



MEDIOBANCA

**ORGANISATION, MANAGEMENT AND
CONTROL MODEL
(PURSUANT TO ART. 6 OF LEGISLATIVE
DECREE NO. 231/01)**

Version:

11

Status:

Approved by the Board of Directors on
20/12/2022

Issue date:

20/12/2022



Contents

1	Definitions	2
2	Introduction	7
3	Legislative Decree no. 231/2001 and the relevant legislation	8
3.1.	Principles	8
3.2.	The nature of liability	8
3.3.	Senior management representatives and subordinates	9
3.4.	Predicate offences	9
3.5.	Cases of exemption from liability	11
4	Principles and basis of the model	12
4.1.	Decision-making powers and operational autonomy	13
4.2.	Adoption of the Model and subsequent amendments	13
5	Bank's activities to implement the Decree and its amendments	14
6	Code of Ethics	15
7	Staff training and guidance, and dissemination of the Model	16
7.1.	Staff training and information	16
7.1.1.	Training	16
7.1.2.	Information	16
7.2.	Information to third parties	16
8	Remuneration, bonus and penalty system	18
8.1.	Remuneration and bonus system	18
8.2.	Penalty system	18
9	The Supervisory Body	20
9.1.	Functions and powers of the Supervisory Body	20
9.2.	Activities of the Supervisory Body	21
9.2.1.	Reporting by the Supervisory Body to top management	21
9.2.2.	Information and reports to the Supervisory Body	21
9.2.3.	Reports of Model breaches - whistleblowing	21
9.2.4.	Verification of the adequacy of the Model	23
9.2.5.	Collection and storage of information	23
10	Special parts	24
10.1.	Special Part I: Mapping of at-risk activities pursuant to Legislative Decree 231/2001	24
10.2.	Special Part II: Protocols	24
10.3.	Special Part III: Code of Ethics	24
10.4.	Special Part IV: Information flows to/from the Supervisory Body	24
10.5.	Special Part V: Form for reporting breaches of the Model to the Supervisory Body	24
10.6.	Special Part VI: List of offences pursuant to Legislative Decree 231/2001, applicable to Mediobanca S.p.A.	24



1 Definitions

In this document, the following expressions have the meanings indicated below.

Bank or Company: Mediobanca - Banca di Credito Finanziario S.p.A., hereinafter also "Mediobanca".

Decree: Legislative Decree no. 231 of 8 June 2001 as amended (otherwise known as Legislative Decree no. 231/2001).

Recipients: Senior management representatives, subordinates, collaborators and external service providers.

The Model also applies to Mediobanca's foreign branches. By way of non-limiting example, cases of application of the Model are: cross border operations carried out partly in Italy and partly abroad; operations carried out entirely abroad, provided that the country where the act was committed does not take action against the Bank for the commission of offences (see art. 4 of Legislative Decree no. 231/2001)¹.

Public Body: Entity created by an act of the State to meet the organisational or functional needs of the State itself. The public nature of an entity is not always expressly stated by the legislator. Part-ownership of the entity by the State is not considered a sufficient condition to consider it as a public body; the qualification of a body as public derives from a series of indicators, which do not have exclusive value and do not necessarily have to exist simultaneously; they are²:

- a. explicit recognition of the entity's public nature, in a legal act;
- b. creation of the entity (and the possibility of its abolition) by the State;
- c. powers of the State to appoint or dismiss the directors of the entity;
- d. powers of the State to review the legitimacy or merits of certain acts of the entity;
- e. powers of the State to issue instructions to the organs of the entity.

The following are therefore identifiable as public bodies, by way of non-limiting example: the Municipalities and Provinces, the reclamation or irrigation consortia, the Chambers of Commerce, the National Research Council, ISTAT, Cassa Depositi e Prestiti, CONI, professional bodies and

¹ Please note that the Branches are required to observe the Model in its entirety. With reference to the Protocols (Special Part II of the Model), both the Protocol specifically dedicated to the Foreign Branches (see Protocol "Foreign Branches") and the Protocols of the Business Units that carry out activities for those Branches must be taken into consideration (for example, "CIB: Investment Banking Division", "CIB Division: Debt Division" and "CIB Division: Markets Division").

² See Court of Cassation, United Sections, judgement of 1 October 1974, no. 2825.



colleges, universities, institutions of high culture, ACI, INPS, INAIL, IVASS, Bank of Italy, CONSOB.

Inside Information:

Information of a specific nature which has not been made public either directly or indirectly, concerning one or more issuers of financial instruments or one or more financial instruments and which, if made public, may significantly influence the prices of those financial instruments or the prices of the connected derivatives (art. 180 para. 1, point b-ter TUF).

Confidential Information:

Information not in the public domain, of a confidential nature, concerning the activities of Mediobanca and/or of other Group companies and/or of customers and/or third parties. A recipient who comes into possession of the information, also in the context of a business relationship involving Mediobanca and/or a Group Company, is obliged not to disclose such information to anyone³.

