

Vittoria Assicurazioni

REGISTERED OFFICE: VIA IGNAZIO GARDELLA 2 - 20149 MILANO
SHARE CAPITAL EURO 67.378.924 FULLY PAID
TAX CODE AND REGISTRATION NUMBER OF THE COMPANY REGISTRY OF MILAN 01329510158 – R.E.A.
NO. 54871
ENTERED IN THE REGISTER OF INSURANCE AND REINSURANCE COMPANIES SECTION I – NO. 1.00014
PARENT COMPANY OF THE VITTORIA ASSICURAZIONI INSURANCE GROUP
ENTERED AT NUMBER 008 IN THE REGISTER OF INSURANCE GROUPS

(Translation from the Italian original which remains the definitive version)

Report on corporate governance and ownership structures FY 2013

pursuant to Article 123–bis Italian Financial Act

[Vittoria Assicurazioni S.p.A.](#)

www.vittoriaassicurazioni.com

FY 2013 Report

Approved by the Board of Directors on 7 March 2014



Glossary

Code/Corporate Governance Code:

The Corporate Governance Code of listed companies approved in December 2011 by the Corporate Governance Committee and promulgated by Borsa Italiana S.p.A.

Civil Code / c.c.:

The Italian Civil Code

Board:

The Board of Directors of Vittoria Assicurazioni S.p.A.

Issuer:

Vittoria Assicurazioni S.p.A.

Financial year:

The financial year that ended on 31 December 2013

Consob Issuers Regulation:

The Regulation issued by Consob with Resolution No. 11971 of 1999 (as amended) on issuers.

Consob Markets Regulation:

The Regulation issued by Consob with Resolution No. 16191 of 2007 (as amended) on Markets.

Consob Related Party Regulation:

The Regulation issued by Consob with Resolution No. 17221 of March 12, 2010 (as amended) on transaction with related party.

Report:

This report on corporate governance and shareholders that companies are obligated to prepared pursuant to Article 123-bis TUF.

TUF:

Legislative Decree 58 of 24 February 1998 (Italian Financial Act), as amended.

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1. PROFILE OF VITTORIA ASSICURAZIONI

Vittoria Assicurazioni is an independent company founded in Milan in 1921. Listed on the Milan Stock Exchange since 1988, in November 2011 the Company joined the STAR Segment of the Mercato Telematico Azionario (MTA), the screen-based stock market managed by Borsa Italiana S.p.A.

The Company operates in all insurance business segments with a nationwide network of 401 general agencies and 758 sub-agencies (as at 31/12/2013).

Vittoria Assicurazioni focuses primarily on addressing the insurance needs of families and SMEs, with a particular focus on innovative solutions and quality service.

Vittoria Assicurazioni is the parent Company namesake Insurance Group, registered as No. 008 Register of Insurance Groups held by IVASS, Institute for the Supervision of Insurance. As at 31st December 2013 the Group consists of 15 companies with activities related and supporting the insurance business, mainly in real estate and services.

The Vittoria Assicurazioni management and control system is based on the traditional format, with the Board of Directors with administrative functions and a Board of Statutory Auditors with control functions, both appointed by the Shareholders. The audit is performed by an independent auditing firm.

Vittoria Assicurazioni S.p.A. has had a Code of Ethics in place since 2004, the purpose of which is to outline the rules and principles of ethics which have always marked Vittoria Assicurazioni history, for the benefit of the people who invest their energy and effort in the Company every day as well as those with whom the Company has an ongoing relation.

2. INFORMATION ON OWNERSHIP STRUCTURE [pursuant to article 123-bis (1) of the Italian Finance Act (TUF)] at 31 December 2012

a) Structure of the share capital [pursuant to article 123-bis (1)(a) of the TUF]

At 31 December 2013, the share capital of Vittoria Assicurazioni S.p.A. totalled Euro 67,378,924, divided into 67,378,924 ordinary shares with a par value of Euro 1.00 each, centralised with Monte Titoli.

The ordinary shares of Vittoria Assicurazioni are listed on the STAR Segment of the MTA, operated by Borsa Italiana SpA, and they grant shareholders the property and administrative rights envisaged by law and the articles of association. Each share is entitled to one vote.

There were not issued financial instruments that give the right to subscribe for newly issued shares, nor have they been approved plans of incentives share-based.

b) Restrictions on the transfer of securities [pursuant to article 123-bis (1)(b) of the TUF]

There are no limits imposed by law or the Articles of Association on the transfer of ordinary shares of Vittoria Assicurazioni SpA.

c) Major shareholdings in capital [pursuant to article 123-bis (1)(c) of the TUF]

As of December 31, 2013, the shareholdings in the capital, direct and indirect holding of more than 2%, according to the communications received pursuant to art. 120 of the TUF, from the Register of Shareholders and other information received, are:

Declarer	Direct shareholder	% share of ordinary capital	% share of voting capital
Carlo Acutis	Vittoria Capital NV	51.15 %	51.15 %
	Yafa Holding BV	6.23 %	6.23 %
Francesco Baggi Sisini	Arbus Srl	5.71 %	5.71 %
Serfis SpA	Serfis SpA	4.00 %	4.00 %
Norges Bank (*)	Norges Bank	3.26 %	3.26 %

(*) On behalf of Government of Norway

d) Securities conferring special rights [pursuant to article 123-bis (1)(d) of the TUF]

There are no known holders of securities conferring special rights of control on the Issuer.

e) Employee shareholding: mechanism for exercising voting rights [pursuant to article 123-bis (1)(e) of the TUF]

No Employee shareholding scheme have been approved.

f) Restrictions on voting rights [pursuant to article 123-bis (1)(f) of the TUF]

There are no restrictions on voting rights, or systems whereby, with the cooperation of the Issuer, the financial rights related to securities are separated from the ownership of the same.

g) Shareholders' agreements [pursuant to article 123-bis (1)(g) of the TUF]

From November 16, 2011 there has been a three-year shareholders' agreement between the Company Yafa Holding BV and the two German companies Münchener Rückversicherungs and Ergo Versicherung, which referred to a total of 44,744,000 ordinary shares of Vittoria Capital NV (parent company of Vittoria Assicurazioni SpA), 94% of the share capital.

The extract of the agreement have been published in accordance with the law on 18 November 2011.

The shareholders' agreement specifically envisages a pre-emptive right amongst the parties to the agreement, and co-sale rights for the minority shareholders, as well as automatic application of the shareholders' agreement to 35% of the shares of Vittoria Assicurazioni in case of dissolution of Vittoria Capital.

h) Change of control clauses [pursuant to article 123-bis (1)(h) of the TUF]

Vittoria Assicurazioni SpA and its subsidiaries have not made material agreements that become enforceable, are modified or are extinguished in the event of a change of control of the contracting company.

The Articles of Association of Vittoria Assicurazioni SpA do not provide derogations from the provisions on passivity rule set out in Article 104, subsections 1 and 2, of the TUF and do not require the application of the rules of neutralization contemplated by the Article 104-bis, paragraphs 2 and 3 of the TUF.

i) Indemnities for directors [pursuant to article 123-bis (1)(i) of the TUF]

As stated in the Report on Remuneration issued under Article 123-ter of the TUF, there are no agreements between the Company and the directors that contemplate indemnities in the event of resignation or termination without cause or if the relationship is terminated following a public tender offer.

There are also no agreements with the directors and managers with strategic responsibilities that provide for the allocation and maintenance of non-monetary benefits in case of termination of employment or the execution of consultancy contracts for a period after the end of the employment relationship, or for compensation for non-competition commitments.

l) Rules for the appointment and replacement of directors and amendments to the Articles of Association [pursuant to article 123-bis (1)(l) of the TUF]

The statutory provisions governing the appointment and replacement of directors are set out in paragraph 4.1. of this Report.

Amendments to the Articles of Association are approved by the Extraordinary General Meeting, pursuant to law. Pursuant to Article 2365 of the Italian Civil Code, article 14 of the Articles of Association authorises the Board of Directors to resolve, except as prohibited by law, on any reductions in share capital upon withdrawal, amendments to the articles of association in accordance with statutory provisions, relocation of the registered office within national territory, and merger resolutions in the cases envisaged in Sections 2505 and 2505-bis of the Italian Civil Code, including in the case of demergers, where these provisions apply.

m) Delegations of authority for share capital increases and authorisations for buyback of treasury shares [pursuant to article 123-bis (1)(m) of the TUF]

The Board of Directors has not received authorization to increase the capital pursuant to Article 2443 of the Civil Code or to issue equity instruments.

The General Meeting did not take decisions on the authorization to purchase treasury shares in accordance with Articles 2357 and following of the Civil Code.

Management and co-ordination (pursuant to article 2497 et seq. of the Civil Code)

Vittoria Assicurazioni SpA is not subject to management and co-ordination activity pursuant to article 2497 et seq. of the Civil Code, insofar as the companies that directly and indirectly own a controlling stake in it (i.e. Vittoria Capital NV and its parent companies Yafa Holding BV and Yafa SpA) are equity holding companies and do not take part in defining Company strategy.

3. COMPLIANCE [pursuant to article 123-bis (2)(a) of the TUF]

Since 2007 Vittoria Assicurazioni has adopted the Code of Conduct for Listed Companies promoted by Borsa Italiana SpA, confirming its adherence to the new edition of the Code, updated in December 2011, with the following exceptions:

- Article 3.C.1 letter e): The Board of Directors confirms that it is not considered obstacle to the independence of the Directors the term of office for a period of more than nine years, but, on the contrary, it is believed that the deep knowledge of the Company and of the insurance activity constitutes an important element for the activities of the Board;
- Article 5.C.2: The Board of Directors does not evaluate necessary to prepare a succession plan for executive directors, in consideration of the ownership of the Company and the concentration of the shareholdings;
- Article 9.C.3: The Board of Directors does not evaluate necessary to adopt a Shareholders' Meeting Regulations, in consideration of the well-established procedure by which the meetings are held.

The Corporate Governance Code is available in the website of Borsa Italiana at www.borsaitaliana.it.

The criteria adopted by Vittoria Assicurazioni SpA to apply the principles and recommendations of the Corporate Governance Code, as summarised in Appendix 4, are described in the present Report. The Report is produced explaining the reasons for non-adherence to the three above mentioned recommendations of the Code.

Vittoria Assicurazioni and its subsidiaries are not subject to non-Italian laws that influence their corporate governance structure.

4. BOARD OF DIRECTORS

4.1. Appointment and replacement [pursuant to article 123-bis (1)(l), of the TUF]

The appointment and replacement of directors is regulated by article 10 of the Articles of Association.

The Company is administered by a Board of Directors consisting of no fewer than 7 and no more than 16 Directors, appointed by the Ordinary General Meeting, whose maximum term of office is three financial years and who may always be re-elected. Prior to electing the Directors, the General Meeting determines the number thereof within the stated limits.

The Directors must meet the requirements specified by the legislation currently in force; pursuant to the same legislation, a minimum number of Directors must satisfy the requirements for independence specified in article 148(3) of the TUF.

If a Director no longer meets the requirements, he/she shall cease to hold office; if a director no longer meets the independence requirements defined above, he/she may continue in office if the requirements continue to be met by the minimum number of Directors set under legislation in force.

The Board of Directors is appointed according to the current legislation concerning the balance between genders and on the basis and on the basis of lists submitted by shareholders in the manner specified below, on which candidates are listed in numerical order.

Lists submitted by shareholders, signed by the parties submitting them, must be deposited at the Company's registered office and available to any person on request, at least twenty five days prior to the date set for the General Meeting on first call, and are published in other forms pursuant to laws in force.

Shareholders subscribing to a relevant shareholders' agreement pursuant to article 122 of the TUF, the parent company, the subsidiaries and companies under joint control pursuant to article 93 of the TUF may not submit or take part in the submission, either directly or through an intermediary or trust company, of more than a single list, and may not vote for different lists; each candidate may appear only one list, on penalty of ineligibility. Any seconding of nominations or votes cast in breach of this prohibition shall not count towards any list.

Only those shareholders who, individually or together with other submitting shareholders, hold voting shares totalling at least 2.5% of the voting capital, or representing such lesser percentage as may be established by mandatory legal or regulatory provisions, are eligible to submit lists.

Ownership of the minimum shareholding for the submission of lists is determined according to the shares that are registered to the shareholder on the day on which the lists are deposited with the Company.

The following documents shall be deposited with each list: (i) certification issued by a legally authorised intermediary proving ownership, on the date the list is submitted, of the number of shares required for submission; however, this certification may be provided subsequent to the deposit, provided that this is within the deadline set for the publication of the lists pursuant to the laws in force; (ii) a declaration by each candidate accepting their nomination and declaring, under their own responsibility, that no grounds for ineligibility or incompatibility exist and that they meet the requirements prescribed for the respective posts; (iii) a curriculum vitae for each candidate, indicating where appropriate the candidate's eligibility for independent status.

Lists with a number of candidates equal to or higher than three must be composed of candidates who belong to both genders, so that at least one third (rounded upwards) of the candidates will belong to the less represented gender.

As allowed by the provisions on the balance of the genders, introduced into the TUF (Italian Financial Act) by Law 120 of 12 July 2011, and the consequent updating of the Issuers Regulation within Consob Resolution 18098 of 8 February 2012, in the renewal of the Board of Directors which took place on 19 April 2013, the minimum percentage reserved to the less representative gender was reduced to one fifth, as this was the first renewal following a year from the entrance into effect of the aforementioned Law 120.

Any lists submitted other than in accordance with the above provisions shall be regarded as not submitted.

The procedure for electing the Board of Directors is as follows:

- a) the Directors to be elected shall be taken from the list obtaining the highest number of votes, in the sequential order in which they appear on the list, except one;
- b) the remaining Director shall be taken from the list that obtains the second highest number of votes and that is not connected in any way, either directly or indirectly, with the shareholders submitting or voting for the list referred to in a) above. Any lists not obtaining votes amounting to more than half the qualifying percentage for submission of the lists shall be disregarded.

