

**ANNUAL REPORT
ON
CORPORATE GOVERNANCE**

Approved by the Board of Directors of Mediolanum S.p.A. on March 27, 2006.

Annual Report on Corporate Governance

This report was prepared to present the Mediolanum S.p.A.'s corporate governance system in accordance with the requirements of Borsa Italiana S.p.A. as set out in the Stock Exchange Regulations Instructions and in consideration of the Italian Corporate Code for Listed Companies as amended in July 2002.

1. THE CORPORATE GOVERNANCE SYSTEM

Introduction

On September 14, 2004 Fininvest S.p.A. as one party, and Ennio Doris, Lina Tombolato, Massimo Antonio Doris, Annalisa Doris and Herule Finance as the other party (the company and the individuals collectively referred to as the “Doris Group”) signed – renewing it – a shareholders’ agreement, whereby they undertook to lock up an equal amount of shares representing about 51% of the company’s capital.

The shareholders’ agreement will be in force for three years. The shareholders’ agreement and any subsequent amendments thereto were disclosed to the market in accordance with the regulations in force.

Following the entry into force of Legislative Decree No. 6 of January 17, 2003 (as amended by Legislative Decree No. 37 of February 6, 2004) introducing the “COMPANY LAW REFORM”, in 2004 the company amended its bylaws to comply with the provisions thereof, maintaining the traditional governance structure consisting of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors responsible for accounting audit.

During 2005 the Company appointed the members of whole Board of Directors, expired at that time, with the approval of its number and its compensation, as well as the Company appointed, among them, the Chairman and resolved its compensation.

In the same meeting the Company appointed the members of the Board of Statutory Auditors and among them, the Chairman, thus resolved its compensation.

Additional information related to the current composition of the Corporate bodies, is provided below.

Again, in the passed financial year, the Company renewed the appointment of Reconta Ernst & Young as External Auditors, for the second three-years period, for the certification on the annual and consolidated financial Report, other than for the limited review of the half-year financial Report, pertaining to the 2005, 2006, 2007 financial years, thus resolved its compensation.

The Board of Directors

Exercising the authority vested in it (art. 24 of the bylaws) the Board of Directors elected the Chief Executive Officer (Ennio Doris) conferring upon him all powers, as done in the past three-years period, for the ordinary and extraordinary management of the company, except for those relating to significant and strategic matters, which remains exclusively reserved to the Board of Directors (“significant” transactions). Those matters include related party transactions, as further detailed herein.

All powers for ordinary management, as done in the past three-years period, including guidance and operational management with respect to tax affairs, corporate affairs, administration and management control, finance, legal affairs and internal audit were conferred upon the Senior Deputy Chairman (Alfredo Messina).

The authority to coordinate and supervise ordinary business and the regular operation of the

company's offices and services was conferred, as done in the past three-years period, upon the other Deputy Chairman (Edoardo Lombardi).

Any business under delegated authorities, as well as the performance and outlook of the company and of its subsidiaries, any transactions which may have a significant impact on earnings, financial position and equity, and those transactions in which directors have an interest, either personally or to the benefit of any third party, or which may be influenced by the officer, if any, exercising direction and coordination, are subject to the scrutiny of Board of Directors and of the Board of Statutory Auditors, through a system of periodic reports to them submitted at least on a quarterly basis, as set out in the bylaws.

Authorities are delegated to enable the Board of Directors to focus on the creation of value for the shareholders, also considering the holding structure of the company and the required balance of the various interests of the other stakeholders that deserve protection. The main responsibilities of the Board of Directors are to provide strategic guidance and management policies and to control the performance of the company. The Head of Corporate Affairs regularly reports and presents any main statutory and regulatory changes to the Board of Directors.

The Board of Directors, even in 2005, did not confer any operational authorities to the Chairman (Roberto Ruozi), to whom, however, the Bylaws reserve the power to represent the company.

