



## **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](http://www.mediaset.it)

The financial year to which the Report refers: Year closed at 31 December 2013

Date of approval of the Report: 25 March 2014



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## GLOSSARY

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

**Code/Corporate Governance Code:** [the Corporate Governance Code for Listed 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](http://www.borsaitaliana.it).

**Committee of Independent Directors:** the Committee of Independent Directors for Related-Party Transactions of Mediaset S.p.A..

**Company Bylaws:** the Company Bylaws of Mediaset S.p.A., which are available on the website [www.mediaset.it/investor/governance/statuto\\_it.shtml](http://www.mediaset.it/investor/governance/statuto_it.shtml)

**Compliance Programme:** the Compliance Programme, pursuant to Legislative Decree 231/2001, available on the website [www.mediaset.it/corporate/impresa/modello231\\_01\\_it.shtml](http://www.mediaset.it/corporate/impresa/modello231_01_it.shtml).

**Financial Reporting Officer:** the Financial Reporting Officer with responsibility for producing the Company's accounting documents.

**Financial Year:** the financial year to which the Report refers.

**General Meeting:** the Meeting of the Shareholders of Mediaset S.p.A..

**Governance and Appointments Committee:** formerly the Governance Committee, renamed by the Board of Directors of Mediaset S.p.A. on 18 December 2012.

**Group:** the Mediaset Group.

**Internal Control and Risk Management System Director:** the Director appointed to oversee the functioning of the internal control and risk management system of Mediaset S.p.A..

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

**Issuer Regulation:** the Regulations issued by CONSOB with resolution no. 11971 of 1999 (subsequently amended) regarding Issuers.

**Italian Civil Code:** the Italian Legal Code containing Company Law.

**Mediaset Code:** the Corporate Governance Code adopted by the Issuer until 18 December 2012, which is available on the website [www.mediaset.it/investor/governance/autodisciplina\\_it.shtml](http://www.mediaset.it/investor/governance/autodisciplina_it.shtml).

**Procedure:** the procedure for related-party transactions adopted by the Board of Directors of Mediaset on 9 November 2010 and subsequently amended by the Board of Directors on 17 December 2013.

**Regulation on Markets:** the Regulations issued by CONSOB with resolution no. 16191 of 2007 (subsequently amended) regarding markets.

**Regulation on Related-Party Transactions:** [the Regulations issued by CONSOB with resolution no. 17221](#) of 12 March 2010 regarding related-party transactions, which is available on the website [www.mediaset.it/investor/governance/particorrelate\\_it.shtml](http://www.mediaset.it/investor/governance/particorrelate_it.shtml)

**Report:** the report on Corporate Governance and Ownership Structures that companies are required to produce pursuant to Article 123-bis of the Consolidated Finance Law.

**Risk and Control Committee:** formerly the Internal Control Committee, renamed by the Board of Directors of Mediaset S.p.A. on 18 December 2012.

**Supervisory and Control Body:** the Supervisory and Control Body appointed by the Board of Directors of Mediaset S.p.A., pursuant to Article 6 of Legislative Decree 231/01.

**System:** the system of internal controls and risk management.

**TUF:** Legislative Decree no. 58 of 24 February 1998 (Testo Unico della Finanza - Consolidated Finance Act).

## I. PROFILE OF THE ISSUER

Mediaset is a multinational media group that has been listed on the Italian Stock Exchange since 1996.

Its core business is commercial television broadcasting in Italy and Spain.

In Italy, Mediaset operates, on one hand, in the area of integrated television broadcasting consisting of commercial television broadcasting over three of Italy's biggest general interest networks and an extensive portfolio of thematic free-to-air and pay TV channels (linear, non-linear and OTTV), with a broad range of content centred on Football, Cinema, TV Series, Documentaries and Children's Television channels, and, on the other hand, in network infrastructure management through the 65% stake in El Towers. El Towers is a leading independent tower operator in Italy, engaged in network infrastructure management and the provision of electronic communications services for television and radio broadcasting and mobile transmissions.

Abroad, Mediaset is the relative majority shareholder of the Spanish TV Group Mediaset España.

Mediaset has adopted a traditional administration and control system consisting of the following company bodies: the General Meeting, the Board of Directors, the Executive Committee and the Board of Statutory Auditors. In accordance with relative laws in force, accounts are audited by independent auditors listed in the register held by CONSOB.

The Board of Directors has established, from among its members, three committees with advisory functions: the Compensation Committee, the Internal Risk and Control Committee and the Governance and Appointments Committee. The powers and functioning of company bodies and committees are governed by law, by the Company Bylaws of the Company and by resolutions passed by competent company bodies.

To promote the dissemination of values that are based on fairness and honesty, the Group has also adopted a Code of Ethics, which defines the values that are recognised, accepted and shared by the Mediaset Group, at all levels, in carrying out its business operations.

The information in this Report, unless otherwise indicated, refers to the date of approval of the Report by the Board of Directors (25 March 2014).

## 2. INFORMATION ON OWNERSHIP STRUCTURES AT 25 MARCH 2014

### Structure of 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 consists entirely of ordinary shares as shown below:

**TABLE 1: INFORMATION ON OWNERSHIP STRUCTURES**

STRUCTURE OF SHARE CAPITAL				
	Number of shares	Percentage of Share Capital	Listed / non-listed	Rights and obligations
Ordinary shares	1,181,227,564* (nominal amount EUR 0.52 each)	100%	Borsa Italiana - Blue Chip segment -	Pursuant to Law and and the Bylaws

\* At 25.03.2014 the company holds 44,825,500 treasury shares, or 3.795% of the Share Capital, whose voting rights are suspended as per article 2357, part 3, of the Italian Civil Code.

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

No share-based incentive plans have been established that would increase share capital, even without any consideration.

### Restrictions on the transfer of securities

Pursuant to the Company Bylaws, shares are registered, indivisible and freely transferable. Provisions regarding representation, legitimisation and the circulation of equity investments for securities that are traded on regulated markets are applied.

### Relevant equity investments in share capital

On 25 March 2014, as of notices received pursuant to Article 120 of the TUF, material equity investments in the share capital of Mediaset S.p.A. were as follows:

RELEVANT EQUITY INVESTMENTS IN SHARE CAPITAL			
Declarer	Direct Shareholder	% ownership	% ownership
		of ordinary capital ordinary	of voting capital voting
Berlusconi Silvio	Fininvest S.p.A.	41.291	41.291
Grantham, Mayo, Van Otterloo & Co. LLC	Grantham, Mayo, Van Otterloo & Co. LLC	2.034	2.034
Mackenzie Financial Corporation	Mackenzie Financial Corporation	4,920	4,920
	Mackenzie Cundill Value Fund	3,093	3,093
		4,920	4,920
Mediaset S.p.A.	Mediaset S.p.A.	3,795	3.795(*)

(\*) without voting rights.

### Securities with special rights

No securities with any special control rights have been issued.

### Employee shareholdings: mechanism for exercising voting rights

There is no employee shareholding system with a mechanism for exercising voting rights, other than that established for all other shareholders of the Company.

### Restrictions on the right to vote

All ordinary shares that are currently in circulation have voting rights, with the exception of treasury shares held by the Company for which voting rights are suspended pursuant to Article 2357-ter of the Italian Civil Code.

**Agreements between shareholders**

There are no shareholders' agreements concerning the Company, pursuant to Article 122 of the TUF.

**Change of control clauses and provisions of Company Bylaws regarding Public Purchase Offers**

The Company, as part of its normal business operations, has existing loan agreements, including agreements relative to the bond issues of 21 January 2010 and 17 October 2013, which establish, as a common practice on financial markets, specific effects if a "change of control" takes place (such as, for example, settlement or modification in the case of a change of control of the Company). However, none of these agreements may be considered, per se, as significant.

The Company Bylaws of the Company do not establish any departures from provisions concerning Public Purchase Offers and the passivity rule pursuant to Article 104, paragraph 1 and 1-bis of the TUF, or the application of neutralisation rules pursuant to Article 104-bis, paragraphs 2 and 3 of the TUF.

No agreements exist between the Company and directors, as of Article 123-bis, paragraph one, letter i) of the TUF.

**Legislation and regulations applicable to the appointment and replacement of Directors and changes to the Company Bylaws**

As regards regulations applicable to the appointment and replacement of directors, reference is made to paragraph 4) relative to the Board of Directors. Pursuant to the Company Bylaws and without prejudice to the areas of responsibility of the Extraordinary Shareholders' Meeting, which maintains powers to pass resolutions thereon, the Board of Directors has the power to pass resolutions regarding mergers and demergers in cases established by Articles 2505, 2505-bis and 2506-ter of the Italian Civil Code, the establishment or closure of secondary sites, the appointment of directors to represent the Company, the reduction of share capital in the case of withdrawal of a shareholder and amendments to the Company Bylaws to legal provisions.

**Powers to increase share capital and authorisation to purchase treasury shares**

No powers to increase share capital pursuant to Article 2443 of the Italian Civil Code, or to issue any financial instruments that would constitute equity investments, have been granted.

The General Meeting of 24 April 2013 passed a resolution giving the Board of Directors the faculty to purchase, also through trading in options or financial instruments, including derivatives, relative to the Mediaset share, up to a maximum number of 118,122,756 ordinary shares of a nominal value of EUR 0.52 each - amounting to 10% of the share capital - in one or more lots, until the approval of the Financial Statements at 31 December 2013 and, in any case, for a period of no longer than 18 months from the date of the relative resolution of the General Meeting. The above amount is covered by available reserves as shown in the last approved Financial Statements.

Purchases to be used for stock option plans for 2006/2008 and 2009/2011 and any other purchases, shall be made on the Stock Exchange where the shares are listed, according to procedures in Article 144-bis, letters b) and c) of the Issuer Regulation 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 electronic stock market managed by Borsa Italiana.

Purchase transactions are carried out in compliance with Articles 2357 and subsequent of the Italian Civil Code, Article 132 of Legislative Decree 58/98, Article 144-bis, of the CONSOB Regulation implementing Legislative Decree no. 58 of 24 February 1998, concerning the discipline of Issuers and in compliance with any other applicable regulations, including those referred to in the EU Directive 2003/6 and all relative EU and national regulations for implementation.

From the date of the General Meeting to the present, no treasury shares have been purchased. Therefore, on 25 March 2014, the Company held 44,825,500 treasury shares, amounting to 3.795% of the share capital.

### **Management and coordination activities (pursuant to Article 2497 et seq. of the Italian Civil Code)**

Mediaset S.p.A. is subject to the de facto control of Fininvest S.p.A., as the latter owns 41.291 % of the share capital. On 4 May 2004 Fininvest S.p.A. informed Mediaset that it does not carry out any management and coordination activities, pursuant to Article 2497 et seq. of the Italian Civil Code, regarding Mediaset. The Company acknowledged the notice of Fininvest S.p.A. in the meeting of the Board of Directors of 11 May 2004.

The above notification from Fininvest is still applicable as Mediaset S.p.A. defines its own strategies independently and has total organisational, operational and negotiating autonomy, because Fininvest does not oversee or coordinate its business operations. Specifically, Fininvest does not issue any directives to Mediaset nor does it provide assistance or technical, administrative or financial coordination on behalf of Mediaset and its subsidiaries.

Pursuant to Article 2497 et seq. of the Italian Civil Code, Mediaset S.p.A. carries out management and coordination activities at present regarding 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 and the listed subsidiary El Towers S.p.A..

## **3. COMPLIANCE**

In March 2000, the Board of Directors of Mediaset S.p.A. decided to adopt the measures contained in the first version of the Corporate Governance Code for Listed Companies, incorporating the principles of this Code into the Mediaset Code. The Company has continued, over time, to update its own system of corporate governance to align it with best national and international practices, with recommendations of the Corporate Governance Code for Listed Companies, and with provisions that have gradually been introduced, while informing shareholders and the market on an annual basis.

The Board of Directors, taking into account the opinions and proposals of the Governance and Appointments Committee, with the approval of the Risk and Control Committee, in its resolution of 18 December 2012, adopted the Corporate Governance Code for Listed Companies and declared that the Mediaset Code was no longer in use.



The subsidiary El Towers S.p.A., listed on the Electronic Stock Market (MTA) Star Segment of Borsa Italiana S.p.A., also adheres to the Corporate Governance Code for Listed Companies.

The subsidiary Mediaset España Comunicación S.A., listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and on the Spanish electronic stock market – Ibex 35, as well as its subsidiaries, is subject to Spanish Law and to the Spanish corporate governance system.

## 4. BOARD OF DIRECTORS

### 4.1 APPOINTMENT AND REPLACEMENT

The appointment and replacement of directors are regulated by Article 17 of the Company Bylaws, included in Attachment A to this Report.

Based on the Company Bylaws, lists may only be presented by shareholders who have voting rights and who, either alone or together with other shareholders, represent at least 2.5% of the share capital comprising shares with voting rights in the Ordinary General Meeting, or any different percentage established by pro tempore laws in force and which, from time to time, will be indicated in the notice calling the General Meeting to resolve on the appointment of the Board of Directors. Pursuant to Article 144-*quater* and Article 144-*septies* of the Issuer Regulation, as well as CONSOB Resolution no. 16779/2009, the shareholding percentage required for the presentation of lists of candidates for the Board of Directors at the General Meeting of 18 April 2012 amounted to 1.5%.

Law number 120/2011 amended Articles 147-*ter* and 148 of the TUF, in order to ensure conditions of equal access to the administrative and control bodies of listed companies.

Specifically, the Company Bylaws must establish, in compliance with the revised Articles, provisions that provide for a quota of elected directors, for three consecutive financial years, for the less represented gender.

The Shareholders' Meeting of 24 April 2013 amended Article 17 (Board of Directors) of the Company Bylaws to introduce provisions aimed at ensuring gender balance. Those provisions will become effective when the new Board of Directors takes office (April 2015).

In addition to provisions in the TUF, the Issuer Regulation, the Corporate Governance Code for Listed Companies, and legal regulations, Mediaset is not subject to further regulations regarding the composition of the Board of Directors.

#### Succession Plans

The Board of Directors does not consider it necessary, at present, to adopt a succession plan for executive directors, given the Company's ownership structure and current system of powers within the Company. Therefore, no succession plans for directors exist.

### 4.2 COMPOSITION

Article 17 of the Company Bylaws establishes that the Company is administered by a Board of Directors consisting of five to twenty-one directors.

The General Meeting, in its resolution of 18 April 2012, established the number of Board members as fifteen.

At present, members of the Board of Directors are as follows:



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

The members of the Board of Directors were elected with 535,754,911 votes in favour, or 78.3207% of the voting share capital, which is 684,052,520 shares, or 57.91% of the share capital.

At the General Meeting of 18 April 2012, only one list of candidates for positions of directors was presented by the shareholder Fininvest S.p.A., with a shareholding amounting to 41.107% of the share capital. The list comprised: Fedele Confalonieri, Pier Silvio Berlusconi, Giuliano Adreani, Mauro Crippa, Marco Giordani, Gina Nieri, Niccolò Querci, Marina Berlusconi, Pasquale Cannatelli, Bruno Ermolli, Alfredo Messina, Paolo Andrea Colombo, Carlo Secchi, Attilio Ventura and Michele Perini.

