

**REPORT OF THE BOARD OF DIRECTORS TO THE
ORDINARY GENERAL MEETING OF APRIL 29, 2014:**

3. Election of the Board of Directors:

3.1. Determination of the number of members;

3.2. Determination of their term in office;

3.3. Election of Directors and of the Chairman of the Board;

3.4. Determination of compensation

Report of the Board of Directors to the Annual General Meeting

convened on April 29, 2014 (single call)

Dear Shareholders,

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

3. Election of the Board of Directors:

3.1. Determination of the number of members;

3.2. Determination of their term in office;

3.3. Election of Directors and of the Chairman of the Board;

3.4. Determination of compensation

You are reminded that the term of the Board of Directors expires with this Meeting.

We thank you for your trust and invite you to elect the new Board, deliberating and voting on these agenda item and sub-items in the order outlined above.

In this respect, you are reminded that the members of the Board of Directors shall be elected from lists of nominees in accordance with art. 147-ter of the Consolidated Finance Act and art. 17 of the Bylaws. Lists can be presented by shareholders entitled to vote who, either alone or together with other shareholders, represent at least 1% of share capital (percentage established by Consob Resolution No. 19775 of January 29, 2014). Compliance with said ownership threshold shall be determined considering the shares registered to the shareholders on the date the list is submitted and their percentage of subscribed share capital as of that date. In accordance with the Company's Bylaws, statutory and regulatory provisions in force, the lists shall be submitted to the company

within the twenty-fifth day prior to the date of the General Meeting (first or single call) convened to elect the members of the Board of Directors and made available to the public at the registered office, on the company's website and in all other manners indicated by *Commissione Nazionale per le Società e la Borsa* in its rules, at least twenty-one days prior to the General Meeting date.

The lists shall be accompanied by the following information:

- a) the names of the shareholders that present the lists, and the percentage of share capital they own in the aggregate;
- b) a statement made by the shareholders, other than those who, either individually or jointly, control or have a relative majority shareholding in the company, whereby they represent they are or are not related to shareholders who, either individually or jointly, control or have a relative majority shareholding in the company, in compliance with article 144-*quinquies*, first paragraph, of Consob resolution 11971/1999 (hereinafter also "Regulations for Issuers");
- c) exhaustive information on the personal and professional profile of nominees as well as a declaration whereby the nominees personally warrant they meet the requirements of law, and accept their nomination. Information on any qualifications as independent directors pursuant to article 148, paragraph 3 of Legislative Decree 58/1998 as well as any further qualifications under codes of conduct issued by stock market regulators or trade associations of which the company is a member is also to be disclosed.

The lists, for which the above conditions are not met, shall not be voted.

To ensure gender-balanced representation on the Board in accordance with statutory and regulatory provisions in force, any list setting out three or more nominees shall include

nominees of both genders, so that at least one fifth of nominees, rounding up in case of a fractional number, be of the less represented gender. This is the quota reserved to the less represented gender on first time adoption of the provisions requiring a gender-balanced representation on the Board (Act 120 of July 12, 2011, so called ‘Gender Quotas Act’).

For any other information on the procedures for the election of the Board of Directors you are referred to the notice of Annual General Meeting that you can find on the website www.mediolanum.com, at the company’s registered office and on the website of *Borsa Italiana S.p.A.*.

As to information on the professional profile expected of Board members to be given to shareholders prior to Board members nomination as per criterion 1.C.1. letter h of *Borsa Italiana*’s Corporate Governance Code, we inform you that, with the assistance of the Independent Directors, the Board of Directors of Mediolanum S.p.A. compiled a list of core competencies expected of directors for a proper functioning Board that take account of the Mediolanum Group’s size and business segments. These are key areas of focus when selecting Board nominees. These areas of focus reflect the regulatory and statutory frameworks applicable to the Group’s businesses, and best practices, and are as follows:

1. **knowledge and experience of business management and leadership:** gained through specialist education and/or work experience in top management/control positions at major organisations;
2. **knowledge and experience of sales network management in the financial sector:** gained through specialist education and/or work experience in top

management/control positions at major financial sector organisations;

3. **knowledge of information systems and operations:** gained through work experience as an entrepreneur or advisor or at major organisations in positions dealing with Information & Communication Technology, operations, outsourcing, business continuity.

4. **financial literacy for a proper understanding of the financial data and the financial statements of a financial institution:** gained through work experience in top management/control positions in financial companies, professional practices or teaching at universities;

5. **corporate competencies** (e.g. audit, legal, corporate affairs): gained through work experience in audit or management control positions at major organisations or professional practices or teaching at universities;

6. **knowledge of banking and the banking industry, risks and management of risks related to the conduct of banking business:** gained through work experience in top management/control positions in the financial sector;

7. **knowledge of insurance and the insurance industry, risks and management of risks related to the conduct of insurance business:** gained through work experience in top management/control positions in the financial sector;

8. **knowledge of financial industry regulations:** gained through work experience in asset management companies or professional practises or teaching at universities;

9. **international experience and knowledge of foreign markets:** gained through work experience as an entrepreneur or in positions at foreign institutions or international companies or groups;

10. **knowledge of the social/political environment and market mechanisms in countries where the Group has a strategic presence:** gained through work experience at public or private sector organisations or research institutions.

Priority competencies, in descending order, are those listed under **6, 1 and 4.**

Dear Shareholders,

You are invited to

- determine the number of Board members;
- determine their term in office which shall not exceed three years and expire on the date of the General Meeting convened to approve the financial statements for their last year in office;
- elect the Board of Directors and the Board Chairman in accordance with the procedures set out in art. 17) of the Bylaws and the Notice of General Meeting;
- determine the aggregate annual gross compensation of the Board of Directors that pursuant to article 26 of the Bylaws may include also directors with special duties.

Milano 3, March 4, 2014

For the Board of Directors

The Chairman

(Carlo Secchi)