

CODE OF CONDUCT

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INTRODUCTION

The Board of Directors of Mediaset S.p.A., in its resolution dated March 28th, 2000, decided to adopt the provisions contained in the Code of Conduct of listed companies; the Company's corporate governance and the operational organisation had already been for some time largely compliant and in line with the corporate organisational model proposed in this Code.

In July 2002, the Corporate Governance Committee reviewed the Code of Conduct of listed companies and introduced some changes which take into account Italian and international best practices; the main changes deal with independent directors, the treatment of confidential information, directors' emoluments, internal control and operations with correlated parties.

Considering the organisational structure and the allocation of powers in Mediaset, its Board of Directors at its meeting of March 25th, 2003 modified the company's Code of Conduct adopted in the meeting of March 2001, in line with the above mentioned Code of Conduct of listed companies.

The Board of Directors of Mediaset S.p.A., in its meeting of March 22nd, 2005, changed its Code of Conduct to take into account the company by laws adopted by the Meeting of April 27th, 2004 and the provisions introduced by the Reform of Company Law.

ARTICLE 1 – ROLE OF THE BOARD OF DIRECTORS

- 1.1 The Board of Directors is the board responsible for the administration of the company. Directors meet at regular dates, get organised and work so as to guarantee that their functions are effectively and efficiently performed. Based on the Bylaws in force, the Board of Directors receives the widest powers in order to ensure the ordinary and extraordinary administration of the company, with the authority to perform all the acts that are considered as necessary to attain and implement the corporate objectives.
- The Board of Directors can appoint one or more Deputy Chairmen and can delegate its powers, either totally or partially, to one or several members, even to Managing Directors, except for that established in article 2381 of the Italian Civil Code and in article 23 of its Bylaws. The Board of Directors can also appoint an Executive Committee and it can decide to delegate its powers, either totally or partially, except for the powers reserved to the Board by Law. The Board of Directors can also establish other Committees, also including people from outside the Board, and define their powers, remuneration and their membership and functioning.
- The activities delegated are the object of constant information to the Board of Directors by the delegated administrative bodies at the Board's meetings.
- 1.2 More specifically, the Board of Directors :
- a) examines the strategic, industrial and financial plans of the Group which it superintends;
 - b) attributes and revokes the proxies to the Chairman, the Deputy Chairman, the Managing Director and the Executive Committee, defining their limits and use;
 - c) determines, upon proposal of the Committee as per article 8.1, after hearing the opinion of the Statutory Auditors, of the emoluments for the directors in charge of special functions;
 - d) monitors, in its entirety, the company's operations, also based on the information received from the Executive committee, the Chairman, the Deputy Chairman, the managing Director and the Internal Control Committee, and periodically comparing the results achieved with those scheduled;
 - e) analyses and approves the operations with a significant economic and financial importance, with reference in particular to operations with correlated parties, as specified in article 11 below;
 - f) analyses changes to significant organisational and administrative aspects of the company and plays a guiding role in the organisation of the Group's companies, which it directs and coordinates;
 - g) in the annual report on corporate governance, presents information about how the corporate governance organisation selected is concretely implemented and about the composition and competence of the Board of Directors and the Executive Committee plus a list of directors with relevant functions, a description of the activity of the Internal Control Committee and the Stock Exchange Plan Committee as well as the treatment of confidential information;
 - h) reports to shareholders during the General Meeting.
- 1.3 Directors act and decide conscientiously and autonomously, pursuing an objective of value creation for shareholders. Each Director will prudentially calculate the time needed to perform his functions and compatibility with his external tasks, also taking into account the number of positions as Director or Statutory Auditor covered in other listed companies, in regulated markets, also abroad, in banks, financial, insurance or large-sized companies.

- 1.4 The Directors must be aware of the tasks and responsibilities of their positions. The Chairman of the Board of Directors will provide regular and appropriate information about new laws of interest at Board meetings.

ARTICLE 2 – COMPOSITION OF THE BOARD OF DIRECTORS

- 2.1 The Board of Directors consists of executive and non executive directors.
By executive directors we intend those directors who have received individual operative proxies from the Board of Directors as well as those directors who perform managerial functions in the company.
By non executive directors we intend those directors who have no individual operative proxies and do not perform managerial functions in the company.
The division of proxies between executive directors is based on the principle of distinguishing abilities.
- 2.2 Non executive directors, in both their number and their authority, have a significant impact on the decisions taken by the Board and they contribute to the achievement of corporate goals.

