

**ANNUAL REPORT  
ON  
CORPORATE GOVERNANCE**

## **Annual Report on Corporate Governance**

This report was prepared by Mediolanum S.p.A to present its corporate governance system. The report also contains information on the progress made in the implementation of the recommendations set out in the Code of Conduct issued by the Corporate Governance Committee of Borsa Italiana, including explanations of any departures from said recommendations, in accordance with the “comply or explain” principle.

### **1. CORPORATE GOVERNANCE SYSTEM**

#### **Introduction and information on the ownership structure**

At December 31, 2008, the company’s subscribed and fully paid up share capital amounted to €73,009,610.90 divided into 730,096,109 ordinary shares, each with par value of €0.10. There are no shares other than ordinary shares.

The shareholders who, directly or indirectly, own over 2% of Mediolanum S.p.A.’s subscribed share capital represented by shares entitled to vote, based on the company’s records as supplemented by notices and other information received by the company, are as follows.

	No. of SHARES	%
<b>SILVIO BERLUSCONI INDIRECTLY THROUGH:</b>		
- FININVEST S.P.A. (OWNERSHIP)	263,008,000	36.024
<b>ENNIO DORIS</b>		
- DIRECTLY:		
OWNERSHIP	23,119,070	3.166
- INDIRECTLY THROUGH:		
HERULE FINANCE S.A.	194,449,557	26.633
<i>TOTAL</i>	<b>217,568,627</b>	<b>29.799</b>
<b>LINA TOMBOLATO DIRECTLY</b>		
- OWNERSHIP	24,307,595	3.329
- INDIRECTLY THROUGH		
- T-INVEST S.A.	24,328,300	3.332
<i>TOTAL</i>	<b>48,635,895</b>	<b>6.661</b>

On September 14, 2007, Fininvest S.p.A., as one party, and Ennio Doris, Fin.Prog.Italia S.a.p.a. di Ennio Doris & C. and Herule Finance SA, as the other party (collectively referred to as “Doris Group”), renewed the shareholders’ agreement, whereby they undertook to lock up their respective equal shareholdings totalling at least 51% of the company’s share capital.

The key terms and conditions of the Shareholders’ Agreement are set out below.

***Shares locked up under the Shareholders' Agreement***

372,630,000 Mediolanum S.p.A. ordinary shares, equal to 51.04% of share capital represented by shares entitled to vote.

The Parties to the agreement committed to lock up any further shares as may be necessary following any share capital increases under which pre-empting rights are excluded or not exercised, so that the total amount of shares equally contributed by each party and locked up under the agreement continues to be equal to at least 51% of Mediolanum S.p.A.'s share capital.

***Parties to the Shareholders' Agreement and Shares Contributed by Each Party***

FININVEST S.p.A. is one party, and ENNIO DORIS, FIN.PROG.ITALIA S.a.p.a. di Ennio Doris & C., HERULE FINANCE S.A. (hereinafter "HERULE" and together with FIN.PROG.ITALIA S.a.p.a. "Doris Group Companies") is the other party. Ennio Doris and FIN.PROG.ITALIA S.a.p.a. have the rights under articles 5) and 6) of the Shareholders' Agreement (appointment and composition of the bodies governing the Mediolanum S.p.A. Shareholders' Agreement). In relation to the exercise of those rights, Ennio Doris and the Doris Group Companies agreed to be represented by Ennio Doris or, in case of his impediment, by another individual or company of the Doris Group, as promptly indicated by the Doris Group Companies.

<b>Parties to the shareholders' agreement</b>	<b>Number of shares locked up</b>	<b>% of shareholding locked up</b>	<b>% of share capital</b>
FININVEST S.p.A.	186,315,000	50%	25.52%
<b>Total Fininvest</b>	186,315,000	50%	25.52%
HERULE FINANCE S.A.	186,315,000 (*)	50%	25.52%
<b>Total Doris Group</b>	186,315,000	50%	25.52%
<b>Total shares locked up</b>	372,630,000	<b>100%</b>	51.04%

(\*) of which 46,260,000 shares held under right of property with voting rights while usufruct is jointly held by Ennio Doris and Lina Tombolato.

By virtue of the agreement no party thereto exercises control over Mediolanum S.p.A.

#### ***Type and content of the agreement***

The agreement regulates voting and transfers of shares for the purpose of ensuring equal control and joint management of Mediolanum S.p.A. by FININVEST and the Doris Group.

The current Agreement replaced the Agreement signed by the Parties on September 14, 2004, without materially changing its content.

At Mediolanum S.p.A. General Meetings, the Parties to the Agreement undertook to vote their locked up shares as indicated in the resolution of the Board of the Shareholders' Agreement.

The Parties undertook to compile and present within the term set forth in the company's bylaws a common list of nominees for the position of director, as follows. Each party nominates an equal number of directors (including one Independent Director pursuant to Legislative Decree 58/1998)

so that FININVEST and the Doris Group are always represented by the absolute majority of directors on the Mediolanum S.p.A. Board of Directors. The Chairman is chosen from the directors nominated by FININVEST; the two Deputy Chairmen (one acting in the Chairman's stead) are chosen as follows, one from the directors nominated by FININVEST and the other from those nominated by the Doris Group; the Chief Executive Officer is nominated by the Doris Group in the person of Ennio Doris; in the event that, for any reason whatsoever, Ennio Doris cannot hold the position of Chief Executive Officer, then the chief executive officer of Mediolanum S.p.A. shall be nominated by the Board of the Shareholders' Agreement upon the favourable votes of four of its members, who shall decide in the best interest of Mediolanum, the growth of its assets, its operations and those of its subsidiaries.

Ennio Doris, or in case of his impediment, the Doris Group Companies, shall have the right to propose the nominee for the position of Chief Executive Officer.

In compliance with statutory and regulatory requirements, the majority of statutory standing auditors of Mediolanum S.p.A. are designated by FININVEST, when possible, and the Chairman of the Board of Statutory Auditors, when possible, is designated by the Doris Group. In any case, the Parties shall compile and present within the term set forth in the company's bylaws a common list of nominees for the position of statutory auditors, as follows. The first name on the list of nominees for the position of standing auditor shall be a person nominated by Ennio Doris, or in case of his impediment, by the Doris Group Companies, followed by the names of two persons nominated by FININVEST. The first name on the list of nominees for the position of alternate auditor shall be a person jointly nominated by FININVEST and by Ennio Doris, or in case of his impediment, by the Doris Group Companies, while the person ranking second on that list shall be nominated, every three years, in turn by FININVEST and by Ennio Doris, or in case of his impediment, by the Doris Group Companies. For the first three years the person ranking

second on the list of alternate auditor nominees shall be designated by FININVEST.

