

MINUTES OF BOARD MEETING

10 MAY 2006

**MINUTES OF BOARD MEETING
REPUBLIC OF ITALY
10 MAY 2006**

In the year two thousand and six, on the tenth day of the month of May, at 12.15 p.m. in Basiglio – Milano 3, Via Francesco Sforza, Palazzo Meucci, in the presence of myself Mario Notari, notary in Milan, registered with the College of Notaries in the District of Milan, is Mr.:

- ROBERTO RUOZI, born at Biella (BI) on 17 May 1939, domiciled for the corporate function at the company's head office.

The said Mr. Ruozi, of whose personal identity I the notary am certain, declares that he speaks as Chairman of the Board of Directors of the Company:

“MEDIOLANUM S.p.A.”

with head office in Basiglio, Milano 3, Via Francesco Sforza, Palazzo Meucci, corporate capital euro 72,759,692.80 fully paid-up, listed in the Companies Register, Milan, ordinary section, no. 11667420159, Administrative Economic Repertory no. 1484838, tax reg. no. 11667420159, company with shares listed with Borsa Italiana S.p.A. (Stock Exchange),

and requests me to record the minutes of the meeting of the Board of Directors of the aforesaid company, limited to points 8, 9 and 10 of the agenda referred to below, the preceding points of the agenda having been minuted separately.

At the end of the discussion of point 7 of the agenda, the same Mr. Ruozi maintained the chairmanship, by unanimous designation of the board members present, and declared:

- that this board meeting was called for today, in this place, at 10.30 a.m. by convocation notice distributed within the specified time to all those entitled, by telefax on 5 May 2006;

- that, for the board of directors, in addition to the chairman, the following board members were present: Alfredo Messina (deputy chairman), Edoardo Lombardi (deputy chairman), Ennio Doris (managing director), Pasquale Cannatelli, Massimo Antonio Doris, Bruno Ermolli, Mario Molteni, Angelo Renoldi, Paolo Sciumè and Antonio Zunino;

- that, for the statutory auditors' committee, all the standing members were present: Arnaldo Mauri (chairman), Achille Frattini and Francesco Antonio Giampaolo;

- that the board was therefore validly constituted at this time to deliberate on the following

AGENDA

“(redacted)”

8. Proposal for increase in corporate capital through payment by means of the partial exercise of the mandate ex art. 2443 c.c. (civil code) conferred by the extraordinary shareholders' meeting of 26 April 2005, for the purpose of issuing ordinary shares to be placed at the service of the exercise of subscription options allocated to the *employee* recipients of the 2005 Stock Option Plan – second stage – with exclusion of the

shareholder option right and with the application of an overprice; inherent and consequential deliberations;

9. Proposal for increase in corporate capital through payment by means of the partial exercise of the mandate ex art. 2443 c.c. conferred by the extraordinary shareholders' meeting of 26 April 2005, for the purpose of issuing ordinary shares to be placed at the service of the exercise of subscription options allocated to the *consultant* recipients of the 2005 Stock Option Plan – first stage – with exclusion of the shareholder option right and with the application of an overprice; inherent and consequential deliberations;

10. Proposal for increase in corporate capital through payment, by means of the partial exercise of the mandate ex art. 2443 c.c. conferred by the extraordinary shareholders' meeting of 26 April 2005, for the purpose of issuing ordinary shares to be placed at the service of the exercise of subscription options allocated to the *director* recipients of the 2005 Stock Option Plan – second stage – with exclusion of the shareholder option right and with the application of an overprice; inherent and consequential deliberations; (redacted)”

* * * * *

In relation to points 8, 9 and 10 of the agenda, which he proposed should be dealt with jointly, the Chairman recalled that on 26 April 2005 the extraordinary and ordinary meeting had approved the setting up of a new Stock Option Plan addressed to the employees, the directors and the consultants of the Company and its controlled companies and had also delegated to the board of directors, as per art. 2443 c.c., the power to increase the corporate capital in the service of the said plan, by a resolution the content of which is here recalled as an integral part of today's proceedings.