Model:

Organisation, Management and Control Model pursuant to Article 6, paragraph 1 of Legislative Decree 231/2001.

Supervisory Body (SB):

Body provided for by art. 6 of the Decree, with the task of supervising the functioning and observance of the Model, as well as its updating.

Person in

public service:

Under Article 358 of the Italian Penal Code, this means anyone providing a public service for any reason. A public service must be understood as an activity which is regulated in the same forms as public office, but lacks the typical powers of public office, and excludes the performance of simple tasks of public order and the provision of purely material work.

A private individual or an employee of a private company can also be qualified as a person in public service when he or she carries out activities aimed at the pursuit of a public purpose and the protection of a public interest.

Persons in public service thus include but are not limited to: directors of private companies operating under concession, port companies, trade fair bodies, INAIL, INPS, energy companies, banks providing special and/or subsidised loans, post offices, customs offices of the State Railways and highways agencies.

In this document, persons in the categories Public Body, Public Administration, Public Official and Person in Public Service will for simplicity's sake be defined as "P.A.".

³ Including family members, spouse, relatives, etc.



Protocols: The Protocols identify the individual types of risk/criminal offence that may be committed by each Company Function, and identify the organisational procedures and controls used to monitor such unlawful conduct. In this sense, the Protocol does not replace the Bank's body of procedures, which consists of Policies, Regulations, Directives and Procedures, but complements them⁴.

Public Administration: all the public functions of the State or of other public bodies. The concept of Public Administration, in criminal law, is understood in a broad sense to encompass the entire activity of the State and of other public bodies; therefore, offences against the Public Administration are acts that prevent or disturb the regular performance not only of the administrative activity in a technical sense, but also of legislative and judicial activities. The Public Administration is therefore taken to mean all the public functions of the State or of other public bodies⁵.

Public Official: within the meaning of Article 357 of the Italian Penal Code, this is anyone performing a public legislative, judicial or administrative function. The administrative function governed by public law and acts by authorities is public, and is characterised by the formation and manifestation of the will of the public administration, or its execution by means of authoritative or certifying powers⁶.

⁴ For the Foreign Branches, it is necessary to take into account the specific "Foreign Branches" Protocol, and also the Protocols of the Business Units that carry out activities for the same Branches (e.g. "CIB Division: Investment Banking Division" and "CIB Division: Debt Division" and "CIB Division: Markets Division").

⁵ Below is a non-exhaustive list of possible criteria identifying the P.A. / Public Bodies:

- interference by a public body in the appointment and dismissal of senior managers and in the administration of the entity, or the power to appoint and dismiss directors;
- the existence of a power of direction or control over a public body;
- formation at the initiative of a public authority (State, Regions, Municipalities, Provinces), or by means of a law or act with legal force;
- provision of stable financing by the State;
- participation by the State or another Public Body in the entity's running costs;
- possession, by the Government, of a "Golden Share" that allows it to intervene in the major decisions of the entity (typically, a privatised company), and which gives the shareholder special powers, independent of the number of shares in question;
- the objectives pursued, including the attainment of the common good through actions and objectives of public interest (bodies governed by public law);
- the attribution of specific (administrative) powers to the legal entity, for the care of public interests;
- a service relationship between the entity and the State (existence of a solid organisational relationship between the entity and the State);
- municipal company;
- public service concessionaire;
- a request by the entity to provide services through the publication of calls for tenders and contracts.

⁶ The authoritative power allows the Public Administration to achieve its objectives by giving orders, with respect to which the private individual is in a position of subjection. This activity expresses the power of sovereignty, which includes both the power of coercion (arrest, search, etc.) and of contesting breaches of the law (establishing



A public official, therefore, is a person who can form or express the will of the Public Administration or exercise authoritative or certifying powers regardless of whether there is a relationship of dependence with the State or other public body. What is relevant for the purposes of determining a public official is the activity actually performed by the individual, considered objectively, without the need for that person to be part of the public administration.

The following persons may thus be identified as public officials, by way of non-limiting example: members of parliament and ministers, members of state and local administrations, members of supranational administrations (e.g. of the European Union), **members of the Supervisory Authorities** (e.g. Bank of Italy), members of the police forces and the **Finance Police**, members of the Chambers of Commerce, members of the Building Commissions, judges, bailiffs, servants of the administration of justice (e.g. **receivers in bankruptcy**), directors and employees of public bodies, but also private individuals vested with powers to form or express the will of the Public Administration or with authoritative or certifying powers, (for example, professionals in charge of drawing up the municipal master plan and the directors of a joint-stock company in the exercise of activities related to the performance of public procedures). Using the same principle of the objective relevance of the activity performed, the employees of public economic bodies, i.e. bodies which, in order to achieve a profit and, indirectly, a public purpose, carry out - usually in the form of a joint-stock company - a business activity aimed at the production and exchange of goods and services, placing themselves on the same level as private entrepreneurs and using, like the latter, instruments of private law, may also be considered public officials or persons in public service.