Any sales or transfers to any third parties of Mediolanum S.p.A. shares held by the Parties and locked up under the Shareholders' Agreement shall be pre-emptively offered to the other Party.

In addition, if the Board of the Shareholders' Agreement:

(a) does not designate – promptly, and in any case within 10 days of the request – the new chief executive officer pursuant to the Shareholders Agreement, in the event that Ennio Doris can no longer hold the position of Mediolanum S.p.A Chief Executive Officer for any reasons whatsoever;

(b) does not revoke – promptly, and in any case within 10 days of the request of either Party, the Mediolanum S.p.A Chief Executive Officer, whether Ennio Doris or another person designated by Ennio Doris or, in case of his impediment, by the Doris Group Companies;

(c) does not approve strategic alliances and agreements submitted to it or if the decisions above made by the Board of the Shareholders' Agreement are not immediately implemented,

(i) FININVEST shall have the right to request HERULE to sell all lockup shares held by HERULE in Mediolanum S.p.A to FININVEST. FININVEST shall send its request to HERULE in writing within 30 days of the date of the Meeting of the Board of the Shareholders' Agreement at which the decision in relation to (a), (b) and (c) was not taken or not immediately implemented. Should FININVEST fail to do so, its request shall be null and void;

(ii) upon receipt of the request from FININVEST, HERULE shall have the right to request FININVEST to sell all lockup shares held by FININVEST in Mediolanum S.p.A. to HERULE;

(iii) If FININVEST fails to send the request within the term set out under (i), HERULE shall have the right to request FININVEST to sell all lockup shares held by FININVEST in Mediolanum S.p.A. to HERULE. If HERULE exercises said right, the provisions and the procedures set out under (i) and (ii) will apply *mutatis mutandis*, replacing "FININVEST" with

"HERULE" and "HERULE" with "FININVEST" respectively.

### ***Governance Bodies***

The Shareholders' Agreement is governed by the Board, the Chairman and the Secretary, if appointed.

(a) The Board consists of five members, of whom two elected by each Party and the fifth jointly by the *pro-tempore* Chairman of FININVEST and by Ennio Doris or, in case of his impediment, by the Doris Group Companies.

Guido Roveda from Milan, was appointed Chairman of the Shareholders' Agreement.

The Board meets no later than the day before any General Meetings, any meetings of the Board of Directors or of the Executive Committee (when established) of Mediolanum S.p.A. which include on the agenda any of the matters under letters (a)1 to (a)8 of article 5 of the Shareholders' Agreement (in brief: assessments of results, proposals to change share capital or amend the Bylaws, matters reserved to the General Meeting and proposals for the designation of nominees for the position of director and statutory auditor of Mediolanum S.p.A. and its subsidiaries, as well as strategic guidance, acquisitions of shareholdings or other significant assets, shareholders' agreements or strategic alliances which may be in the interest of the Mediolanum Group), provided that the meeting is called by at least one member of the Board of Directors designated by FININVEST or the Doris Group, or any time the Chairman of the Shareholders' Agreement deems it expedient or at least two members of the Board of the Shareholders' Agreement request it in writing.

(b) The Chairman of the Shareholders' Agreement represents the Shareholders' Agreement before third parties, convenes and chairs the meetings of the Board of the Shareholders' Agreement, and implements the resolutions of the Board of the Shareholders' Agreement within the scope of his authorities.



(c) The Board of the Shareholders' Agreement can appoint a Secretary who may also not be one of its members. The Secretary is responsible for ensuring the proper operation of the Shareholders' Agreement, assisting the Board and the Chairman of the Shareholders' Agreement.

### ***Term***

The renewed Shareholders' Agreement entered into effect on September 14, 2007 – the date on which it was signed – and it will remain in force for three years.

Unless otherwise agreed between the Parties, the Shareholders' Agreement shall be terminated if:

- a) following any de-mergers or mergers with other companies, the total number of shares held by the Parties is less than 51% of Mediolanum S.p.A. share capital or of the merging company or the company resulting from any said transactions;
- b) following any sales or transfers of Mediolanum S.p.A. shares or the loss of control by FININVEST and HERULE, either Party holds, either directly or indirectly, a shareholding which is lower than 25.5% of Mediolanum S.p.A. share capital.

### ***Register of Companies***

A copy of the Shareholders Agreement was deposited with the Milan Register of Companies on September 17, 2007.

### ***Delegated authorities pursuant to art. 2443 of the Italian Civil Code***

Readers are referred to article 6 of the company's Bylaws available on the website of Borsa Italiana and on the corporate website [www.Mediolanum.it](http://www.Mediolanum.it) under Corporate Governance/ Documents of Business Conduct, for information on authorities delegated to the Board of Directors to effect capital increases pursuant to art. 2443 of the Italian Civil Code.

### **Governance structure**

The Company has a traditional governance structure consisting of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors responsible for auditing the accounts. Information on the composition of corporate governing bodies at December 31, 2008 is set out in the relevant sections below.

The independent auditors responsible for auditing the accounts, including the separate and consolidated annual financial statements as well as for carrying out the limited audit of the interim financial statements, are Reconta Ernst & Young S.p.A. Their audit mandate will expire upon the approval of the financial statements for the year ending December 31, 2010. In accordance with the requirements of article 160, paragraph 1 quarter of Legislative Decree 58/98, in 2008, Daniele Zamboni became the firm partner responsible for auditing the company's accounts since the term of his predecessor, Natale Freddi, expired.

### ***The Board of Directors***

The current Board of Directors of Mediolanum S.p.A. was elected at the General Meeting of April 22, 2008 in accordance with the new list voting rules under section 147 ter et seq. of the Consolidated Finance Act, applied for the first time on that occasion. A single list of nominees for the position of Board member was presented by the parties to the Shareholders' Agreement above. The current Board members will remain in office up until the approval of the financial statements for the year ending December 31, 2010.

In 2008, exercising the authority vested in it by law and the Bylaws (art. 24 of the Bylaws), the Board of Directors confirmed the Chief Executive Officer (Ennio Doris) and, as in the prior mandate, conferred upon him all powers for the ordinary and extraordinary management of the company, except for those relating to significant and strategic matters, which remain exclusively reserved to the Board of Directors ("significant" transactions). Those matters include related

party transactions, as further detailed herein.

In 2008, as in the prior mandate, all powers for ordinary management, including guidance and operational management with respect to tax affairs, corporate affairs, administration, management, control, finance, legal affairs and internal audit were conferred upon the Deputy Chairman (Alfredo Messina). The Board of Directors also conferred upon the Deputy Chairman the authority to oversee the internal control system as recommended by the Code of Conduct.

In 2005, as in the prior mandate, the authority to coordinate and supervise ordinary business and the regular operation of the company's offices and services was conferred upon the Executive Deputy Chairman (Edoardo Lombardi).

