

**REPORT OF THE BOARD OF DIRECTORS TO THE  
ORDINARY GENERAL MEETING OF APRIL 21, 2011:**

**5. Appointment of the independent auditors whose scope of work will include the limited audit of the half-year condensed financial statements, for the years 2011 through 2019; independent auditors' fees.**

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**Report of the Board of Directors to the  
Ordinary General Meeting  
to be held on April 21, 2011 (first call), and,  
if necessary, on April 22, 2011 (second call)**

Dear Shareholders,

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

**5. Appointment of the independent auditors whose scope of work will include the limited audit of the half-year condensed financial statements, for the years 2011 through 2019; independent auditors' fees.**

You are advised that the tenure of the auditing firm Reconta Ernst & Young S.p.A as the company's independent auditors expired with the audit of the financial statements for the year ended December 31, 2010.

Reconta Ernst & Young S.p.A. have been the company's independent auditors conducting the audit of the separate and the consolidated annual financial statements, as well as the limited audit of the half-year consolidated financial statements, for the three-year periods 2002/2004 and 2005/2007, and after being re-appointed at the Annual General Meeting held on April 19, 2007, also for the three following years 2008, 2009 and 2010.

This time the appointment of Reconta Ernst & Young S.p.A. as the company's independent auditors cannot be renewed since art. 17, paragraph 1, Legislative Decree 39 of January 27, 2010 mandates that the tenure of independent auditors be no more than nine years with re-confirmation or re-appointment allowed no earlier than three years after the expiration of said nine-year term.

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Therefore a new auditing firm is to be engaged as the company's independent auditors responsible *inter alia* for auditing the separate and consolidated annual financial statements, and conducting the limited audit of the half-year condensed financial statements, for the next nine years (2011-2019).

In this respect, considering the foregoing and the requirement under art. 13, paragraph 1, Legislative Decree 39 of January 27, 2010 that the independent auditors are to be elected by the shareholders at the General Meeting voting on the detailed proposal prepared by the Board of Statutory Auditors, we invite you to examine and approve the Board of Statutory Auditors' proposal attached hereto under Annex 1).

Dear shareholders,

We invite you vote the following resolution:

- noting the Board of Statutory Auditors' proposal pursuant to art. 13, paragraph 1, Legislative Decree 39 of January 27, 2010, attached hereto under Annex 1);
- noting the terms and conditions under the “Proposal for the audit of the separate and consolidated annual financial statements and the limited audit of the half-year condensed financial statements” of the auditing firm Deloitte & Touche S.p.A. dated February 22, 2010, attached to the Statutory Auditors proposal;

the shareholders resolve

- “- to appoint Deloitte & Touche S.p.A. as independent auditors for each year in the 2011-2019 period for:
  - i) audit of the Company's separate and consolidated financial statements including the verification of the consistency of the Directors' Report with the financial statements pursuant to art. 14, paragraph 2, Legislative Decree 39/2010;
  - ii) examination of the accounting system and verification that accounting entries and records faithfully reflect the company's affairs pursuant to art. 14, paragraph 1, letter b) Legislative Decree 39/2010;

- iii) limited audit of the half-year condensed financial statements;
  - iv) checks for tax filings;
2. to approve the independent auditors fees – to which reimbursement of expenses incurred in the conduct of their work, technology-related expenses and the duty payable to the supervisory authority Consob as well as VAT are to be added – for a total amount of €180,000 for each of the aforesaid years, of which:
- €50,000 for the audit of the Mediolanum S.p.A. financial statements
  - €80,000 for the audit of the Mediolanum Group consolidated financial statements
  - €12,000 for the examination of the accounting system and verification that accounting entries and records faithfully reflect the company's affairs
  - €35,000 for the limited audit of the Mediolanum S.p.A. half-year condensed financial statements
  - €3,000 for checks in relation to tax filings
3. to approve that the fees above be subject to annual review beginning from the audit of the 2012 half-year condensed and annual financial statements to incorporate any cost-of-living adjustments (ISTAT Index) (Baseline: April 2011) as well as any increases/additions that may arise due to circumstances which require that time devoted to services rendered to the Company be more than estimated in the auditing firm's proposal.

Milano 3, March 1, 2011

For the Board of Directors

The Chairman

(Roberto Ruozi)