Moreover, the Court of Cassation has stated that "*persons included in the organisational and employment structure of a joint-stock company may be considered public officials or persons in public service, when the activity of the company itself is regulated by a public law and pursues public purposes, albeit with private means*"⁷.

Senior Management Representatives:

Persons who hold positions of representation, administration or direction of the Bank or of one of its organisational units with financial and functional autonomy, as well as persons who exercise, also de facto, management and control over it (e.g. Company Bodies, Key Managers).

infringements, etc.), as well as the powers of hierarchical supremacy within public offices; the certifying power allows a fact to be attested for evidential purposes.

⁷ See Court of Cassation, Section VI, judgement of 13 June 2017 (dep. 25/07/2017), no. 36874.



MEDIOBANCA

Subordinates:

Persons subject to the direction or supervision of one of the senior management representatives (e.g. employees, including employees of foreign branches).

Financial Instruments:

This refers to the financial instruments indicated in Article 1, paragraph 2, of the Consolidated Finance Act.



MEDIOBANCA

2 Introduction

This document describes the Organisation, Management and Control Model adopted by Mediobanca - Banca di Credito Finanziario S.p.A. pursuant to Art. 6 of Legislative Decree no. 231 of 8 June 2001.

The Model is understood as the set of operating rules and code of conduct adopted by the Bank in relation to the specific activities carried out in order to prevent the commission of the offences governed by the Decree.

The Model is inspired by the ethical principles contained in the Code of Ethics adopted by the Bank, and by the guidelines of industry associations.



3 Legislative Decree no. 231/2001 and the relevant legislation

3.1. Principles

The Decree, which contains "Rules on the administrative liability of legal persons, companies and associations, including those without legal personality", enacts national and EC measures designed to increase the legal entity's level of accountability, in order to combat economic crime more effectively.

3.2. The nature of liability

The Decree provides for a type of liability that the legislator calls "administrative", but which shows a clear analogy with criminal liability.

This type of liability is similar to criminal liability, as not only is it verified during the criminal trial, but it is also separate from the liability of the perpetrator of the offence: under Article 8, the entity may be held liable even if the individual who committed the offence is not liable or has not been identified.

The prerequisites for the entity to incur such liability, which results in penalties or measures of disqualification, are:

- ◆ that a senior management representative within its organisation, or a subordinate, has committed one of the predicate offences⁸;
- ◆ the offence was committed in the interest or to the advantage of the entity⁹;

⁸ The predicate offences are those indicated in the Decree and the transnational offences (under Law 146/2006, "the offence is punished with imprisonment of a maximum term of four years, if an organised criminal group is involved, and: (i) is committed in more than one State, (ii) or is committed in one State but a substantial part of its preparation, planning, direction or control takes place in another State, (iii) or is committed in one State but involves an organised criminal group engaged in criminal activities in more than one State, (iv) or is committed in one State but has substantial effects in another State).

⁹ On the difference between "interest" and "advantage", the Ministerial commentary on the Decree attributes to the former a subjective value, i.e. it refers to the will of the material perpetrator of the offence, while to the latter an objective value, thus it refers to the actual results of his conduct. The legislator's intention was to make the entity punishable even if the perpetrator, although not directly targeting an interest of the entity itself, nevertheless gained an advantage for the entity.

However, the concept of "interest" and "advantage" takes on a different guise in culpable offences because, in the absence of volition, it would be somewhat illogical to identify an interest or advantage connected to the illicit event that subsequently occurred. In this sense, the Court of Cassation ruled that "on the subject of the administrative liability of entities deriving from culpable offences, the criteria for objective indictment, represented by the reference to interest or advantage made in Article 5 of Legislative Decree 231 of 2001, must be referred to the conduct rather than to the event; therefore, the requirement of interest is met if the perpetrator of the offence knowingly violated the precautionary provisions in order to obtain a benefit for the entity, while the requirement of advantage is met if the individual systematically violated the precautionary provisions, allowing a reduction in costs and a containment of expenses with consequent maximization of profit" (See Court of Cassation, Section IV, judgement of 17 December 2015 (dep. 21/01/2016), no. 2544).

It was also noted that a Group interest may also be relevant "if the predicate offence was committed within the activity of a company belonging to a group" provided that "the interest or advantage of one company is accompanied by the interest or advantage of another company and the individual who committed the predicate offence meets the necessary subjective condition, under art. 5 of Legislative Decree no. 231 of 2001, for the purposes of the common indictment of the administrative offence as a crime" (See Court of Cassation, Section II, judgement of 27 September 2016 (dep. 09/12/2016), no. 52316).



- ◆ that the offence committed by natural persons (senior management representatives or subordinates) is the result of "organisational fault"¹⁰.

From this, it follows that the entity **cannot** be held liable if the individual who committed the offence acted **exclusively in his own interest or in the interest of third parties** or if no "organisational fault" can be attributed to the entity.