Any business under delegated authorities, as well as the performance and outlook of the company (and of its subsidiaries), any transactions which may have a significant impact on earnings, financial position and equity, and those transactions in which directors have an interest, either personally or to the benefit of any third party, are subject to the scrutiny of the Board of Directors and of the Board of Statutory Auditors, through a system of periodic reports to them submitted at least on a quarterly basis, as set out in the Bylaws.

Authorities are delegated to enable the Board of Directors to focus on the creation of value for the shareholders. The Board of Directors reserved to itself responsibilities for strategic guidance and management policies as well as control of the company's performance. Any significant statutory and regulatory changes are brought to the attention of the Board of Directors through regular reports presented by the Head of Corporate Affairs.

Again in 2008, the Board of Directors did not confer any operational authorities to the Chairman (Roberto Ruozi), to whom, however, the Bylaws reserve the power to represent the company. The Chairman, or anyone acting on his behalf, is also responsible for convening the meetings of the Board of Directors, which pursuant to the Bylaws are to be held at least on a quarterly basis.

At Board of Directors Meetings the exhaustive discussion of agenda items is assured and supported by the related documentation, which is generally delivered in advance to Directors and Statutory Auditors.

The Board of Directors defined general guidelines in relation to the maximum number of director and statutory auditor positions held by its members in other companies (listed companies, banks, insurance companies, financial companies or companies of a material size):

I) an **executive** director should not:

- i) serve as executive director of another Italian or foreign listed company, or financial, banking or insurance company;
- ii) serve as non-executive director or statutory auditor (or member of any other control body) in more than five of the companies above;

II) a **non-executive** director, in addition to the position held with the company, should not:

- i) serve as executive director in more than three of the companies above, or as non-executive director or statutory auditor (or member of any other control body) in more than five of the companies above; **or**
- ii) serve as non-executive director or statutory auditor (or member of any other control body) in more than eight of the companies above.

Any multiple positions held within the same Group of companies – i.e. that have the same key shareholder/s and/or are controlled by the same parent – shall be considered to be a single position.

The Board of Directors reserves the right to make different decisions which will be duly disclosed in the annual report on corporate governance.

On March 24, 2009, after examining the disclosure statements completed and signed by its members, the Board of Directors found all Board members were in compliance with the limits

above.

### ***Insider Dealing***

Pursuant to art. 114, paragraph 7 of the Consolidated Finance Act, the Board of Directors of Mediolanum S.p.A. approved the company's **“Rules for purchases and sales made by insiders and their close family members - INSIDER DEALING CODE – as supplemented by resolution dated July 10, 2007”**. The Insider Dealing Code is available on the company's website.

In compliance with statutory and regulatory requirements (abstracts appended to the Code), the Insider Dealing Code governs purchases and sales of shares of the Issuer and related financial instruments amounting to or higher than €5,000.00/year made by “insiders” - as defined in art. 152 sexies of the Consob Regulations for Issuers (Consob Resolution 11971/99) - either directly or through third-parties or trustees, as well as by their close family members.

In addition to insiders as set out in the regulation (i.e. directors, statutory auditors and their close family members), the Company judged that also Mr. Luigi Del Fabbro, Chief Financial Officer and Officer responsible for accounting and financial reporting, falls within the purview of the Act above, due to the authorities delegated to him in relation to strategic matters. On March 24, 2009 the Board of Directors resolved to exclude Mr. Giuseppe Lalli from the application of the said rules in the light of his changed duties and responsibilities within the Mediolanum Group.

As allowed under current regulations, insiders and their close family members delegated the company and, on its behalf, the Head of Corporate Affairs to disclose any such purchases and sales of shares and related financial instruments in the manner and within the term set out in art. 152 octies of the Regulations for Issuers.

Information on any such purchases and sales is published on the Company's website within the next trading day of their notification, and disclosed to Consob, Borsa Italiana S.p.A and the public.

### ***Confidential price-sensitive information***

Pursuant to Article 115 bis of the Consolidated Finance Act the Company keeps the register of officers having access to confidential price-sensitive information, i.e. information not in the public domain that directly relates to Mediolanum S.p.A. or its subsidiaries and if made public would materially influence the price of said financial instruments.

Pursuant to the implementation rules set out in art. 152 bis *et seq.* of the Consob Regulation, each company within the Group proceeded to create its own register, which is kept by the parent company Mediolanum S.p.A. on behalf of all subsidiaries and in accordance with a specific policy.

Said policy, including procedures for the maintenance of the Register and the management of information, is set out in the “**Policy Document on confidential price-sensitive information**” distributed to all subsidiaries and published on the corporate website.

In accordance with the law, the individuals whose names are entered in said Register are informed about it and on the consequences thereof, also by reference to the abstracts of statutes published on the corporate website.

## **2. ADHERENCE TO THE CODE OF CONDUCT**

The Board of Directors of Mediolanum S.p.A. adhered to the current version of the Code of Conduct on November 9, 2006. On that occasion the Board identified the wholly owned subsidiary, Banca Mediolanum S.p.A., as a strategic subsidiary, both for its size and the role it plays within the Group.

At its meeting of March 24, 2009, the Board of Directors noted that Banca Mediolanum S.p.A. uses an “Organisational Policy” to describe its organisational structure, management and control systems and consequently its operations. Said policy sets out the organisation of the Bank as well as the key tasks and responsibilities of each individual unit.

Based on said policy, which is annually reviewed by the Board of Directors of Banca Mediolanum S.p.A., the Board of Directors unanimously agreed that the organisational structure, management and control systems of that subsidiary are appropriate.

The Board of Directors also agreed that any transaction of strategic significance or that may have a significant impact on the earnings, financial position and equity of Mediolanum S.p.A. that any of its subsidiaries intends to carry out is to be submitted to the Board of Directors of the Parent Company Mediolanum S.p.A. for its *prior* examination and approval.

### ***Board of Directors***

Mediolanum S.p.A. Board of Directors committees include the Audit Committee and the Compensation Committee. Relevant information is set out below.

The Board of Directors verified the qualifications of certain directors to serve as independent directors against the requirements set out in the Code of Conduct and the information provided by each individual director.

The Board of Directors also established that transactions in excess of €200,000.00/year are to be considered “significant transactions” and confirmed the definition of close family members as

relatives within the second degree.

The current Board of Directors was elected by the shareholders at the General Meeting of April 22, 2008 from the list of nominees presented by the parties to the Shareholders' Agreement under 1), in accordance with article 147 ter of the Consolidated Finance Act and article 17 of the company's Bylaws. The current Board of Directors will remain in office until the approval of the financial statements for the year ending December 31, 2010.

