
**BOARD OF DIRECTORS' REPORT
TO THE ORDINARY
SHAREHOLDERS' MEETING
OF 19 APRIL 2012:**

4. Report on the remuneration policies

Board of Directors' Report
to the Ordinary Shareholders' Meeting convened on 19 April 2012 on first
call and 20 April 2012 on second call

To the Shareholders:

You have been called to the ordinary Shareholders' Meeting in order to resolve, among other things, on the following issue:

4. Report on the remuneration policies

As in the Shareholders' Meeting of the previous year, Mediolanum S.p.A. intends to submit to the examination of the Shareholders' Meeting the attached Report on the remuneration policies of the Mediolanum Financial Conglomerate.

This report, which in 2011 was based, inter alia, on amended Art. 7 of the Corporate Governance Code for listed companies - now Art. 6 of the Code as modified in December 2011 - takes into account the amended regulatory context following issuance of CONSOB Resolution 18049, which introduced Art. 84-*quater* of the Issuers' Regulation as regards the Report on Remuneration.

On this issue, therefore, we invite you to make the following resolutions:

"The Shareholders' Meeting:

- having examined the report by the Board of Directors;

resolves

favourably - pursuant to Art. 123-*ter*, paragraph 6 of the Consolidated Law on Finance and any other applicable law and regulation - on the contents of the illustrative report presented by the Board of Directors."

Milano 3, 22 March 2012

(illegible signature)
For the Board of Directors
The Chairman
(Roberto Ruozi)

Mediolanum S.p.A.

Board of Directors' Report
on the Remuneration Policies

Pursuant to Art. 123-*ter* of Italian Legislative Decree no. 58 of 24 February 1998 and Art. 84-*quater* of CONSOB Regulation 11971, chart 7-*bis* of relative Attachment 3A

1 OBJECTIVE AND STRUCTURE OF THE DOCUMENT

Pursuant to Article 123-ter of Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on finance), information for the Shareholders' Meeting of Mediolanum S.p.A. regarding implementation of the remuneration and incentive policies for the year 2011 is provided below.

The report is drawn up in accordance with chart 7-bis of Attachment 3A of the CONBOB Issuers' Regulation 11971 and is broken down into two sections:

- **SECTION I:**

- illustrates the Company's remuneration policy as regards members of the supervisory and management boards, the general managers and the key managers, with reference to at least the previous year;
- illustrates the procedures used to adopt and implement said policy.

- **SECTION II:**

- provides adequate representation of each of the items comprising remuneration, including the remuneration envisaged in the event of termination of office or of the employment agreement, highlighting the consistency with the company's remuneration policy approved the previous year;
- analytically illustrates the remuneration paid during the year in question for any reason and in any form by the Company and by subsidiary or associated Companies, indicating any components of said remuneration that refer to activities carried out in previous years and highlighting the remuneration to be paid in one or more subsequent years for activities performed during the reference year, providing an estimate for the components that are not objectively quantifiable during the year in question.

The report is also made available on the Company's website (www.mediolanum.com) under: "Investor Relations/Corporate Governance/assembleadegliazionisti".

2 SECTION I

2.1 Roles and responsibilities of bodies and individuals involved in the process of drawing up and implementing the remuneration policies

A detailed description of the bodies and individuals involved in drawing up and approving the remuneration policies is provided below, specifying the respective roles, as well as the bodies or individuals responsible for proper implementation of said policy.

2.1.1 *Shareholders' Meeting*

The Ordinary Shareholders' Meeting of Mediolanum S.p.A., in application of the provisions of the Remuneration Policies of Financial Conglomerate Mediolanum S.p.A. (hereinafter also "Remuneration policies"), as well as the relative regulatory framework in effect, in order to increase the level of awareness and monitor overall costs, benefits and risks of the pre-established remuneration and incentive system:

- resolves for or against the Remuneration policies drawn up the Board of Directors. This resolution is not binding and the result of the vote is disclosed to the public;
- receives adequate reporting on implementation of the Remuneration policies, with the objective of examining the actual application methods for said policies, with particular regard to the variable components and to evaluating consistency with the guidelines and objectives defined.

2.1.2 *Board of Directors*

The Board of Directors adopts and re-examines, at least annually, the Remuneration policies at the Financial Conglomerate level and with respect to Mediolanum S.p.A. and is responsible for their proper implementation.

It ensures that the Remuneration policies are appropriately documented and:

- sent to the Shareholders' Meeting for the required resolution;
- accessible within the company.

Through the Remuneration Committee, as well as the relevant company functions identified in the Remuneration policies, it:

- draws up the Regulations for the Compensation plan based on the assignment of stock options for Mediolanum S.p.A. shares;
- has the power to establish any additional individual objectives for each Recipient, with exercising of the options subject to achievement of said objectives;
- implements and administers the Compensation plan, including the identification of recipients, determination of the number of options attributable to each, the vesting period, the Two/Three-Year Performance Targets, and any individual objectives, as well as the completion of any documents, requirements, formalities and communications necessary or appropriate for management and/or implementation of the Plan;
- identifies, upon proposal by the Remuneration Committee, the recipients of the Compensation Plan, for the Company and for the Subsidiaries;
- establishes the number of options to be assigned to each recipient of the Compensation plan, according to:
 - the role held by each recipient and the compensation received by the Directors in particular;
 - the organisational position, responsibilities and professional competencies for recipients other than Directors;
 - the strategic value of the individual recipient and their capacity to influence the future creation of value for the shares of the Company or the Group;
- manages amendments/additions to the Compensation plan (and relative Regulations) that it deems useful or necessary for better pursuit of the relative objectives, assuming these changes do not jeopardise the rights assigned to the recipients of the Plan;
- following implementation of the policies adopted:
 - is informed on achievement of the objectives established for recognition of the incentive component linked to economic parameters for Directors charged with special tasks, the Managing Director, Company Executives, employees and other staff not bound to the Company - or to subsidiary and/or associate companies - by an employment agreement;
 - verifies consistency of the Remuneration policies with respect to sound and prudent management and the Company's long-term strategies;
 - assesses and approves any proposals to amend the remuneration and incentive policies, submitted for examination by the Ordinary Shareholders' Meeting as well as in accordance with the implementation regulations;
 - approves reports for the Ordinary Shareholders' Meeting as regards implementation of the Remuneration policies for the entire company.

2.1.3 *Managing Director*

The Managing Director, as part of the ordinary and extraordinary management powers

attributed to him¹:

- has the power to make proposals regarding the Remuneration policies of the Financial Conglomerate and of Mediolanum S.p.A.;
- arranges adaptation of the remuneration system and implementation based on the Policies approved by the Board of Directors. With regard to Companies of the Financial Conglomerate, the Managing Director communicates the Remuneration policies to the Governing Bodies of said Companies, for their application by the corresponding roles within Subsidiaries, upon formalisation of specific company documentation to submit for approval by the respective Shareholders' Meetings, where expressly mandatory;
- receives from the relevant structures reports regarding the following:
 - the status of application of the remuneration and incentive policies (including implementation of any financial instrument-based incentive plans) in favour of the various company roles, summarising the compensation resolved and rights accrued in favour of the recipients of the aforementioned policies;
 - controls carried out on implementation of the Remuneration policies and any proposals for their amendment;
 - if applicable, the results of statistical surveys on development of the remuneration policies and the company's positioning with respect to the market.

2.1.4 *Manager responsible for preparing the financial statements*

The Manager responsible for preparing the financial statements, also with the collaboration of unit 262, which reports directly to him hierarchically, oversees preparation of the appropriate administrative-accounting procedures with respect to drawing up of the Notes to the Financial Statements and, in particular, in relation to disclosure of the compensation paid to members of the Governing and Control Bodies and the General Managers (where appointed), for any purpose and in any form, even from Subsidiaries. The aforementioned administrative-accounting procedures are also verified in terms of effective application.

2.1.5 *Planning and management control*

This unit contributes to defining the Remuneration policies, providing, upon request by the relative Bodies and Departments, data and information used to determine the objectives assigned to those individuals within the company whose remuneration also contains a variable portion linked to expected results, as well as for verification of the results achieved by the same.

2.1.6 *Functions outsourced to Banca Mediolanum S.p.A.*

To carry out some technical activities also with respect to the remuneration and incentive systems, Mediolanum S.p.A. has stipulated service agreements with subsidiary Banca Mediolanum S.p.A., in order to optimise on the Group's synergies and competences.

2.1.6.1 Human resources

The Human Resources Department collaborates with the relevant bodies and departments of Mediolanum S.p.A. and Banca Mediolanum S.p.A. (for the functions outsourced to this Company) in defining the Remuneration policies, taking into consideration the legislation on this matter, studying the market trends and practices, and examining the National Collective Labour Agreements adopted and the internal supplementary agreements in force, as negotiated with the Unions.

¹ See Art. 24 of the Articles of Association.

Furthermore, also with the support of the company functions involved, it:

- identifies and proposes possible indicators to use to estimate the fixed and variable components of total remuneration, in accordance with the criteria outlined by best practices and by the supervisory provisions (where applicable) and taking into account the positions taken and duties assigned to each company member;
- carries out statistical analyses on remuneration trends and on the company's positioning in the reference market;
- verifies the progress of application of the remuneration and incentive policies;
- handles, in accordance with the internal guidelines, the technical aspects linked to formulation and application of the plans based on financial instruments;
- proposes modifications to the Remuneration policies following internal organisational changes and/or changes to the reference context;
- defines and implements the self-assessment process for "key personnel";
- verifies the impact of an update in the Remuneration policies on the current remuneration system, highlighting any critical factors in the application of the new policies.

2.1.6.2 Risk control and Risk Assessment & Mitigation

These organisational units contribute to defining the remuneration and incentive policies, formulating, upon request by the relative bodies and departments, opinions on the adoption of the appropriate performance measurement indicators, able to reflect the Bank's profitability over time and take into account all risks, both current and future, the cost of capital and the liquidity necessary to handle the activities undertaken.

