

**Report of the Board of Directors of Mediolanum S.p.A. on the proposed amendments to the Bylaws, as per agenda item 3, prepared for the Extraordinary General Meeting convened on April 19, 2007 (first call) and April 20, 2007 (second call) pursuant to article 72, paragraph 1, and article 92 of Consob Regulation approved by resolution 11971 of May 14, 1999 as subsequently amended**

Dear shareholders,

In relation to item 3 on the EGM agenda, we remind you that Legislative Decree 303 of December 29, 2006 entered into effect on January 25, 2007 and amended the “Investors Protection Act” (Act 262 of December 28, 2005), which had already amended, *inter alia*, a number of provisions of the Consolidated Finance Act (TUF). Said Legislative Decree requires those companies registered in the Register of Companies at the date said legislation entered into effect to incorporate the new statutory provisions introduced by Act 262/2005 and Legislative Decree 303/2006 into their articles of incorporation and their Bylaws within June 30, 2007.

Said decree also requires Consob to issue instructions on compliance with certain requirements introduced by the Act referred to above within March 31, 2007.

In consideration of the foregoing, after assessing the impact of the new regulations on the company in particular in relation to the requirement to appoint an officer responsible for the preparation of corporate and accounting documents, the Board of Directors submits to your vote the proposed amendments to the Bylaws in the text set out in “Exhibit 1” together with the current text.

The proposed amendments take into account the requirements of Legislative Decree 303/2006.

With respect to other requirements relating to the election and composition of the Board of

Directors and the Board of Statutory Auditors, as well as to the new rights of participation of “minority shareholders”, we believe it is more appropriate to wait for the impending publication of Consob instructions, which at the time this Report was prepared were still in the form of “Consultation document”.

Among other things, the proposed amendments aim at introducing certain operational and terminology clarifications in addition to more material changes. The proposed amendments relate to articles 11, 19, 23 and 24 and are commented below.

In the opinion of the Board of Directors the proposed amendments do not entitle dissenting shareholders, if any, to obtain repayment of their shares (article 2473 of the Italian Civil Code).

**Article 11.** In accordance with the amendments made to art. 2370, second paragraph of the Italian Civil Code, the amendment to the current text of this article is proposed to enable the participation in the General Meeting by shareholders who file with the Company the **notice** from the intermediary at least two days prior to the date of the General Meeting so that shareholders can have the shares to which the notice relates available to them.

**Article 19.** Pursuant to the Consolidated Finance Act, the proposed amendment to paragraph 3 of this article entails that a meeting of the Board of Directors can be convened also by **one** Standing Auditor.

**Article 23.** The amendment is proposed to streamline the procedure for amending the Bylaws. In this respect, we propose to reformulate paragraph 3 and confirm the authority of the Board of Directors to make those amendments that are needed to comply with statutory requirements,

deleting the term “**mandatory**” in the current text, without prejudice to the authority of the Extraordinary Meeting.

**Article 24.** Pursuant to the Consolidated Finance Act, we propose to add a new paragraph relating to the **Officer responsible for preparing corporate and accounting documents**, which expressly sets forth the requirements for that position, the procedures for his appointment and term. The new paragraph would be inserted as letter e) and the previous paragraph e) would become paragraph f).

In consideration of the foregoing, we submit for your approval:

**the following resolution**

“At the Extraordinary General Meeting, having taken note of and discussed the report of the Board of Directors, the proposed amendments to the Bylaws and the resolutions passed in relation to article 6) (Share Capital) of the Bylaws, the Shareholders of Mediolanum S.p.A. hereby

resolve

1. to amend articles 11, 19, 23 and 24 of the Company’s Bylaws in accordance with the text appended hereto as proposed by the Board of Directors;
2. to individually grant the Executive Deputy Chairman, the Deputy Chairman and the Chief Executive Officer all necessary powers to implement this resolution and comply with all statutory and regulatory requirements.”