Together with the list, all necessary documents required by law, regulations and the Company Bylaws for members of the Board of Directors were also filed for each candidate.

The composition of the list also took into account the requirements of the Company regarding the maximum number of administration and control positions that may be held.

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

On the basis of information supplied by subjects concerned, Attachments B and C to this Report indicate the composition of the Board of Directors and Committees, the positions held by current members of the Board of Directors in companies listed on regulated markets (including foreign markets) and in finance, banking and insurance companies, or in large-sized companies, with the exception of positions held in subsidiaries or associate companies of Mediaset S.p.A., , as well as further information relative to said persons.

### **Maximum number of positions held in other companies**

The Board of Directors, in its meeting of 11 March 2008, established the following rules regarding the number of positions as director and/or statutory auditor:

- an executive director should not hold:
  - I. the position of executive director in any other listed company, either Italian or foreign, or in a finance, banking or insurance company, or in large-sized companies (with a net equity of more than EUR 10 Billion);
  - II. the position of non-executive director or statutory auditor, or of a member of another control body, in more than five listed companies, either Italian or foreign, or in finance, banking or insurance companies, or in large-sized companies (with a net equity of more than EUR 10 Billion);
- a non-executive director should not hold:
  - I. the position of executive director in more than three listed companies, either Italian or foreign, or in finance, banking or insurance companies, or in large-sized companies (with a net equity of more than EUR 10 Billion) and the position of non-executive director or statutory auditor, or of a member of another control body, in more than five listed companies, either Italian or foreign, or in finance, banking or insurance

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<sup>1</sup> These Directors were already members of the previous Board of Directors

companies, or in large-sized companies (with a net equity of more than EUR 10 Billion).

- II. the position of non-executive director or statutory auditor, or of a member of another control body in more than ten listed companies, either Italian or foreign, or in finance, banking or insurance companies, or in large-sized companies (with a net equity of more than EUR 10 Billion).

The acceptance of a position, for all directors of the Company, requires their prior evaluation as to the possibility of being able to dedicate the time needed to diligently carry out the high-level duties entrusted to them and undertake consequent responsibilities. This means taking into account, among other things, the number of positions held as director and/or statutory director in other companies listed on regulated markets (including foreign markets), and in finance, banking or insurance companies, or in large-sized companies.

Positions held in Mediaset and companies of the Mediaset Group are excluded from limits on the number of positions held.

If the above limits are exceeded, directors shall promptly inform the Board, which will evaluate the situation in the light of the Company's interests and request the director involved to take ensuing decisions.

On an annual basis, the Board of Directors identifies, from information received from directors, the positions they hold as director and/or statutory auditor in other companies, and includes this information in Attachment B to this Report.

### **4.3. THE ROLE OF THE BOARD OF DIRECTORS**

The Board of Directors is the collective body of the Company responsible for administration and plays a key role in the Company's organisation, overseeing functions and responsibility for its strategic and organisational guidelines, checking the existence of controls necessary to monitor the performance of the Company and Group. The system of powers is such as to maintain, within the Company's business and organisation, the key role played by the Board of Directors. The Board of Directors has all powers established by law and by Article 23 of the Company Bylaws<sup>2</sup>.

The Board of Directors carries out the activities assigned to it by the Corporate Governance Code for Listed Companies.

The Board meets on a regular basis, observing the deadlines established by law and a working calendar. It is organised and operates in such a way as to guarantee it perform its functions effectively and efficiently.

During the 2013 financial year, the Board of Directors met eight times. On average, each meeting lasted approximately 2 hours. The percentage of directors attending during the financial year, in total, was approximately 95%, while the percentage of independent directors, in total, was approximately 97%. The percentage of each director attending Board Meetings is shown in Attachment C to this Report.

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<sup>2</sup> The Board of Directors may, pursuant to the Company Bylaws, appoint one or more Deputy Chairmen and assign one or more of its members, also holding the position of Managing Director, all or a part of its powers, without prejudice to the provisions in Article 2381 of the Italian Civil Code and Article 23 of the Company Bylaws, and may also appoint an Executive Committee to be assigned powers, except for powers reserved for the Board of Directors. The Board of Directors may also establish other Committees, comprising persons that are not necessarily Board members, defining their duties, powers, compensation, if any, composition and operating procedures.

For the year 2014, four Board Meetings have been scheduled and notified to the market. At present, three meetings have already been held. Mediaset has distributed a calendar with the dates of the four meetings scheduled for 2014 for the approval of financial data:

- 25 March: Board of Directors' Meeting to examine the Draft Financial Statements and Consolidated Financial Statements at 31 December 2013 and relative Reports, including the Annual Report on Corporate Governance and Ownership Structures;
- 13 May: Board of Directors' Meeting to examine the Interim Report on Operations at 31 March 2014;
- 29 July: Board of Directors' Meeting to examine the Interim Financial Report at 30 June 2014;
- 11 November: Board of Directors' Meeting to examine the Interim Report on Operations at 30 September 2014.

The Chairman ensures timely and complete information is given to directors prior to board meetings; parties concerned receive documents about items on the agenda, in the days immediately before the scheduled date of the Board Meeting (usually 4 days before), so they have useful elements enabling them to participate effectively in the proceedings of the Meeting. For this purpose, the Chairman is assisted by the Secretary of the Board of Directors.

On 17 December 2013, during the Board Performance Evaluation, the Board established that pre-meeting information about items on the Agenda, was sent with proper and adequate advance notice. It was also stated that decision-making processes of the Board are based on information flows considered by parties concerned as timely and effective and are included in the minutes.

The Chairman encourages the involvement of company executives responsible for company departments in Board Meetings, so they may give board members appropriate in-depth information to fully understand items on the agenda. In 2013 company executives took part in Board meetings.

At the date of this Report, the Board, among others:

- examined, approved and monitored implementation of the strategic, industrial and financing plans of the Company and Group;
- defined strategic objectives, the nature and level of risk compatible with them, and monitored their implementation during the year; based on the above, it examined and approved the three-year economic/financial forecasts of the Group;
- reviewed the adequacy of the organisational, administrative and general accounting arrangements of the Company and subsidiaries with strategic relevance, with particular reference to the internal control system and risk management. This review, with a positive outcome, was supported by specific explanatory reports, relative to the different operational and control structures of the companies, drawn up by delegated bodies;
- positively reviewed the general progress of operations, specifically taking into consideration information from the Executive Committee, Chairman, Deputy Chairman, Chief Executive Officer and Risk and Control Committee, and periodically comparing actual with planned results;

- examined and approved, in advance, all operations that were significant from a strategic, economic and financial viewpoint for the Company and its subsidiaries and, specifically, related-party transactions;
- defined the Company's Policy for the compensation of directors and key managers, on the proposal of the Compensation Committee;
- reviewed the functioning of the Board and its committees;
- based on reports from subjects appointed to supervise the internal control and risk management system, the Supervisory and Control Body and after consulting with the Risk and Control Committee, reviewed the internal control and risk management system, which in overall terms is adequate and effective for the business and risk profile of the Company;
- after consulting with the Risk and Control Committee, the Board of Statutory Auditors and Internal Control and Risk Management System Director, approved the work plan prepared by the Internal Audit Function. It also reviewed the Internal Audit Function's Report on its activities carried out during the financial year and considered the resources assigned to the Function as appropriate;
- after consulting with the Board of Statutory Auditors and the Risk and Control Committee, evaluated the findings of the auditors in its letter and in the report on fundamental issues arising during the audit;
- it approved the update of the term of office of the Internal Audit Function, which defines the mission, scope, independence, authority and responsibilities of Internal Audit activities;
- it approved, in agreement with the Committee of Independent Directors, the amendment to Article 7 letter a) of the Procedure and specifically the reduction in the limit for non-material transactions with natural persons to EUR 300,000, keeping the limit for non-material transactions with corporate bodies at EUR 500,000;
- it approved interim financial reports. During meetings, the Board was given information on results achieved, compared with historical data and budget objectives.

On 25 March 2014, the Board of Directors, following a proposal of the Compensation Committee, set out a general policy for the compensation of directors and key managers.

The General Meeting has not authorised any departures from the prohibition on competition established by Article 2390 of the Italian Civil Code.

#### **Self-assessment of the Board of Directors**

The Board of Directors, in compliance with provisions in the Corporate Governance Code for Listed Companies and taking into account the positive experience of previous years, continued the self-assessment process - the Board Performance Evaluation - in 2013. The Governance and Appointments Committee oversaw the process.

This annual process, which was introduced in 2006, has made it possible to monitor the dimensions and functioning of the Board as a whole and its Committees, and to review contributions of directors to the Board's activities.

In 2013, the Governance and Appointments Committee confirmed the methodology adopted by the company in the previous year to analyse the board performance evaluation. In its Report to the Board, the Committee suggested the continued use of a check list to submit to directors 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 17 December 2013, carried out the self-assessment, using the check list given to each director.

The process, involving all Directors concerned, had a positive outcome, in terms of the effectiveness and efficiency of the work carried out by both the Board and Committees. In general, the Board's activities are carried out in compliance with the Corporate Governance Code for Listed Companies.

Specifically, the most positive aspects identified, include:

- an extremely constructive climate within the Board of Directors, favouring an open debate that respects the contribution of each director, with decisions generally reached by broad consensus;
- efficient, productive talks with Management representatives, both during and outside Board Meetings, for the purpose of investigating specific issues in-depth and gaining knowledge of the fields in which the Company operates;
- the decision-making process in Board Meetings, according to the input of parties concerned, is based on information flows and recorded in minutes;
- the structure of the Board of Directors and number of Board meetings were considered to be adequate. There was broad consensus regarding the Committees established within the Board, their role, effectiveness of activities and adequacy of the composition; the work carried out by the Committees was considered beneficial and accurate.

Specifically, the Directors appreciated meetings with the Company's top management, which took place to further investigate the Group's different business sectors and positively rated activities undertaken.

As regards activities carried out, the composition of the Board of Directors relative to professional profiles, expertise and experience, gender diversity, age range and seniority of office, was considered adequate.

The information given to the Board of Directors to pass resolutions was considered sufficient and exhaustive, with particular regard to the nature and the level of risk compatible with the strategic objectives of the Company and Group.

Based on the self-assessment, suggestions were made to further involve Directors, confirming their interest in and focus on taking an active part in the development of Mediaset.

In the conclusion of its Report, the Governance and Appointments Committee proposed that the Board maintain the programme for independent directors familiarising them with the Company's finances and business operations, to give them a better understanding of company processes and knowledge of the most relevant issues.

The Committee is half way through its term of office, and in 2014 plans to evaluate aspects that may further improve the functioning of the Board and its Committee, as well as prepare the self-assessment process for the financial year which, ideally, should be an end of term report for

the current Board in office, in order to provide feedback for the new Board elected for the 2015-2017 period.

#### **4.4 DELEGATED BODIES**

##### **The Chairman**

Traditionally, the Chairman is appointed by the General Meeting. The General Meeting of 18 April 2012 confirmed Fedele Confalonieri as Chairman of the Company.

In the meeting of 18 April 2012, the Board of Directors confirmed that the Chairman has all powers of ordinary and extraordinary administration, up to a maximum limit of EUR 13,000,000.00 for each operation, with the exception of powers exclusively granted to the Board of Directors and Executive Committee. Pursuant to the Company Bylaws, the Chairman represents the Company.

Board members are required to know the duties and responsibilities of their position. The Chairman shall ensure, on an ongoing basis, that the Board is updated on main legal and regulatory developments that impact the Company, also assisted by the Director of Company Affairs and Secretary of the Board of Directors.

The Chairman coordinates the activities of the Board of Directors and also oversees Board Meetings. The Chairman, or person acting on his behalf, convenes Board Meetings.

##### **The Deputy Chairman**

In the meeting of 18 April 2012, the Board of Directors confirmed Pier Silvio Berlusconi as Deputy Chairman, giving him all powers of ordinary and extraordinary administration up to a maximum value of EUR 10,000,000.00 for each operation, with the exception of powers exclusively granted to the Board of Directors and Executive Committee. Pursuant to the Company Bylaws, the Deputy Chairman represents the Company. The Deputy Chairman replaces the Chairman, representing the Company, in his absence or impediment. The actual exercising of the power of representation by the Deputy Chairman indicates per se the absence or impediment of the Chairman and exonerates third parties from any verification or responsibility thereof.

##### **The Chief Executive Officer**

In the meeting of 18 April 2012, the Board of Directors confirmed Giuliano Adreani as Chief Executive Officer, giving him all powers of ordinary administration up to a maximum limit of EUR 5,000,000.00 for each operation, with the exception of powers exclusively granted to the Board of Directors and Executive Committee. Pursuant to the Company Bylaws, the Chief Executive Officer represents the Company.

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The Board of Directors considered that the above division of powers to the Chairman, Deputy Chairman and Chief Executive Officer best meets needs for organisational efficiency.

##### **Executive Committee**

In the meeting of 18 April 2012, the Board of Directors appointed the Executive Committee consisting of four members who will remain in office for the same period as the Board of Directors, and namely the Chairman Fedele Confalonieri, the Deputy Chairman Pier Silvio

Berlusconi and the Chief Executive Officer Giuliano Adreani, as members pursuant to the Company Bylaws, as well as the Board Director Gina Nieri.

The Board of Directors has given the Executive Committee all powers of ordinary and extraordinary administration, up to a maximum value of EUR 100,000,000.00 for each operation, with the exception of powers exclusively granted to the Board of Directors.

During 2013, the Executive Committee met seven times, systematically involving company executives responsible for competent departments. On average, the Executive Committee meetings lasted approximately 1 hour.

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

The percentage of each director attending Committee meetings is shown in Attachment C to this Report.

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### Reporting to the Board of Directors

In compliance with laws and the Company Bylaws, the Board of Directors and Board of Statutory Auditors are informed of activities carried out, operations, their outlook and the most important strategic, economic and financial operations carried out by the Company or subsidiaries.

During Board Meetings, each item is reviewed thoroughly, to enable directors to make an informed decision of matters discussed.

The Board of Directors and Board of Statutory Auditors are informed of delegated activities by relevant parties during board meetings, according to procedures in the Company Bylaws and established by laws in force.

During the first Board Meeting possible, the Chairman, Deputy Chairman, Chief Executive Officer, Executive Committee, directors with special duties and, more in general, delegated parties report to the Board of Directors and Board of Statutory Auditors on the progress of projects assigned to them as part of their responsibilities, as established by the Company Bylaws.

## 4.5. OTHER EXECUTIVE DIRECTORS

Besides the Chairman, Deputy Chairman and Chief Executive Officer, four other executive directors are on the Board, listed below:

Mauro Crippa	General Manager IT for RTI S.p.A.
Marco Giordani	Central Manager of Finance, Control and Business Development at Mediaset S.p.A. and Managing Director of RTI S.p.A.
Gina Nieri	Division of Institutional and Legal Affairs and Strategic Analyses at Mediaset S.p.A. and Deputy Chairman of RTI S.p.A.
Niccolò Querci	Central Manager of Personnel and Organisation Department at Mediaset S.p.A., Deputy Chairman of RTI S.p.A. and Deputy Chairman of Publitalia '80 S.p.A.

## 4.6. INDEPENDENT DIRECTORS



Independent Directors were appointed in the General Meeting of 18 April 2012 as follows: Paolo Andrea Colombo, Michele Perini, Carlo Secchi and Attilio Ventura.