2.1.6.3 Internal Auditing

The Internal Auditing department periodically verifies the methods through which compliance of the remuneration policies with regulations is ensured within the Company.

The results and any anomalies identified are reported to the relevant bodies and departments of Mediolanum S.p.A. in order to take action for improvement, as well as following a relevancy assessment and, where expressly envisaged, to prepare the appropriate report for the Shareholders' Meeting.

2.1.7 *Remuneration committee*

The Remuneration Committee of Mediolanum S.p.A. consists of 3 non-executive directors, of which 2 are independent.

It has proactive, advisory and analysis functions, through the formulation of proposals, recommendations and opinions, with the objective of permitting the Board of Directors to adopt its decisions with greater awareness.

Furthermore, for the fulfilment of its duties, it has a budget approved in advance by the Board of Directors.

The Remuneration Committee:

- presents to the Board of Directors proposals for the remuneration of Managing Directors and other Directors charged with special tasks, monitoring application of the decisions adopted by the Board;
- periodically evaluates the criteria adopted for the remuneration of Key Managers, supervising their application based on information provided by the Managing Directors and making general recommendations to the Board of Directors;
- draws up the regulation governing all aspects of the Stock Option Plan, submitted for approval by the Board of Directors;

- manages all of the necessary initiatives for implementation of the Stock Option Plan, including identification of the Recipients, determination of the number of stock options assigned to each and the relative exercise conditions;
- defines any performance objectives of an economic and/or financial nature to which exercising of the options assigned to the Recipients will be subject.

2.2 Purpose and objectives of the remuneration policies

The remuneration policies defined by Mediolanum S.p.A. aim to attract and retain key individuals with the appropriate professionalism and capabilities to meet the company's needs, as well as to provide an incentive to increase commitment for the improvement of company performance through personal satisfaction and motivation.

Furthermore, application of the Remuneration policies permit better alignment of the interests of both Shareholders as well as management of Mediolanum S.p.A. over the short-term, through maximisation of value creation for Shareholders, and over the long-term, through careful management of company risks and the pursuit of long-term strategies.

In this respect, remuneration and incentive criteria based on objective performance-linked parameters in line with medium to long-term objectives represent the tool to best stimulate commitment by all individuals and consequently satisfy the interests of Mediolanum S.p.A.

2.2.1 *Main changes compared to the previous financial year*

In 2011, in addition to what was already adopted, the Company envisaged:

- disbursement of the variable component linked to a performance indicator measured net of risk, on a long-term basis. In particular, the Company decided to adopt the RORAC (return on risk adjusted capital), defined by the Financial Conglomerate, as the indicator that takes into account the risk assumed in relation to the activity undertaken;
- introduction of a self-assessment process aimed at identifying categories of personnel whose professional activities have or may have a significant impact on the Company's risk profile (the so-called "key personnel").

2.3 Remunerative structure: fixed component and incentive

The remunerative structure adopted envisages a **fixed component**, which remunerates the role covered and the spectrum of responsibilities, reflecting the required experience and capabilities for each position, as well as the level of excellence demonstrated and the overall quality of the contribution to business results, and a possible **incentive component**, designed to recognise performance by establishing a direct link between remuneration and actual results achieved over the short, medium and long-term by the company and by the individual.

In this regard, it is specified that the Board of Directors has established, for the Company's top management (members of the governing bodies and key managers) a pay-mix structure that, except for the Deputy Vice Chairman, exclusively envisages a fixed component, as specified below:

Company role	Fixed component (*)	Short-term incentive (**)	Medium/long-term incentive (***)
Chairman of the Board of Directors	100%	0%	0%
Deputy Vice Chairman	59%	0%	41%
Vice Chairman	100%	0%	0%
Executive Directors	100%	0%	0%
Non-executive Directors	100%	0%	0%
Auditors	100%	0%	0%
Managing Director	100%	0%	0%
Manager responsible for preparing the financial statements	100%	0%	0%

(*) Estimated data referring exclusively to Mediolanum S.p.A. The average impact of the incentive component is calculated only for participants of the incentive plans.

(**) Short-term incentive values are those that may be disbursed upon 100% achievement of the individual and company objectives.

(***) Values refer to the assignment of the prior year.

The regulation and the financial instruments issued for the medium/long-term incentive are used not only for the aforementioned governing bodies and key managers of Mediolanum S.p.A., but also for Companies of the Mediolanum S.p.A. Financial Conglomerate.

2.3.1 *Fixed component*

The weight of the **fixed component** within the overall package is designed to reduce the risk of excessively risk-oriented behaviours, aiming to discourage initiatives focused on short-term results that could jeopardise sustainability and the creation of value over the medium and long-term.

In this respect, the Remuneration policies require that remuneration assigned by the Ordinary Shareholders' Meeting to the Directors upon appointment, as well as to the Auditors, be commensurate with the responsibilities, tasks and level of participation of the individual in meetings of the respective collective bodies, with assumption of all of the consequent responsibilities. The adoption of said parameters provides adequate support for and transparency to the remuneration assigned.

In particular:

- the Ordinary Shareholders' Meeting is the relevant body that resolves on the compensation owing to Directors upon appointment (with the power to determine the compensation for any Directors charged with special tasks), as well as to members of the Board of Statutory Auditors;
- the Board of Directors determines the remuneration for the Chairman, Vice Chairmen, and any Directors charged with special tasks (if this power is not exercised by the Meeting), as well as the total remuneration for the Managing Director;
- for employees, the provisions of the relative National Collective Labour Agreement and of the Supplementary Corporate Agreement are applied, as well the remuneration and incentive system, which considers the organisational weight of the positions held by

employees with reference to the relevant market situation and the available budget for the period;

- for staff not bound to the Company by an employment agreement, the provisions of the respective consulting contracts, project work and long-term consulting contracts are applied, in compliance with the internal authorisation system.

With regard to the last point, the remuneration of said contracts is determined by the Company, according to the benefits obtained from the work of the individual collaborator.

If the contract involves the providing of intellectual activities and organisational support, the remuneration levels offered by the reference market must be taken into consideration, also in relation to the qualitative value of the service and the professionalism of the collaborator.

If the contract involves the promotion of business or the sale of products, remuneration is determined based on the appropriate fee schedules, in accordance with the best practices adopted by the market and in compliance with regulations in force.

2.3.2 *Incentive component*

The **incentive component** mainly comprises variable remuneration, based on the incentive tools provided by the Group and broken down into two different components:

- short-term, on an annual basis and consisting of cash bonuses;
- medium/long-term, typically every three years and consisting of financial instruments.

The above components are received upon achievement of specific objectives correlated to parameters of both an economic as well as other nature. In particular:

- company objectives, based on achievement of the Target Consolidated Net Profit of the Mediolanum Group (defined at the financial conglomerate level) as the parameter that defines the annual variable remuneration for each participant of incentive plans (both short-term as well as medium/long-term);
- individual objectives, based on the following areas of assessment:
 - function objectives;
 - management expertise;
 - evaluation of skills and knowledge.

Under the incentive system, the indicators and relative values that are the objective of company results and individual objectives are defined for the year underway on an annual basis, following a summary of the previous year and definition of the company and departmental budgets.

2.3.2.1 Short-term component

The relative Plan under the short-term incentive system is aimed at Group management having an employment agreement with the Company. However, individual participation in the plan and determination of the individual target value (i.e. achievement of 100% of the company objective and 100% of the individual objectives) is defined by the Human Resources department, based on indications received from Company Management and in accordance with any relative provisions by the Group Remuneration policies, with particular reference to "Key personnel".

The incentive system envisages disbursement of the annual variable remuneration upon achievement of company objectives, according to a calculation that:

- expresses a value creation result;
- takes into account the current and future risks adopted in achieving performance;
- ensures that the level of disbursement is compatible and consistent with the budget limitations and objectives.

Furthermore, disbursement of the short-term variable component is subject to the achievement of individual performance objectives, which are assessed based on the Management Appraisal process. This tool is used by the Group to manage and improve performance at the management level,

enabling the assessment and development of management skills and the sharing and control of objectives and their level of achievement.

2.3.2.2 Medium/long-term component

With regard to the medium/long-term incentive component, implementation of the Plans provides the Company with the most effective tool in terms of offering incentives to and promoting loyalty by Directors, Executives and Collaborators who make a significant contribution to the success of the Company and the Group.

To this end, on 27 April 2010, the Shareholders' Meeting of Mediolanum S.p.A. approved the general guidelines for the shareholding plans designed for Directors, Executives and Collaborators of the Company and of the Subsidiaries, respectively referred to as the "Piano Top Management 2010" (Top Management Plan 2010) and "Piano Collaboratori 2010" (Collaborators Plan 2010)².

The defined plans:

- provide incentives to remaining with the Company for resources that play a significant role in the Company's and in the Group's success;
- link a substantial portion of the variable remuneration of recipients to the achievement of specific performance objectives, both individual and corporate, in order to align the interests of recipients with pursuit of the primary goal of value creation for shareholders over the medium/long-term;
- foster loyalty of recipients, developing their sense of belonging to the Company and the Group.

In particular, the Plans envisage the free assignment to recipients, in several annual cycles, of rights to purchase newly-issued common shares of Mediolanum S.p.A., in a ratio of one new share per option exercised.

2.3.2.3 Ratio of fixed and incentive component

The remuneration system adopted by Mediolanum S.p.A. for members of the governing bodies and Key Managers in 2011 involved a pay-mix in which the weight of the variable remuneration component was reduced, in order to ensure sound and prudent management and avoid the assumption of excessive risk aimed at achieving extreme levels of economic performance.

2.4 **Non-monetary benefits**

The fixed remuneration components include a benefit package with uniform characteristics for members of specific categories within the company (for example, executives), contributing to the creation of a system of internal equity and market competitiveness.

In general, special conditions for employees may also be applied in terms of access to the banking and financial products offered by the Companies that are part of the Financial Conglomerate, and supplementary systems for the institutional pension plans may be envisaged, such as those designed to provide employees and their families with health coverage.

