

20



19



Mediaset Group Report on corporate governance and ownership structure

The report, written pursuant to art. 123-bis of TUF [Consolidated Law on Finance] is made available at the registered office, published in the Company's website, and available on the authorised storage mechanism eMarket Storage (www.emarketstorage.com) in accordance with the methods and terms required by the regulations in effect.

Issuer: Mediaset S.p.A..

Website: www.mediaset.it

Financial year to which the report refers: 31 December 2019

Date of approval of the report: 10 March 2020

Contents

Report on corporate governance and ownership structure	1
GLOSSARY	4
1. PROFILE OF THE ISSUER	5
2. INFORMATION ON OWNERSHIP STRUCTURE AS AT 10 March 2020	7
Structure of share capital	7
American Depositary Receipts programme	8
Restrictions on the transfer of securities	8
Relevant shareholdings	8
Employee share ownership: mechanism for exercising voting rights	8
Restrictions on the right to vote.....	9
Agreements between shareholders	9
Change of control clauses and provisions of Company Bylaws regarding Public Purchase Offers	9
Legislation and regulations applicable to the appointment and replacement of Directors and changes to the Company Bylaws	9
Powers to increase share capital and authorisation to purchase treasury shares.....	9
Management and coordination activities (pursuant to Article 2497 et seq. of the Italian Civil Code ...	10
3. COMPLIANCE	10
4. BOARD OF DIRECTORS	11
4.1 APPOINTMENT AND REPLACEMENT	11
4.2 COMPOSITION.....	11
4.3. THE ROLE OF THE BOARD OF DIRECTORS	14
4.4 DELEGATED BODIES.....	17
4.5. OTHER EXECUTIVE DIRECTORS.....	19
4.6. INDEPENDENT DIRECTORS	19
4.7 LEAD INDEPENDENT DIRECTOR	20
5. THE PROCESSING OF COMPANY INFORMATION.....	20
6. COMMITTEES WITHIN THE BOARD OF DIRECTORS	22
7. GOVERNANCE AND APPOINTMENTS COMMITTEE	23
8. REMUNERATION COMMITTEE.....	24
9. COMPENSATION OF DIRECTORS	25
10. CONTROL, RISK AND SUSTAINABILITY COMMITTEE	26

11. THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM	29
11.1. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM DIRECTOR.....	33
11.2. INTERNAL AUDIT FUNCTION MANAGER.....	33
11.3. ORGANISATIONAL MODEL	35
11.4. INDEPENDENT AUDITORS	36
11.5. THE FINANCIAL REPORTING OFFICER.....	37
11.6. COORDINATION BETWEEN PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM.....	38
12. INTERESTS OF THE DIRECTORS AND RELATED-PARTY TRANSACTIONS	38
13. APPOINTMENT OF STATUTORY AUDITORS	39
14. STATUTORY AUDITORS	40
15. RELATIONS WITH SHAREHOLDERS	42
16. SHAREHOLDERS' MEETINGS	43
17. CHANGES AFTER THE END OF THE REPORTING PERIOD	44
18. CONSIDERATIONS ON THE LETTER OF 19 DECEMBER 2019 FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE	45
ANNEX A	46
ANNEX B	46
ANNEX C	54
ANNEX D	56
ANNEX E	57
ANNEX F	61
ANNEX G	61
ANNEX H	62

GLOSSARY

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..

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

Code of Conduct of listed companies: the Code of Conduct of listed companies approved in July 2015 and integrated in July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, available at www.borsaitaliana.it/comitato-corporate-governance/codice/2018clean.pdf.

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

Board of Statutory Auditors: the Board of Statutory Auditors of Mediaset S.p.A.

Executive Committee/Committee: the Executive Committee of Mediaset S.p.A.

Related Parties Committee: the Related Parties Committee of Mediaset S.p.A.

Board of Directors/Board: The Board of Directors of Mediaset S.p.A.

Consob: the Italian Securities and Exchange Commission.

Non Financial Report: the Non-financial report prepared in implementation of European Directive No. 2014/95/EU, transposed into national legislation with Italian Legislative Decree no. 254/2016.

Financial Reporting Officer: the Financial Reporting Officer with responsibility for producing the accounting documents of Mediaset S.p.A.

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

Financial Year / Financial Year 2019: the 2019 business year.

Group: the Mediaset Group.

MAR / Market Abuse Regulation: Regulation no. 596/2014 of the European Parliament and related Implementing Regulations.

Organisational Model: Organisation, management and control model in accordance with Italian Legislative Decree 231/2001, available at www.mediaset.it/corporate/impresa/modello231_01_it.shtml.

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.

Diversity Policy/Policy: the Diversity Policy for the Board of Directors and the Board of Statutory Auditors pursuant to paragraph 2, d-bis of art. 123 of the T.U.F. as well as the recommendations of the Corporate Governance Code for Listed Companies (July 2018).

Inside Information Procedure: the Procedure for the management and disclosure of inside information of Mediaset S.p.A. which regulates, pursuant to the Market Abuse Regulation, the internal management and disclosure of inside information.

Internal Dealing Procedure: the Internal Dealing Procedure of Mediaset S.p.A. which, in accordance with the Market Abuse Regulation, governs operations carried out by relevant parties and persons closely related to them, available at www.mediaset.it/investor/governance/internaldealing_it.shtml.

Related Parties Procedure: the procedure for operations with related parties of Mediaset S.p.A., available at www.mediaset.it/investor/governance/particorrelate_it.shtml.

Meeting Regulation: the Meeting Regulation approved by the Meeting of Shareholders of Mediaset on 9 April 2001, available at [www.mediaset.it/gruppomediaset/bin/47.\\$plit/Regolamento_Assembleare.pdf](http://www.mediaset.it/gruppomediaset/bin/47.$plit/Regolamento_Assembleare.pdf).

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

Consob Markets Regulation: the Regulation on markets issued by Consob with resolution no. 20249/2017.

Consob Related Parties Regulation: the regulation issued by Consob with resolution No. 17221 of 12 March 2010 (as amended) concerning transactions with related parties.

Report: the report on Corporate Governance and Ownership Structures pursuant to Article 123-bis of the Consolidated Finance Law.

System: the internal control and risk management system.

Bylaws: the Bylaws of Mediaset S.p.A., which are available at www.mediaset.it/investor/governance/statuto_it.shtml.

Finance Consolidation Act/TUF: Italian legislative decree no. 58 of 24 February 1998.

The information in this Report refers to the year, 2019 and, for specific issues, has been updated to 10 March 2020, the date of the meeting of the Board of Directors called to approve this report and the draft financial statements.

1. PROFILE OF THE ISSUER¹

Mediaset is a multinational media group listed on the Milan Stock Exchange since 1996, operating mainly in the television sector in Italy and Spain.

In Italy, Mediaset operates in the Integrated television operations sector, which includes 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), and a broad range of content also exclusively centred on football, cinema, TV series, documentaries and children's television channels. Over the past three years, Mediaset has also set up a radio broadcasting segment, which brings together four of Italy's major radio stations.

In Spain, Mediaset is the main shareholder of Mediaset España Comunicación S.A. with a share of 53.263% on 31 December 2019 (55.69% interest net of treasury shares). Mediaset España Communication S.A. is the leading Spanish commercial television broadcaster, with two main general interest channels (Telecinco and Cuatro) and a bouquet of free-to-air thematic channels. Mediaset España is listed on the Madrid stock exchange.

The evolving advertising market requires an increasingly integrated offer, among all media and broadcasting platforms. With specific regard to television, the competitive scenario is now seeing a proliferation of broadcasters, with a multichannel, multiplatform offer. This has an impact on advertising, and also on production and publishing.

In terms of advertising, the various media channels need to be managed collectively, to maximise contact and to target the diverse audience profiles. In production and publishing on the other hand, there is a need to coordinate the scheduling and content acquisition strategies in a coordinated, synergic way.

¹ Refer also to the financial statements and to the Mediaset website for the Issuer's profile.

In this environment, the Mediaset Group has developed a model of integrated free / pay TV offering, including linear and non-linear content that builds synergies and exploits the know-how accrued internally from the creation of entertainment, news and investigative programmes as well as the specific expertise developed by the subsidiaries Medusa and Taodue in the movie distribution and the production of films and television drama series. It also includes the acquisition of sports content, films and serials from third parties.

The development of web campaigns is also consistent with this model; campaigns are increasingly moving towards free online videos, television-style. This approach creates interplay and amplifies content, while also fuelling the launch of original products, and the offer of on-demand pay video streaming.

The integrated television model consists of the following main activities:

- content production and third-party acquisition;
- content distribution in linear and non-linear, and free-to-air and pay-per-view format;
- other activities, radio broadcasting, film production and distribution, teleshopping, publishing, licensing and merchandising, and foreign advertising concessions handled by the subsidiary Publieurope.

Mediaset has adopted a traditional administration and control system consisting of the following company bodies: the Shareholders' 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 three internal committees with advisory functions: the Remuneration Committee, the Control, Risk and Sustainability Committee and the Governance and Appointments Committee.

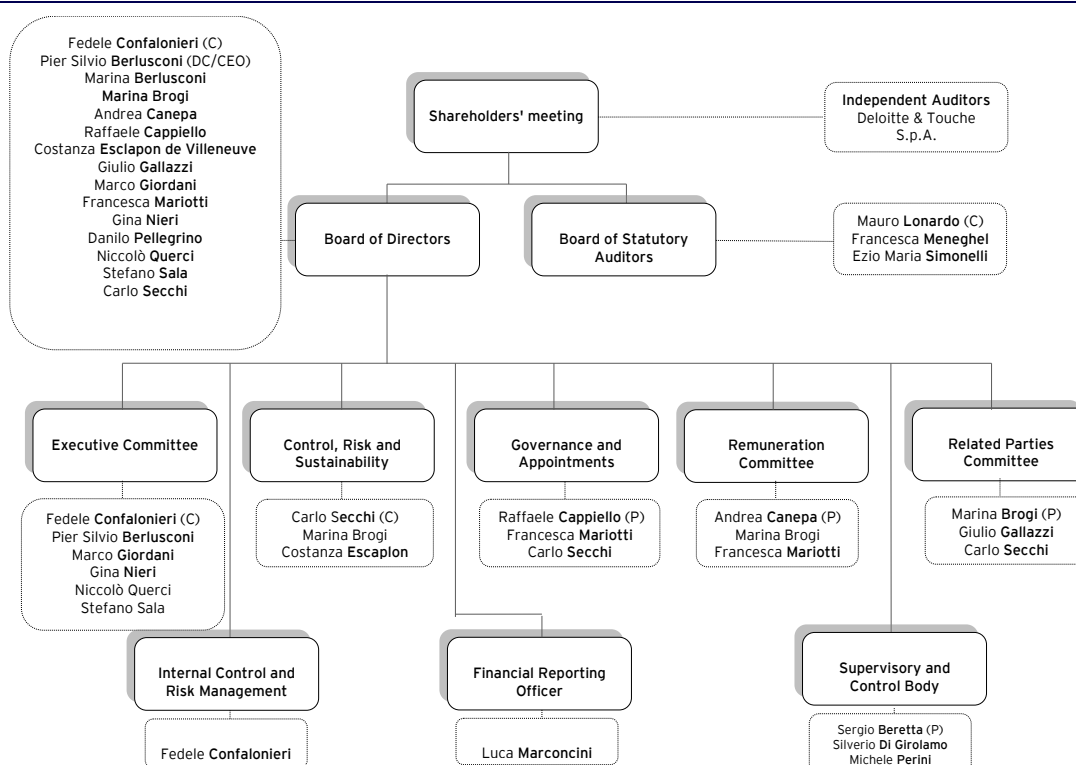
The powers and functioning of the company bodies and committees are governed by law, by the Articles of Association, and by the resolutions of the company bodies, as well as by the principles and criteria in the Corporate Governance Code for Listed Companies to which the Company is a party.

The Board has also appointed a Financial Reporting Officer², a Designated Director, a Supervisory and Control Body³ and the Related Parties Committee⁴.

² Pursuant to Art. 154a of the TUF and Article 29 of the Bylaws.

³ Pursuant to Legislative Decree 231/2001.

⁴ Pursuant to Consob Resolution no. 17221 of 12 March 2010 as amended.



Following the change in the composition of FTSE-Mib, on 27 December 2018 the Company was listed on the FTSE Italia Mid Cap Index.

2. INFORMATION ON OWNERSHIP STRUCTURE AS AT 10 March 2020

Structure of share capital

The share capital of Mediaset S.p.A. is Euro 614,238,333.28 fully paid up and subscribed; it consists of common 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 - Italia Mid Cap segment -	Pursuant to Law and and the Bylaws

* As of 10.03.2020 the company held 43,283,164.00 treasury shares, or 3.66% of the share capital, the voting rights of which are suspended in accordance with article 2357b 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.⁵

⁵The Shareholders' Meeting of 27 June 2018 approved a medium-long term bonus and retention plan for the three-year period 2018-2020, pursuant to Article 114-bis of the TUF based on the Company's own shares. Additional information on the plan is available on the Company's website.

American Depositary Receipts programme

In 2015 Mediaset renewed the ADR (American Depositary Receipts) programme, introduced in 2005 in the US market. The ADR are certificates representing Mediaset shares exchanged in the USA market in accordance with the Level 1 programme. JP Morgan Chase Bank N.A. is the bank depositary of the Mediaset ADR. Three common shares traded in the Milan stock exchange correspond to each Mediaset ADR⁶.

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 shareholdings

On 10 March 2020, according to the notices received from the Consob website as required by Article 120 TUF, the material holdings in the share capital of Mediaset S.p.A. were as follows:

RELEVANT SHAREHOLDINGS		
Declarer	Direct Shareholder	% ownership of voting capital
Berlusconi Silvio	Fininvest S.p.A.	44,175
Vivendi S.A. (*)	Vivendi S.A.	28,804
Ersel SIM S.p.A. (*)	Simon Fiduciaria S.p.A.	19,193
Mediaset S.p.A. (**)	Mediaset S.p.A.	3,660

(*) In implementation of the measures to comply with Resolution of the Italian Media Authority no. 178/17/CONS, Vivendi S.A. (communication of 12 April 2018 pursuant to Article 120 of the TUF) signed a consulting agreement with Simon Fiduciaria S.p.A. and its sole shareholder Ersel Sim S.p.A., concerning the exercise of voting rights attached to the shares held by the trust company based on instructions given to it by Ersel Sim, through its Chairman. Vivendi S.A. has retained the right to give instructions to the trust company on the exercise of voting rights in the shareholders' meeting of Mediaset S.p.A. on topics in relation to which the shareholders who did not take part in the resolution are entitled to exercise the right to withdraw.

(**) without voting rights.

Securities with special rights

No securities with any special control rights have been issued.

On 18 April 2019, the shareholders' meeting approved the proposal to amend Article 7 of the bylaws (introduction of the increased voting rights mentioned in Art. 127-Quinquies of Legislative Decree 58/98). The Bylaws thus provide for shares with increased voting rights.

Employee share ownership: 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.

⁶Further information is available on the Company's website.

Restrictions on the right to vote

All ordinary shares 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 2437b civil code.⁷

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 loan agreements which provide, as is usual financial markets practice, for specific conditions if there is a "change of control" (such as immediate reimbursement and cancellation of the credit line if there is a change in control of the Company).⁸ However, none of these contracts may be considered significant by itself⁹.

Agreements between the Company and directors

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 Shareholders' Meeting of 18 April 2019 passed resolution to grant the Board of Directors the power, also through trading in options or financial instruments, including derivatives, relative to the Mediaset share, to buy 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 2019 and, in any case, for a period of no longer than 18 months from the date of the relative resolution of the Shareholders' Meeting. The above amount is covered by

⁷Additional information is available in the press releases of 26 and of 29 October 2018, 27 November 2018, 25 January 2019, 18 April 2019, 31 August 2019 and 2 September 2019 published on the Company's website.

⁸The agreement for the bond issue of 17 October 2013 expired on 24 January 2019

⁹The Company Bylaws do not provide for 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.

available reserves as shown in the last approved Financial Statements¹⁰. Purchase transactions are carried out in compliance with Articles 2357 et seq. of the Italian Civil Code, Article 132 of Italian Legislative Decree no. 58/98, Article 144-bis of the Consob Issuers' Regulation, Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014, and any other applicable regulations and the related EU and Italian rules on execution¹¹.

From the date of the Shareholders' Meeting to date, no treasury shares have been purchased.

In execution of the medium-and long-term loyalty and incentive plan for 2015-2017, the Company transferred the ordinary shares allocated in the Plan, resulting from the accrued rights for 2016, as permitted by current laws¹².

On 10 March 2020 the Company held 43,283,164 treasury shares, amounting to 3.66% 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 44.175 % 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.