On 18 April 2012, based on statements from parties concerned which are filed in company records, the Board of Directors certified that the above directors meet requirements for independence as of Article 148, paragraph 3 of the TUF and Article 3 of the Mediaset Code, previously in force, as shown in Attachment C to this Report.

The Board of Directors, in the meeting of 14 May 2013, assessed the independence of its non-executive members considering substance over form, and also bearing in mind that a director, as a rule, does not appear independent in the circumstances referred to in Article 3) of the Corporate Governance Code for Listed Companies.

As regards the statement issued by the Director Paolo Andrea Colombo, the Board maintained that in view of the number of positions held by the director and his professional qualities, he met requirements for independence, even if he has occupied this position in the Company for more than nine of the last twelve years.

The Independent Directors have undertaken to promptly inform the Board of Directors if any situations arise that make them ineligible.

The Board of Directors periodically reviews the independence of the directors, also assisted by the Governance and Appointments Committee. The Statutory Board of Auditors verified the correct application of the criteria and procedures used by the Board to evaluate the independence of directors.

The number of Independent Directors and their expertise are appropriate for the dimensions of the Board and operations carried out by Mediaset, and are such as to enable Committees to be established within the Board of Directors, as described in full in this report.

The Chairman operates so that the Board, as a whole, is updated on an ongoing basis on main legal and regulatory developments concerning the Company. The Independent Directors periodically meet with the Chief Financial Officer and management of Mediaset and its subsidiaries to provide an overview of the Group's structure and knowledge of its business operations, in order to further investigate specific economic and financial issues. Usually all members of the Board of Statutory Auditors take part in these meetings.

The Independent Directors, together with the Board of Statutory Auditors, have also taken part in a number of initiatives to inform them of the main aspects of the Company and further their knowledge of its business, organisation, technology and the market. The Independent Directors met, without other directors, once during the year, on 17 December 2013. The Independent Directors discussed corporate governance issues and praised the initiatives organised by the Company to ensure they have a better understanding of the business. They considered these initiatives to be appropriate and adequate.

The fact that the majority of Independent Directors is on Committees established within the Board of Directors, promotes the ongoing exchange of opinions and information.

#### **4.7 LEAD INDEPENDENT DIRECTOR**

The Board of Directors decided not to follow the recommendation of the Corporate Governance Code for Listed Companies to appoint a “Lead Independent Director”, as the prerequisites for the appointment of this position do not exist<sup>3</sup>.

At present, the current corporate governance structure guarantees not only constant information flows to all executive and non-executive directors, both independent and non-independent, but also the broad-ranging and proactive involvement of all directors in the operations of the Company.

## 5. THE PROCESSING OF COMPANY INFORMATION

### Inside information

The organisational guidelines of the Mediaset Group “Management and communication of inside information” regulate the internal management and communication to the public of inside information, as well as the establishment of and ongoing updates to the “Register of persons who have access to inside information” (Insider Register) as of Article 115-bis of the TUF. Inside information means all information which is not in the public domain, of a precise nature, which if made public, could significantly impact the price of financial instruments.

The aforesaid guidelines are applicable to members of company bodies and employees of Mediaset S.p.A. and its subsidiaries who have access to important and/or inside information, with the exception of El Towers S.p.A. and Mediaset Espana Comunicacion S.A., who are required to keep their own Insider Registers, meet related requirements and provide disclosure to their reference markets.

The Chairman, Deputy Chairman and Chief Executive Officer work together to ensure that company information is correctly managed.

The directors and statutory auditors of Mediaset and, in general, all other recipients of the aforesaid guidelines are required to keep all documents and information that come to their knowledge when carrying out their duties strictly confidential, with particular reference to inside information.

Disclosure to the authorities and public takes place according to the deadlines and procedures of laws in force, in compliance with parity of information and the above guidelines.

The Company has distributed the procedure to its own personnel and to the personnel of its subsidiaries.

The Chief Financial Officer of Mediaset, assigned by the Board of Directors, monitors the procedure’s application and update status on an ongoing basis, also in the light of relative best practices, to ensure its effectiveness.

The Insider Register is the list of persons who, because of their work or professional activities, or because of the functions they carry out/positions they hold, have access to important and/or inside information of the Company and its subsidiaries.

The Company has also appointed an Officer, from the Company Affairs Department of Mediaset S.p.A., to keep and manage the Insider Register.

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<sup>3</sup> The Independent Directors, as regards the appointment of a Lead Independent Director, decided in the meeting of 13 November 2012 that this appointment was not necessary and confirmed that the formal requirements established by the Code did not exist.

## Internal dealing

The Board of Directors has implemented legal obligations on internal dealing. Specifically, it has appointed an Officer from the Company Affairs Department of Mediaset S.p.A. for the receipt, management and dissemination of information to the market. Major subsidiaries whose book value of the investment represents more than 50% of the assets of Mediaset S.p.A., based on the last approved Financial Statements, have been identified.

A procedure has been established to monitor the significance of subsidiaries and identify, among company executives, persons required to provide disclosure.

Timely information on related obligations has been given to identified persons.

In compliance with CONSOB recommendations, the Company has created a specific section “Market Abuse” on its website.

## 6. COMMITTEES WITHIN THE BOARD OF DIRECTORS

Pursuant to the Company Bylaws, the Board of Directors may establish Committees, also comprising persons who are not Board members, identifying their duties, powers, compensation and number. The Committees, if comprising persons who are not Board members, only have advisory powers.

The Board of Directors has established, from among its members, a Governance and Appointments Committee, a Risk and Control Committee, and a Compensation Committee, all with advisory functions.

In particular:

- the Risk and Control Committee is assigned the duties set out in the Corporate Governance Code for Listed Companies;
- the Compensation Committee was confirmed as having the functions assigned to it by the Board of Directors on 20 December 2011, implementing amendments to Article 7 of the Corporate Governance Code for Listed Companies and confirmed by the Board of Directors on 18 April 2012;
- the Governance and Appointments Committee maintained its previous functions of guaranteeing updates to governance rules, as well as their adequacy, implementation and compliance with said, and was also given the functions assigned by the Corporate Governance Code for Listed Companies to Appointments Committee, and so is called the Governance and Appointments Committee.

The Committees established within the Board have investigative and/or advisory duties regarding aspects requiring further examination, in order to exchange actual and informed opinions.

In carrying out their functions, the Committees may access the information and company functions necessary to perform their duties, and may be assisted by external consultants at the Company's expense, within the limits of the budget approved by the Board of Directors.

The Committees, who routinely report to the Board on their activities, have operating regulations and scheduled meetings. The regulations of the Committees are approved by the Board of Directors.

The establishment and operation of Committees within the Board of Directors meet criteria established by the Corporate Governance Code for Listed Companies (composition, recording minutes of meetings, company information flows, the possibility to use external consultants, non-committee members requested by the Committee to take part in meetings, with reference to each item on the agenda).

In November 2010, the Board of Directors, when adopting a new procedure for regulating related-party transactions, which meets CONSOB requirements, established the Committee of Independent Directors for Related-Party Transactions. This Committee gives specific opinions on related-party transactions of Mediaset S.p.A., either directly or through its subsidiaries, where applicable and according to the methodologies established by the procedure.

## 7. THE GOVERNANCE AND APPOINTMENTS COMMITTEE

The Governance and Appointments Committee comprises three non-executive, independent Directors, who will remain in office until the Board of Directors is removed from office. The Committee members are:

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

These directors were already members of the previous Governance Committee.

The Committee has its own operating regulations and minutes are taken of all meetings. The Manager of the Company's Affairs Department, appointed as Committee Secretary, attends the meetings. In the days preceding meetings, the Secretary, as agreed with the Committee Chairman, sends Governance Committee members all available documents and information on items on the agenda in good time for the meeting.

During 2013, the Governance Committee met four times. Each meeting lasted for approximately one hour. The percentage of each director attending Committee meetings is shown in Attachment C to this Report. For the 2014 financial year, four meetings have been scheduled, of which one has already been held.

As a rule, the Board of Statutory Auditors took part in the meetings, and the managers of specific company functions and external consultants were requested to attend by the Committee Secretary, to explain particular issues.

### Functions and activities of the Governance and Appointments Committee

The Board of Directors has assigned the Committee functions already established by the Mediaset Code for Governance Committees - and by the Corporate Governance Code for Listed Companies for Appointments Committees. Specifically, the Committee has the following duties:

**regarding Corporate Governance:**

- monitor compliance with and the periodic updating of corporate governance rules and compliance with the principles of conduct adopted by the Company, reporting to the Board of Directors;
- propose procedures and deadlines for the annual self-assessment of the Board of Directors;
- review, in advance, the contents of the Annual Report on Corporate Governance and Ownership Structures;
- assist the Board in evaluating whether Independent Directors meet requirements for independence, on an ongoing basis.

**regarding Appointments:**

- give the Board of Directors opinions on the size and composition of the Board, and recommendations on the types of professional positions considered appropriate to sit on the Board, as well as the maximum number of positions as director or statutory auditor compatible with being able to effectively carry out the appointment of director of the issuer, and any departures from the prohibition on competition established by Article 2390 of the Italian Civil Code;
- propose candidates for the position of director to the Board, in the case of co-option, where independent directors have to be replaced.

During 2013, the Committee carried out its activities; among others, it:

- reviewed the “2012 Report on Corporate Governance and Ownership Structures”;
- assisted the Board of Directors in the annual self-assessment of directors;
- developing procedures and areas for the self-assessment process of the Board of Directors.

In March 2014, the Committee examined the contents of the 2013 Report on Corporate Governance and Ownership Structures.

In carrying out its functions, the Governance and Appointments Committee accessed all necessary information and/or liaised with functions of the Company and/or Group and was assisted by the Company Secretary.

The Committee is given funding of EUR 100 thousand per annum for expenses related to its duties.

Committee members are given a fee for attending each meeting, as established by the General Meeting of 18 April 2012.

**8. THE COMPENSATION COMMITTEE**

The Compensation Committee comprises three non-executive Directors, the majority of whom are independent and who will remain in office until the Board of Directors is removed from office. The Committee comprises:

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

These directors were already members of the previous Committee.

No directors concerned took part in meetings of the Compensation Committee, when proposals to the Board of Directors concerning their compensation were discussed.

During 2013, the Compensation Committee met twice. On average, each meeting lasted approximately one hour. The percentage of each director attending Committee meetings is shown in Attachment C to this Report. The Committee has its own operating regulations and minutes are taken of all meetings. For the 2014 financial year, three meetings have been scheduled, of which one has already been held.

The Chairman of the Board of Statutory Auditors, or a delegated person, took part in the Committee Meetings, as well as the Secretary, selected by the Chairman.

### **Functions and activities of the Compensation Committee**

The Board of Directors has assigned the Compensation Committee the following functions:

- periodically review the adequacy, overall consistency and actual application of the general policy adopted for the compensation of the Chairman, Deputy Chairman, Chief Executive Officer and key managers, using, as regards the latter, information supplied by the Chairman, Deputy Chairman and Chief Executive Officer, making relative proposals to the Board of Directors;
- give a prior opinion on proposals of the Board of Directors, and for the Board, of the Chairman and/or Deputy Chairman, relative to the compensation of the Chairman, Deputy Chairman and Chief Executive Officer, and on establishing performance goals related to the variable part of the compensation package. It also monitors the application of decisions taken by the Board;
- give a prior opinion on proposals of the Board of Directors, and for the Board, of the Chairman and/or Deputy Chairman, relative to the criteria used by delegated bodies of Mediaset S.p.A. to define the compensation of key managers and other key executives of the Mediaset Group;
- give a prior opinion on proposals of the Board of Directors, and for the Board, of the Chairman and/or Deputy Chairman, relative to the general regulations on compensation (assignment, waivers or transfers) for employees of companies belonging to the Mediaset Group, who have been appointed to hold positions on administrative and control bodies and/or on committees appointed by the administrative bodies of Italian or foreign subsidiaries or associate companies;
- make proposals to the Board of Directors regarding the criteria, categories of beneficiaries, quantities, deadlines, conditions and procedures for share-based compensation plans;

During 2013, the Committee carried out activities in its area of responsibility, which continued in 2014; among others, it:

- approved the Report on the Compensation Policy and assigned the Committee Chairman to make a proposal to the Board of Directors on 26 March 2013;
- considered that the general policy on Compensation, approved by the Board of Directors on 26 March 2013 as regards the Chairman, Deputy Chairman, Chief Executive Officer and Key Managers, was consistently applied, also based on information exchanged with the Central Personnel and Organisation Department, and verified that no changes had taken place during the financial year.

On 25 November 2013, the Committee acknowledged that during the 2013 financial year, the Company confirmed its decision to postpone a new medium-/long-term incentive plan, given the current conditions of the market and economic situation of the Company.

In March 2014, the Committee approved the Report on the Compensation Policy and assigned the Committee Chairman to make a proposal to the Board of Directors on 25 March 2014.

The Compensation Committee is given funding of EUR 200 thousand per annum for expenses related to its duties.

Committee members are given a fee for attending each meeting, as established by the General Meeting of 18 April 2012.

## 9. COMPENSATION OF DIRECTORS

On 24 April 2013, the Board of Directors approved the first section of the Compensation Report, pursuant to article 123-ter of Legislative Decree 58/1998, with 99.01% votes in favour.

On 25 March 2014, the Board of Directors established a general policy for the compensation of executive directors, directors assigned with special duties and key managers.

For further information relative to this section, reference is made to the relevant parts of the Report on Compensation, published pursuant to Article 123-ter of the TUF.

## 10. RISK AND CONTROL COMMITTEE

The Risk and Control Committee comprises three non-executive Directors, experts in accounting and financial matters, the majority of whom are independent and will remain in office until the Board of Directors is removed from office. The Committee comprises:

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

These directors were already members of the previous Committee.

As already stated, the Committee has its own operating regulations and minutes are taken of all meetings. The Manager of the Company's Affairs Department, appointed as Committee Secretary, attends the meetings. In the days preceding meetings, the Secretary, as agreed with the Committee Chairman, sends Risk and Control Committee members all available documents and information on items on the agenda in good time for the meeting.

During 2013, ten meetings of the Risk and Control Committee were held. The Committee requested the following non-members to attend meetings, as regards individual items on the agenda and relative to their area of responsibility: the Supervisory and Control Body, the Financial Reporting Officer, the Internal Audit Manager, persons from the independent auditors, managers of specific functions of the Company and/or Group, as well as external consultants where deemed appropriate. On average, each meeting lasts approximately two hours. Eight meetings have been scheduled for the 2014 financial year.

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

The percentage of each director attending Committee meetings is shown in Attachment C to this Report.



## Functions and activities of the Risk and Control Committee

The Risk and Control Committee, as well as assisting the Board of Directors in carrying out internal control duties, has functions in line with those in the Corporate Governance Code for Listed Companies.

During the 2013 financial year, ten Committee meetings were held.

To enable the Board of Directors to provide guidelines and evaluate the adequacy of the Internal Control and Risk Management System, the Committee systematically provided assistance during the year, as in the past, carrying out preparatory activities concerning evaluations and decisions of the Board (and the Internal Control and Risk Management System) to approve financial data, including the Financial Statements.