If the candidates elected using the above procedure do not guarantee the appointment of a sufficient number of Directors meeting the requirements for independence set out in article 148 (3) of the TUF to comply with the legal minimum proportionate to the total number of Directors, the last non-independent candidate elected in sequential order on the list with the highest number of votes is replaced by the first unelected independent candidate in sequential order on the same list, or, failing this, by the first unelected independent candidate in sequential order on the other lists, according to the numbers of votes obtained by each list. This replacement procedure will continue until the Board of Directors comprises a number of members meeting the requirements set out in article 148 (3) of the TUF at least equal to the minimum prescribed in law. If this procedure fails to produce the above result, replacement will take place via General Meeting resolution by relative majority, following the nomination of parties meeting the above requirements.

If, in addition, with the candidates elected in the manner described above is not assured the composition of the Board of Directors in accordance with the discipline currently in force inherent the balance between genders, the candidate of the gender more represented elected last in progressive order in the list which has reported the highest number of votes shall be replaced by the first candidate of the less represented gender not elected in the same list in progressive order. This procedure of replacement shall be effected until it is assured the composition of the Board of Directors in accordance with the regulations currently in force concerning the balance between genders. If this procedure fails to produce the above result, replacement will take place via General Meeting resolution by relative majority, upon presentation of candidates belonging to the less represented gender.

In the event that a single list is submitted or if no list is submitted, the General Meeting resolves with the majorities required by law, without following the above procedure, firm the respect of the discipline currently in force concerning the balance between genders.

If one or more Directors leaves office during the financial year, and the majority still consists of Directors appointed by the General Meeting, the Board of Directors carries out the following co-option procedure, pursuant to article 2386 of the Civil Code:

- a) the Board appoints a candidate from the same list as that of the departing Director, and the General Meeting resolves on the same, observing the same criterion, by legal majority;
- b) if there are no candidates on this list who remain unelected or meet the requirements, or in any event it is not possible to comply with the provisions of point a) for any reason, the Board of Directors proceeds with the replacement and the General Meeting subsequently resolves on the same, by legal majority and without a list vote.

In any case, the Board of Directors and the General Meeting must proceed to the appointment in such a way to ensure (i) the presence of independent directors in the minimum number required by law and (ii) the respect with the discipline currently in force inherent the balance between genders.

Into Annex 1 to this Report lists the Directors qualify as independent under Article 147-ter, paragraph 4 of the TUF and under the Corporate Governance Code adopted by the Company.

The Directors of Vittoria Assicurazioni must have the prerequisites of professionalism, integrity and independence as outlined in Ministerial Decree no. 220, of 11 November 2011 (which has replaced the previous Ministerial Decree no. 186 of 24 April 1997) concerning the insurance companies.

Prerequisite of professionalism

The Directors of an insurance company must be selected according to criteria of professionalism and competence from among individuals who have accrued overall experience of at least three years through the exercise of one or more of the following activities:

- a) administration, management or control responsibilities at companies and authorities in the insurance, credit or financial sector;
- b) administration, management or control responsibilities at public entities or public administrations with business in the insurance, credit or financial sector including other industries if the functions performed imply the management or management control of economic financial resources;
- c) administration, management or control at public entities or public and private enterprises whose size is similar to that of the insurance or reinsurance company where the position must be filled;
- d) professional activities in areas related to the insurance, credit or financial sector or teaching at the university level in law, economics, or statistics with relevance for the insurance industry.

The Chairman of the Board of Directors, the members of the Executive Committees and the Managing Directors must be selected on the basis of professionalism and skill, from among persons who have accrued overall experience of at least five years, with reference to the provisions under a), c) and d) above exclusively.

Obstructions

The following individuals may not cover the role of director, general manager, auditor, or receiver in insurance or reinsurance companies or roles that imply exercise of similar or equivalent functions:

- a) individuals who held the office of director, general manager, auditor or receiver in companies admitted to receivership, bankruptcy and extraordinary administration or similar types of procedures, in the three years prior to adoption of the related orders. The ban remains in place for a period of three years, starting from the date the orders are adopted. This ban is reduced to one year if the order to initiate the procedure was given on the request of the business owner, the boards of directors or as a result of a report made by

individual concerned. The ban shall not apply if the competent company body decides, based on sufficient information and according criteria of plausibility and proportionality, that the candidate was not involved in the facts or actions that led to the financial crisis in the company;

- b) individuals who have been removed from the single national register of exchange agents, set forth by article 201, section 15, of the Legislative decree no. 58 of 24 February 1998, and exchange agents who have been excluded from trading on a regulated market. The ban remains in place for a period of three years, starting from the date the orders are adopted. This ban is reduced to one year if the order was adopted by request of the exchange agent.

In the event that, during the course of office, one of the abovementioned causes of impediment occurs, the Director in question must inform the Company. If the impediment is caused by one of the situations described under a) above, within 30 days from this communication, the Board of Directors must assess, based on adequate information and the principles of reasonableness and proportionality, whether to remove the interested party from the facts that caused the crisis, rendering, if applicable, the impediment inoperative.

Prerequisite of integrity

The prerequisite of integrity does not apply if the individuals involved are in one of the following situations:

- a) state of interdiction or temporary interdiction from holding executive offices of the legal persons and enterprises and, in any event, all the situations set forth by article 2382 of the Civil Code;
- b) state of being submitted to preventative measures ordered by the courts, in accordance with Law 1423 of 27 December 1956 or Law 575 of 31 May 1965, or Law 646 of 13 September 1982, as amended, save for any effects of rehabilitation;
- c) final criminal conviction, save for any effects of rehabilitation:
 - 1) with incarceration for one of the crimes set forth by the special legislation that regulates the insurance, financial, credit, securities, and securities markets sectors as well as by Legislative decree 231 of 21 November 2007, as amended;
 - 2) incarceration for one of the crimes set forth under Title XI of Book V of the Civil Code and the Royal Decree 267 of 16 March 1942;
 - 3) incarceration for a period of time not less than one year for crimes against the public administration, against the public faith, against public funds, against the public order, against public economy or for a tax related crime;
 - 4) incarceration for a period of time not less than two years for any crime with malicious intent.

The roles of director of the board, general manager or auditor in insurance and reinsurance companies cannot be covered by persons to which one of the penalties of incarceration set forth under letter c) apply, except for prescription of the crime. If the penalties under letter c) numbers 1) and 2) are applied, the parties may request their waiver if under one year.

Requirements of independence and interlocking restriction

The aforementioned Ministerial Decree 220 of the 11 November 2011 also provides that the function of administration, management or control of an insurance or reinsurance company is not compatible with the exercise of a similar function, involving employment relations, ongoing consulting or the provision of paid services or other relations of a pecuniary nature carried out for other insurance companies, their subsidiaries or parent companies, such that would compromise independence.

For the purposes of assessing the existence of the independence requirement, account must be taken of the differing significance of the functions and the different role carried out by the interested individuals.

In any case, the duties and relations with companies that belong to the same insurance group are not considered to compromise independence.

Furthermore, Vittoria Assicurazioni S.p.A. is subject to the provision of article 36 of Law 214 of 22 December 2011, which prohibits holders of offices in the management, supervisory and control organs and the top executives of companies or groups of companies operating in the credit, insurance and financial markets, to assume or carry out similar duties in competitive companies or groups of companies.

Succession plans

The Board of Directors, taking into account the ownership structure of the Company and the concentration of the shareholder, has decided not to adopt a plan for the succession of executive directors.

The Board of Directors is the body able to handle any advance replacement of these parties, with the timing and manner required by the particular case.

4.2. Composition [pursuant to article 123-bis (2)(d) of the TUF]

At year end 2013, the Board of Directors was composed of the following 16 members:

Giorgio Roberto COSTA	Chairman
Andrea ACUTIS	Executive Deputy Chairman
Carlo ACUTIS	Executive Deputy Chairman
Roberto GUARENA	Managing Director
Adriana ACUTIS BISCARETTI di RUFFIA	Non-executive Director
Francesco BAGGI SISINI	Independent Director
Marco BRIGNONE	Independent Director
Fulvia FERRAGAMO VISCONTI	Independent Director
Bernd GIERL	Independent Director
Lorenza GUERRA SERAGNOLI	Independent Director
Pietro Carlo MARSANI	Independent Director
Giorgio MARSIAJ	Independent Director
Lodovico PASSERIN d'ENTRÈVES	Independent Director
Luca PAVERI FONTANA	Non-executive Director
Giuseppe SPADAFORA	Independent Director
Anna STRAZZERA	Independent Director

Prof. Luigi Guatri, already President of Vittoria Assicurazioni SpA, is Honorary Chairman of the Company since 2007.

The mandate of the Board of Directors appointed in 2010 was concluded, due to expiration of the term of office, on the date the financial statements as at 31 December 2012 were

approved. The General Meeting held on 19 April 2013 therefore appointed a new Board of Directors, setting the term of office to three financial years, therefore up to the date of the General Meeting to approve the financial statements as at 31 December 2015. No other expiration has been set for the directors.

Prior to appointing the new administrative body, the outgoing Board did not express any opinions to the shareholders regarding the professional figures whose presence would be appropriate for the Board.

Pursuant to article 10 of the articles of association described above, two lists of candidates for Director appointments were submitted at the General Meeting:

List 1

submitted by the majority shareholder Vittoria Capital NV, which holds 34,464,400 shares representing 51,15% of the share capital, with the following 15 candidates:

Giorgio Roberto Costa, Andrea Acutis, Carlo Acutis, Roberto Guarena, Adriana Acutis Biscaretti di Ruffia, Francesco Baggi Sisini, Marco Brignone, Fulvia Ferragamo Visconti, Bernhard Franz Josef Gierl, Lorenza Guerra Seràgnoli, Pietro Carlo Marsani, Giorgio Marsiaj, Lodovico Passerin d'Entrèves, Luca Paveri Fontana e Giuseppe Spadafora.

Lista n. 2

submitted by Serfis S.p.A., which holds 2,695,157 shares, representing 4% of the share capital, with the following single candidate: Anna Strazzera.

Serfis S.p.A. declared that it has no significant relations with the majority shareholder.

At the time of voting for the appointment, those who took part represented, on their own behalf or by proxy, 48,464,692 ordinary shares from 67,378,924 in issue, representing 71.93% of the share capital.

List 1 obtained 42,654,261 votes, representing 88.01% of the voting capital.

List 2 obtained 5,810,281 votes, representing 11.99 % of the voting capital.

Shareholders owning 150 shares in total voted against both proposals. No shareholders abstained.

Therefore, the following Directors were elected: Giorgio Roberto Costa, Andrea Acutis, Carlo Acutis, Roberto Guarena, Adriana Acutis Biscaretti di Ruffia, Francesco Baggi Sisini, Marco Brignone, Fulvia Ferragamo Visconti, Bernhard Franz Josef Gierl, Lorenza Guerra Seràgnoli, Pietro Carlo Marsani, Giorgio Marsiaj, Lodovico Passerin d'Entrèves, Luca Paveri Fontana, Giuseppe Spadafora, Anna Strazzera.

The General Meeting received no proposals to authorize the derogation from the competition restriction set forth under article 2390 of the civil code.

During 2013, no Director resigned from office.

There were no changes and the composition of the Board since the closing date.

Personal and professional characteristics of directors in office

Pursuant to article 144-decies of the Issuer Regulation, here is a brief profile of personal and professional characteristics of directors in office at the date of this Report.

Giorgio Roberto COSTA, born in Bellagio (Como) on 5 April 1944 – Chairman

On the Board of Directors of Vittoria Assicurazioni SpA since 27 June 1995. Elected Executive Deputy Chairman on 29 April 2002, and Chairman on 27 April 2007.

He held management positions with the Merrill Lynch Group and was responsible for the establishment of the Lehman Brothers' "capital market" and "investment banking" units in

Milan. He has been Chairman and a Director of various Italian financial companies, including companies belonging to the Caboto Group, the Pirelli Group and the Intesa Group. He has also been a member of the Board of Directors of the following companies: Finanza e Futuro S.p.A., Banca Brignone S.p.A., GIM S.p.A., Avvenire SGR S.p.A. and Vittoria Capital NV. He is currently serving as a Director of Vittoria Immobiliare S.p.A. and Eagle & Wise Service S.p.A.

Andrea ACUTIS, born in Turin on 6 February 1964 – Executive Deputy Chairman

On the Board of Directors of Vittoria Assicurazioni SpA since 29 April 2004. Elected Executive Deputy Chairman on 27 April 2007.

Graduated in economic sciences from the University of Geneva and worked as corporate finance executive at Lazard Brothers & C. Ltd. in London. Currently holds various positions in the Boards of Directors of the companies in the Vittoria Assicurazioni Group and is Director of Yafa SpA, Yarpa SpA and Nuove Partecipazioni S.p.A.

Carlo ACUTIS, born in Turin on 17 October 1938 – Executive Deputy Chairman

On the Board of Directors of Vittoria Assicurazioni SpA since 26 May 1967. Elected Executive Deputy Chairman on 14 June 1982.

Graduated in Economics and Business at the University of Turin, has done work experience in London, at the Midland Bank and Mercantile & General. He was Managing Director of Toro Assicurazioni SpA, covering also the position of Vice President. He bought in 1986 from Toro Assicurazioni SpA the controlling stake of Vittoria Assicurazioni SpA, with a group of institutional investors, both Italian and foreign. He was President of C.E.A. - Comité Européen des Assurances.

He is currently director of Pirelli & C. S.p.A., Vice President of Bank Passadore & C. SpA and Director of Yafa SpA. It is also a member of the Supervisory Board of Yam Invest NV, Member of the Comité Stratégique of Insurance Europe, representing the Italian market, director of the Association de Genève, Vice President of ANIA and Director of the Italian Association for Cancer Research (Committee Piedmont and Val d'Aosta).

Roberto GUARENA, born in Turin on 24 September 1937 – Managing Director

On the Board of Directors and Managing Director of Vittoria Assicurazioni SpA since 29 January 1994.