Basiglio, Milano 3, March 1, 2007

For the Board of Directors

The Chairman  
Roberto Ruozi

**MEDIOLANUM S.P.A.**

<b>CURRENT TEXT</b>	<b>PROPOSED TEXT</b>
<p style="text-align: center;"><b>GENERAL MEETINGS</b></p> <p><b>Article 11)</b> To participate in the General Meeting shareholders shall request the intermediaries holding their shares to issue the relevant certificates at least two days prior to the Meeting.</p>	<p style="text-align: center;"><b>GENERAL MEETINGS</b></p> <p><b>Article 11)</b> <i>To participate in the General Meeting shareholders shall file with the Company the notice from the intermediary pursuant to article 2370, paragraph 2 of the Italian Civil Code at least two business days prior to the date of the General Meeting. Filing the notice from the intermediary does not preclude the availability of shares to the shareholders prior to the General Meeting.</i></p>
<p style="text-align: center;"><b>BOARD OF DIRECTORS</b></p> <p><b>Article 19)</b> 1. The Board of Directors shall meet anytime the Chairman deems it to be necessary or whenever so requested in writing by at least two of its members. 2. The Chairman may convene the Board of Directors Meeting also in places other than the company's registered office. 3. Board of Directors meetings shall be called by the Chairman of the Board of Directors or anyone acting in his stead, or by the Board of Statutory Auditors or by at least two standing auditors subject to notice to the Chairman of the Board of Directors. Notice of meeting shall be given by registered mail or telegram, fax or e-mail at least five days prior to the date of the meeting, or, in the event of urgent meetings, by telegram, fax or e-mail one day prior to the date of the meeting to each member of the Board of Directors and to each Standing Auditor to the address or domicile previously notified by them. Notice of meeting may also be served by means other than those set out above. 4. Board of Directors meetings may also be held by means of conference call or videoconference, provided that all participants can be identified, they can follow the</p>	<p style="text-align: center;"><b>BOARD OF DIRECTORS</b></p> <p><b>Article 19)</b> 1. UNCHANGED 2. UNCHANGED 3. <i>Board of Directors meetings shall be called by the Chairman of the Board of Directors or anyone acting in his stead, or by the Board of Statutory Auditors or by <b>one standing auditor</b> subject to notice to the Chairman of the Board of Directors. Notice of meeting shall be given by registered mail or telegram, fax or e-mail at least five days prior to the date of the meeting, or, in the event of urgent meetings, by telegram, fax or e-mail one day prior to the date of the meeting to each member of the Board of Directors and to each Standing Auditor to the address or domicile previously notified by them. Notice of meeting may also be served using more than one of the means set out above.</i> 4.</p>

<p>discussion and their real time participation in the meeting, including their receipt, transmission and viewing of documents, is assured. If these conditions are met, the venue of the Board of Directors Meeting shall be the place where the Chairman and the Secretary of the Meeting are concurrently present.</p>	<p>UNCHANGED</p>
<p><b>Article 23)</b>  1. The Board of Directors shall have all powers for the ordinary and extraordinary management of the company.  2. Decisions on the matters below shall be the exclusive reserve of the Board of Directors, which, however, may be wholly or partly delegated to the Executive Committee with the favourable vote of nine tenth of the directors in office:  - acquisition and disposal of businesses and business lines;  - business agreements and deals (such as joint venture, cooperation, sponsoring or advice and consultancy agreements) with a term of more than 6 years – irrespective of the value of each deal or agreement - or having a total value (to be determined with reference to the annual value of the transactions) greater than €1,500,000 (one million five hundred thousand) (irrespective of their term);  - interest-bearing credit facilities (excluding any deferred payment facilities granted to the company in connection with the supply of goods and the provision of services) amounting to over €5,000,000.= each, excluding credit facilities maturing within one year and connected to the day-to-day business of the company and its subsidiaries;  - lease out or rental of businesses or business lines, except for the lease out of individual commercial premises for a term of no more than nine years;  - acquisition and sale of shareholdings in any business or organisation;  - real estate transactions including real estate leases;  - provision of any guarantees except for those required for the day-to-day running of the company and its subsidiaries;  - appointment of the General Manager.  3. The Board of Directors shall also have authority to pass resolutions on mergers within the scope of article 2505 of the Italian Civil Code, the institution or liquidation of secondary offices, the choice of directors with authority to represent the company, share capital reductions in the event that any dissenting shareholders obtain payment of their shares, amendments to the bylaws to comply with mandatory statutory requirements and the issue of non-convertible bonds within the limit of shareholders’ equity as reported in the latest</p>	<p><b>Article 23)</b>  1. UNCHANGED  2. UNCHANGED  3. Subject to <i>Article 15.2 herein</i>, the Board of Directors shall have authority to take resolutions on the following matters:  - <i>mergers within the scope of article 2505 of the Italian Civil Code, within statutory limits;</i>  - <i>the institution or liquidation of secondary offices;</i>  - <i>the choice of directors with authority to represent the company;</i></p>