The Chairman, or anyone acting on his behalf, is also responsible for convening the meetings of the Board of Directors, which pursuant to the Bylaws are to be held at least on a quarterly basis.

At the Board of Directors Meetings the exhaustive discussion of agenda items is assured and supported by the related documentation delivered in advance to Directors and Statutory Auditors.

During the Meetings particular attention is devoted to the examination of those documents, which due to their confidential nature, could not be sent in advance.

Internal Dealing

At the time of the preparation of this Annual Report on Corporate Governance, still remain in force the resolution of the Board of Directors dated November 11, 2002, which adopted the Code of Conduct (the Internal Dealing Code) pursuant to art. 2.6.3 of the Regulations of the Organized Markets Managed by Borsa Italiana S.p.A.. We remind that the Code sets out conduct and disclosure requirements of “Relevant Persons”, as defined in the Code, and the office responsible for the receipt, management and disclosure of the information. The company adopted the public disclosure requirements for dealings in financial instruments set out in art. IA.2.13.1, paragraphs 2 and 3 of the Instructions relating to the Regulations of the Organized Markets Managed by Borsa Italiana S.p.A., and specifically:

- No disclosure is required for any transactions effected in the *reporting period* the cumulative value of which is lower than €50,000.00 (fifty thousand/00) per Relevant Person;
- Any transactions, the cumulative value of which, including any previously undisclosed transactions in the *reporting period* is greater than €250,000.00 (two hundred fifty thousand/00) shall be reported by the *relevant person* to the *Company* without delay and in any case no later than the third stock exchange trading day following the date of execution of the transaction to enable the Officer in Charge to disclose that information to the market on time.

As disposed by the above-mentioned Code is currently valid for the transactions, if any, closed by March 31, 2006, because starting April 1st, 2006 it will enter in force the new regulation in compliance with new art. 114, 7 paragraph of the Italian Consolidated Financial Law (T.U.F.), taken in consideration yet, by the Company, with resolution dated March 1st, 2006.

2. ADHERENCE TO THE CORPORATE CODE FOR LISTED COMPANIES

Board of Directors

In that respect, it is reminded that, in order to comply with the provisions of the Code, the Board of Directors of Mediolanum S.p.A. first of all proceeded to establish the Internal Audit Committee, to appoint the Head of Internal Audit, to form the Stock Options Plan Committee.

The Board of Directors has verified the compliance with the new Corporate Code for Listed Companies requirements of certain directors to qualify as independent directors, applying the criteria adopted by the Board itself and on the basis of the indications provided by each individual Director. The members of the Board of Directors, who will remain in office until the approval of the financial statements for the year ending December 31, 2007, following the new appointment and the consequent verification, are as follows:

Roberto Ruozi Chairman	Independent
Alfredo Messina Senior Deputy Chairman	Executive
Edoardo Lombardi Deputy Chairman	Executive
Ennio Doris Chief Executive Officer	Executive
Marina Berlusconi Director	Non Executive
Pasquale Cannatelli Director	Non Executive
Massimo Antonio Doris Director	Non Executive
Bruno Ermolli Director	Non Executive
Mario Molteni Director	Independent
Angelo Renoldi Director	Independent
Paolo Sciumè Director	Non Executive
Antonio Zunino Director	Non Executive

During 2005 the Board of Directors held 9 meetings.

For the year 2006, 6 meetings of the Board of Directors are planned, of which 2 has already been held.