Furthermore, for Directors and Executives, the Company provides a third-party liability insurance policy in order to protect them from claims for damages for non-fraudulent actions, with a specific maximum coverage per claim and per year.

2.5 **Performance objectives**

The system adopted envisages economic and non-economic parameters for the incentive components, as described below.

² See the Stock option regulations "Piano collaboratori 2010" and "Piano Top Management 2010", versions updated on 12 May 2011.

2.5.1 *Economic parameters*

The parameters identified as objectives of the incentive plan must possess specific characteristics: they must be easily identifiable, also with respect to their sources, and objectively measurable.

In this respect, Mediolanum S.p.A. identifies:

- short-term parameters established on an annual basis;
- medium/long-term parameters established on a three-year basis.

The relative implementation rules are defined by the Board of Directors through approval of the internal regulations.

2.5.2 *Non-economic parameters*

For non-economic parameters, the incentive component is based on an assessment that objectively considers the activities carried out by the individual (activities planned the prior year for the year of assessment, ordinary activities carried out by the structure, etc.) and qualitatively considers the effectiveness and efficiency of said activities.

In particular, also taking into account the Management Appraisal system adopted by the Company, the short-term and medium/long-term variable remuneration not linked to economic parameters, for company executives, heads of the supervisory functions and, in general, all other employees, is connected to the role held, the acquisition of skills, management of resources and client satisfaction, as well as other components of a qualitative nature.

2.5.3 *Link between the change in results and change in remuneration*

Given the economic parameters adopted, as well as the *ex-post* (malus) adjustment systems, the incentive system ensures an adequate link between the change in results and the change in remuneration.

In particular, the system envisages that the percentage of variable component that is disbursed (both short-term and long-term) be pegged to the percent achievement of the company objective, based on net profit of the Financial Conglomerate.

2.6 Criteria to assess performance objectives based on assignment/exercising of the stock options

Assessment of the individual performance objectives is based on the Management Appraisal process designed for Group management working under an employment agreement. With respect to the incentive plan, this process provides a tool to determine the individual objectives at the beginning of the year and to verify their achievement at the end of the period.

A valuation scale and the relative metrics are provided for each of the sections comprising the Management Appraisal. In general, each value of the scale is associated to a valuation. The valuations made on an annual basis are then grouped (through simple mean) to obtain the three-year objective achieved (starting from the date of assignment of the stock options) which will determine, subject to achievement of the company objective, the percentage of options that may be exercised.

The individual performance objectives are accompanied by the Group results (see paragraph 2.7).

2.7 Consistency between the remuneration policy, pursuit of the company's long-term interests and the risk management policy

Mediolanum S.p.A.'s remuneration policy ensures a strong correlation with pursuit of the Company's long-term interests, as well as with the risk management policy, as disbursement of the variable component for all participants of the long-term incentive plans is subject to:

- achievement of the target company objective in terms of consolidated net profit for the entire period of measurement of results;
- maintenance, at the Mediolanum Financial Conglomerate level, in the year in which the stock options are assigned and in subsequent years, of a specific "Return on risk adjusted capital" (RORAC) and an excess capital level with respect to the applicable pro-tempore capital requirements.

2.8 Vesting period, deferred payment systems and *ex-post* adjustment mechanisms

The Board of Directors is responsible for determining the vesting period for the long-term incentive system. Determination of the specific duration depends on achievement of the individual and company performance objectives and loyalty objectives, and is as follows:

- three years from the date of assignment of the options, for Directors and Executives;
- nine years from the date of assignment of the options, for Collaborators (plan established by Mediolanum S.p.A. in favour of Banca Mediolanum S.p.A.).

Exercising of the options and the consequent subscription of shares by recipients is allowed only after the vesting period, starting from the beginning of the year and for the subsequent three years. Exercising and subscription must take place during the exercise period, in a single solution and for the entire amount.

In particular, exercising of the options assigned in 2011 to recipients is subject to the following conditions:

- for the Top Management plan, achievement by the Company, at the consolidated level, during the year of assignment and in the two subsequent years, of a cumulative consolidated net profit determined by the Board of Directors and communicated to recipients in the assignment letter;
- for the "Collaborators" plan, achievement by the Company, at the consolidated level, during the year of assignment and in the subsequent year, of a cumulative consolidated net profit determined by the Board of Directors and communicated to recipients in the assignment letter;
- for both plans, maintenance by the Mediolanum Financial Conglomerate, in each year of the respective result measurement periods, of:
 - a "Return on risk adjusted capital" (RORAC) higher than the established level;
 - an excess of capital with respect to the applicable pro-tempore capital requirements;
- maintenance of the relationship between recipient and Company (or Subsidiaries) from the assignment date to the end of the vesting period.

In terms of timing, liquidation of the short-term and long-term incentive takes place upon approval of the Financial Statements for the last year of measurement of results on which determination of the amounts to be paid is based.

The system envisages that the percent variable component disbursed (both short-term and long-term) be pegged to the percent achievement of the company objective (Target consolidated net profit), according to specific calculation methods, distinguishing between long and short-term and communicated in advance to the participants of the plans.

The link between cumulative profit actually achieved and percent options exercisable is an appropriate *ex-post* (malus) adjustment mechanism.

2.9 Clauses to maintain financial instruments in the portfolio

The options assigned under the long-term incentive plans are personal, non-transferable and not available inter vivos, nor may they be used as collateral or guarantees in favour of the Company, subsidiaries or third parties, and they may not generally be the subject of any contract, including derivative contracts.

For the incentive plan for Directors and Executives, the Company requires the recipient to agree not to carry out and/or agree on and/or otherwise negotiate transfers, directly or indirectly, of 5% of the shares subscribed as a result of exercising the options.

The above obligation becomes effective starting from the date in which the shares are provided to the recipient and until one of the following events occurs:

- expiry of office for the Director or, for Executives, termination of the employment agreement;
- expiry of the third calendar year subsequent to the date in which the shares are provided to the recipient.

2.10 Compensation in the event of termination of service

In general, the pension and severance policy must be in line with the Company's strategy, objectives, values and long-term interests.

In the event of resignation, dismissal or advance termination of service with Mediolanum S.p.A., special compensation may be recognised for Directors based on results achieved, in exceptional cases and after careful evaluation.

Note that the Company has not made any specific agreements with respect to compensation in the event of advance termination of service or pension coverage other than the mandatory ones.

2.11 Remuneration policy with respect to the following, if applicable: (i) independent directors, (ii) participation in committees and (iii) the performance of specific tasks (chairman, vice chairman, etc.)

Directors who participate in Committees receive an increase in fixed remuneration and/or an attendance allowance.

The Deputy Vice Chairman and one executive Director participate in the "Top Management 2010" incentive plan and receive, as opposed to the other members of the Company's executive bodies and key managers, a variable component as well.

3 SECTION II

TABLE 1: Remuneration paid to members of the governing and supervisory bodies, general managers and other key managers.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Office	Period during which office held	Expiry of office (*)	Fixed remuneration	Remuneration for participation in committees	Non-equity based variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity-based remuneration	Indemnity at end of office or at termination of employment
						Bonuses and other incentives	Profit-sharing					
ROBERTO RUOZI	Chairman, Board of Directors	01/01/2011 to 31/12/2011	31/12/2013									
(I) Remuneration in company drawing up the financial statements				€100,000	0	0	0	0	0	€100,000	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0	0
(III) Total				€100,000	0	0	0	0	0	€100,000	0	0
ALFREDO MESSINA	Deputy Vice Chairman	01/01/2011 to 31/12/2011	31/12/2013									
(I) Remuneration in company drawing up the financial statements				€200,000	0	0	0	0	0	€200,000	€139,000	0
(II) Remuneration from subsidiaries and associates				€15,000	0	0	0	0	0	€15,000	0	0
(III) Total				€215,000	0	0	0	0	0	€215,000	€139,000	0

MASSIMO DORIS	Vice Chairman	01/01/2011 to 31/12/2011	31/12/2013									
(I) Remuneration in company drawing up the financial statements				€300,000	0	0	0	0	0	€300,000	0	0
(II) Remuneration from subsidiaries and associates				€641,427 ³	0	0	0	0	0	€641,427	0	0
(III) Total				€941,427	0	0	0	0	0	€941,427	0	0
ENNIO DORIS	Managing Director	01/01/2011 to 31/12/2011	31/12/2013									
(I) Remuneration in company drawing up the financial statements				€600,000	0	0	0	0	0	€600,000	0	0
(II) Remuneration from subsidiaries and associates				€351,233 ⁴	0	0	0	0	0	€351,233	0	0
(III) Total				€951,233	0	0	0	0	0	€951,233	0	0
LUIGI BERLUSCO NI	Director	01/01/2011 to 31/12/2011	31/12/2013									
(I) Remuneration in company drawing up the financial statements				€25,000	0	0	0	0	0	€25,000	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0	0
(III) Total				€25,000	0	0	0	0	0	€25,000	0	0
PASQUALE CANNATEL LI	Director	01/01/2011 to 31/12/2011	31/12/2013									
(I) Remuneration in company drawing up the financial statements				(**) €25,000	0	0	0	0	0	€25,000	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0	0
(III) Total				€25,000	0	0	0	0	0	€25,000	0	0
MAURIZIO CARFAGNA	Director	01/01/2011 to 31/12/2011	31/12/2013									
(I) Remuneration in company drawing up the financial statements				€25,000	0	0	0	0	0	€25,000	0	0
(II) Remuneration from subsidiaries and associates				€76,000 ⁵	€15,000 ⁶	0	0	0	0	€91,000	0	0
(III) Total				€101,000	€15,000	0	0	0	0	€116,000	0	0

³ Of which: for the office of Managing Director in Subsidiary: €300,000 and fixed remuneration as employee in Subsidiary: €341,427.

⁴ Of which: for office in Subsidiary: €200,000, for offices in Associates: €151,233.

⁵ Of which: for office in Subsidiary: €26,000 and for offices in Associates €50,000.

⁶ The remuneration indicated was resolved cumulatively for participation as member of the Remuneration Committee, the Internal Control Committee and the Loans Committee of an associated company (Banca Esperia).