Already General Manager and Director of the Institute Mobiliare Piemontese IPI SpA, Auditor of Assimoco SpA. It was the representative of Italy to the European Union of Insurers for studies about the IV and VII of the Directive on financial statements. He currently holds the positions of Director of Touring Holidays Srl, as well as other various positions on the Boards of Directors of the subsidiaries and associates of Vittoria Assicurazioni. It 'also a member of the Executive Committee of ANIA - National Association of Insurance Companies and a member of the General Council of the Permanent Foundation Forum ANIA-Consumers, and a member of the ANIA Foundation for Road Safety.

Adriana ACUTIS BISCARETTI di RUFFIA, born in Turin on 13 August 1965

On the Board of Directors of Vittoria Assicurazioni SpA since 29 April 2004.

Obtained a Master of Arts from Cambridge University. She was director at Alexander & Alexander Italia SpA and Banca Regionale Europea. Currently Vice Chairman of Yafa SpA, SpA, she is a member of the Supervisory Board, the Strategic Committee and the Finance Committee of Yam Invest N.V. and member of the Supervisory Board and the Finance Committee of Yareal International N.V. She is also director of Yura SpA, Yafa Holding B.V., and Yura International B.V. and, Yarpa Investments SGR SpA. She also holds various positions on the Boards of Directors of Vittoria Assicurazioni Group companies.

Francesco BAGGI SISINI, born in Sassari on 10 September 1949

On the Board of Directors of Vittoria Assicurazioni SpA since 26 April 2001.

Currently Chairman of Icaria Srl, Director of Oxeer Srl and a member of the Supervisory Board of Yam Invest NV.

Marco BRIGNONE, born in Turin on 12 October 1938

On the Board of Directors of Vittoria Assicurazioni SpA since 23 June 1983.

Formerly Chairman of Brignone Informatica SpA and of the Supervisory Board of the Turin Stanza di Compensazione, "The Sailor's Fund" (the Luxembourg-based SICAV) and Plurifid SpA. Has served as Vice Chairman of Banca Brignone SpA and a member of the Board of Ceresole SIM & C. SpA and Acquedotto De Ferrari Galliera. Currently a member of the Board of Ersel SIM SpA and Online SIM SpA.

Fulvia FERRAGAMO VISCONTI, born in Fiesole (FI) on 02/07/1950.

On the Board of Directors of Vittoria Assicurazioni SpA from 2 August 2012.

Since 1970, after her classical studies, she started working in the Salvatore Ferragamo SpA, of which is currently Director. In addition, she holds the position of Vice President of Finance Ferragamo SpA, director of Palazzo Ferroni Finance SpA and Sofer SpA and Chairman of the Board of Directors of Orienthera Ltd. Involved in numerous cultural and humanitarian organizations in Italy and abroad is also director of the Onlus Files.

Bernhard GIERL, born in Monaco (Germany) on 26.10.1948.

On the Board of Directors of Vittoria Assicurazioni SpA from 16 February 2012.

Studies at the University of St.Gallen, Wharton School (Philadelphia) and Harvard University (Boston). He made a career at the Munich Reinsurance Company, where he started working in 1965. He was, among others, member of the management of Munich Re as responsible for strategic planning and economic research of the market. From 2001 to 2010 he held the position of Director of Asia Pacific for the Munich Re Group

Lorenza GUERRA SERAGNOLI, born in Roma on 29.5.1982

On the Board of Directors of Vittoria Assicurazioni SpA from 19 April 2013.

She has a degree in Public and Organizational Communication Sciences from the "La Sapienza" University of Rome, a master's degree in Sports Psychology and a Fifa International Masters in Humanities, Management and Law of Sport. She has served as a project manager with Fortitudo Pallacanestro and Meditation S.r.l.. She is currently Chairman of LGS Organization S.r.l., which he is a Founding Partner of, and is also serving as a Director on the Board of Directors of Montenegro S.p.A., Utenti Pubblicità Associati and CSII S.p.A.

Pietro Carlo MARSANI, born in Pavia on 29 September 1936

On the Board of Directors of Vittoria Assicurazioni SpA since 26 June 1986.

Graduated in economics and business from Bocconi University. Formerly Managing Director of P. Ferrero & C. SpA and Ferrero International BV, Chairman of Worms Sim SpA, member of the Board of Worms Finanziaria SpA, Toro Assicurazioni SpA, Akros Finanziaria SpA and Homeopharm Srl and Permanent Auditor of I.DE.A. Institute SpA and Aosta Factor SpA. Currently a member of the Board of Dual Sanitaly SpA and Suberit Srl.

Giorgio MARSIAJ, born in Turin on 17 May 1947

On the Board of Directors of Vittoria Assicurazioni SpA since 23 June 1998.

Currently Chairman of TRW Automotive Italia SpA, TRW Automotive Holding Italia Srl, Olympic Real Estate SpA, Olyfen Properties Srl, Sabelt SpA and Moncanino SpA . In addition, he holds the position of Vice Chairman and Managing Director of M. Marsiaj & C. Srl, member of the Board and member of the Executive Committee of Fenera Holding Italia SpA. Also a member of the Board of Directors of Marsiaj Srl, Ersel SIM S.p.A. and Fashion S.p.A. and of the executive boards of Anfia, Amma, Unione Industriale and various cultural and charitable associations.

Lodovico PASSERIN d'ENTRÈVES, born in Courmayeur (AO) on 2 July 1944

On the Board of Directors of Vittoria Assicurazioni SpA since 09 November 2006.

Graduated in law, formerly Head of External Relations at the Toro Group and then at IFIL (now EXOR). Subsequently served as head of the External Relations and Communications department at the Fiat Group and as Executive Assistant to the Chairman of Fiat SpA. Also

served as Chairman of the External Relations Committee of the insurers' association *Associazione Nazionale fra le Imprese Assicuratrici* and as a member of the Board of Isvor Fiat. Currently Senior Advisor of Fiat SpA, Chairman of Publikompass SpA and member of the Board of Editrice La Stampa SpA. Also a member of the Superior Board of Bank of Italy and President of the Regency Council of the Banca d'Italia of Turin. Chairman of the Scientific Committee of the Courmayeur Foundation and Chairman of the Council for the enhancement of cultural and artistic heritage of Turin.

Luca PAVERI FONTANA, born in San Ruffino di Parma on 8 November 1944

On the Board of Directors of Vittoria Assicurazioni SpA since 29 April 2002.

Graduated in law from the University of Turin. Formerly Managing Director of the SKF Group and Unicem SpA, Co-General Manager and Director of IFIL SpA, Vice Chairman of Worms & Co. (Paris) and St. Louis Sucre (Paris), member of the Board of Directors and member of the Strategic Committee of Telecom Italia SpA, member of the Board of AWA Plc (London), Soporcel SA (Lisbon), Permal Group (Paris) and Banque Demachy (Paris) and Chairman and Managing Director of Arjo Wiggins Appleton Plc (London). Currently Chairman at YFL S.p.A., Vice Chairman at Yarpa SpA and Yarpa Investimenti SGR, member of the Supervisory Board of Yam Invest NV, member of the Board of Yafa SpA and Vittoria Immobiliare SpA.

Giuseppe SPADAFORA, born in Palermo on 7 September 1954

On the Board of Directors of Vittoria Assicurazioni SpA since 29 April 2005.

He holds a degree in Business Administration from the University of Palermo, a Master of Science and Economics from the London school of Economics, and has continued his studies in economics at Harvard University. Formerly, a Managing Director & Senior Financial Officer with Chemical Bank (currently JP Morgan Chase), Financial Director of Omnitel (currently Vodafone Italia), General Manager of the Banco di Sicilia, General Manager for Italy of the BNP Paribas Group, member of the Board of Directors and the Executive Committee of the Cassa di Risparmio di Firenze, Managing Director and General Manager of the Cassa Lombarda. He is currently the Vice Chairman of Cassa Lombarda and the Chairman of Anthilia SGR.

Anna STRAZZERA, born in Bologna on 4.3.1959

On the Board of Directors of Vittoria Assicurazioni SpA from 19 April 2013.

She graduated from the L. Bocconi University of Milan with a degree in Business Administration and has been registered with the Board of Certified Accountants of Milan since 1989 and the Board of Auditors since 1995.

She has worked as an accountant in Luxembourg with an international insurance Group and, among other things, has been a member of the Board of Directors of Banca di Legnano.

She is currently a certified accountant, and her activities include tax consulting, and corporate and financial consulting for joint stock companies, including foreign companies. She is a Statutory Auditor in corporations involved in real estate management and holding companies.

Maximum number of positions at other companies

With its resolution of 19 April 2013, the Board of Directors has reconfirmed the previous general criteria regarding the maximum number of administration and control positions held in other companies that can be considered as compatible with effective performance as a Director with Vittoria Assicurazioni, without prejudice to the interlocking restriction introduced by Law 214 of 22 December 2011.

The Board has therefore confirmed the maximum limit of 12 offices, of which a maximum of 6 with listed companies, to be identified according to the following criteria:

- offices held in listed companies and in financial, banking and significantly sized companies are to be considered;

- financial companies are those companies that can carry out financial activities directed toward the public, therefore holding companies are excluded, provided they are not listed;
- significantly sized companies are those with turnover in excess of Euro 100 million;
- if an office held within a parent company is taken under consideration, any offices held in subsidiaries are not considered.

In the same meeting, the Board check compliance with the limits established for the Directors in office.

Each year, the Board records the governing and control positions held by the individual directors according to the aforementioned criteria, and presents them in the Report on Corporate Governance and Shareholdings.

The number of significant offices held by the Directors in office is shown in the table provided in Annex 1 to this Report.

Induction Programme

In compliance with the provisions set forth in Isvap Regulation 20 (as amended in November 2012) and the Corporate Governance Code on professional development, Vittoria Assicurazioni has initiated a training program for the Members of the Board of Directors.

To this end, studies concerning the insurance sector will be disclosed with the aim of providing continuous updating and ensuring that the Directors have the necessary skills to carry out their role with awareness.

Given the impact of the Solvency II regulations, which will result in a significant process of change and innovation in the operating model and the organizational structure of companies, this training program is focused on examining these regulations, particularly insofar as the requirements for the Board of Directors, the activities carried out by the Company and the adaptation status.

The first study provided to the Directors, contained a summary of the main elements of the Solvency II regulation, with an analysis of the first part of the EIOPA Guidelines, concerning the Governance system.

Directors who so wish may also request additional information on the issues handled during the training sessions provided at the end of board meetings.

4.3. Role of the Board of Directors (pursuant to article 123-bis (2)(d) of the TUF)

The functions of the Board of Directors are determined in accordance with the provisions of the Articles of Association, the Corporate Governance Code and applicable laws and regulations.

Pursuant to article 14 of the Articles of Association, the Board of Directors is vested with the broadest and unlimited powers for the ordinary and extraordinary management of the Company; all the necessary and opportune powers are conferred upon it for implementation an achievement of the corporate objectives that are not expressly incumbent upon the General Meeting. Furthermore, as an insurance company, the duties of the Board of Directors are those attributed by article 5 of Isvap Regulation 20, issued on 26 March 2008.

As provided by the Articles of Association, when board meetings are held, the Board of Directors and the Board of Statutory Auditors are informed, by the Managing Director and the General Manager, regarding the activities of the Company and its subsidiaries, the general outlook, the major economic, financial and equity transactions, particularly insofar as

transactions in which the directors or third parties have a personal interest or which are influenced by any entity exercising the activity of management and co-ordination.

In financial year 2013, the Board of Directors held six meetings the average duration of which was approximately 2 hours. Average meeting attendance by the Directors was 91%. Detailed attendance figures for individual Directors can be found in the table in Appendix 1 of this Report.

Five meetings of the Board of Directors are scheduled in the corporate events calendar for FY 2014, on the following dates:

- 19 February (disclosure about FY 2013 premiums)
- 7 March (approval of the draft 2013 financial statements)
- 12 May (approval of the 2014 first-quarter report)
- 31 July (approval of the 2014 half-year report)
- 13 November (approval of the 2014 third-quarter report)

Two of these meetings had already been held at the date of this report.

To guarantee the timeliness and completeness of the information provided prior to the meeting, since 2012 the Company has maintained a reserved Internet portal, which is used for the meetings of the Board of Directors and the Internal Committees.

The Vittoria Assicurazioni portal for the management of corporate events, accessible on a password basis, allows Directors and Statutory Auditors to view and download the documentation submitted for the attention of the participants to these events, while ensuring maximum security and confidentiality. Furthermore, participation in the board or committee meetings can be indicated through this portal and notification of documents made available or the calendar can be received by e-mail.

To facilitate the activities of the Directors, during 2013 the Board Secretariat worked on ensuring that the documentation relative to the agenda items was generally made available to the Directors and Statutory Auditors even prior to the three days before the meetings, this timeline having been assessed by the Board as appropriate for allowing the interested parties to correctly evaluate the issues submitted for their examination and to be able to act in an informed manner.

In certain cases, the documentation was accompanied by summary documents and/or presentations, aiming to highlight the most significant elements for the deliberations that were to ensue.

Documents which cannot be provided to Directors prior to the board meetings, are delivered during the meetings themselves.

During the meetings, the Directors are able to provide their input and the Chairman ensures that the issues placed on the agenda are allotted the necessary time in order for a constructive discussion to take place.

As explained in the paragraphs that follow, the Committees established within the Board of Directors (Appointments and Remuneration Committee, Control and Risk Committee, Finance Committee, Real Estate Committee, Committee for the Evaluation of Transactions with Related Parties) serve an essential function insofar as the activity of the Board itself. They are responsible for carrying out preliminary fact-finding work on certain issues to be resolved by the Board and they provide support by formulating opinions and proposals.

Committee meetings are attended by Senior Management representatives and the heads of various Company functions may be invited, according to their respective responsibilities. When deemed necessary to provide the Board of Directors with more complete information on the topics to be discussed, the Executives of the Company are invited to participate in certain phases of the Board's work.

The Board of Directors of Vittoria Assicurazioni S.p.A. is in charge of examining in approving the strategic, business and financial plans of the Company and the group, and to periodically monitor their implementation.

To this end, each year the Board approves the strategic objectives for the year underway and verifies realization thereof at the time the financial statements for the period are approved.