Fininvest's statement is still confirmed by the fact that Mediaset independently sets its own strategy and has full organisational, management and negotiating autonomy, as it is not subject to any steering or coordination of its business operations by Fininvest. 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.

Mediaset currently performs direction and coordination of the Mediaset Group companies, within the meaning of Article 2497 et seq of the Italian Civil Code¹³.

The Board of Directors' meeting on 10 March 2020, after consulting with the Board of Statutory Auditors, also found that there are still no conditions for the exercise of management and coordination by Fininvest.

3. COMPLIANCE

Mediaset endorses the Corporate Governance Code of Borsa Italiana S.p.A..¹⁴

The Annual Report on Corporate Governance and Ownership Structure was also prepared according to the "Format for the Report on Corporate Governance and Ownership Structure" (VIII edition, January 2019) issued by Borsa Italiana S.p.A. This takes account of the recommendations in the Code of Self Governance, which were supplemented by the Corporate Governance Committee in July 2018.

¹⁰If derivatives are used - within the limits of the authorisation of 10% of the share capital - the shares underlying the derivatives must not exceed the limit of 5% of the share capital, or the limit of 1%, if those shares are used to service the incentive plans.

¹¹ Further information is available on the Company's website.

¹² Further information is available on the Company's website.

¹³More specifically with regard to the following companies: Digitalia '08 S.r.l., Elettronica Industriale S.p.A., Medusa Film S.p.A., Monradio S.r.l., Publitalia '80 S.p.A., R.T.I. Digitalia '08 S.r.l., Mediaset Italia S.p.A., Radio Aut S.r.l., RadioMediaset S.p.A., RMC Italia S.p.A., Radio Studio 105 S.p.A., Radio Subasio S.r.l., Taodue S.r.l., and Virgin Radio Italy S.p.A.

¹⁴The Code is accessible to the public on the website of the Corporate Governance Committee at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>

The subsidiary Mediaset España Comunicación S.A., listed on the Madrid, Barcelona, Bilbao, and Valencia Stock Exchanges and on the Spanish electronic stock market - Ibx 35 and its subsidiaries are 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 the percentage of subscribed share capital at the time of presenting the list as, from time to time, specified in the notice of Shareholders' Meeting called to resolve on the appointment of the Board of Directors¹⁵.

No other rules apply to Mediaset with regard to the composition of the Board, besides those set out in the TUF, the Issuers' Regulation, the Corporate Governance Code for Listed Companies and the provisions of law.

Succession Plans

At this stage, the Board does not deem it necessary to adopt a succession plan for the executive directors, given the stable shareholding structure that can ensure swift appointments and the current delegation of powers; the Company's has experienced, long-standing managers in the front line, with trusted expertise and the skills to assure continuity of management. Therefore, no succession plans for directors exist.

4.2 COMPOSITION

Article 17 of the Bylaws provides for the Company to be managed by a Board of Directors composed of seven to fifteen directors.

At the Shareholders' Meeting of 27 June 2018 (564,061,021 shares, equal to 47.75% of the share capital) two lists were presented¹⁶.

The current members of the Board of Directors are:

Fedele Confalonieri, Pier Silvio Berlusconi, Marco Giordani, Gina Nieri, Niccolò Querci, Stefano Sala, Marina Berlusconi, Marina Brogi, Andrea Canepa, Francesca Mariotti, Danilo Pellegrino, Carlo Secchi,

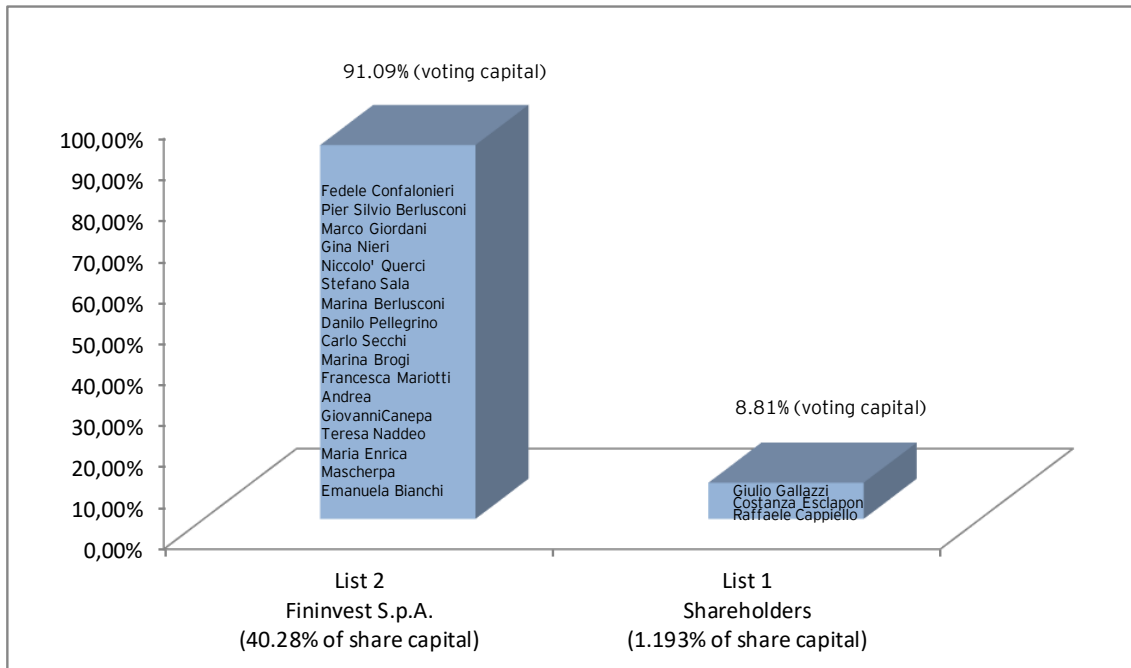
¹⁵ In compliance with Consob's provisions dated 24 January 2018 in Resolution no. 20273, for 2018 the minimum shareholding required for submitting candidate lists is 1%.

¹⁶ The first list was presented by the following shareholders:

ANIMA SGR S.p.A. (Manager of the funds: Anima Geo Italia, Anima Crescita Italia and Anima Star Italia Alto Potenziale), ARCA FONDI S.G.R. S.p.A. (Manager of the fund Arca Azioni Italia), EURIZON CAPITAL SGR S.p.A.; (Manager of the funds: Eurizon Progetto Italia 40, Eurizon Azioni Italia, Eurizon Progetto Italia 70 and Eurizon PIR Azioni Italia, Eurizon Investment SICAV - PB Equity EUR; EURIZON CAPITAL SA (Eurizon Fund - Equity Italy), FIDEURAM ASSET MANAGEMENT (Ireland): (Fonditalia Equity Italy and Fideuram Fund Equity Italy), FIDEURAM INVESTIMENTI SGR S.p.A. (Manager of the funds: Fideuram Italia and Piano Azioni Italia), INTERFUND SICAV (Interfund Equity Italy), KAIROS PARTNERS SGR S.P.A. (as the management company of Kairos, International Sicav, subfunds: Target Italy Alpha, Risorgimento and Italia), LEGAL & GENERAL ASSURANCE (Pension Management) Limited, MEDIOLANUM GESTIONE FONDI SGR S.P.A. (Manager of the funds: Mediolanum Flessibile Futuro Italia, Mediolanum Flessibile Globale and Mediolanum Flessibile Sviluppo Italia) MEDIOLANUM INTERNATIONAL FUNDS (Challenge Funds - Challenge Italian Equity), PLANETARIUM FUND ANTHILIA SILVER, AMBER CAPITAL UK LLP (Manager of the fund Amber Active Investors Ltd).

The first list was presented by the shareholder Fininvest S.p.A.

(taken from the no. 2 majority list); Raffaele Cappiello, Costanza Esclapon de Villeneuve and Giulio Gallazzi (taken from the no. 1 majority list).



The curricula vitae of the members of the Board may be consulted on the Company’s website and are also shown in Attachment B to this report.

DIVERSITY CRITERIA AND POLICIES

On 24 April 2018 the Board of Directors adopted a Diversity Policy. The Governance and the Control and Risks Committees (the latter in an advisory capacity, on sustainability), were involved in the adoption of the Policy on Board Diversity. Both committees expressed ex ante favourable opinions to the Board regarding the Policy. The Policy is contained in Annex C to this Report.

Taking into account the assessments made after the previous self-assessment, the Board meeting of 24 April 2018 produced its own guidelines on the size and composition of the executive body, in line with the Policy. This was indicated to the shareholders, ahead of the re-election of the Board by the shareholders’ meeting on 27 June 2018. In terms of size, the Board considered that the number of members should reflect the size and complexity of the company and group organisational structure; in terms of composition, the Board hoped that the shareholders would consider a reduction in the number of executive directors and an increase in the number of independents and female directors, and that the Board as a whole would include a range of diverse, complementary skillsets and experience. The Board also expressed the hope that there would be a balanced combination of different length of service and age groups, to balance the need for continuity and renewal, and so that there would be a benefit from the different points of view and experience that comes from directors having been on the Board for different lengths of time, and from the diversity of age brackets.

On 10 March 2020, during the self assessment, the Board¹⁷ found that the current composition, following the election of new directors by the shareholders’ meeting, still fully meets these recommendations, and achieves the diversity objectives set out in the Policy.

¹⁷ See paragraph 4.3.

Maximum number of positions held in other companies

On 24 March 2015, the Governance and Appointments Committee confirmed the preference already expressed on 11 March 2008 regarding the maximum number of director or statutory auditor positions compatible with an efficient performance of the mandate. In particular:

- 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 shareholders' equity of more than EUR 10 billion); and
 - II. the position of non-executive director or statutory auditor, or 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 shareholders' 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 shareholders' equity of more than EUR 10 billion) and the position of non-executive director or statutory auditor, or 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 shareholders' equity of more than EUR 10 billion), or
 - II. the position of non-executive director or statutory auditor, or 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 shareholders' 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.

Each year, based on information received from each director, the Board of Directors identifies the positions they hold as director and/or statutory auditor in other companies, as per Annex D to this Report.

Induction Programme

Consistently with Company practice, in order to enhance the awareness of all directors and statutory auditors of the Company's dynamics and reality and encourage greater knowledge of the Company's sector of activity, and of the regulatory and self-regulatory framework, several meetings were held during the financial year, aimed at discussing in depth specific business and corporate governance topics, through a structured Induction programme also with the support of external consultants.

During 2019, the Directors attended induction sessions with the involvement of management, the delegated bodies of Mediaset España Comunicación S.A., and the following departments: Information, Legal Affairs, Central Administration, Finance, Control & Business Development, Strategic Marketing, Administration, Finance & Business Development, Advertising Technology & Business Development Publitalia '80 covering governance issues, the investigation of current disputes, and business matters in order to illustrate the sector of the company's activity and the cross-border merger operation to create the new holding company MFE-MEDIAFOREUROPE, as well as the company's control structures and dynamics.

The 2019 Induction programme was supplemented by "Question Time" sessions for the independent directors. The sessions covered issues relating to the Mediaset financial reports, current disputes, and the planned merger referred to above.

As hoped for by the Directors at the annual meeting of independent directors, the company organised a meeting between the independents and the CEO and deputy chairman Pier Silvio Berlusconi, for further clarification about the strategies presented to the Board of Directors.

The statutory auditors of the company were invited to attend all the above meetings.

The Company has already scheduled further induction sessions for 2020, and these will focus in particular on the development of the TV and video market.

4.3. THE ROLE OF THE BOARD OF DIRECTORS

The Board of Directors is the collective body of the Company responsible for its management. The Board plays a key role in the Company's organisation; the functions and responsibilities for strategic and organisational guidelines fall under its supervision as well as the controls necessary to monitor the Company's and the Group's performance. The system of delegation of powers is such that the central role of the Board is maintained within the Company's organisation. The powers provided by the law and by art. 23 of the Bylaws belong to the Board¹⁸. In addition, the Board performs the activities assigned to it by the Code.

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.

The Board met sixteen times during the financial year. The average duration of each meeting was about 1.5 hours. The overall percentage of directors attending the meetings during the financial year was approximately 90%, while the overall percentage of independent directors was approximately 88%¹⁹.

The Board devoted to the topics in the agenda the time required to allow a constructive debate, encouraging the input of the individual directors.

During 2020, the Board of Statutory Auditors met 5 times²⁰.

¹⁸ The Board of Directors may, pursuant to the Company Bylaws, appoint one or more Deputy Chairmen and delegate all or part of its powers to one or more of its members, also with the role of Chief Executive Officer, without prejudice to the provisions in Article 2381 of the Italian Civil Code and Article 23 of the Company Bylaws. It may also appoint an Executive Committee to which its powers can be delegated, except those falling within the exclusive responsibility of the Board. 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.

¹⁹ The percentage of each director attending Board Meetings is shown in Annex D to this Report.

²⁰ Mediaset has published a calendar, which is available on the Company website. This will be updated according to the progress of the current process of merging Mediaset S.p.A. and Mediaset España Comunicación S.A. into Mediaset Investment N.V., (as per the press release of 30 January 2020).

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. This documentation is also made available through electronic media provided to the Directors and Statutory Auditors at each meeting, enabling the use of documents in electronic format. For this purpose, the Chairman is assisted by the Secretary of the Board of Directors. For the meetings held in 2019, the 4-day deadline was complied with, except in cases of urgency or when special confidentiality requirements were to be met. In these circumstances, the Chairman made sure that adequate and detailed analyses were carried out during Board meetings, encouraging the directors to take part in the discussion and the Committees to contribute to the decisions.

The Board has taken appropriate measures regarding the organization of board meetings, also in light of the additional measures to ensure confidentiality of inside information introduced by the European regulatory provisions on market abuse.

Information to the Board was facilitated by the establishment of the "Mediaset BoD Portal" on which the documents related to the meetings of the Board and its committees can be made available to the directors and the statutory auditors through secure access by browser from a device connected to the internet. The "Mediaset BoD Portal" also provides access to the document kit, the Group press review, the Communication Library and the Info Stock section, dedicated to the performance of Mediaset shares, and Info Advertising, dedicated to Strategic Market with a focus on competition in the Total Video and in Total Audience.

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. 2019 also saw the involvement of parties such as the Financial Reporting Officer and the Head of Consolidated Accounts, Accounting Principles and Risk Officer, the Head of the Communication and Image Department, the Head of the Legal Affairs Department and the Head of the Corporate Affairs Department (who also acts as Secretary of the Board). Pre-Board sessions were organised, to allow the Directors to attend the Board meetings with full information.

During the year, in accordance with the Code requirements, the Board:

- examined and approved the strategic, industrial and financial plans of the Company and the Group, and periodically monitored their implementation;
- reviewed the strategic objectives, nature and level of risk compatible with the objectives, monitoring their implementation during the course of the year; on this basis it examined and approved the Group's three-yearly financial forecasts; it assessed the adequacy of the organisational, administrative and general accounting arrangements of the Company and strategic subsidiaries, with particular reference to the internal control system and risk management; these reviews, which were positive, were supported by explanatory reports, relative to the different operational and control structures of the companies, drawn up by the delegated bodies;
- positively assessed the general trend in business, specifically taking into account information from the Executive Committee, Chairman, Deputy Chairman and Chief Executive Officer and Risk and Control Committee, and periodically comparing the actual and planned results;
- examined and pre-approved all operations that were significant from a strategic, economic and financial viewpoint for the Company and its subsidiaries and, specifically, the related-party transactions;
- defined the Company's Policy for the compensation of directors and key managers, on the proposal of the Remuneration Committee;

- reviewed the functioning of the Board and its committees;
- defined the guidelines for the internal control and risk management system, with the support of the relevant Committee; it determined to what extent these risks are compatible with the identified strategic objectives, and its assessment included those risks that may be significant in terms of the medium-long term sustainability of the business;
- in the light of reports received from the roles appointed to supervise the internal control and risk management system, the Supervisory and Control Body and after consulting with the Control, Risk and Sustainability Committee, it reviewed the internal control and risk management system, which overall is adequate and effective, considering the Company's business and risk profile;
- with the opinion of the Control, Risk and Sustainability Committee, it approved the plan of action prepared by the Head of Internal Auditing, after consulting the Board of Statutory Auditors and the Internal Control and Risk Management System Director; it also acknowledged Internal Auditing's report on the work done during the year, and considered that it had sufficient resources;
- after consulting the Board of Statutory Auditors and with the opinion of the Control, Risk and Sustainability Committee, it acknowledged the supplementary report by the independent auditors in favour of the Board of Statutory Auditors in its capacity as Accounts Auditing Committee;
- it approved the interim financial reports. On these occasions, the Board was given information on the results achieved, compared with historical data and budget objectives;
- it approved the proposal to amend Article 7 of the bylaws on the introduction of the increased voting rights mentioned in Art. 127-quinquies TUF;
- it approved the cross-border merger for the incorporation of Mediaset S.p.A. and Mediaset España Comunicación S.A. into Mediaset Investment N.V. - a Dutch company controlled entirely by Mediaset S.p.A., which will take on the name "MFE-MEDIAFOREUROPE N.V." after the merger.

