

Mediaset Group



Report on Corporate Governance and the Company's Ownership Structure

The Report on Corporate Governance, which has been drawn up pursuant to article 123, part two, of the Consoli-dated Income Tax Act, is made available to the public at the company's registered office, published on the company's Internet website and transmitted to Borsa Italiana following the methodologies and the timeframes established by the relative regulations that are currently in force.

Issuer: Mediaset S.p.A.

Website: www.mediaset.it

The financial year to which the Report refers: Year closed at 31 December 2012

Date of approval of the Report: 26 March 2013



GLOSSARY

The Executive Director: The Executive Director charged with overseeing the functioning of the Internal Controls system of Mediaset S.p.A.

The Shareholders' Meeting: Meeting of the Shareholders of Mediaset S.p.A.

The Code/The Stock Exchange Code: The Self Regulating Code for quoted companies approved in December 2011 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime, and Confindustria, which is available on the website www.borsaitaliana.it

The Mediaset Code: The Self Regulating Code used by the Issuer until 18 December 2012, which is available on the website www.mediaset.it/investor/governance/autodisciplina_it.shtml.

The Italian Civil Code: The Italian Legal Code containing Company Law.

The Corporate Governance and Nominations Committee: formerly the Corporate Governance Committee, renamed by the Board of Directors Meeting of Mediaset S.p.A. of 18 December 2012.

The Internal Controls and Risks Committee: formerly the Internal Controls Committee, renamed by the Board of Directors Meeting of Mediaset S.p.A. of 18 December 2012.

The Independents Committee: The Independents Committee for the Transactions with Related Parties of Mediaset S.p.A.

The Board/The Board of Directors: The Board of Directors of the Issuer.

The Assigned Executive: The Assigned Executive with the responsibility for the drafting of the company's accounting documents.

The Issuer/The Company: Mediaset S.p.A.

The Financial Year: The financial year of the company to which the Report refers.

The Group: The Mediaset Group.

The Organisational Model: The Organisational, Management and Controls Model, pursuant to the Legislative Decree 231/2001, available on the website www.mediaset.it/corporate/impresa/modello231_01_it.shtml.

The Vigilance and Controls Body : the body for vigilance and controls nominated by the Board of Directors of Mediaset S.p.A., pursuant to article 6 of the Legislative Decree 231/01.

The Procedure: The procedure for the transactions with related parties that was put in place by the Board of Directors' Meeting of Mediaset of 9 November 2010.

The Issuers' Regulations: The Regulations issued by Consob with its resolution number 11971 of 1999, as afterwards modified, regarding Issuers.

The Market Regulations: The Regulations issued by Consob with its resolution number 16191 of 2007, as afterwards modified, regarding stock markets.

The Related Parties Regulations: The Regulations issued by the Consob with its resolution number 17221 of 12 March 2010 regarding transactions with related parties, which is available on the website www.mediaset.it/investor/governance/particorrelate_it.shtml [mediaset.it](http://www.mediaset.it).

The Report: The report on Corporate Governance and company ownership structures that companies are obliged to draw up pursuant to article 123, part two, of the CFA.

The System: The System of Internal Controls.

The Articles of Incorporation: The Articles of Incorporation of Mediaset S.p.A., which are available on the website www.mediaset.it/investor/governance/statuto_it.shtml

CFA: The Legislative Decree of 24th February 1998, n° 58 (Consolidated Finance Act).

I. PROFILE OF THE ISSUER

Mediaset and its subsidiary companies constitute the leading commercial television group in Italy. It has been quoted on the Italian Stock Exchange since 1996. The Group's main activities are generalist TV, advertising, free and pay Digital TV, managing the infrastructures of the broadcasting networks, the production of programme contents, Internet and Mobile TV. On 2 January 2012 Mediaset acquired the indirect control of the quoted company El Towers S.p.A. Abroad; Mediaset is the relative majority shareholder of the Spanish TV Group Mediaset España.

Mediaset has put in place the traditional administration and controls system consisting of the following company bodies: the Shareholders' Meeting, the Board of Directors, the Executive Committee and the Board of Statutory Auditors. The accounting controls, in accordance with the relative legislative measures that are currently in force regarding these matters, are assigned to an external auditing company that is inscribed in the special register held by Consob.

The Board of Directors has set up, from among its own members, three committees with proposal and consultancy functions: the Compensation Committee, the Internal Controls and Risks Committee and the Corporate Governance and Nominations Committee. The powers and the functional methodologies of the company bodies and Committees are governed by Law, by the Articles of Incorporation of the company and by the resolutions passed by the competent company bodies.

For the purpose of favouring the diffusion of values that are based on correctness and fidelity the Group has also put in place an Ethical Code, which defines the ensemble of the values that are recognised, accepted and shared, at all levels throughout the company by the Mediaset Group, in the carrying out of its business activities.

The information contained in this Report, except where different indications are given, refers to the date of its approval by the Board of Directors' Meeting that took place on 26 March 2013.

2. INFORMATION ON COMPANY OWNERSHIP AT 26 MARCH 2013

Structure of the Share Capital

The Share Capital of Mediaset S.p.A. amounts to EUR 614,238,333.28 fully subscribed and paid up.

The Share Capital only consists of ordinary shares as shown below:

SHARE CAPITAL STRUCTURE				
	Number of shares	Percentage of Share Capital	Quoted /Non-quoted	Rights and obligations
Ordinary Shares	1.181.227.564* (nominal value EUR 0.52 each)	100%	Borsa Italiana - Blue Chip segment -	Pursuant to Law and Articles of Incorporation

* At 26.03.2013 the company holds 44,825,500 treasury shares, or 3.795% of the Share Capital, whose voting rights are suspended per article 2357, part 3, of the Italian Civil Code.

No other financial instruments have been issued that give the right to subscribe to new share issues.

No share based incentive plans have been established that would bring about any increases, even free of charge ones, of the Share Capital.

Restrictions on the transfer of securities

Pursuant to the Articles of Incorporation the shares are nominative, indivisible and freely transferable. There are applied all the measures regarding representation, legitimisation and the circulation of equity investments in companies, which are established for securities that are traded on regulated stock markets.

Relevant equity investments in the Share Capital

On 26 March 2013, according to the contents of the communications received pursuant to article 120 of the CFA, the relevant equity investments in the Share Capital of Mediaset S.p.A. were the following:

RELEVANT EQUITY INVESTMENTS IN THE SHARE CAPITAL			
Declarer	Direct Shareholder	% ownership of ordinary capital	% ownership of voting capital
Berlusconi Silvio	Fininvest S.p.A.	41,107	41,107
	Holding Italiana Seconda S.p.A.	0,18	0,18
		41,287	41,287
Blackrock Inc. (**)	Blackrock Asset Management Ireland Limited	0,110	0,110
	Blackrock (Luxembourg) SA	0,020	0,020
	Blackrock Institutional Trust Company NA	0,889	0,889
	Blackrock Fund Managers Limited	0,020	0,020
	Blackrock Advisors (UK) Limited	0,377	0,377
	Blackrock Financial Management Inc.	0,021	0,021
	Blackrock Asset Management Japan Limited	0,095	0,095
	Blackrock Management Deutschland AG	0,039	0,039
	Blackrock Fund Advisors	0,299	0,299
	Blackrock International Limited	0,002	0,002
	Blackrock (Netherlands) BV	0,010	0,010
	Blackrock Investment Management (Australia) Limited	0,005	0,005
	Blackrock Investment Management LLC	0,056	0,056
	Blackrock Investment Management Australia LTD	0,007	0,007
	Blackrock Investment Management Canada Limited	0,015	0,015
	Blackrock Advisors LLC	0,005	0,005
	Blackrock Investment Management (UK) Limited	0,060	0,060
		2,03	2,03
Grantham, Mayo, Van Otterloo & Co. LLC	Grantham, Mayo, Van Otterloo & Co. LLC	2,034	2,034
Mackenzie Financial Corporation	Mackenzie Financial Corporation	3,440	3,440
Mediaset S.p.A.	Mediaset S.p.A.	3,795	3,795(*)

(*) without voting rights.

(**) With the note of 19 November 2012, the company BlackRock Inc. has communicated to Consob that with reference to the equity investment, which is held in the context of the asset management activity, it intends to avail itself of the exemption established by article 119, part two, paragraphs 7 and 8, of the Issuers Regulations, as modified by the Resolution of Consob number 18214 that came into force on 6 June 2012. Therefore, starting from that date, it has required that equity investments of more than 2% and less than 5%, which were previously declared in the abovementioned companies, are no longer considered relevant, pursuant to article 120 of the CFA.

Securities that confer special rights

No securities have been issued that confer any special control rights.

Employee shareholdings with a mechanism for exercising voting rights

There is no employee shareholding system with a mechanism for exercising voting rights, which is different from the one established for all of the company's other shareholders.

Restrictions on the right to vote

They give the right to vote all those ordinary shares that are currently in circulation, with the exception of the treasury shares that are held by the company itself and regarding which the voting right is suspended pursuant to article 2357, part three, of the Italian Civil Code.

Agreements between the shareholders

There are no voting pacts, concerning the company, pursuant to article 122 of the CFA.

Change of control clauses and Articles of Incorporation measures regarding Public Purchase Offers

The company, in the context of its normal business activities, has existing loan and financing contracts, including the contracts relative to the bond issue of 21 January 2010, which establish, as is usual in financial market practices, specific impacts if a "change of control" takes place such

as, for example, their extinction or modification in the case of a change of control of the company. However, none of these contracts can be considered, as of itself, to be significant.

The company's Articles of Incorporation do not establish any suspensions relative to Public Purchase Offers, regarding the passivity rule pursuant to article 104, paragraph 1 and 1 part two, of the CFA, or the application of the neutralisation rules pursuant to article 104, part two, paragraphs 2 and 3, of the CFA.

There do not exist any of the agreements between the company and its Directors that are referred to in article 123, part two, first paragraph, letter i) of the CFA.

Legislation and regulations applicable to the nomination and replacement of the Directors and changes to the Articles of Incorporation

Regarding the legislation and regulations applicable to the nomination and replacement of the Directors and changes to the Articles of Incorporation reference should be made to paragraph 4) that is relative to the Board of Directors. Pursuant to the Articles of Incorporation, while there remain in force all those competencies that belong to the Extraordinary Shareholders' Meeting of the company, which maintains its powers to pass valid resolutions regarding such matters, the Board of Directors has the power to pass valid resolutions regarding mergers and split offs from the company in those cases that are established by the articles 2505, 2505, part two, and 2506, part three, of the Italian Civil Code, concerning the setting up or closing of secondary sites, the indicating of those Directors who have legal representation of the company, the reduction of the Share Capital of the company in the case of the withdrawal of a shareholder and the updates of the Articles of Association to align them with the relative legislative and regulatory measures.

Mandates to increase the Share Capital and authorisations for the acquisition of treasury shares

There are no mandates for increases of Share Capital pursuant to article 2443 of the Italian Civil Code, or for the issuing of any financial instruments that would constitute equity investments.

The Shareholders' Meeting of 18 April 2012 passed a resolution giving the Board of Directors the faculty to purchase, also through trading in options or financial instruments, also derivatives, on the Mediaset share, up to a maximum number of 118,122,756 ordinary shares of the company with the nominal value of EUR 0.52 each, amounting to 10% of the current Share Capital, in one or more lots, up till the approval of the Financial Statements for the year closed at 31 December 2012 but, in any case, for a period that is no longer than 18 months from the date of the relative resolution of the Shareholders' Meeting. The amount shown above is covered by the available reserves as shown in the last regularly approved set of Financial Statements.

The purchase transactions shall be carried out as follows:

- i) The purchases to be used for the stock option plans for 2006/2008 and 2009/2011 must be made on the Stock Exchange where the shares are quoted, with the operational methodologies referred to in article 144, part two, letters b) and c) of the Issuers' Regulations at a price that is no higher than that between the price of the last independent transaction and the price of the highest independent offer currently on the computerised stock market managed by Borsa Italiana.
- ii) Any other purchases must be made on the Stock Exchange where the shares are quoted, with the operational methodologies referred to in article 144, part two, letters b) and c) of the Issuers' Regulations at a price that is no higher than that between the price of the last

independent transaction and the price of the highest current independent offer on the computerised stock market managed by Borsa Italiana.

The purchase transactions are carried out observing article 2357 and the following ones of the Italian Civil Code, article 132 of the Legislative Decree 58/98, article 144, part two, of the Consob Regulations that actuate the Legislative Decree of 24 February 1998, number 58, concerning the regulating of the Issuers and observing any other applicable law, rule or regulation, including those referred to in the EU Directive 2003/6 and all the relative executive measures, both EU and the domestic.

From the date of the Shareholders' Meeting until today there have been no purchases of the company's own shares. Therefore, on 26 March 2013, the company held 44,825,500 of its own shares in its portfolio, amounting to 3.795% of its Share Capital.

Management and coordination activities pursuant to article 2497 and the following ones of the Italian Civil Code

Mediaset S.p.A. is subject to the de facto control of Fininvest S.p.A., because that company owns 41.107% of its Share Capital. On 4 May 2004 Fininvest S.p.A. communicated to Mediaset that it does not carry out any management and coordination activities, as per article 2497 and the following ones of the Italian Civil Code, regarding Mediaset. The Company took the communication of Fininvest S.p.A. into consideration at the Board of Directors' Meeting of 11 May 2004.

What has been declared by Fininvest continues to be confirmed by the fact that Mediaset S.p.A. defines its own strategies independently and that it has total organisational, operational and transactional autonomy, because it is not subject to any directive or coordinating actions by Fininvest, regarding its own business activities. Specifically, Fininvest does not issue any directives to Mediaset nor does it carry out support activities or any technical, administrative or financial coordination on behalf of Mediaset and its subsidiaries

Mediaset S.p.A. currently exercises management and coordination activities, pursuant to article 2497 and the following ones of the Italian Civil Code, over the following companies within the Mediaset Group: Digitalia '08 S.r.l., Elettronica Industriale S.p.A., Media Shopping S.p.A., Medusa Film S.p.A., Promoservice Italia S.r.l., Publitalia '80 S.p.A., R.T.I. S.p.A., Taodue S.r.l., Video Time S.p.A. and X Content S.r.l. in liquidation. From January 2012 Mediaset also carries out management and coordination regarding the quoted subsidiary company El Towers S.p.A..

3. COMPLIANCE

The Board of Directors of Mediaset S.p.A., from March 2000, decided to put in place the measures contained in the Stock Exchange Code. Taking into account the relative legislative and regulatory context and the organisational structure of the Mediaset Group, Mediaset S.p.A. put in place the Mediaset Code and, in fact, taking into it the standards contained in the Stock Exchange Code. The company has continued, over time, to update its own system of corporate governance to align it with best domestic and international practices regarding this matter, with the recommendations of the Stock Exchange Code and with the legislative and regulatory measures that have been introduced from time to time, while keeping the shareholders and the stock market informed of the changes on a yearly basis.

The Board of Directors Meeting, taking into account the opinions and proposals of the Corporate Governance and Nominations Committee, with its resolution of 18 December 2012,

adhered to the Stock Exchange Code and it declared that the Mediaset Code had expired. During the year 2012 the company carried out the investigative activities necessary for aligning with the measures in the Stock Exchange Code, starting up new control points and the consequent information flows, specifically regarding the internal controls and risks management system. The function carried out by the Mediaset Code, which illustrated the governance choices made by the company, has been absorbed by the yearly Report on Corporate Governance and ownership structures.

The subsidiary company El Towers S.p.A., quoted on the Mercato Telematico Azionario (MTA) Segmento Star (High Requisites Securities Segment) of Borsa Italiana S.p.A., also adheres to the Stock Exchange Code.

**THE SUBSIDIARY COMPANY MEDIASET ESPANA COMUNICACION S.A.,
QUOTED ON THE MADRID, BARCELONA, BILBAO AND VALENCIA
STOCK EXCHANGES AND ON THE SPANISH COMPUTERISED STOCK
MARKET, AS WELL AS ITS SUBSIDIARIES, IS SUBJECT TO SPANISH LAW
AND TO THE SPANISH CORPORATE GOVERNANCE SYSTEM.**

4. BOARD OF DIRECTORS

4.1 NOMINATION AND REPLACEMENT

The nomination and replacement of the Directors is regulated by article 17 of the Articles of Incorporation, which is given in Attachment A to this Report.

It is underlined that, based on the Articles of Incorporation that are currently in force, they only have the right to present the lists of candidates those shareholders who have voting rights and who, either alone or together with other shareholders, represent at least 2.5% of the part of the Share Capital that is made up of shares with voting rights in the Ordinary Shareholders' Meeting, or any different percentage that is established by the relative legal measures that are currently in force and which, from time to time, will be communicated in the Notice calling the Shareholders' Meeting that is to be held to pass resolutions regarding the nomination of the Board of Directors. It is highlighted that, pursuant to article 144, part four, and article 144, part seven, of the Issuers' Regulations, as well as to the Consob Resolution number 16779/2009, the shareholding percentage required for the presentation of the lists of candidates for membership of the Board of Directors at the Shareholders' Meeting of 18 April 2012 amounted to 1.5%.

As is well known the law number 120/2011 changed the articles 147, part three, and 148 of the CFA, in order to ensure parity of access to the administrative and controls bodies of those companies with quoted shares.

Specifically, the Articles of Incorporation must establish, in observance of the revised articles, measures that are able to reserve a quota of elected directors, for three consecutive financial years, for the less represented sex within the company's bodies.

Because of this there will be submitted for the approval of the Shareholders Meeting, fixed to be held on 24 April 2013, the appropriate changes to the Articles of Incorporation and the measures regarding the balance between the sexes that are contained in them. These matters will be applied at the time of the next renewal of the Board of Directors in April 2015.

Furthermore, it is pointed out that Mediaset, apart from what is established by the CFA, by the Issuers Regulations, by the preceding Mediaset Code and by the Stock Exchange Code, is not

subject to any other legislation, rules and regulations regarding the membership of the Board of Directors.

Succession Plans

The Board of Directors Meeting of 18 December 2012 resolved that it was not necessary, in the current situation, to put in place a succession plan for the executive directors, given the company's shareholding ownership structure and the current set up of the powers mandates within the company. Therefore, there are no directors' succession plans in existence.

4.2 MEMBERSHIP

Article 17 of the Articles of Incorporation establishes that the Company be administered by a Board of Directors consisting of five to twenty one Directors.

The Shareholders' Meeting, with its resolution passed on 18 April 2012, fixed the number of the Board members at fifteen.

As of today the members of the Board of Directors are the following persons:

Fedele Confalonieri, Pier Silvio Berlusconi, Giuliano Adreani, Mauro Crippa, Marco Giordani, Gina Nieri, Niccolo' Querci, Marina Berlusconi, Pasquale Cannatelli, Bruno Ermolli, Alfredo Messina, Paolo Andrea Colombo, Carlo Secchi, Attilio Ventura and Michele Perini.¹

The members of the Board of Directors were elected with 535,754,911 favourable votes, or 78.3207% of the voting Share Capital, which is 684,052,520 shares, or 57.91% of the total Share Capital.