The Board is exclusively in charge of deliberations regarding the transactions which are strategically, economically or financially significant for the Company, pursuant to the mandates granted to the Vice Chairman and the Managing Director, as illustrated in paragraph 4.4 below.

As part of its own strategically oriented tasks, the Board, with the support of the Finance Committee, defines the guidelines for the investment policies (structure of the portfolios managed, investment processes and selection criteria for investments), while establishing the strategies and monitoring performance thereof each quarter.

Furthermore, based on preliminary fact-finding work submitted by the Real Estate Committee, the Board approves the Company's real estate initiatives and the major transactions of the subsidiary real estate companies.

The Board is in charge of defining the corporate governance system and the structure of the group headed by the Issuer.

As provided by Article 2381 of the Civil Code and article 5 of Isvap Regulation 20, the Board approves, each year, the organisational and functional chart submitted by the Managing Director, these being documents that identify and define the responsibilities relative to the main corporate decision-making processes, together with the model of the mandates and authorizations defining the structure of the responsibilities assigned to the individual operating units.

As also provided by Isvap Regulation 20, the Board has the final responsibility for the internal control and risk management systems, for which it must ensure constant completeness, functionality and effectiveness.

Therefore, at the time the annual report which describes the Internal controls and risk management adopted by the Company, pursuant to Isvap regulation 20, is examined and approved, the Board assesses the Company's organisational, administrative and accounting structure.

With the support of the Control and Risk Committee, each quarter the Board verifies the adequacy, effectiveness and actual operation of the internal control system and the risk management system and ensures that the management carries out the implementations that are considered appropriate.

At the beginning of the year, the Board approves the activity plans of the Internal Audit, Compliance and Risk Management functions and of the Supervisory Body appointed pursuant to Italian Legislative Decree 231/2001 and examines its activities which are presented in half yearly reports produced by the functions themselves.

Furthermore, pursuant to IVASS regulations, the Board of Directors annually:

- examines and approves the list of the most significant risks prepared by the Risk Management Department according to the Company's regulatory reserves. It sets the risk tolerance levels and periodically revises them according to the results of the risk identification and assessment processes;
- it approves, after review and approval by the Control and Risk Committee, the Annual Report by the organisational units responsible for Training and Supervision of the Commercial Networks, required by article 40 of Isvap Regulation 4 and prepared in

accordance with Isvap Instruction 2743;

- it examines, in order to assess whether critical situations exist, the Reports prepared by the Head of Internal Audit on claims management, and the related statistical statements required by Isvap Regulation 24;
- each year it approves the Reinsurance plan for the year underway and subsequent changes thereto. prepared on the basis of the Guidelines approved by the Board itself to define the limits within which the companies Reinsurance operations must take place.

As Vittoria Assicurazioni is the Parent Company of the insurance Group bearing the same name, the Board is also in charge of assessing the adequacy of the organisational, administrative and accounting structure of the companies belonging to the Group itself.

The Vittoria Assicurazioni Group operates in the insurance sector solely through the parent Company and, as part of its own strategy for the optimization of its risk/return profile, carries out its own investments in the real estate sector as well (trading, development and real estate brokerage and management services), operating through Vittoria Immobiliare S.p.A. and other special purpose vehicles established for the realization of investments in the real estate sector. These investments are carried out pursuant to the directive set by the Parent Company's Board of Directors, following the preliminary fact-finding work carried out by the relevant Real Estate Committee. The other companies belonging to the group are of a smaller size and provide services mainly in support of the insurance activity.

As provided by the applicable regulatory provisions, each year, the Board of Vittoria Assicurazioni:

- examines and approves the "Report on the Insurance Group" required under Isvap Regulation 15, which describes the organisation of the Group and the measures taken by the parent Company as part of its own management and co-ordination activity;
- delineates the intragroup operations anticipated for the year, pursuant to Isvap Regulation 25.

In 2013, the Board of Directors approved a program for the rationalization of the equity investments in the real estate area, implemented through the merging of five subsidiaries into one single company. This transaction was carried out in order to achieve, over the long term, a decrease in the overhead and accounting, tax and administrative costs.

The objective of the transaction was also to integrate the real estate initiatives of the Company in order to ensure that the economic - financial performance of the relative investments is as balanced as possible.

Assessment of the operation of the Board and its Committees

In January 2013, also following the amendments made to Isvap regulation 20 by the Ivass Resolution 3020 of 8 November 2012, the Board assessed its own operation and that of its committees, this assessment also including their size and composition. The Board did not employ any external consultants in the assessment procedure.

The valuation process was carried out through the distribution to the Board members of a questionnaire divided into sections, each one covering different issue; in each section an area was provided for comments.

For the assessment of the adequacy of the Board's size and composition, the Board members were requested to take into account elements such as the professional characteristics, experience, including managerial experience, and gender of the members; furthermore, both the number of Independent Directors and the adequacy of the significant documentation provided for board meetings were assessed.

In order to ensure the confidentiality of the answers provided by the individual members and to promote as exhaustive and representative responses as possible, the questionnaire was

anonymous and the responses were assessed in an aggregate form. The results of the Self-Governance Questionnaire were examined by the Appointments and Remuneration Committee and illustrated in the Board of Directors meeting held in the month of March.

The composition, operation and activities carried out in general by the Board and the Committees were considered to be adequate in terms of the duties that were assigned.

As illustrated below, the self-governance process of the Board of Directors was one of the issues that was handled by the meeting of Independent Directors held in 2013.

4.4. Delegated bodies

Managing Directors

Pursuant to article 18 of the Articles of Association, the Chairman of the Board of Directors, the Vice Chairman and the Managing Director legally represent the Company before third parties and the law.

In its meeting of 19 April 2013, the members of the Board of Directors Mr. Roberto Guarena and the Vice Chairman Mr. Carlo Acutis received management mandates; the powers conferred can also be exercised separately and they refer to the ordinary management of the insurance business and the financial area as well as real estate.

Following are the main powers which were delegated:

- to accept, conclude and terminate insurance contracts, whether director indirect, establishing the rates and the conditions;
- to conclude and terminate active and passive reinsurance treaties, the granting and acceptance of optional reinsurance;
- the purchase, exchange and sale of buildings for a maximum amount of Euro 10 million for each individual purchase, exchange or sale;
- the purchase and sale, without limits of amount, of debt and equity securities for the benefit of life policyholders bearing the investment risk and those relating to pension fund management;
- purchasing and selling, without limitations as to the amount, of state or State guaranteed securities, and non-convertible bonds and similar securities;
- the purchasing and selling of UCIs, without limitations as to the amount, provided they invest mainly in the bond market;
- the purchase and sale of units of equity UCIs, excluding closed-end funds, up to a maximum amount of Euro 15 million;
- the purchase, underwriting, trading and selling of shares, convertible bonds and equity investments in companies or entities, unit holdings in closed-ended funds up to the maximum amount of Euro 20 million - this amount to be reduced to Euro 10 million if the transactions refer to the acquisition and sale of equity holdings in insurance companies or in companies the purpose of which is directly connected and instrumental to this activity. The authority to purchase and sell majority interests in other companies, with the exception of real estate companies up to Euro 10 million per transaction, is exclusively retained by the Board of Directors;
- the granting of mortgages and loans up to the amount of Euro 5 million.

The issue of sureties and endorsements to third parties is in any case the sole prerogative of the Board of Directors.

The Managing Director and the Vice Chairman are furthermore authorized to represent the Company, both in Italy and abroad, before any judicial, financial and administrative authority.

The Managing Director is the main person responsible for the management of the Company and does not hold offices in other issuer companies; therefore to the interlocking directorate does not apply.

Chairman

The Chairman of the Board of Directors, to whom the articles of association grant the authority of legal representation of the Company, is not vested with any executive authority.

The Chairman does not play a specific role in corporate strategy, does not control the Company and does not hold principal responsibility for the operation of the business, but meets the requirements for an independent Director.

The Chairman is a member of the Committee of Finance and of the Real Estate Committee, which define the investment strategies of the Company to be approved by the Board of Directors.

General Manager

In its meeting held on 19 April 2013, the Board of Directors conferred the following powers to the General Manager, pursuant to article 16 of the Articles of Association:

- to accept, conclude and terminate insurance contracts, whether director indirect, establishing the rates and the conditions;
- to conclude and terminate active and passive reinsurance treaties, the granting and acceptance of optional reinsurance;
- the purchase, exchange and sale of buildings for a maximum amount of Euro 2.5 million for each individual purchase, exchange or sale;
- the purchase and sale, up to Euro 20 million, of debt and equity securities for the benefit of life policyholders bearing the investment risk and those relating to pension fund management;
- purchasing and selling, up to Euro 20 million, of state or state guaranteed securities, and non-convertible bonds and similar securities;
- the purchasing and selling, up to Euro 20 million, of UCIs, provided they invest mainly in the bond market;
- the purchase and sale of units of equity UCIs, excluding closed-end funds, for a maximum amount of Euro 5 million;
- the purchase, underwriting, trading and selling of shares, convertible bonds and equity investments in companies or entities, unit holdings in closed-ended funds up to the maximum amount of Euro 5 million, this amount to be reduced to Euro 2,5 million if the transactions refer to the acquisition and sale of equity holdings in insurance companies or in companies the purpose of which is directly connected and instrumental to this activity;
- the purchasing and selling of controlling shareholdings in real estate companies up to Euro 2.5 million for each transaction;
- the granting of mortgages and loans up to the amount of Euro 2.5 million.

The General Manager is furthermore authorized to represent the Company, both in Italy and abroad, before any judicial, financial and administrative authority.

Disclosures to the Board

As provided by the Articles of Association, when the board meetings are held, at least every quarter, the Board of Directors is informed, including by its delegated bodies, regarding the activities of the Company and its subsidiaries, the general outlook, the major economic, financial and equity transactions, particularly insofar as transactions in which the directors or third parties have a personal interest or which are influenced by any entity exercising the activity of management and co-ordination.

4.5. Other executive Board Members

Executive Deputy Chairman Andrea Acutis is the head of the Finance Division of Vittoria Assicurazioni S.p.A.

Executive Deputy Chairman Andrea Acutis and Managing Director Roberto Guarena hold various executive positions in subsidiaries of Vittoria Assicurazioni.

4.6. Independent Directors

Following its appointment by the General Meeting of 19 April, the Board of Directors which was held on that same date identified the Independent Directors based on the declarations issued by each Director on the occasion of their candidacy. The following 10 non-executive Directors were found to possess the independence requirements as indicated within the TUF: Francesco Baggi Sisini - Marco Brignone - Fulvia Ferragamo Visconti – Bernhard Gierl – Lorenza Guerra Seràgnoli – Pietro Carlo Marsani – Giorgio Marsiaj – Lodovico Passerin d'Entrèves – Giuseppe Spadafora – Anna Strazzerà.

The aforementioned Directors also possess the requirements of independence as provided by chapter 3 of the Corporate Governance Code, with account in any case taken that Vittoria Assicurazioni does not adopt application criterion 3.C.1. letter e) based on which directors that have held office for more than nine years cannot be qualified as independent.

In so doing, the Board of Directors chose to promote the acquisition of thorough knowledge about the Company, given the peculiar characteristics of the insurance and reinsurance business, this level of knowledge can only be acquired over the course of several years of experience. The following reasons are given for this preference:

- legislation applicable to insurance companies provide special requirements of professionalism on the part of administrators;
- insurance activity is subject to special regulations, specifically Italian Legislative Decree 209/2005 (the Insurance Code) and the related regulatory provisions issued by IVASS, some of which are particularly complex. For example, some Board resolutions that are 'technical' in nature, imposed by IVASS regulation:
 - the definition of guidelines for reinsurance operations (an activity of particular technical complexity);
 - the definition of guidelines for the assignment of assets to the life and non-life businesses and the related accounting procedures; although the Company is under single management, all its financial statements must be divided into two different sections, one for the non-life business and one for the life business, meaning that directors must determine the correct allocation of shared costs and cash flows;
 - the definition of policies for assumption, assessment and management of the most significant risks, in accordance with the adequacy of the Company's net assets; the Board of Directors must determine risk tolerance levels at least once a year on the basis of the results of the risk identification and assessment processes;
- a particular feature of financial statements for the insurance business is that most of the recognised liability items are subject to measurement, since they consist of uncertain items; therefore, since revenues are collected in advance and costs will follow over the course of several years, it is necessary to have perfect knowledge and comprehension of insurance and financial techniques in order to synchronise assets with liabilities continually, since the latter fall outside the Company's control;
- in the life business, Vittoria Assicurazioni manages investments whose risk is 80% borne by policyholders. This requires special management in accordance with supervisory authority regulations; in this regard, insurance company management must be focused on achieving and maintaining profitability and financial balance with an extremely long-term

perspective, which is completely different from common practice in other industries. For example, in the case of retirement fund policies, the relations between an insurance company and a policyholder may consist of 20 or more years of premium payments, followed by several decades of payouts of retirement benefits by the Company;

- the insurance business has a social useful function: the Company must consequently be able to manage mutuality in favour of policyholders.

The outcome of the assessments made by the Board of Directors was communicated in a press release disclose to the market, in which the reasons for the deviation from the aforementioned criteria were explained summarily.

Normally, at least once per year, the Board of Directors checks whether the independence requirements for each non-executive director continue to apply.

The Board of Statutory Auditors has verified, in the same meeting of the Board of Directors, correct application of the criteria and ascertainment procedures adopted by the Board for the assessment of the independence of its members.

During 2013, the Independent Directors met once without the presence of the other Directors. During this meeting, the Independent Directors considered it appropriate to provide for the appointment of a lead independent director as a point of reference and coordination of the proposals and contributions of that nonexecutive directors and, in particular, the independent directors. Upon conclusion of this meeting, and upon proposal of the Independent Directors, the Board of Directors appointed Mr. Lodovico Passerin d'Entrevés as the Lead Independent Director.

During the same meeting, other issues were examined such as the self-governance process carried out by the administrative organ in relation to its size, composition and operation, and the relative outcomes of the training program initiated by the Company for its directors.