Self-assessment of the Board of Directors

Since 2006, the Board has annually carried out the self-assessment process in accordance with the provisions of the Code. In this process, the composition, number of board members and operation of the Board and its committees are assessed, as well as the directors' contributions to Board activities. As in prior years, in 2019 the Board carried out the self-assessment process.

At the proposal of the Governance and Appointments Committee, and taking into account the positive experience of the last two years, the Board chose to conduct the self-assessment using the same procedures adopted in previous years, relying on the support of the Advisor Spencer Stuart (a company specializing in this sector, which has no other professional or commercial relations with the Company and with other Group companies) to continue the work.

The self-assessment process was launched during the year, with the preparation of a guide to support the directors' discussions, which took place at a meeting on 18 February 2020; the meeting was attended by the majority of the directors in office (10 out of 15), including the Chairman, and the Advisor Spencer Stuart as facilitator²¹.

The attendees concentrated on the areas required by the Code of Self Governance and the Recommendations for the Corporate Governance Committee, of Borsa Italiana, annexed to the letter of 19 December 2019 from the Chair of the Corporate Governance Committee.

The results of the self-assessment process are summarized below.

The various contributions by the Directors all gave a positive rating of the efficacy of the Company's actions.

²¹ The Directors who were unable to attend the meeting were given the opportunity to express their thoughts to the Committee or to Spencer Stuart's representatives. One absent director did take up that option.

The Directors' comments related in particular to the content and high frequency of the induction programmes organised by the Company for the Directors; the usefulness of the preparatory information given to Board members so they can investigate particularly important matters, particularly in view of the events that the Board has had to deal with during the year; the timeliness of the Directors' involvement and the validity of their contributions to the debate; the fact that the minutes are always taken accurately and promptly. The Directors mentioned that Management has always provided a comprehensive, transparent response and they have shown a willingness to investigate the various issues.

It was also emphasised that with regard to information, during the year in question the Company has continued to increase the content and frequency of its information sessions, and has become a benchmark in this area. The same appreciation for the informative and preparatory activities was also shown with regard to the specific contribution of the Committees.

Although in some cases decisions were taken on a majority basis, the quality of the debate, the collaborative climate and the willingness to listen to different opinions - all of which make an active contribution to the Board's work - were factors that were all unanimously appreciated. The mix of skills within the Board is considered to be well diversified, as there are members from different professional backgrounds, which is useful when exploring the various issues that the Board is asked to investigate.

In particular, considering the events that have affected this year, the operation and efficacy of the Board's activities was analysed, in terms of the strategic decisions relating to the MFE operations and the acquisition of a shareholding in ProSiebenSat.1 MEDIA SE, as well as the decisions about the pending disputes with Vivendi.

The Board was unanimously positive about the Company having involved the Board in terms of representing the strategic framework underlying the extraordinary operations, and the periodic reports provided in relation to the pending disputes with Vivendi, despite the complex regulatory and judicial context. The opportunity of meeting the managers concerned, and the company's legal advisers on several occasions, was much appreciated. The information given in this regard was considered to be complete and detailed. The industrial repercussions as well as the financial impacts have been comprehensively illustrated.

There was strong recognition for the work done by the Board itself. It met 16 times in 2019.

At the end of an intense, engaging debate, the Chairman and all the Directors confirmed their appreciation of the operation of Mediaset's Board of Directors, and also highlighted that the practices adopted by the Board were consistent with the provisions of the Code of Self-Governance and the Recommendations of the Corporate Governance Committee of Borsa Italiana.

Article 2390 of the civil code

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

4.4 DELEGATED BODIES

The Chairman

Traditionally, the Chairman is appointed by the Shareholders' Meeting. The Shareholders' Meeting of 27 June 2018 confirmed Fedele Confalonieri as Chairman of the Company.

At its meeting of 28 June 2018, the Board of Directors assigned to the Chairman²² all ordinary and extraordinary administration powers within a maximum limit of Euro 15,000,000 for an individual transaction, except those under the exclusive jurisdiction of 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 ensures that the Board is constantly kept informed on the main changes in laws and regulations that concern the Company, also in collaboration with the Corporate Affairs manager and the Board's secretary.

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

Deputy Chairman and Chief Executive Officer

At the meeting of 28 June 2018, the Board of Directors appointed Pier Silvio Berlusconi as Deputy Chairman and Chief Executive Officer, giving him full powers of ordinary and extraordinary administration up to a maximum of Euro15,000,000 per transaction, except those under the exclusive jurisdiction of the Board of Directors and Executive Committee. Pursuant to the Bylaws, the Deputy Chairman and Chief Executive Officer has the power to represent the Company²³.

The Board of Directors unanimously considered that the above delegation of powers to the Chairman and the Deputy Chairman and Chief Executive Officer best meets the needs of organisational efficiency, as evidenced by the historical collaboration between the two roles which has not generated any conflict.

Executive Committee

At its meeting on 28 June 2018, the Board of Directors appointed an Executive Committee which consists of six members, who will remain in office for the duration of the mandate of the Board; besides the Chairman Fedele Confalonieri and the Deputy Chairman and Chief Executive Officer Pier Silvio Berlusconi, who are members by right, the directors Marco Giordani, Gina Nieri, Niccolò Querci, and Stefano Sala were also called.

The Board assigned to the Executive Committee all powers of ordinary and extraordinary administration within the maximum limit of Euro 130,000,000.00 for an individual transaction, excluding the matters under the exclusive jurisdiction of the Board.

In 2019, the Committee met five times and systematically involved the Company's executives responsible for the pertinent departments. The average duration of the meetings was half an 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.

²² On 27 July 2018, the Board of Directors approved the recommendation by Chairman Fedele Confalonieri to terminate his management contract on 31 July 2018, while retaining his position, and without affecting the organisational structures or powers delegated in the contract.

²³ In accordance with the Bylaws, the Deputy Chairman replaces the Chairman if the latter is absent or incapacitated. 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.

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 the activities carried out, operations, their outlook, and the most important strategic, economic, balance sheet, and financial operations carried out by the Company or subsidiaries.

During Board Meetings, each item is reviewed thoroughly, to enable the directors to make an informed decision on the matters under discussion.

Information on the delegated activities is constantly reported by the delegated bodies to the Board of Directors and the Board of Statutory Auditors during board meetings, in accordance with the methods provided by the Bylaws and by the legislation in effect. At the first available board meeting, the Chairman, Deputy Chairman and Chief Executive Officer, the Executive Committee, the directors with special assignments, and the other delegated bodies report to the Board of Directors and Board of Statutory Auditors on the progress of their allocated projects and on the work done in the exercise of their mandates, as provided by the Bylaws.

4.5. OTHER EXECUTIVE DIRECTORS

In addition to the Chairman and the Deputy Chairman and Chief Executive Officer, the following four executive directors are members of the Board:

Marco Giordani	Central Manager of Administration, Finance, Control, and Business Development of Mediaset S.p.A., Chief Executive Officer of RTI S.p.A., Chairman of Monradio S.r.l., Chairman of RadioMediaset S.p.A and Chairman of Virgin Radio Italy S.p.A
Gina Nieri	Manager Institutional and Legal Affairs and Strategic Analysis Department of Mediaset S.p.A. and Deputy Chairman of RTI S.p.A.
Niccolo' Querci	Central Manager of Human Resources & Operations of Mediaset S.p.A., Deputy Chairman of RTI S.p.A., and Deputy Chairman of Publitalia '80 S.p.A.
Stefano Sala	Chief Executive Officer of Publitalia '80 S.p.A., Chief Executive Officer of Digitalia '08 S.r.l., Chief Executive Officer of Pulieurope Limited, Deputy Chairman of Mediamond S.p.A. and Chairman of Videowall S.r.l.

4.6. INDEPENDENT DIRECTORS

Seven independent Directors were appointed by the Shareholders' Meeting of 27 June 2018: Marina Brogi, Andrea Canepa, Raffaele Cappiello, Costanza Esclapon de Villeneuve, Giulio Gallazzi, Francesca Mariotti and Carlo Secchi.

At its meeting on 14 May 2019, the Board assessed the independence of its directors pursuant to Art. 147 ter T.U.F. and of the Code, on the basis of the statements provided by the interested parties. The Board considered that the directors Marina Brogi, Andrea Canepa, Raffaele Cappiello, Costanza Esclapon de Villeneuve, Giulio Gallazzi, Francesca Mariotti and Carlo Secchi meet the independence requirements set forth in art. 148, paragraph 3 of the TUF, as well as the independence requirements envisaged by the Code. The Board assesses the independence of its non-executive members paying attention more to the substance than to form and taking into account that normally a director does not appear independent in the cases contemplated by the Code.

Each independent director is obligated to inform the Board promptly if there are any situations that affect their independence.

The Board of Directors periodically reviews the independence of the directors, also assisted by the Governance and Appointments Committee.

The Board of Statutory Auditors has verified the correct application of the verification criteria and procedures adopted by the Board of Directors to assess the independence of the directors during the financial year.

The number of Independent Directors and their expertise are appropriate for the size of the Board and operations carried out by Mediaset, and allow internal committees to be set up, as described in full in this report.

The Chairman regularly updates the Board on the main legal and regulatory developments concerning the Company; these updates are given during the Board meetings. It is a consolidated practice for the Independent Directors to periodically meet with the Chief Financial Officer and management of the Company 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, financial and corporate governance issues. As a rule, all members of the Board of Statutory Auditors participate in these initiatives.

Independent Directors' Meeting

One Independent Directors' meeting was held without the other directors, on 5 February 2019.

4.7 LEAD INDEPENDENT DIRECTOR

The Board decided not to implement the recommendation of the Code that provides for the office of "lead independent director," as the prerequisites for this office are not in place. At their meeting of 05 February 2019, the independent directors deemed the appointment of a Lead Independent Director unnecessary in consideration of the current arrangement of delegated powers. 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

On 3 July 2016 the provisions on market abuse entered into force. The new provisions are a complex - and, for some aspects, innovative - regulatory framework on the abuse of insider information and market manipulation.

The Board has been constantly updated on the new provisions and on the changes in legislation, and has taken measures to protect the areas affected by the MAR, by adopting specific procedures.

Inside information

The Inside Information Procedure was adopted pursuant to the Market Abuse Regulation, to comply with the laws and regulations in force, also at European level, on the abuse of inside information.

On 13 November 2018, with the approval of the Control, Risk and Sustainability Committee, the Board approved the updated Inside Information Procedure, ²⁴which had been amended to include the Significant Information management process in line with the Consob guidelines issued in October 2017.

²⁴ The Company conducted its assessment, gap analysis and mapping of significant information flows, in order to identify any areas for improving the process used to manage this type of data. The analysis showed that there was effective control of the process used to manage and communicate inside information, which has been formalised in a procedure that clearly identifies the roles and responsibilities, as required by the EU Regulation and the Consob Issuers' Regulation.

This has formalised the Significant Information practice already in use and monitored by the relevant departments.

The Inside Information Procedure governs the internal management and disclosure to the public of inside information regarding the Company and its subsidiaries, as well as the functioning of the "Register of persons having access to inside information". The Inside Information Procedure is an essential component of the internal control and risk management system of Mediaset and forms part of the rules and regulations adopted by Mediaset pursuant to Legislative Decree 231/01 with the aim of preventing the commission of offences.

The Inside Information Procedure applies to the directors, statutory auditors and employees of the Company and its subsidiaries, as well as to external parties acting in the name and on behalf of the company and its subsidiaries - with the exclusion of the listed subsidiaries and Mediaset España Comunicación S.A., which are required to keep their own Insider Register, the related obligations and disclosures to the relevant market.

The directors and statutory auditors of the Company and, in general, all other recipients of the aforesaid Inside Information Procedure 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 set forth by the laws in force, in compliance with information parity and the above procedure.

The Company has distributed the Inside Information Procedure to the personnel of the Company and its subsidiaries, including through publication on the company Intranet. It has also continued to provide training to the relevant departments on the process of managing inside or privileged information.

The Company's Chief Financial Officer, on the instructions of the Board and using the relevant internal departments, will regularly monitor the application of the Inside Information Procedure, and its updates.

Internal dealing

On 28 February 2017, on the proposal of the Control and Risk Committee, the Board approved the new institutional "Internal Dealing" Procedure pursuant to the Market Abuse Regulation. The Internal Dealing Procedure is intended to regulate the transactions carried out, including through third parties, by relevant persons and closely related persons, as identified by the aforementioned regulations, as well as the obligations, terms and methods of publication of transactions performed by the said parties on the Company's financial instruments.

More specifically, the "Internal Dealing Officer" was appointed, within the Corporate Affairs Department of Mediaset; their role is to receive, manage and disclose communications to the market.

Relevant persons are required to forward to the Internal Dealing Officer, according to a specific procedure, the information on transactions carried out in order to comply with the obligations established by the legislation in force.

On the instructions of the Board, the Chief Financial Officer of the Company constantly monitors the application of the Internal Dealing Procedure, periodically reporting on the procedure and its updates to the Control and Risks Committee, with the assistance of the relevant internal departments and taking into account the relevant best practices, in order to ascertain its effectiveness.

Finally, in compliance with the Market Abuse Regulation and the Internal Dealing Procedure, the relevant persons were prohibited from carrying out transactions within the 30 calendar days preceding

the announcement of the annual financial statements and the half-yearly financial report published by the company pursuant to law or on a voluntary basis (Black Out Periods).

In compliance with CONSOB recommendations, the Company has created a specific section "Internal dealing" on its website, where the Internal Dealing Procedure is also available.

6. COMMITTEES WITHIN THE BOARD OF DIRECTORS

The Board of Directors²⁵ established the following internal committees, all with proposal and consulting functions:

- Control, Risk and Sustainability Committee which was assigned responsibility for Code matters by the Board on 28 June 2018; this committee was also assigned responsibility for "supervising sustainability issues related to the company's operations and its interaction with shareholders";
- Remuneration Committee which, at the Board meeting on 28 June 2018, was assigned the responsibilities previously assigned on 20 December 2011;
- Governance and Appointments Committee retained its existing responsibility for updating the governance rules and for their adequacy, implementation, and enforcement; it was also given responsibility for the rules contemplated by the Code, for the Appointments Committee.

The Board Committees have investigative and/or advisory duties regarding aspects requiring further examination, in order to exchange effective, informed opinions. The establishment and operation of the Board of Director's internal committees satisfy the Code's criteria.

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 have adopted their own operating regulations in accordance with the rules on Board meetings, which are approved by the Board and extended to all the Committees, and a calendar of meetings scheduled for each financial year. The regulations of the Committees were approved by the Board. The Committee meetings are chaired by the Head of Corporate Affairs, who was given the position of Committee Secretary. They are attended by the Chair of the Board of Statutory Auditors and other statutory auditors. The managers of other company departments may be invited, to explain specific issues. In the days leading up to the meetings, with sufficient advance notice, the Secretary and the Committee Chairman will send the Governance Committee members all the available documents and information about the agenda items.

The Chairmen of the Governance and Appointments Committee, the Remuneration Committee and of the Control, Risk and Sustainability Committee will inform the next Board meeting about the matters discussed at their respective meetings.

When adopting the related parties' procedure in accordance with the Consob requirements, the Board set up its own internal Related Parties Committee²⁶; this Committee is asked to express opinions on the related party transactions carried out by the Company either directly or through subsidiaries, where indicated and according to the methods indicated in the procedure.

²⁵ 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.

²⁶ Previously known as the Committee of Independent Directors for Related-Party Transactions. See Chapter 12, Interests of directors and related party transactions, in the paragraph "Committee of Independent Directors for Related Party Transactions".

7. GOVERNANCE AND APPOINTMENTS COMMITTEE

The Governance and Appointments Committee includes three non-executive and independent directors whose term in office lasts until the expiry of the mandate of the entire Board of Directors.

Raffaele Cappiello	Chairman - Independent Director
Francesca Mariotti	Independent Director
Carlo Secchi	Independent Director

The Committee met five times in 2019. Minutes were taken of all meetings. The average duration of each meeting is about one hour. The percentage of each director attending Committee meetings is shown in Attachment D to this Report. During 2020, the Committee met twice.