BRUNO ERMOLLI	Director	01/01/2011 to 31/12/2011	31/12/2013										
	Chairman, Remuneration Committee	21/04/2011 to 31/12/2011	31/12/2013										
	Member, Remuneration Committee	01/01/2011 to 21/04/2011	21/04/2011										
(I) Remuneration in company drawing up the financial statements				€25,000	€5,000 ⁷	0	0	0	0	0	€30,000	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0	0	0
(III) Total				€25,000	€5,000	0	0	0	0	0	€30,000	0	0
EDOARDO LOMBARDI	Director	01/01/2011 to 31/12/2011	31/12/2013										
(I) Remuneration in company drawing up the financial statements				€25,000	0	0	0	0	0	0	€25,000	0	0
(II) Remuneration from subsidiaries and associates				€878,000	0	0	0	0	(a) €148,030	€1,026,030	€471,500	0	0
(III) Total				€903,000	0	0	0	0	€148,030	€1,051,030	€471,500	0	0
MARIO MOLTENI	Director	01/01/2011 to 31/12/2011	31/12/2013										
	Member, Internal Control Committee	21/04/2011 to 31/12/2011	31/12/2013										
	Member, Remuneration Committee	01/01/2011 to 31/12/2011	31/12/2013										
(I) Remuneration in company drawing up the financial statements				€25,000	€19,000 ⁸	0	0	0	0	0	€44,000	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0	0	0
(III) Total				€25,000	€19,000	0	0	0	0	0	€44,000	0	0
DANILO PELLEGRINO	Director	01/01/2011 to 31/12/2011	31/12/2013										
(I) Remuneration in company drawing up the financial statements				(**) €25,000	0	0	0	0	0	0	€25,000	0	0
(II) Remuneration from subsidiaries and associates				(**) €21,000	0	0	0	0	0	0	€21,000	0	0
(III) Total				€46,000	0	0	0	0	0	0	€46,000	0	0

⁷ Of which: as Chairman of the Remuneration Committee (for the period in which he held the office), remuneration of €4,000; as member of the Remuneration Committee (for the period in which he held the office), remuneration of €1,000.

⁸ Of which: as member of the Internal Control Committee: €14,000; as member of the Remuneration Committee: €5,000.

ANGELO RENOLDI	Director	01/01/2011 to 31/12/2011	31/12/2013									
	Chairman, Surveillance & Control Body (Leg. Decree 231/2001)	01/01/2011 to 31/12/2011	31/12/2013									
	Chairman, Internal Control Committee	21/04/2011 to 31/12/2011	31/12/2013									
	Member, Remuneration Committee	01/01/2011 to 31/12/2011	31/12/2013									
	Member, Internal Control Committee	01/01/2011 to 21/04/2011	21/04/2011									
(I) Remuneration in company drawing up the financial statements				€25,000	€44,000 ⁹	0	0	0	0	€69,000	0	0
(II) Remuneration from subsidiaries and associates				€45,000	€35,000 ¹⁰	0	0	0	0	€80,000	0	0
(III) Total				€70,000	€79,000	0	0	0	0	€149,000	0	0
PAOLO SCIUME'	Director	01/01/2011 to 31/12/2011	31/12/2013									
	Member, Internal Control Committee	21/04/2011 to 31/12/2011	31/12/2013									
(I) Remuneration in company drawing up the financial statements				€25,000	€14,000	0	0	0	0	€39,000	0	0
(II) Remuneration from subsidiaries and associates				€36,083	€10,000	0	0	0	(b) €13,277	€59,360	0	0
(III) Total				€61,083	€24,000	0	0	0	€13,277	€98,360	0	0
ANTONIO ZUNINO	Director	01/01/2011 to 31/12/2011	31/12/2013									
(I) Remuneration in company drawing up the financial statements				€18,750	0	0	0	0	0	€18,750	0	0
(II) Remuneration from subsidiaries and associates				€117,750	0	0	0	0	0	€117,750	0	0
(III) Total				€136,500	0	0	0	0	0	€136,500	0	0
EZIO SIMONELLI	Chairman, Board of Statutory Auditors	01/01/2011 to 31/12/2011	31/12/2013									
(I) Remuneration in company drawing up the financial statements				€80,000	0	0	0	0	0	€80,000	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0	0
(III) Total				€80,000	0	0	0	0	0	€80,000	0	0

⁹ Of which: Chairman of the Surveillance & Control Body (Legislative Decree 231/2001) €25,000; Chairman of the Internal Control Committee (for the period in which he held the office) €10,000; member of the Internal Control Committee: €4,000; member of the Remuneration Committee €5,000.

¹⁰ Of which: Chairman of the Surveillance & Control Body (Legislative Decree 231/2001) of Subsidiaries €30,000; member of the Remuneration Committee of Subsidiary €5,000.

RICCARDO PEROTTA	Permanent Auditor	01/01/2011 to 31/12/2011	31/12/2013									
(I) Remuneration in company drawing up the financial statements				€53,333	0	0	0	0	0	€53,333	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0	0
(III) Total				€53,333	0	0	0	0	0	€53,333	0	0
FRANCESCO VITTADINI	Permanent Auditor	01/01/2011 to 31/12/2011	31/12/2013									
(I) Remuneration in company drawing up the financial statements				€53,333	0	0	0	0	0	€53,333	0	0
(II) Remuneration from subsidiaries and associates				€41,767	0	0	0	0	0	€41,767	0	0
(III) Total				€95,100	0	0	0	0	0	€95,100	0	0
(***) KEY MANAGERS 01/01/2011 to 31/12/2011				€672,163	0	0	0	€825	0	€672,988	0	0

(*) The expiry date refers to the Shareholders' Meeting that will approve the Financial Statements for the year indicated.

(**) Amount transferred to the individual's company.

(***) Figures regarding the Key Managers are indicated at the aggregate level.

(a) professional service provided by a subsidiary company.

(b) compensation paid to Studio Associato.

3.1 TABLE 2: Stock options assigned to members of the governing body, General Managers and other Key Managers

A	B	(1)	Options held at beginning of year			Options assigned during year						Options exercised during year			Options expired during year (14)	Options held at end of year (15)	Options relating to the year (16)
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)			
Name and surname	Office	Plan	Number of options	Exercise price	Possible exercise period (from-to)	Number of options	Exercise price	Possible exercise period (from-to)	Fair value at assignment date	Assignment date	Market price of underlying shares upon assignment of options	Number of options	Exercise price	Market price of underlying shares at exercise date	Number of options	Number of options	Fair value
ALFRED OMESSINA	Deputy Vice Chairman	"Top Management 2010"															
(1) Remuneration in company drawing up the financial statements	Resolution date: 27/04/2010		139,000	159,931	09/07/2013 - 08/07/2016	139,000	149,564	13/05/2014 - 12/05/2017	139,000	12/05/2011	549,606	0	-	-	0	278,000	67,307

EDOARDO LOMBARDI	Director	"Top Management 2010"															
(1) Remuneration from subsidiaries and associates	Resolution date: 27/04/2010		471,500	532,323.5	09/07/2013 - 08/07/2016	471,500	507,334	13/05/2014 - 12/05/2017	471,500	12/05/2011	1,864,311	0	-	-	0	943,000	228,311

4 Equity investments

Information on the equity investments held by members of the governing and control bodies, the general managers and key managers in the Company and its Subsidiaries is provided in the table below.

In particular, the table indicates the names of the members of the governing and control bodies and general managers, and refers to the other key managers cumulatively, for each subsidiary, as well as the number of shares, subdivided by category:

- held at the end of the prior year;
- acquired during the year in question;
- sold during the year in question;
- held at the end of the year in question.

The type/method of possession is specified as well. All individuals who during the year in question held the office of member of the governing and control body, general manager or key manager, even for part of the year, are included.

TABLE 1: Equity investments of members of the governing and control bodies and of the General Managers

NAME AND SURNAME	OFFICE	SUBSIDIARY	NUMBER OF SHARES HELD AT END OF PRIOR YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT END OF CURRENT YEAR
Alfredo Messina	Deputy Vice Chairman	Mediolanum S.p.A.	(pd) 303,000	0	0	303,000
Massimo Doris	Vice Chairman	Mediolanum S.p.A.	(pi) 14,507,180 (c) 7,000	0 0	0 0	14,507,180 7,000
Ennio Doris	Managing Director	Mediolanum S.p.A.	(pd) 23,119,070 (pi) 149,009,557 (u)(*) 46,260,000 (c) 48,635,895	444,000 0 0 1,066,401	0 0 0 0	23,563,070 149,009,557 46,260,000 49,702,296
Maurizio Carfagna	Director	Mediolanum S.p.A.	(pd) 122,500 (pi) 0 (c) 2,000	0 30,000 0	37,500 0 0	85,000 30,000 2,000
Bruno Ermolli	Director	Mediolanum S.p.A.	(c) 14,500	0	0	14,500
Edoardo Lombardi	Director	Mediolanum S.p.A.	(pd) 292,000	0	0	292,000

TABLE 2: Equity investments of other Key Managers

NUMBER OF OTHER KEY MANAGERS	SUBSIDIARY	NUMBER OF SHARES HELD AT END OF PRIOR YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT END OF CURRENT YEAR
1	Mediolanum S.p.A.	305,300	0	0	305,300

(so) stock option exercise

(pd) direct investment

(pi) indirect investment

(u) usufruct

(c) spouse

(*) joint usufruct with spouse Lina Tombolato

5 Attachments

5.1 Attachment 1: Remuneration policies of the Mediolanum S.p.A. Financial Conglomerate

Mediolanum S.p.A.

Remuneration policies of the
Mediolanum S.p.A.
Financial Conglomerate

*Version approved by the Board of Directors
of Mediolanum S.p.A. on 22 March 2012*

REMUNERATION POLICIES OF THE MEDIOLANUM S.p.A. FINANCIAL CONGLOMERATE

GENERAL CONSIDERATIONS

I - OBJECTIVE AND STRUCTURE OF THE DOCUMENT

This document describes and illustrates the remuneration and incentive policies¹ adopted by the Mediolanum Financial Conglomerate² in order to ensure an adequate level of transparency on significant aspects of corporate governance and market disclosure.

