

**REPORT OF THE BOARD OF DIRECTORS TO THE
ORDINARY GENERAL MEETING OF APRIL 23, 2013:**

**4. Report on compensation policies pursuant to article 123-
ter of Legislative Decree 58/1998**

**Report of the Board of Directors to the
Ordinary General Meeting
convened on April 23, 2013 (first call), and,
if necessary, on April 24, 2013 (second call)**

Dear Shareholders,

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

4. Report on compensation policies pursuant to article 123-ter of Legislative Decree 58/1998

In accordance with regulations in force, Mediolanum S.p.A submits the appended Report on compensation policies of the Mediolanum Financial Conglomerate, to which you are referred for details, to shareholders at the Annual General Meeting.

Assisted by the Nomination & Compensation Committee, the Board of Directors prepared and approved the Board of Directors Report on compensation policies in accordance with the model set out in applicable regulations (art. 123 *ter* of the Consolidated Finance Act and art. 84 *quarter* of the Regulation for Issuers). This document includes the Mediolanum Financial Conglomerate Compensation Policies Report that describes the compensation policies and incentives plans the Mediolanum Financial Conglomerate adopts to ensure due transparency in relation to significant corporate governance and market disclosure aspects.

In relation to this agenda item we invite you to vote on the following resolution:

‘The shareholders

after examining the report of the Board of Directors

resolve

to approve the content of the report presented by the Board of Directors pursuant to art. 123 *ter*, paragraph 6, of the Consolidated Finance Act and to any other statutory and regulatory effect.’

Milano 3, March 21, 2013

For the Board of Directors

The Chairman

(Carlo Secchi)

Mediolanum S.p.A.

Board of Directors' Report on the Remuneration Policies

Board of Directors' Meeting of 21 March 2013

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 Attachment 3A

1 OBJECTIVE AND STRUCTURE OF THE DOCUMENT

Pursuant to Article 123-*ter* of Italian 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 2012 is provided below.

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

- **SECTION I:**
 - outlines the Company's remuneration policy as regards supervisory and management board members, general managers and key managers, with reference to at least the subsequent year;
 - outlines the procedures used to adopt and implement said policy.

- **SECTION II:**
 - adequately describes 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 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 will also be available on the Company's website (www.mediolanum.com) under the section: "Investor Relations/CorporateGovernance/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 non-binding and the result of the vote is disclosed to the public;

- receives the appropriate reports on implementation of the Remuneration Policies, with the objective of examining the application methods for said policies, with particular focus on the variable components, and evaluating their consistency with the guidelines and objectives defined.

2.1.2 Board of Directors

The Board of Directors adopts and 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 and the relevant company departments 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 to which each is entitled, 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 skills 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 the achievement of the objectives established for recognition of the performance-based incentive component 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 to the Company's long-term strategies;
 - assesses and approves any proposals for changes to the remuneration and incentive policies submitted for examination by the Ordinary Shareholders' Meeting, as well as the consequent implementation rules;
 - 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, under 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.;
- adapts the remuneration system and relative implementation based on the Policies approved by the Board of Directors. With regard to Companies of the Financial Conglomerate, the Managing Director discloses the Remuneration policies to the Governing Bodies of said Companies, for their application in the corresponding entities of the Subsidiaries, upon drafting of specific company documentation to be submitted for approval by the respective Shareholders' Meetings, where mandatory;
- receives from the relevant structures reports on the following:
 - the implementation status of the remuneration and incentive policies (including adoption of any financial-instrument based plans) in favour of the various company roles, summarising the compensation resolved and rights accrued in favour of the recipients of the aforementioned policies;
 - checks 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 trends and on the company's positioning in the reference 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 to the General Managers (where appointed), for any purpose and in any form, even by 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 certain 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 expertise.

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 Corporate By-Laws.