The entity's administrative liability exists even if the predicate offence was not fully realised but amounted to an "attempt" (which occurs when the action is not carried out or the event does not occur).

3.3. Senior management representatives and subordinates

Article 5 of the Decree provides that the entity is liable for offences committed in its interest or to its advantage:

- ◆ by persons who hold positions of representation, administration or direction of the entity or of one of its organisational units with financial and functional autonomy, as well as by persons who exercise, also de facto, the management and control of it ("senior management representatives");
- ◆ by persons subject to direction or supervision by one of the persons referred to in the previous point.

3.4. Predicate offences

The offences that may determine corporate administrative liability can be traced back to the following categories of offence provided for in the Decree¹¹:

- ◆ Offences against the Public Administration, which can be categorised as:
 - ◆ Offences of undue receipt of payments, fraud to the detriment of the State or a public body or the European Union or to obtain public funds and computer fraud to the detriment of the State or a public body and fraud in public supplies (art. 24 of the Decree);
 - ◆ Offences of embezzlement, bribery, undue inducement to give or promise benefits, corruption and abuse of office (art. 25 of the Decree);
- ◆ Cyber crimes and illegal data processing (art. 24-bis of the Decree);
- ◆ Organised crime offences (art. 24-ter of the Decree);
- ◆ Forgery of coins, public credit cards, revenue stamps and identification instruments or marks (art. 25-bis of the Decree);
- ◆ Crimes against industry and trade (art. 25-bis.1 of the Decree);

¹⁰ By "organisational fault" the legislator means the subjective condition of the entity not having established an efficient, effective offence prevention system.

¹¹ Special Part VI of this Model contains the list of predicate offences applicable to the Bank, together with a description of the cases in question.



- ◆ Corporate offences (art. 25-ter of the Decree);
- ◆ Crimes for the purposes of terrorism or subversion of the democratic order (art. 25-quater of the Decree);
- ◆ Female genital mutilation practices (art. 25-quater.1 of the Decree);
- ◆ Crimes against the individual (art. 25-quinquies of the Decree);
- ◆ Market abuse (art. 25-sexies of the Decree);
- ◆ Manslaughter or serious or grievous personal injury committed in breach of health and safety regulations (art. 25-septies of the Decree);
- ◆ Receiving, laundering and use of money, goods or benefits of illegal origin, and self-laundering (art. 25-octies of the Decree);
- ◆ Crimes involving non-cash payment instruments (art. 25-octies.1 of the Decree);
- ◆ Copyright infringement offences (art. 25-novies of the Decree);
- ◆ Inducement to withhold statements or to make false statements to the judicial authorities (art. 25-decies of the Decree);
- ◆ Environmental offences (art. 25-undecies of the Decree);
- ◆ Employment of third-country nationals without authorised residency (art. 25-duodecies of the Decree);
- ◆ Racism and xenophobia (art. 25-terdecies of the Decree);
- ◆ Fraud in sports competitions, illegal gaming or betting and gambling exercised by means of prohibited devices (art. 25-quaterdecies of the Decree);
- ◆ Tax offences (art. 25-quinquiesdecies of the Decree);
- ◆ Smuggling (art. 25-sexiesdecies of the Decree);
- ◆ Crimes against cultural heritage (art. 25-septiesdecies of the Decree);
- ◆ Laundering of cultural property and devastation and looting of cultural property and landscape (art. 25-duodevicies of the Decree);
- ◆ Transnational offences (Articles 3 and 10 of Law no. 146 of 16 March 2006).

However, for the following offences, no potential or theoretical risk has been identified for the Bank:

- ◆ Crimes against industry and trade (art. 25-bis.1 of the Decree);
- ◆ Female genital mutilation practices (art. 25-quater.1 of the Decree);
- ◆ Crimes against the individual (art. 25-quinquies of the Decree);
- ◆ Racism and xenophobia (art. 25-terdecies of the Decree);



- ◆ Fraud in sports competitions, illegal gaming or betting and gambling exercised by means of prohibited devices (art. 25-quaterdecies of the Decree);
- ◆ Trafficking of organs taken from living persons (art. 601-bis of the Italian Penal Code - circumstance provided for by art. 24-ter of the Decree).

Although the offences listed above do not constitute a specific source of risk for the Bank, the Code of Ethics contains rules and requirements which may be considered as a control mechanism, within the Model, to prevent them from being committed.

3.5. Cases of exemption from liability

Art. 6 of the Decree provides that the entity is not liable for offences committed by Senior Management Representatives if it can demonstrate all the following conditions:

- ◆ that it has adopted and effectively implemented - prior to the commission of the offence - an organisational model suitable for preventing offences of the type that occurred;
- ◆ that it has entrusted one of its bodies with independent powers of initiative and control, with the task of supervising the functioning and observance of the models and ensuring that they are updated;
- ◆ that the offence was committed by fraudulently circumventing the organisational and management models;
- ◆ that there has been no omission or insufficient supervision by the body responsible for control.