At the Shareholders' Meeting of 18 April 2012 there was only presented one list of candidates for positions as Directors by the shareholder Fininvest S.p.A., with a shareholding amounting to 41.107% of the Share Capital, and broken down as follows: Fedele Confalonieri, Pier Silvio Berlusconi, Giuliano Adreani, Mauro Crippa, Marco Giordani, Gina Nieri, Niccolo' Querci, Marina Berlusconi, Pasquale Cannatelli, Bruno Ermolli, Alfredo Messina, Paolo Andrea Colombo, Carlo Secchi, Attilio Ventura and Michele Perini.

Together with the list there was also deposited, for each individual candidate, all the necessary documentation that is required to be presented by law, by the relative regulations and by the Articles of Incorporation for the members of the Board of Directors.

The composition of the list also took into account the requirements expressed by the company regarding the maximum accumulation of administration and control offices that can be held, pursuant to the Mediaset Code.

The personal and professional characteristics of each individual Director are given in Attachment B to this Report and they are available on the company's website.

On the basis of the information supplied by the interested involved there are given, in the Attachments B and C to this Report, the memberships of the Board of Directors and of the Committees and the offices held by the current members of the Board of Directors in companies quoted on regulated stock markets, also foreign ones, and in financial, banking and insurance companies, or those of relevant dimensions, with the exception of those held in subsidiary companies of Mediaset S.p.A. or in those that it participates in, as well as further information relative to the same persons.

¹ These Directors were already members of the previous Board of Directors.

The Shareholders Meeting has not authorised any suspensions of the competition prohibition, as established by article 2390 of the Italian Civil Code.

The maximum accumulation of the offices held in other companies

The Board of Directors, in its meeting of 11 March 2008, set the following rules regarding the accumulation of the offices of Director and/or of Statutory Auditor:

- An Executive Director cannot hold any of the following offices:
 - I. The office of Executive Director in any other quoted company, either Italian or foreign, or in a finance, banking or insurance company, or in a large sized one, i.e. with a Net Equity of more than EUR 10 Billion.
 - II. The office of Non-Executive Director or Statutory Auditor, or that of a member of any other controls body, in more than five quoted companies, either Italian or foreign, or in finance, banking or insurance companies, or in any large sized ones, i.e. those with a Net Equity of more than EUR 10 Billion.
- A Non-Executive Director cannot hold any of the following offices:
 - I. The office of Executive Director in more than three quoted companies, either Italian or foreign, or in finance, banking or insurance companies, or in any large sized ones, i.e. those with a Net Equity of more than EUR 10 Billion and the office of Non-Executive Director or Statutory Auditor, or that of a member of any other controls body, in more than five quoted companies, either Italian or foreign, or in finance, banking or insurance companies, or in any large sized ones, i.e. those with a Net Equity of more than EUR 10 Billion.
 - II. The office of Non-Executive Director or Statutory Auditor, or that of a member of any other controls body, in more than ten quoted companies, either Italian or foreign, or in finance, banking or insurance companies, or in any large sized ones, i.e. those with a Net Equity of more than EUR 10 Billion.

The acceptance of any office, for all the Directors of the company, requires their prior evaluation of their possibility of being able to dedicate the time that is actually necessary in order to be able to diligently carry out the high level tasks entrusted to them and fulfil their consequent responsibilities. This means taking into account, among other things, also the number of the offices of Director and/or of Statutory Director that is held by them in other companies quoted in regulated stock markets, also foreign ones, and in finance, banking or insurance companies, or in any large sized ones.

There remain excluded from the accumulation limit the offices that are held in Mediaset and in any companies of the Mediaset Group.

In the case where the above limits are surpassed, the Directors involved must immediately inform the Board, which will evaluate the situation in the light of the company's interests and will ask the Director involved to make the consequent decisions.

Once a year the Board of Directors scrutinises, based on the information received from each Director, the offices of Director and/or Statutory Auditor that are held by the Directors in other companies and states them in Attachment B to this Report.

4.3. THE ROLE OF THE BOARD OF DIRECTORS

The Board of Directors is the collegiate body of the company that administers it and plays a central role in the context of the company's organisation and it is the head of the functions and

has the responsibility for the strategic and organisational directions that the company takes, as well as checking on the existence of the controls that are necessary in order to be able to monitor the progress and trends of the company and the Group. The system used for the delegation of powers is such as to maintain, within the context of the company's business and organisation, the central role that is played by the Board of Directors. The Board of Directors has all those powers that are established by law and by article 23 of the Articles of Incorporation.²

Furthermore, the Board of Directors carries out the activities that are attributed to it by the Stock Exchange Code.

The Board meets on a regular periodic basis, observing the legally required due dates and with a proper working calendar and it organises itself, in such a way, so as to ensure that it carries out its functions effectively and efficiently.

During the financial year 2012, the Board of Directors met nine times. The average length of each one of its meetings is about 2 hours. The participation percentage of the Directors during the financial year, on a total basis, was about 94% and the Independent Directors have ensured that they had an average overall presence of about 90%. The participation percentage of each individual Director at the Board Meetings is shown in the Attachment C to this Report.

For the year 2013 four Board of Directors' Meetings have been planned for the approval of the Interim Financial Statements and this has communicated to the market. As of today, three meetings have been held already.

The timeliness and completeness of the pre-meeting information is ensured by the Chairman, by means of the distribution to the Directors, in the days immediately before the date fixed for the Board Meeting, which is usually 4 days before it, of the documentation relative to the matters contained in the Agenda, in order to enable the interested parties to be informed about the Agenda items and to have useful elements that will enable them to participate effectively in the proceedings of the Board of Directors Meeting. For this purpose the Chairman avails himself of the support of the Secretary of the Board of Directors

The Board of Directors Meeting of 18 December 2012, at the time of the Board Performance Evaluation, maintained that the pre-meeting information, which is supplied as a support to the Agenda items, was sent with proper and adequate advance notice. Furthermore, it was highlighted that the consequential decisional process within the Board Meeting was fed by information flows that the interested parties considered to be timely and effective and that they were written up in punctually prepared minutes.

The Chairman favours the participation in the Board Meetings of the company executives who are responsible for the competent company functions, so that they can supply the appropriate

² The Board of Directors can, pursuant to the contents of the Articles of Incorporation, nominate one or more Vice Chairmen and delegate to one or more of its own members, also with the position of Managing Director, all or part of its own powers, except for what is established by article 2381 of the Italian Civil Code and by article 23 of the Articles of Incorporation, as well as being able to nominate an Executive Committee to which it can delegate its own powers, except for those which are reserved only for the Board of Directors itself.

Furthermore, the Board of Directors can set up other Committees, also consisting of persons who are not Board members, fixing their tasks, powers, compensation, if any, and establishing their membership and their functioning methodologies.

in-depth information for the purpose of giving the Directors a fully detailed understanding of the items contained in the Agenda. Also during 2012 these persons took part in the meetings.

At the date of this Report the Board, among other things, has carried out the following:

- It examined and approved the strategic, industrial and financing plans of the company and of the Group that it heads and it has monitored the relative actuation.
- It defined the corporate governance system of the company and the Group's structure.
- It defined the nature and the level of the acceptable risk that is compatible with the strategic objectives of the company and the Group.
- It has evaluated the adequacy of the organisational, administrative and general accounting set-ups of the company and of those subsidiary companies that have strategic relevance, with particular reference to the internal controls system and to the risks management. These evaluations, which had a positive outcome, were supported by specific explanatory reports, relative to the different operational and control structures of the companies, drawn up under the care of the relative delegated bodies.
- It has positively evaluated the general progress of operations, specifically taking into consideration the information received from the Executive Committee, from the Chairman, from the Vice Chairman, from the Managing Director and from the Internal Controls and Risks Committee, as well as periodically comparing the actual results achieved with the planned ones.
- It has examined and approved, in advance, all those operations that were significant from a strategic, economic, equity and financial perspective of the company and its subsidiaries³ and, specifically, those with related parties.
- It has defined, on the basis of the proposal of the Compensation Committee, the Company's Policy regarding the compensation of the Directors and those Executives with Strategic Responsibilities.
- It has carried out a valuation regarding the functioning of the Board itself and also of its related committees.
- It has defined, with the prior obtained opinion of the Internal Controls and Risks Committee, the directional lines of the system of internal controls and risks management.
- It has evaluated, in the light of the reports received from the parties assigned to superintend the internal controls system and the management of the risks, the Surveillance and Controls Body and having obtained the prior opinion of the Internal Controls and Risks Committee, that the internal controls system and the management of the risks is adequate and effective, compared to characteristics of the enterprise and to the profile of the risk that has been taken on by it.
- It has approved, having obtained the prior opinion of the Internal Controls and Risks Committee, the work plan prepared by the Internal Audit Manager function, having heard the Board of Statutory Auditors and the Assigned Director. It has also taken into

³ The Board of Directors Meeting of 31 July 2012 approved the update of the "Guidelines relative to the operations with important strategic, economic, financial and equity significance".

account the Report of the Internal Audit Function regarding the activities it had carried out during the Financial Year.

- It has evaluated, having heard the Board of Statutory Auditors and obtained the prior opinion of the Internal Controls and Risks Committee, the findings presented by the legal auditor in the letter of suggestions and in the report on the fundamental questions that emerged at the time of the legal audit itself.
- It has confirmed in his position, as proposed by the Assigned Director and having obtained the prior favourable opinion of the Internal Controls and Risks Committee, as well as having heard the Board of Statutory Auditors, the Internal Audit function manager, having evaluated the suitability of the resources entrusted to him and confirmed the relative compensation in coherence with company policies.

The Board of Directors Meeting of 26 March 2013, following the proposal of the Compensation Committee, defined a general policy for the compensation of the directors and of the company executives with strategic responsibilities.

The Shareholders' Meeting has not authorised any suspensions of the competition prohibition established by article 2390 of the Italian Civil Code.

Self-assessment of the Board of Directors

The Board of Directors, in observance of the relative measures in the Stock Exchange Code and taking into account the positive experience of previous years has set in motion, also for the financial year 2012, the self-assessment process called Board Performance Evaluation entrusting, as usual, the Corporate Governance and Nominations Committee to set up and drive the process.

This process, which was introduced starting from 2006⁴ and carried out yearly has enabled the checking on the dimensions and functioning of the Board on an overall basis and also of its Committees and the evaluation of the contributions of the directors to the Board's activities.

Also for the year 2012, the Corporate Governance and Nominations Committee, has confirmed the validity of the methodology used by the company in the previous financial year for carrying out the analysis of the board performance evaluation. In its Report to the Board the Committee suggested continuing with the use of a list of questions to be submitted to the directors in order to facilitate the self-assessment process. This methodology was found to be adequate and effective and its contents were exhaustive.

The Board of Directors, in its meeting of 18 December 2012, carried out the self-assessment process, availing itself of the list of questions, which was distributed to each individual director.

From the relative debate, in which all of the Directors were involved, there emerged, yet again, a positive picture in terms of the effectiveness and the efficiency of the work carried out by both the Board and the Committees. In general it was confirmed that the Board's activities are carried out in conformity with the Stock Exchange Code.

Specifically, from among the most positive aspects, there are highlighted the following ones:

⁴ In 2009 the Corporate Governance Committee availed itself of the company Sodali S.p.A., a company that supplies Corporate Governance services, for an audit of the procedures and other matters concerning the self-assessment activities carried out by Mediaset S.p.A.

- The extremely constructive climate existing within the Board of Directors, which favours a very open debate that respects the contribution of each individual Director and tends to converge towards decisions that are characterised by a broad consensus of the Board.
- The efficiency and the productivity of the encounters, held both during an outside of the Board of Directors Meetings, with the representatives of the Management for the purpose of going into depth on some specific matters and, in general, to know the fields in which the company operates.
- The decisional process within the context of the Board Meetings, according to the inputs of the interested parties, is fed by information flows and was the subject of punctual Minutes.
- The structure of the Board of Directors and the number of its meetings were considered to be adequate. Regarding the Committees' set up within the Board of Directors itself, there emerged a very broad agreement regarding their role, the effectiveness of their activities and the appropriateness and adequacy of their relative memberships. The work carried out by the Committees was judged to be advantageous and accurate.

Specifically, the Directors have expressed their appreciation for the work encounters that have taken place with the top management of the company, which were aimed at gaining in depth knowledge of the different business sectors within which the Group operates and evaluated positively the activities that were undertaken.

Relative to the activities carried out, the composition of the Board of Directors relative to the diversity of the sexes; the age ranges and the seniority of the office were held to be adequate.

The elements supplied to the Board of Directors, in order to define the nature and the level of risk that is compatible with the strategic objectives of the company and of the Group, were considered to be sufficient and exhausted.

The Corporate Governance and Nominations Committee, at the conclusion of its Report, has proposed to the Board that there should be maintained the programme that is aimed at the independent directors so that they can gain knowledge in the context of the finances and the business of the company, a better understanding of the company processes and knowledge regarding the most relevant subjects. Specifically, it suggested that, during the next financial year, considering the deterioration of the general economic picture that is impacting media sector, that the programme be aimed at the analysis of the new technologies underlying the creation of new business models, also in relation to the enlargement of the competitive scenarios.

4.4 DELEGATED BODIES

The Chairman

Traditionally, the Chairman is nominated by the Shareholders' Meeting. The Shareholders' Meeting of 18 April 2012 confirmed Fedele Confalonieri as Chairman of the company.

The Board of Directors, in the meeting of 18 April 2012, confirmed that the Chairman had all the powers of ordinary and extraordinary administration of the company, within the maximum value limit of EUR 13,000,000.00 for each individual operation, but with the exception of those

operations that fall, exclusively, within the competencies of the Board of Directors and the Executive Committee. Pursuant to the contents of the Articles of Incorporation the Legal Representation of the company belongs to Chairman.

The Board members are obliged to know the tasks and the responsibilities that are inherent to the office they hold. The Chairman shall take care to ensure that the Board is constantly updated on the main legislative and regulatory changes that impact the company, also with the cooperation and support of the Director of Company Affairs and the Secretary of the Board of Directors.

The Chairman coordinates the activities of the Board of Directors and also manages the Board Meetings. It is up to the Chairman, or to the person who acts in his place, to call and convene the Board Meetings.

The Vice Chairman

The Board of Directors, in the meeting of 18 April 2012, confirmed Pier Silvio Berlusconi as Vice Chairman, conferring upon him all the powers of ordinary and extraordinary administration of the company, within the maximum value limit of EUR 10,000,000.00 for each individual operation, but with the exception of those operations that fall, exclusively, within the competencies of the Board of Directors and the Executive Committee. Pursuant to the contents of the Articles of Incorporation, the Vice Chairman has the legal representation of the company. The Vice Chairman replaces the Chairman, with legal representation of the company, in the case of his absence or impediment. The actual exercising of the power of legal representation of the company by the Vice Chairman attests, of itself, to the absence or impediment of the Chairman and it exonerates all third parties from the necessity of any ascertainment or responsibility regarding this fact.

The Managing Director

The Board of Directors, in the meeting of 18 April 2012, confirmed Giuliano Adreani as Managing Director, conferring upon him all the powers of ordinary administration of the company within the maximum value limit of EUR 5,000,000.00 for each individual operation, but with the exception of those operations that fall, exclusively, within the competencies of the Board of Directors and the Executive Committee. Pursuant to the contents of the Articles of Incorporation, the Managing Director has the legal representation of the company.

The Board of Directors considers that giving the above mandates to the Chairman, the Vice Chairman and the Managing Director is the best response in order to meet the needs of organisational efficiency.

Executive Committee

The Board of Directors, in the meeting of 18 April 2012, nominated the Executive Committee, consisting of four members who will remain in office for the same time period as that of the mandate of the Board of Directors and calling to take part in it the Chairman Fedele Confalonieri, the Vice Chairman Pier Silvio Berlusconi and the Managing Director Giuliano Adreani, as members by right pursuant to the Articles of Incorporation as well as the Director Gina Nieri.

The Board of Directors has given the Executive Committee all the powers of ordinary and extraordinary administration of the company, within the maximum value limit of EUR

100,000,000.00 for each individual operation, but with the exception of those operations that fall, exclusively, within the competencies of the Board of Directors.

During 2012 the Executive Committee met seven times, with the systematic involvement at them of the company executives responsible for the competent functions. The average duration of the meetings of the Executive Committee is about 1 hour. The percentage participation of each individual Director at the meetings of the Committee is shown in the Attachment C to this Report.

Informational documents to the Board of Directors

In conformity with what is established by Law and the Articles of Incorporation, the Board of Directors and the Board of Statutory Auditors are kept informed of all the business activities that are carried out, of the general progress and trend of operations, of their forecasted evolution and of the most important strategic, economic, financial and equity operations, which are carried out by the company or by its subsidiary companies.

There is assured, during the Board Meetings, the presence of ample in depth explanations and an exhaustive treatment of all the relative Agenda items, in order to enable the Directors to make a knowledgeable decision regarding the matters discussed.

The delegated activities are the constant subject of informational documents supplied to the Board of Directors and the Board of Statutory Auditors by the delegated bodies at the time of the Board Meetings, following the methodologies established by the Articles of Incorporation and by the relative legislative and regulatory measures currently in force regarding such matters.

At the time of the first Board Meeting that is useful for the purpose the Chairman, the Vice Chairman, the Managing Director, the Executive Committee, the Directors with special assignments and, more in general, delegated bodies report to the Board of Directors and to the Board of Statutory Auditors on the progress status of the projects that have been entrusted to them and of the activities carried out while exercising the mandates that were given to them, as is established by the Articles of Incorporation.

4.5. OTHER EXECUTIVE DIRECTORS

As well as the Chairman, the Vice Chairman and the Managing Director, there are another four Executive Directors, who are members of the Board of Directors and who are listed below:

Mauro Crippa	Information Director General of RTI S.p.A.
Marco Giordani	Chief Financial Officer di Mediaset S.p.A. Amministratore Delegato of RTI S.p.A.
Gina Nieri	Director of Institutional Affairs, legal and Strategic Analyses Division of Mediaset S.p.A. Vice Chairman of RTI S.p.A.
Niccolò Querci	Director of Central Personnel and Organisation of Mediaset S.p.A. Vice Chairman and Managing Director for Human Resources of RTI S.p.A. Vice Chairman of Publitalia '80 S.p.A.

4.6. INDEPENDENT DIRECTORS

The Independent Directors were nominated in the Shareholders Meeting of 18 April 2012 and are the following four persons: Paolo Andrea Colombo, Michele Perini, Carlo Secchi e Attilio Ventura.

The Board of Directors Meeting of 18 April 2012 attested, based on the declarations supplied by the interested parties that have been filed among the company's legal documents, that the aforesaid Directors possess the requisites of independence as per article 148, paragraph 3, of the CFA, as shown in the Attachment C to this Report.