Functions and activities of the Governance and Appointments Committee

The Board has assigned the Committee the responsibilities of the Governance Committee and those specified in the Code for the Appointments Committee; specifically, it fulfils these tasks:

- Oversees compliance and the periodic updating of the corporate governance rules, and compliance with the principles of conduct adopted by the Company, reporting to the Board of Directors;
- Proposes procedures and deadlines for the annual self-assessment of the Board of Directors;
- Reviews the contents of the Annual Report on Corporate Governance and Ownership Structures;
- Assists the Board in evaluating whether Independent Directors meet requirements for independence, on an ongoing basis.
- Gives 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 fulfil the mandate of director of the issuer, and on any departures from the prohibition on competition established by Article 2390 of the Italian Civil Code;
- Proposes to the Board candidates for the office of director, in the case that directors need to be co-opted, or when it becomes necessary to replace independent directors.

During 2019, the Committee:

- examined the Board Performance Evaluation for the 2018 financial year, and the letter of 21 December 2018 from the Chairman of the Corporate Governance Committee Borsa Italiana;
- examined the "2018 Report on corporate governance and ownership structure";
- checked that the independent directors continued to meet the independence requirements, in support of the Board's assessment;
- checked the criteria used to identify the strategic subsidiaries;
- acknowledged the updating of the proposed reviews of the Code of Self Governance of Borsa Italiana, started by the Corporate Governance Committee of Borsa Italiana;
- Started the annual Board Performance Evaluation with the support of the specialised advisor, Spencer Stuart.

During 2020, the Committee:

- examined the Board Performance Evaluation for the 2019 financial year, and the letter of 19 December 2019 from the Chairman of the Corporate Governance Committee of Borsa Italiana;

- examined the “2019 Report on corporate governance and ownership structure”.

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

The Committee members are given a fee for attending each meeting, in the amount set by the Shareholders' Meeting of 27 June 2018.

8. REMUNERATION COMMITTEE

The Remuneration Committee consists of three independent non-executive directors who remain in office until the term of office of the entire Board expires; experts in accounting and financial matters are among them.

Andrea Canepa	Chairman - Independent Director
Marina Brogi	Independent Director
Francesca Mariotti	Independent Director

Directors were not present at meetings of the Remuneration Committee, when proposals to the Board of Directors concerning their personal compensation were discussed.

The Committee met seven times in 2019. Minutes were taken of all meetings. The average duration of each meeting is about one hour. The percentage of each director attending Committee meetings is shown in Attachment D to this Report. During 2020, the Committee met once.

Functions and activities of the Remuneration Committee

The Board assigned the following responsibilities to the Remuneration Committee:

- periodic review of the adequacy, overall cohesion and actual application of the policy adopted for the compensation of the Chairman, Deputy Chairman and Chief Executive Officer, and key management personnel, using, as regards the latter, the information supplied by the Chairman, Deputy Chairman and Chief Executive Officer, and submitting the related proposals to the Board of Directors;
- providing opinions on the proposals of the Board of Directors, and, on its behalf, of the Chairman and/or Deputy Chairman and Chief Executive Officer concerning the compensation of the Chairman, Deputy Chairman and Chief Executive Officer and on setting performance objectives related to the variable pay component; monitoring the application of the Board's decisions;
- providing ex ante opinions on the proposals of the Board of Directors, and on its behalf, of the Chairman and/or Deputy Chairman and Chief Executive Officer concerning the definition by Mediaset S.p.A.'s delegated bodies on the compensation of the key management personnel and of the other key executives of the Mediaset Group;
- providing opinions on the proposals of the Board of Directors, and on its behalf, of the Chairman and/or Deputy Chairman and Chief Executive Officer concerning the general rules on allocating compensation (allocation, rejection or reversal) to employees of the companies of the Mediaset Group designated to fill positions in administrative and control bodies and/or in committees appointed by the administrative bodies of Italian or foreign subsidiaries or investee companies;
- making proposals to the Board of Directors concerning the criteria, categories of beneficiary, amounts, terms, conditions and procedures for the share-based compensation plans.

During 2019, the Committee carried out the activities under its responsibility; among other things, it:

- monitored the continued engagement of the Proxy Advisors, by the relevant departments;
- in relation to the Medium-long term Incentive Plan for 2018/ 2020, it formulated a proposal regarding the objectives and categories of recipients for the 2019 financial year;
- approved the recognition of the variable component for the key management personnel, as proposed by the Vice Chairman and Chief Executive Officer;
- expressed a favourable opinion regarding the annual performance objectives set for the 2019 financial year in connection with the variable pay component for the Deputy Chairman and Chief Executive Officer;
- approved the proposed Remuneration Report;
- acknowledged the outcome of the shareholders' votes on the remuneration policy approved during the Shareholders' Meeting on 18 April 2019. The result was essentially in line with the result for the past two years, and can be attributed to the process of improvement started by the company in 2016, designed to align the Remuneration Policy of the Mediaset Group with the best practices of the national and international market;
- approved the adjustments to the "target" values of the LTI Plan for 2015-2017, in accordance with the Plan provisions (Art. 10.3);
- approved the suspension of the third cycle of the 2015-2017 Plan and of the 2018-2020 Plan considering the effects that their implementation would have on the cross-border merger of Mediaset S.p.A. and Mediaset España Comunicación S.A. into the Dutch company;
- acknowledged the completion of the process of assessing the conditions of the LTI 2015-2017 Plan for 2016;
- acknowledged the regulatory updates introduced by the Directive (EU) 2017/828 (Shareholder Rights II) implemented with Legislative Decree No. 49/2019.

In 2020 the Committee using the information exchanged with the central Human Resources, Procurement and Services Department, found that the compensation policy approved by the Shareholders' Meeting on 18 April 2019 had been consistently applied.

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

The Committee members are given a fee for attending each meeting, in the amount set by the Shareholders' Meeting of 27 June 2018.

9. COMPENSATION OF DIRECTORS

On 18 April 2019, the Shareholders' Meeting approved the first section of the Remuneration Report, pursuant to article 123-ter of Legislative Decree no. 58/1998, with 93.55% of votes in favour.

On 12 March 2019, the Board of Directors established a general policy for the compensation of executives and directors with special duties and key management personnel.

With regard to the completion of the planned cross-border merger of Mediaset S.p.A. and Mediaset España Comunicación S.A. into Mediaset Investment N.V., which will be known as "MFE - MEDIAFOREUROPE N.V.", the Company approved Section II of the Remuneration Report which relates to the remuneration for 2019 for the strategic directors and executives of Mediaset S.p.A.. MFE - MEDIAFOREUROPE N.V." is responsible for adopting the remuneration policy for members of the Board of Directors for 2020. In accordance with this policy, the Board of Directors of "MFE - MEDIAFOREUROPE N.V." will decide on the remuneration due to the directors for their duties.

The incentive plans currently adopted by Mediaset will be transferred to MFE - MEDIAFOREUROPE N.V after the merger. The Board, with the approval of the Remuneration Committee and in accordance with the relevant regulations, taking into account the effects of the merger on the implementation of the medium-long incentive plans for 2015-2017 and for 2018-2020, decided on 7 June 2019 to suspend the third cycle of both the 2015-2017 plan and the 2018-2020 plan.²⁷.

10. CONTROL, RISK AND SUSTAINABILITY COMMITTEE

The Risk and Control Committee consists of three independent non-executive directors who remain in office until the term of office of the entire Board expires; experts in accounting and financial matters are among them.

Carlo Secchi	Chairman - Independent Director
Marina Brogi	Independent Director
Costanza Escaplon	Independent Director

During 2019, eight meetings of the Control, Risk and Sustainability Committee were held. The Committee requested the following non-members to attend meetings, concerning individual items on the agenda and related to their area of responsibility: the Supervisory and Control Body, the Financial Reporting Officer, the Internal Audit Manager, representatives from the independent auditors, managers of specific departments of the Company and/or Group companies, as well as external consultants when deemed appropriate. On some occasions, again at the invitation of the Committee, all Independent Directors also took part in meetings dealing with issues of common interest. Minutes were taken of all meetings.

The average duration of each meeting was about 1.5 hours. The percentage of each director attending Committee meetings is shown in Attachment D to this Report. During 2020, five meetings were held.

Functions and activities of the Control, Risk and Sustainability Committee

The Control, Risk and Sustainability Committee, besides assisting the Board in fulfilling the tasks assigned to it on matters of internal control, fulfils the functions in line with those indicated in the Code.

On 20 December 2016, the Board identified the Control, Risk and Sustainability Committee as the Committee responsible, in accordance with Borsa Italiana Code, for supervising the sustainability issues related to the exercise of the business activity and its interaction with the stakeholders; the Board confirmed these powers again, on 28 June 2018.

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, carrying out preparatory activities concerning evaluations and decisions of the Board (and the Internal Control and Risk Management System) with regard to the approval of financial data, including the Financial Statements.

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

²⁷ Mediaset has adopted medium-long term incentive plans for 2015-2017 and 2018-2020, in three-year cycles, for the directors of Mediaset and its subsidiaries whose duties are of importance for the Group's strategic results.

The Committee annually reviews the activities carried out by the Financial Reporting Officer, pursuant to Law 262/2005 on the Protection of Savings, for the purposes of certifying the Financial Statements and Consolidated Financial Statements, and for the Risk Officer's update on the assessment and procedures for the management of Mediaset's main company, strategic and process risks, which is done on an "Enterprise Risk Management" basis; this annual update is also done by the head of the listed subsidiary Mediaset España Comunicación S.A. Each quarter, based on the report by Internal Auditing, the Committee will check that there have been no significant changes compared to the contents of the annual Audit Plan.

During the year, the Committee's actions included the following:

- it acknowledged and positively rated the performance of the Group's whistleblowing system, in accordance with Law 197 of 30 November 2017;
- it took note of the summary reports issued by Internal Auditing, and of the Final 2018 Report, as well as the findings for 2018 of the "Quality Assurance and Improvement Plan." 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;
- approved the "2019 Audit Plan", and also examined and took note of the Report on the Internal Control and Risk Management System as of 31 December 2018, prepared by the Internal Audit Function;
- it acknowledged and approved the materiality grid for the non-financial report to 31 December 2018, in accordance with legislative decree 254/2016;
- it approved the proposal to review the objectives of the short-term annual incentive plan for the head of Internal Auditing and for the Financial Reporting Officer, for 2019, so that it better reflected the best practices, by including indicators for the efficacy and efficiency of this function, taking into account its organisational responsibilities;
- it evaluated, together with the Financial Reporting Officer, the independent auditors Deloitte & Touche 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 2018 Consolidated Financial Statements, and found them to have been correctly applied; it also launched the examination activity in view of the approval of the 2018 financial statements;
- it took note and discussed the methodology adopted and the different plan configurations supporting evaluations relative to the annual impairment testing;
- it carried out activities preliminary to the preparation of the non-financial report for 2018, prepared in accordance with legislative decree 254/2016, expressing to the Board its positive assessment of the contents of the document, as regards the material sustainability issues for the Mediaset Group, taking into account the related activities and characteristics, and, overall, on the data and information collection process;
- it approved Sections 10 and 11 of the 2018 Corporate Governance Report relative to the Internal Control and Risk Management System;
- it took note of the Report on the "Criteria for planning the activities of Internal Auditing" prepared by the Internal Auditing Department;
- it took note of the Report on the main corrective actions agreed with management, prepared by Internal Auditing;
- it acknowledged and approved the supplementary report pursuant to article 11 of Regulation (EU) No. 537/2014 prepared by Reconta Ernst & Young SpA, and its conclusions; the Committee also found that the independent auditors had not issued any letter recommendations to management;

- it acknowledged the "Summary of the main results of the audits for January - August 2019" prepared by the Internal Auditing Department;
- it took note of the 2019 Audit Plan of Mediaset España Comunicación S.A. and the related updates;
- it acknowledged the findings of the work done by Internal Auditing, in terms of compliance with laws on the safeguarding of children in the realisation of television productions;
- it acknowledged the results of the recent periodic analysis by the Deloitte Observatory on Non-Financial Reporting - Changes in non-financial reporting: from obligation to opportunity.

During 2020, the Committee also:

- examined and acknowledged the 2019 audit plan prepared by Deloitte & Touche S.p.A;
- took note of the summary reports issued by Internal Auditing and of the Final 2019 Report, as well as the findings for 2019 of the "Quality Assurance and Improvement Plan." 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;
- approved the "2020 Audit Plan", and also examined and took note of the Report on the Internal Control and Risk Management System as of 31 December 2019, prepared by the Internal Audit Function;
- examined and took note of the 2020 Audit Plan and ERM of the subsidiary Mediaset España Comunicación S.A.
- it acknowledged and approved the materiality grid for the non-financial report to 31 December 2019, in accordance with legislative decree 254/2016;
- evaluated, together with the Financial Reporting Officer, the independent auditors Deloitte& Touche 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 2019 Consolidated Financial Statements, and found them to have been correctly applied; it also launched the preliminary activity in view of the approval of the 2019 financial statements;
- took note and discussed the methodology adopted and the different plan configurations supporting evaluations relative to annual impairment testing;
- carried out preliminary work on the preparation of the non-financial report for 2019, prepared in accordance with legislative decree 254/2016, expressing to the Board its positive assessment on the analysis and contents of the document as regards the sustainability issues found to be material for the Mediaset Group, taking into account the related activities and characteristics, and, overall, on the data and information collection process;
- approved Sections 10 and 11 of this Report relative to the Internal Control and Risk Management System.

When the half-yearly financial statements and full-year reports are approved, the Committee reports to the Board on the adequacy of the internal control system. During the activity described above, and also in view of the policy for managing the control system, adopted by the Internal Control and Risk Management System Director on the basis of the guidelines of the Internal Control and Risk Management System of the Mediaset Group, last issued by the Board of Directors' meeting on 20 December 2016, the Committee recommended that the Board consider the Internal Control and Risk Management System as adequate and effective overall, with respect to the characteristics of the Company and its risk profile.

The Committee is given funding of Euro 350,000 per annum for expenses related to its duties.

The Committee members are given a fee for attending each meeting, in the amount set by the Shareholders' Meeting of 27 June 2018.

11. THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The internal control and risk management system comprises all the rules, procedures and organisational structures designed to allow the conduct of the business in a way that is consistent with the set objectives, by adequately identifying, measuring, managing and monitoring the main risks.

The Board exercises the functions listed by the Code, with the assistance of the Control, Risk and Sustainability Committee.

The Board of Directors carries out its functions related to the internal control and risk management system taking into consideration the reference models and the existing best practices at the national and international level, and in compliance with the organisation and management models adopted pursuant to Legislative Decree 231/2001.

On 12 March 2019, the Board of Directors, with the favourable opinion of the Control, Risk and Sustainability Committee., examined the results of the Risk Officer's annual update on the assessment and methods of managing the main company, strategic and process risks, finding the nature and level of risk to be compatible with the strategic objectives, also in terms of sustainability compared to the strategic guidelines defined at the meeting on 5 February 2019 and the medium-long term guidelines defined by the Board at the meeting on 17 January 2017 and presented to the market.

During the meeting of 19 February 2019, the Board, based on the Control, Risk and Sustainability Committee's Reports and after consulting with the Board of Statutory Auditors and the Financial Reporting Officer, acknowledged (without raising any findings) the final data of the Audit Plan updated to 31 December 2018, and approved the 2019 Audit Plan prepared by the Internal Audit Function Manager.

On 5 February 2019, the Board of Directors, with the approval of the Control, Risk and Sustainability Committee. and as part of its monitoring of objectives and results, reviewed the main actions taken by the Group during the year as regards the previous strategic objectives and accepted risk level; 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 methodology²⁸ for monitoring the internal control system, are implemented, by the Internal Control and Risk Management System Director, through the "Enterprise Risk Management Policy" , 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, including those that may be relevant for medium-long term sustainability, 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;

²⁸ 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.

- 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;
- 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 process²⁹, 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 the reference standards do not 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 to apply 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

²⁹ Financial reporting means, for example, the periodic accounting information, annual and interim financial reports and additional financial interim disclosures - including, with reference to consolidation - the ongoing disclosures and press releases.

Financial Reporting Officer (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.

1. 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 has a specific team, and also uses the Organisational Department to meet the regulatory requirements. These teams are responsible for assisting the FRO in designing, implementing and maintaining adequate accounting and administration procedures for the preparation of the annual and consolidated financial reports, and for providing the FRO with the elements necessary to check that these reports are adequate and functional.

The team assisting the Financial Reporting Officer works with the process owners to promptly identify events that may impact or change the reference framework, and to 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, including risk identification and assessment;
- B) identification and documentation of controls;
- C) evaluation of the adequacy and effective application of administrative and accounting procedures and the 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 ³⁰.

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 Group has adopted a testing strategy which basically involves defining the approach and criteria used for these tests: the frequency of testing, sizing of the sample, types of tests to be carried out, their formalisation and the reporting of the results.

³⁰ The reference control assertions are the following:

accuracy: this control ensures that all details of the individual transactions 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 the company's 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.