Following verifications above, including the examination of disclosures made by individual members, and subsequent resolutions, the current Board of Directors is composed as follows:

Roberto Ruozi, Chairman (no delegated authorities)	Independent (pursuant to the Code of Conduct and art.147 ter of the Consolidated Finance Act)
Alfredo Messina, Deputy Chairman	Executive
Edoardo Lombardi, Executive Deputy Chairman	Executive
Ennio Doris, Chief Executive Officer	Executive
Luigi Berlusconi, Director	Non Executive
Pasquale Cannatelli, Director	Non Executive
Maurizio Carfagna Director	Non Executive
Massimo Antonio Doris, Director	Executive (Managing Director Banca Mediolanum)
Bruno Ermolli, Director	Non Executive
Mario Molteni, Director	Independent (pursuant to the Code of Conduct and art.147 ter of the Consolidated Finance Act)
Danilo Pellegrino, Director	Non Executive



Angelo Renoldi, Director	Independent (pursuant to the Code of Conduct)
Paolo Sciumè, Director	Non Executive
Antonio Zunino, Director	Non Executive

In relation to Mr. Ruozi's qualification as an independent member pursuant to the Code of Conduct, it should be noted that the Board of Directors unanimously agreed that there is no breach of the requirements under application rule 3.C.1 paragraph b), which sets forth that individuals *'who in the previous three years served in key positions within the issuer's organization'* do not qualify as independent. Key positions do include the Board Chairmanship. However, besides his proven independence, Mr. Ruozi has never had any executive powers since no delegated authorities was ever conferred upon him.

This conclusion finds confirmation in the Code of Conduct itself, under 2.C.1, first paragraph, which reads as follows:

“Executive directors are:

- directors of the issuer or of any of its strategic subsidiaries to whom authorities are delegated. This definition includes chairmen provided that they have individual management authorities or a role in corporate strategy design;”

The Board of Statutory Auditors verified the correct application of the criteria and procedures adopted by the Board of Directors to assess the independence of its members. Full details about this exercise are disclosed in the Statutory Auditors' Report.

On January 23, 2009, Director Paolo Sciumé was put under house arrest, as a precautionary measure, by order of the Judge for Preliminary Investigations of the Court of Palermo, Italy. Director Sciumé is charged with aiding and abetting under art. 12 quinquies of Legislative Decree 308 of June 8, 1992 converted into Act 356 of August 7, 1992 (Unlawful registration of assets to

nominees). On February 16, 2009 the Board of Directors suspended Paolo Sciumé from his office as Board Director. Suspension from office is a compulsory measure required by statutes applicable to financial entities registered pursuant to art. 113 of the Consolidated Banking Act in relation to integrity requirements. Director Schiumé himself had already notified his decision to suspend himself from his duties. In compliance with the statutes above, at its Meeting of March 4, 2009, the Board of Directors resolved to add the matter to the agenda of the next General Meeting.

The independent directors hold independent directors' meetings. This practice was first introduced in 2007. The independent directors prepare a report for the Board of Directors, which sets out their assessment of the adequacy of the size, composition and operation of the Board of Directors and its Committees and includes recommendations on the recruitment of any professional figures, whose presence on the Board may be useful (so called self-assessment). The independent directors also monitor the Company Governance system and present their recommendations on required amendments thereto, if any, to the Board of Directors. In this respect, the independent directors agreed that, since the Chairman of the Board of Directors has no executive powers, there is no need to appoint a *Lead Independent Director*.

In 2008, Independent Directors held 2 meetings to assist the Board of Directors in relation to the 2007 corporate governance report and self-assessment. In relation to self-assessment, the Independent Directors decided to use a questionnaire to be filled out by all members of the Board of Directors as in the past year. Based on the analysis of answers, made by the Independent Directors on January 30, 2009 during an additional meeting, and by the Board of Directors at the meeting held on March 4, 2009, it was concluded that directors are satisfied with the size, composition and operation of the Board of Directors.

During 2008 the Board of Directors held 7 meetings.

For the year 2009, 5 meetings of the Board of Directors are planned, of which 2 have already been held.

The Board of Directors has identified **significant transactions** as those set out in art. 23 of the Bylaws, which under the Bylaws are exclusively reserved to the Board of Directors.

The Board of Directors has exclusive authority also over **related party transactions**, as defined by the combined provisions of article 2, paragraph 1, letter h) and article 71bis of Consob Regulation 11971/1999, as subsequently amended, and article 2391-bis of the Italian Civil Code, pending further regulation from the competent authorities.

In order to further clarify and supplement the International Accounting Standard (IAS) 24, which is the standard explicitly referred to in the regulations above, the Board of Directors of Mediolanum S.p.A. resolved that

- a) close members of the family as defined under IAS 24 are relatives within the second degree;
- b) significant influence is exercised if the voting shareholding held in the entity is at least 10% if the entity is listed on a regulated market, or at least 20% in other cases;

The limit values for which a transaction is to be disclosed to the market due to its potential effects on the company's equity, are as follows:

- €10,000,000.00 for any type of purchase or sale;
- €125,000,000.00 for 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), excluding credit facilities maturing within one year and connected to the day-to-day business of the company and its subsidiaries.

The Board of Directors also decided that resolutions regarding related party transactions, as set out above and reserved to its exclusive competence, the individual value of which is greater than

€250,000.00 be taken subject to the prior opinion of Independent Directors and with the assistance of independent experts, if so needed in consideration of the nature, value or features of the transaction.

Directors, if any, with vested interests in any such transactions shall comply with the requirements of art. 2391 of the Italian Civil Code. In addition, the Board of Director may decide from time to time to apply approval rules under which any directors with vested interests in the transaction are required to abstain from voting or temporarily withdraw from the meeting for the sake of decision-making transparency.

#### ***Nomination Committee***

Based on its experience Mediolanum S.p.A. deemed unnecessary to establish a Nomination Committee, also considering its narrow shareholder base. In fact, as the Code reads, a Nomination Committee “is typical of organisations with a broad shareholders base (...) and especially in that case it plays a particularly important role in the selection of candidates for the position of director”.

#### ***Compensation Committee***

We remind you that the Compensation Committee replaced the Stock Options Plan Committee, which was responsible for setting policies for part of the compensation of senior management officers of the company and the group as well as key contract workers, through the assignment of stock options linked to the achievement of certain targets.

The Compensation Committee is composed of non-executive, mostly independent, directors.

Specifically the members of the Compensation Committee are:

- Mario Molteni - Independent;

- Bruno Ermolli – Non-executive;
- Angelo Renoldi – Independent.