Offences committed by persons who are under the direction of others may only be attributed to the entity if the offence was made possible by failure to comply with the obligations of direction or supervision. These obligations are presumed to be fulfilled if the entity, prior to the commission of the offence, adopted and effectively implemented an organisation, management and control model suitable for preventing offences of the type that occurred.

In particular, the Model must meet the following requirements:

- ◆ identify the activities within the scope of which the predicate offences may be committed;
- ◆ contain specific protocols governing the formation and implementation of the entity's decisions in relation to the predicate offences;
- ◆ identify ways of managing financial resources suitable to prevent the commission of the predicate offences;
- ◆ provide for an obligation of disclosure towards the body responsible for supervising the functioning of and compliance with the Model;
- ◆ introduce an appropriate Disciplinary System, to sanction non-compliance with the measures indicated in the Model.



4 Principles and basis of the model

The Model consists of the set of internal rules which the Bank adopts in accordance with its specific activities and the related risks.

The Model identifies the activities within the scope of which the predicate offences may be committed, and defines the behavioural principles necessary to prevent them from being committed.

The Model considers as its fundamental principles:

- ◆ transparency of conduct in relation to the sensitive areas identified below within Mediobanca, and in its relations with external counterparties;
- ◆ correct conduct by all persons within Mediobanca, guaranteed by compliance with laws, regulations and internal organisational procedures;
- ◆ traceability of operations relating to sensitive areas, to ensure that their consistency and congruence can be verified and documented.

The operating principles on which the Model is based are:

- ◆ the requirements indicated in the Decree, and in particular:
 - ◆ the assignment to a Supervisory Body of the task of promoting the effective and correct implementation of the Model;
 - ◆ the provision of adequate resources to the Supervisory Body to allow it to perform its duties;
 - ◆ verifying the functioning of the Model and its periodic updating;
 - ◆ the raising of awareness and dissemination of the established rules of conduct and procedures, at all levels of the company;
- ◆ the laws governing financial intermediaries (for example, the Consolidated Finance Act, the Consolidated Banking Act and the overall system of regulations issued by the Supervisory and Market Management Authorities);
- ◆ case law and precedents relating to the specific issue of corporate administrative liability, and in general the type of offences to which the Model refers;
- ◆ the guidelines published by trade associations (e.g. ABI, Assosim, Confindustria).

All internal regulations, including organisational procedures, constitute a safeguard for the effective functioning of the Model in order to protect the Bank and, since they are referred to in the Model, they must be complied with. The entire Model has been drawn up in Italian which is the official language of the Bank. However, the Bank may translate all or part of the Model in order to facilitate its use.

The Model and all the procedures can be consulted on the company's Intranet, and are periodically updated.



The recipients of the Model are required to know its combined provisions (see General Section and Special Sections), as well as the internal regulations that constitute a safeguard for the effective functioning of the Model to protect the Bank.

4.1. Decision-making powers and operational autonomy

The Board of Directors grants decision-making powers and autonomy for the Bank's operations, such as the assumption of credit risks, participation in placement and guarantee consortia, the purchase and sale of securities and the assumption of market risks, among other things.

The system of delegation of powers, which is approved by the Board of Directors in accordance with the Bylaws and is subject to periodic review, is based on collegial bodies and the principle of dual signature of documents by named employees divided into two groups. It defines who may carry out the transactions. This system is thus a fundamental element of operational control.

4.2. Adoption of the Model and subsequent amendments

The Model was approved by the Bank's Board of Directors at its meeting on xx/xx/2022 and is now on the 11th update.

The Bank, also at the proposal of the Supervisory Body, submits updates to the Model to the Board of Directors for approval, subject to the favourable opinion of the Risks Committee. This is done on the basis of all the analysis drivers, such as legislative changes (the introduction of new offences or changes to existing offences which are relevant to the Bank), organisational or business changes, or when it is considered necessary to change the rules and standards of conduct.

Each year, based on the internal regulations issued during the year by Group Organisation & Demand Management and relevant to the profiles referred to in Legislative Decree no. 231/2001, the Supervisory Body considers whether to make changes to the Protocols. These changes are made by the General Manager, subject to the favourable opinion of the Risks Committee, and the Board of Directors is informed.



5 Bank's activities to implement the Decree and its amendments

The Bank has adopted all the internal and external controls required by current legislation and by Regulations issued by the Authorities.

In particular, after the introduction of the Decree, the Bank carried out a series of analyses that enabled:

- ◆ the preliminary identification of the organisational units whose duties and responsibilities may pose a risk of involvement in activities "at risk of offence";
- ◆ the identification of the main types of risk/offence;
- ◆ a description of the possible ways in which the offences may be carried out;
- ◆ the identification of the existing controls and safeguards against the risk of predicate offences;
- ◆ the identification of the company areas within which such offences may be committed;
- ◆ the integration of the existing procedures and principles of conduct with new provisions focused on the prevention activity mentioned above.