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 team, in conjunction with the relevant process owners, will coordinate the improvement plans and guarantee their implementation.

At least once a year, the Financial Reporting Officer reports to the Control, Risk and Sustainability Committee, to the Board of Statutory Auditors and to the Supervisory Bodies of Group companies, on the procedures used to evaluate the adequacy and actual application of controls and administrative/accounting procedures, as well as on compliance with remedial plans defined, and rates the adequacy of the accounting and administrative control system.

11.1. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM DIRECTOR

During its meeting of 27 June 2018, the Board appointed the Chairman as Internal Control and Risk Management System Director.

During 2019 and in the first few months of 2020, the Internal Control and Risk Management System Officer:

- implemented the guidelines issued by the Board and verified their adequacy and effectiveness;
- supervised amendments to the system concerning the dynamics of operating conditions and the legal and regulatory framework;
- oversaw the identification of the main business risks (strategic, operational, financial and compliance-related), taking into account the type of activity performed by the Company and its subsidiaries, and based on the Board of Directors' guidelines for the Internal Control and Risk Management System.

The main business and support processes, which were analysed with the assistance of the Group's management, Internal Auditing and the Risk Officer, made it possible to give an overall evaluation of the Internal Control and Risk Management System (which ended with the presentation of the Report by the Internal Control and Risk Management System Officer to the Board of Directors during the meeting of 12 March 2019).

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 Risk and Control Committee and after consulting with the Board of Statutory Auditors, confirmed Angelo Iacobbi as the Internal Audit department manager, defining his compensation as being consistent with company policies and ensuring he has adequate resources to undertake his responsibilities. On the Board meeting on 19 February 2019, the Board reviewed the incentive plans for the Head of Internal Auditing and found that they were appropriate for the tasks 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 Auditing department reports to the Chairman, who informs the Board.

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 the main company risks.

The scope of the activities carried out by the Internal Audit Function³¹ includes Mediaset and all the Group Companies directly or indirectly controlled by it, with the exception of Mediaset España Comunicación S.A. and its subsidiaries or investee companies. In addition, for the Group's investee companies and joint ventures, the Internal Audit activities can be carried out at the specific request of the Board of Directors of these companies.

In 2019, the Internal Audit Function carried out mandates of:

- Assurance, which consists in an objective review of evidence and findings, through analyses, assessments, 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 2019, the Internal Audit Function had free and direct access to data, documents, information and personnel useful to carrying out its duties.

During the reporting period, the Internal Audit Function Manager prepared periodic reports³² containing information on: the activities carried out, including activities relating to the reliability of the company information systems, including the accounting systems, the methods used to manage risks as well as compliance with plans to limit risks; the reports also contained an assessment of the suitability (adequacy and effective functioning) of the internal control and risk management system.

For this financial year, the Internal Audit department considered the internal control and risk management system to be functional and adequate.

The Internal Audit Function Manager also reported periodically to the other company bodies and units with responsibility for monitoring the internal control and risk management system, such as the Financial Reporting Officer, the Risk Officer and the Supervisory and Control Bodies of the Group.

In compliance with the recommendations of international standards on auditing, the Internal Audit Function has taken steps to improve the quality of its activities, also by taking into account the contents of the last Quality Assurance Review of Internal Auditing, which was conducted in 2018 by a qualified, independent, external assessor. Along with the results of the internal assessments, this confirmed the overall conformity of the Department, and that the internal audits were conducted in accordance with the international standards and professional Code of Ethics, issued by the Institute of Internal Auditors.

³¹In accordance with the Mandate granted to it by the Board of Directors on 17 December 2013.

³²Sent to the Chairmen of the Board of Statutory Auditors, the Control, Risk and Sustainability Committee and to the Board of Directors, as well as to the Internal Control and Risk Management System Director of Mediaset S.p.A..

11.3. ORGANISATIONAL MODEL

The internal control system was further strengthened by adopting an Organisational Model, the first draft of which was approved by the Board of Directors' meeting of 29 July 2003, and was later repeatedly amended to reach its current version.³³

The updates to the Organisational Model have mainly taken into account the changes in the law and the resulting expansion of the body of "predicate offences", internal organisational changes and developments in case law regarding organisational, management and control models.

By adopting an Organisational Model, Mediaset has set itself the objective of installing a structured, organic system of general behavioural and operational rules (which take the form of the company's organisational structure, its system of powers and authorities, organisational guidelines and operational practices, as well as the disciplinary system), which will meet the requirements laid down in legislative decree 231/01 both in terms of preventing crimes and administrative offences (preventive controls) and in terms of checking the effective implementation of the Model, and the imposition of sanctions (ex post controls).

The Organisational Model consists of a body of principles, company rules and provisions relating to the management and control of the company's activities. It consists of a summary document which sets out the general provisions necessary to prevent the committing of the offences envisaged in legislative decree 231/01, and a series of annexes (also including the updated text of the Decree), a description of each criminal offence provided for by law, a summary of the "areas at risk of offence" relating to the Company and the related organisational and generic controls, as well as those specifically attributed to individual areas).

The new version of the Company's organisational model was adopted following the assessment conducted in 2018. An assessment was carried out in order to verify the need to update the model in the form of a risk assessment and an analysis of the provisions of Law 179 of 30 November 2017 (containing "Provisions on the safeguarding of whistleblowers who report offences or irregularities they receive knowledge of in the context of a public or private working relationship"). As required by the above-mentioned law, Mediaset has completed the implementation of the Model, not only by including a specific paragraph on whistleblowing, but also by adopting Organisational Guidelines on the "Reporting of offences governed by legislative decree 231/01", which apply to the whole Group.

On 5 November 2019 the company's Board of Directors approved a new version of the Mediaset Group Code of Ethics, replacing the code adopted in 2012. During 2019, in view of the growing focus on corporate governance, and taking into account the complex nature of the areas in which Mediaset operates on a daily basis, an analysis was done in order to investigate whether a revision of the 2012 Code of Ethics was necessary. The objective was to clearly confirm and in certain cases update the values and responsibilities that the Mediaset Group recognises, accepts, approves and adopts. In the new version, certain articles have been reworded, and new ones have been introduced (for example on anticorruption, the use of social networks, internal controls and risk management, the protection of public safety, and adaptation to the laws on whistleblowing). In 2019 the Italian subsidiaries adopted the new version of the Organisational Model and the new Group Code of Ethics.

³³ The 231/2001 Organisational Model which Mediaset adopted in 2019 has been changed since the previous version adopted in 2016, not only in order to include updates on the types of predicate offence, but also to adapt to the new whistleblowing provisions contained in Law 179/2017. The "General Guidelines on Anti-Corruption matters", adopted as early as 2014 in order to align the Mediaset Group with the highest international anticorruption practices, is still an integral part of Mediaset's Organisational Model. The document describes the general principles which (in compliance with provisions in the Code of Ethics and in order to prevent unlawful or improper behaviour, including acts of corruption for any reason) shall inspire the conduct and actions of all persons who work for the Company or the Mediaset Group, in particular in "areas of activities in which there is a risk that offences may be committed."

The Supervisory and Control Body

The Organisational Model requires that the Supervisory and Control Body is a collective entity and that it is appointed by the Board, after checking the requirements for integrity (which are the same as those for the directors), the requirements concerning adequate professional competence, and after ensuring the absence of incompatibility and conflicts of interest with other company functions and/or positions that would undermine its independence, freedom of action and judgement.

The Supervisory and Control Body, appointed by the Board of Directors on 28 June 2018, after ensuring that it met the same requirements concerning integrity that apply to the directors of the Company, and the requirements concerning adequate professional competence and the absence of incompatibility and conflicts of interest with other company functions and/or positions that would undermine its independence, will end its term of office with the approval of the Financial Statements to 31 December 2020. The Committee comprises three members:

Sergio Beretta	Chairman - Consultant
Silverio Di Girolamo	Consultant
Michele Perini	Consultant

The composition of the Supervisory and Control Body was considered appropriate to satisfy the requirement that this role and the ensuing responsibility must be assigned to persons that can wholly guarantee the necessary autonomy and independence that such body must possess.

Mediaset has decided not to assign the Supervisory and Control Body functions to the Board of Statutory Auditors, as it considered it appropriate to keep a Body with specific responsibility for compliance with Legislative Decree, and dedicated entirely to this activity.

In carrying out its activities, the Supervisory and Control Body is supported mainly by the Internal Audit department and - where necessary - it may be assisted by other company departments or outside 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.

As a result of the audits conducted (on specific company operations and the procedures/rules of conduct adopted), and in relation to legal and/or organisational developments, or to the identification of new areas of activities at risk of serious infringements of provisions of 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 2019, the Supervisory and Control Body met six times and reported every six months to the Board of Directors, the Control, Risk and Sustainability Committee and to the Board of Statutory Auditors.

11.4. INDEPENDENT AUDITORS

The Shareholders' Meeting of 28 June 2017, having examined the recommendation made by the Board of Statutory Auditors, appointed Deloitte & Touche SpA. as independent auditors in charge of auditing

the annual and consolidated financial statements and of performing the limited audit of the half year report for the financial years 2017/2025, pursuant to law. The Financial Statements of the subsidiaries are audited.

Subsequently, on 27 June 2018 the shareholders' meeting decided to supplement the remuneration for the accounting services of Deloitte & Touche S.p.A. on the recommendation of the Board of Statutory Auditors, considering the work done as a result of application of the new accounting standards IFRS 9 and 15, and in view of some of the changes made to the scope of audit.

On 26 September 2017, the Board of Directors appointed Deloitte & Touche S.p.A. as independent auditors to issue the limited audit report of the non-financial report for the period 2017-2025.

11.5. THE FINANCIAL REPORTING OFFICER

The Board of Directors, during its meeting of 28 June 2018, upon favourable recommendation of the Board of Statutory Auditors, confirmed Mr Luca Marconcini, manager of the Consolidation, Accounting Standards and Risk Office department, as Mediaset's Financial Reporting Officer. All powers and responsibilities needed to fulfil the assignment and related tasks were attributed to the Financial Reporting Officer³⁴.

For the financial year, the Financial Reporting Officer, assisted by the Risk Office and Organisation departments, implemented, in relation to main company processes within the operating companies of the Group³⁵, the activities³⁶ required to assess, adapt, and document the Internal Control System as required by Law 262/05.

The 2019 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 equity, economic and financial standing of the Company and of companies included in the scope of consolidation, signed by the Financial Reporting Office and Chairman of the Company.

The Financial Reporting Officer, together with the Risk and Control Committee and the independent auditors, assesses the correct use of the accounting standards and, in the case of the Group, their uniformity for the purpose of preparing the Consolidated Financial Statements; this activity is performed during the first few months of each financial year.

In its meeting of 12 March 2019, the Board of Directors allocated funding of Euro 350,000 per annum to the Financial Reporting Officer for expenses related to his duties.

The Board found the incentive plans for the Financial Reporting Officer, last reviewed by the Board on 19 February 2019, to be commensurate with his duties.

³⁴ Pursuant to art. 154-bis of Legislative Decree No. 58 of 24 February 1998 and to Art. 28 of the Bylaws.

³⁵ The Financial Reporting Officer of the Mediaset Group works with the financial reporting officers of the listed subsidiaries to obtain suitable evidence of the activities they carry out to support the adequacy assessment on their controls.

³⁶ Specifically, the following activities were carried out:

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 the controls implemented.

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, on an ongoing and timely basis through:

- participation of the Board of Statutory Auditors at the meetings of the Control, Risk and Sustainability Committee;
- frequent participation by the Financial Reporting Officer and the Risk Officer at the meetings of the Control, Risk and Sustainability Committee, the Board of Statutory Auditors and the director assigned by Internal Auditing, in the activities performed in connection with the internal control and risk management system;
- the exchange of information between the Control, Risk and Sustainability Committee, the independent auditors and the Financial Reporting Officer with regard to the accounting standards applied in the Mediaset Group and their uniformity for the purposes of preparing the consolidated financial statements;
- the periodic reporting by the Supervisory Body to the Board of Directors, the Control, Risk and Sustainability Committee and the Board of Statutory Auditors.

12. INTERESTS OF THE DIRECTORS AND RELATED-PARTY TRANSACTIONS

Procedure for related-party transactions

The Board meeting of 9 November 2010, with the favourable opinion of the Governance Committee, approved the "Procedure for transactions with related parties³⁷" and established the Committee of Independents (now the Related Parties Committee).

Subsequently, at its meeting on 17 December 2013, taking note of the favourable opinion of the Committee, the Board of Directors amended Article 7a) of the Related Parties Procedure, effective from 1 January 2014³⁸. During 2017, the Committee conducted the three-yearly analysis, confirming that the Procedure was effective for the purposes of ensuring the material and procedural correctness of operations with the related parties of Mediaset, and expressed its approval of the decision not to make any amendments to the existing Procedure.

Related Parties Committee

The Related Parties Committee, appointed on 28 June 2018, consists of three independent directors who will remain in office until the term of office of the entire Board expires.

³⁷ Implementing the provisions of the "Regulations on transactions with related parties," adopted by Consob with resolution No. 17221 of 12 March 2010, and later amended by resolution No.17389 of 23 June 2010, the procedure, which can be consulted on the website, sets forth the rules to identify, approve, perform, and publish transactions with related parties conducted by Mediaset S.p.A., either directly or through subsidiaries, in order to ensure the transparency and substantial and procedural correctness of said transactions, as well as the cases of exclusion from the implementation of said rules.

³⁸ The amendment concerned the introduction of the threshold for transactions of low value if the counterparty is a natural person. Specifically, the Procedure identifies transactions of high and low significance, establishing the rules for carrying them out and identifying transactions to which the foregoing regulations do not apply. Excluded transactions include, in particular, transactions of low value (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 entity), transactions with, or between, subsidiaries and affiliated companies, and ordinary transactions.

Marina Brogi	Chairman - Independent Director
Giulio Gallazzi	Independent Director
Carlo Secchi	Independent Director

In 2019 the Related Parties Committee met five times. The Committee has its own operating regulations and all its meetings are duly minuted. The Manager of the Company's Affairs Department, appointed as Committee Secretary, attends the meetings. In the days preceding meetings, sufficiently in advance of the meeting, the Secretary, as agreed with the Committee Chairman, sends to the Governance Committee members all available documents and information on items on the agenda.

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

As a rule, all members of the Board of Statutory Auditors take part in the meetings, and the managers of specific company departments and external consultants were invited to attend by the Committee Secretary, to explain particular issues.

The Related Parties Committee performs the duties established by the Regulation on Related-Party Transactions and the Related-Party Procedure. Specifically, as regards low value transactions, its opinions are non-binding; as regards high value transactions, its opinions are binding.

The Committee gave opinions on low value operations between non-significant related parties; these include the approval of the variable component for the key management personnel, as proposed by the Vice Chairman and Chief Executive.

The Committee also carries out periodic analyses and controls based on reports prepared by the Corporate Affairs Department, pursuant to Article 8.5 of the Related-Party Procedure.

At its meeting of 28 June 2018, the Board of Directors allocated funding of Euro 100,000 per annum to the Related Parties Committee, for expenses related to its duties.

The Committee members are given a fee for attending each meeting, in the amount set by the Shareholders' Meeting of 27 June 2018.

Directors with interests

Before dealing with a transaction, the director is required to give contents of information to the other directors and to the Board about any actual or potential, own or third-party interests which, regardless of any conflict situation, they may have in a certain operation of the Company. They must give details of the nature, terms, origin and extent of the operation. If the person concerned is the CEO he must also refrain from carrying out the operation.

13. APPOINTMENT OF STATUTORY AUDITORS

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

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. In addition, the Statutory Auditors must satisfy the requirements of the laws and regulations in effect and the Board makes sure that said requirements are satisfied.

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, hold the amount of share capital required by the Company Bylaws to present lists for the appointment of members of the Board of Directors. Pursuant to Consob resolution No. 19856/2017, the shareholding percentage required to present lists of candidates for the Board of Statutory Auditors at the Shareholders' Meeting of 28 June 2017 amounted to 1%.

14. STATUTORY AUDITORS

As required by law, the Board of Statutory Auditors oversees: compliance with law and Company Bylaws, compliance with the principles of fair and proper administration, the adequacy of the Company's organisational structure for areas under its responsibility, the internal control system, the administrative/accounting system, as well as the reliability of this system in correctly representing the operational data, the procedures to implement corporate governance regulations required by governance codes prepared by companies managing regulated markets or trade associations, which the Company publicly declares that it adopts, and the adequacy of instructions issued by the Company to subsidiaries.