During the year, the Committee examined, usually every six months, the periodic reports prepared by the Supervisory and Control Body of Mediaset on audit outcomes and actions taken pursuant to Legislative Decree 231/01, subsequently presented to the Board of Directors.

The Committee annually reviews activities carried out by the Financial Reporting Officer, pursuant to Law 262/2005 on the Protection of Savings, for the purposes of issuing certification relative to the Financial Statements and Consolidated Financial Statements, and the Risk Officer's update on the assessment and procedures for the management of main company, strategic and process risks, of the Mediaset Group, carried out on an "Enterprise Risk Management" basis; this annual update is usually overseen by the managers of the listed subsidiaries El Towers and Mediaset España Comunicación.

During 2013, the Committee, among others:

- reviewed and took note of the "2013 Audit Plan" of the listed subsidiary Mediaset España Comunicación and subsequently of the update to 2013 Audit activities carried out by the Audit Manager;
- reviewed and took note of the Internal Control and Risk Management System of the listed subsidiary El Towers, explained by its manager;
- took note of the summary of reports issued by the Internal Audit Function and Final 2012 Report, as well as the results for 2012 of the "Quality Assurance and Improvement Plan", recommended by international reference standards for the industry, in order to guarantee more effective monitoring of the Function. The Committee monitored the work of the Internal Audit Function, also through periodic audit reports, and the implementation of action plans on corrective measures necessary to ensure continual improvement of the system;
- monitored the adequacy, effectiveness and efficiency of the Internal Audit Function;
- it reviewed and took note of the "2013 Audit Plan", as well as the Report on the Internal Control and Risk Management System at 31 December 2012 prepared by the Internal Audit Function;
- took note of the "Progress report on the auditing of the 2012 Financial Statements", prepared by the independent auditors Reconta Ernst & Young S.p.A.;
- it evaluated, together with the Financial Reporting Officer, the independent auditors Reconta Ernst & Young S.p.A. and the Board of Statutory Auditors, the accounting standards adopted by the Mediaset Group and their uniformity, for the purposes of

preparing the 2012 Consolidated Financial Statements, considering they are applied correctly, and also starting activities prior to the approval of the 2012 Financial Statements, as provided for in the Corporate Governance Code for Listed Companies;

- took note of and agreed with the methodology used in annual impairment testing;
- it approved Sections 10 and 11 of the Report on Corporate Governance relative to the Internal Control and Risk Management System;
- it reviewed the 2012 Report on fundamental issues drawn up by Reconta Ernst & Young S.p.A., pursuant to Article 19, paragraph 3 of Legislative Decree no. 39 of 27 January 2010, as well as the conclusions therein, and, in keeping with the Corporate Governance Code for Listed Companies, decided to submit the Report to the Board of Directors in their meeting of 24 September 2013;
- it took note of updates to the Company's "Policy for the management of financial risk";
- it took note of amendments made to the term of office of the Internal Audit Function;
- it took note of the "Guidelines for techniques to mitigate financial risks for EMIR purposes" adopted by the Company;
- it took note of periodic updates to the "List of direct suppliers", prepared by the Rights Department of RTI S.p.A., to complete the company procedure for the planning, acquisition and management of rights, and positively rated it;
- reviewed the Management Letter, comments of the independent auditors and relative suggestions, as well as the considerations made by management and contained in the document;

The Committee also discussed Company evaluations on organising the coordination flows of key positions established by the Corporate Governance Code for Listed Companies, in order to ensure the efficiency of the Internal Control and Risk Management System.

During the first few months of 2014, it continued its activities and, specifically, three meetings were held during which the Committee:

- took note of the summary of reports issued by the Internal Audit Function and final data on 2013 activities;
- reviewed and took note of the "2014 Audit Plan", as well as the Report on the Internal Control and Risk Management System at 31 December 2013 prepared by the Internal Audit Function;
- reviewed and took note of the "2014 Audit Plan" and 2013 final data for the listed subsidiaries El Towers and Mediaset España Comunicación presented by their managers;
- evaluated, together with the Financial Reporting Officer, the independent auditors Reconta Ernst & Young S.p.A. and the Board of Statutory Auditors, the accounting standards adopted by the Mediaset Group and their uniformity, for the purposes of preparing the 2013 Consolidated Financial Statements, and considered they are applied correctly;
- took note of and agreed with the methodology used in annual impairment testing;
- approved Sections 10 and 11 of this Report relative to the Internal Control and Risk Management System.

The Committee reports to the Board of Directors on activities carried out at least when the financial statements and interim report are approved, and on the adequacy of the Internal Control and Risk Management System.

During the course of the activities described above and in light of the ‘Policy for the management of the Control System’ adopted by the Internal Control and Risk Management System Director on the basis of guidelines issued by the Board of Directors in the meeting of 28 June 2007, it proposed that the Board of Directors evaluate the internal control and risk management system as a whole as being adequate and effective with respect to the characteristics of the company and the profile of the risks assumed.

In carrying out its functions, the Risk and Control Committee accessed all necessary information and/or functions of the Company and/or Group and/or was assisted by external consultants, as well as the Company Secretary.

The Committee is given funding of EUR 350 thousand per annum for expenses related to its duties.

Committee members are given a fee for attending each meeting, as established by the General Meeting of 18 April 2012.

## **II. THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

The internal control and risk management system comprises all rules, procedures and organisational structures to perform business operations that are consistent with established objectives, through an adequate process that identifies, measures, manages and monitors main risks.

The Board of Directors, assisted by the Risk and Control Committee, carries out the functions indicated in the Corporate Governance Code for Listed Companies.

The Board of Directors carries out its functions relative to the internal control and risk management system taking into consideration reference models and existing best practices at national and international level. Specific attention is focused on the compliance programmes adopted pursuant to Legislative Decree 231/2001.

On 5 March 2013, the Board of Directors, with the opinion of the Risk and Control Committee, examined the results of the Risk Officer’s annual update on the evaluation and methodologies of managing main company, strategic and process risks, evaluating the nature and level of risk compatible with the strategic objectives established in the meeting of 18 December 2012.

In the meeting of 5 March, the Board, based on Risk and Control Committee Reports, after consulting with the Board of Statutory Auditors and Financial Reporting Officer, took note, with no observations made, of final data of the Audit Plan updated on 31 December 2012, and approved the 2013 Audit Plan prepared by the Internal Audit Function Manager.

On 17 December 2013, the Board of Directors, with the approval of the Risk and Control Committee and as part of activities to monitor objectives and results, reviewed the main actions taken by the Group during the year as regards the strategic objectives previously established and the relative risk level accepted; it also updated the strategic objectives for the subsequent annual assessment of related risks.

The Guidelines of the Internal Control and Risk Management System of the Group, which identify the Enterprise Risk Management Framework as the reference methodology<sup>4</sup> for monitoring the internal control system, are implemented, by the Internal Control and Risk Management System Director, through the “Enterprise Risk Management Policy”<sup>5</sup>, which defines the main methodological aspects of the risk management process, as well as the roles, responsibilities and main activities involved in risk management.

The internal control and risk management system of the Mediaset Group is able to identify and measure the main company risks that could undermine the achievement of established objectives, taking into account the characteristics of activities carried out by Mediaset and its subsidiaries, based on the following criteria:

- the nature of the risk, with reference to strategic and operating risks and risks concerning reporting and compliance with laws in force;
- the possibility of risk affecting the ability to achieve company objectives;
- the organisation’s ability to properly manage identified risk;
- the correct monitoring of company risks, by checking the suitability of the internal control and risk management system to provide an acceptable profile of overall risk. Specifically, the internal control and risk management system of the Mediaset Group establishes the following:
  - the systematic monitoring by management of main company risks, in order to identify and implement any corrective actions for existing control processes;
  - periodic independent checks of the adequacy and effectiveness of the internal control system, as well as the timely adoption of specific corrective actions if weaknesses are identified;
  - rules for reporting on the adequacy and effectiveness of the internal control and risk management system.

For this purpose, the Internal Control and Risk Management System Director supervises the management of the Internal Control and Risk Management System of the Mediaset Group, to ensure the system can:

- promptly react to significant risk situations, establishing adequate control mechanisms;
- guarantee, within the context of company processes, an adequate level of separation between operating and control functions, thus preventing conflicts of interest arising regarding assigned responsibilities;
- guarantee, within the context of operating and administrative/accounting activities, the use of systems and procedures that ensure the accurate recording of company events and operations, as well as the production of reliable, timely information flows, both in and outside the Group;

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<sup>4</sup> According to the Enterprise Risk Management methodology, the internal control system starts 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 related to the efficient and effective use of resources;  
- reporting objectives: objectives related to the reliability of reporting external and internal to the Company;  
- compliance objectives: objectives related to compliance with applicable laws and regulations.

<sup>5</sup> The “Enterprise Risk Management Policy” currently in force will implement, during 2013, the changes and additions of the “[ICS Guidelines - Mediaset Group](#)”

- establish methodologies for the timely communication of significant risks and control anomalies identified in relation to appropriate Group levels, allowing for the identification and timely adoption of corrective actions.

This model is adopted for listed subsidiaries, also in line with the management and coordination activities of the parent company, giving them Guidelines and related policies for implementation.

With particular reference to financial reporting processes, the **main characteristics of the Internal Control and Risk Management System relative to such risks pursuant to Article 123-bis, paragraph 2, letter b) of the TUF** are described below.

## **Main characteristics of risk management and internal control systems in relation to the financial reporting system process**

### **1. Introduction**

The risk management and internal control system in relation to the financial reporting process<sup>6</sup>, developed within the Mediaset Group, aims to guarantee the dependability, accuracy, reliability and timeliness of financial reporting.

Mediaset, in defining its own system, has aligned it with laws and regulations currently in force.

As reference standards do not explicitly establish specific criteria for the design, implementation, evaluation and monitoring of the Risk Management and Internal Control System relative to financial reporting, Mediaset has opted for the application of a model that is universally recognised as one of the most accredited: the CoSO (Committee of Sponsoring Organizations) Framework. Furthermore, implementation of the System takes into account the guidelines of some industry organisations regarding the activities of the Appointed Director (the Italian Confederation of Industry, Confindustria, and the National Association of Finance and Administration Managers, Andaf).

Article 154-bis of the TUF has established the position of Financial Reporting Office for issuers with shares listed on regulated markets. This Officer is responsible, among others, in conjunction with relevant functions, for developing adequate administrative and accounting procedures for the production of financial statements, consolidated financial statements and interim reports, as well as all other information disclosed to the market and relative to accounting disclosure and the issue of specific certification.

### **2. Description of the main characteristics of the Internal Control and Risk Management System in relation to the financial reporting system process**

#### Roles and Functions involved

The Financial Reporting Officer is assisted by a specifically established company structure for the purpose and by the Organisation Department: these structures support the Financial Reporting Officer in designing, implementing and maintaining adequate administrative and accounting procedures to draft the financial statements and the consolidated financial statements and supply the Financial Reporting Officer with elements to evaluate their adequacy and effective functioning.

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<sup>6</sup>Financial reporting means, for example, periodic accounting information, annual and interim financial reports, interim reports on operations – also with reference to consolidation – ongoing disclosure and press releases.

The structure assisting the Financial Reporting Officer works with process owners to promptly identify events that may impact or change the reference framework, update administrative accounting procedures, implement new controls and carry out any improvement plans within their own processes.

The Internal Audit Function periodically carries out independent checks on the adequacy and actual functioning of the control model adopted by the Company to ensure compliance with the requirements of the Law on the Protection of Savings in relation to obligations of the Financial Reporting Officer.

#### Stages of the Internal Control and Risk Management System in relation to the financial reporting process

The risk management and internal control system, relative to the financial reporting process, basically comprises a number of administrative accounting procedures and tools to evaluate the adequacy and actual functioning of procedures, which contribute to establishing an internal control model that is maintained, updated and, where concrete opportunities for rationalisation and optimisation are identified, is further developed.

The model is structured in three main stages:

- a) definition of the scope of analysis with the identification and evaluation of risks;
- b) identification and documentation of controls;
- c) evaluation of the adequacy and actual application of administrative and accounting procedures and relative controls.

#### **a) Definition of the scope of analysis, with the identification and evaluation of risks**

To determine and plan activities to check the adequacy and actual application of the Group's administrative and accounting procedures, the definition of the scope of analysis describes the process to adopt when determining the level of complexity, identifying and assessing risks and assessing the materiality of financial statement areas. This process aims to assess controls of transactions generated from company processes that supply accounting data and record them in financial reporting.

Significant processes that are representative of the business are identified based on the quantitative analysis of financial statement items, applying the concept of materiality to aggregate items contained in the Consolidated Financial Statements of the Mediaset Group, and on a qualitative analysis of processes based on their level of complexity.

For each process identified as significant, the "generic" risks of the unreliability of financial reporting inherent in the process itself are determined, referring to financial statement assertions (existence and occurrence, completeness, rights and obligations valuation and recognition, presentation and reporting), which constitute control objectives.

The Financial Reporting Officer defines the reference context, at least annually and whenever elements occur that may considerably change the analysis carried out.

To complete scope analysis, a summary and overall analysis at a Group level is also carried out on the internal control system at a functional and/or organisational level (entity level control). This analysis breaks down each component of the CoSO framework in supervisory areas that, based on the Risk Assessment carried out, should be covered by the Group and monitored by management.

For each of the identified supervisory areas, actual risk coverage connected with it is tested, checking the existence of company procedures and practices adopted by the Group.

#### **b) Identification and documentation of controls**

Controls are defined by a process that identifies administrative and accounting procedures that meet various control assertions <sup>7</sup>.

The controls identified and specifically applied when carrying out activities are formalised in a specific matrix (the “Risk and Control Matrix”) and, in this matrix are related to the “generic” risks of the unreliability of financial reporting.

Administrative and accounting procedures and relative controls are periodically monitored and updated through a process that involves the Financial Reporting Officer, his/her support structure and process owners. Specifically, process owners inform the Financial Reporting Officer, on a regular basis, of events that may impact and change the frame of reference of significant procedures, and on an annual basis, the support structure of the Financial Reporting Officer reviews and validates the entire control model, involving all process owners in reviewing processes in their area of responsibility.

#### **c) Evaluation of the adequacy and actual application of administrative and accounting procedures and relative controls**

The adequacy and actual application of administrative and accounting procedures is evaluated by specific testing, and aims to guarantee the design and operational ability of identified controls.

The Mediaset Group has adopted a testing strategy which basically consists of defining the approach and criteria used for testing: the frequency of analysis, sizing of the sample, types of tests to carry out, formalisation of tests carried out and information flows to notify test outcomes.

The purpose of testing is to guarantee the actual application of controls in compliance with the defined testing strategy. On a six-monthly basis, the support structure of the Financial Reporting Officer prepares a report indicating activities carried out and test outcomes.

Based on testing results, the Financial Reporting Officer, assisted by his/her support structure, defines a plan to remedy any deficiencies that may have a negative impact on the effectiveness of the risk management and internal control system relative to financial reporting.

The Financial Reporting Officer’s support structure, in conjunction with process owners, for areas in their responsibility, coordinates improvement plans and guarantees their implementation.