In particular, in addition to what is outlined under the general considerations and in the reference context, this document is divided into two sections, the main contents of which are as follows:

- APPLICATION PROFILES FOR THE MEDIOLANUM FINANCIAL CONGLOMERATE, which contains the general remuneration guidelines and principles defined by Mediolanum S.p.A. and applicable to all Companies of the Financial Conglomerate, as they are compatible with the local regulatory framework and with the supervisory provisions applicable to said Companies (the so-called "application profiles");
- REMUNERATION POLICIES OF MEDIOLANUM S.p.A., which contain the remuneration and incentive policies defined and drawn up for Mediolanum S.p.A.

II - RECIPIENTS AND IMPLEMENTATION METHODS

In accordance with the roles and responsibilities assigned by law and by the by-laws currently in effect, as well as by company regulations, Mediolanum S.p.A.'s Board of Directors implements the Remuneration Policies within the company and disseminates them to the Companies of the Financial Conglomerate via the Managing Director and through the appropriate internal and Group communications.

More specifically, implementation of the provisions contained in the Remuneration Policies involves the following:

- with regard to Mediolanum S.p.A., issuance of specific implementation provisions;
- with regard to the Subsidiaries, examination by the respective Governing and Control Bodies of the application profiles defined below and, where expressly required, their approval in specific documents to be submitted to the respective Shareholders' Meetings.

¹ Hereinafter, also "Remuneration Policies".

² Hereinafter, also "Financial Conglomerate".

REFERENCE CONTEXT

Remuneration of directors of listed companies and, in particular, of those holding executive roles, is an incentive mechanism and fundamental control to ensure the integrity and effectiveness of corporate governance mechanisms.

The attention of regulators has focused on this issue, both at the national level as well as in terms of international coordination, aiming to increase shareholder involvement in defining the remuneration policies and increasing transparency of the contents of these policies and their effective implementation.

At the European level, growing attention to this issue has resulted in a number of community initiatives that represent an important reference on remuneration, through the issuance of guidelines, principles and application standards. In particular, in 2004, the Commission issued an initial Recommendation (2004/913/EC) regarding the promotion of a suitable system for the remuneration of directors of listed companies and, in 2005, a second Recommendation (2005/162/EC) on the role of directors in non-executive positions or members of the supervisory board of listed companies and on committees of the Board of Directors or supervisory committees. More recently, the Commission issued Recommendation 2009/385/EC, which integrates the two prior Recommendations, applicable to all listed companies, and Recommendation 2009/384/EC, regarding remuneration policies in the financial sector.

At the national level, Italian Legislative Decree no. 259 of 30 December 2010, entitled: "Implementation of EC Recommendations 2004/913/EC and 2009/385/EC on the remuneration of directors of listed companies" introduces into the Consolidated Law on Finance Art. 123-*ter*, which requires companies with listed shares - starting from the Shareholders' Meeting to be convened in 2012 - to provide the public with a report on remuneration divided into two sections, at least 21 days prior to the annual Ordinary Shareholders' Meeting³.

The first section illustrates the remuneration policy for members of the governing body, general managers and key managers with respect to at least the subsequent year, and the procedures used for the adoption of said policy and its implementation.

The second section analytically illustrates the compensation paid during the year in question, for any reason and in any form, by the Company and Subsidiaries or Associates, reporting any portions of said compensation that refer to activities carried out in prior years, and highlighting the remuneration to be paid in one or more subsequent years for activities carried out during the year in question, providing, if applicable, an estimate for the components that cannot be objectively quantified during the year in question.

In terms of shareholder involvement, paragraph 3 of new Art. 123-*ter* of the Consolidated Law on Finance envisages that the Shareholders' Meeting express a non-binding vote on the first section of the report and that the voting results be publicly disclosed.

³ Pursuant to Art. 2 ("Effective date") of the aforementioned Legislative Decree, the report on remuneration envisaged by the new Art. 123-*ter* of the Consolidated Law on Finance is presented to the annual ordinary Shareholders' Meeting "convened during the year subsequent to the one in which the regulations become effective", issued by CONSOB pursuant to paragraphs 7 and 8 of said Art. 123-*ter*.

Furthermore, considering the remuneration policy also as a tool for mitigation of conflicts of interest, the same Supervisory Authority, as part of the regulation of transactions with related parties⁴, establishes that the procedures may wholly or partially exclude from application of the provisions of the regulations, resolutions, other than those envisaged under Art. 2389 of the Italian Civil Code, on the remuneration of directors and board members charged with special tasks, as well as other key managers, provided that the company has adopted a remuneration policy. In this respect, Mediolanum S.p.A. has availed itself of this possibility under the procedures drawn up pursuant to Art. 4 of the aforementioned CONSOB Regulation 17221 and published on the internet site.

In terms of self-governance, the Corporate Governance Code for listed companies was amended in March 2010 in the part regarding remuneration of directors and key managers, introducing the principles contained in the European Recommendations with respect to the process for definition of the remuneration policies and their content. To this end, the Corporate Governance Committee approved the new text of Article 7 - now Art. 6 in the amended version of the Code of December 2011 - which states, among other things, that a report describing the general remuneration policy for executive directors, other directors charged with special tasks (in particular, the Chairman and any Vice Chairmen) and key managers be presented to the Shareholders' Meeting.

Finally, note that specific Supervisory Regulations by sector are applicable to the various areas of activity of Companies belonging to the Financial Conglomerate⁵.

APPLICATION PROFILES FOR THE MEDIOLANUM FINANCIAL CONGLOMERATE

Based on the reference context outlined above, Mediolanum S.p.A. has identified a series of guidelines for each Company of the Financial Conglomerate (so-called application profiles) for definition and organisation of their own "remuneration and incentive system" that ensures adequate remuneration and incentive mechanisms for directors and personnel whose activities may have a significant impact on the Company's risk profile, encouraging competitiveness and corporate governance. Remuneration, particularly for those holding key roles in the company, tends to attract and maintain individuals with the appropriate professionalism and capabilities to meet the company's needs.

For easier consultation, these application profiles are classified into the following categories:

⁴ See CONSOB Regulation on transactions with related parties (Resolution 17221), art. 13, paragraph 3.

⁵ For the Mediolanum Banking Group:

- par. 4, "Remuneration and incentive mechanisms" of the Supervisory Regulations on the organisation and corporate governance of banks of 4 March 2008;
- par. 7, "Remuneration and incentive mechanisms" of Clarification Note dated 19 February 2009;
- Communication dated 28 October 2009, "Remuneration and incentive systems";
- the "Supervisory provisions on remuneration and incentive policies and practices in banks and banking groups" of 30 March 2011;

For insurance companies:

- ISVAP Regulation no. 39 of 9 June 2011 - "Regulation on the remuneration policies in insurance companies".

I - GOVERNANCE AND CONTROL;
II - STRUCTURE OF THE REMUNERATION AND INCENTIVE SYSTEMS;
III - DISCLOSURE.

The profiles described below are applied according to methods defined by each Company, exclusively where applicable, in accordance with local regulations as indicated above and in respect of the so-called “principle of proportionality”, which requires each Company to evaluate its own level of technical-operational significance/complexity (including but not limited to: size of assets or other significant balance sheet items, ownership structures, type of business carried out, listing on regulated markets and maturity of risk measurement system).

Given the above, the application profiles to be adhered to by each Company of the Financial Conglomerate in order to define or update their remuneration and incentive system, for each of the categories identified, are outlined below.

I - GOVERNANCE AND CONTROL

In defining the remuneration and incentive systems, the strategic supervisory body⁶ must ensure that these systems take due account of the risk limitation policies and that they are consistent with the long-term objectives, the corporate culture and the overall corporate governance and internal controls structure. In this respect, it:

- ensures that the remuneration and incentive structure does not increase company risk, by:
 - adopting specific internal regulations on the remuneration and incentive system (policies, rules, procedures, etc.), the contents of which:
 - are, in accordance with any confidentiality requirements, accessible and can be consulted by the relative/interested internal structures;
 - are in line with the Company's strategic objectives and risk tolerance level and with the values and long-term interests of all stakeholders;
 - encourage respect of the set of applicable legal and regulatory provisions. Particular attention must be paid to the remuneration and incentive systems of the internal and external networks used by the Companies, as well as of the parties who are assigned control tasks;
 - ensuring that specific "self-assessments" are carried out within the Company, aimed at identifying categories of individuals whose professional activities have or could have a significant impact on the risk profile (the so-called "key" personnel or "risk takers");
- manages conflict of interest, also by adopting the appropriate organisational measures and ensuring that the assignment of multiple functions to relevant individuals engaged in activities that could involve conflict of interest does not prevent them from acting in an independent manner, thereby avoiding said conflicts from negatively impacting the interests of clients;
- adopts measures and procedures aimed at eliminating any direct connection among the remunerations of relevant individuals who predominantly exercise activities that could generate situations of potential conflict of interest with each other;
- envisages that the shareholders' meeting, in addition to establishing the remuneration for the bodies appointed by the same, approves and participates in the approval process for the following:
 - remuneration policies in favour of directors, employees or staff not bound to the Company by an employment agreement;
 - equity-based plans (such as stock options).
- establishes, within the body that determines the remuneration for directors charged with special tasks, a committee consisting of a majority of independent members, to provide advice and make proposals on directors' remuneration, as well as to provide consulting in terms of the criteria for managers' remuneration;

⁶ The strategic supervisory function involves determining the company's strategic guidelines and objectives and verifying their implementation. The body with strategic supervisory functions is the body in which the functions of corporate governance supervision and/or management are concentrated (such as through examination and resolution of business or financial plans or strategic transactions of the Company).