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

- identifies and proposes the possible indicators to use in estimating 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 consideration the positions taken and duties assigned to each company member;
- carries out statistical surveys on remuneration trends and on the company's positioning in the reference market;
- verifies progress in terms of application of the Remuneration Policies;
- in accordance with the internal guidelines, handles the technical aspects linked to formulation and application of the financial-instrument based plans;
- 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 business 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 the current and future risks, 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 procedures 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 and, 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 make more informed decisions.

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 measures 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 economic and/or financial performance objectives 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 professional 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.

Furthermore, application of the Remuneration Policies permits better alignment of the interests of both Shareholders as well as 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.

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..

2.3 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, only 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 | 52% | 0% | 48% |
| 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 regulations 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 for Companies of the Mediolanum S.p.A. Financial Conglomerate as well.

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 the remuneration assigned by the Ordinary Shareholders' Meeting to the 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 bodies, with assumption of all of the consequent responsibilities. Use of said parameters provides adequate support for and transparency to the remuneration assigned.

In particular:

- the Ordinary Shareholders' Meeting is responsible for resolving 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 Shareholders' 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 as 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 advisory contracts, project work and long-term consulting agreements are applied, in compliance with the internal authorisation system.

The remuneration for long-term consulting agreements 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 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 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 the relative company and individual target values are defined for the year underway on an annual basis, following a summary of the previous year and determination 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) are defined by the Human Resources department, based on the guidelines 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, 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 an 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 to the achievement of specific individual and company performance objectives, 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., at a ratio of one new share per option exercised.

2.3.2.3 Ratio of fixed and incentive components

The remuneration system adopted by Mediolanum S.p.A. for members of the governing bodies and key managers in 2012 involved a pay-mix in which the weight of the variable remuneration component is relatively lower, 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, employees may also receive special conditions in terms of access to the banking and financial products offered by Companies of the Financial Conglomerate, and supplementary systems for the institutional pension and welfare plans may be envisaged, such as those designed to provide employees and their families with health coverage.

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

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

2.5 Performance objectives

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

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. If the results are lower than pre-established values, the variable component may also be brought down to zero.

2.6 Criteria used to assess performance objectives and assign/exercise 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 relevant 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 an assessment. 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 below).

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, of a specific "Return on risk adjusted capital" (RORAC) and an excess capital level with respect to the applicable *pro-tempore* capital requirements, in the year in which the stock options are assigned and in subsequent years.

2.7 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. The duration is based on achievement of the individual and company performance objectives, as well as on the 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 permitted 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, only once and for the entire amount.

In particular, exercising of the options assigned in 2012 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 of the following by the Mediolanum Financial Conglomerate in each year of the respective results measurement periods:
 - 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.

2.8 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 recipient must 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.

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

2.9 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 in exceptional cases, carefully evaluated and based on the results achieved.

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.

2.10 Remuneration policy with respect to the following, if applicable: (i) independent directors, (ii) participation in committees and (iii) 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, exclusively long-term.