The Board of Directors has identified **significant transactions** as those set out in art. 23 of Bylaws, which under the Bylaws are exclusively reserved to the Board of Directors. More specifically the Bylaws exclusively reserve authority over the following transactions to the Board of Directors:

- acquisition and disposal of businesses and business lines;
- business agreements and deals (such as joint venture, cooperation, sponsoring or advice and consultancy agreements) with a term of more than 6 year – irrespective of the value of each deal or agreement - or having a total value (to be determined with reference to the annual value of the transactions) greater than €1,500,000 (one million five hundred thousand) (irrespective of their term);
- interest-bearing credit facilities (excluding any deferred payment facilities granted to the company in connection with the supply of goods and the provision of services) amounting to over €5,000,000.= each, excluding credit facilities maturing within one year and connected to the day-to-day business of the company and its subsidiaries;
- lease out or rental of businesses or business lines, except for the lease out of individual commercial premises for a term of no more than nine years;
- acquisition and sale of shareholdings in any business or organization;
- real estate transactions including real estate leases;
- provision of any guarantees except for those required for the day-to-day running of the company and its subsidiaries;

- appointment of the General Manager.

In addition to the transactions above the Board of Directors reserved itself the authority over **related party transactions**, as defined by the combined provisions of art. 2, 1st paragraph, lett. h) and the art. 71bis of the Consob Regulation n.11971/1999, as subsequently amended, and art. 2391-bis of Italian Civil Code, that requests specific Regulation from the respective Authority.

The limit values for which a transaction is to be disclosed to the market due to its potential effects on the company's equity, are as follows:

- €10,000,000.00 for any type of purchase or sale;
- €125,000,000.00 for interest-bearing credit facilities (excluding any deferred payment facilities granted to the company in connection with the supply of goods and the provision of services), excluding credit facilities maturing within one year and connected to the day-to-day business of the company and its subsidiaries.

The Board of Directors also established that when deciding on related party transactions, as defined above:

- a) Directors who have, directly or indirectly, an interest in the transaction are required to promptly and exhaustively inform the Board of Directors of such interest and any related circumstances;
- b) Whenever the nature, the value or other features of the transaction require it and in order to ensure that the terms of the transaction be the same as those which would likely be negotiated with unrelated parties, the Board of Directors sees that the transaction be finalized with the assistance of independent experts who shall provide a valuation of assets as well as financial, legal or technical advice.

The departure under a) from the provisions of article 11, paragraph 2 of the Corporate Code for

Listed Companies resulted from considerations relating to the amended article 2391 of the Italian Civil Code which no longer requires the abstention of the Director who has an interest in the transaction.

Nomination Committee and Remuneration Committee

Based on its experience Mediolanum deemed unnecessary to establish a Nomination Committee, also considering that the Shareholders' Agreement ensures the stable joint control of the Company by the shareholders.

The Extraordinary General Meeting of April 27, 2004 amended the Bylaws introducing the possibility to elect the members of Board of Directors from nomination lists to permit the election to the Board of individuals nominated also by minority shareholders.

A further amendment to the Bylaws voted by the Extraordinary General Meeting of April 27, 2004 related to the authority of the General Meeting to determine the overall compensation of the members of the Board of Directors, including the compensation of those directors who hold special positions.

Those procedures – which had become an established practice over the past years – permit to avoid any conflicts, including potential ones, among Directors, and are also the reason why the Compensation Committee was not established in the first place.

Furthermore, the Board of Directors, through the Stock Options Plan Committee, is responsible for setting policies for part of the compensation of the Company's and the Group's management team as well as contract workers through the grant of stock options linked to the achievement of specific targets.

The Stock Options Plan Committee is composed of Directors M. Berlusconi, E. Doris, P. Sciumè and B. Ermolli, who are excluded from said plan. The Committee is responsible for:

- drafting the rules governing all aspects of the Plan, which will be submitted to the Board of Directors for approval;
- managing all actions required for the implementation of the Plan, including the selection of the Beneficiaries, the number of options to be allotted to each of them and the conditions for their exercise;
- setting the business and/or financial performance objectives which trigger the exercise of the options allotted to the Beneficiaries.

The Internal Audit System

The rules governing the Officer in Charge of Internal Audit and the organization of the internal control system are in line with the recommendations of the Corporate Code for Listed Companies.