- envisages involvement of the shareholders' meeting in the process for approval of the remuneration policies, aimed at increasing the level of shareholder awareness and monitoring in terms of the total costs, benefits and risks of the pre-selected remuneration and incentive system;
- provides clear, documented and intrinsically transparent rules and procedures to determine remuneration within the Company;
- contemplates involvement, in the definition of remuneration policies, of the control functions and relevant company functions, in accordance with the principles and criteria envisaged by the reference sector regulations (in particular, the heads of the Risk Management and Control, Compliance, Human Resources and Strategic Planning functions). In this respect, all parties involved, including members of the strategic supervisory body responsible for the remuneration policy and the members of the relative committees established within it, should have the necessary expertise and be independent, in order to objectively assess the relevance of the remuneration policy and its implications in terms of informed assumption of risk for the Company;
- envisages, in accordance with the specific supervisory regulations for the relative sector, an internal and independent audit of the remuneration policy, to verify its compliance with the applicable regulatory framework, as well as to ensure compliance of the remuneration practices with the approved policies. The internal audit function should report on the results of this verification to the body with strategic supervisory functions and to the shareholders' meeting;
- envisages periodic updating of the remuneration policy structure in order to ensure that it is suitable with respect to the changes that have taken place in the Company and/or in the external regulatory context.

II - STRUCTURE OF THE REMUNERATION AND INCENTIVE SYSTEMS

The structure of the remuneration and incentive system is based on the application profiles described below, as well as respect of the provisions of any specific supervisory regulations for the sector. In this respect, the remuneration structure requires that:

- the fixed component constitute a sufficiently high percentage of total remuneration such as to allow the Company to follow a fully flexible policy in terms of bonuses. More specifically:
 - the fixed component must be sufficient to remunerate the service if the variable component is not disbursed due to non-achievement of the performance objectives;
 - the Company should be allowed not to disburse bonuses, wholly or partially, if the individual employees or business unit or firm do not respect the efficiency criteria;
 - non-disbursement of bonuses should also be permitted in cases of significant deterioration of the Company's situation, particularly when there are doubts on its present or future capacity to continue to carry out its activities normally;
- remuneration be structured so as to provide an adequate balance between the fixed and variable components, should a variable component or bonus be envisaged. This balance may vary according to the personnel, the market conditions and the specific context in which the Company operates;

- the ratio of total remuneration and the variable component also be regularly defined and carefully evaluated;
- the variable remuneration component respect the following criteria:
 - in line with the results actually achieved, substantially declining or brought to zero in the event of performance that is below forecasts or negative;
 - linked to long-term performance indicators measured net of risk (*ex-ante* risk adjustment) and taking into account the level of capital resources and liquidity necessary to cover the activities carried out;
 - aimed at creating incentive mechanisms for the corporate structure based on criteria that do not conflict with the best interests of the client. Particular attention must be paid to the remuneration methods for employees, collaborators and financial advisors with respect to the different types of products offered, as well as to the budget objectives and related bonuses for the sales network;
 - based on effective and lasting results, regardless of calculation method (top-down or bottom-up). The parameters used to determine the remuneration amount must be clearly defined, objective and allow for immediate evaluation. If discretionary assessments are used, the criteria on which these are based must be clear and pre-established, and the entire decision-making process must be properly documented;
 - considers the results of the relative business unit and of the Company or group (or Financial Conglomerate) overall and, where possible, of the individual ones;
 - comprises a generally significant portion subject to equity-based incentives or equivalent forms. In this respect, in accordance with the specific supervisory regulations of the sector, these forms must take into account the risk assumed and must be structured so as to avoid the creation of incentives in conflict with the long-term interests of the company. In preparing the equity-based remuneration plans, it must be assured that:
 - the shares, options and any other right assigned to the parties involved to purchase shares or be compensated based on the performance of share price have a vesting period of at least three years;
 - the above vesting period be subject to pre-established and measurable performance objectives;
 - directors hold a portion of the shares assigned or acquired until the end of their mandate, or for a reasonable period;
 - a significant portion is subject to an appropriate remuneration deferral system, for a reasonable amount of time. The magnitude of this portion and the duration of deferral are consistent with the characteristics of the company's business and with the relative risk profiles;
 - subjected to the appropriate *ex-post* adjustment mechanisms (malus or claw back), also in order to reflect the performance levels net of the risks effectively assumed, declining or brought to zero in the event of performance that is well below forecasts or negative. In this respect, where possible, determination of the results obtained by individuals must take into account non-financial criteria, such as compliance with internal rules and procedures, as well as with the regulations on relationships with clients and investors;

- non-executive directors normally be excluded from incentive-based mechanisms, which should in any case represent only a small proportion of their total remuneration;
- heads of the supervisory bodies be excluded from equity-based compensation or bonuses linked to corporate performance;
- remuneration of the heads of the internal control functions and equivalent individuals (such as, for example, the Manager responsible for preparing the financial statements) be commensurate with the significant responsibilities and commitment involved in this role. In this respect, the incentive mechanisms must be consistent with the assigned tasks, and bonuses linked to the company's economic results must be avoided, except for valid and justifiable reasons;
- the method to determine remuneration for key individuals participating in the company's control functions not compromise objectivity, to ensure fairness and independence of the control functions;
- the pension and severance policy be in line with the company's strategy, objectives, values and long-term interests. In this respect, the agreed conditions in the event of early termination of employment are such as to ensure that the remuneration disbursed in these circumstances is linked to actual performance and to the risks assumed.

III - DISCLOSURE

Each Company of the Mediolanum Financial Conglomerate, in accordance with any specific and more restrictive supervisory regulations of the sector, and without prejudice to the provisions on confidentiality and protection of data, reports the information on the remuneration policy (the so-called remuneration statement) in a clear manner that is easily comprehensible by all interested parties. To this end, the following application profiles are indicated, to be respected, as mentioned, where expressly required:

- a report indicatively subdivided into two sections must be prepared at least annually for the Shareholders' Meeting:
 - the first, providing information on an *ex-ante* basis, which describes the Company's remuneration policy with reference to at least the subsequent year, as well as the methods to implement said policies. Furthermore, this information should include any significant changes that took place in the remuneration policy adopted during the current year;
 - the second, providing information on an *ex-post* basis, aims at ensuring adequate reporting on the actual methods for application of the remuneration policies, with particular regard to the variable components, highlighting the consistency with the defined guidelines and objectives and providing any statistical information on the remuneration trends, also as compared to the sector;

- where required, information both within financial reports⁷ as well as through other means or forms of reporting must be disclosed to the public and/or investors⁸;
- for the internal structures, the general principles of the remuneration policy should be accessible to all personnel to whom they apply. Personnel should be informed in advance of the criteria that will be used to determine remuneration and evaluation. The valuation process and the remuneration policy should be appropriately documented and transparent for the personnel involved.

MEDIOLANUM S.p.A. REMUNERATION POLICIES

I - PURPOSE AND OBJECTIVES OF THE REMUNERATION POLICIES

In accordance with the application profiles valid for the Financial Conglomerate, the remuneration and incentive policy defined by Mediolanum S.p.A. aims to attract and retain key individuals with the expertise and capabilities to meet the company's needs, as well as to provide an incentive to increase commitment for the improvement of company performance through personal satisfaction and motivation.

Application of this remuneration policy permits better alignment of the interests of Shareholders and those of Mediolanum S.p.A. management over the short-term, through maximisation of value creation for Shareholders, and over the long-term, through careful management of company risks and the pursuit of long-term strategies.

To this end, remuneration and incentive criteria based on objective performance-linked parameters in line with the medium/long-term objectives represent the tool to best encourage commitment by all individuals and consequently satisfy the interests of Mediolanum S.p.A.

These Remuneration and incentive policies also allow for exclusion, pursuant to article 13, paragraph 3 of CONSOB Regulation 17221, of the procedures envisaged for transactions with related parties and for the remuneration of directors and board members charged with special tasks, as well as other key managers.

II - GOVERNANCE OF THE REMUNERATION AND INCENTIVE SYSTEM

1. By-laws regulating the remuneration policies

Article 24 of the Articles of Association of Mediolanum S.p.A. states that:

- the Board distributes to its members the remuneration defined by the Shareholders' Meeting for all Directors, and allocates or determines, depending on whether the company has used the faculty assigned to the Shareholders' Meeting, the compensation for Directors charged with special tasks, upon examination by the Board of Statutory Auditors.

⁷ See Consob Resolution 11971 - "Issuers' Regulation", Art. 78

⁸ See Bank of Italy Circular 263 of 27 December 2006 (so-called "third pillar"), Title IV "Public disclosure" and the Consolidated Law on Finance, Article 123-bis (Report on corporate governance and ownership structures).

Article 26 of the Articles of Association states that:

- Directors are eligible for the reimbursement of expenses sustained for official business purposes;
- the Shareholders' Meeting:
 - determines the total amount of remuneration for all Directors. This amount may include that of Directors charged with special tasks;
 - may also assign other types of payments or compensation to the Directors.

Article 27 of the Articles of Association states that:

- the Shareholders' Meeting determines the remuneration for auditors, as well as the reimbursement of expenses sustained as part of their assignment.

2. Roles and responsibilities

Regarding the governance of remuneration and incentive systems, the activities involved in the management of said system are outlined below, subdivided by the Body and company function involved, in order to provide an understanding of the process for production and updating of these remuneration policies.

2.1 Shareholders' Meeting

The Ordinary Shareholders' Meeting of Mediolanum S.p.A., in application of the provisions of these Policies, as well as of the relevant regulations in force, in order to increase the level of awareness and monitor the overall costs, benefits and risks of the remuneration and incentive system:

- resolves for or against the Remuneration policy drawn up the Board of Directors. This resolution is not binding and the result of the vote is disclosed to the public;
- receives adequate reporting on implementation of the Remuneration policies, with the objective of examining the actual application methods for said policies, with particular regard to the variable components and to evaluating consistency with the guidelines and objectives defined.

2.2 Board of Directors

The Board of Directors adopts and re-examines, at least annually, the Remuneration policy at the Financial Conglomerate level and with respect to Mediolanum S.p.A. and is responsible for its proper implementation.