The Board of Directors evaluates the independence of its non-executive members looking more at substance than form and also bearing in mind that a directors, as a rule, does not appear independent in the hypothesis established by article 3) of the preceding Mediaset Code and by the Stock Exchange code.

Regarding the declaration issued by the Director Paolo Andrea Colombo the Board maintained that there exists, because of the constancy of the multiple offices held by him and taking into account his recognised professional qualities, the independency requisite of the director, even if he has occupied this office in the company for more than nine of the last twelve years.

Each Independent Director has taken the commitment to make a timely communication to the Board of Directors regarding any situations that arise, which would make the requisites in question disappear.

The Board of Directors periodically evaluates the independence of the directors, also with the support of the Governance and Nominations Committee.

The Board of Statutory Auditors, in the meeting of 4 June 2012 checked on the correct application of the criteria and the ascertainment procedures used by the Board of Directors in order to evaluate the independence of the Directors in question.

The number and the skills of the Independent Directors are suitable and appropriate, for both the dimensions of the Board and the business activities carried out by Mediaset, and they are such as to enable the setting up of the Committees within the Board of Directors, regarding which there will be given ample explanations in the remaining part of this report.

The Chairman operates so that the Board, on an total basis, is constantly updated regarding all the main legislative and regulatory changes that appertain to the company, there are periodically organised specific meetings of the Independent Directors with the Chief Financial Officer and the management of Mediaset and its subsidiary companies so that they may have a vision of the structure of the whole Group, a knowledge of its business and be able to go into depth on specific economic/financial matters. All of the members of the Board of Statutory Auditors habitually take part in these initiatives.

The Independent Directors, together with the Board of Statutory Auditors, have taken part in a number of initiatives aimed at making them highly knowledgeable regarding the main aspects of the company's total situation and to increase their knowledge of the company's dynamics such as business, organisation, technology and the market. Specifically, it is highlighted that during 2012, the Independent Directors been able to go into depth, with the Management of the quoted subsidiary company El Towers S.p.A., at its head office located in Lissone, regarding the structure, the organisation and the business of that company, which came from the merger by incorporation into Digital Multimedia Technologies S.p.A. of El Towers S.p.A., transferee of a branch of the company Elettronica Industriale S.p.A.

The Independent Directors met together twice during the year, without the other directors, on 12 October and 13 November 2012. At that meeting, the Independent Directors dealt with corporate governance matters and they praised the initiatives organised by the company to ensure that the Independent Directors gain a better understanding of the business, which they now consider to be opportune and adequate.

Furthermore, in that meeting the Independent Directors, while awaiting the evaluation by the Board of Directors regarding the adoption of the Stock Exchange Code and, given the measures contained in that Code, decided not to ask for the nomination of a Lead Independent Director. The presence of the majority of the Independent Directors, inside of the Committees set up within the Board of Directors, favours the constant exchange of opinions and information between those bodies.

4.7 LEAD INDEPENDENT DIRECTOR

The Board of Directors has decided not to follow the recommendation of Borsa Italiana to create the position of a “Lead Independent Director”, because there do not exist the prerequisites for the nomination of one.⁵

It is highlighted that the current structure of corporate governance fully guarantees, as of now, not only constant flows of information to all of the Directors, both executive and non-executive, as well as independent and non-independent ones, but also a very wide ranging proactive and proposing involvement in the overall management and operations of the company.

5. THE TREATMENT OF COMPANY INFORMATION

Privileged information

The organisational guideline of the Mediaset Group called “Management and communication of privileged information”, regulates the internal management and the communication to the public of privileged information, as well as the putting in place and continuous updating of the “Register of the persons who have access to privileged information”, i.e. the Insider Register, which is referred to in article 115, part two, of the CFA. For privileged information there is meant every piece of information, which is not in the public domain and is of a precise nature and which, if it is rendered public, could significantly impact the price of the financial instruments.

The aforesaid guideline is applicable to the members of the company bodies and to the employees of Mediaset S.p.A. and of its subsidiary companies who have access to relevant and/or privileged information, with the exception of EI Towers S.p.A. and Mediaset Espana Comunicacion S.A., who are obliged to keep their own Insider Registers, to fulfil the connected obligations and to communicate with their respective reference markets.

⁵ The Independent Directors, while awaiting the evaluation by the Board of Directors regarding the adherence to the Self-regulating Code of the Stock Exchange and, given the measures contained in that Code regarding the instituting of the position of a Lead Independent Director maintained, in the meeting of 13 November 2012, that such a nomination was not necessary and confirmed the absence of the required formal prior assumptions for it, established by the Stock Exchange Code.

Pursuant to the Mediaset Code the Chairman, the Vice Chairman and the Managing Director, in coordination between themselves, take care to ensure that all the company information is correctly managed.

The Directors and the Statutory Auditors of Mediaset and, in general, all the other addressees of the aforesaid guideline are bound to keep strictly confidential all the documents and the information that they acquire while carrying out their assigned tasks, with particular reference to privileged information.

The communications to the relative authorities and to the public are carried out within the timeframes and with the methodologies that are contained in the relative legislation, rules and regulations that are currently in force, observing proper informational parity and what is laid down by the guideline.

The company has distributed the procedure to its own personnel and to the personnel of its subsidiary companies.

The Chief Financial Officer of Mediaset, assigned to do so by the Board of Directors, constantly monitors the application of the procedure and its update status, also in the light of the relative generally accepted best practices regarding this matter, for the purpose of ascertaining its effectiveness.

The Insider Register is the list of those persons who, because of their working or professional activities, or because of the functions they carry out, or the offices that they hold, have access to important and/or privileged information of the company and of its subsidiary companies.

The company has also identified the Assignee for the keeping and managing of the Insider Register as being the Company Affairs Directorate of Mediaset S.p.A..

Internal dealing

The Board of Directors has actuated the relative legal obligations regarding internal dealing. Specifically, it has identified the Assignee for the receipt, managing and diffusion of the communications to the market as being the Company Affairs Directorate of Mediaset S.p.A.. It has also identified those relevant subsidiary companies in which the accounting book value of the equity investment represents more than 50% of the Balance Sheet assets of Mediaset S.p.A., based on the last approved set of Financial Statements.

There has been put in place a procedure aimed at monitoring the condition of relevancy of its own subsidiary companies and identified, among its own company executives, the persons obliged to issue the relative communications.

Timely information regarding the connected obligations has been given to the identified persons.

In conformity with what has been recommended by Consob the company has created, within its own website, a specific section called "Market Abuse".

6. COMMITTEES WITHIN THE BOARD OF DIRECTORS

Pursuant to the Articles of Incorporation, the Board of Directors can set up Committees, also consisting of persons who are not members of the Board, setting their tasks, powers, compensation and establishing their membership. The Committees, if they are also contain persons who are not Board members, are only given consultancy powers.

Following the renewal of the Board of Directors, which took place with the Shareholders' Meeting of 18 April 2012, at the same date the Board confirmed the existence, from within its own membership, of a Corporate Governance Committee, an Internal Controls Committee and a Compensation Committee, with proposal and consultative functions, as this was established by the Mediaset Code, which was in force at the time of the original set-up.

Afterwards, as already stated in the previous paragraphs, the Board of Directors Meeting of 18 December 2012, at the same time as its adherence to the Stock Exchange Code, confirmed the continuance of the Committees referred to and, where required, changed their names and competencies.

Specifically as follows:

- The Internal Controls and Risks Committee, formerly the Internal Controls Committee, was given the competencies relative to the Stock Exchange Code;
- The Compensation Committee was confirmed as still having the competencies that were given to it by the Board of Directors Meeting of 20 December 2011, actuating those changes that are approved by article 7 of the Stock Exchange Code;
- The Corporate Governance Committee maintained its prior existing competencies, which are suitable to guarantee the updating of the governance rules, as well as the adequacy, actuation and observation of them and there were added those established by the contents of the Stock Exchange Code relative to the Committee for Nominations and, because of this, it was given the new name of the Corporate Governance and Nominations Committee. The Committees set up from within the Board have investigation, proposing and/or consultancy tasks in relation to matters regarding which there is felt a particular need for in-depth insights, so as to be able to have a comparison of effective and informed opinions on those matters.

In the carrying out of their own functions the Committees have the faculty of access to the information and to the company functions that are necessary in order to be able to carry out their respective tasks and they can avail themselves of the services of external consultants at the company's expense, within the limits of the budget approved by the Board of Directors.

The Committees, who report punctually at Board Meetings regarding their activities, have put in place their own sets of functioning regulations and meetings calendars that are forecasted for the company's financial year. The regulations of the Committees were approved by the Board of Directors.

The setting up and functioning of the Committees within the Board of Directors responds to the criteria established by the Stock Exchange Code, i.e. regarding their membership, the Minutes of their meetings, their company information flows, the possibility of availing themselves of the services of external consultants and the participation at their meetings of persons who are not members, at the invitation of the Committees, with reference to specific Agenda items.

In November 2010 the Board of Directors, at the time of its adoption of a new procedure for regulating the transactions with related parties, which responded to the relative requisites indicated by in CONSOB, set up within its own membership The Independent Directors Committee for the Transactions with Related Parties. This Committee is called upon to express its specific opinions regarding the transactions that are put in place with related parties by

Mediaset S.p.A., either directly or through its subsidiary companies, in those cases that are indicated and according to the methodologies established by the procedure in question.

7. THE CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE

The Corporate Governance and Nominations Committee consists of three Non-executive and Independent Directors, who shall remain in office until the mandate of the whole Board of Directors expires and they are the following persons:

Attilio Ventura	Chairman – Independent Director
Paolo Andrea Colombo	Independent Director
Carlo Secchi	Independent Director

These directors were already members of the previous Committees.

The Committee has put in place its own set of functional regulations and proper Minutes have been produced of all of the aforesaid meetings. There has always been present at the meetings the Manager of the Company's Affairs Directorate, who has been given the office of Committee Secretary. The Secretary, in agreement with the Committee Chairman, in the days preceding the meeting, ensures that there are sent to the Corporate Governance Committee members all the relative documentation available at that time, as a support for the items contained in the Meeting Agenda.

During 2012, Corporate Governance Committee met seven times. The average duration of each meeting was about an hour. The percentage participation of each individual Director at the Committee Meetings is shown in Attachment C to this Report. For the Financial Year 2013 four meetings have been planned and one of them has already been held.

There have, as a rule, usually participated at the Committee meetings the Board of Statutory Auditors and there were also invited to take part in the meetings, through invitations issued by the Secretary of the Committee, the managers of specific company functions and external consultants in order to illustrate some particular themes.

The functions of the Corporate Governance and Nominations Committee

The Board of Directors gave the Committee the competencies already established by the Mediaset Code and those of the Stock Exchange Code. Specifically, it carries out the following tasks:

Regarding Corporate Governance:

- It watches over the observance and the periodic updating of the rules of corporate governance and that the behaviour principles adopted by the company are respected, informing the Board of Directors regarding these matters.

- It proposes the methodologies and the timeframes for carrying out the yearly self-assessment of the Board of Directors;
- It examines, in advance, the contents of the Yearly Report on Corporate Governance and the equity ownership structures.
- It supports the Board in evaluating the permanency of the independence requisites of the Independent Directors.

For Nominations⁶:

- It formulates opinions and presents them to the Board of Directors regarding the size and composition of the Board itself and gives its recommendations regarding the types of professional persons whose presence within the Board is considered to be opportune, as well as regarding the maximum number of offices of director or statutory auditor that is compatible with being able to effectively carry out the tasks of a director of the issuer and any suspensions to the competition prohibition established by article 2390 Italian Civil Code.
- It proposes candidates for the office of director to the Board of Directors, in the cases of co-opting, where it is necessary to replace independent directors.

During the year 2012, the Committee has carried out those activities that fall within its competencies and this has continued in 2013. Specifically, it has done the following:

- It examined the “Annual Report of the Board of Directors on Corporate Governance relative to the financial year 2011”.
- It examined the main changes introduced by the new edition of the Stock Exchange Code of December 2011, entrusting to the competent company functions, assisted by external consultants, the obtaining of the appropriate operational insights.
- Jointly with the Internal Controls and Risks Committee it gave the assignment, to the company Price Waterhouse Coopers S.p.A., to carry out an analysis of the exiting information flows, in the context of the internal controls and risks management system, for the purpose of evaluating the new things in the Stock Exchange Code and checking on the actuality and the functionality of the Mediaset Code.
- It processed the methodologies and the themes that were the subject of the self-assessment process of the Board of Directors.

On various occasions during the year the meetings were held in joint sittings with the Internal Controls and Risks Committee, for that part of the Stock Exchange Code relative to the Internal Controls and Risks Management System.

During the Board of Directors Meeting of 18 December 2012 the Committee reported to the Board of Directors on the outcome of the aforesaid analyses, particularly regarding the system of internal controls and, in the context of its own consultancy and proposing functions, suggesting the opportune initiatives.

In the light of the wide ranging and profound changes introduced by the Stock Exchange Code, the Corporate Governance and Nominations Committee, has taken the opportunity to make an overall evaluation of the Mediaset Code, which the company has had in place for some time now, in order to check on its actuality and functionality. As already stated previously, the Committee has maintained it opportune to propose that the Mediaset Code be done away with and that company adopts the Stock Exchange Code.

⁶ These competencies start from 18 December 2012.

In March 2013 the Committee examined the contents of the Report on Corporate Governance and the Ownership Structures 2012.

In the carrying out of its functions the Internal Controls and Risks Committee has had access to the information and the functions of the company and/or of the Group for the necessary purposes and/or it availed itself of the services of external consultants and for that purpose it availed itself of the support of the Secretary.

The Committee has been given an available financing of EUR 100 thousand per annum, for the expenses that are linked to the fulfilling of its tasks.

The members of the Committee receive a presence fee, for participating in each meeting, for the amount that was fixed by the Shareholders' Meeting of 18 April 2012.

8. THE COMPENSATION COMMITTEE

The Compensation Committee consists of three Non-executive Directors, the majority of whom are independent and who shall remain in office until the mandate of the whole Board of Directors expires. Among them there are experts in financial matters and compensation policies. They are the following persons:

Attilio Ventura	Chairman – Independent Director
Paolo Andrea Colombo	Independent Director
Bruno Ermolli	Non-executive Director

These directors were already members of the previous Committee.

No interested Director has taken part in the meetings of the Compensation Committee, during which there were formulated the proposals to be made to the Board of Directors regarding his own compensation.

During the year 2012 the Compensation Committee met three times. The average duration of each meeting is about one hour. The percentage participation of each individual Director at the Committee meetings is shown in the Attachment C to this Report. The Committee has put in place its own functioning regulations and for all the aforesaid meetings there have been produced a proper set of Minutes. For the financial year 2013 five meetings have been planned and one of them has already been held.

The Chairman of the Board of Statutory Auditors, or his delegate, has always taken part in the Committee Meetings and there has been present a secretary, who has been chosen from time to time by the Chairman.

The functions of the Compensation Committee

The Board of Directors has given the Compensation Committee the following competencies:

- To periodically evaluate the adequacy, the overall coherence and the actual application of the general policy that is applied regarding the compensation of the Chairman, of the Vice Chairman, of the Managing Director and of those company executives who have strategic responsibilities, while availing itself, regarding those company executives who have strategic responsibilities, of the relative information supplied by the Chairman, by the Vice Chairman and by the Managing Director and also formulating proposals regarding this subject to the Board of Directors.
- To express an advance opinion regarding the proposals of the Board of Directors and in this context of the Chairman and/or of the Vice Chairman, relative to the compensation of the Chairman, of the Vice Chairman and of the Managing Director, as well as regarding the

setting of the performance goals that are related to the variable part of the compensation package. It also monitors the actual application of the decisions that are made by the Board regarding these matters.

- To express an advance opinion regarding the proposals of the Board of Directors and in this context of the Chairman and/or of the Vice Chairman, relative to the criteria that are used for the definition, by the delegated bodies of Mediaset S.p.A., of the compensation of those company executives who have strategic responsibilities and also regarding that of the other key executives of the Mediaset Group.
- To express an advance opinion regarding the proposals of the Board of Directors and in this context of the Chairman and/or of the Vice Chairman, relative to the general regulating of the giving of compensation, i.e. the attributing, the waiving or the reversal, regarding the employees of the companies belonging to the Mediaset Group, who have been designated to hold offices within administrative and controls bodies and/or in committees nominated by administrative bodies of subsidiary or participated companies, both Italian and foreign.
- To formulate proposals to the Board of Directors regarding the criteria, the categories of beneficiaries, the quantities, the timeframes, the conditions and the methodologies of those compensation plans that are based on shares.

During 2012 the Committee has carried out the activities that fall within its competencies and this has continued in 2013, to support the activities of the Board of Directors. Among other things it has done the following:

- It approved the Report on the Compensation Policy and assigned the Chairman to submit the relative proposal to the Board of Directors Meeting of 20 March 2012.
- It expressed its favourable opinion on the confirmation of the compensation for the Directors who have been entrusted with special assignments.
- It evaluated, also on the basis of the exchanges of information that took place with the Central Personnel and Organisation Directorate, the coherency and the actual application of the general Compensation policy, approved by the Board of Directors on 20 March 2012, in so far as it pertains to the Chairman, the Vice Chairman, the Managing Director and those company Executives with strategic responsibilities and, furthermore, finding that during the financial year no variations emerged.

On 18 December 2012 the Committee took note that during the financial year the company has not put in place any medium/long term incentives. In March 2013 the Committee approved the Report on the Compensation Policy and entrusted its Chairman to submit the relative proposal to the Board of Directors Meeting of 26 March 2013.

The Compensation Committee has been given financing of EUR 200 thousand per annum for the expenses linked to the fulfilling of its tasks.

The members of the Committee receive a presence fee, for participating in each meeting, for the amount that was fixed by the Shareholders' Meeting of 18 April 2012.

9. COMPENSATION OF THE DIRECTORS

The Board of Directors' Meeting of 26 March 2013 defined a general policy for the compensation of the executive directors, of the other directors assigned with particular tasks and of those company executives who have strategic responsibilities.

It is highlighted that for further information relative to this section reference should be made to the relevant parts of the Report on Compensation, which is published pursuant to article 123, part three, of the CFA.

10. INTERNAL CONTROLS AND RISKS COMMITTEE

The Internal Controls and Risks Committee consists of three Non-executive Directors, who are experts in accounting and financial matters and the majority of whom are independent and who will remain in office until the mandate of the whole Board of Directors expires and they are the following persons:

Carlo Secchi	Chairman – Independent Director
Alfredo Messina	Non-executive Director
Attilio Ventura	Independent Director

These Directors were already members of the previous Committee.