In accordance with the Code, the Compensation Committee is responsible for

- a) submitting proposals to the Board of Directors for the compensation of chief executives and other directors holding special positions, as well as monitoring the implementation of resolutions passed by the Board of Directors;
- b) periodically assessing the policies for the compensation of key management officers, overseeing their implementation on the basis of the information provided by chief executives, and presenting general recommendations on the matter to the Board of Directors;
- c) drafting the rules governing all aspects of the Stock Options Plan, which are submitted to the Board of Directors for approval;
- d) managing all actions required for the implementation of the Stock Options Plan, including the selection of the Beneficiaries, the number of options to be allotted to each of them and the conditions for their exercise;
- e) setting operating and/or financial performance targets for option granting;
- f) in general, all tasks and duties previously assigned to the Stock Option Plan Committee

The Compensation Committee presents its annual budget.

In 2008, the Compensation Committee performed its duties in relation to the Stock Option Plan implementing the Stock Option Plan approved by the shareholders at the Extraordinary General Meeting of April 26, 2005. The Committee presented its 2009 annual budget at the Board of Directors Meeting of March 4, 2009.

In 2008, the Compensation Committee held 4 meetings. In addition to its duties in relation to the stock option plan, also on a mandate received from the Board of Directors, the Committee intensively worked i) on a comprehensive review of the current stock option plan, to verify its alignment with market practice especially in relation to vesting conditions, and expressed ii) its opinion about the appropriateness of proposing the approval of a new stock option plan to the shareholders at the next General Meeting.

On July 8, 2008, considering that:

- the current plans are about to expire;
- recent legislation - in particular Legislative Decree 112 entered into effect on June 25, 2008 - significantly changed the tax regime applicable to stock option plans and the implications of the new regulations are to be seen in the coming months;
- the current stock market conditions - due to poor performance and high volatility – risk to have distortive effects on an incentive scheme based exclusively on the grant of company's shares;

the Compensation Committee decided to proceed to a review of the matter and asked the Human Resources Department to conduct a thorough analysis of market practices in relation to incentive and retention packages.

On December 12, 2008, the Compensation Committee examined the results of said analysis concluding that in the financial and banking industries the following trends seem to have emerged:

- greater use of longer-term bonuses to ensure compensation is linked not just to annual performance but to longer-term results;

- the compensation mix is becoming more linked to the attainment of long-term goals and the creation of true value.

Thus, the Compensation Committee unanimously agreed on the following proposals to the Board of Directors:

- maintain, in principle, one or more variable incentive schemes tied to personal and company's performance;
- use these incentive schemes to retain "key personnel";
- tie these schemes to the actual growth of the company's and Group's value;
- accordingly proceed to a review of the current stock option plan and introduce a new comprehensive scheme or, if possible, amend the current plan in the light of the considerations above and the changed market and regulatory environment;
- examine the possibility to introduce multi-year incentive plans – especially for senior executives – in the form of cash bonuses or stocks.

Based on the suggestions made by the Compensation Committee, the Board of Directors resolved to put to the vote of the shareholders at the next General Meeting the proposal to revoke the current stock option plan and put in place for 2009 an incentive scheme which entails the payment of a cash bonus upon the achievement of certain personal and company performance targets. A more comprehensive scheme entailing also the grant of stocks or options to subscribe/buy company's stocks may be designed in 2009 for subsequent year.

In compliance with the Code of Conduct for listed companies, the Compensation Committee broadly and thoroughly examined the criteria used to determine the compensation of key management personnel, exercised oversight over their application based on information provided by directors and presented general recommendations on the matter to the Board of Directors.

Considering the current market environment, the Committee has not yet expressed its opinion on the variable pay of executive directors.

### ***Internal Control System***

Pursuant to the Code of Conduct, the Board of Directors appointed the Deputy Chairman Alfredo Messina officer responsible for the internal control system.

At its Meeting held on March 18, 2008, upon a proposal of the Deputy Chairman responsible for overseeing the effectiveness of the internal control system, and with the favourable opinion of the Audit Committee, the Board of Directors of Mediolanum SpA appointed Ms Serenella De Candia born in Nuoro on February 6, 1967, Chief Auditor.

The Chief Auditor is vested with the powers she needs for the performance of her duties. She provides assistance to the officer responsible for overseeing the effectiveness of the internal control system, in order to

- identify key corporate risks and report them to the Board of Directors;
- implement the internal control policies set by the Board of Directors through internal control system planning, management and monitoring.

The Chief Auditor is a direct report of the Deputy Chairman (executive), however, she is vested with broad powers and independence in the performance of her duties. Being a direct report of the Deputy Chairman, who is responsible for overseeing the effectiveness of the internal control system, is largely a function of the shareholders' agreement under which one party has strategic/operational responsibilities and the other party exercises control.

You are reminded that at the end of 2005, action was taken to strengthen risk management and monitoring. That also entailed the establishment, in 2006, of the "Risk Management and Compliance" function, that is responsible for ensuring the adequacy of risk management



procedures for financial, operational and credit risks as well as regulatory compliance of the financial conglomerate headed by Mediolanum S.p.A.. These activities are carried out for the entire Group by the relevant function of Banca Mediolanum under specific outsourcing agreements.

Specifically, in relation to “Financial Risk and Operational Risk Management” the following activities are conducted:

- overseeing the definition of risk measurement methods applied by the risk management units of subsidiaries;
- validating the flows of information needed to ensure timely control of exposure to operational and financial risks associated with assets managed by subsidiaries, taking mitigating actions and, when possible, preventing any anomalies;
- preparing reports to the Audit Committee, Senior Management and heads of operating units on risk evolution within Group companies, including any proposed corrective measures;
- assisting the line control units of subsidiaries in assessing Asset Liability Management models and techniques for proper understanding and management of risk exposures arising from any asset/liability mismatch.

In relation to “Regulatory Compliance”, the following activities are also carried out:

- assessment of the impact of regulations on the business at Group level, and changes in operating processes and/or procedures;
- assessment of compliance of processes with the law, the regulations issued by Supervisory Authorities and self-discipline rules (e.g. codes of conducts) as well as with any other applicable rules. This is done working together with Corporate Affairs and Organisation officers.

### ***Audit Committee***

The Audit Committee consists of three members who will remain in office until the expiration of the entire Board of Directors, i.e. until the General Meeting convened to approve the financial statements for the year ending December 31, 2010. The members of the Committee are the Directors Mario Molteni (independent), Angelo Renoldi (independent) and Paolo Sciumè<sup>1</sup> (non executive). All the members of the Audit Committee have knowledge of accounting and financial reporting.

The membership of the Committee is in accordance with the recommendation of the Code.

In 2008, the Audit Committee held 3 meetings. Another 2 meetings were held in 2009, namely on February 18, 2009 and March 19, 2009. During said meetings the members of the Audit Committee reviewed and assessed, *inter alia* i) Risk Assessment activities; ii) internal control activities both carried out and planned; iii) the annual report of the Supervisory Board established pursuant to Legislative Decree 231/2001; iv) in conjunction with the Officer responsible for preparing accounting and financial reporting documents, the adequacy of the accounting standards applied and their consistency in relation to the preparation of the consolidated financial statements, taking into account any changes in regulations and audit work.