3 SECTION II

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

| (A) Name and Surname | (B) Office | (C) Period during which office held | (D) Expiry of office (*) | (1) Fixed remuneration | (2) Remuneration for participation in committees | (3) Non-equity based variable remuneration | | (4) Non-monetary benefits | (5) Other remuneration | (6) Total | (7) Fair value of equity-based remuneration | (8) Indemnity at end of office or at termination of employment |
|---|------------------------------|--|-----------------------------|---------------------------|---|---|----------------|------------------------------|---------------------------|--------------|--|---|
| | | | | | | Bonuses and other incentives | Profit-sharing | | | | | |
| CARLO SECCHI | Chairman, Board of Directors | 31/07/2012 - 31/12/2012 | 31/12/2012 | | | | | | | | | |
| (I) Remuneration in company drawing up the financial statements | | | | €41,667 | 0 | 0 | 0 | 0 | 0 | €41,667 | 0 | 0 |
| (II) Remuneration from subsidiaries and associates | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (III) Total | | | | €41,667 | 0 | 0 | 0 | 0 | 0 | €41,667 | 0 | 0 |
| ROBERTO RUOZI | Chairman, Board of Directors | 01/01/2012 - 26/04/2012 | 26/04/2012 | | | | | | | | | |
| (I) Remuneration in company drawing up the financial statements | | | | €33,333 | 0 | 0 | 0 | 0 | 0 | €33,333 | 0 | 0 |
| (II) Remuneration from subsidiaries and associates | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (III) Total | | | | €33,333 | 0 | 0 | 0 | 0 | 0 | €33,333 | 0 | 0 |
| ALFREDO MESSINA | Deputy Vice Chairman | 01/01/2012 - 31/12/2012 | 31/12/2013 | | | | | | | | | |
| (I) Remuneration in company drawing up the financial statements | | | | €200,000 | 0 | 0 | 0 | 0 | 0 | €200,000 | €184,870 | 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 | €184,870 | 0 |

| MASSIMO DORIS | Vice Chairman | 01/01/2012 - 31/12/2012 | 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 | | | | €648,110 ³ | 0 | 0 | 0 | 0 | (c) €17,851 | €654,155 | 0 | 0 |
| (III) Total | | | | €948,110 | 0 | 0 | 0 | 0 | 0 | €954,155 | 0 | 0 |
| ENNIO DORIS | Managing Director | 01/01/2012 - 31/12/2012 | 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 | | | | €234,292 ⁴ | 0 | 0 | 0 | 0 | 0 | €234,292 | 0 | 0 |
| (III) Total | | | | €834,292 | 0 | 0 | 0 | 0 | 0 | €834,292 | 0 | 0 |
| LUIGI BERLUSCO NI | Director | 01/01/2012 - 31/12/2012 | 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 CANNATELLI | Director | 01/01/2012 - 31/12/2012 | 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 | 01/01/2012 - 31/12/2012 | 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 | | | | €89,231 ⁵ | €25,550 ⁶ | 0 | 0 | 0 | 0 | €114,781 | 0 | 0 |
| (III) Total | | | | €114,231 | €25,550 | 0 | 0 | 0 | 0 | €139,781 | 0 | 0 |

³ Of which: for the office of Managing Director in Subsidiary: €300,000 and fixed remuneration as employee in Subsidiary: €339,086.

⁴ Of which: for office in Subsidiary: €200,000 and for offices in Associates: €34,292.

⁵ Of which: for office in Subsidiary: €25,000 and for offices in Associates €64,231.

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

| | | | | | | | | | | | | |
|---|--|----------------------------|------------|--------------|----------------------|---|---|---|-----------------|------------|----------|---|
| BRUNO ERMOLLI | Director | 01/01/2012 - 05/07/2012 | 05/07/2012 | | | | | | | | | |
| | Chairman, Remuneration Committee | 01/01/2012 - 05/07/2012 | 05/07/2012 | | | | | | | | | |
| (I) Remuneration in company drawing up the financial statements | | | | €12,500 | €3,000 ⁷ | 0 | 0 | 0 | 0 | €15,500 | 0 | 0 |
| (II) Remuneration from subsidiaries and associates | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (III) Total | | | | €12,500 | €3,000 | 0 | 0 | 0 | 0 | €15,500 | 0 | 0 |
| EDOARDO LOMBARDI | Director | 01/01/2012 - 31/12/2012 | 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 | | | | €875,000 | €14,066 ⁸ | 0 | 0 | 0 | (a) €148,030 | €1,037,096 | €627,095 | 0 |
| (III) Total | | | | €900,000 | €14,066 | 0 | 0 | 0 | €148,030 | €1,062,096 | €627,095 | 0 |
| MARIO MOLTENI | Director | 01/01/2012 - 31/12/2012 | 31/12/2013 | | | | | | | | | |
| | Member, Internal Control Committee | 21/04/2012 - 31/12/2012 | 31/12/2013 | | | | | | | | | |
| | Member, Remuneration Committee | 01/01/2012 - 31/12/2012 | 31/12/2013 | | | | | | | | | |
| (I) Remuneration in company drawing up the financial statements | | | | €25,000 | €21,000 ⁹ | 0 | 0 | 0 | 0 | €46,000 | 0 | 0 |
| (II) Remuneration from subsidiaries and associates | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (III) Total | | | | €25,000 | €21,000 | 0 | 0 | 0 | 0 | €46,000 | 0 | 0 |
| DANILO PELLEGRINO | Director | 01/01/2012 - 31/12/2012 | 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 | | | | (**) €15,000 | 0 | 0 | 0 | 0 | 0 | €15,000 | 0 | 0 |
| (III) Total | | | | €40,000 | 0 | 0 | 0 | 0 | 0 | €40,000 | 0 | 0 |

