt a resolution regarding the proposal to authorize the Board pursuant to Articles 2357 and 2357-ter of the Italian Civil Code and to Article 132 of Italian Legislative Decree 58/98 to buy back and carry out disposals of treasury shares in the company.

Such authorization is being requested for the purpose, in accordance with the regulations in force and with market practice permitted by Consob under Article 180, paragraph 1, letter c) of the Italian Finance Act, of equipping the Bank with an instrument to provide flexibility in strategic and operational terms, to allow it to sell treasury shares for use in connection with possible acquisitions or to implement compensation schemes, current or future, based on financial instruments for the benefit of Group staff.

No provision has been made for the buyback of shares in order to reduce the share capital by cancelling the treasury shares thus bought back.

The buyback may involve a maximum of 3% of the share capital – the limit set by Article 29 of Commission Delegated Resolution (EU) no. 241/2014 – which at present translates to a maximum of 26,611,288 par value €0.50 ordinary shares, less the treasury shares already owned (currently 8,714,833, or approximately 0.98% of the company's share capital), in accordance with the provisions and limits set forth in Article 2357 of the Italian Civil Code, and subject to clearance being released by the European Central Bank. The shares may be bought back in one or more tranches, within the limits of the distributable earnings and available reserves stated in the most recently-approved financial statements.

The buyback will entail an equivalent reduction in net equity, through a specific item being recorded in the liabilities.

The regulations also stipulate that the market value of the shares, calculated on the basis of the closing price recorded for them on the market day prior to the date on which the authorization is issued by the European Central Bank, shall be deducted from regulatory capital starting from the date of such authorization, regardless of the shares actually bought.

The 8.7 million shares already owned by the Bank were acquired in FY 2007-08, under a resolution adopted by shareholders at the annual general meeting held on 27 October 2007; their book value is already deducted from net equity and regulatory capital.

The authorization to buy back treasury shares is being requested for a period of eighteen months from the date on which the resolution is adopted in general meeting, while the authorization to sell said shares is being requested without time limits.

Under Article 3 of Commission Delegated Resolution (UE) 2016/1052, the volume of shares acquired in each trading day may not exceed 25% of the average daily volume of shares traded at the trading venue where the acquisition was made, and no acquisition may take place at a price above the higher of the price of the most recent independent trade and the current highest bid offer submitted at the trading venue where the purchase is made. Furthermore, the minimum purchase price shall not be lower than the nominal value of the share itself (i.e. €0.50), whereas the maximum price shall not be more than 5% higher than the closing price on the market day prior to the execution of each individual acquisition.

Treasury shares may also not be traded in the thirty days prior to announcement of the approval of the Bank's annual results or the interim report on operations which Mediobanca discloses to the public.

The buybacks of treasury shares shall be made, as required by Article 132 of Italian Legislative Decree 58/98 and Article 144-bis, para. 1, letter b) of the Regulations for Issuers released by CONSOB under resolution no. 11971/ as amended, in accordance with the operating methods stipulated in the regulations governing the organization and operation of the markets themselves, in order to ensure equal treatment for shareholders.

Accordingly, the purchases will be made exclusively and in various tranches on regulated markets, as required by the operating methods stipulated in the regulations governing the organization and operation of the markets themselves, which do not allow buy bids to be matched directly with given sell proposals.

The shares may be disposed of, in one or more tranches, even before all the purchases have been completed, through sales on the market, whether in bulk or by way of consideration for the purchase of equity investments, or possibly through being allocated to Mediobanca Group staff as part of compensation schemes, existing and prospective, based on financial instruments approved by the Board of Directors. Such disposals will be accounted for in accordance with the provisions of the law and the applicable accounting standards.

Within the limits set forth above, subsequent purchases and disposals of treasury shares may also be made.

Accordingly, you are invited to adopt the following resolution:

The shareholders of Mediobanca, gathered in ordinary general meeting, in view of the Board of Directors' report and in view in particular of Articles 2357 and 2357-ter of the Italian Civil Code, Article 132 of Italian Legislative Decree 58/98 and Article 144-bis of CONSOB regulation 11971/99,

Hereby resolves to

- 1) Authorize, on the terms illustrated above, the buyback of ordinary shares issued by the company, with a nominal value of €0.50 per share, subject to receipt of authorization from the supervisory authority in accordance with Articles 77-78 of Regulation (EU) no. 575/2013 (the "CRR") of 26 June 2013, and the execution of disposals of said shares, without limits or restrictions in terms of time, in bulk or by way of consideration for the purchase of equity investments, or possibly through being allocated to Mediobanca Group staff as part of compensation schemes, existing and prospective, based on financial instruments approved by the Board of Directors;
- 2) Vest the Board of Directors, and on its behalf the Chief Executive Officer and General Manager, jointly and severally, with powers in order to execute the acquisitions and disposals as authorized above, including for example to:
 - Establish the means, timescales and all executive and ancillary terms for the purchases and disposals of treasury shares;
 - Execute all deeds, measures and formalities required in order to implement this resolution;
- 3) Vest the Chief Executive Officer and the General Manager, jointly and severally, with the broadest powers to make any changes, amendments or additions to this resolution that should prove necessary to bring it in line with any changes made to the regulations in force or reflect recommendations made by the regulatory and/or supervisory authorities.

Milan, 20 September 2018

THE BOARD OF DIRECTORS