The Audit Committee provides advice and proposals in relation to internal controls to the Board of Directors. The Audit Committee coordinates its activities with those of the Board of Statutory Auditors, the Independent Auditors, the Chief Auditor, within their respective competence.

The Audit Committee presents its annual budget, and in an emergency, it is assisted by Executive Directors for the funding of its expenses.

The Statutory Auditors, the Chief Executive Officer, the Chairman, the Deputy Chairmen, and the Chief Auditor are entitled to attend the meetings of the Audit Committee.

---

<sup>1</sup> Cf. page 17

The Audit Committee elects its Chairman and meets anytime is needed, also upon request of the Chief Auditor and in any case no less than every six months on the occasion of the approval of the interim report and the annual financial statements.

Any Committee member who has a personal interest in the matter which is being voted shall abstain from voting.

Resolutions are passed by majority voting of the members of the Committee.

The responsibilities of the Audit Committee are those set out in the Code of Conduct, i.e.

- to assist the Board of Directors in defining internal control system guidelines which ensure the proper identification, measurement, management and control of major risks for the issuer and its subsidiaries, and guidelines for the assessment of the consistency of those risk with the sound and proper management of the business;
- to assist the Board of Directors in the selection of an executive director (generally one of the chief executives) responsible for overseeing the effectiveness of the internal control system;
- to assist the Board of Directors in the assessment, at least annually, of the adequacy, efficiency and effectiveness of the internal control system;
- to assist the Board of Directors in drafting the corporate governance report with respect to the description of the key elements making up the internal control system and the assessment of its overall adequacy;
- to verify, in conjunction with the Officer responsible for preparing accounting and financial reporting documents and the independent auditors, the proper application of accounting standards and their consistency for the purpose of consolidated financial reporting;
- to express opinions on specific aspects relating to the identification of main corporate risks as well as the design, implementation and management of the internal control system, upon request of the executive director;

- to review the audit plan prepared by the Chief Auditor as well as her periodic reports;
- to evaluate proposed audit mandates presented by independent auditors in addition to the scope of audit and the recommendations set out in their management letters and reports
- to verify the efficacy of the audit process;
- to carry out any other activities required by the Board of Directors;
- to report on work performed and the adequacy of the internal control system to the Board of Directors at least every six months, concurrently with the approval of interim and annual financial statements.

The Audit Committee is authorised to access corporate information and receive assistance from those staff members that may help the Committee in the performance of its duties as well as to avail itself of external advisors when necessary.

The Audit Committee presented its annual budgets for 2009 to the Board of Directors for approval.

From the examination of the activities, as reported by the Committee and analysed by the Board of Directors, no significant issue emerged with respect to the internal control system.

***Officer responsible for preparing accounting and financial reporting documents***

Following regulatory changes and the subsequent amendments to the company's bylaws resolved by the shareholders at the Extraordinary General Meeting of April 19, 2007, after ascertaining he was qualified for the position and upon the favourable opinion of the Board of Statutory Auditors, on April 23, 2008, the Board of Directors confirmed the CFO Luigi Del Fabbro in the position of Officer responsible for preparing accounting and financial reporting documents and all his authorities.

***Supervisory Board (pursuant to Legislative Decree 231/2001)***

Upon the adoption of the "Organisation, Management and Control Models" as required under art. 6 of Legislative Decree 231/2001 (Liability of Legal Persons) the Board of Directors of the Company established the Supervisory Board responsible for overseeing the effectiveness, compliance and update of said Models.

The Supervisory Board is composed of the following members:

- Angelo Renoldi, (Independent) Director, as Chairman;
- Alfredo Messina, Deputy Chairman of Mediolanum S.p.A.;
- Ettore Parlato Spadafora, Head of the Group's Legal Affairs Department

At its meeting held on April 23, 2008, the Board of Directors confirmed all Supervisory Board members above up until the approval of the financial statements for the year ending December 31, 2010.

Annually the Supervisory Board prepares a report on the activities carried out during the year and planned for the following year, including its annual budget, and submits it to the Audit Committee, the Board of Directors and the Board of Statutory Auditors.

In 2008, the Board of Directors approved the action proposed by the Supervisory Board in relation to flows of information and procedures in connection with the “Organisation, Management and Control Models” pursuant to Legislative Decree 231/2001” and approved the annual budget presented by the Supervisory Board.

### ***Investor Relations***

Mediolanum has an **Investor Relations** office, under the responsibility of the Chief Executive Officer, and headed by the Investor Relations Manager. This office is responsible for, *inter alia*, dealing with institutional Investors, and complying with market disclosure requirements for confidential price-sensitive information pursuant to the regulations in force.

The **Corporate Affairs Department** is responsible for dealing with all investors other than institutional investors especially with respect to corporate information.

As to General Meetings, the action of the Board of Directors is aimed at maximising shareholders’ attendance, favouring the exercise of shareholders’ rights and taking the General Meeting as an occasion to communicate company information to the shareholders.

Any relevant corporate information is published in a specific section of the corporate website which is easily found and accessible.

At the corporate website, which is continuously upgraded and updated, you can also find all key corporate documents including the Bylaws, press releases, the Corporate Governance Report.

The **Rules and Regulations of the General Meetings** adopted at the Ordinary General Meeting of April 12, 2001 are also available on the corporate website.

### ***Dividend Policy***

In 2008, the company continued its policy of dividend distribution, which entails the distribution of interim dividends any time steadily positive business performance so allows. On November

12, 2008, the Board of Directors resolved the distribution of a 2008 interim dividend to the shareholders in the amount of €0.085 for each share with par value of €0.10 euro, before withholding tax, for a total amount of €62,058,169.27.

You are reminded that, as announced on October 22, 2008, under the initiatives to safeguard the interests of customers holding index-linked policies with Lehman Brothers bonds as underlying assets, the majority shareholders Doris Group and Fininvest S.p.A. waived their 2008 interim dividend amounting to €47.5 million. On November 12, 2008 the majority shareholders made a capital reserve injection of €72.5 million in the form of subordinated financing to cover losses, safeguard equity and protect minority shareholders. So, by waiving dividends and injecting capital, in 2008 the two majority shareholders put in €120 million.

### ***Board of Statutory Auditors***

The members of the Board of Statutory Auditors, whose term will expire at the General Meeting convened to approve the financial statements for the year ending December 31, 2010 – are as follows:

Ezio Maria Simonelli - Chairman;

Riccardo Perotta – Standing Auditor;

Vittadini Francesco – Standing Auditor;

Gatti Ferdinando – Alternate Auditor;

Also the members of the current Board of Statutory Auditors – like the members of the Board of Directors – were elected at the General Meeting of April 22, 2008 when, for the first time list voting pursuant to art. 148 of the Consolidate Finance Act was applied. All members of the Board of Statutory Auditors were elected from the single nominees' list presented by the parties to the Shareholders' Agreement above. (cf. page 1).