The Committee, as has already been said, has put in place its own set of functioning regulations and all the aforesaid meetings have been the subjects of regular Minutes. At the meetings there is present the manager of the Company Affairs Directorate who holds the office of Secretary of the Committee. The Secretary, in agreement with the Chairman of the Committee, in the days preceding the meetings, ensures that there is sent to the members of the Internal Controls and Risks Committee all the documentation available at that time, as support for dealing with the items contained in the Agenda.

During 2012 thirteen meetings of the Internal Controls and Risks Committee were held in which, at the invitation of the Committee itself and regarding individual items contained in the Agenda, there participated and presented reports persons who are not members of it and, specifically, according to their respective competencies, the Internal Controls Manager⁷, the Surveillance and Control Body, the Assigned Executive, the Internal Audit Manager, persons from the External Auditing Company, the managers of specific company functions and/or of the Group, as well as, where this was considered to be opportune, outside consultants. The average duration of each meeting was about two hours. Ten meetings have been planned for the financial year 2013.

As a rule the all the members of the Board of Statutory Auditors participate in the Committee Meetings.

The percentage participation of each individual Director at the Committee Meetings is shown in the Attachment C to this Report.

The functions of the Internal Controls and Risks Committee

The Internal Controls and Risks Committee, as well as assisting the Board of Directors in carrying out the tasks that have been entrusted to this latter body regarding internal controls matters, exercises those functions that are listed within the Stock Exchange Code.

⁷ In that office until 18 December 2012.

During the financial year 2012, thirteen meetings were held in which the Committee did the following:

- It examined and evaluated as positive the “Work Plan” of the external auditing company Reconta Ernst & Young S.p.A..
- It took note of the “Audit Plan ” of the Spanish subsidiary company Mediaset Espana Comunicacion S.A..
- It took note of the “Work Plan for the financial year 2012” prepared by the Internal Controls Manager and of the report of the same on the “Internal Controls System at 31 December 2011”;
- It took note of the Actual Results of the “Audit Plan 2011” prepared by the Internal Auditing Function.
- It took note of the start-up of the process of evaluation and management of the main risks of the Mediaset Group Espana Comunicacion, carried out according to the “Enterprise Risk Management” methodology.
- It took note of the yearly update by the Risk Officer regarding the evaluation and the methodologies of managing the main company, strategic and process risks of the Mediaset Group, carried out according to the “Enterprise Risk Management” methodology.
- It took note of the update supplied by the Assigned Executive for the drafting of the company's accounting documents regarding the methodologies used for the purposes of the Impairment Test on the financial statements for 2011.
- It evaluated, together with the Assigned Executive, with the external auditing company Reconta Ernst & Young S.p.A. and with the Board of Statutory Auditors, the main accounting standards applied within the Mediaset Group and their homogeneity, for the purposes of the drafting of the consolidated financial statements, maintaining that they are applied correctly.
- It took note of the update of the activities carried out by the Assigned Executive, as per the Law 262/2005 regarding the Safeguarding of Savings, for the purposes of the issuing of the attestation relative to the company's financial statements and to the consolidated financial statements at 31 December 2011.
- It took note of the periodic reports prepared by the Surveillance and Controls Body of Mediaset regarding the outcome of the checks carried out and of the initiatives undertaken pursuant to the Legislative Decree 231/01.
- It expressed its favourable opinion regarding the confirmation of the Chairman, Confalonieri, as the Assigned Director of Mediaset.
- It took note and agreed with the reasons on which there is based the new underlying setting regarding the Audit of the segment information and disclosures of the Group.
- It took note of the periodic updates of the “List of direct suppliers”, prepared by the Rights Directorate of RTI S.p.A., and for the purpose of the completion of the company procedure for the planning, acquisition and managing of the rights and it evaluated it as positive.
- It agreed with, having received it from the Board of Statutory Auditors, the Report on the fundamental questions drawn up by Reconta Ernst & Young S.p.A., pursuant to the article 19, paragraph 3, of the Legislative Decree of 27 January 2010, number 39, as well as the conclusions contained in it and, in the spirit of the Stock Exchange Code, it deemed it proper to submit the aforesaid Report for the attention of the Board of Directors meeting of 25 September 2012;
- It agreed with, having examined the Management Letter, the comments of the external auditing company and the relative suggestions, as well as the considerations expressed by the management and the actions carried out by the management and contained in that document.
- It took note of the Report of the Internal Controls Manager relative to the first six months of 2012.
- It took note of the periodic audit reports issued by the Internal Auditing Function.

- It took note of the update of the Audit activities of 2012 of the Spanish subsidiary company Mediaset España Comunicación S.A.;
- It expressed its favourable opinion regarding the update of the “Guidelines of the Internal Controls and Risks Management System of the Mediaset Group”;
- It carried out the investigative activity relative to the approval of the Interim Report on Operations at 30 September 2012.
- It expressed its favourable opinion, in anticipation of the adoption by the Board of Directors Meeting of 18 December 2012 of the Stock Exchange Code and in line with the new areas of responsibility contained in it, having examined the documentation produced, regarding the confirmation of the Internal Auditing Function Manager in his position, as well as regarding his overall compensation, which was evaluated as being coherent with the company policies.

Lastly, during the year the Committee has examined the new things introduced by the Stock Exchange Code a number of times, paying particular attention to those articles of it that are dedicated to the Internal Controls and Risks Management System. Regarding this situation it has considered it to be useful to meet together with the Corporate Governance and Nominations Committee, in order to map and analyse the main flows that can be found in the context of the Internal Controls System, for the purpose of reporting to the Board of Directors on the outcome of the analyses in question and to suggest any opportune initiative to be undertaken, in the context of the committee's own consultancy and proposal functions.

Therefore, again jointly with the Corporate Governance and Nominations Committee, the committee has conferred the assignment upon the company Price Waterhouse Coopers S.p.A. of carrying out an analysis on the informational flow in the context of the Internal Controls and Risks Management System. This is for the purpose of giving support to the Board of Directors in its evaluations regarding the necessity/appropriateness of making changes to the company's own system of corporate governance.

Furthermore, the Committee has shared the evaluations of the company itself regarding the remodelling of the coordination flows of the key parties established by the new Code, for the purpose of maximising the efficiency of the Internal Controls System. It has also agreed with the interventions that the company intends to adopt regarding the Internal Controls System.

The Committee then examined the document called “Adoption of the new Stock Exchange Code – Revision proposal in the context of the Group ERM process”, prepared by the Risk Officer, in which there are highlighted, on a comparison basis, i.e. before and after the adoption of the Stock Exchange Code, the main operational impacts and the consequent necessary revision in the context of the Group's Enterprise Risk Management process, deriving from the control activities that are the responsibility of the Board of Directors, regarding the evaluation of the adequacy of the Internal Controls and Risks Management System, as well as regarding the definition of the nature and the level of the risk that is compatible with the strategic objectives of the issuer.

The Committee has also shared, particularly regarding the choices made in relation to the Internal Controls System, the considerations voiced by the Corporate Governance and Nominations Committee regarding the proposal relative to the dissolution of the Mediaset Code, because it is no longer pertinent, and regarding the consequent adherence by the company to the Stock Exchange Code, adapting, where established, the operational procedures in the light of the measures that are contained in the Code itself.

Again in deference to the measures introduced by the Stock Exchange Code, with the purpose of enabling the Board of Directors to carry out a role of guidance and of evaluation of the adequacy of the Internal Controls and Risks Management System, the Committee has set in motion the relative support activities. These consist of an adequate initial investigation activity, regarding the evaluations and decisions of the Board itself relative, as well as to the Internal Controls and Risks Management System also to the approval of the periodic financial reports. Therefore, in the light of the new things that have taken place, the Committee decide that it

was opportune to immediately take the steps that are necessary to make the investigation activity a systematic one and which, over time, can have its contents implemented or its set up altered, with the consequent remodelling, regarding the interventions to be made.

During the opening months of 2013 it continued its activities and, specifically, three meetings were held during which the Internal Controls and Risks Committee did the following:

- It took note of the “Audit Plan 2013” of the Spanish subsidiary company Mediaset Espana Comunicacion S.A.
- It took note of the starting up of the process of the evaluation and the management of the main company risks for 2012 of the Mediaset Group Espana Comunicacion, carried out according to the “Enterprise Risk Management” methodology.
- It took note of the summary of the reports issued by the Internal Auditing Function and of its work carried out in 2012, as well as of the results for 2012 of the “Quality Assurance and Improvement Plan”, in the context of the process aimed at delivering the Quality Assurance Review of the Internal Auditing activities.
- It took note of the “Audit Plan 2013”, as well as of the Report on the Internal Controls and Risks Management System at 31 December 2012, prepared by Internal Auditing Function.
- It took note of the “Progress status of the audit of the Financial Statements of 2012”, prepared by the external auditing company Reconta Ernst & Young S.p.A..
- It took note of the yearly update of the Risk Officer, regarding the evaluation and the methodologies of managing the main company strategic and process risks, of the Mediaset Group and which was carried out according to the “Enterprise Risk Management” methodology.
- It evaluated, together with the Assigned Executive, with the external auditing company Reconta Ernst & Young S.p.A. and with the Board of Statutory Auditors, the accounting standards applied within the Mediaset Group and their homogeneity for the purposes of the drafting of the consolidated financial statements, which they maintain are correctly applied.
- It took note of and agreed with the methodology applied in the yearly process of the Impairment Test.
- It took note of the Report relative to the activities carried out by the Assigned Executive, pursuant to the Law 262/2005, regarding the safeguarding of Savings for the purpose of issuing the attestation relative to the Company's Yearly Financial Statements and the Consolidated Financial Statements at 31 December.
- It expressed its favourable opinion regarding Sections 10 and 11 of this Report relative to the Internal Controls and Risks Management System.
- It carried out the investigation activity, again for the purpose of supporting the evaluations and the decisions of the Board of Directors, regarding the approval of the Financial Statements at 31 December 2012.

During the activities described above and based on the reports received from the Internal Controls Manager the Committee has judged the internal controls system to be adequate and effective.

Furthermore, the Committee, in the light of the ‘Policy for the management of the Internal Controls System’, adopted by the Director assigned and based on the guidelines issued by the Board of Directors in the meeting of 28 June 2007, proposed to the Board of Directors that it should evaluate the internal controls system as being both operational and effective. In carrying out its functions the Internal Controls and Risks Committee has had complete access to all the information and functions of the company and/or of the Group that were necessary for its purposes and/or it has availed itself of the services of outside consultants and for that purpose availing itself of the support of the Secretary.

The Internal Controls Committee has been given available financing of EUR 350 thousand per annum for the expenses connected to the fulfilling of its tasks.

The members of the Committee receive a presence fee, for participating in each meeting, for the amount that was fixed by the Shareholders' Meeting of 18 April 2012.

II. THE INTERNAL CONTROLS AND RISKS MANAGEMENT SYSTEM

The internal controls and risks management system is made up of an ensemble of rules, procedures and organisational structures aimed at enabling, through using a suitable and appropriate process of identification, measurement, management and monitoring of the main risks, the running of the enterprise that is coherent with its forecasted objectives.

The Board of Directors, with the assistance of the Internal Controls and Risks Committee, exercise those functions that are listed in the Stock Exchange Code.

Furthermore, the Board of Directors exercises its own functions relative to the internal controls and risks management system taking into proper consideration the reference models and the existing best practices in both a domestic and international context. Specific attention has been focused on the organisational and managerial models put in place pursuant to the Legislative Decree 231/2001.

As established by article 10.5 a) of the prior Mediaset Code and in observance of the requirements of the Stock Exchange Code, the Board of Directors, with the favourable opinion of the Internal Controls and Risks Committee, during its meeting of 18 December 2012, updated the guidelines of the internal controls and risks management system of the Group, the first version of which was defined in 2007. It also defined the strategic objectives compared to which there can be expressed the level of compatibility with the profile of the risk that has been undertaken.

On 5 March 2013 the Board of Directors, with the opinion of the Internal Controls and Risks Committee, examined the results of the yearly update by the Risk Officer regarding the evaluation and the methodologies of managing the company's main risks, both strategic and concerning processes, evaluating the level of risk compatible with the strategic objectives.

In the same meeting the Board, based on what was communicated to it by the Internal Controls and Risks Management Committee, having heard the Board of Statutory Auditors and the assigned Director, took note, without any further comments or findings, of the Actual Results of the Audit Plan, updated at 31 December 2012, and it approved the Audit Plan, prepared by the Internal Auditing Manager for the year 2013.

The Guidelines of the Internal Controls and Risks Management System defined for the Group, which identify the Enterprise Risk Management Framework as the reference methodology⁸ for overseeing the internal controls system, are actuated, by the Assigned Director, through the "Enterprise Risk Management Policy"⁹, which defines the main methodological aspects linked to the risks management process, as well as the roles, the responsibilities and the main activities involved in and connected to the risk management.

⁸ According to the Enterprise Risk Management methodology, the internal controls system cascades down starting from the definition of the company's strategy. The company's objectives are taken into consideration by the methodology according to the following categories:

- Strategic objectives: high level objectives, aligned with and supporting the company's mission;
- Operational objectives: objectives linked to the efficient and effective use of the resources.
- Reporting objectives: objectives linked to the trustworthiness of the external and internal reporting of the company.
- Compliance objectives: objectives linked to conformity with the applicable laws and regulations.

⁹ The "Enterprise Risk Management Policy" that is currently in force will take in, during 2013, the changes and additions in the context of the "[ICS Guidelines - Mediaset Group](#)"

The Internal Controls and Risks Management System of the Mediaset Group is able to identify and measure the main company risks that could undermine the achievement of the defined objectives, taking into account the characteristics of the activities carried out by Mediaset S.p.A. and its subsidiary companies, based on the following criteria:

- The nature of the risk, with reference to the risks of a strategic, operational, reporting and conformity with the legislation in force.
- The possibility of the risk to prejudice the ability to achieve the company's objectives.
- The organisation's ability to properly manage the identified risk.
- The correct monitoring of the company's risks that is carried out by checking the suitability of the Internal Controls and Risks Management System to deliver an acceptable profile of the overall risk.

Specifically, the Internal Controls and Risks Management System of the Mediaset Group establishes the following:

- The systematic monitoring by management of the main company risks, which is aimed at the identification and implementation of eventual corrections to be made to the existing controls processes and procedures.
- The carrying out of periodic independent checks on the adequacy and effectiveness of the internal controls and risks management system, as well as the speedy activating of specific corrective interventions in those cases where any weaknesses in the system are flagged.
- Rules for reporting on the state of the adequacy and effectiveness of the internal controls and risks management system.

For this purpose, the Assigned Director supervises the managing of the Internal Controls and Risks Management System of the Mediaset Group in order to ensure that it is suitable to be able to do the following:

- To speedily react to significant risk situations, seeing that adequate control overviews are in place.
- To ensure, within the context of the company processes and procedures, a suitable level of separation between the operational and control functions, thus avoiding that conflicts of interest arise regarding the assigned competencies.
- To ensure, within the context of the operational and administrative/accounting activities, the use of systems and procedures that guarantee the accurate recording of company phenomena and of the operational facts, as well as the putting in place of trustworthy and timely informational flows, both inside and outside the Group.
- To establish methodologies for the timely communication of the significant risks and of the controls anomalies that may emerge to appropriate levels within the Group, thus enabling the identification and the timely carrying out of the necessary corrective actions.

The application of this model to the quoted subsidiary companies takes place, also because it is coherent with the management and coordination activities of the group parent company, by supplying the Guidelines and the connected actuation policy to those companies.

With particular reference to the financial information processes, below there is given the description of the main characteristics of the risks management system and the internal controls inherent to it, pursuant to article 123, part two, and paragraph 2, letter b) of the CFA.

Main characteristics of the existing risks management and internal controls systems in relation to the financial informational system process

The risks management and internal controls systems in relation to the financial informational system process¹⁰, developed within the Mediaset Group, is aimed at guaranteeing the dependability, accuracy, trustworthiness and timeliness of the financial information.

Mediaset, in defining its own system has aligned it with the existing indications given in the relative legislation and regulations currently in force.

Because the reference legislation and regulations do not explicitly establish specific criteria for the design, planning, implementation, evaluation and monitoring of the Risks Management and Internal Controls System relative to the process of financial informational documentation, Mediaset has opted for the application of a model that is universally recognised as being among the most highly regarded ones, the CoSO (Committee of Sponsoring Organizations) Framework. Furthermore, the implementation of the System takes into account the guidelines supplied by some category bodies regarding the activities of the Assigned Executive, such as the Italian Confederation of Industry and the National Association of Finance and Administration Managers (Confindustria and Andaf).

Article 154- bis of the CFA established the introduction, within the company organisation of those issuers with securities quoted on regulated markets, the position of the Assigned Executive, to whom there are given specific responsibilities regarding the company's informational and disclosure documentation. The Assigned Executive, among his other activities is responsible, in cooperation with the functions involved, for the putting in place of adequate administration and accounting procedures for the preparation of the Yearly Financial Statements, of the Consolidated Financial Statements and of the Half-Yearly Financial Statements, as well as any other information supplied to the market and relative to accounting informational documentation, and for the issuing of the specific attestations.

The Assigned Executive, in order to fulfil the requirements established by the relative legislation and regulations, avails himself of a company structure that has been specifically set up and of the Organisation Management. The role of these structures is to support the Assigned Executive in designing, implementing and maintaining adequate administrative and accounting procedures aimed at the drafting of the Yearly Financial Statements and of the Consolidated Financial Statements and supplying the Assigned Executive with the elements in order to be able to evaluate their adequacy and effective functioning.

The Assigned Executive's support structure, in its turn, cooperates with the process owners for the timely identification of any events that can impact or change the frame of reference, for the updating of the administrative and accounting procedures, for the implementation of new controls and the carrying out of any improvement plans within their own processes.

The Internal Auditing Function periodically carries out independent checks on the adequacy and effective functioning of the controls model used by the company in order to ensure that it properly observes the requisites identified by the Law for Safeguarding Savings, relative to the fulfilment of the obligations related to the position of Assigned Executive.

¹⁰ For financial informational process, as examples, reference should be made to: periodic accounting information, the yearly and half-yearly financial reports, the interim operational statement, also the consolidated ones, continuous informational disclosures and press releases

The risks management and internal controls system, relative to the financial informational documentation process is basically an ensemble of administrative and accounting procedures and of evaluation tools regarding their adequacy and effective functioning, which contribute to form an internal controls model that is maintained, updated over time and, where there are identified concrete opportunities for rationalisation and optimisation, developed further.

The model is structured in three main stages:

- a) The definition of the analyses context, with the identification and evaluation of the risks.
- b) The identification and the documentation of the controls.
- c) The evaluation of the adequacy and the effective application of the administrative and accounting procedures and of the relative controls.

a) The definition of the analyses context, with the identification and evaluation of the risks.

For the purpose of determining and planning the activities of checking on the adequacy and the effective application of the administrative and accounting procedures of the group, the definition of the analyses context describes the path that must be followed in determining the level of complexity, for the identification and evaluation of the risks and for evaluating the materiality of the various areas of the Financial Statements. This path is aimed at evaluating the controls on the transactions generated by those company processes that feed the accounting data and their transposition into the financial reporting.