After that analysis, the Bank prepared the first version of its Organisational Model (approved by the Board of Directors on 11 March 2004).

The Model was subsequently updated on the occasion of regulatory or organisational changes.



6 Code of Ethics

The Code of Ethics, as a document summarising the guiding principles of the Mediobanca Group, is an integral part of the Model.

It should be emphasised that this Code is of general importance, as it contains ethical and behavioural principles to which all recipients must adhere.

The Bank's Board of Directors, during its meeting of 20/12/2022 approved the update of the "Mediobanca Group Code of Ethics". The current version is available on the company's Intranet and on its website.

The Bank is also committed to disseminating these rules of conduct externally, in order to ensure that its activities are carried out in accordance with the ethical principles set out in the Code.



7 Staff training and guidance, and dissemination of the Model

The Bank publishes the latest available version of the Model on its Intranet. All recipients are required to issue a declaration stating that they have taken note of the Model, and that they know the methods chosen by the Bank to publish the Model.

Failure to comply with the provisions of the Model will result in the application of the penalties specified in Chapter 8 below.

Staff training and information

The information and training system is implemented by the Group HR and Organisation Department, in collaboration with the Managers of the Functions involved from time to time in the application of the Model.

7.1.1. Training

The Bank provides the recipients with an online e-learning course, the passing of which depends on the outcome of a final test, prepared on the basis of the Decree and the Model adopted by the Bank.

The Bank also arranges classroom sessions and other training programmes whose content and methods of implementation differ, depending on the qualifications of the recipients, the level of risk in their area of operation, and on whether or not they hold positions of representation.

The Supervisory Body monitors (i) the completion of the e-learning course by all employees, and (ii) the recipients' attendance on the training courses organised by the Bank; it will inform the Group HR and Organisation Department in the event of non-compliance by the employee, in order to assess any disciplinary measures and sanctions.

Specific training activities are also planned following significant amendments/additions to the Model.

Specific training activities related to the Model are detailed in the Training Plan, prepared annually by the Compliance Function, in collaboration with Group HR, and approved by the General Manager.

7.1.2. Information

For the purposes of the effectiveness of this Model, the Bank's objective is to ensure that all existing staff and new hires are properly aware of the rules of conduct it contains.

To this end, all Bank staff will be notified of the releases of any new version and revision of the Model on the company's Intranet.

Information to third parties

The Bank's suppliers and contractors, and other counterparties working with the Bank in activities at risk of predicate offences are informed of the contents of the Model and of the Code of Ethics, which is an integral part of the Model and is published on Mediobanca's institutional website. They are also informed that their conduct must comply with the Model and with the related ethical-behavioural principles and must not constitute one of the predicate offences provided for in the Decree. The Bank reserves the right to include specific



MEDIOBANCA

clauses in the contracts entered into with the parties referred to above, which provide for termination of the contract if the counterparty behaves in a manner contrary to the principles and rules contained in the Model, or acts in a way that may constitute one of the predicate offences provided for in the Decree, without prejudice to the Bank's right to claim compensation for damages.



8 Remuneration, bonus and penalty system

8.1. Remuneration and bonus system

Mediobanca's remuneration policies are outlined in the document submitted annually to the Shareholders' Meeting for approval. The policy has the objective of attracting and retaining highly professional staff who are suited to the complexity, growing internationalisation and specialisation of the business, in a logic of prudent management and sustainability of costs and results over time.

In compliance with the legal requirements, Mediobanca's staff remuneration system is based on various elements. The objective is to diversify the achievement of economic benefits over time and to remunerate staff according to the risk adjusted performance of the Bank and the Group, in accordance with the defined risk profile, in order to maintain a solid capital base and a position of strong liquidity, to preserve long-term profitability consistent with its business profile, and to safeguard reputational capital, in order to secure business continuity and the sustainability of results over the long term. The award of the annual bonus to individual members of staff is linked to a formal performance appraisal process, which is focused on the importance of merit and professionalism, with the aim of retaining key personnel. An important part of this is the assessment of compliance with rules and regulations - such as those set out in the Model -, and of integrity, reliability, authority and alignment with the Bank's values. Where there are significant violations of internal procedures or external regulations, the compliance breach process is activated; this may lead to a reduction or "malus" in the variable pay component in the process of being determined or assigned, and/or the return or "clawback" of any bonus already paid.

8.2. Penalty system

The effectiveness of the Model also depends on the adequacy of the penalty system. This is applied where there is a violation of the rules of conduct and, in general, of internal procedures and regulations.

The penalties are commensurate with the seriousness of the infringement and its possible repetition; repeat offences will also be taken into account when considering the disciplinary measure of dismissal.

A misinterpretation of the principles and rules of the Model can only constitute an exemption from the application of these penalties if the person was acting in good faith.