In 2008, the Board of Statutory Auditors held 9 meetings.

The alternate auditor Francesco Vittadini replaced Maurizio Dallochio who resigned effective from August 29, 2008.

Both the outgoing and the incoming auditors were on the only list of nominees presented, therefore in accordance with current regulations and art. 27) 13, second paragraph of the Bylaws, the standing and alternate auditors will be elected by plurality voting with no list constraints at the next General Meeting of April 23/24, 2009.

You are reminded that the Board of Directors decided to apply all the independence requirements for directors set forth in section 3 of the Code of Conduct for Listed Companies also to the members of the Board of Statutory Auditors.

At its meeting of March 24, 2009, after examining the disclosure statements made by the statutory auditors, the Board of Directors ascertained compliance with said requirements.

Finally, we inform you that the Chairman of the Board of Statutory Auditors Ezio Maria Simonelli also serves as Chairman of the Board of Statutory Auditors of MARR S.p.A. and as Standing Auditor of Banca Italease S.p.A.; the Standing Auditor Riccardo Perotta also serves as Chairman of the Board of Statutory Auditors of GEWISS S.p.A. and as Standing Auditor of SNAM Rete Gas S.p.A.; the Standing Auditor Francesco Vittadini serves as Standing Auditor of Mediaset S.p.A. and DMT S.p.A.

### **3. ANNUAL REPORT ON POSITIONS HELD BY DIRECTORS UNDER PRINCIPLE 1.C.2. OF THE CODE OF CONDUCT FOR LISTED COMPANIES**

In compliance with the Code of Conduct, on March 24, 2009, after ascertaining compliance with the resolution made by the Board of Directors on March 18, 2008 regarding limits to the number of key positions held by directors at other companies, the Board of Directors of the company



verified the positions as Director or Statutory Auditor held by Directors in other companies outside the Mediolanum Group which are listed on regulated exchanges, including exchanges located outside Italy, in financial companies, banks, insurance companies or companies of a material size. These positions were:

**ROBERTO RUOZI - Chairman**

**Chairman of the Board of Directors of:**

- Palladio Finanziaria S.p.A.
- Axa Assicurazioni S.p.A.
- Axa Interlife S.p.A.
- Touring Club Italiano (Association)
- Touring Servizi S.r.l.
- Touring Editore S.r.l.
- Retelit S.p.A. (previously Eplanet S.p.A.)
- Polis Fondi SGR S.p.A.
- Consorzio San Siro Duemila
- Venice S.p.A.

**Member of the Board of Directors of:**

- Lanificio Fratelli Cerruti S.p.A.
- Cerruti Tessile S.p.A.
- Gewiss S.p.A.
- Convergenza Com S.A.
- Collegio San Carlo S.r.l.
- AVM Private Equity 1 S.p.A.
- Banca Intermobiliare di Investimenti e Gestioni S.p.A.

**Chairman of the Board of Statutory Auditors of:**

- Borsa Italiana S.p.A.
- Monte Titoli S.p.A.
- MTS Mercato Titoli di Stato S.p.A.

**ALFREDO MESSINA – Deputy Chairman**

**Chairman of the Board of Directors and Chief Executive Officer of:**

- Mediolanum Assicurazioni S.p.A;

**Member of the Board of Directors of:**

- Mediaset S.p.A.
- Gestelevision Telecinco S.A.
- Molmed S.p.A.

**EDOARDO LOMBARDI – Executive Deputy Chairman**

**Chief Executive Officer of:**

- Mediolanum Assicurazioni S.p.A.

**Member of the Board of Directors of:**

- Banca Esperia S.p.A.
- Istituto Europeo di Oncologia S.r.L.

**ENNIO DORIS – Chief Executive Officer**

**Member of the Board of Directors of:**

- Banca Esperia S.p.A.
- Mediobanca S.p.A.

- Fondazione Centro S.Raffaele del Monte Tabor
- Safilo Group S.p.A.

**LUIGI BERLUSCONI - Director**

He does not hold any material position in companies outside the Group.

**MARINA BERLUSCONI - (Director until April 22, 2008)**

**Chairman of the Board of Directors:**

- Arnoldo Mondadori Editore S.p.A.
- Fininvest S.p.A.

**Member of the Board of Directors of:**

- Mediaset S.p.A.
- Mediobanca S.p.A.

**PASQUALE CANNATELLI – Director**

**Chief Executive Officer of:**

- Fininvest S.p.A.

**Member of the Board of Directors of:**

- Arnoldo Mondadori Editore S.p.A.
- A.C. Milan S.p.A.
- Mediaset S.p.A.

**MAURIZIO CARFAGNA – Director**

**Member of the Board of Directors of:**

- Class Editori S.p.A.
- CIA S.p.A.
- Molmed S.p.A.
- H-Equity Sarl SICAR
- Futura Invest S.p.A.

**MASSIMO ANTONIO DORIS** – Director

**Member of the Board of Directors of:**

- Duemme SGR S.p.A.

**BRUNO ERMOLLI** – Director

**Deputy Chairman of the Board of Directors of:**

- Fondazione Teatro alla Scala

**Member of the Board of Directors of:**

- Arnoldo Mondadori Editore S.p.A.
- Fininvest S.p.A.
- Mediaset S.p.A.
- Mondadori France
- Fondazione Cariplo
- Senior Advisor and Member of the European advisory council of JPMorgan
- API – Anonima Petroli Italiana S.p.A.

**MARIO MOLTENI** - Director

**Member of the Board of Directors of:**

- 8a+ Investimenti SGR S.p.A.
- Opera SGR
- SCM Group S.p.A.
- Member of the Steering Board of Fondazione Cariplo

**DANILO PELLEGRINO** - Director

**Member of the Board of Directors of:**

- Fininvest Gestione Servizi S.p.A.
- Mediolanum Assicurazioni S.p.A.

**ANGELO RENOLDI** – Director.

**Member of the Board of Statutory Auditors of:**

- Saf Wood S.p.A. – listed on Alternext, Paris

**PAOLO SCIUMÈ** – Director

**Deputy Chairman of the Board of Directors of:**

- Cremonini S.p.A.

**Member of the Board of Directors of:**

- Cafin S.a.p.a.

**ANTONIO ZUNINO - Director**

He does not hold any material position in companies outside the Group.