The identification of significant processes that are representative of the business takes place through a quantitative analysis of the items in the Financial Statements, applying the concept of materiality on the aggregated items contained in the Consolidated Financial Statements of the Mediaset Group and a qualitative analysis of the process based on their level of complexity.

For each process that has been identified as relevant there are then defined the “generic ” risks of untrustworthiness that are inherent to the process itself, making reference to the, so-called, Financial Statements assertions, i.e. existence and occurrence, completeness, rights and obligations valuation and recording, presentation and informational documentation, which constitute the controls objectives.

The Assigned Executive reviews the definition of the reference context, at least yearly but also whenever there manifest themselves any elements that can change, in a relevant manner, the analysis that has been carried out.

To complete the analyses of the relative environment there is also carried out an overall summary analysis, at Group level, of the internal controls system at the functional and/or organisational level, i.e. the entity level control. This analysis breaks down each component of the CoSO framework in the surveillance areas that, based on the Risk Assessment carried out, must be covered by the Group and watched over by management.

For each of the identified surveillance areas the effective risk coverage connected with it is tested, through checking on the existence of company procedures and practices that are in force within the Group.

b) The identification and the documentation of the controls

The identification of the controls takes place through the detection process of the administrative and accounting procedures and these respond to different control assertions ¹¹.

¹¹ The reference controls assertions are the following:
Accuracy: this control ensures that all the details of the individual transaction have been correctly processed.

The controls identified and specifically applied in carrying the business activities are formalised within a specific matrix called the “Risks and Controls Matrix” and, within it, in relation to the “generic” risks of the untrustworthiness of the Financial Reporting.

The administrative and accounting procedures and the relative controls are periodically monitored and updated through a process that involves the Assigned Executive, his support structure and the process owners. Specifically, the process owners communicate, on a regular basis, to the Assigned Executive's support structure the events that can impact and change the frame of reference of the relevant processes and, each year, the Assigned Executive's support structure goes through and validates the whole controls model, involving all the process owners in the revisiting of the processes that fall within their competencies.

c) The evaluation of the adequacy and the effective application of the administrative and accounting procedures and the relative controls

The evaluation of the adequacy and the effective application of the administrative and accounting procedures, carried out through specific testing activities, is aimed at ensuring that both the design and the operational ability of the identified controls are valid.

The Mediaset Group has put in place a testing strategy, which basically consists of the defining of the approach and the criteria used for carrying out these tests, and consisting of the periodicity of the analyses, the sizing of the sample, the types of tests to carry out, the formalising of the tests that have been carried out and the information flows for communicating the outcomes of the tests that were made.

Test activities are carried out for the purpose of ensuring the effective application of the controls detected, in observance of the defined testing strategy. On a six-monthly basis, the support structure of the Assigned Executive prepares a report in which there are explained the activities that have been carried out and the outcomes of the tests that have been made.

Based on the result of the testing the Assigned Executive, with the cooperation of his support structure, defines a remedial plan for the purpose of rectifying any deficiencies that can have a negative impact on the effectiveness of the Risks Management and Internal Controls System relative to the financial informational documentation.

The Assigned Executive's support structure, in cooperation with the process owners, for their respective competency areas, has the task of coordinating the carrying out of any improvement plans and ensuring that they are correctly implemented.

At least yearly, the Assigned Executive reports to the Internal Controls and Risks Committee, to the Board of Statutory Auditors and reports to the Internal Controls Manager¹² and to the Surveillance Bodies of the companies of the Mediaset Group, with reference to the methodologies with which there has been conducted the evaluation of the adequacy and the effective application of the controls and the administrative/accounting procedures, as well as on the observance of the defined remedial plans and he expresses his valuation regarding the adequacy of the accounting and administrative controls systems.

Completeness: this control ensures that all the transactions are actually processed and that they are only processed once.

Validity: this control ensures that the processed transaction has been passed through adequate authorisation levels and that effectively refers to the reality of the company.

Restricted access: this control ensures that the access to information and transactions is adequately configured according to the relative roles and responsibilities that are formally recognised by the company.

¹² Until 18 December 2012.

11.1. ASSIGNED DIRECTOR FOR THE INTERNAL CONTROLS AND RISKS MANAGEMENT SYSTEM

The Board of Directors, in its meeting of 18 April 2012, with the favourable opinion of the Internal Controls and Risks Committee, confirmed the Chairman of the Board, who has been nominated since 2007, as Assigned Director.

Afterwards, as already reported in the preceding paragraphs, the Board of Directors Meeting of 18 December 2012, at the same time as its adherence to the Stock Market Cod, confirmed the continuance of the position and changed its name to “Assigned Director for the internal controls and risks management”.

During 2012 and the first months of 2013 the Assigned Director has done the following:

- Ensured that the guidelines issued by the Board of Directors were followed.
- Overseen the adapting of this system to the dynamics of the operational conditions and to the relative legislative and regulatory situations.
- Supervised the identification of the main company risks, i.e. strategic, operational, financial and of compliance, taking into account the characteristics of the company's and its subsidiary companies' business activities, following the definition by the Board of Directors of the guidelines of the internal controls and risks management system.
- Proposed to the Board of Directors to confirm the Internal Audit Manager in his position, the resources supplied to him and the relative compensation.

The analyses and evaluation of the main business processes and those of business support, with the involvement of the management of the Group, of the Internal Auditing Function and the Risk Officer has enabled the expressing of an overall evaluation regarding the status of the Internal Controls System and was finalised with the presentation, at the Board of Directors' Meeting of 26 March 2013, of the specific Report by the Executive Director.

11.2. THE MANAGER OF THE INTERNAL AUDIT DEPARTMENT¹³

Within the Issuer the Internal Auditing Function was identified as being the most appropriate body to check that the internal controls and risks management system is both functioning and adequate.

The Board of Directors, following the proposal of the Assigned Director and after receiving the prior favourable opinion of the Internal Controls and Risks Committee and having heard the Board of Statutory Auditors, has confirmed Angelo Iacobbì as Internal Auditing Manager, defined his compensation as being coherent with the relative company policies and ensured that he has been supplied with adequate resources to be able to properly carry out his tasks and duties. The incentive mechanisms of the Internal Auditing Manager were considered by the Board of Directors of Mediaset to be coherent with the tasks that have been assigned to him.

For the purpose of ensuring a proper level of independence and objectivity regarding the internal audit activities, the Internal Auditing Manager is not responsible for any operational area.

¹³ With the adoption of the Stock Exchange Code that took place on 18 December 2012 there disappeared the position of the Internal Controls Manager.

The Internal Auditing Function reports to the Chairman, who refers to the Board of Directors. This guarantees the independence of the Internal Auditing Function from any company operational function, whatsoever, and a greater effectiveness of the system is ensured.

In observance of the international reference standards for its profession, the Internal Auditing Function checks, both on a continuous ongoing basis and relative to specific needs that may arise, the functioning and adequacy of the internal controls and risks management system, through the carrying out of an Audit Plan, which has been approved by the Board of Directors, based on a structured process regarding the analyses and prioritising the main company risks in existence.

The Internal Auditing Function, in the context of the activities established by the Stock Exchange Code, carries out the following:

- Assurance, which consists of an objective examination of the available evidence and the findings, through analyses, evaluations, recommendations and cogent qualified comments for the purpose obtaining an independent evaluation of the internal controls and risks management system.
- Consultancy, which consists of methodological and assistance support services that are understood to supply added value and to improve the processes of corporate governance, risk management and internal controls.

Within the context of the activities that it has carried out during the year 2012, the Internal Auditing Function has had free and direct access to all the data, documentation, information, and to the personnel useful to properly carry out its assignment.

During the reference period, the Internal Auditing Manager has prepared periodic reports containing information regarding the activities carried out, regarding the methodologies with which there was conducted the risks management, as well as the observance of the plans to limit the risks and, furthermore, doing an evaluation of the suitability and effectiveness, regarding the adequacy and effective functioning of the internal controls and risks management system.

Regarding 2012, the Internal Auditing Function maintained that the controls and risks management system was functioning and effective.

These reports were transmitted to the Chairmen of the Board of Statutory Auditors, of the Internal Controls and Risks Committee and of the Board of Directors, as well as to the Assigned Director Mediaset.

The Internal Auditing Manager has also maintained periodic communications flows with other bodies and structures within the company that have the functions of surveillance and monitoring of the internal controls and risks management system such as, for example, the Company Executive assigned to the drafting of the company's accounting documents, the Risk Officer and the Surveillance and Control Bodies of the Mediaset Group, pursuant to the Legislative Decree 231/2001.

In conformity with what is recommended for it by the international reference standards for the internal auditing profession, the Internal Auditing Function has put in place those actions that are aimed at ensuring and improving the quality of the activities carried out. Regarding this matter it is highlighted that, periodically, the activities that are carried out by this Function constitute the subject of a *quality assurance review* by an external valuator, who is both qualified and independent. The outcome from the last of these types of checks that was carried out,

regarding the financial year 2011, when put together with the results of the relative internal evaluations, enable it to be stated that the Internal Auditing Function operates in a way that is, generally speaking, in conformity with the international standards and the ethical code of its profession, issued by the Institute of Internal Auditors, and in line with the best practices currently employed in matters regarding corporate governance, risk management and internal controls.

11.3. THE ORGANISATIONAL MODEL AS PER THE LEGISLATIVE DECREE 231/2001

The Internal Controls System was further strengthened by the putting in place of an Organisational, Management and Control Model, pursuant to the Legislative Decree 231/2001, approved by the Board of Directors of Mediaset S.p.A. on 29 July 2003, which was added to afterwards, following the evolution of the relative legislation and regulations, the last addition being made with the resolution passed by the Board of Directors' Meeting of 21 December 2010.

With the putting in place of its own Organisational Model, which is understood as being an ensemble of rules of a general and operational nature, Mediaset S.p.A. set for itself the objective of furnishing itself with a general overall complex of behavioural principles, as well as of the relative procedures, which responds to the purposes and prescriptions of the Legislative Decree 231/01, both in terms of the prevention of offences and illegal administrative acts, as well as in terms of the control of its actuation and the eventual issuing of any fines and sanctions.

The Organisational Model, in fact, is made up of an organic ensemble of principles, standards, rules, measures and organisational frameworks relative to the management and control of the company's activities and consists, among other things, of an illustrative summary document, containing all the general rules and regulations suitable for preventing the committing of the illegal actions that are referred to by the Legislative Decree 231/01.

The Organisational Model that Mediaset S.p.A. put in place for itself in 2010 refers, specifically, to the following types of “*presumed offence*”: offences that can take place during relationships with the Public Administration, company law offences, market abuse, organised crime offences, culpable illicit actions committed regarding the violation of the legislation, rules and regulations regarding the safeguarding of health and workplace safety, the receiving of stolen goods, money laundering and the usage of any monies, goods or other utilities coming from illicit sources and offences in relation to the matters regarding authors' copyrights.¹⁴

The updates of the Organisational Model have mainly taken into account the legislative innovations that have occurred from time to time, the internal organisational changes that have taken place, as well as the progressive juridical interventions regarding the organisational, management and controls models.

The same updating and implementation initiatives regarding their respective Organisational Models have been put in place by the Italian subsidiary companies. Autonomous initiatives

¹⁴ The activity of the prior evaluation of the internal controls system regarding compliance with the Legislative Decree 231/01 has taken into consideration the types of illicit behaviour that are covered by that piece of legislation, at the time when the analysis is carried out, which is before the latest update of the Organisational Model. Particular attention has been given to those offences that are considered to be of priority interest for Mediaset S.p.A., because of their relation to its organisation and the nature of the business activities that are carried out by it. Some types of offences that are contained within the Legislative Decree 231/01 have been excluded because the company maintains that is extremely unlikely that they could possibly be committed by it.

regarding the definition of their respective company protocols and procedures, in line with the principles that are contained within the Organisational Model of Mediaset, which observe the legislation, rules and regulations, which are currently in force within the respective countries where they are domiciled, and in relation to their characteristic business activities, as well as regarding the operational contexts in which each individual one of them operates. The foregoing has been actuated by the main foreign subsidiary companies of the group.

On 18 December 2012 the Board of Directors of the company approved a new text of the Ethical Code of the Mediaset Group, in the conviction that the Ethical Code is an absolutely fundamental component of the Organisational Model and of the total overall system of internal controls of the Group. In the light of this the principles and values that are expressed within the Ethical Code constitute the first surveillance point on which there is based the Organisational Model, as well as a useful interpretive reference regarding its actual application relative to the dynamics of the company.

The Surveillance and Controls Body

The Surveillance and Controls Body, nominated by the Board of Directors Meeting of 18 April 2012, subject to the prior ascertainment of the existence of the prerequisites of honourable status, the same as those that are asked for from the Directors of the company, and of the professionalism that is suitable and appropriate for the role to be played and the exemption for reasons of incompatibility and due to conflicts of interest with other company functions and/or assignments that are such as to undermine the freedom of action and judgement. Its mandate will expire with the approval of the Financial Statements at 31 December 2014. It consists of three members who are the following persons:

Sergio Beretta	Chairman - Consultant
Aldo Tani	Consultant
Davide Attilio Rossetti	Consultant

Mediaset S.p.A., has not considered it to be opportune to give the Board of Statutory Auditors the functions of the Surveillance and Internal Controls Body, because it has evaluated that it is opportune to maintain a body with specific competencies relative to compliance with the Legislative Decree 231/01 and fully dedicated to that activity.

In the carrying out of its activities the Surveillance and Internal Controls Body is mainly supported by the Internal Auditing Function and, where necessary, it can also avail itself of the support of other company functions or of the services of external consultants.

The Surveillance and Internal Controls Body carries out the tasks and has the powers that are established in the Organisational Model.

For the purpose of properly carrying out the tasks for which it is responsible the Surveillance and Internal Controls Body can, at any time whatsoever, within the context of its own autonomy and discretionary faculties, make checks regarding the application of the Organisational Model and also on the procedures that are relative to it. These checks can be done non-jointly by each individual one of its members.

Based on the checks that are carried out by it the Surveillance and Internal Controls Body also has the task of highlighting to the company whether it is opportune to proceed to make any changes and updates to the Organisational Model and/or to the relative procedures, as a consequence of any legislative or regulatory and/or organisational changes, of any significant violations of what is established by the Organisational Model and/or of the company procedures

that are related to the model, as well as the ascertaining of the existence of new areas of activities that are at risk. Through successive follow-up activities, the Surveillance and Internal Controls Body then ascertains for itself that any recommended corrective actions have actually been carried out by the competent company functions.

DURING 2012 THE SURVEILLANCE AND INTERNAL CONTROLS BODY MET SEVEN TIMES AND IT HAS REPORTED, ON A SIX-MONTHLY BASIS, TO THE BOARD OF DIRECTORS, TO THE INTERNAL CONTROLS AND RISKS COMMITTEE AND TO THE BOARD OF STATUTORY AUDITORS OF THE COMPANY.

11.4. THE EXTERNAL AUDITING COMPANY

The Shareholders' Meeting of 16 April 2008 entrusted the auditing company Reconta Ernst & Young S.p.A. with the audit of the Yearly and Consolidated Financial Statements, as well as the limited accounting review of the Half-Yearly Financial Statements for the financial years 2008/2016, pursuant to the combination of measures established by articles 156 to 159 of the CFA. The Financial Statements of the subsidiary companies are subject to accounting audits, which have also been entrusted to Reconta Ernst & Young S.p.A.

11.5. THE ASSIGNED EXECUTIVE FOR THE DRAFTING OF THE COMPANY'S ACCOUNTING DOCUMENTS

The Board of Directors Meeting of Mediaset of 18 April 2012, confirmed as the "Assigned Executive for the drafting of the company's accounting documents" of Mediaset S.p.A, pursuant to article 154, part two, of the Legislative Decree of 24 February 1998, number 58 and pursuant to article 28 of the Articles of Incorporation, Luca Marconcini, the manager of the Consolidation and Accounting Standards Department and the Risk Office. The Assigned Executive has been given all the powers and the responsibilities for carrying out the assignment and the relative tasks established by article 154, part two, of the CFA.

For the Financial Year 2012, the Assigned Executive, availing himself of the functions of the Organisation Risk Office, assisted by outside consultants, has actuated, relative to the main company processes within the context of the operational companies of the group¹⁵, the activities¹⁶ established for the evaluation, updating and the documentation of the Internal Controls System, for the purposes of the Law 262/05.

To the Company's Yearly Financial Statements 2012 and the Consolidated Financial Statements 2012 there were attached the attestations, stated according to the model established by

¹⁵ With reference to the quoted subsidiary companies it is highlighted that the Assigned Executive of the Mediaset Group carries out coordination activities with the respective assigned functions within those companies, for the purpose of receiving adequate information in relation to the activities carried out by those functions, regarding their support concerning the evaluation of the adequacy of the controls.

¹⁶ Specifically, the following activities were carried out:

- The identification and evaluation of the company processes and of the relative risks.
- The updating of the processes and the controls based on the findings.
- The analysis of the adequacy of controls that have been put in place relative to the administrative/accounting and financial aspects of the company.
- The carrying out of the tests and the relative documentation of the controls for checking on the administrative/accounting procedures.
- The formalising of the remediation plan aimed at removing any deficiencies that were found in the controls.
- The monitoring of the status of the defined remediation activities and the testing of the relative controls activities that have been implemented.

Consob regulations, regarding the adequacy and the effective application of the procedures, as well as the fact that they truly reflect the contents of the accounting books and postings and their suitability to provide a true and fair view of the Balance Sheet, Income Statement and Financial situations of the company and of the whole group of the enterprises that are included in the consolidation, signed by the Assigned Executive and by the Chairman of the company.

It is to be remembered that, pursuant to the Mediaset Code, the Assigned Executive evaluates, together with the Internal Controls Committee and with the auditors, the correct usage of the accounting standards and, in the case of the group, their homogeneousness for the purpose of drawing up the Consolidated Financial Statements, an activity that is physically carried out during the first few opening months of each financial year.

The Board of Directors, in its meeting of 18 April 2012, within the limits of the budget approved by the Board of Directors itself, gave the Assigned Executive available financing of the amount of EUR 350 thousand for the expenses connected with the fulfilling of his tasks.

The incentive mechanisms of the Assigned Executive are considered by the Board of Directors of Mediaset to be fully coherent with the tasks that have been assigned to him.

