

**Report of the Board of Directors to the
Extraordinary General Meeting
convened on April 19, 2012 (first call), and,
if necessary, on April 20, 2012 (second call)**

Dear Shareholders,

The Extraordinary Meeting is convened for you to deliberate and vote, *inter alia*, on the following agenda item:

1. Amendments to article 6 of the Bylaws regarding the authority given to the Board of Directors by the shareholders at the Annual General Meeting (Extraordinary Meeting) of April 27, 2010, pursuant to article 2443, paragraphs 1 and 2, of the Italian Civil Code, to increase share capital to service the stock options Plan approved by the shareholders at the same General Meeting, exclusively in relation to stock options reserved to the directors and executives of the Company and the Group.

With respect to the item above, the Extraordinary Meeting is convened to examine, and if in agreement approve, the proposal to amend the authority the shareholders delegated to the Board of Directors at the General Meeting of April 27, 2010 pursuant to article 2443, paragraphs 1 and 2, of the Italian Civil Code, to increase in one or more occasions share capital up to €500,000.00, for a consideration, through the issue of up to 5,000,000 new dividend-bearing ordinary shares, with the exclusion of shareholders' pre-emptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code, reserved to the executives and directors of the Company and of its subsidiaries, who are the

beneficiaries under the stock options plan called “Top Management Plan 2010” (the “**Plan**”).

In this respect, we note that the proposal to increase the number of stock options under the Plan, as set out in the relevant report prepared pursuant to art. 114-bis of Legislative Decree 58 of February 24, 1998, to which you are referred, is submitted to the examination and vote of the shareholders at the Annual General Meeting (Ordinary Meeting) convened on April 19, 2012 (first call).

If at the Ordinary Meeting the shareholders approve the proposal to increase the number of stock options under the Plan, the number of stock options will be increased up to 11,000,000 stock options which give the grantees the right to subscribe to an equal number of newly issued dividend-bearing ordinary shares of the Company, each with par value of €0.10. Those stock options will be reserved to the directors and executives of the Company and its subsidiaries, who are the Plan beneficiaries (the “Options”).

To enable the Company to have the necessary number of newly issued shares to implement the Plan and attain the goals the Company pursues through the Plan, we propose to amend the authority the shareholders delegated to the Board of Directors at the General Meeting of April 27, 2010 pursuant to article 2443, paragraphs 1 and 2, of the Italian Civil, and authorise the Board of Directors to increase share capital in one or more occasions, for a consideration, for a period of five years from the General Meeting of April 27, 2010:

- up to €1,100,000.00 (including any share premiums) versus the original €500,000.00 - with the exclusion of shareholders’ pre-emptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code – through the issue of up to

11,000,000 ordinary shares - versus the original 5,000,000 – to be reserved to the Top Management Plan 2010 beneficiaries,

at a share price upon exercise of the Options equal to that approved by the shareholders at the General Meeting of April 27, 2010, i.e. equal to the weighted average of (i) the company's equity value per share as reported in the last financial statements approved prior to the allotment of the Options and (ii) the average stock market price of the Company's shares in the previous six-month period, applying a weight equal to ninety percent of the equity value and a weight equal to ten percent of the average stock market price in the last six-month period, respectively.

Said increase would entail a potential dilutive effect on the current share capital of Mediolanum SpA – in case of exercise of all stock options – of about 1.49%. The potential dilutive effect, however, would be offset by the creation of value resulting from the attainment of the goals specified in the report to the Ordinary General Meeting to which you are expressly referred.

As a result of the increase in share capital we are submitting to your vote, article 6 of the Bylaws will have to be amended accordingly.