⁷ Of which: as Chairman of the Remuneration Committee.

⁸ The remuneration indicated was resolved cumulatively for participation as member of the Remuneration Committee and Internal Control Committee of an associated company (Banca Esperia).

⁹ Of which: as member of the Internal Control Committee: €15,000; as member of the Remuneration Committee: €6,000.

| | | | | | | | | | | | | |
|---|--|----------------------------|------------|---------|-----------------------|---|---|---|-----------------|----------|---|---|
| ANGELO RENOLDI | Director | 01/01/2012 - 31/12/2012 | 31/12/2013 | | | | | | | | | |
| | Chairman, Surveillance & Control Body (Leg. Decree 231/2001) | 01/01/2012 - 31/12/2012 | 31/12/2013 | | | | | | | | | |
| | Chairman, Internal Control Committee | 01/01/2012 - 31/12/2012 | 31/12/2013 | | | | | | | | | |
| | Member, Remuneration Committee | 01/01/2012 - 31/12/2012 | 31/12/2013 | | | | | | | | | |
| (I) Remuneration in company drawing up the financial statements | | | | €25,000 | €46,000 ¹⁰ | 0 | 0 | 0 | 0 | €71,000 | 0 | 0 |
| (II) Remuneration from subsidiaries and associates | | | | €35,000 | €36,666 ¹¹ | 0 | 0 | 0 | 0 | €71,666 | 0 | 0 |
| (III) Total | | | | €60,000 | €82,666 | 0 | 0 | 0 | 0 | €142,666 | 0 | 0 |
| PAOLO SCIUME' | Director | 01/01/2012 - 31/12/2012 | 31/12/2013 | | | | | | | | | |
| | Member, Internal Control Committee | 21/04/2012 - 31/12/2012 | 31/12/2013 | | | | | | | | | |
| (I) Remuneration in company drawing up the financial statements | | | | €25,000 | €15,000 | 0 | 0 | 0 | 0 | €40,000 | 0 | 0 |
| (II) Remuneration from subsidiaries and associates | | | | €25,000 | €15,000 | 0 | 0 | 0 | (b) €259,420 | €299,420 | 0 | 0 |
| (III) Total | | | | €50,000 | €30,000 | 0 | 0 | 0 | €259,420 | €339,420 | 0 | 0 |
| MARIA ALESSANDRA ZUNINO DE PIGNIER | Director | 01/03/2012 - 31/12/2012 | 31/12/2013 | | | | | | | | | |
| (I) Remuneration in company drawing up the financial statements | | | | €28,833 | 0 | 0 | 0 | 0 | 0 | €28,833 | 0 | 0 |
| (II) Remuneration from subsidiaries and associates | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (III) Total | | | | €28,833 | 0 | 0 | 0 | 0 | 0 | €28,833 | 0 | 0 |
| EZIO SIMONELLI | Chairman, Board of Statutory Auditors | 01/01/2012 - 31/12/2012 | 31/12/2013 | | | | | | | | | |
| (I) Remuneration in company drawing up the financial statements | | | | €90,000 | 0 | 0 | 0 | 0 | 0 | €90,000 | 0 | 0 |
| (II) Remuneration from subsidiaries and associates | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (III) Total | | | | €90,000 | 0 | 0 | 0 | 0 | 0 | €90,000 | 0 | 0 |