Those Directors who, within the lists for the appointment of the Board, indicated that they fulfilled to the requirements set for independence and committed to immediately inform and the Company of any change that could ensue in regard to what they declared, maintained independence during 2013 and up to the date that this document was approved.

4.7. Lead Independent Director

Though in relation to the current composition of the Vittoria Assicurazioni Board of Directors, the requirements set forth in application criteria 2.C.3 of the Corporate Governance Code do not indicate that appointment of a Lead Independent Director is necessary, since the Chairman of the Board is not that person who is mainly responsible for the management of the Company nor the individual that controls the issuer, as part of the participation to the new version of the Corporate Governance Code, the Board of Directors decided that it will nevertheless comply with this provision.

Given also the need to hold a meeting of the Independent Directors at least once per year, the presence of a Lead Independent Director who could coordinate this work was considered to be appropriate. In acceptance of the proposal submitted by the Independent Directors, the Board of Directors therefore appointed Mr. Lodovico Passerin d'Entrèves as the Lead Independent Director.

The position of Lead Independent Director does not correspond to a corporate office with powers that compete with those of the Company's top management, but constitutes a function for reconciliation between the Chairman of the Board of Directors and the Independent Directors, also in order to promote the functioning of the board activities.

5. HANDLING OF CORPORATE INFORMATION

Vittoria Assicurazioni S.p.A. has a procedure for the management and public disclosure of inside information.

Compliance with the procedure is required for all members of the corporate bodies and employees of Vittoria Assicurazioni with access to information that could evolve into inside information; moreover, it also applies to subsidiaries of Vittoria Assicurazioni, which, not having their securities listed, have an obligation to disclose inside information to Vittoria Assicurazioni, for subsequent disclosure to the market.

The adopted procedure defines:

- requirements and responsibilities for the classification of market sensitive information (information which may become inside information) and inside information, differentiating according to whether the information is linked to recurrent and continuous activities-processes or specific projects-events;
- the procedure for tracking access to potential inside information, with particular reference to the establishment of the record pursuant to Article 115-bis of the TUF and Article 152-bis of the Issuer Regulation;
- the procedures for upgrading, preserving and accessing the record;
- the operating instructions governing disclosure of inside information to the market.

In particular, the dissemination of inside information is managed by the Investor Relator, with the authorisation of the Managing Director.

For the disclosure of Regulated information, Vittoria Assicurazioni S.p.A. has opted to use SDIR-NIS, managed by Bit Market Services, a company of the London Stock Exchange group, located in Milan, Piazza degli Affari 6.

Press releases are published on the website of the Company, in the press section.

Vittoria Assicurazioni opted to deviate from the disclosure obligations of the information documents required upon the occasion of significant transactions such as mergers, spinoffs, share capital increases through contributions in kind, sales and acquisitions, applying the opt out regime pursuant to articles 70, paragraph 8 and 71 paragraph 1 bis of the Issuers Regulation, as amended by Consob resolution 18079 of 20 January 2012.

6. BOARD COMMITTEES [pursuant to article 123-bis (2)(d) of the TUF]

Following the appointment of the Board of Directors by the General Meeting held on 19 April 2013 and pursuant to article 14 of the Articles of Association, the newly elected directors, having assessed the size, composition and operation of the board and with account taken of the duties attributed to the committees in the previous mandate, established the following five Committees, certain of which are not required by the Corporate Governance Code:

- Appointments and Remuneration Committee;
- Control and Risk Committee;
- Finance Committee;
- Real Estate Committee;
- Committee for the Evaluation of Transactions with Related Parties.

In discussing the establishment of these committees, the Board of Directors assessed the professional profiles and the availability manifested by the individual interests of directors.

Given the structure and the organization of the Company, it was considered appropriate to centralize the functions of the Appointments Committee and the Remuneration Committee into a single committee named the Appointments and Remuneration Committee.

This committee was established based on the stricter rules set forth in the Corporate Governance Code for the remuneration committee and is therefore composed of non-executive directors, most of whom are independent and the Chairman was selected among the latter.

The functions of the committees are to consult and make proposals to the Board and each has its own regulation, which is compliant with the provisions of the Corporate Governance Code, and which establishes its competences and governs its operation. In its meeting of 19 April 2013, the Board confirmed the regulations applicable prior to the renewal of the corporate bodies, which regulations were already in line with the provisions of the Corporate Governance Code issued in December 2011.

The Appointments and Remuneration Committee, the Control and Risk Committee and the Committee for the Evaluation of Transactions with Related Parties have of their disposal an annual budget of Euro 30,000 each, with which to carry out their respective duties, which has been approved by the Board of Directors.

6.1. Finance Committee

At the date of this Report, the Finance Committee consists of the following Directors:

Andrea ACUTIS	Executive Chairman
Adriana ACUTIS BISCARETTI di RUFFIA	non executive
Carlo ACUTIS	executive
Giorgio Roberto COSTA	non executive
Roberto GUARENA	executive
Luca PAVERI FONTANA	non executive

The Committee members shall remain in office until the expiration of the Board.

Within the Finance Committee, the Board assigned the following duties: to Adriana Acutis Biscaretti di Ruffia, the task of supervising and reporting on foreign subsidiaries and to Luca Paveri Fontana the task of reporting on subsidiaries and investments in the private equity sector.

The Chairman Mr. Andrea Acutis reports to the Board, at each meeting, on the work carried out by the Committee.

The Committee shall meet at least quarterly, convened by the Chairman or when requested by at least 2 members of the Committee.

The Finance Committee met eight times in FY 2013. Average meeting attendance was 98%. See the table in Appendix 2 of this Report for the individual Directors' attendance records.

Seven meetings are planned in 2014.

The Committee meetings are also attended by senior managers and heads of operating department of the Company.

The duties of the Finance Committee are: to supervise the performance of securities investments; to define investment strategies within the limits set in the investment policies by the Board of Directors; to assess the investment proposals submitted by the head of the Finance Division.

Specifically, the Finance Committee shall:

- submit to the Board the revisions deemed appropriate to the Framework Resolution on investments, which establishes the investment guidelines to be followed by the Company, taking into account the requirements and limits set by Isvap Regulation 36 and the risk profile of the liabilities held, to assure the integrated management of assets and liabilities;
- periodically monitor the securities portfolios whose risk is borne by the Company and those whose risk is borne by policyholders, defining investment strategy in view of, inter alia, economic analyses and the possible effects of monetary policies;
- assist the Board of Directors in defining the risk tolerance levels for investing activities;
- periodically assess the financial position of Group real estate companies, auditing their compliance with the exposure limits set by the Board of Directors;
- audit the results of the stress tests performed on the Company's portfolio;
- support the decisions of the Life Division in readying new indexed life products.

6.2. Real Estate Committee

At the date of this Report, the Real Estate Committee consists of the following Directors:

Andrea ACUTIS	Executive Chairman
Adriana ACUTIS BISCARETTI di RUFFIA	non executive
Carlo ACUTIS	executive
Francesco BAGGI SISINI	non executive independent
Giorgio Roberto COSTA	non executive
Roberto GUARENA	executive
Luca PAVERI FONTANA	non executive
Anna STRAZZERA	non executive independent

The Committee members shall remain in office until the expiration of the Board.

Within the Real Estate Committee, the Board assigned the task of supervising and reporting on the foreign real estate companies to Adriana Acutis Biscaretti di Ruffia.

The Chairman Mr. Andrea Acutis reports to the Board, at each meeting, on the work carried out by the Committee.

The Committee shall meet at least quarterly, convened by the President or when requested by at least 2 members of the Committee.

The Real Estate Committee met four times in FY 2013. Average meeting attendance was 93%. See the table in Appendix 2 of this Report for the individual Directors' attendance records.

Members of senior management, heads of Company operating departments and representatives of the Group real estate companies also attend Committee meetings.

The Real Estate Committee has the function of: supervising the performance of the Group's real estate investments; defining development strategies for the real estate business segment; assessing the investment proposals submitted by operating managers.

In particular for 2013, the Committee supported the decision of the Board of Directors insofar as the rationalisation plan concerning the shareholdings in the real estate sector.

6.3. Committee for the Evaluation of Transactions with Related Parties

At the date of this Report, the Committee for the Evaluation of Transactions with Related Parties consists of the following Directors:

Pietro Carlo MARSANI	Independent non-executive Chairman
Marco BRIGNONE	Independent non-executive member
Giuseppe SPADAFORA	Independent non-executive member

The Committee members shall remain in office until the expiration of the Board.

The Committee's duties were established based on Consob Regulation 17221 of 12 March 2010, as listed in the procedure approved by the Board of Directors which is described in paragraph 11 below. In particular, as provided by the aforementioned Consob Regulation, the purpose of the Committee is to express a justified opinion on the interests of the Company upon conclusion of transactions with related parties as well as the convenience and essential correctness of the relative terms and conditions.

The managers of the group's operating functions have the option of participating in the Committee's and, in fulfilment of its duties, the Committee has the option of accessing the information and corporate functions necessary for the completion of its duties; furthermore, under the terms approved by the Board, it may make use of external consultants.

The Committee's work is coordinated by a Chairman, assisted by a Secretary who need not be a member of the Committee. The Committee's meetings shall be recorded with written minutes.

The Board of Directors has made available to the Committee an annual budget of Euro 30,000 for the carrying out of its duties, while providing that any additional needs must be submitted for approval by the Board itself.

In 2013, the Committee met four times with all the members present and that the average duration of the meetings was approximately 1 hour.

The Committee has examined the transactions with related parties that were submitted by the competent corporate structures and, in all the occasions, expressed its justified opinion in favour.

At the beginning of the financial year, the Committee also expressed its favourable opinion regarding the document illustrating the intragroup transactions that the Company expected to carry out during the financial year itself. Therefore this document was submitted for approval by the Board as required by Isvap Regulation 25.

7. APPOINTMENTS AND REMUNERATION COMMITTEE

At the date of this Report, the Appointments and Remuneration Committee consists of the following Directors:

Lodovico PASSERIN d'ENTREVES	Independent non-executive Chairman
Luca PAVERI FONTANA	non executive member
Francesco BAGGI SISINI	non executive independent member

The Committee members shall remain in office until the expiration of the Board.

As mentioned in Chapter 6 above, the functions prescribed for the Appointments Committee and the Remuneration Committee in the Corporate Governance Code have been assigned to a single committee set up in accordance with the stricter rules set out in the Corporate Governance Code for the Remuneration Committee (non-executive directors, the majority of whom must be independent, with the Chairman selected among the latter).

At the time of appointment, the Board took into account the professional experience of the three directors, in compliance with the principle expressed in the Code of Corporate Governance, according to which at least one member of the Remuneration Committee must have adequate accounting and financial knowledge and experience.

The Board of Directors has made available to the Committee an annual budget of Euro 30,000 for the carrying out of its duties, while providing that any additional needs must be submitted for approval by the Board itself.

Committee meetings may be attended by non-members, including other members of the Board or of the Company's organisation.

No director shall participate in the decisions relative to his or her own remuneration.

In the performance of its duties, the Committee may access Company information and functions as necessary to carry out its tasks and employ the services of outside consultants, under the terms approved by the Board of Directors. To date, the Committee has not employed any outside consultants.

The Appointments and Remuneration Committee held five meetings in 2012, with an average duration of approximately one hour. Average meeting attendance was 100%. See the table in Appendix 2 of this Report for the individual Directors' attendance records.

7.1. Functions of the Appointments and Remuneration Committee

With respect to appointments, the Committee has the following functions:

- formulating opinions to the Board of Directors with regard to the size and composition of the Board and of the Committees.
- making proposals for the organisation and operation of the Board of Directors.
- making recommendations with respect to:
 - (i) the professionals whose presence within the Board is deemed advisable;
 - (ii) the maximum number of positions as director or statutory auditor in other companies listed on regulated markets (also abroad), in financial, banking, insurance companies or in companies of significant size, that would be compatible with the effective performance of a director's duties, taking into account the directors' participation in the committees within the Board of Directors of the Company.

- making proposals for the appointment of Directors;
- making proposals to the Board for co-opting Directors;
- making proposals to the Board for the appointment of the Chairman, Executive Deputy Chairmen, Committee members and Managing Director;
- making proposals to the Board, with the agreement of the Managing Director, for the appointment of the General Manager, of senior managers and of the head of the Internal Audit function;
- assisting the Managing Director in preparing career and replacement plans for the Company's senior management;
- carrying out the preliminary information gathering work for the preparation of the plan for the succession of the executive directors;
- assisting the Managing Director of the Parent Company in formulating proposals for the appointment of Directors, of the Chairman, Managing Director and General Manager at the subsidiary Companies;
- assisting the Managing Director of the Parent Company in formulating proposals for the appointment of the Directors pertaining to Vittoria at the affiliated Companies

With respect to remunerations, the Committee has the following functions:

- submitting proposals to the Board of Directors with regard to the definition of the policy for the remuneration of directors and senior managers with strategic responsibilities. In particular:
 - a) making proposals or expressing opinions to the Board of Directors for the remuneration of executive directors and of Directors holding specific offices, and on setting the performance targets correlated to the variable portion of said remuneration;
 - b) making proposals to the Board, as indicated by the Managing Director, for setting the remuneration of the senior management of the Company in such a way as to attract and motivate high-calibre people, and the remuneration of heads of internal control;
- verifying the enforcement of the Board of Directors' decisions on remuneration, monitoring also the actual attainment of performance targets;
- periodically evaluating the adequacy, overall consistency and concrete enforcement of the remuneration policy, relying, for senior managers with strategic responsibilities, on the information provided by the Managing Director, formulating proposals on this matter.
- Assisting the parent Company's Managing Director in formulating proposals for setting the remuneration of the Directors, of the Chairman, Managing Director and General at the subsidiary Companies;

In 2013, the Committee carried out the following main activities:

- It examined and approved the draft Implementation of Compensation Policies to be submitted, pursuant to Isvap Regulation 39 and article 123-ter of the TUF, to the General Shareholders' Meeting after receiving the approval of the Board of Directors;
- It examined the results of the Self-Governance Questionnaire prepared by the Company pursuant to the provisions of the Corporate Governance Code and Isvap Regulation 20;
- on the occasion of the renewal of the Board of Directors and following the resolution made by the General Meeting regarding the remuneration of the directors, the Committee submitted to the board, with account taken of the participation in committees and specific

duties within the committee's and cells, the proposal to distribute the amount decided upon by the General Meeting and the proposal relative to the remuneration to be paid to the directors with specific duties;

- it approved the proposals regarding the gross annual remuneration to be paid to the Senior Management of the Insurance Area, based on the proposal presented by the Managing Director;
- again based on the proposal submitted by the Managing Director, the Committee approved the gross annual remuneration and the variable remunerations to be paid to the managers of the control functions, with the consent of the members of the Control and Risk Committee;
- it examined and approved the Organizational Chart, the Function Chart, and the Model of the Mandates assigned by the Company;
- on the occasion of the appointment of the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001, it assessed the criteria to follow for the composition thereof and proposed the expense budget required for this Body to carry out its function;
- for the purpose of making proposals to the Board, it examined the characteristics of the candidate proposed as Responsible of the complementary pension forms established by Vittoria Assicurazioni, assessing the professional experience and ascertaining that the requirements set by the applicable laws were fulfilled.