The Head of Internal Audit of the Mediolanum Group, Andrea Alessandri, was appointed as Officer in Charge of Internal Audit. He has the authority and responsibility for setting policies and coordinating audit planning and programming, verifying the compliance of the company's activities with the regulations in force as well as with the company's guidelines and procedures to ensure sound and efficient management, to identify, prevent and manage, to the extent that it is possible, financial and operational risks and frauds against the company.

The Officer in Charge of Internal Audit, due to his specific duties, reports to the Senior Deputy Chairman, the Internal Audit Committee and the Board of Statutory Auditors.

Internal Audit Committee

The Internal Audit Committee, expired with the General Meeting which approved the financial statements as of December 31, 2004, has been renewed and consists of three members who will remain in office until the expiration of the entire Board of Directors, i.e. until the General

Meeting convened to approve the financial statements for the year ending on December 31,2007.

The members of the Committee are the Directors Mario Molteni (Independent), Angelo Renoldi (Independent) and Paolo Sciumè (Non Executive).

The Internal Audit Committee, of which 4 meetings were held in 2005, examines and evaluates, *inter alia*, i) the Risk Assessment activities; ii) the activities done and planned related to Internal Controls; iii) the Annual Report of the Oversight Board established pursuant to Italian Legislative Decree n. 231/2001; iv) the proposal of the Independent Auditors vested for the certification on the financial Reports; v) adequacy of the accounting policies and their consistency with the accounting policies used for the preparation of the consolidated financial statements.

The Internal Audit Committee works in accordance with the following rules.

The Internal Audit Committee provides advice and proposals on internal controls to the Board of Directors. The Committee coordinates its activities with those of the Board of Statutory Auditors, the Independent Auditors, and the Officer in Charge of Internal Audit, within their respective competence pursuant to the law.

The Statutory Auditors, the Chief Executive Officer, the Chairman, the Deputy Chairmen, and the Officer in Charge of Internal Audit can attend the meetings of the Committee.

The Committee elects its Chairman and meets anytime the Chairman deems it is expedient, also upon request of the Officer in Charge of Internal Audit and in any case no less than every six months on the occasion of the approval of the first-half report and the annual financial statements.

Any Committee member who has a personal interest in the matter which is being voted shall abstain from voting.

Resolutions are passed by majority voting of the members of the Committee.

The responsibilities of the Internal Audit Committee are those set out in the Corporate Code for Listed Companies, i.e.:

- a) to provide assistance to the Board of Directors in defining guidelines, conducting periodic examinations of the effectiveness of the internal control system, as well as mapping and managing corporate risks;
- b) to review the audit plan prepared by the Officer in Charge of Internal Audit and receive his periodic reports;
- c) to evaluate, in conjunction with finance department heads and the independent auditors, the adequacy of the accounting policies and their consistency with the accounting policies used for the preparation of the consolidated financial statements;
- d) to evaluate the proposed audit mandates presented by independent auditors in addition to the scope of audits and the recommendations set out in their management letters and reports;
- e) to report to the Board of Directors on the work of the Committee at the next Board Meeting and, in any case, at least every six months on the occasion of the approval of the first-half report and the annual financial statements;
- f) to perform any other activities falling within its competence which may be required by the Board of Directors, especially regarding interaction with the independent auditors and the Board of Statutory Auditors.

From the examination of the activities, as reported by the Committed and analyzed by the Board of Directors, no significant issue emerged with respect to the internal control system.

Oversight Board under Legislative Decree 231/2001

The Board of Directors of the Company, upon the adoption of the “Organization, Management and Control Models” as required under art. 6 of Legislative Decree 231/2001 (Liability of Legal

Persons) established the Oversight Board responsible for seeing to the effectiveness, compliance and update of said Models.

The Oversight Board is composed of the following members:

- Angelo Renoldi, (Independent) Director, as Chairman;
- Alfredo Messina, Senior Deputy Chairman of Mediolanum S.p.A.;
- Ettore Parlato Spadafora, Head of the Group’s Legal Affairs Department.