With reference to the provisions of art. 2441, para. 6, c.c., as recalled by art. 2443 c.c., the chairman advised the meeting that the board report and the statement of fairness of the criterion for determining the issue price of the shares, issued by the audit company, had been submitted to the said delegating meeting on 26 April 2005 and were to be found attached to the relating minutes of the same date, n.15502/8310 ref., authenticated by me.

He also advised the meeting and confirmed that the issue prices as proposed above had been determined in execution and in full compliance with the criteria already approved by the resolution of the delegating meeting, as well as being the subject of the fairness statement by the audit company, statement which, in any case, had been reiterated on 9 May 2006, as could be seen from attachment “A”.

The Chairman then recalled that, by resolution of 13 July 2005, the Board of Directors had partially availed itself of the said mandate, deciding two increases in capital at the service of the said 2005 Stock Option Plans, first stage, respectively for a maximum of euro 68,100 (on behalf of the employees of the company and/or of its controlled companies as per art. 2359, para. 1, no. 1), c.c.) and for a maximum of euro 39,000 (on behalf of the directors of the company and/or of its controlled companies as per art. 2359, para. 1, no. 1), c.c.).

Speaking for the statutory auditors' committee, the chairman Arnaldo Mauri announced and confirmed that the present subscribed corporate capital, of euro 72,759,692.80, was fully paid up and that the company was not in any of the situations envisaged in art. 2446 and 2447 c.c..

The Chairman, lastly, invited the board to deliberate, specifying that it would also be necessary to add an apposite clause, in the articles of association, mentioning the increases that were the subject of today's proceedings. He also specified that, following

the capital increases now proposed to the Board of Directors, the power would remain, delegated by the meeting on 26 April 2005, to increase the corporate capital by euro 71,400 in favour of the employees of the Company and its controlled companies, by euro 58,750 in favour of the consultants of the company and its controlled companies and by euro 60,900 in favour of the directors of the company and its controlled companies.

The Board of Directors, having heard the Chairman's report, taking note of the resolutions of the extraordinary and ordinary meetings of the company held on 26 April 2005, availing itself of the power attributed to it by the same meeting, unanimously

RESOLVED

a)

To increase the corporate capital through payment, in partial execution of the mandate conferred by the Extraordinary Meeting on 26 April 2005, by a maximum of euro 71,400 (seventy-one thousand four hundred) by the issue of a maximum number of 714,000 (seven hundred and fourteen thousand) ordinary shares for a nominal value of euro 0.1 (zero point one) each, with normal enjoyment rights, with the exclusion of the shareholder option right as per art. 2441, 8th para., c.c., and art. 134, 3rd para., legislative decree 58/98, to be offered for subscription to the employees of the company and/or its controlled companies as per art. 2359, para. 1, no. 1), c.c., at a price, inclusive of overprice, equal to the normal market value – as defined by tax regulations – of these on the date of the present resolution, of the “MEDIOLANUM S.p.A.” share reported by the telematic system of Borsa Italiana S.p.A. in the period from today to the same day of the previous solar month.

b)

To increase the corporate capital through payment, in partial execution of the mandate conferred by the Extraordinary Meeting in 26 April 2005, by a maximum of euro 58,750 (fifty-eight thousand seven hundred and fifty) by the issue of a maximum number of 587,500 (five hundred and eighty-seven thousand five hundred) ordinary shares for a nominal value of euro 0.1 (zero point one) each, with normal enjoyment rights, with the exclusion of the shareholder option right as per art. 2441, 5th para., c.c., to be offered for subscription to the consultants of the company and/or its controlled companies as per art. 2359, para. 1, no. 1), c.c., at a price of euro 1.210 (one point two one zero) inclusive therefore of an overprice of euro 1.110 (one point one one zero), for each share (price determined in compliance with the decision of the mandating meetings).

c)