The members of the Board of Statutory Auditors, whose mandate will expire at the Shareholders' Meeting called to approve the financial statements as at 31 December 2019, are currently:

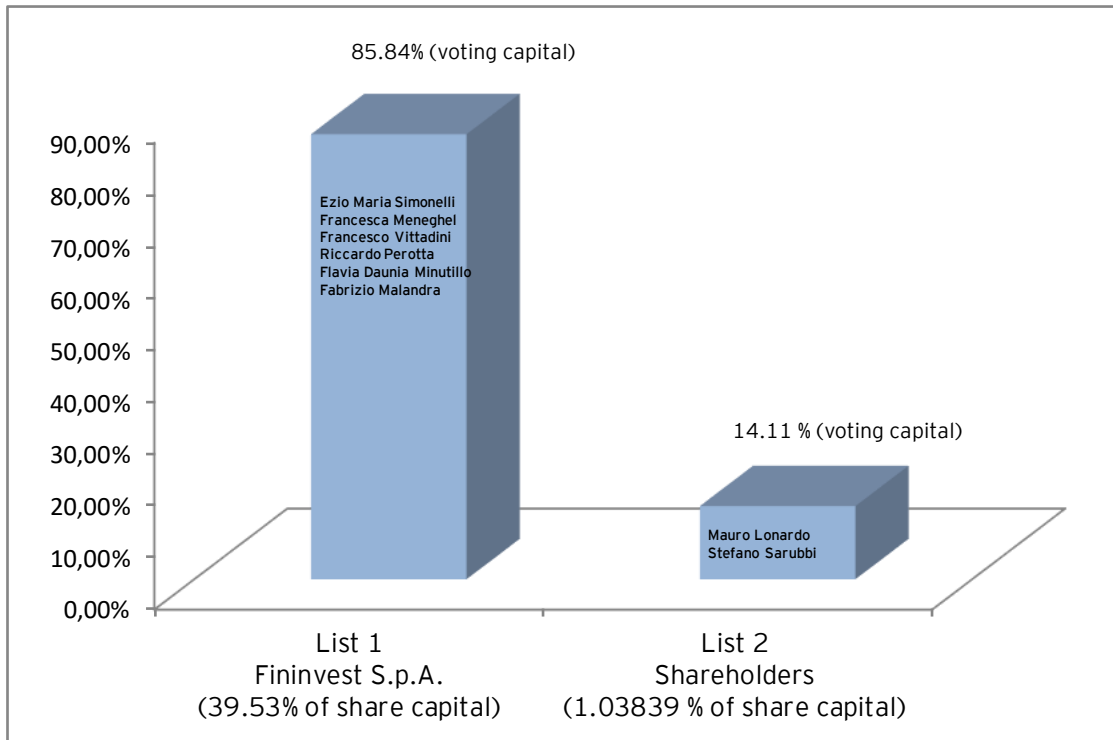
Mauro Lonardo, Francesca Meneghel, Ezio Maria Simonelli, Regular Auditors; Stefano Sarubbi, Flavia Daunia Minutillo and Riccardo Perotta, Substitute Auditors. Annex F to this report shows the composition of the Board of Statutory Auditors.

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

Two lists were presented at the Shareholders' Meeting of 28 June 2017 (610,567,493 shares, or 51.69% of the share capital)³⁹.

³⁹ The first list was presented by the shareholder Fininvest S.p.A. The second list was presented by the following shareholders:

ALETTI GESTIELLE SGR S.P.A. (Manager of the funds: Gestielle Cedola Italy Opportunity and Gestielle Obiettivo Italia), ANIMA SGR S.P.A. (Manager of the funds: Anima Italia, Anima Geo Italia and Anima Iniziativa Italia), ARCA S.G.R. S.P.A. (Manager of the fund: Arca Azioni Italia), FIDEURAM ASSET MANAGEMENT (IRELAND) (Fund Manager: Fonditalia Equity Italy and Fideuram Fund Equity Italy), FIDEURAM INVESTIMENTI SGR (Manager of Fideuram Italia fund), INTERFUND SICAV (INTERFUND EQUITY ITALY), GENERALI INVESTMENTS LUXEMBURG SA (Fund manager: GIS Euro Equity Mid Cap), LEGAL & GENERAL ASSURANCE (Pensions Management) LIMITED, MEDIOLANUM GESTIONE FONDI SGR SPA (Fund manager: Mediolanum Flessibile Futuro Italia, Mediolanum Flessibile Globale e Mediolanum Flessibile Sviluppo Italia), MEDIOLANUM INTERNATIONAL FUNDS - CHALLENGE FUND - CHALLENGE ITALIAN EQUITY, PLANETARIUM FUND ANTHILIA SILVER



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

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

DIVERSITY CRITERIA AND POLICIES

On 24 April 2018 the Board of Directors approved the adoption of a policy on the composition of the Board of Statutory Auditors pursuant to the provisions of paragraph 2 d-bis of Art. 123 of the TUF, as well as the recommendations of the Corporate Governance Code for Listed Companies. The Board of Statutory Auditors, the Governance and Appointments Committee and the Control and Risks Committee (the latter having advisory functions in the area of sustainability), were involved in the adoption of the Policy on the Board of Statutory Auditors' Diversity and expressed their prior favourable opinion to the Board. The policy, contained in Annex H to this Report, contains guidelines and recommendations that have been considered functional to achieving the objective of having a Board of Statutory Auditors made up of individuals capable of effectively carrying out their mandate.

The Board found that the current composition fully met these recommendations, and achieved the diversity objectives set out in the Policy.

During 2019, the Board of Statutory Auditors met 26 times. On average, each meeting lasted approximately 2 hours. During 2020, the Board of Statutory Auditors met 19 times.

As disclosed to the market upon appointment by the Shareholders' Meeting of 28 June 2017, all the Statutory Auditors declared that they met the requirements for the office set forth by law and by the by-laws. On 18 December 2018, in accordance with the requirements of the Code, aimed at ensuring that the statutory auditors satisfy the independence requirements, the Board of Statutory Auditors assessed

whether its members satisfy said independence requirements. The outcome of this verification was notified to the Board on 12 March 2019.

On 17 December 2019, the Board of Statutory Auditors verified the correct application of the criteria and procedures used by the Board to evaluate the independence of the directors. Before meetings, Statutory Auditors are given documents on items to evaluate and resolutions to be passed.

The Board has started its preliminary investigation in order to reply to the findings raised by the shareholder following the complaint made pursuant to Article 2408 civil code and received on 20 December 2019 from Vivendi S.A., as a shareholder of Mediaset, relating to various aspects of the decision-making process for the planned merger between Mediaset and Mediaset España Comunicación S.A. and Mediaset Investment N.V., by incorporation of the first two companies into the third, and the current procedures underway to modify this process.. The detailed results of the investigation were provided to the shareholders and the shareholders' meeting in the report of the Board of Statutory Auditors which, in accordance with article 2408 civil code, was published at the company's head office, on its website and through the authorised storage system, on 8 January 2020. The investigations did not highlight any aspects that could be criticised, in relation to the merger.

The Board of Statutory Auditors also monitored the independence of the independent auditors, verifying compliance with relevant regulatory provisions regarding the nature and extent of the various services supplied to the Company and its subsidiaries, by the independent auditors and by entities in their network. The Board of Statutory Auditors had no objections to report.

The Board of Statutory, on 10 March 2020, carried out the self-assessment process, giving information to the Board on the same date.

With regard to the requirements for the Statutory Auditors, it is reported that the Board of Statutory Auditors currently in office satisfies all legal requirements.

When performing its activities, the Board of Statutory Auditors coordinated with the Internal Audit department, the Control, Risk and Sustainability Committee, the Governance and Appointments Committee, and the Related Parties Committee; it also participated in all Committee meetings, including those of the Remuneration Committee.

Information is exchanged regularly between the Board of Statutory Auditors and the Chairmen of the Boards of Statutory Auditors of the subsidiaries. The Board also met the Supervisory and Control Body of Mediaset.

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 sector in which the Group operates, of the company dynamics and their development, as well as of the legal and regulatory framework⁴⁰.

The Board of Statutory Auditors' compensation is determined, pursuant to the Bylaws, by the Shareholders' Meeting. For detailed information concerning the compensation of members of the Board of Statutory Auditors, please refer to the Company's Compensation Report.⁴¹

15. RELATIONS WITH SHAREHOLDERS

The Company's website publishes financial information (financial statements, half-year reports and periodic additional financial information, presentations to the financial community and the performance of Stock Exchange transactions involving financial instruments issued by the Company) as well as data

⁴⁰ Can be consulted at chapter 4.2 Composition - "Induction Programme".

⁴¹ Further information is available at Company's website.

and documents that are of interest to shareholders (press releases, the composition of Company bodies and committees, the Company Bylaws, the regulations of the Shareholders' Meeting 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 and whistleblowing). On the same website, in the "Corporate/Governance/Cross-border merger" section, documents are available in relation to the planned cross-border merger, as well as the supporting documentation for the two extraordinary meetings that passed resolutions on this matter; the non-financial report is also available in the "Corporate/Sustainability" section.

In order to establish an ongoing relationship with the shareholders, based on an understanding of the respective roles, the Board of Directors identified the Chief Financial Officer of the Group Marco Giordani as the officer in charge of managing shareholder relations.

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).

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

16. SHAREHOLDERS' MEETINGS

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

In convening, planning and managing Shareholders' 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 Shareholders' Meeting, when duly called, represents all the shareholders and its resolutions, passed in conformity with the law, are binding on all shareholders, even if absent or in disagreement. The Shareholders' Meeting 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 Shareholders' 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 and documentation concerning the items on the agenda must be published on the Company's website within the terms required by the law, in accordance with the methods established by the legislation in effect.

The Board of Directors promotes initiatives to encourage the utmost shareholder involvement in meetings and facilitate the exercise of their rights, acting to limit restrictions and obligations that make it difficult or expensive for them to take part in the Shareholders' 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 Shareholders' Meeting may be represented by written proxy, pursuant to law. According to the provisions of Art. 135 - undecies TUF, the Company has identified as delegated representative for the 2019 shareholders' meetings the company Computershare S.p.A. with registered office in Milan, via Lorenzo Mascheroni 19 to which the

shareholders can grant a proxy, with voting instructions on all or some of the proposals on the agenda. The notice convening the Shareholders' Meeting must contain all the relevant information.

Generally, all directors take part in Shareholders' Meetings. The Meetings are an opportunity to inform shareholders about the Company, in compliance with regulations on inside information.

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

During the Shareholders' Meeting, the Board of Directors reports on activities carried out, referring to Directors' Reports, previously published in accordance with the law and regulations, and replying to requests for clarifications from shareholders. 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 Shareholders' Meeting (remote control) is to facilitate shareholders in exercising their rights and guarantee that voting results are immediately available.

The Shareholders' Meeting has all powers established by law⁴². The Shareholders' Meeting's Regulations govern the proceedings of the Shareholders' Meeting.

14 directors attended the meetings on 18 April 2019 and 4 September 2019.

17. CHANGES AFTER THE END OF THE REPORTING PERIOD

No changes to the corporate governance structure took place after the end of the 2019 reporting period.

However, the extraordinary meeting of shareholders on 4 September 2019 approved the cross-border merger of Mediaset and Mediaset España Comunicación, S.A. into Mediaset Investment N.V., a Dutch company which is controlled entirely and directly by Mediaset, which, after the merger, will be named "MFE - MEDIAFOREUROPE N.V." and will become the new holding company of the Mediaset Group, the parent company that owns all the assets, liabilities and other legal relations of Mediaset and Mediaset España, whose ordinary shares will be listed on the online stock exchange organised and managed by Borsa Italiana, and on the Spanish share markets, organised and managed by BME.

The right of withdrawal available to Mediaset shareholders who did not support the merger resolution was legitimately exercised for 492,691 Mediaset shares, equal to 0.0417% of the shares in circulation, corresponding to a total countervalue of Euro 1,364,754.07 at the liquidation value of Euro 2.770 per share, as determined pursuant to Article 2437-ter, para. 3 of the civil code.

On 10 January 2020, the extraordinary meeting of shareholders approved specific amendments to the proposed bylaws of MFE- MEDIASFOREUROPE N.V. and to the related Terms and Conditions of the Special Voting Shares.

⁴²In accordance with the Company Bylaws, the assignment of powers to the administrative body to resolve on matters that by law are assigned to the Extraordinary Shareholders' Meeting (resolutions on 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 Shareholders' Meeting to pass resolutions on such matters. As regards the establishment and resolutions of the Ordinary and Extraordinary Shareholders' Meetings, on first and subsequent calls, relative legal provisions apply.

More information about the extraordinary cross-border merger for the creation of the new holding MFE-MEDIAFOREUROPE and all the other acts of the shareholders' meeting is available on the Company's website.

18. CONSIDERATIONS ON THE LETTER OF 19 DECEMBER 2019 FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

During the self assessment, the Board also examined the "Recommendations of the Borsa Italia Corporate Governance Committee for 2020", contained in the letter from the Chair of the Corporate Governance Committee of 19 December 2019; the Directors made various speeches concerning these areas for improvement, and they repeated that the practices adopted by the Board were satisfactory.

More information is available in Chapter 4, Board of Directors - *Self-assessment of the Board of Directors*.

ANNEX A

Company Bylaws Board of Directors

Article 17)

1. The Company is managed by a Board of Directors, consisting of seven to fifteen Directors, who may be re-elected.
2. Before appointing the Board, the Shareholders' 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 Shareholders' Meeting based on lists, which may contain a maximum of twenty-one candidates, each numbered consecutively, from one to the number of candidates specified in the list. Lists can be presented by the shareholders or by the Board of Directors.
4. Each candidate may only be in one list. Failure to observe this provision will make the candidate ineligible for election.
5. Each shareholder may not present, or contribute to present, or vote for more than one list, even through an intermediary or trust company. Shareholders belonging to the same group - namely the parent company, the subsidiaries and companies subject to joint control - and shareholders who are party to a shareholders' agreement pursuant to Article 122 of Italian 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.
6. Lists may only be presented by shareholders who have voting rights and who, either alone or together with other shareholders, represent at least the percentage of subscribed share capital at the time of presenting the list, established and published by Consob pursuant to regulation adopted by resolution no. 11971 of 14 May 1999 as amended, as, from time to time, specified in the notice of Shareholders' Meeting called to resolve on the appointment of the Board of Directors.
7. Ownership of the minimum amount of shares as per paragraph 6, required to present the lists, shall be calculated by taking into account 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.
8. 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.
9. 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.
10. Each list must be accompanied by (i) the professional curricula of the candidates, containing exhaustive information on their personal and professional characteristics, (ii) the certification of their eligibility, if any, to qualify as independent, in accordance with the pro tempore law in force, (iii) the statements 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 and (iv) the additional information required by the pro tempore laws in force and by the by-laws, which shall be specified in the notice of call.

11. Each list must be signed by the shareholders presenting them, and filed at the Company's registered office within twenty-five days prior to the date of the Shareholders' Meetings 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.

12. Without prejudice to the possibility to produce certification proving the ownership of shares according to the terms in paragraph 7 herein, when presenting lists, information shall be given relative to the identity of shareholders submitting the list, indicating the percentage of their total shareholding.

13. 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.

14. The list presented by the Board of Directors must (i) be filed and made public, in accordance with the regulations as from time to time applicable to the lists presented by shareholders, within thirty days prior to the date of the Shareholders' Meetings 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 and (ii) satisfy, mutatis mutandis, the requirements established for the submission of lists by shareholders.

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

16. The election of the Board of Directors shall take place as follows:

(a) from the list that obtained the highest number of votes (the "Majority List"), according to the progressive order in which they were listed, all the directors to be elected are drawn minus two, if the number of members of the Board of Directors to be elected is between seven and eleven, or three if the number of members of the Board of Directors to be elected is between twelve and fifteen. The office of Chairman of the Board of Directors will be assigned to the candidate listed first in the Majority List.

(b) the remaining members of the Board of Directors are drawn from the lists that are not connected in any way, including indirectly, with the shareholders who presented or voted for the Majority List (the "Minority Lists").

17. The votes obtained by each of the Minority Lists are divided by whole consecutive numbers from one up to the number of directors to be elected. The quotients obtained in this way are progressively attributed to the candidates of each Minority List, following the order in each list. The quotients attributed to the candidates of the Minority Lists are put in a single ranking in decreasing order. Those who obtained the highest quotients are elected as Directors, up to the number required to complete the composition of the Board of Directors.

18. If more than one candidate in the Minority Lists have obtained the same quotient, the candidate in the list from which no director has yet been elected or from which the lowest number of directors has been elected, shall 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. In the event of a tied vote between lists and with the same quotient, a second ballot shall be held by a new vote by the entire Shareholders' Meeting, with the candidate obtaining the simple majority of votes being elected.

19. If, by following the previously defined procedure, the composition of the Board cannot be completed, the additional members shall be elected by taking candidates from the Majority List, in the order in which they are listed, not yet elected who fulfill the independence and gender requirements set forth by the pro tempore law in force.