<p>approved financial statements. Any issue of non-convertible bonds in excess of that limit shall be authorised by the Extraordinary General Meeting. Likewise authority to decide to issue subscription warrants attached to corporate convertible bonds is reserved to the General Meeting.</p>	<ul style="list-style-type: none"> <li>- <i>share capital reductions in the event that any dissenting shareholders obtain payment of their shares;</i></li> <li>- <i>amendments to the bylaws to comply with <b>statutory</b> requirements;</i></li> <li>- <i>the issue of non-convertible bonds within the limit of shareholders' equity as reported in the latest approved financial statements. Any issue of non-convertible bonds in excess of that limit shall be authorised by the Extraordinary General Meeting.</i></li> </ul> <p><i>Likewise authority to decide to issue subscription warrants attached to corporate convertible bonds is reserved to the General Meeting.</i></p>
<p><b>Article 24)</b> Subject to the provisions of article 2381 of the Italian Civil Code, the Board of Directors:</p> <p>a) may establish the Executive Committee, provided that the Board of Directors is composed of at least seven members, determine the number of members thereof and delegate to it all or part of its powers, except for those which the law exclusively reserves to the Board of Directors. If established, the members of the Executive Committee shall include the Chairman of the Board of Directors, the Deputy Chairmen, and the Chief Executive Officers, if appointed. These officers, however, shall not increase the number of Executive Committee members.</p> <p>The Board of Directors may make up for any Executive Committee members who resigned replacing them with other directors.</p> <p>The convocation and proceedings of Executive Committee meetings shall be subject to the same provisions as those regulating Board of Directors meetings.</p> <p>The term of Executive Committee members shall be the same as their term as directors;</p> <p>b) may establish other Committees, whose members need not be Board directors, determining their duties, powers, compensation, composition and proceedings. If composed also of non-Board members, those Committee shall only have advisory powers;</p> <p>c) may delegate all or part of its powers to one or more of its members, including the Chief Executive Officer, except for the authorities under article 23) of these bylaws;</p> <p>d) may appoint managers, determining their powers, and grant powers of attorney for the performance of single acts or categories of acts;</p>	<p><b>Article 24)</b></p> <p style="text-align: center;">UNCHANGED</p> <p style="text-align: center;">UNCHANGED</p> <p style="text-align: center;">UNCHANGED</p> <p style="text-align: center;">UNCHANGED</p>

<p>e) shall apportion amongst its members the aggregate compensation determined by the General Meeting for all directors, and, pursuant to article 26 of these bylaws, determine and apportion the compensation of directors with special duties, according to the advice of Statutory Auditors.</p>	<p><i>e) taking note of the opinion of the Board of Statutory Auditors, the Board of Directors shall appoint the officer responsible for the preparation of corporate accounting documents, choosing him among individuals with at least three-years of qualified experience in finance and control or as managers or consultants with listed companies and/or related groups of companies or companies or organisations of significant size and relevance with responsibilities for preparing and controlling corporate and accounting documents.</i></p> <p><i>The Board of Directors shall grant said officer powers and resources that are adequate to the performance of his duties.</i></p> <p><i>Prior to his appointment, the Board of Directors shall ascertain that said officer meets the statutory and regulatory requirements for that position, as may be in force from time to time as well as compliance with these Bylaws.</i></p> <p><i>The officer responsible for preparing corporate accounting documents shall hold office until the date of the first meeting of the Board of Directors successive to the General Meeting that appointed the entire Board of Directors;</i></p> <p><i>f) shall apportion amongst its members the aggregate compensation determined by the General Meeting for all directors, and, pursuant to article 26 of these bylaws, determine and apportion the compensation of directors with special duties, according to the advice of Statutory Auditors.</i></p>