In accordance with these principles, the Bank has adopted a "Company Disciplinary Code", which is updated periodically and published on the company's Intranet. It provides for sanctions against:

- ◆ employees, including senior management;
- ◆ Directors, Statutory Auditors and Top Management;
- ◆ members of the Supervisory Body;
- ◆ consultants and suppliers.



MEDIOBANCA

Operations managers are required to supervise the activities of their staff, in order to prevent any violation of the regulations. In addition, they must be familiar with the processes and activities carried out in their areas and in units where offences may be committed.



9 The Supervisory Body

The Decree requires that the task of supervising the functioning of, and compliance with the Model must be assigned to a body of the entity with independent powers of initiative and control (Supervisory Body) which satisfies the requirements of professionalism and integrity.

The Board of Directors' meeting of 17 July 2014, in accordance with the provisions of art. 6, paragraph 4 bis of the Decree and the Bank of Italy's Supervisory Provisions (Circular 285/2013), authorised, with effect from 28/10/2014, the allocation to the Board of Statutory Auditors of the functions assigned to the Supervisory Body and, in particular, the task of supervising the functioning of and compliance with the Model and ensuring that it is updated.

The Bank's managers are required to cooperate with the Supervisory Body and the Group Organisation & Demand Management Function in establishing, updating and disclosing rules and procedures to prevent the commission of offences.

9.1. Functions and powers of the Supervisory Body

The Supervisory Body is entrusted with the task of:

- ◆ supervising the functioning of and compliance with the Model and checking that it is updated over time;
- ◆ supervising the correct functioning of the disciplinary system, also by proposing to the Group HR and Organisation Department the initiation of disciplinary measures following verified breaches of the Model;
- ◆ verifying the adequacy of the Model in relation to changes in the organisational structure/business model;
- ◆ verifying and promoting the updating of the Model.

The operating conditions which are guaranteed in order to achieve the maximum effectiveness of the Supervisory Body's action concern:

- ◆ unlimited access to relevant company information, without any hierarchical subordination constraints that could affect its independence of judgement, including towards the Bank's top management;
- ◆ the obligation for all company functions to provide information about events or circumstances that may be significant for supervision purposes.

In order to pursue these objectives, the Supervisory Body makes use of the Bank's professional structures, in particular the Group Audit Function and the Compliance & Group AML Function. It may, in the exercise of its activities, also rely on the collaboration of parties external to the Bank (e.g. consultants), and has its own powers of expenditure.



9.2. Activities of the Supervisory Body

9.2.1. Reporting by the Supervisory Body to top management

The Supervisory Body, in exercising the powers and performing the duties assigned by the Board of Directors, maintains a flow of information to the Board of Directors, including:

- ◆ a presentation of the Annual Report on its activities, and on the management of financial resources;
- ◆ information to the Board of Directors of any changes made to the Model for those matters within its remit.

Where it identifies any breaches of the Model, the Supervisory Body informs the Risks Committee and the Board of Directors without delay.

9.2.2. Information and reports to the Supervisory Body

Reports to the Supervisory Body may be of various kinds, and concern breaches as well as ordinary or extraordinary events which are relevant to the implementation and effectiveness of the Model.

- ◆ **Information flows:** the Supervisory Body must supervise any activities potentially at risk of offence, and set up an effective internal communication system to collect and transmit relevant information relating to the Decree. Information is sent on the basis of the institutional activity carried out by the organisational units involved.

For details of these information flows, please refer to Special Part IV.

- ◆ **Extraordinary reports:** all staff must immediately inform their manager, the Group HR and Organisation Department and the Supervisory Body, if they become aware, also by deed of the judicial authority (Public Prosecutor or other competent judge), of investigations having been started against them for an alleged offence relating to the exercise of their company functions.

9.2.3. Reports of Model breaches - whistleblowing

All recipients can report any relevant act which is prohibited under the Decree or any breach of the Model directly to the Supervisory Body, through one of the following two channels:

- ◆ email address: organismo.vigilanza.231@mediobanca.com;
- ◆ internal/ordinary mail addressed to: Supervisory Body, Mediobanca S.p.A., Piazzetta Enrico Cuccia 1, 20121 Milan (MI). The envelope must be suitably sealed and marked 'confidential'.

If the report concerns a member of the Supervisory Body/Board of Statutory Auditors, it must be sent to the Manager of the Compliance & Group AML Function through one of the following alternative channels¹²:

¹² The channels indicated below are those provided for in Mediobanca's Whistleblowing Policy, which was adopted in implementation of the Bank of Italy's Supervisory Provisions. If the Supervisory Body receives reports that are not



- ◆ email address: segnalazioni@mediobanca.com;
- ◆ internal/ordinary mail addressed to: Manager of the Compliance and Group AML Function, Mediobanca S.p.A., Piazzetta Enrico Cuccia 1, 20121 Milan (MI). The envelope must be suitably sealed and marked 'confidential'.

The whistleblower may, regardless of the reporting channel, use the "Form for reporting breaches of the Model to the Supervisory Body", which is made available by the Bank¹³.