20. If the composition of the Board obtained by applying the preceding paragraphs does not ensure gender balance, taking into account the order in which they are listed, the last elected in the Majority List of the most represented gender shall be removed by a number necessary to ensure compliance with the requirement, and shall be replaced by the first non-elected candidates from the same list of the less represented gender. In the absence of a sufficient number of candidates of the less represented gender in the Majority List, the shareholders' meeting shall appoint the missing directors according to the majority established by law, ensuring satisfaction of the requirement. The replacement of elected members of the most represented gender who satisfy the independence requirements prescribed by the pro tempore laws in force must in any case be made with candidates who meet the same requirements.

21. The same procedure shall apply mutatis mutandis if the number of independent directors required by the pro tempore laws in force has not been elected.

22. If only one list has been presented, the Shareholders' 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.

23. If no lists are presented or if application of the criteria referred to in the preceding paragraphs does not allow for all the members of the Board of Directors to be elected, the Shareholders' Meeting shall forthwith appoint the missing directors by resolution adopted by simple majority, on the proposal of those in attendance who have the right to vote, ensuring compliance with the requirements set forth by the pro tempore laws in force and by the Bylaws with regard to the composition of the Board of Directors and, especially, with regard to gender balance.

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

25. If one or more directors no longer holds office, for any reason whatsoever, directors remaining in office will replace them by co-option, ensuring, in any case, compliance with requirements established by laws in force and by the Company Bylaws on the composition of the Board of Directors, and in particular, concerning gender balance. The directors appointed pursuant to Article 2386 of the Italian Civil Code, are elected by the Shareholders' Meeting with the majorities established by law, so as to ensure compliance with the legal requirements and those of the Company Bylaws on the composition of the Board of Directors, and in particular, concerning gender balance; the directors thus elected will resign their positions at the same time as the directors who were in office at the time of their election.

ANNEX B

Personal and professional profiles of Directors

FEDELE CONFALONIERI - Born in Milan on 6 August 1937. He graduated with a degree in Law from Milan University. He is a member of the Advisory Board of Confindustria and Assolombarda. He is Chairman of Mediaset Italia S.p.A. He is a Board Member of the Italian daily newspaper "Il Giornale", Chairman of the Veneranda Fabbrica del Duomo in Milan and a member of the General Council of Confindustria Radio Televisioni. He is also Director and Deputy Chairman of the Board of Mediaset España Comunicación S.A.

PIER SILVIO BERLUSCONI - 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 R.T.I. Since April 2000, he has been Deputy Chairman of the Mediaset Group, and also Chairman and Chief Executive Officer of R.T.I. Since April 2015 he has been the Managing Director of Mediaset S.p.A. Since February 2020 he is Deputy Chairman and Chief Executive Officer of Mediaset Italia S.p.A.. He is also on the Board of Directors of the following companies: Arnoldo Mondadori Editore S.p.A., Fininvest S.p.A. and Publitalia '80 S.p.A.

MARINA BERLUSCONI - 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 Chair of the holding company. Since February 2003 she has been the Chair of Arnoldo Mondadori Editore S.p.A.

MARINA BROGI - Born in Rome on 15 July 1967. After graduating in Political Economy from Bocconi University in September 1988 with Prof. Tancredi Bianchi, she completed her studies at the London Business School. She is a full professor in International Banking and Capital Markets at the Faculty of Economics at La Sapienza University in Rome, where she was vice president between 2011 and 2017. She is Chair of the Technical and Scientific Committee of the Italian Association of Financial Industry Risk Managers (AIFIRM). Member of the Scientific Committee of the Confindustria Research Centre. From 2014 to 2016 she was a member of the Securities and Markets Stakeholder Group of ESMA. She has acted as commissioner in a number of public competitions for CONSOB, has been called on as an expert by the Ministry for the Interior, and has been heard by the XI Senate Commission on Employment and the VI Commission on Finance of the Chamber of Deputies. Since 2008 she has been a member of the management and supervisory boards of listed and non-listed companies. She currently holds the role of Independent Director and Chair of the Related Parties Committee at Banco di Desio e della Brianza, and is Chair of the Board of Statutory Auditors of Clessidra SGR. Her previous directorships include Lead Independent Director in Luxottica; Supervisory director of A2A and UBI Banca; Independent Director of Prelios, Salini-Impregilo and UBI Pramerica SGR.

ANDREA CANEPA - Born in Milan on 21 November 1961. A graduate in law from the University of Milan with a postgraduate specialisation in Corporate Law from SDA Bocconi, qualified to practise as a lawyer. Professional practice mainly based on corporate law, particularly in the area of regulation and corporate governance for public issuers, and extraordinary transactions. He worked as Company Secretary for Montedison S.p.a. between 1989 and 1996, as Head of Legal & Corporate Affairs for the Manuli Group between 1997 and 1999, and as Head of Corporate Affairs between 2000 - 2008 and as General Counsel for Legal & Corporate Affairs between 2008 and 2013. He is a corporate affairs advisor for Studio Legale Spada (Milan), and a consultant in Corporate Affairs and Corporate Governance for the Reno de Medicie Group.

RAFFAELE CAPIELLO - Born in Rome on 17 September 1968. Graduated in law from La Sapienza University, Rome. Since 1992 he has provided legal advice, also at judicial level, on corporate, banking, finance and competition law, for the law firm of Prof. Libonati in Rome, also as a partner in the Libonati-Jaeger partnership, until 2010 when he opened his own offices in Rome. He lectures in Commercial Law at the School for the Legal Profession at Rome's La Sapienza University (2013/2019), and in Insolvency Law on the Master's course in receivership, at the University of Niccolò Cusano (since 2018). Since 2015 he has been a member of the Banking and Financial Arbitration Service of the College of Rome. He has held (and continues to hold) the role of member of insolvency procedures for the Insolvency Court, for the Ministry of Economic Development and for the Bank of Italy. Procedures he has worked on include Stefanel s.p.a. in A.S. Cotorossi Group in A.S., Cogolo Group in A.S., Altiforni and Ferriere di Servola in A.S., Cavirinvest s.p.a. in A.S.; Liquidator of Manifesto soc coop in Ica and Judicial Commissioner in the creditors' arrangement procedure for Acqua Marcia RE spa.. He has held the position of independent director for financial and listed companies. He currently holds the following offices: Minority-appointed independent director of B&C Speakers SpA, listed on the Milan Stock Exchange, of Fondo Pensioni S.I.A.E., Chair of the Advisory Committee of Fondo Igea - a real estate investment fund reserved for qualified investors of Prelios SGR spa, Member of the Advisory Committee of Fondo Tessalo, a closed-end reserved alternative investment fund managed by DeA Capital Real Estate SGR SpA.

COSTANZA ESCLAPON DE VILLENEUVE - Born in Florence on 28 September 1965. Founder and Chairwoman of Esclapon & Co, a strategic communications company, she was the Director of Communications and External Relations at Rai, from 2012 until 2016. She previously held the position as Director of External Relations for Wind and Alitalia, and was the head of the Press office at Intesa Sanpaolo and Enel.

She has lectured in Communications and La Sapienza University, Rome. She received the Bellisario Prize in 2013 and is a member of the Board of Directors of Fai and Prelios Sgr.

GIULIO GALLAZZI - Born in Bologna on 8 January 1964, he graduated in Business Economics in 1987, obtaining an MBA in 1990 from SDA Bocconi in Milan, after which he was a Visiting Scholar at Harvard Business School. He is the founder and current Chairman and C.E.O. of the SRI Group, an international holding company with nine operational entities linked by close strategic interdependencies. Its main office is in London and it has branches in Milan, Rome, Brussels, Shanghai, Beijing and a number of joint ventures in 15 countries. Today, the Group is a landmark for European companies focused on internationalization. The SRI Group is active in Business Development Advisory, Corporate Finance, International Business Management Internazionale, Corporate and Governance Restructuring. Over the years, he has achieved significant experience in Private Equity in the Banking and Insurance sectors, high

level industrial technology, and Sports and Entertainment, acquiring considerable capacity in the management of strategic change from the traditional to the digital economy, international finance and industry. Between 2014 and 2016 he was a director of Ansaldo STS - a leading Italian company in the field of rail and metropolitan signalling technology. He was formerly a director of the Carige Group (2016-2018), where he was appointed Chair of the Board following a governance crisis, in order to lead the company through to the new shareholders' meeting during a time when the Bank was engaged in a complex turnaround process, which has recently been completed. He is now a member of the Board of the ASTM Group, one of the world's leading motorway infrastructure and mobility technology companies. He has published a number of works and articles on business development and sustainable finance. In his youth, he had an impressive sporting career: in 1987, he was Europe's American football champion with the Italian national team, which he also captained, and in 1986 was the Italian champion with the Bologna Warriors. In 1988 he was voted MVP of the Championship.

MARCO GIORDANI - 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 Monradio S.r.l., RadioMediaset S.p.A. and Virgin Radio Italy S.p.A. He is also the CEO of R.T.I., Director of Mediaset S.p.A., Mediaset España Comunicación S.A., Publitalia '80 S.p.A., Medusa Film S.p.A., Mediaset Italia S.p.A. and a member of Mediaset's executive committee. From 1998 to 2000 he was a member of the Equity Interests Control division of IFIL S.p.A., and was then appointed to the Board, and he is a member of the Executive Committee of LA RINASCENTE S.p.A., and director of S.I.B. (Società Italiana Bricolage). In 1991 he became Finance Manager of the RINASCENTE Group and Chief Financial Officer in 1997.

FRANCESCA MARIOTTI - Born in Frosinone on 16 March 1973. Lawyer and legal auditor. Since 2014 she has been Director of the Fiscal Policy Area of Confindustria, Italy's leading representative body for manufacturing and service companies with more than 150,000 members. She is responsible for defining the technical content of the Association's fiscal policies, and for analysing and promoting decisions on political economy and accounting on behalf of the associates; this requires regular dialogue with the relevant national and international institutions. She was a member of the Ministerial Commission for the adaptation of corporate income laws to reflect the international accounting standards, and of the MEF Commission on tax erosion and the review of tax expenditures in 2007 and 2011. Before joining Confindustria, she gained more than a decade of experience in tax matters, initially with KPMG International Studio Associato, and later in the banking and cooperatives sector working for Federcasse, the Italian Federation of cooperative banks and artisanal savings banks. She has written several articles and publications on tax matters, speaks at conventions, and is a lecturer for Master's courses and training programmes.

GINA NIERI - Born in Lucca on 2 December 1953, she has two daughters. She earned a degree in Political Sciences from Pisa University and specialised in journalism and mass communication at Luiss University, Rome. She has been working in commercial television since 1977, firstly as General Secretary 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. At Mediaset, she currently holds the position of Director of Institutional and Legal Affairs and Strategic Analysis. Since June 2007 she has been Deputy Chair of R.T.I. of which she has been a board member since 1999. In April 2018 she was elected

as a member of the Board of Directors of Mediaset S.p.A., a position that she has held since 1998, and member of the Executive Committee. In April 2017 she was nominated as a member of the Board of Directors of PUBLITALIA'80 S.p.A.. In April 2018 she was appointed Director of Mediaset España Comunicación S.A.. In February 2020 she was appointed Director of Mediaset Italia S.p.A. She is a member of the Board of Directors of Class CNBC S.p.A. From 2000 to 2005 she was a member of the Board of Directors of ALBACOM S.p.A representing Mediaset. She is member of the General Council of CONFINDUSTRIA. She is a member of the President's Committee of the Master's in Marketing, Digital Communication and Sales Management of PUBLITALIA. Since June 2019 she has been Deputy Chair of CERRE (Centre on Regulation in Europe). She participates in work groups at the European Commission, on matters concerning protection of minors, also on the internet, pluralism of the media, management of the radio spectrum and copyright. 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).

DANILO PELLEGRINO - Born in Milan on 18 September 1957. While studying Business and Economics at the Catholic University of Milan in 1975 he joined Magneti Marelli S.p.A., a Fiat Group company where he held various positions in the Administration and Control Area. He is currently the CEO of Fininvest S.p.A., Chairman of Manzoni Theatre of Milan, of Alba Servizi Aerotrasporti and of ISIM. He is also a director of Società A.C. Monza, a Fininvest Group company. He is a member of the Board of Directors of Arnoldo Mondadori Editore S.p.A.

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 Manager of Personnel and Organisation for the Mediaset Group, and Deputy Chairman of Publitalia '80 S.p.A.; since late 2014, he has been Central Manager for Procurement. 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, he was Manager for diversified and new business activities of the Group. From 1992 to 1999 he was Assistant and Secretarial Officer to 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. He is also a director of Mediaset S.p.A. and Mediaset Italia S.p.A. and a member of the Executive Committee, and of Mediaset España Comunicación S.A.

STEFANO SALA - Born in Milan on 23 September 1962, he is married and has three children. He holds a degree in business management from "Luigi Bocconi" University in Milan. Board of Directors of Mediaset S.p.A. (since 2015) and is a member of the Executive Committee and Board of Directors of RTI S.p.A. (from April 2017), CEO of Publitalia '80 S.p.A. (from April 2014, Managing Director of Digitalia '08. Srl. (from December 2012), Chief Executive Officer of Publieurope Ltd (April 2017), Vice Chair of Mediamond S.p.A. (from February 2015), Director of RadioMediaset S.p.A. (from June 2016), Director of Mediaset Italia S.p.A. (from February 2020) and Chair of Videowall S.r.l. (from December 2019). From December 2012 to March 2014 he was Commercial Managing Director of Publitalia '80 S.p.A. From January 2009 to November 2012 he held the office of and Chief Executive Officer of GroupM Italy. Between March 2006 and December 2008 he was Chairman and Chief Executive Officer of Mediaedge: Cia Italy and Executive Vice President of GroupM Italy. From January 2004 to February 2006 he was Chairman and Chief Executive Officer of Mindshare Italy; between May 2001 and December 2003 he was

Managing Director of Mindshare Italy. From May 1999 to April 2001 he was Managing Director of CIA Italy; prior to that, between April 1998 and April 1999, he was Sales manager for CIA Italy. From April 1996 to March 1998 he was Sales manager with Cairo Pubblicità. From March 1991 to March 1996, he worked with Telepiù Pubblicità as Sales Manager and earlier as Sales Executive.

CARLO SECCHI - Born in Mandello del Lario (LC) 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 twelfth legislature (1994-96). He is a member of governing bodies of technical/scientific Foundations and Institutes. He is Deputy Chairman of ISPI (Institute for International Political Studies of Milan). He has been a member of the Board of Directors of the Veneranda Fabbrica del Duomo (1996-2017). He is member of the CNR Commission for Ethics and Integrity in Research. He is a member of the Board of Directors of Mediaset S.p.A. In 2014 he was appointed Chairman of the Supervisory Board of Pirelli S.p.A. In 2009 he was appointed as European Coordinator of TEN - T priority projects (Atlantic Corridor). He is the author of books and numerous articles on international commerce and economy, economic integration and European issues.

Arnoldo Mondadori Editore S.p.A. belongs to the Fininvest Group, of which Mediaset S.p.A. is part.

ANNEX C

Diversity Policy of the Board of Directors of Mediaset S.p.A.

This Policy was adopted by the Board of Directors of Mediaset S.p.A. (the "Board" and the "Company"), in compliance with national and EC laws on sustainability, and with the provisions of the Governance Code for Listed Companies (the "Board's Diversity Policy"). The Board's Diversity Policy was adopted in implementation of Art. 123-bis, paragraph 2, letter d-bis) of Legislative Decree no. 58 of 24 February 1998 ("TUF").

The Governance and Appointments Committee and the Control, Risk and Sustainability Committee (the latter with the function of advisor on sustainability) were involved in the adoption of the Policy on Board Diversity and both expressed prior favourable opinion to the Board regarding the Policy.

Objectives of the policy

Several objectives have been set regarding the composition and functioning of the Board of Directors. In particular:

- A) from a quantitative point of view, the number of Board members must be adequate for the size and complexity of the organizational structure of the company and the Group;
- B) in terms of quality, in relation to the functioning of the body, it is proposed that the members of the Board should:
 - be fully aware of the duties that are required to perform and the associated responsibilities;
 - have professional skills that are adequate for the role to be filled, including in any of the Board's internal committees, and calibrated in relation to the characteristics of the Company;
 - have diversified and suitably distributed expertise among the members of the body, so that each of them, regardless of the sector of operation (Board or internal committee) can provide an effective contribution, including in identifying and pursuing appropriate strategies and ensuring effective corporate governance;
 - devote adequate time and resources with respect to the complexity of their task;

The guidelines and recommendations contained in this document have been considered functional to achieving the objective of a Board made up of individuals capable of effectively carrying out their mandate. This is considered possible only by taking measures both with respect to their candidacy and appointment, which involves various persons with different tasks (internal committees, Board, shareholders' meeting), and after the appointment, during the exercise of their duties in the continuous management of activities. To this end, the professional skills necessary to achieve this result must be clearly defined ex ante - and possibly reviewed over time to take account of any new situations or changes to be addressed - and the selection of candidates for the position of Directors and their appointment must take into account these guidelines and recommendations.