Investor Relations

Mediolanum has an **Investor Relations** office, under the responsibility of the Chief Executive Officer, and headed by the Investor Relations Manager. This office is responsible for dealing with institutional Investors and contributes to compliance with market disclosure requirements for *price sensitive* information pursuant to the regulations in force.

In that respect, in accordance with the provisions of art. 114 of the Consolidated Finance Act, upon the Board of Directors adoption of rules governing the management of confidential information, the Group’s instructions for the accurate and prompt disclosure to the market of *price sensitive* information were issued and subsequently updated.

The **Corporate Affairs Department** is responsible for dealing with all investors other than institutional investors especially with respect to corporate information.

As to General Meetings, the action of the Board of Directors is aimed at maximizing shareholders’ attendance and taking the General Meeting as an occasion to communicate company information to the shareholders.

In addition, the Ordinary General Meeting (April 12, 2001) adopted the **Rules and Regulations of the General Meetings**. The Rule and Regulations can be downloaded from the company’s website.

Dividend Distribution Policy

During 2005 financial year the Company established a dividend distribution policy, resolving, according to a positive course of business, the interim distribution of dividend.

In November 18, 2005, in facts, the Company resolved to distribute the interim dividend for the 2005 financial year, amounting to euro 61.822.135,23, for a gross amount of euro 0,085 per share of nominal value equal to euro 0,10.

Board of Statutory Auditors

The Board of Statutory Auditors held 12 meetings in 2005. Article 27 of the Bylaws provides that nomination lists for the election of the Board of Statutory Auditors, accompanied by the résumés of nominees and the declaration whereby they warrant they meet professional, ethical and independence requirements, be submitted no later than five days prior to the date of the General Meeting.

The members of the Board of Statutory Auditors, that will expire at the General Meeting convened to approve the financial statements for the year ending December 31, 2007 – are as follows:

Mauri Arnaldo - Chairman;

Frattini Achille – Standing Auditor;

Giampaolo Francesco Antonio - Standing Auditor;

Gatti Ferdinando – Alternate Auditor;

Vittadini Francesco - Alternate Auditor.

Finally, we inform you that the Chairman of the Board of Statutory Auditors Prof. Arnaldo Mauri does not hold any positions as Director or Statutory Auditor in any other Italian listed companies, the Standing Auditor Achille Frattini is the Chairman of the Board of Statutory Auditors of

Arnoldo Mondadori Editore S.p.A. and of Mediaset S.p.A., as well as Standing Auditor of GEOX S.p.A., while the other Standing Auditor Francesco Antonio Giampaolo is Standing Auditor of Mediaset S.p.A..

3. ANNUAL REPORT ON POSITIONS HELD BY DIRECTORS UNDER ART. 1.3 OF THE CORPORATE CODE FOR LISTED COMPANIES

In compliance with the Corporate Code for Listed Companies, on March 27, 2006, the Board of Directors of the company verified the positions as Director or Statutory Auditor held by Directors in other companies outside the Mediolanum Group which are listed on regulated exchanges, including exchanges located outside Italy, in financial companies, banks, insurance companies or companies of a material size. The positions were:

ROBERTO RUOZI - Chairman

Chairman of the Board of Directors of:

- Palladio Finanziaria S.p.A.
- Axa Assicurazioni S.p.A.
- Axa Interlife S.p.A.
- Axa Sim S.p.A.
- Uap Vita S.p.A.
- Touring Club Italiano (Association)
- Touring Servizi S.r.l.
- Touring Editore S.r.l.
- Punto Touring S.r.l.
- Retelit S.p.A. (formerly Eplanet S.p.A.)
- Polis Fondi SGR p.A.