¹⁰ Of which: Chairman of the Surveillance & Control Body (Legislative Decree 231/2001) €25,000; Chairman of the Internal Control Committee €15,000; member of the Remuneration Committee €6,000.

¹¹ Of which: Chairman of the Surveillance & Control Body (Legislative Decree 231/2001) of Subsidiaries €30,000; member of the Remuneration Committee of Subsidiary €6,666.

| RICCARDO PEROTTA | Permanent Auditor | 01/01/2012 - 31/12/2012 | 31/12/2013 | | | | | | | | | |
|---|-------------------|-------------------------|------------|----------|---|---|---|--------|---|----------|---|---|
| (I) Remuneration in company drawing up the financial statements | | | | €60,000 | 0 | 0 | 0 | 0 | 0 | €60,000 | 0 | 0 |
| (II) Remuneration from subsidiaries and associates | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (III) Total | | | | €60,000 | 0 | 0 | 0 | 0 | 0 | €60,000 | 0 | 0 |
| FRANCESCO VITTADINI | Permanent Auditor | 01/01/2012 - 31/12/2012 | 31/12/2013 | | | | | | | | | |
| (I) Remuneration in company drawing up the financial statements | | | | €60,000 | 0 | 0 | 0 | 0 | 0 | €60,000 | 0 | 0 |
| (II) Remuneration from subsidiaries and associates | | | | €45,000 | 0 | 0 | 0 | 0 | 0 | €45,000 | 0 | 0 |
| (III) Total | | | | €105,000 | 0 | 0 | 0 | 0 | 0 | €105,000 | 0 | 0 |
| (***) KEY MANAGERS 01/01/2012 - 31/12/2012 | | | | €760,000 | 0 | 0 | 0 | €9,895 | 0 | €769,985 | 0 | 0 |

(*) The expiry date refers to the Shareholders' Meeting to 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.

(c) Total amount of benefits provided, determined based on measurement for tax purposes.

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) =(2)+(5)-(11)-(14) | 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 | 278,000 | 306,495 | 09/07/2013 – 12/05/2017 | 139,000 | 153,456 | 11/05/2015 - 10/05/2018 | 184,870 | 10/05/2012 | 421,726 | 0 | - | - | 0 | 417,000 | 123,834 |
| EDOARDO LOMBARDI | Director | "Top Management 2010" | | | | | | | | | | | | | | | |
| (1) Remuneration from subsidiaries and associates | | Resolution date: 27/04/2010 | 943,000 | 1,039,657.5 | 09/07/2013 – 12/05/2017 | 471,500 | 520,536 | 11/05/2015 - 10/05/2018 | 627,095 | 10/05/2012 | 1,430,531 | 0 | - | - | 0 | 1,414,500 | 420,054 |

4 Equity investments held

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, on an individual name basis for members of the governing and control bodies and general managers, and cumulatively for the other key managers, with regard to each subsidiary, 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 ownership title and methods are specified as well. All individuals who during the year in question held the office of member of the governing and control bodies, 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) 23,563,070 (pi) 149,009,557 (u)(*) 46,260,000 (c) 49,702,296 | 0 0 0 0 | 0 0 0 0 | 23,563,070 149,009,557 46,260,000 49,702,296 |
| Maurizio Carfagna | Director | Mediolanum S.p.A. | (pd) 85,000 (pi) 30,000 (c) 2,000 | 0 95,000 0 | 85,000 0 0 | 0 125,000 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 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

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.