Elements of diversity

The Board, also based on the long-term experience gained during the board performance evaluation, recommends that the board structure includes a set of different and complementary expertise and experiences. To this end, the Board has identified the following elements of diversity:

- (i) consolidated experience - gained as executive director or manager with top management functions within industrial groups of significant size and/or complexity, operating in one or more of the business sectors comprised in the corporate purpose - and in-depth knowledge of the market in which the Company carries out its activities and of the developments in the said

- market in order for the Company's management to be entrusted to people with extensive expertise, experience, ability and strategic vision;
- (ii) consolidated experience - gained in professional firms, auditing firms, consulting firms or in the academic or institutional field - in legal, economic, financial and internal control and risk matters, in order to make a contribution to the knowledge of these matters that is relevant for the Company's activities and complementary to managerial experience.
 - (iii) consolidated managerial or professional international experience in the field of innovation applied to the media sector and knowledge of the international market so that the Company can benefit from such knowledge;
 - (iv) keeping an adequate number of Directors of the less represented gender - including when the legal provisions on gender balance cease to be effective - so that the Company can take advantage of the different points of view and experiences offered by gender diversity;
 - (v) majority of non-executive directors, with at least one third of them meeting the independence requirements established by law and by the Corporate Governance Code for the purposes identified by the Code;
 - (vi) balanced combination of different length of service and age groups, to balance the need for management continuity and renewal and to benefit from the different points of view and experiences that characterize the greater or lesser length of service and the individual age brackets.

Implementation of the Policy

In accordance with the Shareholders' prerogatives in the designation and appointment of the members of the Board, upon renewal of the management body, the Board expresses its view on the composition of the management body in the report to the shareholders, in order to make known the diversity criteria and objectives set out in the Board's diversity policy.

The Board of Directors takes into account the indications contained in the Board's Diversity Policy, in the event it is called to co-opt one or more members of the Board pursuant to Article 17 of the Bylaws.

The Governance and Appointments Committee takes into account the indications of the Board's Diversity Policy if it has to propose candidates to the Board, to replace independent Directors.

The Governance and Appointments Committee and the Board of Directors takes into account the indications of the Board's Diversity Policy if they have to identify candidates for the position of Director in case, upon of renewal of the body, the outgoing Board decides to make use of the option provided for in Article 17 of the Bylaws to present its own list of candidates.

Monitoring the implementation of the Policy and its updating

The Board, with the support of the Governance and Appointments Committee and the Control, Risk and Sustainability Committee with advisory functions on sustainability, is responsible for monitoring the results achieved from implementation of this Policy and for updating it.

The results from the implementation of this Policy will be included in the corporate governance and ownership structure report required by Art. 123-bis of the Consolidated Law on Finance, starting from the year following the application of the policies described in this document.

ANNEX D

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

Board of Directors												Control, Risk and Sustainability Committee			Remuneration Committee		Governance and Appointments Committee		Executive Committee		Related Parties Committee										
Office	Members	Year of birth	Date of first appointment *	In office since	In office until	List **	Exec	Non exec.	Indep. p	Indep. p	Number otheroffi ces ***	(*) (1)	(*) (2)	(**) (3)	(*) (4)	(**) (5)	(*) (6)	(**) (7)													
Chairman (*)	Contalonieri Fedele	06/08/1937	16/12/1994	27/06/2018	31/12/2020	M	X					15/16						5/5	P												
Deputy Chairman and Chief Executive Officer	Berlusconi Pier Silvio	28/04/1969	28/07/1995	28/06/2018	31/12/2020	M	X				3	15/16						0/5	M												
Director	Marina Berlusconi	10/08/1966	28/07/1995	27/06/2018	31/12/2020	M		X			2	11/16																			
Director	Brogi Marina	15/07/1967	27/06/2018	27/06/2018	31/12/2020	M		X	X	X	2	14/16	8/8	M	7/7	M				5/5	P										
Director	Canepa Andrea	21/11/1961	27/06/2018	27/06/2018	31/12/2020	M		X	X	X		16/16			7/7	P															
Director	Cappiello Raffaele	17/09/1968	27/06/2018	27/06/2018	31/12/2020	m		X	X	X	1	14/16				5/5	P														
Director	Eslapou de Villeneuve Costanza	28/09/1965	27/06/2018	27/06/2018	31/12/2020	m		X	X	X		10/16	7/8	M																	
Director	Gallazzi Giulio	08/01/1964	27/06/2018	27/06/2018	31/12/2020	m		X	X	X		13/16								4/5	M										
Director	Marco Giordani	30/11/1961	20/03/2001	27/06/2018	31/12/2020	M	X				1	16/16							4/5	M											
Director	Mariotti Francesca	16/03/1973	27/06/2018	27/06/2018	31/12/2020	M		X	X	X		16/16		7/7	M	5/5	M														
Director	Nieri Gina	02/12/1953	28/09/1998	27/06/2018	31/12/2020	M	X				1	15/16						5/5	M												
Director	Pellegrino Danilo	18/09/1957	27/06/2018	27/06/2018	31/12/2020	M		X			2	13/16																			
Director	Querci Nicolò	10/05/1961	22/04/2009	27/06/2018	31/12/2020	M	X				1	16/16							5/5	M											
Director	Stefano Sala	23/09/1962	29/04/2015	27/06/2018	31/12/2020	M	X				1	15/16							5/5	M											
Director	Secchi Carlo	04/02/1944	20/04/2006	27/06/2018	31/12/2020	M		X	X	X		16/16	8/8	P		5/5	M			5/5	M										
OUTGOING DIRECTORS DURING THE REPORTING YEAR																															
Number of meetings held during the reporting period: 16												Control, Risk and Sustainability Committee: 8			Remuneration Committee: 7		Governance and Appointments Committee: 5		Executive Committee: 5		Related Parties Committee: 5										
Indicate the quorum required for the presentation of lists by minorities for the appointment of one or more members (pursuant to Article 147-ter of the TUF): 1/3 (***)																															

NOTES
 * This symbol indicates the internal control and risk management system director.
 * The date of the first appointment of each director means the date when the director was appointed for the first time (in absolute terms) to the Board of Directors of the issuer.
 ** This column indicates the list from which each director was taken ("M": majority list; "m": minority list; "BoD": list submitted by the BoD).
 *** 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. In the Corporate Governance Report, appointments are indicated in full. This information has not been provided for the outgoing directors.
 (*) This column shows the participation of directors in Board meetings and Committee meetings respectively (indicate the number of meetings attended compared to the total number of those which they could have attended).
 (**) This column shows the qualification of the director on the Committee: "P": Chair; "M": member.
 (***) Shareholding applicable to the Company for presentation of lists by minorities as per Consob Resolution no. 20273 of 24 January 2018

ANNEX E

Company Bylaws

Board of Statutory Auditors

Article 28)

1. The ordinary 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 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 who are party to a shareholders' agreement pursuant to Article 122 of Italian 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, is calculated by taking into account (i) the shares that are registered in the shareholder's name on the day when the lists are filed at the Company and (ii) the share capital of the Company on that date.

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 Shareholders' Meetings 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 Shareholders' 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 the 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 per paragraph 5 hereinafter, 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 exceed the limits established by current laws 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) the other regular auditor and other alternate auditor are selected from the second list that obtained the highest number of votes in the Shareholders' Meeting, of lists presented and voted by shareholders who are not related to reference shareholders, pursuant to Article 148, paragraph 2 of the TUF, based on the consecutive order in which they appear in sections of the list.

8. If several lists have obtained the same number of votes, there will be a ballot on those lists, as required by law, with the candidates from the list obtaining the simple majority of votes being elected.

9. 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.

10. If the composition of the Board of Statutory Auditors obtained by applying the preceding paragraphs does not ensure gender balance, taking into account the order in which they are listed, the last elected in the list that has obtained the highest number of votes of the most represented gender shall be removed by a number necessary to ensure compliance with the requirement, and shall be replaced by the first non-elected candidates from the same list of the less represented gender. In the absence of a sufficient number of candidates of the less represented gender in the List that has obtained the highest number of votes, the shareholders' meeting shall appoint the missing directors according to the majority established by law, ensuring satisfaction of the requirement.

11. If only one list has been presented, the Shareholders' Meeting votes on the list; if the relative majority is obtained, the three candidates indicated in order in the relevant section are elected as standing 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 indicated in first place in the section for the candidates for the position of regular auditor.

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 Shareholders' Meeting, which shall make appointments to make up the numbers of the Board of Statutory Auditors.

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

13. If multiple 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.

For the shareholders' meeting to elect additional members to the Board of Statutory Auditors, the procedure is as follows: when auditors from the majority list are to be replaced, the appointment takes place with the majority vote without the list restriction, in accordance with the current laws including those on gender balance; when, instead, auditors from the minority list have to be appointed, the appointment is by relative majority vote, selecting candidates from the list in which the auditor to replace was included, or, alternatively 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 Shareholders' 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.

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

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

16. The Board of Statutory Auditors may also be held by teleconference or videoconference, on condition that all participants may be identified and are able to follow the discussion and speak concerning the items on the agenda in real time. The Shareholders' meetings are considered to have taken place where the Chairman and the secretary are located.

ANNEX F

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Board of Statutory Auditors									
Office	Members	Year of birth	Date of first appointment *	In officesince	In office until	List **	Independence per Civil Code	Participatio n in Board meetings ***	Number of other appointments ****
The Chairman	Lonardo Mauro	16/04/1969	20/04/2011	28 giugno 2017	31 dicembre 2019	m	X	25/26	11
Regular auditor	Francesca Meneghel	02/12/1961	29/04/2014	28 giugno 2017	31 dicembre 2019	M	X	25/26	9
Regular auditor	Ezio Maria Simonelli	12/02/1958	29/04/2014	28 giugno 2017	31 dicembre 2019	M	X	24/26	19
Alternate auditor	Sarubbi Stefano	06/12/1965	28/06/2017	28 giugno 2017	31 dicembre 2019	m	X		
Alternate auditor	Minutillo Flavia Daunia	24/05/1971	20/04/2011	28 giugno 2017	31 dicembre 2019	M	X		
Alternate auditor	Riccardo Perotta	21/04/1949	19/01/1996	28 giugno 2017	31 dicembre 2019	M	X		
Number of meetings held during the reporting year: 26									
Indicate the quorum required for the presentation of lists by minorities for the appointment of one or more members (pursuant to Article 148-ter of the TUF): 1% (*)									

NOTES

* The date of the first appointment of each statutory auditor means the date when the statutory auditor was appointed for the first time (in absolute terms) to the Board of Statutory Auditors of the issuer.

** This column indicates the list from which each auditor was taken ("M": majority list; "m": minority list).

(*) This column shows the the participation of statutory auditors in meetings of the Board of Statutory Auditors (indicate the number of meetings attended compared to the total number of those which they could have attended).

*** This column shows the number of directorships or auditorships held by the person concerned, pursuant to article 148(a) TUF.

(*) Shareholding applicable to the Company for presentation of lists by minorities as per Consob Resolution no. 19856/2017

ANNEX G

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 an independent accountant and a partner of Studio RSM - Palea Lauri Gerla, where he mainly specializes in fiscal matters and corporate governance. He is a member of various corporate governance associations. He is also authorised to conduct preliminary investigations on behalf of the judicial authorities, in relation to tax proceedings. He holds positions on several Boards of Statutory Auditors and Supervisory Boards ex. Legislative Decree 231/2001, among which Poste Italiane S.p.A., Ama S.p.A., Neep AS Roma Holding S.p.A., Stadio TDV S.p.A., ASR Retail TDV S.p.A., Arkad S.p.A., Intec Telecom Systems S.p.A. and Unicompany S.p.A.. He has been Chairman of the Board of Statutory Auditors of Mediaset S.p.A. since April 2011.

EZIO MARIA SIMONELLI - Born in Macerata on 12 February 1958. He holds a degree in Economics and Business from Perugia University. He has been a certified public accountant since 1982, and is an auditor and freelance journalist. By appointment of the Ministry of Foreign Affairs on 6 March 2013, he took up the position of Honorary Consul of Canada in Milan. He is Managing Partner of Simonelli Associati, a Legal/Tax Advisory Practice. He is a member of various Boards of Statutory Auditors and Supervisory Bodies including those of Alba Leasing SpA, Sisal SpA, Aprilia Racing Srl and Arnoldo Mondadori Editore SpA. He is a Standing Auditor of Mediaset SpA. He is a liquidator of the Lega Nazionale Professionisti [National League].

FRANCESCA MENEGHEL - Born in Treviso on 2 December 1961. She holds a degree in Business Economics from Bocconi University Milan. She has been a certified public accountant since 1993 and is a registered auditor. She practices the profession of chartered accountant and has acquired experience in the industrial, commercial, banking, financial, and advertising sectors. She is an Independent Director, Chair of the Risk Control and Sustainability Committee, and Lead Independent Director of Geox S.p.A. (listed). She is Chair of the Board of Statutory Auditors of Mediolanum Gestione Fondi SGR S.p.A. and Avon Cosmetics S.r.l. He is a Regular auditor of Mediaset S.p.A., (listed), Mediaset Italia SpA, Flowe SpA, Mediolanum Comunicazione S.p.A., Mediolanum Fiduciaria S.p.A., Direct Channel SpA, and Immobiliare Idra S.p.A. He is a member of the Supervisory Body of A2A Ambiente SpA, Mediolanum Gestione Fondi SGR S.p.A., Flowe SpA and Mediolanum Fiduciaria S.p.A. .

ANNEX H

Diversity Policy of the Board of Statutory Auditors of Mediaset S.p.A.

This Policy was adopted by the Board of Directors of Mediaset S.p.A. (hereinafter the "Board" and the "Company"), in compliance with the laws on sustainability (the "Board of Statutory Auditors' Diversity Policy"). The Board's Diversity Policy was adopted in implementation of Art. 123-bis para. 2d-bis) of legislative decree 58 ("TUF").

The Board of Statutory Auditors, the Governance and Appointments Committee and the Control, Risk and Sustainability Committee, the latter having advisory functions in the area of sustainability, were involved in the adoption of the Diversity Policy of the Board of Statutory Auditors and expressed prior favourable opinion to the Board regarding the Policy.

Purpose of the policy and elements of diversity

The purpose of the Board of Statutory Auditors' Diversity Policy is to identify the elements of diversity necessary to ensure that the statutory auditors contribute to the decisions of the body with different and qualified points of view and is therefore intended to indicate the experiences and skills of the statutory auditors that are considered functional to achieving an optimal composition of the Board of Statutory Auditors.

The Board recommends that the Board of Statutory Auditors includes a set of different and complementary expertise and experiences. As the Board of Statutory Auditors is composed of three regular auditors (and three alternate auditors), one of whom was elected by the minority shareholders, the Board identified the following elements of diversity:

(i) an adequate level of experience and knowledge regarding the market in which the Company operates, the governance system, the accounting and financial analysis and the regulatory framework, or several years' experience with listed companies;

(ii) gender diversity, so that the Board of Statutory Auditors comprises - including when the legal provisions on gender balance cease to be effective - at least one regular auditor and one alternate auditor of the least represented gender so that the Company can take advantage of the different points of view and experiences offered by gender diversity. To this end, the Board recommends that the lists of candidates presented by the shareholders - excluding those containing less than three candidates - indicate (for both the regular and alternate auditors) at least one candidate of the less represented gender;

(iii) different length of service, to balance the need for control continuity and renewal and to benefit from the different points of view and experiences that characterize the greater or lesser length of service.

Implementation of the Policy

In accordance with the Shareholders' prerogatives in the designation and appointment of the members of the Board of Statutory Auditors, upon renewal of the body, the outgoing Board of Statutory Auditors express their view on the composition of the body, in keeping with this policy. This view is reflected in the Board of Statutory Auditors' report to the shareholders in order to disclose the diversity criteria and objectives set out in the Diversity Policy of the Board of Statutory Auditors.

Monitoring the implementation of the Policy and its updating

The Board, with the support of the Board of Statutory Auditors, the Governance and Appointments Committee and the Control, Risk and Sustainability Committee with advisory functions on sustainability, is responsible for monitoring the results achieved from implementation of this Policy and from its updates.

The results from the implementation of this Policy will be included in the corporate governance and ownership structure report required by Art. 123-bis of the Consolidated Law on Finance, starting from the year following the application of the policies described in this document.

For the Board of Directors
The Chairman