Basiglio, Milano 3, March 24, 2009

on behalf of the Board of Directors  
The Chairman  
Roberto Ruozi

<b>Board of Directors</b>							Audit Committee ●		Compensation Committee ◆ (^)		Nomination Committee if any ◇		Executive Committee if any	
Position	Member	Executive	Non-executive	Independent	****	Number of other positions **	***	****	***	****	***	****	***	****
<b>Chairman</b>	Ruozzi Roberto			Γ	<b>100 %</b>	<b>20</b>								
<b>Deputy Chairman</b>	Messina Alfredo	Γ			<b>85.71%</b>	<b>4</b>								
<b>Executive Deputy Chairman</b>	Lombardi Edoardo	Γ			<b>100 %</b>	<b>3</b>								
<b>Chief Executive Officer</b>	Doris Ennio	Γ			<b>100 %</b>	<b>4</b>								
<b>Director</b>	Berlusconi Luigi		Γ		<b>71.42 %</b>	<b>0</b>								
<b>Director</b>	Berlusconi Marina		Γ		<b>0 %</b>	<b>4</b>								
<b>Director</b>	Cannatelli Pasquale		Γ		<b>100 %</b>	<b>4</b>								
<b>Director</b>	Carfagna Maurizio		Γ		<b>100 %</b>	<b>5</b>								
<b>Director</b>	Doris Massimo Antonio	Γ			<b>85.71 %</b>	<b>1</b>								
<b>Director</b>	Ermolli Bruno		Γ		<b>71.42 %</b>	<b>8</b>			Γ	<b>100%</b>				
<b>Director</b>	Molteni Mario			Γ	<b>100 %</b>	<b>4</b>	Γ	<b>66.66%</b>	∇	<b>75%</b>				
<b>Director</b>	Pellegrino Danilo		Γ		<b>100%</b>	<b>2</b>								
<b>Director</b>	Renoldi Angelo			Γ	<b>100 %</b>	<b>1</b>	Γ	<b>66.66%</b>	∇	<b>100%</b>				
<b>Director</b>	Sciumè Paolo		Γ		<b>100%</b>	<b>1</b>	Γ	<b>100%</b>						

<b>Director</b>	Zunino Antonio		Γ		85.71 %	<b>0</b>							
● Brief comment on the absence of the Committee or on a composition different from that recommended in the Code:													
◆ Brief comment on the absence of the Committee or on a composition different from that recommended in the Code:													
◇ Brief comment on a composition different from that recommended in the Code:													

### **SCHEDULE 1: MEMBERSHIP OF THE BOARD OF DIRECTORS AND OF THE COMMITTEES**

<b>Number of meetings held during the year</b>	Board of Directors: 7	Audit Committee: 3	Compensation Committee: 4	Nomination Committee: -	Executive Committee: -
--	-----------------------	--------------------	---------------------------	-------------------------	------------------------

#### **NOTES**

\* An asterisk means that the director was elected from a nomination list presented by minority shareholders.

\*\*This column indicates the number of directorships or positions as statutory auditor held by the specific member in other companies listed on regulated exchanges, including exchanges located outside Italy, in financial companies, banks, insurance companies or companies of a material size. The positions are detailed in the Corporate Governance Report.

\*\*\* An "X" in this column indicates the membership of the Board Director on the Committee.

\*\*\*\* This column shows the percentage of Board of Directors and Committee meetings attended by directors.

◇ Considered to be unnecessary given the current ownership structure, (see page 19).



## **SCHEDULE 2: BOARD OF STATUTORY AUDITORS**

<b>Position</b>	<b>Member</b>	<b>Attendance of Board of Statutory Auditors Meetings</b>	<b>Number of other positions**</b>
<b>Chairman (since April 22, 2008)</b>	Simonelli Ezio	100%	2
<b>Standing auditor (since April 22, 2008)</b>	Riccardo Perotta	100%	2
<b>Standing auditor (until April 22, 2008 and since August 29, 2008)</b>	Vittadini Francesco	100%	2
<b>Chairman (until April 22, 2008)</b>	Mauri Arnaldo	100%	0
<b>Standing auditor (until April 22, 2008)</b>	Giampaolo Francesco Antonio	100%	1
<b>Standing auditor (from April 22, 2008 to August 29, 2008)</b>	Dalocchio Maurizio	100%	2
<b>Number of meetings held during the year: 9</b>			
<b>Indicate the percentage of shares required of minority shareholders to present lists for the election of one or more statutory auditors (article art. 148 of the Consolidated Finance Act): 2% (cf. Consob Resolution 16769 of January 27, 2009)</b>			

### **NOTES**

\* An asterisk means that the statutory auditor was elected from a nomination list presented by minority shareholders.

\*\*This column indicates the number of directorships or positions as statutory auditor held by the specific member in other companies listed on regulated exchanges in Italy. The positions are detailed in the Corporate Governance Report.

### **SCHEDULE 3: OTHER CODE OF CONDUCT REQUIREMENTS**

	YES	NO	Brief description of any reasons for any departures from the Code recommendations
<b><u>Delegated authorities and related party transactions</u></b>			
Did the Board of Directors delegate powers and define:			
a) limits	x		
b) manner of exercising powers	x		
c) and frequency of reports?	x		
Did the Board of Directors reserve for itself the authority to review and approve transactions which may have a material impact on earnings, financial position and equity (including related party transactions)?	x		
Did the Board of Directors establish guidelines and criteria for the identification of "significant" transactions?	x		
Are the guidelines and criteria above described in the report?	x		
Did the Board of Directors establish procedures for reviewing and approving related party transactions?	x		
Are the procedures for the approval of related party transactions described in the report?	x		
<b><u>Procedures for the most recent election of directors and statutory auditors</u></b>			
Were nominations for directorships received at least ten days in advance?	x <sup>(1)</sup>		
Did nominations for directorships include exhaustive information?	x		
Did nominations for directorships include evidence as to the suitability of the nominee as an independent director?	x		
Were nominations for statutory auditors received at least ten days in advance?	x <sup>(1)</sup>		
Did nominations for statutory auditors include exhaustive information?	x		
<b>(1) requirement superseded by new regulations</b>			

<b>General Meetings</b>			
Did the company approve Rules and Regulations for the General Meetings?	x		
Are the Rules and Regulations attached to the Report (or does it indicate where the Rules and Regulations can be obtained/downloaded)?	x		
<b>Internal Audit</b>			
Did the company appoint chief auditors?	x		
Are these officers independent of heads of operating functions?		x	Pursuant to the provisions of the shareholders' agreement.
Department responsible for internal audit	INTERNAL AUDIT		
<b>Investor relations</b>			
Did the company appoint an Investor Relations Manager?	x		
Investor Relations Manager's details (address/phone/fax/e-mail)	<b>Alessandra Lanzone</b> Investor Relations Manager fax: +39-02-9049-2413 e-mail: <a href="mailto:investor.relations@mediolanum.it">investor.relations@mediolanum.it</a>		