



## **Board of directors' report**

### **Appointment of members and Chairman of the Statutory Audit Committee; and determining the amount of their remuneration**

The current Statutory Audit Committee's term of office expires with this annual general meeting. You are therefore called to appoint the new Statutory Audit Committee in accordance with the terms and provisions set forth in Article 28 of the company's Articles of Association and the applicable legal and regulatory provisions in force.

Under the terms of the Articles of Association, the Statutory Audit Committee consists of three standing and two alternate auditors, who shall be in possession of the requisite qualifications for holding such office, including in terms of the aggregate number of posts held, expressly stipulated under regulations in force at the time and the provisions of the Articles of Association themselves, failing which they shall be ineligible. In particular the requirements in terms of professional qualifications, fitness to hold office and independence should be noted.

Professional qualifications in this context are understood as being strictly pertinent to the activities of the company, those listed under Article 1 of the Italian Consolidated Banking Act, and the provision of investment services or collective portfolio management, both of which as defined in Italian Legislative Decree 58/98.

Appointments to the Statutory Audit Committee are made on the basis of lists. The term of office shall cover three financial years and accordingly will expire upon approval of the company's financial statements for the period ended 30 June 2014.

The procedure for appointing Statutory Auditors shall be as follows: two standing auditors and one alternate auditor are chosen, based on the order in which they are numbered, from the list obtaining the highest number of votes; and one standing auditor and one alternate auditor are chosen, based on the order in which they are numbered, from the list which ranks second in terms of the number of votes obtained from shareholders in general meetings, which list may not, under the regulations currently in force, be related even indirectly to the shareholders submitting the list which obtained the highest number of votes. In the event of the same number of votes being cast for more than one list, a new vote is held in the form of a ballot between the lists, with the candidates from the list which obtains a simple majority in this case being elected.

The post of Chairman of the Statutory Audit Committee is assigned to the candidate appearing first in the section of candidates for the post of standing auditor on the list which comes second in terms of the number of votes.

In the event of only one list being submitted, shareholders in general meeting shall express their opinion by voting on it; if the list obtains the majority required by law for an ordinary general meeting, the three candidates numbered consecutively in the relevant section are appointed standing auditors, and the two candidates numbered consecutively in the relevant section are appointed alternate auditors; the candidate listed first in the section for candidates to the post of standing auditor in the list submitted is appointed as Chairman of the Statutory Audit Committee.

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In the event of no lists being submitted, or if the list voting mechanism returns a lower number of candidates than the number set by the Articles of Association, the Statutory Audit Committee is appointed or completed by shareholders in general meeting with the majorities established by law.

Shareholders are also called to adopt a resolution in respect of the remuneration payable to members of the Statutory Audit Committee. It should be noted that at an annual general meeting held on 28 October 2008, the shareholders of Mediobanca resolved to pay the members of the Statutory Audit Committee still in office an annual gross fee of €120,000 for the Chairman and €90,000 for each standing auditor.

The methods for depositing lists for appointments to the Statutory Audit Committee are set forth in detail in the AGM notice of meeting.

The Board of Directors therefore invites you to take the relevant decisions regarding appointments to the Statutory Audit Committee.

Milan, 22 July 2011

THE BOARD OF DIRECTORS