To increase the corporate capital through payment, in partial execution of the mandate conferred by the Extraordinary Meeting of 26 April 2005, by a maximum of euro 60,900 (sixty thousand nine hundred) by the issue of a maximum number of 609,000 (six hundred and nine thousand) ordinary shares for a nominal value of euro 0.1 (zero point one) each, with normal enjoyment rights, with the exclusion of the shareholder option right as per art. 2441, 5th para., c.c., to be offered for subscription to the directors of the company and/or its controlled companies as per art. 2359, para. 1, no. 1), c.c., at a price of euro 1.210 (one point two one zero) inclusive therefore of an overprice of euro 1.110 (one point one one zero), for each share (price determined in compliance with the decision of the mandating meetings).

d)

To establish that the subscription of the aforesaid increases in capital through payment, as decided above, shall take place in a single operation, in the first five working days of each of the sixty calendar months following the expiry of the term of two years from today's date without prejudice to the various exceptional situations envisaged by the regulations. The last date for the exercise of the option rights corresponding to the resolution for an increase in corporate capital referred to in the preceding point is fixed as the date of the fifth working day of the sixtieth month following the expiry of the term of two years from today.

If by the above date the increases in capital have not been entirely subscribed, they will be considered implemented for a sum equal to the subscriptions accomplished.

* * * * *

Having taken account of the deliberation as approved above, the chairman invited the board of directors, as anticipated, to insert the corresponding clauses in the text of the existing articles of association, and to authorize the Managing Director, the Chairman and the Deputy Chairman to carry out the said increases.

The board of directors unanimously

RESOLVED

- To add the following clause at the end of art. 6 of the articles of association:

“Increase mandated on 10 May 2006.

The Board of Directors, by resolution on date 10 May 2006, in execution of the mandate conferred by the extraordinary and ordinary meetings of 26 April 2005, has resolved:

- *To increase the corporate capital through payment, by a maximum of euro 71,400.00 (seventy-one thousand four hundred point zero) by the issue of a maximum number of 714,000 (seven hundred and fourteen thousand) ordinary shares for a nominal value of euro 0.1 (zero point one) each, with normal enjoyment rights, with the exclusion of the shareholder option right as per art. 2441, 8th para., c.c., and art. 134, 3rd para., legislative decree 58/98, to be offered for subscription to the employees of the company and/or its controlled companies as per art. 2359, para. 1, no. 1), c.c., at a price, inclusive of overprice, equal to the arithmetical mean of the reference prices of the “MEDIOLANUM S.p.A.” share, reported by the telematic system of Borsa Italiana S.p.A. in the period from 10 May 2006 to the same day of the previous solar month.*
- *To increase the corporate capital through payment by a maximum of euro 58,750.00 (fifty-eight thousand seven hundred and fifty point zero) by the issue of a maximum number of 587,500 (five hundred and eighty-seven thousand five hundred) ordinary shares for a nominal value of euro 0.1 (zero point one) each, with normal enjoyment rights, with the exclusion of the shareholder option right as per art. 2441, 5th para., c.c., to be offered for subscription to the consultants of the company and/or its controlled companies as per art. 2359, para. 1, no. 1), c.c., at a price of euro 1.210 (one point two one zero);*
- *To increase the corporate capital through payment, by a maximum of euro 60,900.00 by the issue of a maximum number of 609,000 (six hundred and nine thousand) ordinary shares for a nominal value of euro 0.1 (zero point one) each, with normal enjoyment rights, with the exclusion of the shareholder option right as per art. 2441, 5th para., c.c., to be offered for subscription to the directors of the company and/or its controlled companies as per art. 2359, para. 1, no. 1), c.c., at a price of euro 1.210 (one point two one zero).*

The subscription of the aforesaid increases shall take place in a single operation, in the first five working days of each of the sixty calendar months following the expiry of the term of two years from 10 May 2006, without prejudice to the various exceptional situations envisaged by the regulations. The last date for the subscription of the option rights is therefore fixed as the date of the fifth working day of the sixtieth month following the expiry of the term of two years from 10 May 2006; if by the said date the increases in capital have not been entirely subscribed, they will be considered implemented for a sum equal to the subscriptions accomplished.”