8. REMUNERATION OF DIRECTORS

For the information regarding the remuneration of the Directors, please see the Remuneration Report, prepared pursuant to article 24 of Isvap Regulation 39 and article 123-ter of the TUF, which is published concurrently with this Report.

The Remuneration Report is approved by the Board of Directors on the proposal of the Appointments and Remuneration Committee and is thereafter subject to the approval of the General Meeting convened to approve the financial statements for the year.

As provided by article 123-ter of the TUF, the report consists of two sections:

- the first section, which is submitted for approval of the General Meeting pursuant to Isvap Regulation 39 and article 7 of the Articles of Association contains:
 - a) the compensation policies that the Company intends to adopt for Directors, Statutory Auditors, the General Manager, the managers with strategic responsibilities and the staff, that is that the managers and senior staff of the internal control functions (Internal Audit, Compliance and Risk Management) and the other categories of staff with activities that could significantly impact the Company's risk profile;
 - b) the procedures used for implementation of this policy;
- the second section, for which the approval of the General Meeting is not required, is divided into two parts and, by name for the members of the administration and control bodies, and, in aggregate form, the managers with strategic responsibilities, the general manager provides:
 - a) an adequate representation of each item comprising the remuneration;
 - b) analytical usage of the remuneration decided for the Directors, the General Manager, the Statutory Auditors, Senior Management for the previous year for any purpose and in any form by the Company and the subsidiaries or associated companies.

In the Governance Section of the Company's website, a section has been created which is dedicated to the Remuneration Reports, where the reports prepared starting from financial year 2012 can be consulted.

9. CONTROL AND RISK COMMITTEE

At the date of this Report, the Control and Risk Committee consists of the following Directors:

Pietro Carlo MARSANI	Independent non-executive Chairman
Luca PAVERI FONTANA	non executive member
Giuseppe SPADAFORA	independent non-executive member

The Committee members shall remain in office until the expiration of the Board.

The members of the Committee have been selected by the Board based on their respective professional experiences, in compliance with the requirements set forth in the Corporate Governance Code which requires that at least one member of the committee must possess adequate experience in accounting and finance or risk management.

The Board of Directors has made available to the Committee an annual budget of Euro 30,000 for the carrying out of its duties, while providing that any additional needs must be submitted for approval by the Board itself.

The work of the Control and Risk Committee is coordinated by a Chairman, who reports to the Board of Directors on Committee activities, highlighting the most significant problems and submitting the Committee's proposals for matters under its purview for approval by the Board.

The Chairman is assisted by the Head of the Company's Internal Audit Function, who serves as Secretary of the Committee.

The Control and Risk Committee held five meetings in 2013, with an average duration of approximately two and half hours. Average meeting attendance was 100%. See the table in Appendix 2 of this Report for the individual Directors' attendance records.

All meetings were attended by members of the Board of Statutory Auditors and the Heads of the Internal Audit, Legal Compliance and Risk Management functions, as well as the Financial Reporting Manager. On the basis of the issues discussed, the Managing Director and heads of various Company functions also attended.

Moreover, in order to improve coordination of the activities of functions responsible for the internal control system, the Chairman of the Supervisory Body appointed pursuant to Italian Legislative Decree no. 231/2001 attended two meetings of the Committee.

During FY 2014, 5 meetings shall be held, two of which have already been held as of the date of this Report.

In order to harmonize the activities carried out by the Control and Risk Committee and of the Board of Statutory Auditors, coordinating actions are performed between the two bodies, involving, in particular:

- systematic, de jure participation of all members of the Board of Statutory Auditors in the meetings of the Control and Risk Committee;
- coordination with the Board of Statutory Auditors to determine the agenda of the Control and Risk Committee, in order to achieve greater efficiency and avoid duplication in carrying out the work.

Minutes of all Committee Meetings are duly taken and a copy of the minutes is sent to all Directors and Statutory Auditors.

In performing its functions, the Control and Risk Committee may access Company information, departments or offices as necessary to perform its duties, and employ the services of outside consultants within the limits established by the Board.

9.1. Functions of the Control and Risk Committee

The Committee's main function is to support, through adequate preliminary fact-finding work, the assessments and decisions of the Board of Directors with regard to the internal control and risk management system and to the approval of periodic financial report, with particular reference to the following activities of the Board:

- defining guidelines for the internal control system, so that the main risks relating to the Company and its subsidiaries are identified correctly, and also appropriately measured, managed, and monitored, and determining the criteria for the compatibility of these risks with effective and proper management of the Company, consistent with the identified strategic objectives;
- evaluating, at least once a year, the adequacy of the internal control and risk management system with respect to the characteristics of the Company and with the assumed risk profile, as well as its effectiveness;
- approving, at least once a year, the work plans prepared by the responsables of the Internal Audit, the Compliance and the Risk Management functions, with the input of the Board of Statutory Auditors and the director in charge of the internal control and risk management system;
- describing the key features of the internal control system in the Corporate Governance Report and expressing its opinion of the system's overall adequacy;
- evaluating, with the input of the Board of Statutory Auditors, the results reported by the independent auditor in the suggestion letter, if any, and in the reports on the key issues emerged in the course of the audit;
- appointing and revoking the head of the Internal Audit function;
- verifying the adequacy of the resources available to the head of the Internal Audit function to carry out its duties;
- defining the remuneration of the head of the Internal Audit function, consistently with Company policies.

Moreover, the Committee, in assisting the Board of Directors:

- works with the Financial Reporting Manager and the external auditors and the Board of Statutory Auditors to assess the proper application of accounting standards and their uniformity for the purposes of preparing the financial statements;
- expresses opinions on specific aspects of identifying the main corporate business risks;
- monitors the autonomy, adequacy, effectiveness and efficiency of the Internal Audit function;
- requests the Internal Audit function to perform audits on specific operating areas;
- reports to the Board of Directors on the work done and on the adequacy of the Internal Control System and Risk Management system.
- liaises with the Board of Directors and the Supervisory Body in regard to issues involving the enforcement of Italian Legislative Decree no. 231/2001;
- carries out any further tasks assigned by the Board of Directors.

The governance system of Vittoria Assicurazioni, in particular, requires the Committee to perform preliminary fact-finding and advisory work for the Board of Directors for the examination of the following documentation pertaining to the Internal Control System and Risk Management system.

- the half-yearly reports prepared by the control functions (Internal Audit, Compliance and Risk Management) and by the Supervisory Body on the activities performed and the related annual plans of activity;
- the Report on Corporate Governance and shareholding, for the parts pertaining to the existing risk management and internal control systems related to the corporate disclosure process;
- the annual Report, prepared pursuant to Isvap Regulation 20, describing the Internal Control System and Risk Management system implemented by the Company;
- the annual Report on the Insurance Group required under Article 6 of Isvap Regulation 15, which describes the organisation of the Group and the measures taken by the parent Company as part of its own management and co-ordination activity;
- the annual report by the head of the Compliance function on the adequacy and effectiveness of the measures adopted by the Company to manage risk of non-compliance with regulations, prepared in accordance with Article 24, Paragraph 3 of Isvap Regulation 20;
- the periodic reports prepared by the Head of the Anti-Money Laundering function in accordance with Isvap Regulation 41;
- the annual report prepared by the Head of the Anti-Fraud function in accordance with Isvap Regulation 44;
- the annual report on training and professional development of distribution networks under Isvap Regulation 40;
- the quarterly reports prepared by the Head of Internal Audit on the management of the Claims received by the Company;
- the updates of the Organisation and Management Model adopted by the Company in accordance with Italian Legislative Decree 231/2001;
- evaluation of the proper use of the accounting standards in separate financial statements and their consistency for the purposes of preparing the consolidated financial statements on the basis of the document issued by the Financial Reporting Manager.

10. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Responsibility for the system of internal control is assigned to the Board of Directors, which shall set its guidelines and periodically monitor its adequacy and effective operation, with the assistance of the Control and Risk Committee.

The Board of Directors establishes guidelines for the internal control system, so that the main risks facing the Company and its subsidiaries are correctly identified and adequately measured, managed and monitored, also setting criteria for assessing the compatibility of these risks with sound and prudent management.

The Board of Directors has tasked the Control and Risk Committee to conduct preliminary fact-finding work in support of the Board, for the evaluation of the operation of the Company's internal control system, through the examination of the documentation submitted by the heads of the control functions. The Committee reports the results of its assessments to the Board of Directors on a quarterly basis.

The overall assessment of the adequacy, efficiency and effectiveness of the internal control system is carried out by the Board upon approval of the Annual Report on the consistency of the internal control and risk management system provided by Isvap Regulation 20, previously approved by the Control and Risk Committee.

The Managing Director was tasked by the Board of Directors to oversee the operation of the internal control system.

The corporate functions responsible for the internal control system are Internal Audit, Compliance, Risk Management, Anti-Money Laundering and Anti-Fraud as described in greater detail in paragraphs 10.3 to 10.7 below.

The Board of Directors, at the proposal of the Control and Risk Committee, established the duties, operating procedures, coordination methods and the nature and frequency of the aforesaid control functions' reports to the corporate bodies, in accordance with IVASS Regulation 20.

10.1. Principal features of the existing risk management and internal control systems related to the financial disclosure process [pursuant to Article 123-bis (2)(b) of the TUF].

Foreword

The internal control and risk management system for the financial disclosure process is a component of the broader internal control and risk management system adopted by Vittoria Assicurazioni S.p.A.

The specific purpose of the system is to ensure Reliability¹, accuracy², trustworthiness³ and timeliness⁴ of financial information. It handles the issues of internal control and risk management in an integrated manner, with the objective of identifying, assessing and controlling the risks relative to the financial disclosure process (the financial reporting risk).

1) Reliability: disclosures must satisfy the requirements imposed by current laws and regulations, they must be fair and must comply with generally accepted accounting principles.

2) Accuracy: the disclosures must be neutral and precise. Disclosures are considered neutral if they do not contain any pre-conceived distortions intended to influence the users' decision-making process in order to achieve a predetermined result.

3) Trustworthiness: disclosures must satisfy the requirements of clarity and completeness so that investors may make informed investment decisions. Disclosures are considered to be clear if they facilitate comprehension of complex aspects concerning the company, without becoming excessive or redundant.

4) Timeliness: disclosures must meet the deadlines prescribed for their publication.

Vittoria Assicurazioni S.p.A. has implemented a set of procedures to ensure the reliability of the system used to produce the financial reports.

The responsibility for the implementation of the system within the Company and the group involves different corporate functions as better explained in the paragraphs below.

The risk management and internal control system adopted by the Company and extended to include the companies within the group identified as significant for these purposes is based on a process that is coherent with the framework Enterprise Risk Management of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), a recognized and accepted international standard.

This is the context in which the Manager responsible for preparing the Company's financial reports is placed; the Company has assigned to this person the responsibility of ensuring the preparation and actual implementation of the procedures for the preparation of the separate and consolidated financial statements for the year and any other financial reports.

To this end, the Manager in charge of the Administration, Finance, Planning and Control area is assigned the task of designing, implementing and updating the internal control system so as to ensure:

- the adequacy of the accounting system used;
- formalization of the relevant procedures and processes and their maintenance;
- constant attention by the personnel of the Administration, Finance, Planning and Control area to the matters set forth by the procedures and processes.

Description of the principal features of the existing risk management and internal control systems related to the financial disclosure process

The main characteristics of the adopted financial disclosure process, with special reference to its development, to the operating methods that characterized its operation and the roles and functions involved, can be described by illustrating a) the risk management and internal control process; b) the involved corporate functions (with their roles and responsibilities).

The risk management and internal control process.

The process consists of the following steps:

- preliminary identification of the relevant processes in terms of potential impact on the financial disclosures;
- identification of the risks related to each "relevant" process;
- audit, using the assessment method, of the structure of the internal control systems for every process in terms of control protocols protecting against each risk and execution responsibilities;
- evaluation of the controls in view of the risks identified in terms of:
 - (i) Design – this activity is performed considering certain parameters that assess the control itself (type, traceability, cyclicity, timing)
 - (ii) Efficiency – this activity is done by performing tests using a spot check method in order to determine that the control operations are actually performed as described by applicable procedures;
- preparation, if an area requiring improvement has been noted, of corrective action plans formalised by second and third level control functions and submitted to the top management.

It should also be considered that:

- the processes and procedures inherent in the financial reports are updated at least once per year;

- the personnel of the administrative area is constantly made aware of the need to update and comply with this documentation.

With regard to the financial reporting process of Vittoria Assicurazioni Group, the methodology used and the results are similar to those of the parent company.

The involved corporate functions.

The responsibility for actual implementation of the internal control system, in terms of the running and actual implementation of the rules, mechanisms, procedures, is of an all-encompassing character which is integrated into the corporate structures.

In order to assure the correct operation of the Internal Control System, as well as the general supervision of the Internal Control System assigned to the Board of Directors, the essential functions and roles are those attributed to the Control and Risk Committee and the manager in charge of the second and third level control functions. Detail regarding the duties/activity is attributed to the functions is provided in the paragraphs below.