Member of the Board of Directors of:

- Mediaset S.p.A.
- Indesit Company S.p.A.
- Lanificio Fratelli Cerruti S.p.A.
- Gewiss S.p.A.
- Data Service S.p.A.
- L’Oreal Italia S.p.A.
- Air Liquide Italia S.p.A.
- Cinefund SGR p.A.

Chairman of the Board of Statutory Auditors of:

- Borsa Italiana S.p.A.
- Monte Titoli S.p.A.

ALFREDO MESSINA – Senior Deputy Chairman

Chairman of the Board of Directors and Chief Executive Officer of:

- Mediolanum Assicurazioni S.p.A;

Chairman of the Board of Directors of:

- Vacanze Italia S.p.A.
- Pagine Italia S.p.A.

Member of the Board of Directors of:

- Mediaset S.p.A.
- Gestelevision Telecinco S.A.
- Molmed S.p.A.

EDOARDO LOMBARDI – Deputy Chairman

Chief Executive Officer of:

- Mediolanum Assicurazioni S.p.A.

Member of the Board of Directors of:

- Banca Esperia S.p.A.
- Istituto Europeo di Oncologia

ENNIO DORIS – Chief Executive Officer

Chief Executive Officer of:

- Mediolanum Assicurazioni S.p.A.

Member of the Board of Directors of:

- Banca Esperia S.p.A.
- Mediobanca S.p.A.
- Fondazione Centro S. Raffaele del Monte Tabor
- Safilo Group S.p.A.

MARINA BERLUSCONI - Director

Chairman of the Board of Directors of:

- Arnoldo Mondadori Editore S.p.A.
- Fininvest S.p.A.

Member of the Board of Directors of:

- Mediaset S.p.A.
- Medusa Film S.p.A.
- 21 Investimenti S.p.A.

PASQUALE CANNATELLI – Director

Chief Executive Officer of:

- Fininvest S.p.A.

Member of the Board of Directors of:

- Arnoldo Mondadori Editore S.p.A.
- A.C. Milan S.p.A.
- Mediaset S.p.A.
- Medusa Film S.p.A.
- Pagine Utili S.r.l.
- Publitalia 80 S.p.A.
- Capitalia S.p.A.

MASSIMO ANTONIO DORIS – Director

He does not hold any material position in companies outside the Group

BRUNO ERMOLLI - Director

Chairman of the Board of Directors of:

- Medusa Film S.p.A.

Member of the Board of Directors of:

- Fininvest S.p.A.
- Mediaset S.p.A.
- Mondadori S.p.A.
- Member of Central Commission of Charity of Fondazione Cariplo

MARIO MOLTENI - Director

He does not hold any material position in companies outside the Group

ANGELO RENOLDI – Director

Member of the Board of Directors of:

Editoriale Domus S.p.A.

Member of the Board of Supervisory Auditors of:

Saf Wood S.p.A. – a Company listed to Alternext, Paris

PAOLO SCIUMÈ – Director

Deputy Chairman of the Board of Directors of

- Cremonini S.p.A.

ANTONIO ZUNINO - Director

He does not hold any material position in companies outside the Group

Basiglio, Milano 3, March 27, 2006

on behalf of the Board of Directors

The Chairman

Roberto Ruozi

Board of Directors						Internal Audit Committee ●		Compensation Committee ◆	
Position	Member	Executive	Non Executive	Independent	Number of other positions **	***	****	***	****
Chairman	Ruozzi Roberto			∇	21				
Senior Deputy Chairman	Messina Alfredo	∇			6				
Deputy Chairman	Lombardi Edoardo	∇			3				
Chief Executive Officer	Doris Ennio	∇			5				
Director	Berlusconi Marina		∇		5				

Director	Cannatelli Pasquale		∇		8				
Director	Doris Massimo Antonio		∇		-				
Director	Bruno Ermolli		∇		5				
Director	Molteni Mario			∇	-	∇	75%		
Director	Renoldi Angelo			∇	2	∇	100%		
Director	Sciumè Paolo		∇		1	∇	100%		
Director	Zunino Antonio		∇		-				