On at least an annual basis, the Financial Reporting Officer reports to the Risk and Control Committee, the Board of Statutory Auditors and the Supervisory Bodies of Mediaset Group companies, with reference to procedures used to evaluate the adequacy and actual application of controls and administrative/accounting procedures, as well as compliance with remedial plans defined, and rates the adequacy of the accounting and administrative control system.

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<sup>7</sup> Reference control assertions are the following:

accuracy: this control ensures that all details of the individual transaction have been correctly processed;

completeness: this control ensures that all transactions are processed and are only processed once;

validity: this control ensures that the processed transaction has passed adequate authorisation levels and is effectively referable to company operations;

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



### **11.1. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM DIRECTOR**

The Board of Directors, in its meeting of 18 April 2012, with the approval of the Risk and Control Committee, confirmed the Chairman (in office since 2007) as Director for Internal Control and Risk Management.

Subsequently, as already stated in preceding paragraphs, on 18 December 2012, the Board of Directors, when adopting the Corporate Governance Code for Listed Companies, confirmed the position, renaming it “Internal Control and Risk Management System Director”.

During 2013 and the first few months of 2014, the Internal Control and Risk Management System Director Officer:

- ensured that the guidelines issued by the Board of Directors were adopted;
- supervised amendments to the system concerning the dynamics of operating conditions and the legal and regulatory framework;
- oversaw the identification of main company risks (strategic, operational, financial and concerning compliance) taking into account the characteristics of activities carried out by the Company and its subsidiaries, and based on the guidelines for the Internal Control and Risk Management System established by the Board of Directors.

Analysis and evaluation of main business processes and processes supporting the business, with the involvement of Group management, the Internal Audit Function and Risk Officer, made it possible to give an overall evaluation of the Internal Control and Risk Management System (which was finalised with the presentation of the Report by the Internal Control and Risk Management System Officer to the Board of Directors in the meeting of 25 March 2014).

### **11.2. INTERNAL AUDIT FUNCTION MANAGER**

The Issuer has established an Internal Audit Function to ensure that the internal control and risk management system is both functioning and adequate.

The Board of Directors, following the proposal of the Internal Control and Risk Management System Director and after consulting with the Board of Statutory Auditors, confirmed Angelo Iacobbi as Internal Audit Function Manager, defining his compensation as being consistent with company policies and ensuring he has adequate resources to undertake his responsibilities. The incentive mechanisms of the Internal Audit Function Manager were considered by the Board of Directors of Mediaset as consistent with the duties assigned to him.

To ensure an adequate level of independence and objectivity in internal audit activities, the Internal Audit Function Manager is not responsible for any operational area.

The Internal Audit Function reports to the Chairman, who reports to the Board of Directors.

This guarantees the independence of the Internal Audit Function from any operational company function whatsoever, and a greater system effectiveness.

In compliance with international reference standards on auditing, the Internal Audit Function checks, both on an ongoing basis and in relation to specific needs, the functioning and adequacy of the internal control and risk management system, implementing an Audit Plan approved by the Board of Directors, based on a structured process analysing and prioritising main company risks.

The Internal Audit Function, in line with its remit, carried out the following activities in 2013:

- assurance, which consists of an objective review of evidence and findings, through analyses, evaluations, recommendations and qualified comments, in order to obtain an independent evaluation of the internal control and risk management system;
- advice, which consists of methodological support and assistance to provide added value and improve governance, risk management and control processes.

In its activities carried out during 2013, the Internal Audit Function had free and direct access to data, documents, information and personnel useful to carrying out its duties.

During the period, the Internal Audit Function Manager prepared periodic reports containing information on activities carried out, the procedures used to manage risks, as well as compliance with plans to limit risks, and an evaluation of the suitability (adequacy and actual operation) of the internal control and risk management system.

As regards the 2013 financial year, the Internal Audit Function considered the internal control and risk management system to be operational and effective.

These reports were sent to the Chairmen of the Board of Statutory Auditors, the Risk and Control Committee and of the Board of Directors, as well as to the Internal Control and Risk Management System Director of Mediaset.

The Internal Audit Function Manager also maintained periodic communication flows with other company bodies and structures that have supervisory and monitoring functions in relation to the internal control and risk management system, such as the Financial Reporting Officer, the Risk Officer and Supervisory and Control Bodies of the Mediaset Group, pursuant to Legislative Decree 231/2001.

In compliance with recommendations of international standards on auditing, the Internal Audit Function put in place actions to ensure and improve the quality of activities carried out. The outcome of the last quality assurance audit, conducted by an external, qualified, and independent auditor, along with the results of internal audits, show that the Internal Audit Function operates generally in conformity to international standards and the code of ethics of its profession, issued by the Institute of Internal Auditors, and in line with best practices regarding corporate governance, risk management and internal control.

### **I 1.3. COMPLIANCE PROGRAMME PURSUANT TO LEGISLATIVE DECREE 231/2001**

The Internal Control System was further consolidated by the adoption of a Compliance Programme, pursuant to Legislative Decree 231/2001, with the first draft approved by the Board of Directors of Mediaset on 29 July 2003 and subsequently supplemented following legal developments (and the resolution of the Board of Directors of 21 December 2010).

With the adoption of its Compliance Programme, which comprises general and operational rules, Mediaset has established general principles of conduct, as well as procedures that meet the purposes and provisions of Legislative Decree 231/01, in terms of the prevention of offences and administrative offences, and in terms of control of the programme's implementation and any application of fines and sanctions.

The Compliance Programme comprises principles, company rules, provisions and organisational frameworks relative to the management and control of the Company's activities and includes,

among others, a summary document, explaining the general regulations that are appropriate for preventing the commission of offences indicated in Legislative Decree 231/01.

The Compliance Programme that Mediaset adopted in 2010 refers, specifically, to the following types of “*predicate offence*”: offences that may take place during relations with the Public Administration, corporate crimes, market abuse, offences of organised crime, computer crime, negligent offences infringing occupational health and safety laws, crimes against industry and trade, handling stolen goods, money laundering and the use of any monies, goods or other utilities from illicit sources and offences concerning copyright, the offence of omitting to make or making false statements to the judicial authorities.<sup>8</sup>

Subsequent updates to the Compliance Programme mainly took into account - among others - legal developments, internal organisational changes as well as legal amendments regarding compliance programmes.

Italian subsidiaries have carried out the same activities to update and implement their own Compliance Programmes. Main foreign subsidiaries have independently defined their company protocols and procedures in line with the principles of Mediaset's Compliance Programme, in conformity to laws in force in the countries where they are established and in relation to their typical activities, as well as operating segments.

On 18 December 2012, the Board of Directors of the Company approved a new text of the Code of Ethics of the Mediaset Group (with the first draft adopted in 2002, subsequently amended in 2008), convinced that business ethics are key to the company's success and, therefore, the Code of Ethics is a fundamental part of the Compliance Programme and of the Group's internal control system as a whole. In this regard, the principles and values in the Code of Ethics represent the cornerstone on which the Compliance Programme is based, and are a useful means for interpreting the actual application of the programme in relation to company dynamics.

### **The Supervisory and Control Body**

The Supervisory and Control Body, appointed by the Board of Directors on 18 April 2012, subject to it meeting the same requirements concerning reputation applicable to directors of the Company and requirements concerning professional competence, as well as the absence of incompatibility and conflicts of interest with other company functions and/or positions that would undermine its independence, freedom of action and opinions, will be removed from office with the approval of the Financial Statements at 31 December 2014. The Committee comprises three members:

Sergio Beretta	Chairman – External consultant
Aldo Tani	Person in charge for internal control
Davide Attilio Rossetti	External consultant

The composition of the Supervisory and Control Body was considered appropriate for the requirement that this role and responsibility is assigned to subjects that can wholly guarantee necessary autonomy and independence.

Mediaset S.p.A. has not given the Board of Statutory Auditors the functions of the Supervisory and Control Body, as it considered it appropriate to have a Body with specific competencies

<sup>9</sup> With reference to listed subsidiaries, the Financial Reporting Officer of the Mediaset Group coordinates with the financial reporting officers of these companies, in order to have appropriate evidence of the activities they perform to evaluate the adequacy of controls.

regarding compliance, pursuant to Legislative Decree 231/01, and which is wholly dedicated to this activity.

In carrying out its activities, the Supervisory and Control Body is mainly supported by the Internal Audit Manager and - where necessary - may be assisted by other company functions or external consultants.

The Supervisory and Control Body carries out the duties and has the powers established in the Compliance Programme.

To undertake its responsibilities, the Supervisory and Control Body may, at any time whatsoever, at its own discretion and independently, verify the application of the Compliance Programme and procedures relative to it, also regarding each member separately.

Following the audits conducted (on specific company operations and procedures/rules of conduct adopted), and in relation to legal and/or organisational developments, or the identification of new areas of activities at risk of serious infringements of provisions in the Compliance Programme, and/or of company procedures that refer to it, the Supervisory and Control Body also informs the Company of the advisability of making changes and updates to the Compliance Programme and/or relative procedures. With subsequent follow-up activities, the Supervisory and Control Body ensures that any corrective actions recommended to the Company have been adopted by relative company functions.

During 2013, the Supervisory and Control Body met seven times and reported, on a six-monthly basis to the Board of Directors, the Risk and Control Committee and the Board of Statutory Auditors of the Company.

#### **11.4. THE INDEPENDENT AUDITORS**

The General Meeting of 16 April 2008 appointed the independent auditors Reconta Ernst & Young S.p.A. to audit the Financial Statements and Consolidated Financial Statements and to audit the Interim Reports in a limited form for the 2008/2016 financial years, pursuant to provisions in Articles 156 and 159 of the TUF. The Financial Statements of subsidiaries are audited: auditing is carried out by Reconta Ernst & Young S.p.A. and for El Towers S.p.A. is carried out by Deloitte & Touche S.p.A..

#### **11.5. THE FINANCIAL REPORTING OFFICER**

On 18 April 2012, the Board of Directors of Mediaset, with the approval of the Board of Statutory Auditors, confirmed Luca Marconcini, Manager of the Consolidation, Accounting Standards Department and Risk Office as the “Financial Reporting Officer” of Mediaset pursuant to Article 154-*bis* of Legislative Decree no. 58 of 24 February 1998, and pursuant to Article 28 of the Company Bylaws. The Financial Reporting Officer has been given all powers and responsibilities necessary for carrying out his appointment and relative duties established by Article 154-*bis* of the TUF.

For the 2013 financial year, the Financial Reporting Officer, assisted by the Risk Office and Organisation Functions, implemented, in relation to main company processes within the operating companies of the Group<sup>9</sup>, the activities<sup>10</sup> required for the evaluation, updating and documentation of the Internal Control System as required by Law 262/05.

<sup>9</sup> With reference to listed subsidiaries, the Financial Reporting Officer of the Mediaset Group coordinates with the financial reporting officers of these companies, in order to have appropriate evidence of the activities they perform to evaluate the adequacy of controls.

<sup>10</sup> Specifically, the following activities were carried out:

The 2013 Financial Statements and Consolidated Financial Statements of the Company include statements issued based on the programme established according to CONSOB regulations on the adequacy and actual application of procedures, as well as their consistency with accounts and adequacy in giving a true and fair view of the financial performance and cash flows of the Company and of companies included in the scope of consolidation, signed by the Financial Reporting Office and Chairman of the Company.

Pursuant to the Corporate Governance Code for Listed Companies, the Financial Reporting Officer, together with the Internal Control Committee and auditors, evaluates the correct use of accounting standards and, in the case of the Group, their uniformity for the purpose of preparing the Consolidated Financial Statements, which takes place during the first few months of each financial year.

In its meeting of 25 March 2014, the Board of Directors, within the limits of the budget it approved, allocated funding of EUR 350 thousand per annum to the Financial Reporting Officer for expenses related to his duties.

The incentive mechanisms of the Financial Reporting Officer are considered by the Board of Directors of Mediaset as consistent with the duties assigned to him.

## **11.6. COORDINATION BETWEEN PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

The coordination between parties involved in the internal control and risk management system is ensured by a steady flow of information between those parties. In addition, all the members of the Board of Statutory Auditors are required to attend meetings of the Risk and Control Committee, and at the request of the Risk and Control Committee, aided by the Manager of the Company's Affairs Department, its meetings can also be attended by the Internal Audit Function, the Financial Reporting Officer and the heads of specific functions of the company.

## **12. INTERESTS OF DIRECTORS AND RELATED-PARTY TRANSACTIONS**

### **Procedure for related-party transactions**

On 9 November 2010, the Board of Directors approved the "Procedure for related-party transactions" implementing "Regulations enacting provisions on related-party transactions" adopted by CONSOB with resolution no. 17221 of 12 March 2010, amended by resolution no. 17389 of 23 June 2010.

The Procedure was submitted for prior examination by the Governance Committee that unanimously approved it on 4 November 2010. On 9 November 2010, the Board of Directors established the Committee of Independent Directors for related-party transactions, consisting only of independent directors. On 17 December 2013, the Board of Directors, with the approval of the Committee of Independent Directors for Related-Party Transactions, amended Article 7 letter a) of the Procedure, effective from 1 January 2014, pursuant to CONSOB

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- the identification and evaluation of company processes and relative risks;
  - the updating of identified processes and controls;
  - the analysis of the adequacy of controls adopted relative to administrative/accounting and financial aspects;
  - testing and relative documentation of controls to check the actual application of administrative/accounting procedures;
  - formalisation of the remedial plan to eliminate any deficiencies identified during controls;
  - monitoring of the status of remedial activities and testing of relative controls implemented.

resolution no. 17221 of 12 March 2010. The amendment concerns the introduction of the threshold for non-material transactions with natural persons.

The Procedure, which may be consulted on the Company's website, establishes regulations for the identification, approval, performance and disclosure of related-party transactions carried out by Mediaset S.p.A., either directly or through its subsidiaries, for the purpose of ensuring the substantial and procedural transparency and fairness of transactions, as well as exclusions from the regulations.

Specifically, the Procedure identifies material and non-material transactions, establishing the rules for carrying them out and identifying transactions to which the foregoing regulations do not apply. Excluded transactions include, in particular, non-material transactions (of a total value not above EUR 300,000.00 if the counterparty is a natural person and not above EUR 500,000.00 if the counterparty is a corporate body), transactions with, or between, subsidiaries and affiliated companies, and normal transactions.

### **Committee of Independent Directors for Related-Party Transactions**

The Committee of Independent Directors for Related-Party Transactions, appointed on 18 April 2012, comprises three independent directors, who will remain in office until the Board of Directors is removed from office:

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

The Committee of Independent Directors carries out the duties established by the Regulations on Related-Party Transactions and Procedure. Specifically, as regards non-material transactions, its opinions are non-binding; as regards material transactions, its opinions are binding.

During 2013, the Committee of Independent Directors for Related-Party Transactions met nine times. The percentage of each director attending Committee meetings is shown in Attachment C to this Report.

In its meeting of 9 November 2010, the Board of Directors, within the limits of the budget it approved, allocated funding of EUR 100 thousand per annum to the Committee for expenses related to its duties.

Committee members are given a fee for attending each meeting, as established by the General Meeting of 18 April 2012.

### **Directors with interests**

Before dealing with transactions, Directors shall give exhaustive information to other Directors and the Board of Statutory Auditors of all interests, even potential, which, on their own behalf or that of third parties, independently of any situation of conflict, they have in a specific transaction of the company, indicating the nature, terms, origin and scale; if the Director involved is the Chief Executive Officer, he shall also refrain from carrying out the transaction.