11. 6. COORDINATION BETWEEN THE PARTIES INVOLVED IN THE INTERNAL CONTROLS AND RISKS MANAGEMENT SYSTEM

THE COMPANY, FOR THE PURPOSE OF GIVING A BETTER RESPONSE TO THE DIRECTIONS REGARDING THE INTERNAL CONTROLS AND RISKS MANAGEMENT SYSTEM CONTAINED WITHIN THE STOCK EXCHANGE CODE ITSELF AND ALSO COHERENTLY WITH WHAT IS DEFINED IN THE GUIDELINES OF THE INTERNAL CONTROLS AND RISKS MANAGEMENT SYSTEM OF THE GROUP, HAS DECIDED TO UPDATE THE POLICY REGARDING THE INTERNAL CONTROLS AND RISKS MANAGEMENT SYSTEM OF THE GROUP. THE CHANGES TO THE POLICY, WHICH REGULATES THE ENVIRONMENTS, THE CONTENTS AND THE TIMEFRAMES OF THE INTERRELATIONS BETWEEN THE MAIN PLAYERS OF THE INTERNAL CONTROLS AND RISKS MANAGEMENT SYSTEM, WILL BE SUBMITTED TO THE BOARD OF DIRECTORS FOR APPROVAL.

12. INTERESTS OF THE DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

Procedure for the transactions with related parties

The Board of Directors' Meeting of 9 November 2010 approved the "Procedure for the transactions with related parties" in actuation of what is laid down in the "Regulations containing measures for transactions with related parties" adopted by Consob with its resolution number 17221 of 12 March 2010, as afterwards modified with its resolution number 17389 of 23 June 2010.

The Procedure was submitted for the prior examination of the Governance Committee that gave its unanimous favourable opinion on it on 4 November 2010. The Board of Directors' Meeting of 9 November 2010 created the Committee of Independents, consisting only of Independent Directors.

The Procedure, applicable from the date of 1 January 2011 and viewable on the company's website, establishes the rules for the identification, approval, carrying out and publishing of the transactions with related parties that are carried out by Mediaset S.p.A., either directly or

through its subsidiary companies, for the purpose of ensuring both the substantial and procedural transparency and correctness of the transactions themselves, as well as the cases of exclusion from the application of these rules.

Specifically, the Procedure has identified the transactions of major and minor relevance, establishing the rules for carrying them out and identifying the transactions to which the foregoing rules are not applied. Among the operations excluded there are, specifically, the minimal transactions, with a total value of less than EUR 500,000.00, the transactions with, or between, subsidiary and affiliated companies and the normal transactions.

The Procedure adopted has replaced, with effect from the date of its entry into force, the “Guidelines relative to significantly big transactions and those with related parties”, which was adopted by the Board of Directors on 18 December 2007.

Committee of the Independents for the Transactions with Related Parties

The Committee of Independents, nominated on 18 April 2012, consists of three independent Directors, who shall remain in office until the mandate of the whole of the Board of Directors expires:

Michele Perini	Chairman – Independent Director
Carlo Secchi	Independent Director
Attilio Ventura	Independent Director

The Committee of Independents carries out the tasks laid down by the Related Parties Regulations and by the procedure. Specifically, with regards to the transactions of minor relevance it expresses non-binding opinions while for those of major relevance it expresses binding opinions.

During 2012, the Committee of Independents for the Related Parties met four times. The percentage participation of each individual Director at the Committee meetings is given in Attachment C to this Report.

The Board of Directors, in its meeting of 9 November 2010, within the limits of the budget approved by the Board of Directors itself, gave the Committee of Independents financial availability of EUR 100 thousand per annum for the expenses linked to the fulfilment of its tasks and duties.

The members of the Committee receive a presence fee for their attendance at each individual meeting for the amount that was approved by the Shareholders’ Meeting of 18 April 2012.

Directors having interests

Before dealing with the subject, the Director must give exhaustive information, to the other Directors and to the Board of Statutory Auditors of any interest, even a potential one, which, on his own behalf or that of third parties, independently of any situation of conflict regarding it, that he has in a specific transaction of the company detailing its nature, terms, origin and dimensions. If the Director involved is a Managing Director, he must also abstain from carrying out the transaction.

13. NOMINATION OF THE STATUTORY AUDITORS

The nomination of the Statutory Auditors is governed by article 28 of the Articles of Incorporation, the details of which are given in Attachment D to this Report.

The Shareholders' Meeting elects the Board of Statutory Auditors, consisting of three Active Statutory Auditors and two Substitute Statutory Auditors, who remain in office for three financial years, and whose mandates expire with the Shareholders' Meeting that has been called to approve the Financial Statements that are relative to the third financial year of their period of office and they can also be re-elected.

All the Statutory Auditors must be inscribed in the Register of Legal Accounting Auditors, which has been established within the Ministry of Justice and they must have carried out the legal auditing of company accounts for a period of not less than three years.

Furthermore, the Statutory Auditors must possess the necessary requirements that established by the relative legislation and regulations, which are currently in force, and the Board of Directors must ascertain that these requirements actually exist.

It is underlined that, based on the contents of the Articles of Incorporation that are currently in force, there have the right to present the lists of candidates all those shareholders who have voting rights and who, either on their own or together with others, are in total the owners of the amount of the shareholding that is required by the Articles of Incorporation for the presentation of the lists regarding the nomination of the members of the Board of Directors. Regarding this it is highlighted that, pursuant to the Consob Resolution, number 17633/2011, the percentage shareholding that was required for the presentation of lists of candidates for membership of the Board of Statutory Auditors at the Shareholders' Meeting of 20 April 2011 was 1%.

As is well known the Law number 120/2011 has changed the articles 147, part three, and 148 of the CFA concerning, respectively, the nominations and the memberships of the Boards of Directors of the Boards of Statutory Auditors of those companies that have quoted shares.

Specifically, the various sets of the Articles of Incorporation must establish, under the terms of their renewed articles, measures that are able to reserve, within the company bodies and for three consecutive mandates, a quota for sex that is least represented within them .

Because of this there will be presented to the Shareholders Meeting, which is forecasted to be held on 24 April 2013, the appropriate changes to the Articles of Incorporation and the measures regarding the balance between the sexes contained within them will be actually applied at the time of the next renewal of the membership of the Board of Statutory Auditors, which will take place in April 2014.

14. STATUTORY AUDITORS

The Board of Statutory Auditors, pursuant to article 149 of the CFA, watches over the observance of the relative legislation and the contents of the Articles of Incorporation, over the observance of the principles of a correct and proper administration, over the appropriateness of the organisational structure of the company for all the aspects that fall within its own competencies, over the internal controls system and the administrative/accounting system, as well as regarding the dependability and trustworthiness of this latter in correctly recording and presenting operations. It watches over the methodologies of the practical actuation of the rules of corporate governance laid down by the behavioural codes drawn up by companies that manage regulated markets, or issued by category associations, regarding which the company, through its public disclosures, declares its observance and also regarding the appropriateness and adequacy of the measures imparted by the company to its subsidiary companies.

Furthermore, the Legislative Decree of 27 January 2010 number 39 assigned to the Board of Statutory Auditors of a company the specific tasks of surveillance regarding the following matters:

- a) The company's financial informational process.
- b) The effectiveness of the systems of internal controls and of internal auditing, if applicable, and that of the risk management, as well as the legal audit of the annual accounts of the parent company and the consolidated accounts of the Group.
- c) The independence of the legal auditor or of the company that carries out the legal audit.

The Board of Statutory Auditors was nominated by the Shareholders' Meeting of 20 April 2011 and its mandate will expire with the Shareholders' Meeting called to approve the Financial Statements for the year closed at 31 December 2013. Attachment E to this Report gives the membership of the Board of Statutory Auditors.

The Chairman of the Board of Statutory Auditors is Mauro Lonardo, who was listed at first place in the minority list of candidates.

The nomination took place through the list voting mechanism. At the Shareholders' Meeting of 20 April two lists were presented. The first one presented by those shareholders¹⁷ who were the owners, on a total basis, of an equity investment amounting to 1.33 % of the Share Capital pursuant to article 144, part six, of the Issuers Regulations. The list consisted of the candidates Mauro Lonardo to the office of Active Statutory Auditor and Massimo Gatto to the office of Substitute Statutory Auditor. A second list was deposited by the shareholder Fininvest S.p.A., with an equity investment amounting to 38.98% of the Share Capital, consisting of the candidates Francesco Vittadini, Silvio Bianchi Martini and Antonio Marchesi elected to the office of Active Statutory Auditor and Flavia Daunia Minutillo and Davide Attilio Rossetti elected to the office of Substitute Statutory Auditor. The members of the Board of Statutory Auditors in the first list were elected with 193,647,383 favourable votes amounting to 28.9% of the voting capital and the members of the Board of Statutory Auditors in the second list were elected with 475,380,142 favourable votes amounting to 71% of the voting capital, i.e. 669,728,916 shares amounting to 56.7% of the Share Capital.

Together with the lists there was deposited, for each individual candidate, all the documentation required by the relative legislation and regulations and by the Articles of Incorporation for the members of the Board of Statutory Auditors. For the list presented by the minority shareholders there was also deposited the declaration attesting the absence of the

¹⁷ ALETTI GESTIELLE SGR S.P.A. (Manager of the fund Gestielle Obiettivo Italia), ALLIANZ GLOBAL INVESTOR ITALIA SGR S.P.A. (Manager of the fund Allianz Azioni Italia), APG ALGEMENE PENSIOEN GROEP N.V. (Manager of the fund Stichting Depositary APG Developed Markets Equity Pool), ARCA S.G.R. S.P.A. (Manager of the funds Arca Azioni Italia e Arca BB), EURIZON CAPITAL S.G.R.S.P.A. (Manager of the funds: Eurizon Azioni Alto Dividendo Euro, Eurizon Focus Azioni Euro, Eurizon Focus Azioni Italia, Unibanca Azionariato Europa, Eurizon Azioni Italia 130/30), EURIZON CAPITAL S.A. (Manager of the funds: Eurizon Stars Fund Italian Equity, Eurizon Easy Fund Equity Consumer Discretionary, Eurizon Easy Fund Equity Europe, Eurizon Easy Fund Equity Euro, Eurizon Easy Fund Equity Italy, Fid Funds-Italy Pool), FIDEURAM INVESTIMENTI SGR S.P.A. (Ge-store del fondo Fideuram Italia), FIDEURAM GESTION S.A. (Manager of the funds: Fonditalia Equity Italy, Fideuram Fund Equity Italy, Fideuram Fund Equity Europe), INTER-FUND SICAV (Manager of the fund Interfund Equity Italy), KAIROS PARTNERS SGR S.P.A. (Gestore di Kairos Italia-Fondo Speculativo), MEDIOLANUM GESTIONE FONDI SGRpA (Manager of the fund Mediolanum Flessibile Italia), MEDIOLANUM INTERNATIONAL FUNDS LIMITED - Challenge Funds), PIONEER ASSET MANAGEMENT S.A., PIONEER INVESTMENT MANAGEMENT SGRpA (Manager of the fund Pioneer Azionario Crescita), UBI PRAMERICA S.G.R.S.P.A. (manager of the fund UBI Pramerica Azioni Italia)

persons involved having any relationships connecting them with the relative majority shareholder Fininvest S.p.A.

The curricula vitae of the Board of Statutory Auditors can be consulted on the company's website and are also given in Attachment F to this report.

No change in the current membership of the Board of Statutory Auditors has taken place since the closing date of the financial year.

During 2012 there were held 26 meetings of the Board of Statutory Auditors. The average duration of each meeting was about 2 hours. For the year 2013 there are planned about 27 meetings and as of today 4 of them have already been held.

On 4 June 2012 the Board of Statutory Auditors, in observance of the rules of the Mediaset Code, aimed at ensuring that the Statutory Auditors possess the necessary independence requisites, among other things, also evaluated the existence of the requisites of independence of its members. On 4 June 2012 it checked on the correct application of the criteria and the ascertainment procedures used by the Board of Statutory Auditors to evaluate the independence of the Directors.

Before the Board Meetings the Statutory Auditors are supplied with the documentation regarding the matters to be evaluated and to be resolved upon.

The Board of Statutory Auditors also watched over the independence of the external auditing company, checking both the observance of the relative legislative measures and the nature and entity of the different services supplied to Mediaset and its subsidiary companies by the same external auditing company and by the entities belonging to retail. Regarding this the Board of Statutory Auditors had no findings that required to be highlighted.

The Statutory Auditor who, on his own behalf or on that of third parties, has an interest in a specific transaction of the company must speedily and exhaustively inform the other Statutory Auditors and the Chairman of the Board of Directors regarding the nature, terms, origin and dimensions of his interest.

Regarding the necessary requisites of the members of the Board of Statutory Auditors, it is highlighted that the current Board of Statutory Auditors possesses all the necessary legal requisites.

The Board of Statutory Auditors, in carrying out its own activities, also worked in coordination with the Internal Audit Function, the Internal Controls Committee and the Corporate Governance Committee, taking part in the Committees' meetings. The Chairman of the Board of Statutory Auditors also attended all the Compensation Committee Meetings.

The Chairman of the Board of Directors has made sure that the Statutory Auditors could participate, after their nominations and during the period of their mandates, in initiatives that are aimed at supplying them with an adequate knowledge of the business activity sector within which the Group operates, of the companies' dynamics and their evolution, as well as of the relative legislative and regulatory environment.

As has already been referred to in the preceding paragraphs it is highlighted that, during 2012, the Statutory Auditors, together with the Independent Directors, have been able to gain in

depth insights from the Management of EI Towers S.p.A., at its registered office in Lissone, regarding the structure, the organisation and the business of the company.

15. RELATIONS WITH THE SHAREHOLDERS

On the company's website there can be found both the information of an economic/financial nature such as Financial Statements, Half-Yearly and Quarterly Reports, presentations to the financial community and the trend of the Stock Exchange transactions involving the financial instruments issued by the company and the data and documents that are of interest to all the shareholders such as press releases, the membership of the Bodies and Committees of the company, the Articles of Incorporation of the company, the Regulations of the Shareholders' Meetings and the Minutes of the Shareholders' Meetings, as well as documents and information regarding corporate governance and the organisational model, pursuant to the Legislative Decree number 231/2001.

For the purpose of putting in place a continuous ongoing relationship with the shareholders based on the understanding of their reciprocal roles, the Board of Directors of Mediaset has identified, in the person of the Chief Financial Officer of the Group, Marco Giordani, who reports directly to the Chairman of the company, the Manager entrusted with managing the relations with the shareholders.

For this purpose the Chief Financial Officer avails himself of the services of the following two functions that report directly to him:

- The Company Affairs Directorate, which presides over the relations with the Retail Investors and the Institutional Entities like Consob and Borsa Italiana.
- The Investor Relations Directorate, which presides over the relations with the Financial Community, i.e. Financial Analysts, Institutional Investors and Rating Companies.

Within the month of January there is supplied to the market and published on the company's website the financial calendar with the detail of the main financial events.

The addresses and telephone numbers of the Company Affairs Directorate and the Investor Relations Directorate can be found on the website of the company.

The Board of Directors, pursuant to what is laid down by the Mediaset Code, evaluated, during the meeting of 18 December 2012, that the company structures entrusted with these functions are adequate for carrying out these tasks that ensure effective and continuous relations with the Financial Community and with the competent Authorities involved.

The company for the transmission of the Regulated Information has chosen to avail itself of the SDIR-NIS circuit, which is managed by Blt Market Services, a company of the London Stock Exchange Group that had its offices in Piazza degli Affari, 6, Milan.

16. SHAREHOLDERS MEETINGS

The Shareholders' Meeting is the time of the institutional encounter between the management of the company and its Shareholders.

At the Shareholders Meeting of 18 April 2012 there were present, as well as the Chairman Fedele Confalonieri, the Directors Pier Silvio Berlusconi, Vice Chairman, Giuliano Adreani, Managing Director, Mauro Crippa, Marco Giordani, Gina Nieri, Niccolò Querci, Pasquale

Cannatelli, Alfredo Messina, Carlo Secchi, Attilio Ventura, Michele Perini and Bruno Ermolli, Chairman of the Compensation Committee.

In calling, convening, planning and managing the Shareholders' Meetings particular attention is given to favouring the participation by the Shareholders, as well as ensuring the maximum quality level of the information provided to them on those occasions, while the observing the limitations and the methodologies of broadcasting inherent to the price sensitive information.

The Shareholders' Meeting, when regularly constituted, represents all of the shareholders and its resolutions, passed in conformity with the law, are binding on all of them, even if absent or dissenting. The Ordinary and Extraordinary Shareholders' Meetings, meet in the cases and in the ways laid down by law, within the registered office of the company or elsewhere, as long as the place is in Italy. As established by article 9 of the Articles of Incorporation the Shareholders' Meeting must be called by means of a notice that is published according to the legal timeframes and containing the date, the time and the place of the gathering, the details to be dealt with, as well as any other information that is required by the relative legislation that is currently in force. The notice calling the meeting must be published, within the legal timeframes, on the company's Internet site and with the other methodologies required by the relative legislation that is currently in force. The company makes available to the public the documentation relative to the matters contained in the Agenda by depositing it, within the legal timeframes, at the company's registered office, sending it to Borsa Italiana by means of SDIR-NIS (Network Information Service) and publishing it on its website.

The Board of Directors promotes initiatives aimed at favouring the biggest participation possible of the shareholders at the Shareholders' Meetings and to facilitate their exercising of their rights and in order to reduce the limitations and the fulfilment of obligations that make it difficult or burdensome to take part in Shareholders' Meetings and exercising the right to vote that is regulated by article 11 of the Articles of Incorporation.

Each shareholder who has the right to take part in the Shareholders' Meeting can have themselves represented at it, by means of a written proxy, pursuant to law. Normally all of the Directors of the company are present at the Shareholders' Meetings. The Shareholders' Meetings are also an occasion for communicating information regarding the company to the shareholders, while observing the rules governing privileged information.

The Shareholders' Meeting is presided over by the Chairman of the Board of Directors and, in his absence, by the Vice Chairman.

During the Shareholders' Meeting held to approve the Yearly Financial Statements the Board of Directors reports on the activities that have been carried out, both with the Reports to the Financial Statements, which are made public in advance according to the methodologies established by law and the regulations and by answering the requests for clarifications made by the shareholders.

The file containing a copy of the yearly financial statements and the consolidated ones, with the relative reports and attachments, as well as the Directors report regarding the proposal concerning the agenda items, as well as being delivered at the entry to the meeting, is sent to those shareholders who have taken part in the previous meetings, for the purpose of ensuring adequate information regarding the elements that are necessary for them to be able to pass, with real knowledge, the resolutions that fall within the meeting's competencies.

The voting methods that are used at the Shareholders' Meeting, by means of remote controls, have the objective of aiding the shareholders in the exercising of their voting rights and ensuring that the results of the vote are immediately available.