ARTICLE 3 – INDEPENDENT DIRECTORS

- 3.1 The General Assembly appoints the Board of Directors, making sure that among its members there is an appropriate number of independent directors.
- 3.2 Independent directors are non executive directors who:
- a) do not have nor have recently had – either directly, indirectly or for third parties – economic relations with the company, with its subsidiary companies, with executive directors, with the controlling shareholder of the company to such an extent that their judgement may be influenced;
 - b) are not owners – either directly, indirectly or for third parties – of stakes for such an amount that they may take over the control or have a significant impact on the company nor participate in partnership agreements to gain control over the company;
 - c) are not close members of the family of the executive directors of the company nor people who are in the situations specified in letters a) and b).
- 3.3 The independence of Directors is subject to periodical control by the Board of Directors, taking into account the information supplied by the directors concerned. The results of the Board's assessment are communicated to the market.

ARTICLE 4 – CHAIRMAN OF THE BOARD OF DIRECTORS

- 4.1 The Chairman has the competence and powers reserved to him by the Law, the Bylaws as well as the Board of Directors.
The Chairman also has operational and managerial proxies.
Under the bylaws, the Chairman is the legal representative of the company. It is the Chairman or the Chairman's substitute that is responsible for calling the Board.
- 4.2 The Chairman coordinates the activities of the Board of Directors and manages Board's meetings.
Directors are called for the Board's meetings in compliance with that established in the Bylaws, so as to enable the people concerned to be informed about the items on the agenda and to have useful elements for effectively participating in the Board's working session.
In this connection, directors are informed largely in advance with respect to the Board's meetings about the items on the agenda. In any case, the Board's meetings guarantee that each item is thoroughly and exhaustively covered so as to enable directors to make appropriate decisions on the outstanding matters.

ARTICLE 5 – INFORMATION TO THE BOARD OF DIRECTORS

- 5.1 At the first Board meeting, the Chairman, the Deputy Chairman, the Managing Director, the Executive Committee and the directors with special functions report information to the Board of Directors about the progress of the projects entrusted to them and about the operations carried out under the proxies given to them.
The delegated bodies supply appropriate information about atypical, unusual operations or operations with correlated parties, whose analysis and approval is not reserved to the Board of Directors and also report to the Board of Directors and the Statutory Auditors on operations in general and their foreseeable developments, as well as on the most important economic, and financial operations carried out by the company and its subsidiary companies; and about those operations where directors have an interest, whether personal or on behalf of third parties. If so required by urgency or circumstance, such information can also be communicated to those concerned in writing.
- 5.2 The Board of Directors – partly through the organs to which it delegates powers – reports to the Statutory Auditors about the activities performed and the most important economic and financial operations carried out by

the company and its subsidiary companies, specifically referring to the operations where directors have an interest, whether personal or on behalf of third parties.

The communication to the Statutory Auditors is made at least on a quarterly basis, at the Board's meetings or at the meetings of the Executive Committee or of the Internal Control Committee or of the Board of Statutory Auditors or through a note in writing to the Chairman of the Board of Statutory Auditors.

ARTICLE 6 – CONFIDENTIAL INFORMATION

- 6.1 The Chairman, the Deputy Chairman and the Managing Director co-ordinate their work to manage confidential information.
- 6.2 Special regulations for the in-house management and external communication of documents and information concerning our company, with particular reference to price sensitive information, are issued by the Chairman, after hearing the Board of Directors.
- 6.3 The procedures for the in-house management and external communication of documents and information referring to transactions on financial instruments by people that, due to their position, can have access at important information, are approved by the Board of Directors upon proposal of the Chairman.
- 6.4 All the directors must keep confidential the documents and information they get knowledge of while performing their tasks and must comply with the procedures adopted by the company to communicate these documents and information externally

Communications to the authorities and the public are made according to the modes and terms established by current legislation, respecting the principle of equal right of information.

ARTICLE 7 – NOMINATION OF DIRECTORS

According to the Bylaws, Directors are appointed based on lists which are prepared by shareholders that, by themselves or together with other shareholders, account for at least 5% of the shares with a voting right in the Ordinary Meeting.

The lists come with full information about the personal and professional characteristics of the candidates specifying whether they are suited to qualify as independent directors according to article 3, and are filed at the corporate offices at least 5 (five) days before the first call of the Ordinary Meeting.

ARTICLE 8 – REMUNERATION OF DIRECTORS

- 8.1 The Employee Stock Plan Committee, appointed by the General Meeting, consists of three non executive directors. The General Meeting delegates this Committee the task of implementing the company's stock plans. It makes proposals to the Board of Directors about the emoluments of directors with special functions, including also the possibility of making part of their emoluments related to the company's performance and/or specific objectives attained.
- 8.2 The Board of Directors, upon proposal of the Stock Option Plan Committee, establishes the emoluments of directors with special functions in compliance with article 2389 of the Italian Civil Code.