## **13. APPOINTMENT OF STATUTORY AUDITORS**

The appointment of Statutory Auditors is regulated by Article 28 of the Company Bylaws given in Attachment D to this Report.



Law number 120/2011 amended Articles 147-ter and 148 of the TUF, in order to ensure conditions of equal access to the administrative and control bodies of listed companies.

The Bylaws must establish provisions, in accordance with the amended Articles, that provide - for three consecutive terms of office - for a quota of auditors for the less represented gender on company bodies.

The Shareholders' Meeting of 24 April 2013 approved the amendment to Article 28 (Board of Statutory Auditors) of the Company Bylaws to introduce provisions aimed at ensuring gender balance. Those provisions will become effective when the new Board of Statutory Auditors takes office (scheduled for the Shareholders' Meeting of 29 April 2014).

The Shareholders' Meeting elects the Board of Statutory Auditors, consisting of three regular auditors and three alternate auditors, who remain in office for three financial years until the date of the Shareholders' Meeting convened to approve the Financial Statements of the third financial year. The auditors may be re-elected.

All Statutory Auditors shall be included in the Register of Auditors established by the Ministry of Justice and have carried out auditing for a minimum of three years.

The Statutory Auditors shall meet requirements established by laws and by regulations in force, which shall be verified by the Board of Directors.

Based on the Company Bylaws, lists may only be presented by shareholders who have voting rights and who, either alone or together with other shareholders, represent the amount of share capital indicated in the Company Bylaws to present lists for the appointment of members of the Board of Directors. Pursuant to CONSOB resolution no. 17633/2011, the shareholding percentage required to present lists of candidates for the Board of Statutory Auditors at the General Meeting of 20 April 2011 amounted to 1%.

#### **14. STATUTORY AUDITORS**

The Board of Statutory Auditors, pursuant to article 149 of the TUF monitors : compliance with law and the Company Bylaws, with the principles of fair and proper administration, the adequacy of the Company's organisational structure for areas in its responsibility, the internal control system, the administrative/accounting system, as well as the reliability of the latter in correctly representing operating data, procedures to implement corporate governance regulations of governance codes prepared by companies managing regulated markets or trade associations, which the Company, through disclosure to the public, declares it adopts and the adequacy of provisions issued by the Company to subsidiaries. Furthermore, Legislative Decree no. 39 of 27 January 2010 assigned the following supervisory duties to the Board of Statutory Auditors:

- a) the financial reporting process;
- b) the effectiveness of internal control, internal auditing, if applicable, and risk management systems; the auditing of the annual and consolidated accounts;
- c) the independence of the statutory auditor or independent auditors.

The Board of Statutory Auditors, appointed by the General Meeting of 20 April 2011 comprises Mauro Lonardo, Silvio Bianchi Martini, Francesco Vittadini as Regular Auditors, and Massimo Gatto and Flavia Daunia Minutillo as Alternate Auditors and will remain in office until the



General Meeting convened to approve the Financial Statements at 31 December 2013. Attachment E to this Report indicates the composition of the Board of Statutory Auditors.

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

The appointment took place by voting for lists. At the General Meeting of 20 April two lists were presented. The first by shareholders <sup>11</sup> who overall hold 1.33 % of the share capital pursuant to article 144-sexies of the Issuer Regulation. The list consisted of the candidates Mauro Lonardo for the office of regular Auditor and Massimo Gatto for the office of acting Auditor. A second list was filed by the shareholder Fininvest S.p.A., with a 38.98% holding of share capital, consisting of the candidates Francesco Vittadini, Silvio Bianchi Martini and Antonio Marchesi for the office of regular Auditor and Flavia Daunia Minutillo and Davide Attilio Rossetti for the office of acting Auditor.

Members of the Board of Statutory Auditors in the first list were elected with 193,647,383 votes in favour equal to 28.9% of the voting capital and members of the board in the second list were elected with 475,380,142 votes in favour equal to 71% of the voting capital (669,728,916 shares equal to 56.7% of the share capital).

Along with the lists, all documents required by laws, regulations and the Company Bylaws for members of the Board of Statutory Auditors were presented, for each candidate. For the list presented by minority shareholders, a statement certifying the absence of relations with the relative majority shareholder Fininvest S.p.A., was also included.

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

The current composition of the Board of Statutory Auditors has not changed since the end of the reporting period.

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During 2013, 25 meetings of the Board of Statutory Auditors were held. On average, each meeting lasted more than 2 hours. For 2014, 24 meetings have been scheduled, of which 10 have already been held.

On 24 September 2013, the Board of Statutory Auditors, in compliance with indications in the Corporate Governance Code for Listed Companies for verifying that auditors meet requirements for independence, established that auditors met such requirements. On 24 September 2013 it verified the correct application of the criteria and procedures used by the Board to evaluate the independence of directors.

Before meetings, Statutory Auditors are given documents on items to evaluate and resolutions to be passed.

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<sup>11</sup> ALETTI GESTIELLE SGR S.P.A. (Gestore del fondo Gestielle Obiettivo Italia), ALLIANZ GLOBAL INVESTOR ITALIA SGR S.P.A. (Gestore del fondo Allianz Azioni Italia), APG ALGEMENE PENSIOEN GROEP N.V. (Gestore del fondo Stichting Depository APG Developed Markets Equity Pool), ARCA S.G.R. S.P.A. (Gestore dei fondi Arca Azioni Italia e Arca BB), EURIZON CAPITAL S.G.R.S.P.A. (Gestore dei fondi: 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. (Gestore dei fondi: 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. (Gestore del fondo Fideuram Italia), FIDEURAM GESTION S.A. (Gestore dei fondi: Fonditalia Equity Italy, Fideuram Fund Equity Italy, Fideuram Fund Equity Europe), INTERFUND SICAV (Gestore del fondo Interfund Equity Italy), KAIROS PARTNERS SGR S.P.A. (Gestore di Kairos Italia-Fondo Speculativo), MEDIOLANUM GESTIONE FONDI SGRpA (Gestore del fondo Mediolanum Flessibile Italia), MEDIOLANUM INTERNATIONAL FUNDS LIMITED - Challenge Funds), PIONEER ASSET MANAGEMENT S.A., PIONEER INVESTMENT MANAGEMENT SGRpA (Gestore del fondo Pioneer Azionario Crescita), UBI PRAMERICA S.G.R.S.P.A. (gestore del fondo UBI Pramerica Azioni Italia)

The Board of Statutory Auditors also monitored the independence of the independent auditors, checking compliance with relative laws in force and the nature and entity of services supplied to Mediaset and its subsidiaries by the independent auditors and by entities belonging to retail. The Board of Statutory Auditors had no findings to report.

Statutory Auditor who, on their own behalf or on that of third parties, have an interest in a specific transaction of the Company shall promptly and exhaustively inform the other Statutory Auditors and the Chairman of the Board of Directors as to the nature, terms, origin and scale of their interest.

As regards requirements for members of the Board of Statutory Auditors, the current Board of Statutory Auditors meets all legal requirements.

The Board of Statutory Auditors, in carrying out its activities, worked with the Internal Audit Function, the Risk and Control Committee, the Governance and Appointments Committee and the Committee of Independent Directors for Related-Party Transactions, taking part in all Committee meetings. The Chairman of the Board of Statutory Auditors also attended all Compensation Committee Meetings.

The Chairman of the Board of Directors ensured that the Statutory Auditors, after their appointment and during their term of office, were able to take part in initiatives designed to give them adequate knowledge of the business segments in which the Group operates, company dynamics and their development, as well as the legal framework.

## **15. RELATIONS WITH SHAREHOLDERS**

The Company's website publishes financial information (financial statements, interim reports, presentations to the financial community and the performance of Stock Exchange transactions involving financial instruments issued by the Company) as well as data and documents that are of interest to shareholders (press releases, the composition of Company bodies and committees, the Company Bylaws, the regulations of the General Meetings and minutes of General Meetings, as well as documents and information on corporate governance and the compliance programme pursuant to Legislative Decree no. 231/2001).

In order to forge ongoing relations with shareholders based on an understanding of reciprocal roles, the Board of Directors of Mediaset has appointed the Chief Financial Officer of the Group, Marco Giordani, who reports directly to the Chairman of the Company, as Investor Relations Officer.

For this purpose the Chief Financial Officer is assisted by the following two functions that report directly to him:

- the Company Affairs Department, which oversees relations with Retail Investors and Institutional Entities (CONSOB, Borsa Italiana);
- the Investor Relations Department, which oversees relations with the Financial Community (Financial Analysts, Institutional Investors and Rating Agencies).

In January, the financial calendar with details of main financial events, is reported to the market and published on the Company's website.

The contact details and telephone numbers of the Company Affairs Department and Investor Relations Department are also published on the Company's website.

In its meeting of 24 September 2013, the Board of Directors, pursuant to the Mediaset Code, verified that company structures appointed to perform these functions are adequate for carrying out their duties and guarantee effective and ongoing engagement with the Financial Community and with competent Authorities.

The Company chose to use the SDIR-NIS circuit to dispatch regulated information, which is managed by Blt Market Services, a company of the London Stock Exchange Group, with offices in Piazza degli Affari, 6, Milan.

## 16. GENERAL MEETINGS

The General Meeting brings together the Company's management and shareholders.

The General Meeting of 24 April 2013 was attended by the Chairman Fedele Confalonieri and the Directors: Pier Silvio Berlusconi, Deputy Chairman, Giuliano Adreani, Chief Executive Officer, Mauro Crippa, Paolo Andrea Colombo, Marco Giordani, Gina Nieri, Niccolò Querci, Alfredo Messina, Carlo Secchi, Attilio Ventura, Michele Perini, and Bruno Ermolli, Chairman of the Compensation Committee. In convening, planning and managing General Meetings, particular attention is paid to encouraging Shareholder involvement, and to guaranteeing the highest standards of information given during meetings, in compliance with restrictions and procedures for disseminating price-sensitive information.

The General Meeting, when duly established, represents all shareholders and its resolutions, passed in conformity to law, are binding on all shareholders, even if absent or in disagreement. The Ordinary and Extraordinary General Meetings meet in cases and according to procedures established by law, at the registered office of the Company or elsewhere, provided the venue is in Italy. As established by Article 9 of the Company Bylaws, the General Meeting shall be convened by a notice published according to law, containing the date, time and venue, items to discuss, as well as any other information that is required by laws in force. The notice convening the meeting shall be published, in accordance with law, on the Company's website and according to other procedures established by laws in force. The Company makes documents relative to items on the agenda available to the public, by filing them at its registered office, sending them to Borsa Italiana via SDIR-NIS (Network Information Service) and publishing them on its website, in accordance with law.

The Board of Directors promotes initiatives to encourage the utmost shareholder involvement in meetings and facilitate the exercising of their rights, acting to limit restrictions and obligations that make it difficult or expensive for them to take part in the General Meeting and exercise their right to vote regulated by Article 11 of the Company Bylaws.

Each shareholder who has the right to take part in the General Meeting may be represented by written proxy, pursuant to law. Generally, all directors take part in General Meetings. The Meetings are an opportunity to inform shareholders about the Company, in compliance with regulations on inside information.

The General Meeting is chaired by the Chairman of the Board of Directors, and, in his absence, by the Deputy Chairman.

During the General Meeting, the Board of Directors reports on activities carried out, referring to Directors' Reports, previously published according to law and regulations, and replying to requests for clarifications from shareholders.

A file containing a copy of the draft financial statements and consolidated financial statements, and relative reports, as well as the Directors' report on proposals concerning items on the agenda is handed out to those attending the meeting and sent to Shareholders who have taken part in previous meetings, to ensure they are given adequate information on the elements necessary to make informed decisions.

The purpose of the voting system used at the General Meeting (remote control) is to facilitate shareholders in exercising their rights and guarantee that voting results are immediately available.

The General Meeting has all powers established by law. Pursuant to the Company Bylaws, assigning powers to the administrative body to resolve on matters that by law are assigned to the Extraordinary General Meeting (resolutions regarding mergers and demergers in cases provided for by Articles 2505, 2505-*bis* and 2506-*ter* of the Italian Civil Code, the opening or closing of secondary sites, appointing directors to represent the Company, reducing share capital in the case of withdrawal of a shareholder, making amendments to the Company Bylaws to take into account legal provisions), do not diminish the powers of the General Meeting to pass resolutions on such matters. As regards the establishment and resolutions of the Ordinary and Extraordinary General Meetings, on first and subsequent calls, relative legal provisions apply.

The Ordinary General Meeting of 9 April 2001 adopted the "Regulations of General Meetings", available on the Company's website, which regulate the proceedings of the Ordinary and Extraordinary General Meetings of the Company.

### **General Meeting of 2013**

During 2013, the General Meeting met on 24 April 2013, on single call, with 58.05 % of the 1,181,227,564 shares comprising the Share Capital attending, to resolve on (i) the approval of the Financial Statements at 31 December 2012 (approved with 99.97% of votes in favour); (ii) the approval of the first section of the Compensation Report, pursuant to article 123-*ter* of Legislative Decree 58/1998 (approved with 99.01% of votes in favour); (iii) the assignment to the Board of Directors of the authority to purchase or sell treasury shares (approved with 87.35% of votes in favour); (iv) the adoption of the new Company Bylaws, with the articles relative to the General Meeting, the Board of Directors and the Board of Statutory Auditors amended, and the introduction of the new article on Final Provisions (approved with 99.92% of votes in favour).

The following documents, for each General Meeting, are published on Mediaset's website: (i) notice convening the General Meeting; (ii) the minutes of the General Meeting; (iii) a summary of voting; (iv) documents, reports and proposals submitted to the General Meeting; (v) press releases issued by the Company concerning the General Meeting.

## **17. CHANGES AFTER THE END OF THE REPORTING PERIOD**

On 25 March 2014, the Board of Directors approved the Compensation Report, pursuant to Article 123-*ter* of the TUF regarding the transparency of compensation of directors of listed companies, which will be submitted for approval by the Shareholders' Meeting of 29 April 2014.

## **ATTACHMENT A**

### **Article 17 of the Company Bylaws**

1. The Company is administered by a Board of Directors, consisting of five to twenty-one Directors, who may be re-elected.
2. Before appointing the Board, the General Meeting determines the number of members of the Board and their term of office, in compliance with the time limits established by law.
3. The Board of Directors is appointed by the General Meeting based on lists, which may contain a maximum of twenty-one candidates, each numbered consecutively.

Each candidate may only be in one list. Failure to observe this provision will make the candidate ineligible for election.

Each shareholder may not present, or take part in presenting, or vote for, more than one list, even through an intermediary or trust company. Shareholders belonging to the same group - and namely the parent company, subsidiaries and companies subject to common control - and shareholders that take part in a shareholders' agreement pursuant to Article 122 of Legislative Decree no. 58/1998 relative to shares of the Company, may not present, or take part in presenting, or vote for, more than one list, even through an intermediary or trust company.