The Shareholders' Meeting has all the powers laid down by law regarding it. Pursuant to the Articles of Incorporation the giving to the administration body of the company the competencies to pass resolutions on matters, such as resolutions regarding mergers and split-offs in those cases laid down by the articles 2505, 2505, part two, and 2506, part three, of the Italian Civil Code, the opening or closing of secondary sites, indicating who among the Directors have the legal representation of the company, the reduction of the Share Capital in the case of the withdrawal of a shareholder and the updating of the Articles of Incorporation for legislative and regulatory measures, which belong by law to the Extraordinary Shareholders' Meeting, does not lessen the competency of the Shareholders' Meeting, which maintains the power to pass resolutions regarding such matters. Regarding the constitution and resolutions of the Shareholders' Meetings, both Ordinary and Extraordinary, at the first and the successive calls, the relative legal measures are applied.

The Ordinary Shareholders' Meeting of 9 April 2001 put in place the "Shareholders' Meeting Regulations", available on the company's website, which regulates the proceedings of the Ordinary and Extraordinary Shareholders' Meetings of the company.

17. CHANGES AFTER THE CLOSING DATE OF THE FINANCIAL YEAR

The Board of Directors' Meeting of 26 March 2013 approved the Report on Compensation, pursuant to article 123, part three, of the CFA regarding the transparency and disclosure of the compensation of the directors of quoted companies, which will be submitted for the approval of the Shareholders' Meeting of 24 April 2013.

ATTACHMENT A

Article 17 of the Articles of Incorporation

1. The company is administered by a Board of Directors, consisting of from five to twenty one Directors, and they can be re-elected.
2. The Shareholders' Meeting, before going ahead with their nomination, fixes the number of the members of the Board and their duration in office, while observing the time limits that are established by law.
3. The Board of Directors is nominated by the Shareholders' Meeting based on lists, within which there cannot be more than twenty one candidates, each one of them numbered progressively.

Each candidate can only present himself in a single list, under pain of not being eligible for election.

Each individual shareholder cannot present, or take part in presenting, or vote for more than one list, even through an intermediary person or through a trust company. The shareholders belonging to the same group, for which there is meant those of the parent company, of the subsidiary companies and of the jointly controlled companies, as well as those shareholders that take part in a voting pact pursuant to article 122 of the Legislative Decree N° 58/1998, which has as its subject the shares of the company, cannot present, or take part in presenting, or vote for more than one list, even through an intermediary person or through a trust company.

There can only present the lists of candidates those shareholders who have the right to vote and who, on their own, or together with other shareholders, represent at least 2.5% (two point five per cent) of the total Share Capital that is made up of shares that have the right to vote in the Ordinary Shareholders' Meeting, or any different percentage that is established by the relative legal measures that are currently in force and that will be communicated, from time to time, in the notice of call of the Shareholders' Meeting that is to be convened for the nomination of the Board of Directors. The ownership of the minimum amount of the shareholding referred to previously, which is required to be able to present the lists, shall be calculated based on the shares that are registered in the shareholder's name on the day when the lists are deposited at the company's premises. The certification that proves the ownership of this shareholding can even be produced after the date of the depositing of the list, as long as this is done within the timeframe foreseen for the publication of the lists by the company.

For the purpose of deciding upon the Directors to be elected, there will not be taken into account those lists that have not had a percentage of votes equal to at least half of the one required by the Articles of Incorporation, or by the relative legal measures that are currently in force for the presentation of the lists themselves.

Each list must include at least two candidates who possess the requisites of independency established by the relative legal measures that are currently in force, indicating them separately.

The lists, together with the professional curricula of the candidates, containing exhaustive information regarding the personal and professional characteristics of the candidates themselves and the attestation of their suitability to be able to qualify themselves as independent, pursuant

to the relative legal measures currently in force and signed by the shareholders that have presented them must be deposited at the company's registered office within the period of twenty five days before the date fixed for the Shareholders' Meeting at its first or single call and they must also be made available to the general public, following the relative legal measures that are currently in force regarding them.

While there remains the faculty of being able to produce the certification that proves the ownership of the shareholding within the timeframe referred to in the preceding paragraph six of this point 3, at the time of the presentation of the list there must be supplied the information relative to the identities of the shareholders who have presented the list, also indicating the percentage of the total shareholding owned. The shareholders who are different from those that hold, also jointly, a controlling or relative majority shareholding must also present a declaration attesting to the absence of any linking relationships, established by legal measures, with these latter. Within the same timeframe there must be deposited the declarations with which the individual candidates accept their candidature and declare, under their own responsibility, that there do not exist any reasons for their inability to be elected or of incompatibility established by law, and also that there do exist those requisites that may be prescribed by the relative legislation or regulations for the members of the Board of Directors. Together with each list, within the timeframes given above, there must also be deposited the further information required by the relative legal measures currently in force, which will be indicated in the notice of call of the meeting.

Any lists that are presented without the observance of the measures described above are understood as not having been presented and they will not be voted upon.

4. At the end of the voting, the votes obtained by the lists are divided by whole progressive numbers from number one to the total number of Directors to be elected.

The quotients obtained in this way are attributed to the candidates of each list following the order foreseen by the list itself.

Then the quotients attributed to the candidates of the various lists are arranged in a single decreasing ranking. There result as being elected, until there is arrived at the total number of Directors fixed by the Shareholders' Meeting, those who have obtained the highest quotients, while there remains in force the fact that there must be nominated as a Director, in any case, the candidate listed at the first place in the second list that has obtained the highest number of votes and that is not linked, in any way, with the shareholders who have presented or voted for the list that was first for number of votes. Therefore, whenever the aforesaid candidate has not obtained the quotient that is necessary to be elected, there shall not be elected that candidate who, in the first list, has obtained the lowest quotient and then the membership of the Board shall be completed with the nomination of the candidate who has gained the first place in the second list that has achieved the biggest number of votes.

5. Whenever, after having followed the procedure referred to in paragraph 4 above, there has not been nominated the required number of Directors, who possess the requisites of independence, prescribed by the relative legal measures currently in force, the procedure given below will be followed.

Whenever the Board consists of seven or less members there shall be nominated as an Independent Director, replacing the non-independent candidate who, in the first list, obtained the lowest quotient, or the second last one if the last one was replaced by the minority Director pursuant to the preceding paragraph 4, the first independent candidate not elected

who is listed afterwards in the same list. When the Board consists of more than seven members and, after having followed the procedure referred to in paragraph 4 above, only one Independent Director has been nominated, a second Independent Director will be nominated, replacing the non-independent candidate who, in the first list, obtained the lowest quotient, or the second last one if the last one was replaced by the minority Director pursuant to the preceding paragraph 4, the first independent candidate not elected who is listed afterwards in the same list.

When the Board consists of more than seven members and, after having followed the procedure referred to in paragraph 4 above, no Independent Director has been nominated, there will be nominated as Independent Directors (i) replacing the candidate who, in the first list, obtained the lowest quotient, or the second last one if the last one was replaced by the minority Director pursuant to the preceding paragraph 4, the first independent candidate not elected who is listed afterwards in the same list and (ii) replacing the non-independent candidate elected with the lowest quotient in the second list that has had the highest number of votes, the first independent candidate not elected who is listed afterwards in the same list. Whenever all the Directors are drawn from a single list also the second Independent Director will be drawn from that list following the aforesaid criteria.

6. The candidate who is listed at first place in the list that has obtained the highest number of votes shall be elected to the office of Chairman of the Board of Directors.

7. In the case where it is necessary to complete the full membership of the Board of Directors and a number of candidates have obtained the same quotient, there shall be considered elected the candidate of the list that has not yet elected any Director, or of the one that has elected the smallest number of Directors.

In the case where none of these lists has already elected a Director or all of them have elected the same number of Directors, in the context of these lists there shall be elected the candidate of the list that has obtained the highest number of votes.

In the case of a tied vote between lists and always with quotient parity, new voting by the Shareholders' Meeting will take place, observing the relative legal measures currently in force, and there will be elected the candidate who obtains the simple majority of the votes that have been cast.

8. Whenever only one list is presented, the Shareholders' Meeting votes on it and if it obtains the relative majority, there shall be elected as Directors the candidates listed in progressive numerical order, until the number of members fixed by the Shareholders' Meeting is reached, while there remains the fact that there must be elected a number of Independent Directors that is at least equal to the one established by the relative legal measures currently in force. The candidate in first place on the list shall be elected as the Chairman of the Board of Directors.

9. The voting procedure with lists is only applied in the case of the renewal of the whole membership of the Board of Directors.

10. Where there are no lists and also in the case where the list voting mechanism produces a number of elected candidates lower than the number of Board members fixed by the Shareholders' Meeting, the Board of Directors shall be nominated by the Shareholders' Meeting with the relative legal majorities in such a way as to ensure, in any case, the presence of the necessary number of Directors in possession of the independence requisites established by the relative legal measures currently in force.

11. In the case of the ceasing of their tenure of office for any reason, whatsoever, of one or more Directors, those remaining in office shall replace them by the process of co-opting, ensuring, in any case, the presence of the necessary number of Directors in possession of the independence requisites established by the relative legal measures currently in force.

12. The election of Directors, nominated pursuant to article 2386 of the Italian Civil Code, is carried out by the Shareholders' Meeting with the relative legal majorities. The mandates of the Directors nominated in this way expire together with the mandates of those Directors already in office at the time of their nomination.

ATTACHMENT B**Personal and professional characteristics of the Directors**

FEDELE CONFALONIERI - Born in Milan on 6 August 1937. Graduated with a Law Degree from the State University of Milan. He is a member of the Directive Board and the Junta of Confindustria (Italian Confederation of Industry) and of Assolombarda (Lombardy Trade Association) and in the context of the Radio Televisions Federation he is the Chairman of the National Televisions Association. He is a member of the Directive Junta of Assonime, the Italian Joint Stock Companies Association. He is a Director of the daily newspaper "Il Giornale". He is also Vice Chairman of the Board of Directors of Mediaset Espana Comunicacion S.A.

PIER SILVIO BERLUSCONI - Born in Milan on 28 April 1969. He began his professional experience in '92 in the marketing area Publitalia, passing afterwards to the television network Italia 1. In November 1996 he became the manager for the coordination of the contents and programmes area of the Mediaset networks. In 1999 he was nominated Vice Director General Contents R.T.I. From April 2000 he has been Vice Chairman of the Mediaset Group, as well as the Chairman and Managing Director of R.T.I. He is also a member of the Boards of Directors of the following companies: Mediaset Espana Comunicacion S.A., Medusa Film S.p.A., Arnoldo Mondadori Editore S.p.A., Publitalia '80 S.p.A. and Mediobanca S.p.A..

GIULIANO ADREANI - Born in Rome on 27 August 1942. He is Managing Director of Mediaset S.p.A., Chairman and Managing Director of Publitalia 80 S.p.A., Chairman of Digitalia 08 S.r.l. and of Mediamond S.p.A.. A Director of R.T.I. S.p.A., of Mediaset Espana Comunicacion S.A., of Medusa Film S.p.A., of Auditel S.r.l. and a Director of Publiespana. In 2003 he was nominated a Knight of Labour by the President of the Italian Republic. In February of 2009 there was conferred upon him a *Honoris Causa* Degree in Communications Sciences by the University Suor Orsola Benincasa of Naples. Before the Mediaset Group, which he entered in 1994, from he was in Sipra, the Advertising Concessionaire of R.A.I. (Italian State Radio and Television), where from 1962 to 1994 he guided all the commercial and creative sectors of Communications, both of dailies and periodicals and of radio and television until his nomination, in 1991, as Director General. In 2010 he was in first place among the Italians and fifth among the Europeans in the classification of the CEO of the best media groups drawn up by Thomson Reuters, the prestigious economic/financial information company quoted on the New York Stock Exchange.

MARINA BERLUSCONI – Born in Milan on 10 August 1966. She entered the company when she was very young and she has always been deeply interested and involved in the management and the development of the economic/financial strategies of the Group.

In July 1996 she took the office of Vice Chairwoman of Fininvest S.p.A., a role she filled until October 2005, when she was nominated Chairwoman of the holding company.

Since February 2003 she has been Chairwoman of Arnoldo Mondadori Editore S.p.A. She is also a Director Mondadori France SAS.

PASQUALE CANNATELLI – Born in Soriano (VV) on 8 September 1947. He took his Degree in Economics and Commerce at the Catholic University of Milan and began his work experience in 1972 at Rank Xerox. In 1985 he entered Farmitalia Carlo Erba as Group Controller. There followed his experiences in Alitalia, first as Administrative Director and then as Controller and, again, in Farmitalia where he was Finance Administration and Controls Director of the Erbamont Group. In

July 1997 he became a Director of Mediaset S.p.A. and Central Director for Planning and Controls. Since May 2003 he has been Managing Director of Fininvest S.p.A.. He is a Director of Arnoldo Mondadori Editore S.p.A., Mediolanum S.p.A. and AC Milan S.p.A..

PAOLO ANDREA COLOMBO – Born in Milan on 12 April 1960. He took his Degree in Company Economics at the University “L. Bocconi” of Milan. He is a Certified Public Accountant and Accounting Auditor. He is Chairman of the Board of Directors of Enel S.p.A. and a Director of GIVI Holding S.p.A., Chairman of the Board of Statutory Auditors of GE Capital Interbanca S.p.A. and an Active Statutory Auditor of Angelo Moratti S.a.p.A. and of Humanitas Mirasole S.p.A..

MAURO CRIPPA - Born in Rome on 26 April 1959. He is a Professional Journalist. He is also a Director of the company Europea Editrice of “Il Giornale ” since 1998, of R.T.I. S.p.A. since 1999 and of Class CNBC S.p.A. since 2000. Since 1987 he has been the manager of the Press Office of Arnoldo Mondadori Editore S.p.A. In 1994 he entered the Fininvest Group with the office of Press Relations Director. In 1996 he took the office of Central Communications Management and Press Relations of the Mediaset Group. Currently he holds the position in Mediaset of Director General Information.

BRUNO ERMOLLI - Born in Varese on 6th March 1939. He has been an entrepreneur for more than thirty years of Professional Services for Management and Organisational Consultancy. He lectures at courses and seminars for entrepreneurs and managers. He is often called upon to collaborate with the Presidency of the Council of Ministers as an expert in Public Management and Public Administration Organisation. From 1985 to 1989 he was Promoter and Chairman of the National Federation for the Advanced Services Industries Sector. From 1980 to 1982 he was Chairman of the National Association of Management and Organisational Consultancy Companies. In 1970 he set up, and still today presides over Sin&rgetica, the leading Italian Management Consultancy Company for Private Enterprises, Banks, Insurance Companies, Public Entities and Public Administrations. The President of the Italian Republic nominated him a Knight of Labour. Currently he is Chairman of Promos (The Special Organisation of the Chamber of Commerce of Milan), Chairman of Parcam S.r.l., a member of the Junta and of the Board of the Chamber of Commerce of Milan, Vice Chairman of the La Scala Theatre Foundation, a Director of Arnoldo Mondadori Editore S.p.A., of Mondadori France SAS, of Mediobanca S.p.A., of Fondazione Cariplo, Pellegrini S.p.A., of Luigi Bocconi University of Milan, of Milan Polytechnic, of Censis, of the Foundation Pier Lombardo, of the Foundation Milano per la Scala, of FAI and of Sipa Bindi S.p.A..

MARCO GIORDANI - Born in Milan on 30 November 1961. He is a graduate in Economics and Commerce of the University “L. Bocconi ” of Milan. From 2000 he has been Chief Financial Officer of the Mediaset Group. He is Chairman of Media Shopping S.p.A.. He is the Managing Director of R.T.I. He is a Director of Mediaset Espana Comunicacion S.A., Publitalia '80 S.p.A., Mediamond S.p.A. Edam Acquisition Holding I Cooperatief U.A. and Medusa Film S.p.A. From 1998 to 2000 he was in IFIL S.p.A., in Shareholdings Controls Management and afterwards nominated as a Director and a member of the Executive Committee of LA RINASCENTE S.p.A., as well as a Director of S.I.B. (Società Italiana Bricolage). In 1991 he was Finance Manager of the RINASCENTE Group within which, in 1997 he took the position of Chief Financial Officer.

ALFREDO MESSINA - Born in Colleferro (Rome) on 8 September 1935. A Graduate in Economics and Commerce he began his career filling various positions of an administrative type in a number of companies. After experiences in Olivetti, as Controller of Group Production and in Alitalia, as Manager for Central Administration, Finance, Planning and Controls, in 1989 he was at IRI (Institute for Industrial Reconstruction) as Central Planning and Controls Manager, where he was also a member of the Boards of Directors of the main companies of the Group.

In January 1990 he entered Fininvest S.p.A. as Director General and in 1996 was nominated Managing Director for the administration and controls area of the Group, overseeing the sectors of Large Scale Distribution and Insurance and Financial Products. Currently he is a Director and Deputy Vice Chairman of Mediolanum S.p.A., Chairman of Vacanze Italia S.p.A.. He is Administrative Director of Mediaset Espana Comunicacion SA, Quinta Communications S.A. and of Molmed S.p.A.

GINA NIERI – Born in Lucca on 2 December 1953. A Graduate in Political Sciences at the University of Pisa, she obtained the specialisation in Journalism and Mass Communications at the Luiss of Rome (Free University of Social Studies). From 1977 she has worked in the area of commercial television, which she entered with her nomination as Secretary General of FIEL, the first association of the “free” broadcasters. She then went to FRT - Radio Television Federation – as Director until 1990, when she entered the FININVEST GROUP as Manager for Relations with the Enterprise Associations. From June 2007 she has been Vice Chairwoman of R.T.I. S.p.A., in which she has been a member of the Board of Directors since 1999. She is a member of the Junta of ASSOLOMBARDA (Lombardy Trade Association) and the Junta of CONFINDUSTRIA (Italian Confederation of Industry). From 21st June 2004 she has been Vice Chairwoman of the Campus Multimedia Consortium, a Consortium set up by Mediaset and the Free University for Languages and Communications (IULM), which manages the Master in journalism and multimedia management. Currently, in MEDIASET she holds the position of Director of Institutional and Legal Affairs and Strategic Analyses. Since November 2010 she has been Vice Chairwoman of A.C.T. (European Association of Commercial Television).

MICHELE PERINI – Born in 1952 in Milan, he graduated with a degree in Economics and Commerce from the Bocconi University. He is Chairman of SAGSA S.p.A., a company in the office furniture sector, and Chairman of Fiera Milano S.p.A, an office he has held since 27 October 2003. He is Honorary President of the Vinci Museum of Science and Technology of Milan and, also, a Director of ISPI (Institute for International Political Studies of Milan) and Chairman of Pentar S.p.A.. From 2001 to June 2005 Perini was Chairman of Assolombarda (Lombardy Trade Association), in which from 1997 to 2001 he held the position of Chairman of the Board of Small Industry and where he is currently a member of the Board of Directors and the Junta. Until June 2010 he was a member of the Board and the Junta of Confindustria (Italian Confederation of Industry). He has held positions as a member of the Board of Directors of the financial daily "Il Sole 24 Ore" and of Bocconi University. He is also committed to social works and is a member of the directorate of Telefono Azzurro, a child protection charity.