- To authorise the Managing Director, the Chairman and the Deputy Chairman, autonomously from one another, to give the opportune communications to the assignees of the aforesaid options, as well as to take all the measures necessary for the purposes of implementing the aforesaid resolutions. Furthermore to assign to the same, with autonomous signature, the duty to provide for all the consequent fulfilments and formalities, including the power to effect, once the subscription of the corporate capital has taken place, the certification ex art. 2444 c.c. and the deposit with the Companies Registry of the updated articles with the indication of the amount of the subscribed capital, as well as all the necessary and opportune powers for the implementation of the above said resolutions.

* * * * *

The Chairman requests me to attach, to the present minutes, the updated text of the articles of association with the modifications added as above, also for the purposes of carrying out the obligation of deposit as per art. 2436 c.c., text which is attached here under the letter “B”.

There being no further business, the session was terminated at 12.35 p.m.

I, the notary, have read this document to Mr. Ruozi, who approves it, taking the attachments as read.

Written by electronic system by a person trusted by me and completed by myself, the notary, by hand, this document is composed of eight half sheets and occupies eight pages up to this point.

Signed Roberto Ruozi

Signed Mario Notari

Reconta Ernst & Young S.p.A.
Via della Chiusa, 2
20123 Milano

To the Board of Directors
of Mediolanum S.p.A.

1. PREAMBLE

On 26 April 2005 the Extraordinary Shareholders' Meeting of Mediolanum S.p.A. ("company") approved the setting up of a stock option plan and voted to confer the mandate to the Board of Directors, ex art. 2443 of the Civil Code, for a maximum period of five years from 26 April 2005, to increase the corporate capital through payment, by the issue, also in a number of stages, of ordinary shares to be offered to the non-employee Directors and the consultants of the Company and of its controlled companies in the form of stock options, with exclusion of the option right as per art. 2441, fifth para. of the Civil Code. The same Extraordinary Meeting also conferred on the Board of Directors every wider power to fulfil all formalities required in order that the resolutions adopted may obtain approval by law and to attribute to the Committee for the Stock Option Plan the power to draw up the regulations for the implementation of the plan, providing in particular to establish the criteria for identification of the recipients, to determine the number of options to be allocated to each beneficiary of the plan and to establish the rules to be applied in case of termination or modification of the working relationship.

The 2005 stock option plan ("Plan"), relating to the part which sees as beneficiaries of the rights the non-employee Directors and the Consultants of the Company and its controlled companies, provides:

- (i) for the non-employee Directors of the Company and its controlled companies, to increase the corporate capital through payment by an overall maximum of euro 150,000.00, by the issue of a maximum no. of 1,500,000 ordinary shares, with normal enjoyment rights, of a nominal value of 0.10 euro each;
- (ii) for the consultants of the Company and its controlled companies, to increase the corporate capital through payment by an overall maximum of euro 400,000.00, by the issue of a maximum no. of 4,000,000 ordinary shares, with normal enjoyment rights, of a nominal value of euro 0.10 each.

The Extraordinary Meeting of 26 April 2005 also resolved, for both the non-employee Directors and the Consultants of the Company and its controlled companies, that the price per share on the occasion of the exercise of an option was equal to the weighted average between:

- (i) the value of the net assets per share of the Company with reference to the last financial statement approved before the allocation of the options; and
- (ii) the average Stock Exchange value of Mediolanum S.p.A. shares in the last six months prior to the date of allocation,

applying respectively a weighting coefficient of 90% to the value of the net assets and of 10% to the average of the Stock Exchange values over the last six months.