Lists may only be presented by shareholders who have voting rights and who, either alone or together with other shareholders, represent at least 2.5% (two point five per cent) of the share capital comprising shares with voting rights in the Ordinary General Meeting, or any different percentage established by pro tempore laws in force and which, from time to time, will be indicated in the notice convening the General Meeting to resolve on the appointment of the Board of Directors. Ownership of the minimum amount of shares as above, required 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 filed at the Company. Certification proving ownership may also be presented after the list has been filed, provided this is within the deadline for the company to publish the lists.

In order to decide on directors to elect, lists that do not have a number of votes at least equal to half that required by the Company Bylaws or by pro tempore laws in force on the presentation of lists, will not be considered.

Each list shall include at least two candidates who meet the requirements for independence established by pro tempore laws in force, indicating them separately. Moreover, each list with at least three candidates shall indicate candidates of different gender, as indicated in the notice convening the meeting, in order to comply with pro tempore laws on gender balance.

The lists, which shall include the professional curricula of candidates, containing exhaustive information on the personal and professional profiles of the candidates and certifying their suitability as independent candidates pursuant to pro tempore laws in force, and signed by the shareholders that have presented the lists, shall be filed at the Company's registered office within twenty-five days prior to the date of the General Meeting on first or single call, subject to the terms established by law for filing notices convening meetings after the first call, and made available to the public, according to pro tempore laws in force.

Without prejudice to the possibility to produce certification proving the ownership of shares according to the terms in paragraph six herein, when presenting lists, information shall be given relative to the identity of shareholders submitting the list, indicating the percentage of their total shareholding. Shareholders other than those that hold, also jointly, a controlling or relative majority shareholding shall also present a statement certifying the absence of any relationships with the latter, as provided for by law. Within the same deadline, statements shall be filed by which individual candidates accept their candidature and declare, under their own responsibility, that no reasons exist preventing them from being elected or making them incompatible as established by law, and that they meet the requirements of law and regulations for members of the Board of Directors. Additional information required by pro tempore laws in force shall also be filed, along with each list, within the above deadlines, that will be indicated in the notice convening the General Meeting.

Any lists presented without observing the above provisions shall be intended as not presented and not included in the voting.

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

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

The quotients attributed to the candidates of the lists are then put in a single ranking in decreasing order. Candidates with the highest quotients are elected until the total number of directors established by the General Meeting is reached. The foregoing is without prejudice to the candidate ranking first in the second list obtaining the highest number of votes and who is not related in any way, even indirectly, to shareholders that have presented or voted for the list that ranks first by number of votes being elected. Therefore, if the aforesaid candidate has not obtained the quotient necessary to be elected, the candidate who, in the first list, obtained the lowest quotient will not be elected and the candidate in first place on the second list obtaining the highest number of votes will be elected to the Board.

5. If, after following the procedure in paragraph 4 above, the number of directors, meeting requirements for independence, established by pro tempore laws in force, has not been appointed, the following procedure will be adopted.

If the Board consists of seven or fewer members, an independent director will be appointed - to replace the non-independent director who, in the first list, obtained the lowest quotient (or the second lowest if the candidate with the lowest quotient was replaced by the minority director pursuant to paragraph 4 above); this independent director will be the first independent candidate who is not elected, ranking second in the same list. If the Board consists of more than seven members and, after following the procedure in paragraph 4 above, only one independent director has been appointed, the second independent director will be appointed - to replace the non-independent candidate who, in the first list, obtained the lowest quotient (or the second lowest if the candidate with the lowest quotient was replaced by the minority director pursuant to paragraph 4 above); this independent director will be the first independent candidate who is not elected, ranking second in the same list.

If the Board consists of more than seven members and after the procedure in paragraph 4 above, no independent director has been appointed, independent directors will be appointed (i) to replace the candidate who, in the first list, obtained the lowest quotient (or the second lowest if the candidate with the lowest quotient is replaced by the minority director pursuant to



paragraph 4 above); these directors will be the first independent candidates who are not elected ranking second in the same list and (ii) to replace the non-independent candidate elected with the lowest quotient in the second list with the highest number of votes; these directors will be the first independent candidates who are not elected ranking second in the same list; if all independent directors are from one list, the second independent director will also be appointed from this list according to the above criteria.

6. The candidate who is in first place in the list that obtained the highest number of votes shall be elected as Chairman of the Board of Directors.

7. If, in appointing Board members, several candidates have obtained the same quotient, the candidate from the list that has not yet elected any director or has elected the lower number of directors, will be elected.

If none of these lists have elected a director or have all elected the same number of directors, the candidate from these lists with the highest number of votes will be elected.

8. In the case of a tied vote between lists and with the same quotient, the General Meeting will vote again in compliance with pro tempore laws in force, with the candidate obtaining the simple majority of votes being elected. If, after voting, the Board does not comprise the minimum number of directors of the least represented gender established by pro tempore laws in force, the following procedure will be adopted:

a) to replace the candidate from the first list of the most represented gender with the lowest number of votes, that would have been elected pursuant to previous paragraphs (the last candidate), the candidate from the same list, of the least represented gender, with the highest number of votes, not elected pursuant to the above paragraphs, is elected;

b) if, based on the above procedure, the minimum number of directors of the least represented gender has not been reached, the replacement as of letter a) above, also applies to candidates of minority lists (provided they have at least three candidates), starting from the second list;

c) if the minimum number of directors of the least represented gender, established by law, has still not been reached, the penultimate candidate on the first list of the more represented gender will be replaced by the candidate of the least represented gender with the highest number of votes, who has still not been elected and, if necessary, this procedure will be adopted for minority lists until the minimum number of directors of the least represented gender, established by pro tempore laws in force, has been reached.

9. If only one list has been presented, the General Meeting votes on the list and if the relative majority is obtained, candidates listed in consecutive order, up to the number established by the General Meeting, are elected, without prejudice to compliance with requirements established by pro tempore laws in force and the Company Bylaws on the composition of the Board of Directors, and in particular on gender balance. The candidate in first place on the list shall be elected as Chairman of the Board of Directors.

10. The voting procedure with lists is only applied in the case of renewal of the entire Board of Directors.

11. In the absence of lists, and when, based on voting by lists, the number of elected candidates is still lower than the number established by the General Meeting, the Board of Directors is appointed by the General Meeting with the majorities established by law, so as to ensure compliance with requirements established by pro tempore laws in force and by the Company Bylaws on the composition of the Board of Directors, and in particular, concerning gender balance. 12. If one or more directors no longer holds office, for any reason whatsoever,



directors remaining in office shall replace them by co-option, ensuring, in any case, compliance with requirements established by pro tempore laws in force and by the Company Bylaws on the composition of the Board of Directors, and in particular, concerning gender balance.

Directors, appointed pursuant to Article 2386 of the Italian Civil Code, are elected by the General Meeting with the majorities established by law, so as to ensure compliance with requirements established by pro tempore laws in force and by the Company Bylaws on the composition of the Board of Directors, and in particular, concerning gender balance; directors appointed in this manner remain in office up until the term of office of other directors expires.

**ATTACHMENT B****Personal and professional profiles of Directors**

**FEDELE CONFALONIERI** – Fedele Confalonieri was born in Milan on 6 August 1937. He graduated with a degree in Law from Milan University. He is a member of the Executive Committee and Board of Confindustria (the Italian Confederation of Industry) and of Assolombarda (the Lombardy Trade Association) and within the Federation of Radio and Television Operators is Chairman of the National Association of Television Operators. He is Board Director of the Italian daily newspaper “Il Giornale”. He is also Director and Deputy Chairman of the Board of Mediaset España Comunicacion S.A.

**PIER SILVIO BERLUSCONI** – Pier Silvio Berlusconi was born in Milan on 28 April 1969. He began his professional career in 1992 in the marketing department of Publitalia, moving on to the Italia 1 television network. In November 1996 he became Manager for the coordination of content and programmes of Mediaset networks. In 1999 he was appointed Deputy Director General of Content R.T.I.. Since April 2000 he has been Deputy Chairman of the Mediaset Group, as well as Chairman and Chief Executive Officer of R.T.I.. He is also on the Board of Directors of the following companies: Mediaset España 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** – Giuliano Adreani was born in Rome on 27 August 1942. He is Chief Executive Officer of Mediaset S.p.A., Chairman and Chief Executive Officer of Publitalia 80 S.p.A., Chairman of Digitalia 08 S.r.l. and of Mediamond S.p.A.. He is also a Director of RTI S.p.A., Mediaset España Comunicacion S.A., Medusa Film S.p.A. and Auditel S.r.l.. In 2003 he was nominated “Cavaliere del Lavoro” (award for enterprise achievement) by the President of the Italian Republic. In February 2009 he was awarded an Honorary Degree in Communication Sciences by the University Suor Orsola Benincasa of Naples. Before joining the Mediaset Group in 1994, he worked for Sipra, the advertising agent for Italian State Television, RAI, where from 1962 to 1994 he led all commercial and creative sectors of communications, for newspapers, periodicals, radio and television, until his appointment as Director General in 1991. In 2010 he ranked as the first Italian and fifth European in a classification of CEOs of the best media groups produced by Thomson Reuters, the prestigious economic/financial information company listed on the New York Stock Exchange.

**MARINA BERLUSCONI** – Marina Berlusconi was born in Milan on 10 August 1966. She joined the company at a very young age and has always been deeply interested and involved in the management and development of the Group's economic and financial strategies. In July 1996, she was appointed Deputy Chairman of Fininvest S.p.A., a position she held until October 2005, when she was appointed Chairman of the holding company. Since February 2003 she has been the Chairman of Arnoldo Mondadori Editore S.p.A. She is also a Director of Mondadori France SAS.

**PASQUALE CANNATELLI** – Pasquale Cannatelli was born in Soriano (Vibo Valentia) on 8 September 1947. He was awarded a degree in Economics and Business from Cattolica University, Milan, and began his professional career in 1972 at Rank Xerox. In 1985 he joined Farmitalia Carlo Erba as Group Controller. He then worked for Alitalia, first as Administrative Director and then as Controller, and for Farmitalia again, where he was Director of Finance Administration and Control of the Erbamont Group. In July 1997 he became a Board Director of Mediaset S.p.A. and Central Director for Planning and Control. Since May 2003 he has been Chief Executive Officer 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** – Paolo Andrea Colombo was born in Milan on 12 April 1960. He was awarded a degree in Business Economics from Bocconi University Milan. He is Chairman of the Board of Directors of Enel S.p.A.. He is Chairman of the Board of Statutory Auditors of GE Capital Interbanca S.p.A..

**MAURO CRIPPA** – Mauro Crippa was born in Rome on 26 April 1959. He is a professional journalist. He has also been a Board 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. In 1987 he was Manager of the Press Office of Arnoldo Mondadori Editore S.p.A.. In 1994 he joined the Fininvest Group as Director of Press Relations. In 1996 he was appointed to the position of Central Communications Management and Press Relations of the Mediaset Group. Currently he holds the position of Director General of Information at Mediaset.

**BRUNO ERMOLLI** – Bruno Ermolli was born in Varese on 6 March 1939. He has been an entrepreneur for more than thirty years providing professional management and organisational advisory services. He lectures on courses and seminars for entrepreneurs and managers. He is often called on to work with the Prime Minister's Office 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 Service 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 chairs, Sin&getica, a leading Italian Management Consultancy Company for: private businesses, banks, insurance companies, public entities and the public administration sector. He has been nominated “Cavaliere del Lavoro” (award for enterprise achievement) by the President of the Italian Republic. He is currently Chairman of Promos (the Special Agency of the Milan Chamber of Commerce), a member of the Board and Committee of the Chamber of Commerce of Milan, Deputy Chairman of the La Scala Theatre Foundation, and Board Director of: Arnoldo Mondadori Editore S.p.A., Mondadori France SAS, Mediobanca S.p.A., Luigi Bocconi University, Milan Polytechnic, Censis, the Pier Lombardo Foundation, the Milano per la Scala Foundation, FAI, Sipa Bindi S.p.A..

**MARCO GIORDANI** – Marco Giordani was born in Milan on 30 November 1961. He was awarded a degree in Economics and Business from Bocconi University, Milan. Since 2000 he has been Chief Financial Officer of the Mediaset Group. He is Chairman of Media Shopping S.p.A.. He is the Chief Executive Officer of R.T.I. He is a Director of Mediaset España Comunicación S.A., Publitalia '80 S.p.A. and Medusa Film S.p.A.. From 1998 to 2000, he worked for IFIL S.p.A., in the Investment Control Department and was later appointed Board Director and 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 became Finance Manager of the RINASCENTE Group and Chief Financial Officer in 1997.

**ALFREDO MESSINA** – Alfredo Messina was born in Colferro (Rome) on 8 September 1935. Awarded a degree in Economics and Business, he began his career holding various administrative positions in a number of companies. After working with Olivetti, as Controller of Group Production, and with Alitalia, as Central Manager for Administration, Finance, Planning and Control, he joined IRI (the Institute for Industrial Reconstruction) in 1989 as Central Director of Planning and Control, and was on the board of main companies of the Group.

In January 1990 he joined Fininvest S.p.A. as Director General and in 1996 was appointed Chief Executive Officer for administration and control of the Group, overseeing the Large-Scale Retail Trade, Insurance and Financial Products sectors. Currently he is Board Director and Deputy Chairman of Mediolanum S.p.A.. He is Board Director of Mediaset España Comunicación SA, Quinta Communications S.A. and of Molmed S.p.A..

**GINA NIERI** – Gina Nieri was born in Lucca on 2 December 1953. She was awarded a degree in Political Sciences from Pisa University and specialised in journalism and mass communication at Luiss University, Rome. Since 1977 she has worked in commercial television, firstly as Secretary General of FIEL, the first association of “free” broadcasters. She then joined FRT – the Federation of Radio and Television Operators – as Director remaining until 1990, when she joined the FININVEST GROUP as Manager for Relations with Trade Associations. Since June 2007 she has been Deputy Chairman of R.T.I. S.p.A., and a board member since 1999. She is on the Board of CONFINDUSTRIA. Since 21 June 2004 she has been Deputy Chairman of the Campus Multimedia Consortium (established by Mediaset and IULM University), which manages master’s courses in journalism. Currently at MEDIASET, she holds the position of Director of Institutional and Legal Affairs and Strategic Analysis. Since November 2010 she has been Deputy Chairman of A.C.T. (European Association of Commercial Television).

On 27 December 2012 she was awarded the title "Commendatore dell'Ordine al Merito della Repubblica Italiana" (Commander of the Order of Merit of the Italian Republic).

**MICHELE PERINI** – Michele Perini was born in 1952 in Milan and awarded a degree in Economics and Business from 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, a position he has held since 27 October 2003. From 2001 to June 2005, he was Chairman of Assolombarda (the Lombardy Trade Association), where he previously held the position of Chairman of Small Industries, from 1997 to 2001, and is currently a member of the Executive Committee and Board. Until June 2010 he was a member of the Executive Committee and Board of Confindustria (the Italian Confederation of Industry). He has sat on the Board of the financial daily "Il Sole 24 Ore" and of Bocconi University. He is also committed to social issues and is a member of the executive committee of Telefono Azzurro, a child protection charity.