NICCOLO' QUERCI - Born in Florence on 10 May 1961. A Law Graduate of the University of Siena in 1988 he took a Master in Enterprise Communications. Since 2007 he has been Central Personnel and Organisation Director of the Mediaset Group and Vice Chairman of Publitalia '80 S.p.A.. From 2006 to 2010 he was Chairman of the company Media Shopping S.p.A.. From 2003 he has been Managing Director of R.T.I. for Human Resources, General Services and Safety and from 2001 Vice Chairman of R.T.I. S.p.A.. From 1999 to 2006 he was Director of artistic resources, productions, entertainment and sport and, until 2008, Manager for the diversified activities and new business of the Group. From 1992 to 1999 he was the Assistant and Head of the Secretariat of Silvio Berlusconi, filling various organisational positions over the years. From 1989 to 1992 in Publitalia '80 he was Account Manager Large Customers and assistant Chairman and Managing Director and from 1987 to 1988 an Account Executive in P. T. Needham.

CARLO SECCHI - Born on 4 February 1944 he is professor emeritus of European Political Economy at the Bocconi University of Milan, of which he was Rector in the period 2000-2004. He is Director of the Institute of Latin American Studies and of the Countries in Transition. He was a Member of the European Parliament during the 4th legislature (1994-1999), where he was Vice Chairman of the Economic and Monetary Commission. He was a Senator of the Italian Republic during the 12th legislature (1994-96). He is a member of the governing bodies of Foundations and Institutes of a technical/scientific nature and is Chairman of the Scientific Didactic Committee of the Multimedia Campus In Formazione. He is Vice Chairman of ISPI (Institute for International Political Studies of Milan), Chairman of the Italian Group of the Trilateral Commission. He is currently a member of the Board of Directors of the Veneranda Fabbrica del Duomo (the Milan Cathedral Conservation Body). He is currently Chairman of Mediolanum S.p.A., a Director of Pirelli & C. S.p.A. and Italcementi S.p.A.. Since July 2009 he has been European Coordinator of the TEN-T Priority Projects (High Speed Trains France – Spain – Portugal). He is the author of books and numerous articles on international commerce and economy, on economic integration and on European themes.

ATTILIO VENTURA - Born on 6 February 1936. A Graduate in Economy and Commerce from the Catholic University of the Sacred Heart of Milan. He has taken specialisation courses in Economy and Finance at the Seton Hall University of South Orange (United States) and Merrill Lynch of New York. From 1967 he was a Stockbroker and from 1981 a member of the Stockbrokers' Management Committee. From 1985 to 1988 he was Vice Chairman of the Stock Exchange Management Committee, from 1988 to 1992 Chairman of the Stock Exchange Management Committee and from 1992 al 1995 Chairman of the Board of the Stock Exchange. From 1996 to 1998 he was a Director of the Banca Nazionale del Lavoro S.p.A. Currently he is a Director of Ceresio Sim S.p.A., Frendy Energy S.p.A. and Swiss & Global SGR S.p.A..

The companies Arnoldo Mondadori Editore S.p.A. and Mediolanum S.p.A. belong to the Fininvest Group to which Mediaset also belongs.

ATTACHMENT C

Table 2 - Format Borsa Italiana

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AND OF THE COMMITTEES

Board of Directors											Controls and Risks Committee		Compensation Committee		Governance and Nominations Committee		Executive Committee		Committee of Independent for transactions with Related Parties		
Office	Members	In office since	In office till approval of F. S. at	List (Mfm) *	Nomin. Year	Exec.	Non exec.	Indep. per Code	Indep. per CFA	(%) **	Number other offices ***	****	****	****	****	****	****	****	****	****	
Chairman	Confalonieri Fedele	18/04/2012	31/12/2014	M	1994	X				100								X	100		
Vice Chairman	Berlusconi Pier Silvio	18/04/2012	31/12/2014	M	1995	X				100								X	57,14		
Managing Director	Adreani Giuliano	18/04/2012	31/12/2014	M	1996	X				100								X	100		
Director	Berlusconi Marina	18/04/2012	31/12/2014	M	1995		X			77,7	2										
Director	Cannatelli Pasquale	18/04/2012	31/12/2014	M	1997		X			100	3										
Director (I)	Colombo Paolo Andrea	18/04/2012	31/12/2014	M	2003		X	X	X	66,6	3		X	100	X	71,42				X	//
Director	Crippa Mauro	18/04/2012	31/12/2014	M	1998	X				88,8											
Director	Ermoli Bruno	18/04/2012	31/12/2014	M	2001		X			100	5		X	100							
Director	Giordani Marco	18/04/2012	31/12/2014	M	2001	X				100											
Director	Messina Alfredo	18/04/2012	31/12/2014	M	1995		X			77,7	2	X	69,23								
Director	Neri Gina	18/04/2012	31/12/2014	M	1998	X				100								X	100		
Director (II)	Perini Michele	18/04/2012	31/12/2014	M	2011		X	X	X	100	1									X	100
Director	Querci Niccolò	18/04/2012	31/12/2014	M	2009	X				100											
Director	Secchi Carlo	18/04/2012	31/12/2014	M	2006		X	X	X	100	3	X	100			X	100			X	100
Director	Ventura Attilio	18/04/2012	31/12/2014	M	2006		X	X	X	100	1	X	76,92	X	100	X	100			X	100

Indicate the quorum required for the presentation of the lists at the time of the last nomination: 1,5%

Number of meetings held during the reference year:	BOD: 9	CRC: 13	CC: 3	GNC: 7	EC: 7	IRPC: 4
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NOTE

* In this column there is shown Mfm according to whether the member was elected by the list voted by the Majority (M) or by a minority (m)

** In this column there is shown the participation percentage of the directors at the meetings of the BOD and the Committees (n° presences/n° P1 meetings held during the effective period in office of the interested party).

*** In column there is shown the number of offices of director or statutory auditor held by the interested party in other companies quoted regulated markets, also foreign ones, in financial, banking insurance companies or those of large size. There is attached to the Report the list of these companies with reference to each Director, highlighting, if the company where the office is formed is part of the Group that it heads or reports to part of the issuer.

**** In this column there is shown with an "X" if it is a BOD member that belongs to the Committee.

(I) The percentage of the presences of the Director Colombo at the Independents' Committee for the Related Parties is calculated on 1 meeting.

(II) The percentage of the presence of the Director Michele Perini at the Committee of the Independents for the Related Parties is calculated on 3 meetings.

ATTACHMENT D

Article 28 of the Articles of Incorporation

1. The Ordinary Shareholders' Meeting elects the Board of Statutory Auditors, consisting of three Active Statutory Auditors and two Substitute Statutory Auditors, who remain in office for three financial years and whose mandates expire at the date of the Shareholders' Meeting called to approve the Financial Statements relative to the third financial year of their period in office and they can be re-elected.

All the Statutory Auditors must be inscribed in the specific public register for them that has been set up according to law and they must have carried out the legal auditing of accounts for a period of not less than three years.

Furthermore, the Statutory Auditors must possess the necessary requisites established by the relative legislation and regulations that are currently in force and the Board of Directors must ascertain that these actually exist.

2. The nomination of the Statutory Auditors takes place based on lists presented by the shareholders, with the procedure established below. The lists must indicate at least one candidate to the office of Active Statutory Auditor and one candidate to the office of Substitute Statutory Auditor and they can contain up to a maximum of three candidates to the office of Active Statutory Auditor and a maximum of two candidates to the office of Substitute Statutory Auditor. The candidates are listed in progressive numerical order.

Each list consists of two sections. One is for the candidates for the office of Active Statutory Auditor and the other is for the candidates for the office of Substitute Statutory Auditor. Each candidate can only be present in one list, under pain of not being eligible for election.

3. They have the right to present the lists those shareholders who have voting rights and who, either alone or jointly, are the owners of the total amount of the shareholding that is required by the Articles of Incorporation for the presentation of the lists for the nominations of the members of the Board of Directors. Each shareholder cannot present, or take part in presenting, or vote for more than one list, even through an intermediary person or through a trust company. The shareholders belonging to the same group, for which there is meant those of the parent company, of the subsidiary companies and of the jointly controlled companies, as well as those shareholders that take part in a voting pact pursuant to article 122 of the Legislative Decree N° 58/1998, which has as its subject the shares of the company, cannot present, or take part in presenting, or vote for more than one list even through an intermediary person or through a trust company. The ownership of the minimum amount of the shareholding, which is required to be able to present the lists, shall be calculated based on the shares that are registered in the shareholder's name on the day when the lists are deposited at the company's premises.

The certification that proves the ownership of this shareholding can even be produced after the depositing of the list, as long as this is done within the timeframe foreseen for the publication of the lists by the company.

4. The lists, together with the professional curricula of the persons designated, and signed by the shareholders who have presented them must be deposited at the company's registered office within the period of twenty five days before the date fixed for the Shareholders' Meeting at its first or single call while there remain in force the legally established timeframes for depositing them, regarding the calls after the first one, and they must also be made available to the general public, following the relative legal measures that are currently in force regarding

them. There remains in force the faculty of being able to produce the certification that proves the ownership of the shareholding, which is established in the last paragraph of point 3 above. At the time of the presentation of the list there must also be supplied (i) the information relative to the identities of the shareholders who have presented the list, indicating the percentage of the total of the shareholdings owned by them, (ii) a curriculum vitae for each individual candidate containing an exhaustive disclosure of the personal and professional characteristics of the candidates and (iii) the further information, required by the relative legislative measures that are currently in force, which will be indicated in the notice calling the Shareholders' Meeting. Furthermore, those shareholders different from those that hold, also jointly, a controlling or relative majority shareholding must also present a declaration attesting to the absence of any linking relationships, foreseen by legal measures, with these latter. Within the same timeframe there must be deposited the declarations with which the individual candidates accept their candidature and declare, under their own responsibility, that there do not exist any reasons for their inability to be elected or of incompatibility established by law and that there is observed the limit of the accumulation of offices referred to in the following paragraph and also that there do exist any requisites that may be prescribed by the relative legislation, by the regulations and by the Articles of Incorporation for members of the Board of Statutory Auditors, as well as the list of the other administration and controls offices they hold in other companies.

5. There cannot be elected as Statutory Auditors those persons who hold administration and controls offices that surpass the limits that are established by the relative legislative measures that are currently in force.

6. The lists that are presented without observing the foregoing measures shall not be considered to have been presented and they will not be voted upon.

7. The election of the Statutory Auditors proceeds as follows:

a) From the list, which has obtained the highest number of votes in the Shareholders' Meeting, there are selected, based on the progressive numerical order with which they are listed within the specific sections of the list, two Active Statutory Auditors and one Substitute Statutory Auditor.

b) From the second list, which has obtained the highest number of votes in the Shareholders' Meeting, among the lists presented and voted by the shareholders who are not linked to reference shareholders, pursuant to article 148, paragraph 2, of the relative Consolidated Act, there are selected, based on the progressive numerical order with which they are listed within the specific sections of the list, the remaining Active Statutory Auditor and the other Substitute Statutory Auditor.

In the case where a number of lists have obtained the same number of votes there shall take place a new ballot between these lists, in observance of the relative legal measures currently in force, and there shall be elected those candidates contained in the list that obtains the simple majority of the votes.

8. There shall be elected to the office of Chairman of the Board of Statutory Auditors the candidate who is at first place in the section of the candidates for the office of Active Statutory Auditor, elected pursuant to the procedure in paragraph 7. b) above.

9. Whenever only one list is presented, the Shareholders' Meeting votes on it. Whenever the list obtains the relative majority, there shall be elected as Active Statutory Auditors the three candidates indicated in progressive numerical order in the relative section and as Substitute Statutory Auditors the two candidates indicated in progressive numerical order in the relative

section. The Chairmanship of the Board of Statutory Auditors belongs to the person indicated at first place in the section of the candidates for the office of Active Statutory Auditor in the list presented.

In the case of the death, renunciation or the expiry of the mandate of an Active Statutory Auditor, there shall enter into the vacant office the Substitute Statutory Auditor elected at first place, as long as this replacement ensures the balance between the sexes. If this is not the case there shall enter the one elected to second place. In the case of the replacement of the Chairman, the Board of Statutory Auditors chooses and nominates a new Chairman from among its own members, who shall remain in that office until the first successive Shareholders' Meeting, which must take care of the integration of the Board of Statutory Auditors.

10. Where there are no lists, the Board of Statutory Auditors and its Chairman are nominated by the Shareholders' Meeting with the relative legal majorities.

11. Whenever a number of lists are presented, in the case of the death, resignation or expiry of the mandate of Active Statutory Auditor There take their place the Substitute Statutory Auditor belong to the same list as the ceased Auditor, elected in first place, as long as this replacement ensures the balance between the sexes. If this is not the case there shall enter the one elected in second place.

The Shareholders Meeting, in order to make the nominations necessary to complete the Board of Statutory Auditors, shall proceed as follows: whenever Statutory Auditors elected in the majority list are to be replaced, the nomination takes place with a relative majority vote, while observing the relative legislative measures currently in force regarding the balance between the sexes. When, on the other hand, Statutory Auditors elected in the minority list are to be replaced the nomination takes place with a relative majority vote, choosing among the candidates shown in the list where there was the Auditor to be replaced or, subordinate to this, among the candidates located in any further minority lists, while observing the relative legislative measures currently in force regarding the balance between the sexes.

Where there are no candidates of the majority list or the minority lists, the nomination takes place through the voting for one or more lists, consisting of a number of candidates no greater than the number of those to be elected, presented before the date of the Shareholders' Meeting, observing the measures established by this article for the nomination of the Board of Statutory Auditors, while there remains the fact that there cannot be presented any lists, and if they are presented they will be totally without effect, by reference shareholders or by the shareholders who are linked to them, as these are defined by the relative legislative and regulatory measures that are currently in force regarding them. There shall be elected the candidates contained in the list that obtains the highest number of votes.

12. The Shareholders' Meeting fixes the compensation of the Statutory Auditors, as well as the details of the reimbursement of the expenses incurred by them in order to carry out the duties of their office.

13. The powers and the duties of the Statutory Auditors are those that are established by the relative legislation.

ATTACHMENT E**Table 3 – Format Borsa Italiana****TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS**

Collegio sindacale							
Office	Member	In office since	In office till approval of accounts at	List (M/m)*	Independence by Civil Code	** (%)	Number of other offices ***
Chairman	Leonardo Mauro	20 April 2011	31 December 2013	m	X	100	11
Active Auditor	Bianchi Martini Silvio	20 April 2011	31 December 2013	M	X	84,6	6
Active Auditor	Vittadini Francesco	20 April 2011	31 December 2013	M	X	92,2	24
Substitute Auditor	Gatto Massimo	20 April 2011	31 December 2013	m	X		2
Substitute Auditor	Minutillo Flavia Daunia	20 April 2011	31 December 2013	M	X		17

Indicate the *quorum* requested for the presentation of the lists at the time of the last nomination: list of majority and of minority 1% of the share capital.

Number of meetings held during the referen year: 26

NOTE

* In this column there is shown M/m according to whether the member was nominated by the majority voted list (M) or by a minority (m)

** In this column there is shown the percentage participation of the shareholders at the BSA meetings (n°. of presences/n°. of meetings held during the effective period of office held by the interested party).

***In this column there is shown the number of offices of director or statutory auditor held by the interested party relevant pursuant to article 148, part two, of the CFA.

PERSONAL AND PROFESSIONAL CHARACTERISTICS OF THE BOARD OF STATUTORY AUDITORS

MAURO LONARDO – Born in Rome on 16 April 1969. A Graduate in Economics and Commerce received at the University La Sapienza of Rome. He has been inscribed in the Roll of Certified Public Accountants and the Register of Legal Auditors since 1999. He is a freelance professional and a partner in Studio L4C - Lauri Lombardi Lonardo Carlizzi. He is Chairman of the Board of Statutory Auditors of Unicompany S.p.A.. He holds the office of Active Statutory Auditor in Azienda Municipale Ambiente S.p.A. Rome (AMA S.p.A.), Intec Telecom Systems S.p.A., AFP Capital S.r.l., Rivara Gas Storage S.r.l., Cosmic BLue Team S.p.A., Gimias S.r.l., Independent Energy Solutions S.r.l., Independent Gas Management S.r.l. and Uniholding S.r.l.. He was the Controls and Coordination Manager of the Group of the Municipality of Rome for the participated companies in the infrastructure and services area. He is a member of the Commission of the Order of Certified Public Accountants of Rome. He is a lecturer at various conventions.

SILVIO BIANCHI MARTINI – Born in Lucca on 12 January 1962. He is an Ordinary Professor of Company Economy in the Economics Faculty of the university of Pisa. He has covered various positions within the University of Pisa over the last ten years such as Director of the Doctorate School “Fibonacci”, President of the Graduate Course in “Company Strategies and Governance”, Director of the Master in “Auditing and Internal Controls” and of the Master in “Governance and Company Strategy”. He teaches competitive Strategy the Bocconi University of Milan. He is authorised to exercise the profession of Certified Public Accountant and is inscribed in the Order of Certified Public Accountants for the district of the Court of Lucca. EHe is also inscribed in the Register of Legal Auditors since it was originally set up. He is a member of the governance and controls bodies of industrial and service companies, among which there are highlighted Molecular Medicine S.p.A. and Sofidel S.p.A..

FRANCESCO VITTADINI – Born in Bellano on 25 May 1943. He took a Degree in Economy and Commerce at the Luigi Bocconi Commercial University. He has been inscribed in the Roll of Certified Public Accountants of Monza since 1971. He holds the office of Statutory Auditor in industrial, financial, insurance, communications and media companies among which there are highlighted the quoted companies El Towers S.p.A. and Mediolanum S.p.A.

MASSIMO GATTO – Born in Rome on 27 June 1963. He is a Graduate in Economics and Commerce of the University La Sapienza of Rome. He has been inscribed in the Roll of Certified Public Accountants since 1995 and in the Register of Legal Accounting Auditors since 1999. He has been a Receiver in Bankruptcy regarding judicial administrations within the Court of Rome - Bankruptcy Section - since 1998/1999. He is inscribed in the Register of Real Estate Guardian and in the Roll of Technical Consultants of the Civil Court of Rome (C.T.U.). He is the Chairman of the Board of Statutory Auditors of SNAM S.p.A.. He holds the office of Active Statutory Auditor Eurofinance 2000 S.r.l. and in the National Association for the Encyclopaedia of Banking and the Stock Exchange.

FLAVIA DAUNIA MINUTILLO – Born in Milan on 24 May 1971. She is a Graduate in Economics and Commerce from the Catholic University of Milan. She has been inscribed in the Roll of Certified Public Accountants since 1996 and in the Register of Legal Accounting Auditors since 1999. Since 1998 she has been on the Boards of Statutory Auditors of leading companies, including banks, securitisation, factoring, trust, financial, brokerage and asset management companies. Since 2009 she has been Co-Liquidator of a leading directories company.

For the Board of Directors
the Chairman