● Brief comment on the absence of the Committee or on a composition different from that recommended in the Code:

◆ Brief comment on the absence of the Committee or on a composition different from that recommended in the Code:

SCHEDULE 1: MEMBERSHIP OF THE BOARD OF DIRECTORS AND OF THE COMMITTEES

Number of meetings held during the year	Board of Directors: 9	Internal Audit Committee: 4	Compensation Committee: -
--	------------------------------	------------------------------------	----------------------------------

NOTES

* An asterisk means that the director was elected from a nomination list presented by minority shareholders.

**This column indicates the number of directorships or positions as statutory auditor held by the specific member in other companies listed on

regulated exchanges, including exchanges located outside Italy, in financial companies, banks, insurance companies or companies of a material size.

The positions are detailed in the Corporate Governance Report.

*** An "X" in this column indicates the membership of the Board Director on the Committee.

**** This column shows the percentage of Committee meetings attended by directors.

SCHEDULE 2: BOARD OF STATUTORY AUDITORS

<u>Position</u>	Name	Attendance of Board of Statutory Auditors Meetings	Number of other positions**
Chairman	Mauri Arnaldo	100%	0
Standing Auditor	Frattini Achille	100%	3
Standing Auditor	Giampaolo Francesco Antonio	100%	1
Number of meetings held during the year: 12			
Indicate the percentage of shares required of minority shareholders to present lists for the election of one or more statutory auditors (article art. 148 of the Consolidated Finance Act): 3%			

NOTE

* An asterisk means that the statutory auditor was elected from a nomination list presented by minority shareholders.

**This column indicates the number of directorships or positions as statutory auditor held by the specific member in other companies listed on regulated exchanges in Italy. The positions are detailed in the Corporate Governance Report.

SCHEDULE 3: OTHER CODE OF CONDUCT REQUIREMENTS

	YES	NO	Brief description of any reasons for any departures from the Code recommendations
<u>Delegation of powers and related party transactions</u>			
Has the Board of Directors delegated powers and defined:			
a) limits	√		
b) manner of exercising powers	√		
c) and frequency of reports?	√		
Has the Board of Directors reserved for itself the authority to review and approve transactions which may have a material impact on earnings, financial positions and equity (including related party transactions)?	√		
Has the Board of Directors established guidelines and criteria for the identification of “significant” transactions?	√		

Have the guidelines and criteria above been described in the report?	√		
Has the Board of Directors established procedures for reviewing and approving related party transactions?	√		
Have the procedures for the approval of related party transactions been described in the report?	√		
<u>Procedures for the most recent election of directors and statutory auditors</u>			
Were nominations for directorships received at least ten days in advance?		√	The Bylaws set out a different term.
Did nominations for directorships include exhaustive information?	√		
Did nominations for directorships include evidence as to the suitability of the nominee as an independent director?	√		
Were nominations for statutory auditors received at least ten days in advance?		√	The Bylaws set out 5 days in advance.

Did nominations for statutory auditors include exhaustive information?	∇		
General Meetings			
Has the company approved Rules and Regulations for the General Meetings?	∇		
Have the Rules and Regulations been attached to the Report (or does it indicate where the Rules and Regulations can be obtained/ downloaded)?	∇		
Internal Audit			
Has the company appointed officers in charge of internal audit?	∇		
Are these officers independent of heads of operating functions?		∇	Pursuant to the provisions of the shareholders' agreement.
Department responsible for internal audit (art. 9.3 of the Code)	INTERNAL AUDIT		
Investor relations			
Has the company appointed an Investor Relations Manager?	∇		

Investor Relations Manager's details (address/phone/fax/e-mail)

Alessandra Lanzone

Investor Relations Manager

fax:+39-02-9049-2413

e-mail: investor.relations@mediolanum.it