The Extraordinary Meeting of 26 April 2005 resolved that the exercise of the options was subordinate, as well as to the maintenance of the relationship between the beneficiary and the Company or another company of the Mediolanum Group, also to the occurrence of at least one of the following events:

- (i) that the official Stock exchange price of ordinary Mediolanum S.p.A. shares on the starting date of exercise of the options be at least equal to the official Stock Exchange price of ordinary Mediolanum S.p.A shares on the date of allocation of the options; or
- (ii) that the variation of the official Stock Exchange price of ordinary Mediolanum S.p.A. shares in the period between the date of allocation and the starting date of exercise of the options be not less than the arithmetical mean of the variations recorded in the same period by the “S & P/Mib, Comit Assicurativi and Comit Bancari” indices, opportunely rectified according to the criteria commonly adopted in financial practice in order to take into account the coefficient of correlation (c.d. beta) between the ordinary Mediolanum S.p.A. shares and the above stated indices in the same period; the rectified average variation of the indices shall be calculated by a specially appointed independent third party; or
- (iii) That the embedded value of the Mediolanum Group, calculated by a specially appointed independent third party, referring to the last financial statement approved prior to the starting date of the exercise of the options be at least equal to the embedded value of the Mediolanum Group referring to the last financial statement approved prior to the date of allocation of the options.

On 4 April 2005, as per art. 158, first para., of the legislative degree of 24 February 1998, no. 58, we expressed a favourable assessment, also in consideration of the overall conditions envisaged by the plan (for the details of which we refer to the said assessment) and by para. 4 of art. 6 of the Articles of Association in force, as to the fairness of the criterion for determining the subscription price of the shares relating to the increase in corporate capital with exclusion of the option right as per art. 2441, sixth para. of the Civil Code, to non-employee Directors and to Consultants of the Company and its controlled companies, proposed by the Board of Directors of Mediolanum S.p.A. and approved by the Extraordinary Shareholders’ Meeting of 26 April 2005.

2. NATURE OF THE ASSIGNMENT AND THE WORK CARRIED OUT

The Meeting of the Board of Directors of Mediolanum S.p.A of 10 May 2006 (“Allocation Date”) as per the convocation notice of 5 May 2006, has as a point of the agenda a proposal for an increase in corporate capital through payment by partial exercise of the mandate ex art. 2443 of the Civil Code, conferred by the Extraordinary Shareholders’ Meeting of 26 April 2005, for the purposes of the issue of ordinary shares to be placed at the service of the exercise of the subscription options allocated to the non-employee Directors and the Consultants, recipients of the Plan, with exclusion of the shareholder option right and with the application of an overprice.

In order to provide the Board of Directors with information as to any modifications to our conclusion already stated in the assessment issued on 4 April 2005, we received from the Company the documents and information deemed useful for the purpose. To this end we have analysed the above stated documentation, and in particular:

- a) the agenda of the Board of Directors’ meeting of 10 May 2006;

- b) the regulations of the stock option Plan approved by the Board of Directors of the Company on 13 July 2005;
- c) the financial statement and consolidated balance of the Company as of 31 December 2005;
- d) the Articles of Association in force;
- e) the performance of the Company share quotations in the six months prior to the Date of Allocation;
- f) further accounting and extra-accounting data deemed useful for the purposes of the present report.

Our work entailed, among other matters:

- the observation of the Company's share quotations, with particular reference to the six months prior to the Date of Allocation;
- the making of considerations of an evaluatory and analytical nature, deemed necessary for ascertaining the fairness of the share issue price;
- the reading of the minutes of the meetings of the Company's Board of Directors for the year 2005 and for 2006 up to today's date.

We also obtained corroboration that, as far as the Management of the Company is aware, as of today's date there are no significant modifications to the data and information used in carrying out our analyses.

3. CONCLUSIONS

In consideration of all the above and on the basis of the documentation listed, we have not detected any elements that can modify our opinion, expressed on 4 April 2005, as to the fairness of the criterion for determining the subscription price of the shares, in relation to the increase in corporate capital with exclusion of option rights as per art. 2441, sixth para. of the Civil Code, in favour of the non-employee Directors and the Consultants of the Company and its controlled companies, decided by the Extraordinary Shareholders' Meeting of 26 April 2005.

We refer to the said assessment, and in particular to its paragraph 4), which sets out the considerations made by us as to the fairness of the criteria adopted and of the share issue price.

Milan, 9 May 2006

Reconta Ernst & Young S.p.A.
(signed)
Natale Freddi
(Partner)