It ensures that the Remuneration policy is appropriately documented and:

- sent to the Shareholders' Meeting for the resolution required by the same;
- accessible within the company.

In particular, in addition to the provisions under the Articles of Association, through the Remuneration Committee, as well as through the relevant company functions identified in this Remuneration policy, it:

- draws up the Regulations for the Compensation plan based on the assignment of stock options for Mediolanum S.p.A. shares;
- has the power, if envisaged in the Plan Regulations, to establish any additional individual objectives for each Recipient, with exercising of the options subject to achievement of said objectives;
- implements and administers the Compensation plan, including the identification of recipients, determination of the number of options attributable to each, the vesting period, the Two/Three-Year Performance Targets, and any individual objectives, as well as the completion of any documents, requirements, formalities and communications necessary or appropriate for management and/or implementation of the Plan;
- identifies, upon proposal by the Remuneration Committee, the recipients of the Compensation Plan, for the Company and for the Subsidiaries;
- establishes the number of options to be assigned to each recipient of the Compensation plan, according to:
 - the role held by each recipient and the compensation received by the Directors in particular;
 - the organisational position, responsibilities and professional competencies for recipients other than Directors;
 - the strategic value of the individual recipient and their capacity to influence the future creation of value for the shares of the Company or the Group;
- manages amendments/additions to the Compensation plan (and relative Regulations) that it deems useful or necessary for better pursuit of the relative objectives, assuming these changes do not jeopardise the rights assigned to the recipients of the Plan;
- following implementation of the policies adopted:
 - is informed on achievement of the objectives established for recognition of the incentive component linked to economic parameters for Directors charged with special tasks, the Managing Director, Company Executives, employees and other staff not bound to the Company - or to subsidiary and/or associate companies - by an employment agreement;
 - verifies consistency of the Remuneration policies with respect to sound and prudent management and the Company's long-term strategies;
 - assesses and approves any proposals to amend the remuneration and incentive policies, submitted for examination by the Ordinary Shareholders' Meeting as well as in accordance with the implementation regulations;
 - approves reports for the Ordinary Shareholders' Meeting as regards implementation of the Remuneration policies for the entire company.

2.3 Remuneration Committee

The Remuneration Committee consists of non-executive Directors who are predominantly independent and, as part of its duties:

- presents to the Board of Directors proposals for the remuneration of Managing Directors and other Directors charged with special tasks, monitoring application of the decisions adopted by the Board;
- periodically evaluates the criteria adopted for the remuneration of Key Managers, supervising their application based on information provided by the Managing Directors and making general recommendations to the Board of Directors;
- draws up the regulation governing all aspects of the Stock Option Plan, submitted for approval by the Board of Directors;
- manages all of the necessary initiatives for implementation of the Stock Option Plan, including identification of the Recipients, determination of the number of stock options assigned to each and the relative exercise conditions;
- defines any performance objectives of an economic and/or financial nature to which exercising of the options assigned to the Recipients will be subject;
- proposes to the Board of Directors, upon consultation with the Remuneration Committee and Board of Directors of Banca Mediolanum, the Compensation plan for collaborators, pursuant to Art. 84-*bis*, paragraph 2 of the Issuers' Regulation;
- with regard to the Company and Subsidiaries, proposes the recipients of the Compensation Plan, as identified by the Company's Board of Directors.

2.4 Managing Director

The Managing Director, as part of the ordinary and extraordinary management powers attributed to him⁹:

- has the power to make proposals regarding the Remuneration policies of the Financial Conglomerate and of Mediolanum S.p.A.;
- arranges adaptation of the remuneration system and implementation based on the Policies approved by the Board of Directors. With regard to Companies of the Financial Conglomerate, the Managing Director communicates the Remuneration policies to the Governing Bodies of said Companies, for their application by the corresponding roles within Subsidiaries, upon formalisation of specific company documentation to submit for approval by the respective Shareholders' Meetings;
- receives from the relevant structures reports regarding the following:
 - the status of application of the remuneration and incentive policies (including implementation of any equity-based incentive plans) in favour of the various company roles, summarising the compensation resolved and rights accrued in favour of the recipients of the aforementioned policies;
 - controls carried out on implementation of the Remuneration policies and any proposals for their amendment;
 - if applicable, the results of statistical surveys on development of the remuneration policies and the company's positioning with respect to the market.

⁹ See Art. 24 of the Articles of Association.

2.5 Manager responsible for preparing the financial statements

The Manager responsible for preparing the financial statements, also with the collaboration of unit 262, which reports directly to him hierarchically, oversees preparation of the appropriate administrative-accounting procedures with respect to drawing up of the Notes to the Financial Statements and, in particular, in relation to disclosure of the compensation paid to members of the Governing and Control Bodies and the General Managers (where appointed), for any purpose and in any form, even from Subsidiaries. The aforementioned administrative-accounting procedures are also verified in terms of effective application.

2.6 Planning and management control

This unit contributes to defining the Remuneration and incentive policies, providing, upon request by the relative Bodies and Departments, data and information used to determine the objectives assigned to those individuals within the company whose remuneration also contains a variable portion linked to expected results, as well as for verification of the results achieved by the same.

2.7 Functions outsourced to Banca Mediolanum

To carry out some technical activities also with respect to the remuneration and incentive systems, Mediolanum S.p.A. has stipulated service agreements with subsidiary Banca Mediolanum S.p.A., in order to optimise on the Group's synergies and competences.

2.7.1 Human Resources

The Human Resources Department collaborates with the relevant bodies and departments of Mediolanum S.p.A. and Banca Mediolanum S.p.A. (for the functions outsourced to this Company) in defining the Remuneration policies, taking into consideration the legislation on this matter, studying the market trends and practices, and examining the National Collective Labour Agreements adopted and the internal supplementary agreements in force, as negotiated with the Unions.

Furthermore, also with the support of the company functions involved, it:

- identifies and proposes possible indicators to use to estimate the fixed and variable components of total remuneration, in accordance with the criteria outlined by best practices and by the supervisory provisions (where applicable) and taking into account the positions taken and duties assigned to each company member;
- carries out statistical analyses on remuneration trends and on the company's positioning in the reference market;
- verifies the progress of application of the remuneration and incentive policies;
- handles, in accordance with the internal guidelines, the technical aspects linked to formulation and application of the plans based on financial instruments;
- proposes modifications to the Remuneration policies following internal organisational changes and/or changes to the reference context;
- defines and implements the self-assessment process for "key personnel", according to the section below;

- verifies the impact of an update in the Remuneration policies on the current remuneration system, highlighting any critical factors in the application of the new policies.

2.7.2 Risk Control and Risk Assessment & Mitigation

These organisational units contribute to defining the remuneration and incentive policies, formulating, upon request by the relative bodies and departments, opinions on the adoption of the appropriate performance measurement indicators, able to reflect the Company's profitability over time and take into account all risks, both current and future, the cost of capital and the liquidity necessary to handle the activities undertaken.

2.7.3 Internal Auditing

The Internal Auditing department periodically verifies the methods through which compliance of the remuneration policies with regulations is ensured within the Company.

The results and any anomalies identified are reported to the relevant Bodies and Departments of Mediolanum S.p.A. in order to take action for improvement, as well as following a relevancy assessment and, where expressly envisaged, to prepare the appropriate report for the Shareholders' Meeting.

III - SELF-ASSESSMENT OF KEY PERSONNEL

1. Recipients of Mediolanum S.p.A.'s remuneration policy

Mediolanum S.p.A.'s remuneration and incentive policies regard any form of payment or benefit provided¹⁰, directly or indirectly, in cash, equity or fringe benefits, in exchange for labour or professional services provided by "personnel"¹¹. The concept of "personnel" includes:

- members of the Board of Directors and Board of Statutory Auditors;
- employees;
- other parties (including but not limited to external collaborators), if in a position to generate significant risk for the company.

For the individuals listed, Mediolanum S.p.A. envisages the execution of a detailed self-assessment aimed at identifying categories of personnel whose professional activities have or could have a significant impact on the Company's risk profile (the so-called "key personnel").

2. Internal roles considered significant or "key"

Mediolanum S.p.A. has defined a system for classification of company roles which, by outlining transversal categories of comparable roles, allows for homogeneous identification of the levels of decision-making power, along with consistent planning, implementation and supervision of the remuneration system methods.

¹⁰ Also includes discretionary pension benefits.

¹¹ Does not include marginal payments or benefits, assigned to personnel on a non-discretionary basis, which are part of the Company's general policy and do not have any effects on the incentive plan for assumption or control of risks.

The table in the appendix indicates the company roles classified as "key personnel".

3. Methods to define the remunerative structure

In general, the remunerative structure of personnel is based on the rules presented below.

For "key personnel", the utmost attention is paid to full respect of the application profiles envisaged under the paragraph "Structure of the remuneration and incentive systems" of these Remuneration Policies.

IV - REMUNERATIVE STRUCTURE BY COMPANY ROLE

The remunerative structure is a balanced package comprising a **fixed component** that remunerates the role covered and the spectrum of responsibilities, reflecting the required experience and capabilities for each position, as well as the level of excellence demonstrated and the overall quality of the contribution to business results, and a possible **incentive component**, designed to recognise results achieved by establishing a direct link between remuneration and actual results achieved over the short, medium and long-term by the company and by the individual.

1. Fixed component

The weight of the fixed component within the overall package is designed to reduce the risk of any excessively risk-oriented behaviours, aiming to discourage initiatives focused on short-term results that could jeopardise sustainability and the creation of value over the medium and long-term.

These remuneration policies require that the remuneration assigned by the Ordinary Shareholders' Meeting to Directors upon appointment and to the Auditors be commensurate with the responsibilities, tasks and level of participation of the individual in meetings of the respective collective body, with assumption of all of the consequent responsibilities: the adoption of said parameters provides adequate support for and transparency to the remuneration assigned.