All reports must be adequately detailed so that they appear worthy of attention, in order to allow the Supervisory Body to proceed promptly. With regard to the whistleblower's personal details, please note that a report can be sent anonymously, provided that it is specific, detailed and precise enough to allow the Supervisory Body to carry out the necessary checks and assess the reliability of the report¹⁴.

The Supervisory Body will keep a register of the reports it receives and deals with, according to the model attached to this document.

On receiving a report, the Supervisory Body will reply to the whistleblower through the same channel.

In any case, the Supervisory Body will promptly analyse each report and evaluate whether action should be taken to verify its validity, if necessary by involving the company control functions or external parties for further investigation and inquiry.

At the end of the investigation procedure, the Supervisory Body formulates a proposal for intervention (which may include the initiation of disciplinary proceedings) for adoption by the General Manager and the Manager of the Group HR and Organisation Department.

The Supervisory Body guarantees the anonymity of whistleblowers, in order to protect them from retaliation or discrimination of any kind¹⁵.

No employee may engage in direct or indirect retaliatory or discriminatory conduct that may affect working conditions, nor in any other form of unfair behaviour towards whistleblowers. Anyone who engages in such conduct or breaches the measures for the protection of the whistleblower, or who deliberately or negligently makes serious reports that prove to be unfounded, may be subject to disciplinary proceedings¹⁶.

Mediobanca's external consultants and staff who collaborate with the Supervisory Body are also bound by an obligation to treat the Body's activities as confidential.

relevant to the Decree, they must be promptly sent to the Internal Reporting Systems Manager. Conversely, if the Manager receives reports relevant to the Decree.

¹³ Please refer to Special Part V.

¹⁴ Anonymous reports limit the Bank's ability to investigate effectively, because it is impossible to establish an information channel with the whistleblower. In such cases, the factors that the Bank will consider when assessing an anonymous report include the seriousness of the reported breach, the credibility of the facts represented, and the possibility of verification by reliable sources.

¹⁵ If one of the persons indicated in this section (for example, the General Manager, the Manager of the Compliance & Group AML Function) is involved in the facts reported, the Supervisory Body cannot involve him/her in the process of analysis, assessment and decision making.

¹⁶ For sanctioning measures, please refer to the provisions of the "Company Disciplinary Code" regarding breaches of the Model.



9.2.4. Verification of the adequacy of the Model

The Supervisory Body is also entrusted with the following tasks:

- ◆ supervising the effectiveness and adequacy of the Model in relation to the company structure, and its capacity to prevent the predicate offences;
- ◆ analysing the ongoing compliance with the requirements of solidity and functionality of the Model, particularly with reference to the adaptation to new laws and the management of new activities;
- ◆ proposing updates to the Model, with the collaboration of the competent offices.

9.2.5. Collection and storage of information

All documentation (for example, reports, verifications, etc.) relating to the Supervisory Body's activities must be kept for a period of 10 years, provided that laws on data protection and the rights of data subjects are complied with.



10 Special parts

The Model includes the Special Parts listed below.

10.1. Special Part I: Mapping of at-risk activities pursuant to Legislative Decree 231/2001

Document aimed at identifying the types of offences and the possible ways in which they may be committed in the performance of the Bank's activities.

10.2. Special Part II: Protocols

Documents summarising a series of activities, controls and reporting mechanisms designed to ensure that its organisational system complies with the provisions of the Decree.

Below is a list of the protocols in the Model:

[...omissis...]

10.3. Special Part III: Code of Ethics

Document summarising the Bank's guiding ethical principles.

10.4. Special Part IV: Information flows to/from the Supervisory Body

Document summarising the main information flows from/to the Supervisory Body.

10.5. Special Part V: Form for reporting breaches of the Model to the Supervisory Body

Form used for reporting breaches of the Model or offences relevant to the Model.

10.6. Special Part VI: List of offences pursuant to Legislative Decree 231/2001, applicable to Mediobanca S.p.A.

Document describing the predicate offences applicable to the Bank, which if committed would result in corporate administrative liability pursuant to the Decree.



Explanatory notes – Organisation, management and control model pursuant to Italian legislative decree 231/2001

Following the entry into force, on July 15th 2023, of the Legislative Decree 24/2023 on the protection of persons who report breaches of Union law and national law, the **Group's Whistleblowing Policy (internal reporting systems)** has been updated which regulate the new channels and methods of reporting, including reports of unlawful conduct relevant under Legislative Decree 231/2001 or the Model.

Therefore, the General Part of the Model (**par. 9.2.3. "Reports of Model breaches – whistleblowing"**) and the **"Special Part V – Form for reporting breaches of the Model to the Supervisory Body"** are superseded by the new provisions contained in the **Group's Whistleblowing Policy** and summarised on the [dedicated page of the institutional website](#), to which reference is made for everything related to the process of reporting violations.

When the Model is next updated, the provisions on reporting requirements will be amended to reflect these latest changes.