The Control and Risk Committee.

It performs the following functions:

- it works with the Financial Reporting Manager and the external auditors to assess the proper application of accounting standards and, in the case of groups, their uniformity for the purposes of preparing the consolidated financial statements;
- it examines the Internal Audit work plan and the reports drafted by this area;
- it oversees the effectiveness of the independent auditing process;
- it liaises with the Board of Directors and the Supervisory Body in regard to issues involving the enforcement of Italian Legislative Decree no. 231/2001;

The Control and Risk Committee reports at least semi-annually to the Board of Directors on the work done in addition to the adequacy of the Internal Control System.

The Financial Reporting Manager.

The Manager in charge reports to the Board of Directors periodically, also through the Control and Risk Committee in relation to the activities carried out in the implementation of his or her functions.

He performs the following functions:

- ensures that adequate administrative and accounting procedures are in place for preparing the annual report, the consolidated financial statements and all other financial disclosures, with the assistance of specialised resources within the Company;
- working with the delegated body, certifies the adequacy and effective application of administrative and accounting procedures in the reporting period, that the corporate accounting documents match the books and ledger entries and are appropriate to provide an accurate and fair representation of the financial position, income and cash flow of the Company;
- endorses the consistency of the Company's records and market disclosures relating to its annual and interim accounts with the corporate records, books and accounting entries.

For this purpose, the Financial Reporting Officer has identified the operating roles and functions as well as the control functions. To this aim, a new IT tool has been implemented

originally integrated with the existing accounting system, for scheduling and monitoring the accounting procedures concerning Financial Statements and Consolidated Financial Statements of Vittoria Assicurazioni SpA as well as Financial Statements of Real Estate Subsidiaries.

In order to facilitate the accounting process, the system provides all members of the team with the plan of the tasks, allows them to check their status, guarantees secure storage and forwarding the output to the appropriate recipients. In doing this, the system adopts the flow-chart at a sub-process level to which all the Financial Statement items are linked. The system stores the data with security policies and provides reporting of activities, outputs achieved and the roles played by all of the functions involved, at both operational and control, ensuring constant visibility to Function Managers. The reports are also made available to the Internal Audit Department and the external auditors.

The staff of Assistants to the Financial Reporting Manager shall be responsible for the implementation of controls throughout the area and the timely execution of transactions.

Second and third level control functions

The main second and third level control functions are: Risk Management, Compliance and Internal Audit.

- the Risk Management function aims to implement the risk management system which includes the reporting strategies, processes and procedures necessary to identify, measure, manage and report risks that the Company is or could be exposed to.
- Compliance identifies the relevant regulations as well as the corporate bodies with reference to regulatory compliance.
- Internal Audit collaborates in the development of the internal control system by assessing its design aspects and monitoring its effectiveness and efficiency.

The Anti-Money Laundering and Anti-Fraud are also considered second level control functions.

Further, the Internal Control System also prescribes information flows and information exchanges, including through periodic meetings that involve the Control and Risk Committee, Financial Reporting Officer, Board of Statutory Auditors, the Heads of Internal Audit, Compliance, Risk Management and Organization, and the Supervisory Committee, instituted further to Italian Leg. Decree 231/2001.

The Financial Reporting Manager reports to the Control and Risk Committee and takes part in Committee meetings.

10.2. Executive Director responsible for the internal control system

The Managing Director was tasked by the Board of Directors to oversee the operation of the internal control system.

The Managing Director is responsible for updating the internal control system and, under the supervision of the Control and Risk Committee, he identifies the actions required to maintain its overall adequacy, effectiveness and efficiency, supervising their implementation.

For this purpose, the Managing Director relies on the Company functions responsible for the internal control system:

- the Risk Management function and the Company's Risk Management Committee (attended by members of senior management and executives of the Company responsible for business areas), to identify the most significant risks consistently with the

Company's strategies and policies, identifying the risk tolerance levels to be submitted to the Board for review;

- the Compliance function, to identify any needs to adapt the internal control system in view of current legal and regulatory provisions;
- Internal Audit, for the audits necessary to assess the effectiveness and efficiency of the internal control system.

10.3 Internal Audit Department

The Head of the Internal Audit Department, appointed by the Board, is Mister Vincenzo Coppa.

The Internal Audit Department was established in 1999, with the task of ascertaining and assessing the internal control system's efficiency and effectiveness and providing support and advice to other corporate departments.

The responsibilities of the Internal Audit Department, the tasks, operating procedures and the nature and frequency of reporting to corporate boards and involved departments have been established by the Board of Directors, at the proposal of the Control and Risk Committee.

The head of the Internal Audit department does not carry out any operating activity and reports directly to the Board of Directors, via the Control and Risk Committee, on every aspect of the content and organisation of its activities; it also has a direct functional connection with the Managing Director.

The remuneration of the Head of Internal Audit was set by the Board of Directors at the recommendation of the Appointments & Remuneration Committee and the Control and Risk Committee.

As at 31 December 2013, the Internal Auditing department consisted of seven staff members, including the Head.

When carrying out their duties, Internal Audit staff must comply with the rules of conduct governing integrity, objectivity, confidentiality and professional expertise set out in the Code of Ethics of the Institute of Internal Auditors (IIA) provided that these do not conflict with the Code of Ethics implemented by the Company.

The Company maintains an Internal Audit structure with adequate human and technological resources. Supervisors must possess and maintain adequate know-how and professional skills to respond to the various requirements of Group activities.

If the Internal Audit department lacks the adequate qualitative or quantitative human resources it needs to perform the activities covered by the plan approved by the Board, the Head of Internal Audit may employ qualified outside resources.

The Internal Audit department is assured of full collaboration by the heads of the various units and free, unrestricted access to the significant documentation, information systems and accounting data of the division under review, including information useful for verifying the adequacy of the audits carried out on outsourced corporate functions.

The Board of Directors delegated the Internal Audit department with the task of monitoring and assessing the effectiveness and efficiency of the internal control system for the parent Company and Group subsidiaries, while also providing support and advice to corporate departments, as well as to assuring that the corporate departments and the sales and claims settlement networks comply with internal and external regulations in performing work processes.

Internal Audit verifies that the internal control and risk management system is functioning and adequate and, in particular, it performs the following tasks:

- it assesses the reliability of the information, protection of Company assets, compliance with laws, regulations and internal procedures, efficient use of resources, fraud prevention. For this purpose, it specifically audits:
 - (i) the management processes and organisational procedures;
 - (ii) the regularity and functionality of information flows between corporate divisions;
 - (iii) the adequacy of information systems and their reliability, including accounting recognitions systems;
 - (iv) the adherence of administrative and accounting processes to standards of fairness and to the obligation duly to maintain accounts;
 - (v) the efficiency of audits performed on outsourced activities.
- It analyses and assesses the effectiveness and efficiency of existing processes and procedures used by agencies, while also verifying that their activities comply with statutory obligations and rules issued by the Company.
- It performs the duties attributed to Internal Audit departments by the regulations issued by IVASS and by the other Supervisory Authorities.
- It supports the Supervisory Body in monitoring and supervising the Organisational and Management Model pursuant to Legislative Decree 231/2001.
- It carries out audits on specific operating area and on compliance with internal rules and procedures in the performance of Company operations at the specific request of the Director in charge of the internal control and risk management system.

The operating procedures implemented by Internal Audit comply with the standards for the professional practice of internal auditing issued by the IIA. The planning of all Internal Audit activity is based on a model that assigns a risk index to each of the audited areas according to specific risk factors that evaluate the risk and existing control protocols. The allocation of resources, frequency and degree of detail of audits are determined by analysis of the risk factors associated with each area of activity.

The assessment of risk levels is updated by duly considering the information received by Internal Audit and the outcomes of the audit and continuous monitoring activities that are performed. An annual plan is then prepared that identifies the areas to be audited and the resources to be used. The plan is subject to preliminary assessment by the Managing Director and the Internal Control Committee and then to the Board of Directors for approval.

The plan allocates an appropriate number of days for audits that may be performed in response to urgent requests by management and/or when reasons of immediate concern arise.

The Head of Internal Audit reports on his activities to the Internal Control and Risk Committee and the Board of Statutory Auditors on a quarterly basis. He also reports on his activity to the Managing Director, who is responsible for supervising the operational effectiveness of the internal control system.

In 2013, Internal Audit also employed outside consultants.

10.4. Compliance Department

The Head of the Compliance Department, appointed by the Board, is Mister Alberto Giani.

The responsibilities of the Compliance Department, its tasks, operating procedures and the nature and frequency of reporting to corporate bodies and involved departments have been established by the Board of Directors, at the proposal of the Control and Risk Committee.

Within the scope of the internal control system, the Compliance Department is in charge of monitoring the risk of non-compliance with laws and regulations, in order to prevent the risk of incurring judicial or administrative penalties, financial losses or damage to the Company's reputation due to the violation of laws, regulations or measures issued by the Supervisory Authorities or rules of self-governance.

When it defines and assesses the risk of non-compliance with laws and regulations, the Compliance Department pays special attention to compliance with the rules governing the transparency and fairness of treatment of insured and damaged parties, pre-contract and contract disclosures, the proper performance of contracts, specifically in regard to the management of claims and, more generally, consumer protection.

The Compliance Department has the following duties:

- identifying, on an ongoing basis, the laws and regulations that are applicable to the Company and assessment of their impact on corporate processes and procedures;
- evaluating, ex ante, the adequacy of the organisational measures, operating processes and corporate procedures the department intend to adopt in order to assure adequate protection and correct management of the risk of non-compliance with regulations;
- assessing the adequacy of the organisational measures implemented for preventing the risk of non-compliance with laws and regulations, dedicating special attention to compliance with the rules governing transparency and fairness of treatment of insured and damaged parties, pre-contract and contract disclosures, the proper performance of contracts, specifically in regard to the management of claims and, more generally, consumer protection;
- proposing organisational and procedural changes to ensure adequate protection against the risk of non-compliance with laws and regulations;
- assessing the adequacy of organisational adjustments resulting from the suggested changes;
- setting up adequate flows of information to the corporate bodies of the Company and other involved units on the adequacy and effectiveness of the preventive measures implemented by the Company for managing compliance risks;
- transmitting and inculcating a corporate culture that promotes the Company's reputation;
- verifying the characteristics of outsourced activities and the nature of an essential or important activity whenever there is an outsourcing project;
- maintaining adequate information and co-ordination links with the Internal Audit Department, particularly in regard to the audits performed by the latter in compliance with corporate procedures, laws and regulations;
- maintaining informational links with the Company departments that manage the risk measurement, monitoring and reporting systems;
- providing support to the Anti-Money Laundering department every time it identifies the need to update anti-money laundering processes and procedures.

The Compliance Department performs activities designed to provide corporate management with a reliable system of managing the compliance risks to which the corporate organisation is exposed, through preventative and ex post control. This activity is designed to prevent misalignment between corporate procedures and all of the Company's internal and external rules.

The Compliance Department also provides support and guidance to senior management and organisational structures through action that is aimed, in co-ordination with the other corporate departments that are involved, to correct and implement new organisational strategies and operating procedures.

The Compliance Department prepares an annual plan outlining action to be taken, based on ongoing identification of the legislation applicable to the Company and assessment of its impact on corporate processes and procedures. The plan is subject to assessment by the Internal Control Committee and subsequent approval by the Board of Directors.

The department also produces reports on first- and second-level legislation output for the corporate departments concerned and more directly involved, as well as for senior management.

The Head of Compliance reports on his or her own activities to the Internal Control Committee on a half-yearly basis and draws up an annual report on the activity carried out during the previous year.

10.5. Risk Management Department

The Head of the Risk Management Department, appointed by the Board, is Mister Piero Angelo Parazzini.

The responsibilities of the Risk Management Department, its tasks, operating procedures and the nature and frequency of reporting to corporate bodies and involved departments have been established by the Board of Directors, at the proposal of the Control and Risk Committee.

The main purpose of the department is to assist senior management, the parent Company, and Group subsidiaries in identifying, applying and auditing a system (methods and models) for the assumption, measurement and management of the most significant risks in accordance with the strategies, policies and risk tolerance levels defined by the Board of Directors.

The Risk Management Department has the following duties:

- promoting the surveying and awareness of risks;
- identifying and classifying risks;
- participating in the analysis of the surveyed risks;
- verifying the impact and significance of identified risks;
- defining a model for assessment of every known risk;
- distributing the results of risk analysis internally and externally;
- defining contingency plans;
- defining risk mitigation actions;
- disseminating the culture of risk management;
- providing senior management with useful information for assigning operating limits to the business units and defining the procedures for prompt audits of those limits;
- defining measurement methods and models (input data, algorithms and rules, interfaces for controlling the models) for the most significant risks;
- establishing the methodological approach for defining and calculating tolerance levels for the most significant risks;
- having an integrated view of assets and liabilities;
- defining and auditing the formulation of stress tests and monitoring the maximum potential loss;
- studying correlations between risks;
- verifying compliance with tolerance limits;
- providing reports to the Board of Directors, senior management, and the Risk Management Committee of the parent Company and line functions on changes in risks and violations of set operating limits;
- drafting reports for corporate bodies (Internal Control Committee and the Board of Statutory Auditors): reporting half-yearly on monitoring and risk management activities

- and the annual plan of activities;
- auditing the consistency of the risk measurement models with the entity's operations;
- promoting, organising and carrying out the projects for compliance with the Solvency II regulations and quality impact studies (QIS);
- assure the preparation of the overall business continuity plan, integrating the parts under the responsibility of Information Systems, General Services and Security, and verify that it is consistent with corporate needs.

The Company set up a Risk Management Committee to ensure the application and testing of a risk assumption, assessment and management system that is consistent with the operations of individual departments. The members of the Risk Management Committee are drawn from senior management and the heads of the various corporate units.

10.6. Anti-Money Laundering Department

The Head of the Anti-Money Laundering Department, appointed by the Board, is Mister Piero Angelo Parazzini.