Specifically, 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 described below:

- APPLICATION PROFILES FOR THE MEDIOLANUM FINANCIAL CONGLOMERATE, which contain 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 govern 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 shall implement the Remuneration Policies within the company and disseminate 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:

- the issuing of specific implementation provisions by Mediolanum S.p.A;
- 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 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 publicly disclose 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 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.

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 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", as issued by CONSOB pursuant to paragraphs 7 and 8 of said Art. 123-ter.

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

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 those resolutions, other than the ones 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 the 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 business of the 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 (namely, application profiles) for the 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 level of professionalism and capabilities to meet the company's needs.

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

I - GOVERNANCE AND CONTROL;

II - STRUCTURE OF THE REMUNERATION AND INCENTIVE SYSTEM;

III - DISCLOSURE.

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;
- the "Amendments to the Bank of Italy – CONSOB Regulations on investment services" of 2 August 2012.

For insurance companies:

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

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 used 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 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 conflicts 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;

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 that the shareholders' meeting, in addition to establishing the remuneration for the bodies appointed by the same, approve, if set forth under the applicable sector regulations:
 - remuneration policies in favour of members of the Board of Directors and Management Board, employees or staff not bound to the company by an employment agreement;
 - financial-instrument based plans (such as stock options);
- establishes, within the body that determines the remuneration for the individual members of the Board of Directors and Management Board charged with special tasks, a committee consisting of a majority of independent members, if envisaged by the specific sector regulations, to provide advice and make proposals on the remuneration for company officers, as well as to provide consulting in terms of the criteria for managers' remuneration;
- envisages involvement of the shareholders' meeting in the process for approval of the remuneration policies, if envisaged by the specific sector regulations, 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 of the control functions and of the relevant company functions in defining the remuneration policies, 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 Departments). 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 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 on compliance with 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, if a variable component or bonus is 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:
 - be in line with the results actually achieved, substantially declining or brought to zero in the event of performance that is below forecasts or negative;
 - be 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;
 - be 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 in relation to the different types of products offered, as well as to the budget objectives and related bonuses for the sales network;
 - be 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;
 - consider the results of the relative business unit and of the overall Company or group (or Financial Conglomerate) and, where possible, of the individuals;
 - comprise a generally significant portion subject to financial-instrument 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 directors 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;
 - envisage directors holding a portion of the shares assigned or acquired until the end of their mandate, or for a reasonable period;

- have a significant portion subject to an appropriate remuneration deferral system, for a reasonable amount of time. The magnitude of this portion and the duration of deferral must be consistent with the characteristics of the company's business and with the relative risk profiles;
 - be subject 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 financial-instrument based compensation or bonuses linked to economic performance;
 - remuneration of the heads of the internal control functions and equivalent individuals (such as 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:

- if envisaged by the specific applicable sector regulations, 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 their 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 Policy defined by Mediolanum S.p.A. aims to attract and retain key individuals with the appropriate professional 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 Corporate By-Laws 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 Corporate By-Laws 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 Corporate By-Laws 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 system, 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 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 Policy drawn up the Board of Directors. This resolution is non-binding and the result of the vote is publicly disclosed;
- receives the appropriate reports on implementation of the Remuneration Policies, with the objective of examining the application methods for said policies, with particular focus on the variable components, and evaluating their consistency with the guidelines and objectives defined.

2.2 Board of Directors

The Board of Directors adopts and 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 also ensures that the remuneration and incentive policy is appropriately documented and:

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

In particular, in addition to the provisions under the Corporate By-Laws, 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 to which each is entitled, the vesting period, the 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 skills 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 approved by the Shareholders' Meeting with respect to sound and prudent management and to 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 regulations 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 economic and/or financial performance objectives 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, under 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.;
- adapts the remuneration system and relative implementation based on the Policies approved by the Board of Directors. With regard to Companies of the Financial Conglomerate, the Managing Director discloses the Remuneration policies to the Governing Bodies of said Companies, for their application in the corresponding entities of the Subsidiaries, upon drafting of specific company documentation to be submitted for approval by the respective Shareholders' Meetings;
- receives from the relevant structures reports on the following:
 - the implementation status of the remuneration and incentive policies (including adoption of any financial-instrument based plans) in favour of the various company roles, summarising the compensation resolved and rights accrued in favour of the recipients of the aforementioned policies;

⁹ See Art. 24 of the Corporate By-Laws.