ARTICLE 9 – INTERNAL CONTROL SYSTEM

- 9.1 The internal control system consists of processes that aim at monitoring the effectiveness of corporate operations, the reliability of financial information, the compliance with laws and regulations, the protection of corporate property.
- 9.2 The Internal Control System also aims at making sure that the internal procedures, both operational and administrative, that have been adopted to identify, prevent and manage as much as possible financial and operational risks and fraud that could damage the company are fully applied
- 9.3. The Board of Directors has entrusted the task of managing the Internal Control System to a person endowed with appropriate means, who identifies the major corporate risks and designs, manages and monitors the Internal Control System.
- 9.4 The person in charge of the Internal Control System does not report to any area manager, but exclusively to the Chairman of the Board of Directors. He keeps the Chairman, the Board of Directors, the Internal Control Committee and the Statutory Auditors informed about his activities.

ARTICLE 10 – INTERNAL CONTROL COMMITTEE

- 10.1 The Board of Directors appoints the Internal Control Committee, with advisory and proposing functions, which consists of an appropriate number of non executive directors. The Statutory Auditors participate in the working sessions of the Committee as well as the Chairman of the Board of Directors, the Deputy Chairman, and the Managing Director.
- 10.2 More specifically, the Internal Control Committee:
- a) assesses whether the Internal Control System is appropriate and checks how it works;
 - b) assesses the work schedule prepared by the person in charge of the Internal Control System and receives his periodical reports;
 - c) together with auditors and the administrative staff of the company, assesses whether the accounting standards used are appropriate and whether they correspond to comparable criteria when preparing the consolidated financial statements;
 - d) assesses the figures that arise from the reports of the person in charge of the Internal Control System and from the communications of the Board of Statutory Auditors or any of its members;
 - e) assesses the proposals made by the independent auditors to be appointed for auditing of the company and assesses the work schedule for auditing activities and the results presented in the report and the letter of suggestions;
 - f) reports to the Board of Directors, at least every six months, on the occasion of the approval of the financial statements and of the half-year report, about the activities performed and the quality of the Internal Control System;
 - g) performs other tasks which are assigned by the Board of Directors, especially in connection with relations with the independent auditors.

ARTICLE 11 – OPERATIONS WITH CORRELATED PARTIES

- 11.1 Operations with correlated parties comply with criteria of correctness in substance and procedures that are defined by the Board of Directors.
- 11.2 In the operations with correlated parties, the directors who have an interest – be it potential or indirect – in the operation:
- a) shall promptly and comprehensively inform the Board about this interest and its circumstances;
 - b) shall leave the Board's meeting when a decision is made.
- 11.3 When required by the nature, the value or other characteristics of the operation, the Board of Directors – in order to avoid that conditions are negotiated other than those that would have been established by the non correlated parties for these transactions – monitors that the operation is finalised with the help from independent experts in order to assess equity and financial, legal or technical consultancy.

ARTICLE 12 – RELATIONS WITH INSTITUTIONAL INVESTORS AND WITH OTHER SHAREHOLDERS

- 12.1 The Chairman, the Deputy Chairman and the Managing Director co-operate – in respect of the procedures about the communication of documents and information concerning the Company – and actively work to establish a dialogue with shareholders as well as with institutional investors, which is based on the understanding of their mutual roles.
- 12.2 The relations with institutional investors are governed by a specific function, which is known as “Investors Relations”. The management of the relations with the other shareholders, especially as far as corporate information is concerned, is entrusted to the Corporate Secretary.
Both these functions are under the responsibility of the Chairman of the Board of Directors.

ARTICLE 13 – GENERAL SHAREHOLDERS' MEETINGS

- 13.1 Since the General Meeting is a particularly significant moment in the relations with shareholders, the Board of Directors does all in its power to encourage and facilitate the largest participation of shareholders at the General Meetings.
- 13.2 The General Meetings are also attended by an appropriate number of directors. This provides an occasion to give shareholders information about the company, respecting regulations on price sensitive information.
- 13.3 The General Meeting has adopted the regulations proposed by the Board of Directors, that govern the ordinary and extraordinary meetings of the company's shareholders.

ARTICLE 14 – STATUTORY AUDITORS

- 14.1 According to the Bylaws, the Statutory Auditors are elected by the voting of lists submitted by the shareholders which alone or together with other shareholders represent at least 3% of shares with voting rights in the general meeting.
The lists – which come with the curricula vitae of the candidates with full information about their personal and professional characteristics – must be filed at the corporate offices at least 5 (five) days before the date of first call of the Meeting.
All the Statutory Auditors must be enrolled in the register of auditors at the Ministry of Justice and must have performed account auditing operations for at least three years.
- 14.2 The Statutory Auditors act autonomously and independently, since these characteristics are fundamental for them to carry out the monitoring functions which are required from Statutory Auditors.
- 14.3 The Statutory Auditors must keep confidential the documents and information they get knowledge of while performing their tasks and must comply with the procedures adopted by the company to communicate these documents and information externally.