Dear Shareholders,

In consideration of the foregoing, we invite you to pass the following resolution:

“The shareholders

- having examined the report of the Board of Directors;
- having noted that the current share capital is fully paid up;
- having noted the opinion issued by the independent auditors on the matter

resolve

- a) to amend the authority delegated to the Board of Directors at the Annual General Meeting of April 27, 2010 pursuant to article 2443, paragraphs 1 and 2, of the Italian Civil Code, to increase in one or more occasions share capital by authorising the Board of Directors to increase share capital, for a period of five years from the General Meeting of April 27, 2010 up to €1,100,000.00 (vs. the original €500,000.00) through the issue of up to 11,000,000 dividend-bearing ordinary shares (vs. the original 5,000,000) with par value of €0.10 each, with the exclusion of shareholders' pre-emptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code, to be reserved to the directors and executives of the Company and its subsidiaries who are beneficiaries under the "Top Management Plan 2010". All the other terms of the delegated authority will remain unchanged.
- b) to amend article 6, section 5, of the company's Bylaws accordingly, as follows:

MEDIOLANUM S.p.A.	
Bylaws	
Current text	Proposed text (changes in bold and italics)
<p>Article 6) – section 5</p> <p>5. Pursuant to article 2443 of the Italian Civil Code, the General Meeting may delegate the authority to resolve on the matters set out in the preceding paragraphs to the Board of Directors.</p> <p>Pursuant to art. 2443, first and second paragraphs of the Italian Civil Code, the Extraordinary General Meeting of April 27, 2010 resolved to authorise directors, for a period of no more than five years from the date of that EGM resolution</p> <p>- to increase in one or more occasions share capital up to €500,000.00 (nominal value), for a consideration, through the issue of up to 5,000,000 dividend-bearing ordinary shares, par value of €0.10 each, with the exclusion of shareholders' pre-emptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code reserved to the directors and executives of the Company and its subsidiaries, who are the beneficiaries under the relevant stock options plan. Those shares will be offered for subscription at a share price equal to the weighted average of (i) the company's equity value per share as reported in the last financial statements approved prior to the allotment of the Options and (ii) the average stock market price of Mediolanum S.p.A. shares in the previous six-month period, applying a weight equal to ninety percent of the equity value and a weight equal to ten percent of the average stock market price in the last six-month period, respectively, through the offer of subscription rights exercisable in one or more occasions and in different years. The terms for share subscription will be set out in the resolutions passed by the Board of Directors. Those resolutions will also set out that in the event that the approved capital increase is not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.</p> <p style="text-align: center;">omissis</p>	<p>Article 6) – section 5</p> <p>5. Pursuant to article 2443 of the Italian Civil Code, the General Meeting may delegate the authority to resolve on the matters set out in the preceding paragraphs to the Board of Directors</p> <p>Pursuant to art. 2443, first and second paragraphs of the Italian Civil Code, the Extraordinary General Meeting of April 27, 2010 – <i>whose resolutions relating to the share capital increase pursuant to art. 2443, first and second paragraphs of the Italian Civil Code, reserved to the directors and executives of the Company and its subsidiaries who are the beneficiaries under the relevant stock options plan were amended by the Extraordinary General Meeting of April 19, 2012</i> - resolved to authorise directors, for a period of no more than five years from the date of that EGM resolution</p> <p>- to increase in one or more occasions share capital up to €1,100,000.00 (nominal value), for a consideration, through the issue of up to 11,000,000 dividend-bearing ordinary shares, par value of €0.10 each, with the exclusion of shareholders' pre-emptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code, reserved to the directors and executives of the Company and its subsidiaries, who are the beneficiaries under the relevant stock options plan. Those shares will be offered for subscription at a share price equal to the weighted average of (i) the company's equity value per share as reported in the last financial statements approved prior to the allotment of the Options and (ii) the average stock market price of Mediolanum S.p.A. shares in the previous six-month period, applying a weight equal to ninety percent of the equity value and a weight equal to ten percent of the average stock market price in the last six-month period, respectively, through the offer of subscription rights exercisable in one or more occasions and in different years. The terms for share subscription will be set out in the resolutions passed by the Board of Directors. Those resolutions will also set out that in the event that the approved capital increase is not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.</p> <p style="text-align: center;">unchanged</p>

You are advised that the resolution above does not constitute a cause entitling dissenting shareholders to obtain repayment of their shares under the law or the Bylaws.

Milano 3, March 1, 2012

Mediolanum S.p.A.

For the Board of Directors

The Chairman