- checks 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 trends and on the company's positioning in the reference market.

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 to the General Managers (where appointed), for any purpose and in any form, even by 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 certain 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 expertise.

2.7.1 Human Resources

This department collaborates with the relevant Bodies and Departments of Mediolanum S.p.A. and Banca Mediolanum (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 the possible indicators to use in estimating 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 consideration 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 progress in terms of application of the remuneration policies;
- handles, in accordance with the internal guidelines, the technical aspects linked to formulation and application of the financial-instrument based plans;
- 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”, as described 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 business 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 the risks, both current and future, the cost of capital and the liquidity necessary to handle the activities undertaken.

2.7.3 Internal Auditing

This department periodically verifies the methods through which compliance of the remuneration procedures 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 and, 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, financial instruments 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 personnel remuneration structure 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 envisages a balanced package consisting of 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 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.

1. Fixed component

The weight of the fixed component within the overall package is designed to reduce the probability 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.

These Remuneration Policies require that the remuneration assigned by the Ordinary Shareholders' Meeting to the 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 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, as previously mentioned:

- the Ordinary Shareholders' Meeting is responsible for resolving the remuneration owing to Directors upon appointment (with the faculty of determining the remuneration for any Directors charged with special tasks), as well as to the 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 Shareholders' 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 as 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 advisory contracts, project work and long-term consulting agreements are applied, in compliance with the internal authorisation system.

The remuneration for long-term consulting agreements is determined 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.

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, employees may also receive special conditions in terms of access to the banking and financial products offered by Companies 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, a third-party liability insurance policy is provided for Directors and Executives, 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 may be regulated 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 an economic as well as other nature.

In this respect, with regard 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 policies define short-term parameters established on an annual basis and medium/long-term parameters established on a three-year basis, the implementation rules of which are determined by the Board of Directors through approval of the internal implementation 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 of the aforementioned economic parameter in the three-year period consisting of the year of assignment of the options and the subsequent two years ("Three-Year Performance Targets").

2.3 Non-economic 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 remuneration not linked to economic parameters for company executives and heads of the supervisory functions is based on an assessment that objectively considers the activities conducted by the individual, as well as other components of a purely qualitative nature. Variable remuneration for all other employees, where envisaged, is predominantly based on recognition of skills and acquired capabilities, as well as on client satisfaction and improvement of processes.

For the Top Management 2010 Plan, the exercising of 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, noting 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 improper 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 financial-instrument based plans, “Top Management Plan 2010” contemplates a vesting period for the options (which become effective upon occurrence of the exercise conditions) of between three and five years from the assignment date and currently set 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 in exceptional cases, carefully evaluated and based on the results achieved.

Executives (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 advisory 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:
 - the first section illustrates:
 - the Company's remuneration policy as regards members of the Board of Directors, general managers (where appointed) and key managers, with reference to at least the subsequent 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:
 - adequately describes 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;

¹² Starting from the Shareholders' Meeting convened in 2012.

- 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. Remunerative 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 | 52% | 0% | 48% |
| 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 | 88% | 12% | 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 at least one existing incentive plan.

(**) 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.



