

**PROCESS FOR THE SUBMISSION OF THE
LIST OF THE BOARD OF DIRECTORS**



MEDIOBANCA

STAKEHOLDERS INVOLVED IN THE PROCESS



Appointments Committee

- ◆ Consists of five members, four of whom are independent
- ◆ Committee chaired by an independent Director, with recent and solid industry experience
- ◆ Supports the Board of Directors in the various phases of the process



Lead Independent Director (LID)

- ◆ The Lead Independent Director serves as the point of contact within the Board in order to co-ordinate the independent Directors' requests and contributions, assists the Appointments Committee in co-ordinating the entire process and monitoring its transparency and objectivity



External Advisor (A)

- ◆ Selected from among specialized companies of primary standing, External Advisor supports the Appointments Committee and the Board of Directors in preparing the self-assessment and drawing up the report on the optimal qualitative and quantitative composition of the Board of Directors
- ◆ When selecting an External Advisor, the Board of Directors takes into account not only their expertise, but also their ability to remain neutral and objective throughout the entire process



External Advisor (B)

- ◆ Selected from among specialized companies of primary standing, External Advisor B supports the Appointments Committee and the Board of Directors in the search for possible candidates
- ◆ When selecting an External Advisor, the Board of Directors takes into account not only their expertise, but also their ability to remain neutral and objective throughout the entire process



Board of Directors

- ◆ Approves the process proposed by the Appointments Committee, and handles publication
- ◆ Approves and publishes the report on the optimal qualitative and quantitative composition of the Board of Directors
- ◆ Selects possible candidates suitable for the role of Director proposed by the Appointments Committee
- ◆ Performs the suitability checks ahead of submitting the list
- ◆ Approves and publishes the list

STEPS IN THE PROCESS

1

Appointment of External Advisor (A)

- ◆ The **Appointments Committee** proposes the external advisor for the self-assessment process and for defining the optimal qualitative and quantitative composition of the Board of Directors.
- ◆ The **Board of Directors** appoints External Advisor (A).

2

Publication of process

- ◆ The **Appointments Committee**, in coordination with the **Lead Independent Director**, proposes the process for submission of the list of candidates for the position of Director selected by the outgoing Board of Directors.
- ◆ The **Board of Directors** approves the process and publishes it.

3

Self-assessment and report on optimal qualitative and quantitative BoD composition

- ◆ **External Advisor (A)** contributes to the preparation of the self-assessment questionnaire, and supports the stakeholders involved in compiling it. The Advisor also prepares a report on the results of the self-assessment exercise, and contributes to the preparation of the report on the optimal Board qualitative and quantitative composition.
- ◆ The **Appointments Committee**, together with the **Lead Independent Director**, share the self-assessment questionnaire, review the results of it, propose any remediation actions required in order to arrive at a more effective solution, and submit the draft qualitative and quantitative report to the Board of Directors for approval.
- ◆ The **Board of Directors** approves the self-assessment questionnaire and the self-assessment report, and gives its opinion on the remediation actions proposed by the Appointments Committee. The Board of Directors also approves and publishes the report on the optimal qualitative and quantitative composition proposed by the Appointments Committee together with the Lead Independent Director, based on the results of the self-assessment process, the regulatory guidance, and best practices within the sector.

STEPS IN THE PROCESS

4

Appointment of External Advisor (B)

- ◆ The **Appointments Committee** proposes the External Advisor for the selection of the candidates.
- ◆ The **Board of Directors** appoints the External Advisor (B).

5

Determining the number and profile of new Directors

- ◆ The **Appointments Committee**, together with the **Lead Independent Director**, carry out an estimate of the needs in terms of the new Directors and their profiles, in the light of the self-assessment process and after ascertaining which existing Directors, if any, are not intending to seek reappointment.
- ◆ The **Board of Directors** agrees on the proposed profile of the new Board of Directors.

6

Identification of potential candidates

- ◆ **External Advisor (B)** proposes a long list of potential candidates based on the profiles identified.
- ◆ The **Appointments Committee**, together with the **Lead Independent Director**, with the support of the External Advisor (B), determine the first short list of candidates.
- ◆ The **Board of Directors** examines the new candidates' profiles.

7

Candidate interviews

- ◆ **External Advisor (B)** contacts the possible candidates, ascertains whether or not they are interested, and collects the documentation required in order to assess their eligibility for nomination against pre-determined requirements.
- ◆ The **Appointments Committee**, together with the **Lead Independent Director**, interview the candidates, and identify the final short list of candidates to be proposed to the Board of Directors.

8

Approval of list of candidates

- ◆ The **Appointments Committee**, together with the **Lead Independent Director**, propose the final short list of candidates, having checked that they meet the pre-determined requirements, and review the draft report by the Board of Directors for the shareholders to be gathered at the Annual General Meeting ("AGM").
- ◆ The **Board of Directors** approves the report to be shared with shareholders for the appointment of Directors and the list of candidates at the AGM, subject to prior assessment of the suitability requirements.

TIMELINE