**NICCOLO' QUERCI** - Niccolò Querci was born in Florence on 10 May 1961. He was awarded a degree in Law from Siena University in 1986 and a Master's in Business Communication in 1988. 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 Media Shopping S.p.A.. Since 2003 he has been Managing Director of R.T.I S.p.A. for Human Resources, General Services and Safety. Since 2001 he has been Deputy 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 diversified and new business activities of the Group. From 1992 to 1999 he was Assistant and Secretarial Officer of Silvio Berlusconi, holding various organisational positions over the years. From 1989 to 1992 he was Key Account Manager and assistant Chairman and Chief Executive Officer of Publitalia '80, and Account Executive from 1987 to 1988 at P. T. Needham.

**CARLO SECCHI** – Carlo Secchi was born on 4 February 1944. He is an Emeritus Professor of European Political Economy at Bocconi University Milan, also acting as Rector from 2000 to 2004. He was a Member of the European Parliament during the fourth legislature (1994-1999), where he was Deputy Chairman of the Economic and Monetary Commission. He was a Senator of the Italian Republic during the twelve legislature (1994-96). He is a member of governing bodies of technical/scientific Foundations and Institutes and is Chairman of the Scientific Didactic Committee of the Multimedia Campus In Formazione. He is Deputy 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 Veneranda Fabbrica del Duomo (the Milan Cathedral Conservation Body). He is Chairman of the Board of Directors of Mediolanum S.p.A., a Director of Pirelli & C. S.p.A. and Italcementi S.p.A.. Since 2009 he has been European Coordinator of the TEN-T Priority Projects (France – Spain – Portugal High Speed Trains). He is the author of

books and numerous articles on international commerce and economy, economic integration and European issues.

**ATTILIO VENTURA** – Attilio Ventura was born on 6 February 1936. He holds a degree in Economics and Business from Cattolica University, Milan. He took specialisation courses in Economy and Finance at the Seton Hall University of South Orange (United States) and Merrill Lynch of New York. Since 1967 he has been a stockbroker and since 1981 a member of the Stockbrokers' Governing Committee. From 1985 to 1988 he was Deputy Chairman of the Stock Exchange Executive Committee, from 1988 to 1992 Chairman of the Stock Exchange Executive Committee and from 1992 al 1995 Chairman of the Board of the Stock Exchange. From 1996 to 1998 he was a Board Director of Banca Nazionale del Lavoro S.p.A.. Currently he is a Board 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 belongs.

## ATTACHMENT C

### Table 2 - Borsa Italiana format

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

Board of Directors											Risk and Control Committee		Compensation Committee		Governance and Nominations Committee		Executive Committee		Committee of Independent Directors for Related-Party Transactions			
Office	Members	In office since	In office till approval of accounts at	List (M/m) *	Nomin. Year	Exec.	Non exec.	Indep. per Code	Indep. per TUF	(%) **	Number other offices ***	****	(%) **	****	(%) **	****	(%) **	****	(%) **	****	(%) **	
Chairman	Confalonieri Fedele	18/04/2012	31/12/2014	M	1994	X				87,5									X	100		
Deputy Chairman	Berlusconi Pier S ilvio	18/04/2012	31/12/2014	M	1995	X				100									X	28,57		
Chief Executive	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			50	2											
Director	Cannatelli Pasquale	18/04/2012	31/12/2014	M	1997		X			100	3											
Director	Colombo Paolo Andrea	18/04/2012	31/12/2014	M	2003		X	X	X	100	2		X	100	X	50						
Director	Crippa Mauro	18/04/2012	31/12/2014	M	1998	X				100												
Director	Ermolli Bruno	18/04/2012	31/12/2014	M	2001		X			100	4		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			100	2	X	90									
Director	Neri Gina	18/04/2012	31/12/2014	M	1998	X				100									X	100		
Director	Perini Michele	18/04/2012	31/12/2014	M	2011		X	X	X	87,5	1										X	100
Director	Querri 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	88,88
Director	Ventura Attilio	18/04/2012	31/12/2014	M	2006		X	X	X	100	1	X	80	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 reporting year: 8	BOD: 8	RC: 10	CC: 2	GNC: 4	EC: 7	IRPC: 9
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**NOTE**

\* This column shows M/m according to whether the member was elected by the list voted by the Majority (M) or by a minority (m)

\*\* This column shows the percentage attendance by at the meetings of the BOD and the Committees (in % attendances in % of meetings held during the actual period in office of the person concerned).

\*\*\* This column shows the number of offices of director or statutory auditor held by the person concerned in other companies listed on regulated markets, also outside Italy, in the financial, banking, and insurance companies all companies of a significant size. Attached to this Report is the list of these companies with reference to each Director, indicating whether the office is held in part of the Group that is headed by or is part of the issuer.

\*\*\*\* In the column "X" indicates that a board director is a member of the committee.

## ATTACHMENT D

### Article 28 of the Company Bylaws

1. The ordinary General Meeting elects the Board of Statutory Auditors, consisting of three regular auditors and three alternate auditors, who remain in office for three financial years until the date of the General Meeting convened to approve the Financial Statements of the third financial year. The auditors may be re-elected.

All Statutory Auditors shall be included in the register of auditors established pursuant to law and have carried out auditing for a minimum of three years.

Statutory Auditors shall meet requirements established by laws and by regulations in force, which shall be verified by the Board of Directors.

2. Statutory Auditors are appointed based on lists presented by shareholders, with the procedure established below. The lists shall indicate at least one candidate for the position of Regular Auditor and one candidate for the position of Alternate Auditor and may contain up to a maximum of three candidates for the position of Regular Auditor and a maximum of three candidates for the position of Alternate Auditor. The candidates are listed in consecutive order.

Each list consists of two sections. One is for candidates for the position of regular Auditor and the other for candidates for the position of alternate Auditor. Each candidate may only be in one list. Failure to observe this regulation will make the candidate ineligible.

Lists which, in the section for regular auditors, have at least three candidates shall include in the first two places of the same section, and in the first two places of the section of alternate auditors, candidates of a different gender.

3. Lists may only be presented by shareholders who have voting rights and who, either alone or together with other shareholders, represent the amount of share capital indicated in the Company Bylaws to present lists for the appointment of members of the Board of Directors. Each shareholder may not present, or take part in presenting, or vote, for more than one list, even through an intermediary or trust company. Shareholders belonging to the same group – namely the parent company, subsidiaries and companies subject to joint control – and shareholders that take part in a shareholders' agreement pursuant to Article 122 of Legislative Decree 58/1998 relative to shares of the Company, may not present, or take part in presenting, or vote for, more than one list, even through an intermediary or trust company. Ownership of the minimum amount of shares required 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 filed at the Company.

The certification proving ownership may also be presented after the list has been filed, provided this is within the deadline for the company to publish the lists.

4. The lists, which shall include the professional curricula of candidates and be signed by the shareholders presenting them, shall be filed at the Company's registered office within twenty-five days prior to the date of the General Meeting on first or single call, without prejudice to the terms established by law for filing notices convening meetings subsequent to meetings on first call, and made available to the public, according to pro tempore laws in force. Without prejudice to the possibility to produce certification proving the ownership of shares according to the terms in paragraph three herein, when presenting lists, (i) information shall be given relative to the identity of shareholders submitting the list, indicating the percentage of their total shareholding, (ii) curricula of all candidates shall be submitted containing exhaustive information



on their personal and professional profiles and (iii) additional information, required by pro tempore laws in force shall be provided, indicated in the notice convening the General Meeting. Shareholders other than those that hold, also jointly, a controlling or relative majority shareholding shall also present a statement certifying the absence of any relationships with the latter, as provided for by law. Within the same deadline, statements shall be filed by which individual candidates accept their candidature and declare, under their own responsibility, that no reasons exist preventing them from being elected or making them incompatible as established by law, and comply with limits on the number of positions held as of the section above, and that they meet the requirements of laws, regulations and the Company Bylaws for members of the Board of Statutory Auditors, and the list of administration and control positions they hold in other companies.

5. Persons who hold a number of administration and control positions that exceeds limits established by pro tempore laws in force may not be elected as Statutory Auditors.

6. Lists presented without observing the above provisions shall be intended as not presented and not included in the voting.

7. Statutory Auditors are elected as follows:

a) from the list that obtained the highest number of votes, two regular auditors and two alternate auditors are selected, based on the consecutive order in which they appear in sections of the list;

b) from the second list which obtained the highest number of votes in the General Meeting, of lists presented and voted by shareholders who are not related to reference shareholders, pursuant to Article 148, paragraph 2 of the TUF, the other regular auditor and other alternate auditor are selected, based on the consecutive order in which they appear in sections of the list.

If several lists have obtained the same number of votes, a ballot will be voted between these lists, in compliance with pro tempore laws in force, with the candidates from the list obtaining the simple majority of votes being elected.

8. The candidate in first place in the section of candidates for the position of regular auditor, elected pursuant to paragraph 7. b) above shall be appointed as Chairman of the Board of Statutory Auditors.

9. If only one list is presented, the General Meeting votes on it. If the list obtains the relative majority, the three candidates in consecutive order in the relative section will be elected as regular auditors, and the three candidates in consecutive order in the relative section will be elected as alternate auditors; the Board of Statutory Auditors is chaired by the person ranking first in the section of candidates to this position in the presented listed.

In the event of the death, resignation or end of the term of office of a regular auditor, the alternate auditor elected in first place will take over, provided this replacement ensures a gender balance. Otherwise, the auditor elected in second place will be appointed. If the Chairman steps down from office, the Statutory Board of Auditors chooses and appoints a new Chairman from its members, who shall remain in office until the first subsequent General Meeting, which shall make appointments to make up the numbers of the Board of Statutory Auditors.

10. Where no lists exist, the Board of Statutory Auditors and its Chairman are appointed by the General Meeting with relative majorities established by law and in compliance with pro tempore laws in force, also concerning gender balance.

11. If a number of lists are presented, and in the case of the death, resignation or end of the term of office of a regular auditor, the alternate auditor from the same list elected in first place will take over, provided this replacement ensures a gender balance. Otherwise, the auditor elected in second place will be appointed.

The following procedure is adopted by the General Meeting to appoint auditors necessary to make up the numbers of the Statutory Board of Auditors: if auditors elected from the majority list are to be replaced, the appointment takes place with a relative majority vote, without any list restrictions in compliance with pro tempore laws in force, also concerning gender balance; when, instead, auditors from the minority list have to be appointed, appointment is by relative majority vote, selecting candidates from the list in which the auditor to replace was included, or, subordinate to this, candidates of any other minority lists, in compliance with pro tempore laws in force, also concerning gender balance.

If there are no candidates from minority lists, the appointment takes place voting for one or more lists, comprising a number of candidates no greater than the number to be elected, presented before the date of the General Meeting, and in compliance with provisions in this article for appointing the Board of Statutory Auditors, without prejudice to the fact that lists by reference shareholders or shareholders related to them, as defined by laws and regulations in force, may not be presented (and if presented will be void). Candidates in the list with the highest number of votes will be elected.

12. The Shareholders' determines the fees of auditors, in addition to expenses incurred for carrying out their duties.

13. The powers and the duties of the Statutory Auditors are established by law.

## ATTACHMENT E

## Table 3 –Borsa Italiana format

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Board of Statutory Auditors							
Office	Members	In office since	In office till approval of accounts at	List (M/m)*	Independence per Civil Code	(%)**	Number other offices***
Chairman	Leonardo Mauro	20 aprile 2011	31 dicembre 2013	m	X	100	14
Regular auditor	Bianchi Martini Silvio	20 aprile 2011	31 dicembre 2013	M	X	83	3
Regular auditor	Vittadini Francesco	20 aprile 2011	31 dicembre 2013	M	X	96	22
Alternate auditor	Gatto Massimo	20 aprile 2011	31 dicembre 2013	m	X		1
Alternate auditor	Minutillo Flavia Daunia	20 aprile 2011	31 dicembre 2013	M	X		12

Indicate the *quorum* required 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 reporting year: 25

## NOTE

\* This column shows M/m according to whether the member was elected by the list voted by the Majority (M) or by a minority (m)

\*\* This column shows the percentage attendance by statutory auditors in the BSA meetings (n°, attendances /n°, of meetings held during the actual period in office of the person concerned).

\*\*\*This column shows the number of offices of director or statutory auditor held by the person concerned that are relevant for the purposes of article 148 bis TUF.

**ATTACHMENT F****PERSONAL AND PROFESSIONAL PROFILES OF THE BOARD OF STATUTORY AUDITORS**

**MAURO LONARDO** – Mauro Lonardo was born in Rome on 16 April 1969. He holds a degree in Economics and Business from Sapienza University, Rome. He has been a certified public accountant and registered auditor since 1999. He is a freelance professional and partner of Studio L4C - Lauri Lombardi Lonardo Carlizzi. He is Chairman of the Supervisory Board of Azienda Municipale Ambiente S.p.A. Roma (AMA S.p.A.) and on the Board of Statutory Auditors of various companies, including Intec Telecom Systems S.p.A., Rino Immobiliare S.p.A., Ama S.p.A., Lori S.p.A., Rino Pratesi S.p.A., Cosmic BLue Team S.p.A., and Unicompany S.p.A.. He has been Control and Analysis Manager of the Group of the Municipality of Rome for local authority-run infrastructure and service companies. He is a member of the Commission of the National Association of Certified Public Accountants of Rome. He has been a speaker at various conferences.

**SILVIO BIANCHI MARTINI** – Silvio Bianchi Martini was born in Lucca on 12 January 1962. He is an Ordinary Professor of Business Economics at the Faculty of Economics, Pisa University. He has held various positions within the University of Pisa in recent years including his appointment as Director of the Doctorate School “Fibonacci”, President of the Degree Course in “Company Strategies and Governance”, Director of the Master’s course in “Auditing and Internal Control” and of the Master’s course in “Governance and Company Strategy”. Since 1988, he has taught corporate strategy at Bocconi University, Milan, where is an associate professor. He is a certified public accountant and registered with the National Association of Certified Public Accountants for the Lucca area. He has also been a registered auditor, since the register was established. He is on supervisory boards of industrial and service companies.

**FRANCESCO VITTADINI** – Francesco Vittadini was born in Bellano on 25 May 1943. He holds a degree in Economics and Business from Bocconi University. He has been a certified public accountant for the Monza area since 1971. He holds the position of statutory auditor in industrial, financial, insurance, communications and media companies, including the listed companies EI Towers S.p.A. and Mediolanum S.p.A..

**MASSIMO GATTO** – Massimo Gatto was born in Rome on 27 June 1963. He holds a degree in Economics and Business from Sapienza University, Rome. He has been a certified public accountant since 1995 and a registered auditor since 1999. He is official receiver for creditor arrangements at the Court of Rome. He is a Property Officer and Court Expert registered with the Court of Rome. He is an Independent Technical Expert for leading banks. He is Chairman of the Board of Statutory Auditors of SNAM S.p.A.. He is a regular auditor of the Associazione Nazionale per l’Enciclopedia della Banca e della Borsa (National Association for the Encyclopaedia of Banking and the Stock Exchange).

**FLAVIA DAUNIA MINUTILLO** – Flavia Daunia Minutillo was born in Milan on 24 May 1971. She holds a degree in Economics and Business from Cattolica University, Milan. She has been a Certified Public Accountant since 1996 and a registered auditor since 1999. Since 1998 she has been on the Boards of Statutory Auditors and Supervisory Boards of leading companies, including banks, securitisation, factoring, trust, financial, brokerage and asset management companies.

for the Board of Directors  
the Chairman