SELF-ANALYSIS SCHEDULE FOR KEY PERSONNEL

Self-assessment for the identification of key personnel: March 2013

The final judgement of significance considers the assessments made in the individual areas of significance and takes on the following definitions:
 - Low = Person not significant
 - Medium = Person whose significance is to be submitted for evaluation by the Remuneration Committee or another delegated structure
 - High = Key personnel

| NAME | Type of Collaboration | ROLE (Main Office) | Overall assessment of the subject party's significance | AREA OF SIGNIFICANCE | | | | | | | | | | | | | | | |
|-----------------------------------|-----------------------|---|--|---------------------------|--------------|--------------|--------------------------------|--------------|--------------|----------------------------------|--------------|---|--------------|----------------------------------|--------------|--------|-----|------|-----|
| | | | | 1 - Delegated powers | | | 2 - Responsibilities and tasks | | | 3 - Relations outside of company | | 4 - Impact on financial statement items | | 5 - Remuneration characteristics | | | | | |
| | | | | Significance of criterion | Significance | Significance | Significance of criterion | Significance | Significance | Significance of criterion | Significance | Significance of criterion | Significance | Significance of criterion | Significance | | | | |
| SECCHI, CARLO | DIRECTOR | Chairman of Board of Directors | High | 100% | 100% | High | 0% | 0% | 0% | Low | 0% | 100% | Medium | 100% | 100% | Medium | 0% | 0% | Low |
| MESSINA, ALFREDO | DIRECTOR | Deputy Vice Chairman | High | 100% | 100% | High | 0% | 0% | 0% | Low | 100% | 100% | Medium | 100% | 100% | Medium | 50% | 0% | Low |
| DORIS, MASSIMO | DIRECTOR | Vice Chairman | High | 100% | 100% | High | 0% | 0% | 0% | Low | 100% | 100% | Medium | 100% | 100% | Medium | 0% | 0% | Low |
| DORIS, ENNIO | DIRECTOR | Managing Director | High | 100% | 100% | High | 0% | 0% | 0% | Low | 100% | 100% | Medium | 100% | 100% | Medium | 0% | 100% | Low |
| LOMBARDI, EDOARDO | DIRECTOR | Director | High | 0% | 100% | High | 0% | 100% | 0% | High | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| DEL FABBRO, LUIGI | DIRECTOR | Director and Designated Manager | High | 0% | 0% | Low | 0% | 0% | 100% | High | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| BERLUSCONI LUIGI | DIRECTOR | Director | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| CANATELLI, PASQUALE | DIRECTOR | Director | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| CARFAGNA, MAURIZIO | DIRECTOR | Director | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| MOLTENI, MARIO MARCO | DIRECTOR | Director | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| PELLEGRINO, DANILLO | DIRECTOR | Director | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| RENOLDI, ANGELO | DIRECTOR | Director | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| SCIUME, PAOLO | DIRECTOR | Director | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| ZUNINO DEPIGNIER, MARIA ALESSANDR | DIRECTOR | Director | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| SIMONELLI, EZIO | DIRECTOR | Chairman of Board of Statutory Auditors | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| PEROTTA, RICCARDO | DIRECTOR | Permanent Auditor | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| VITTADINI, FRANCESCO | DIRECTOR | Permanent Auditor | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| MOLTENI, MARIO MARCO | DIRECTOR | Member of Remuneration Committee | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| RENOLDI, ANGELO | DIRECTOR | Member of Remuneration Committee | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| RENOLDI, ANGELO | DIRECTOR | Chairman of Control and Risks Committee | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| MOLTENI, MARIO MARCO | DIRECTOR | Member of Control Committee | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| SCIUME, PAOLO | DIRECTOR | Member of Control Committee | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| RENOLDI, ANGELO | DIRECTOR | Chairman of Supervisory & Control Board | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| LANZONE, ALESSANDRA | EMPLOYEE | Head of Investor Relations | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| ROVERE, LUCA MARIA | EMPLOYEE | Head of Corporate Affairs | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |
| TRONCONI, LORENZO | EMPLOYEE | Head of Financial Assessments Office | Low | 0% | 0% | Low | 0% | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low | 0% | 0% | Low |