In particular, as previously mentioned:

- the Ordinary Shareholders' Meeting is the relevant body that resolves on the compensation owing to Directors upon appointment (with the power to determine the compensation for any Directors charged with special tasks), as well as to members of the Board of Statutory Auditors;
- the Board of Directors determines the remuneration for the Chairman, Vice Chairmen, and any Directors charged with special tasks (if this power is not exercised by the Meeting), as well as the total remuneration for the Managing Director;
- for employees, the provisions of the relative National Collective Labour Agreement and of the Supplementary Corporate Agreement are applied, as well the remuneration and incentive system, which considers the organisational weight of the positions held by employees with reference to the relevant market situation and the available budget for the period;
- for staff not bound to the Company by an employment agreement, the provisions of the respective consulting contracts, project work and long-term consulting contracts are applied, in compliance with the internal authorisation system.

With regard to the last point, the remuneration of said contracts is closely linked to the benefits obtained from the work of the individual collaborator.

If the contract involves the providing of intellectual activities and organisational support, the remuneration levels offered by the reference market must be taken into consideration, also in relation to the qualitative value of the service and the professionalism of the collaborator.

If the contract involves the promotion of business or the sale of products, remuneration is determined based on the appropriate fee schedules, in accordance with the best practices adopted by the market and in compliance with regulations in force.

The fixed remuneration components include a benefit package with uniform characteristics for members of specific categories within the company (for example, executives), contributing to the creation of a system of internal equity and market competitiveness.

In general, special conditions for employees may also be applied in terms of access to the banking and financial products offered by the Companies that are part of the Financial Conglomerate, and supplementary systems for the institutional pension plans may be envisaged, such as those designed to provide employees and their families with health coverage.

Furthermore, for Directors and Executives, the Company provides a third-party liability insurance policy in order to protect them from claims for damages for non-fraudulent actions, with a specific maximum coverage per claim and per year.

In terms of reimbursement of expenses sustained, the reimbursement conditions and procedures for Directors and Auditors are governed by a specific internal regulation for the respective role; for all other company positions, the respective collective or individual contracts apply.

2. Incentive component

2.1 Breakdown of the incentive component:

The incentive component consists of variable remuneration that can be broken down into two separate components:

- short-term, on an annual basis and consisting of cash bonuses;
- medium/long-term, typically every three years and consisting of cash bonuses and/or financial instruments.

The above-mentioned components are received upon achievement of specific company, individual and behavioural objectives correlated to parameters of both an economic as well as other nature.

To this end, with respect to the medium/long-term incentive component, the ordinary Shareholders' Meeting of Mediolanum S.p.A. approved, on 27 April 2010, the general guidelines for the shareholding plans designed for Directors, Executives and Collaborators of the Company and of the Subsidiaries, respectively referred to as the "Piano Top Management 2010" (Top Management Plan 2010) and "Piano Collaboratori 2010" (Collaborators Plan 2010).

The aforementioned plans involve the assignment to recipients, in several annual cycles, of rights to purchase newly-issued common shares of Mediolanum S.p.A.

Implementation of the aforementioned plans provides the Company with the most effective tool in terms of offering incentives to and promoting loyalty by those directors, executives and collaborators that play a significant role in the success of the Company and the Group.

2.2 Economic parameters linked to the incentive components

The parameters identified as objectives of the incentive plan must possess specific characteristics: they must be easily identifiable, also with respect to their sources, and objectively measurable.

In this respect, these remuneration policies define short-term parameters established on an annual basis and medium/long-term parameters established on a three-year basis, the relative implementation rules of which are defined by the Board of Directors through approval of the internal regulations, including the relative budgets.

The short and medium/long-term economic parameters are linked to the net profit of the Financial Conglomerate, related to a specific indicator of the risk generated by the business and to the level of capital adequacy, again at the Financial Conglomerate level.

In particular, with reference to the Top Management Plan 2010, exercising of the options is conditional on the achievement of specific performance objectives, measured with respect to performance in the three-year period subsequent to assignment of the options ("Three-Year Performance Targets").

2.3 Non-economics parameters linked to the incentive components

For non-economic parameters, the incentive component is based on an assessment that objectively considers the activities carried out by the individual (activities planned the prior year for the year of assessment, ordinary activities carried out by the structure, etc.) and qualitatively considers the effectiveness and efficiency of said activities.

In particular, also taking into account the Management Appraisal system adopted by the Company, the short-term and medium/long-term variable remunerations not linked to economic parameters, for:

- Company Executives are connected to the acquisition of skills, expertise and planning and implementation capabilities, and to their greater responsibilities in the role covered for the management of resources, satisfaction of internal and/or external clients and improvement of processes, as well as to specific projects assigned to the same;
- heads of the supervisory functions are connected to an assessment that objectively considers the activity carried out by the individual company role, as well as other components of a purely qualitative nature;
- remaining employees, in cases where this is envisaged, are mainly connected to the recognition of skills, capabilities and abilities acquired, as well as to client satisfaction and improvement of processes.

For the Top Management 2010 Plan, exercising of the options may also be conditional on the achievement of objectives at the individual level, assigned to each party based on the aforementioned "Management Appraisal" system.

3. Ratio of fixed and incentive component

See the table in the appendix, which highlights the fact that the variable figures are based on estimates.

4. Method for disbursement of the incentive component

Incentive bonuses are not generally envisaged in the event of non-compliant behaviours or formal disciplinary action. Recognition is conditional on the absence of proceedings initiated by the company against the employee/collaborator for irregular activities or bad conduct.

For Directors charged with special tasks, the Managing Director and Executives, the variable component, if due, is paid provided that the individual in question is in office at the time of deliberation.

In terms of disbursement times, the short-term incentive is paid after the final results for the year, while payment of any medium/long-term incentive, recognised in cash form, takes place subsequently to approval of the financial statements for the last year of the reference period. These incentive components represent a cost for the prior year.

Furthermore, with reference to the equity-based plans, the “Top Management Plan 2010” contemplates a vesting period for the options (which become effective upon occurrence of the exercise conditions) of between a minimum of three and a maximum of five years from the assignment date, currently established at three years.

V - COMPENSATION IN THE EVENT OF TERMINATION OF SERVICE

In general, the pension and severance policy must be in line with the Company's strategy, objectives, values and long-term interests.

In the event of resignation, dismissal or advance termination of service with Mediolanum S.p.A., special compensation may be recognised for Directors based on results achieved, in exceptional cases and after careful evaluation.

Managers (including the Heads of the supervisory functions) are not entitled to payment of the incentive components in the event of resignation, dismissal or termination of the relationship with the Company.

For staff not bound to Mediolanum S.p.A. by an employment agreement, the provisions of the respective consulting contracts, project work and long-term consulting contracts are applied.

VI - DISCLOSURE

Pursuant to the application profiles described above for the Mediolanum Financial Conglomerate, Mediolanum S.p.A. discloses data and information on its remuneration and incentive system in accordance with the following methods, which are mandatory for the Company, based on legislation and on the applicable supervisory regulations:

- **disclosure of a report on remuneration¹²**, at the company headquarters, on the website and in accordance with CONSOB provisions in terms of implementation rules. The report on remuneration is divided into two sections:

¹² Starting from the Shareholders' Meeting convened in 2012.

- the first section illustrates:
 - the Company policy in terms of remuneration of members of the Board of Directors, general managers (where appointed) and key managers, with reference to at least the previous year;
 - the procedures used to adopt and implement said policy;
- the second section, individually by name for members of the Board of Directors, Board of Statutory Auditors and general managers (where appointed), and in aggregate form, without prejudice to the provisions issued by CONSOB, for key managers:
 - provides adequate representation of each of the items comprising remuneration, including the remuneration envisaged in the event of termination of office or of the employment agreement, highlighting the consistency with the company's remuneration policy approved the previous year:
 - analytically illustrates the remuneration paid during the year in question for any reason and in any form by the Company and by subsidiary or associated Companies, indicating any components of said remuneration that refer to activities carried out in previous years and highlighting the remuneration to be paid in one or more subsequent years for activities performed during the reference year, providing an estimate for the components that are not objectively quantifiable during the year in question.

The compensation plans envisaged by article 114-bis of the Consolidated Law on Finance are attached to the report, and the report indicates the section of the Company's website where these documents are available.

- **disclosure in the financial statements of compensation paid;** in this respect, Mediolanum S.p.A. ensures compliance with Art. 78 of CONSOB Resolution 11971 ("Issuers' Regulation), which requires issuers of shares to indicate, in the notes to the financial statements, by name and in accordance with the criteria and charts set out in Attachment 3-C of the aforementioned Regulation, the compensation paid to members of the Board of Directors and Board of Statutory Auditors and to the general managers (where appointed), for any purpose and in any form, even by subsidiaries. In particular, in full respect of Chart no. 1 of the aforementioned Attachment 3-C:
 - for information on compensation paid, Chart no. 1 is filled out in its entirety, specifying any amounts not paid;
 - separate indication of the various components of the items "Remuneration for the office" and "Other remuneration" should be provided in the relative columns or in the notes, also referring to the specific sub-items indicated in Chart no. 1 to clarify the contents of the table. Any compensation paid for participation in committees is indicated separately under the item "Remuneration for the office".

VII - APPENDIX TO THE REMUNERATION POLICIES

1. Structure of Mediolanum S.p.A.'s Remuneration policies (target pay-mix)

Company role	Number of individuals considered "key"	Fixed component	Short-term incentive (**)	Medium/long-term incentive (***)
Chairman of the Board of Directors	1	100%	0%	0%
Deputy Vice Chairman	1	59%	0%	41%
Vice Chairman	1	100%	0%	0%
Executive Directors	1	100%	0%	0%
Non-executive Directors	0	100%	0%	0%
Auditors	0	100%	0%	0%
Managing Director	1	100%	0%	0%
Manager responsible for preparing the financial statements	1	100%	0%	0%
Executives	0	86%	14%	0%
Rest of employees	0	100%	0%	0%

(*) Estimated data referring exclusively to Mediolanum S.p.A. The average impact of the incentive component is calculated only for participants of the incentive plans.

(**) Short-term incentive values are those that may be disbursed upon 100% achievement of the individual and company objectives.

(***) Values refer to the assignment of the prior year.