Since the promulgation of the first law against money laundering, the Company had established a corporate structure in charge of compliance with Italian Law 197/91, implementing specific procedures for compliance with the law and for reporting suspicious transactions to the Regulatory Authorities. The anti-money laundering activity carried out by the Company has long been the subject of a quarterly report to the Control and Risk Committee.

In August 2012, as a result of the promulgation of Isvap Regulation 41, the duties and responsibilities of the Anti-Money Laundering Department were redefined by the Board of Directors, at the proposal of the Control and Risk Committee, setting the operating procedures and the nature and frequency of reporting to corporate bodies and involved departments.

The department's main purpose is to assure compliance with the obligations set out by regulations to combat money laundering and terrorism financing.

The Anti-Money Laundering Department has the following duties:

- assuring the correct transmission of documents to the Centralised Computer Archive, within the times prescribed by the regulations;
- assuring the monthly transmission to the Financial Information Unit (FIU) of the data prescribed by the regulations;
- archiving anti-money laundering forms and all connected documents and printouts (control, etc.) produced by Information Systems;
- assuring the execution of the process for identifying transactions carried out with persons involved in acts of international terrorism and their transmission to the FIU;
- analysing the printouts produced by the Gianos 3D system, containing unexpected transactions;
- managing unexpected transactions in the Gianos 3D system, including them among suspicious transactions if the case warrants it;
- monitoring Life clients' risk profile attributed by the IT system, and carry out the audits required to report any suspicious transactions;
- reporting suspicious transactions to the FIU.

The Company has established an Anti-Money Laundering Committee to analyse the results of inspections performed at Agencies and Claims Adjustment Departments on a monthly basis, in order to update the instructions given on the basis of any dysfunctions emerged and to carry out, at the request of the Anti-Money Laundering Department (collection centre), an assessment of the transactions reported as suspicious, deciding whether to dismiss the report or send it to the Financial Information Unit. Since 2 August 2012, the members of the Anti-

Money Laundering Committee are the Head of the Anti-Money Laundering Department, the Chief Legal Counsel, the Sale Manager and the Head of the Life Division.

10.7 Anti-fraud

As defined in the corporate organizational chart approved by the Board of Directors on 11 May 2012, the Anti-fraud function, the establishment of which is required by Law no. 137 of 26 May 2000, reports directly to the General Manager. The purpose of this function is to prevent and counteract insurance fraud, whether direct or indirect, also in order to ensure that costs are contained.

The Anti-Fraud Manager maintains an ongoing information flow with the Internal Audit Manager, which also includes the transmission of a quarterly report submitted to the Control and Risk Committee, pursuant to IVASS Regulation no. 44 of 9 August 2012, concerning the establishment of a reporting model for anti-fraud activities, pursuant to art. 30, par. 1, of Italian Legislative Decree no.1 of 24 January 2012, which was converted into law no. 27 of 24 March 2012.

10.8. Organisational Model pursuant to Italian Legislative Decree no. 231/2001

In 2004, the Board of Directors of Vittoria Assicurazioni approved the adoption of the Organisation and Management Model pursuant to Italian Legislative Decree no. 231/2001 (hereafter also "the Model"). The adopted Model is updated consistently with amendments made to the reference regulations.

The Organisational and Management Model of Vittoria Assicurazioni S.p.A., available for viewing on the Company's website www.vittoriaassicurazioni.com Governance section, has the following structure:

- description of the relevant legislation;
- description of offences included under Italian Legislative Decree 231/2001, regarding the activity of Vittoria Assicurazioni S.p.A., with the identification of sensitive areas and processes with respect to the following types of offences:
 - Offenses in relations with the Public Administration;
 - Corporate crime and market abuse;
 - Crimes against the personality of the individual;
 - Transnational crimes;
 - Handling stolen goods and money laundering;
 - Offenses committed in violation of workplace health and safety rules;
 - Organized crime offenses and incitement to make false statements to judicial authorities;
 - Environmental crimes;
 - Offenses connected with the employment of illegal aliens;
 - private corruption

The crimes of counterfeiting currency, terrorism and subversion of the democratic order, and criminal offenses relating to the protection of industrial property rights were not considered relevant to Vittoria Assicurazioni, as they are only abstractly conceivable;

- the identification of the Supervisory Body, its functions and powers, its reporting to corporate bodies and its obligations to obtain information requirements and to verify the adequacy of the Model;
- the arrangements for informing and disseminating the Model to employees, agents, group companies and external consultants;
- the identification of a penalty system.

Pursuant to Law 190 of 2012, a new section was added in 2013, the “Corruption among private parties,” with identification of the relative significant processes, the principles of conduct and the particular reference procedures.

Again based on Law 190 of 2012, the crimes against public administrations section was updated, in particular:

- the crime of “Corruption via an act that contravenes official duties,” was modified as “Corruption through the exercise of duties” and “Corruption via an act that contravenes official duties”;
- the crimes of “Undue provision or promise of benefits” and “Traffic in illegal influences”;
- the main process concerning the crimes against the Public Administration and the relative particular procedures were updated;
- the “Matrix of major crimes and processes” was updated.

Pursuant to the provisions of art. 6 of Italian Legislative Decree 231/2001, Vittoria Assicurazioni established a body with autonomous powers of initiative and control. the duty of which is to supervise the operation, observance, efficacy and adequacy of the Organisation and Management Model.

As provided by the Organisation and Management Model, the Supervisory Body is appointed by the Board of Directors, which selects the members of this body from among the individuals who are interested and experienced in legal issues and control procedures, while also fulfilling the requirement of integrity. The Supervisory Body’s term of office coincides with that of the Board that appointed it.

The members of the Supervisory Body cannot be revoked except by the Board of Directors and only for just cause, after the opinion of the Board of Statutory Auditors has been secured.

In carrying out its duties, the Supervisory Body must comply with the principles of independence and autonomy. To this end, the Supervisory Body reports only to the Board of Directors; it will have a direct link to senior management, the Board of Statutory Auditors and, both directly as well as through the Control and Risk Committee, with the Board of Directors itself.

The Supervisory Body currently in office was appointed by the Board of Directors following its meeting held on 9 May 2013, on the proposal of the Appointments and Remuneration Committee, based on the following criteria: of the five members, the Chairman is an independent professional with specific skills in the application of the provisions of Italian Legislative Decree 231/2011, another member is one of the Company’s Standing Auditors and the other members are the managers of the Internal Audit, Compliance and Risk Management functions.

The real estate companies controlled by Vittoria Assicurazioni of strategic importance have also adopted an Organizational Model, Management and Control and set up a Supervisory Body. The results of the activities carried out by the Supervisory Bodies of the subsidiaries are reported to the parent Company’s Supervisory Body.

10.9. Auditing Company

On 20 April 2012 the Shareholders’ Meeting appointed the auditing company Deloitte & Touche S.p.A. as independent auditor for the 2012 – 2020 time period.

10.10. Financial Reporting Manager

The Board of Directors has appointed Co-General Manager Mr. Mario Ravasio, Head of Administration, Finance, Planning and Control, as the Financial Reporting Manager. The appointment was made on a proposal by the Appointments and Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors.

Article 16 of the Articles of Association provides that the Manager responsible for preparing the financial reports shall have, in addition to good repute prescribed by law for those who perform administrative and management duties, also specific requirements of professional competence in administration and accounting. This expertise, to be verified by the same Board of Directors, must have been acquired through work experience in a position of sufficient responsibility for a reasonable period of time.

The functions of the Financial Reporting Manager are described in previous chapter 10.1.

11. DIRECTORS' INTERESTS AND RELATED-PARTY TRANSACTIONS

Since 2004 Vittoria Assicurazioni S.p.A. has enforced an internal procedure regarding transactions with related parties, later adapted to the provisions of Isvap Regulation 25 of 27 May 2008 which governed intragroup transactions entered into by insurance companies.

On 2010 the Board of Directors of the Company approved the "Procedure for transactions with related parties" in accordance with the provisions of Consob resolution 17221 of March 12, 2010.

This procedure, which also applies to transactions with related parties of Vittoria Assicurazioni carried out by its subsidiaries, was subsequently amended.

In accordance to the above mentioned Consob Regulations, the Board of Directors appointed a Committee for the preventive evaluation of transactions with related subject to the procedure. Functions and activities of the Committee are described in previous chapter 6.3..

A Company department was identified to be tasked with collecting, on a quarterly basis, the information about persons who are related parties of Vittoria Assicurazioni S.p.A. through the Directors, Statutory Auditors and senior Managers with strategic responsibilities of Vittoria Assicurazioni and of its controlled companies.

The procedure in force determines which transactions should be deemed exempt and the criteria for identifying transactions requiring the Board's approval, differentiating major from minor transactions in terms of significance.

Transactions with major significance are exclusively reserved for the Board, with the well-reasoned favourable opinion of the Related Parties Committee on the Company's interest in completing the transaction and on the attractiveness and substantial correctness of its conditions.

Transactions with minor significance, instead, are submitted to the preventive examination of the Committee for the evaluation of transactions with related parties, which in this case shall express a non-binding well-reasoned opinion.

In order to harmonise the requirements of the Consob regulation with those of IVASS Regulation 25, the procedure approved by the Board of Vittoria Assicurazioni S.p.A. applies to all intragroup transactions identified pursuant to the IVASS Regulation as well as all related-party transactions as defined by Consob, and it is intended to ensure substantive and procedural transparency and fairness in related-party transactions, establishing a central role for independent Directors at every step of the decision-making process for such transactions.

Pursuant to the Consob Regulation, the procedure:

- a) identifies transactions with major significance, whose parameters are consistent with those indicated by Consob and whose approval is subject to more stringent procedural restrictions than transactions with minor significance;
- b) identifies related-party transactions not subject to the procedure according to the exemptions allowed by Consob;
- c) identifies the independence requirements for directors called upon to express opinions on related-party transactions for the purposes of applying the procedure;
- d) establishes methods and procedures for the assessment and approval of related-party transactions and identifies rules for the assumptions used by the Company in reviewing or approving transactions involving subsidiaries;
- e) establishes procedures and deadlines for the provision of information on the transactions, with the relative documentation, to Directors or independent Board members expressing

opinions on related-party transactions and to administration and control bodies, before resolution upon and during and after execution of these transactions;

f) indicates the Company's selection from the options set out in the Consob Regulation.

The procedure also establishes intragroup operability limits in compliance with Isvap Regulation 25.

The procedure for related party transactions can be viewed on the Company website www.vittoriaassicurazioni.com – Governance section.

12. APPOINTMENT OF STATUTORY AUDITORS

The appointment and replacement of Statutory Auditors is regulated by article 17 of the Articles of Association

Statutory Auditors are appointed on the basis of lists, to ensure the appointment of at least one Permanent and one Deputy Auditor by the minority shareholders, in compliance with the rules concerning the balance between genders

Lists are submitted with two sections: the first for the appointment of Permanent Auditors and the second for the appointment of Deputy Auditors. The lists contain a number of candidates no greater than the number of members to be elected, listed in numerical order.

The lists that have a total number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so that at least one third (rounded upwards) of the candidates for standing Statutory Auditor belong to the less represented gender in the same list as well as at least one third (rounded upwards) of the candidates for substitute Statutory Auditor.

As allowed by the provisions on the equilibrium between genders, introduced into the TUF with Law 120 of 12 July 2011 and the consequent updating of the Issuers Regulation pursuant to Consob resolution 18098 of 8 February 2012, in the renewal of the Board of Statutory Auditors which took place on 19 April 2013, the minimum percentage reserved to the less represented gender was reduced to one fifth, as this was the first renewal subsequent to one year after the entry into effect of the aforementioned law on number 120.

Each candidate may appear on one list only, on penalty of ineligibility.

Only those shareholders that, either individually or together with other shareholders, have an overall holding of voting shares representing at least 2.5% of the voting capital, or that represent such lower percentage as may be established or required by binding legislative or regulatory provisions, have the right to submit lists.

Ownership of the minimum shareholding for the submission of lists is determined according to the shares registered to the shareholder on the day on which the lists are deposited with the Company.

Shareholders that are party to a relevant shareholders' agreement pursuant to article 122 of the TUF, the parent Company, the subsidiary companies and companies under joint control pursuant to article 93 of the TUF, may not submit or participate in the submission, either directly or through an intermediary or trust company, of more than a single list, and may not vote for different lists. The adhesions and votes cast in violation of this prohibition is not attributed to any list.

The lists, signed by the parties submitting them, must be deposited at the registered office of the Company at least 25 days prior to the date set for the General Meeting on first call, without prejudice to any other forms of publication and procedures specified in the regulations in force.

The lists must contain:

- the personal details of the shareholders submitting the lists, details of the total equity interest held and certification of ownership of the equity interest; certification may be produced subsequently, provided that it is within the deadline set for publication of the lists pursuant to the laws in force;
- a declaration by the shareholders other than those holding, either individually or collectively, a controlling interest or relative majority, to the effect that they have no connection with the latter pursuant to laws and regulations in force;

- a detailed report on the personal qualifications and background of the candidates, and a declaration by the candidates that they satisfy the requirements imposed by law and accept their nomination, as well as a list of any administrative or management positions held at other companies.

Any lists submitted other than in accordance with the above provisions shall be regarded as not submitted.

The first two candidates from the list obtaining the highest number of votes and the first candidate on the list obtaining the second highest number of votes that, pursuant to the laws and regulations in force, is neither directly nor indirectly connected to the shareholders who have submitted or voted for the list obtaining the highest number of votes, are appointed Permanent Auditors. The latter candidate is appointed Chairman of the Board of Statutory Auditors.

The first candidate on the list obtaining the highest number of votes and the first candidate on the list obtaining the second highest number of votes that, pursuant to the laws and regulations in force, is neither directly nor indirectly connected to the shareholders who have submitted or voted for the list obtaining the highest number of votes, are appointed Deputy Auditors. In the event of a tie vote between two or more lists, the eldest candidates are appointed Statutory Auditors until all the available position have been filled.

Where the election of candidates in the manner described above does not ensure - with respect to the standing Statutory Auditors - the composition of the Board of Statutory Auditors complying with the applicable pro tempore regulation concerning the balance between genders, the substitutes will be elected from the list that obtained the highest number of votes, following the order in which candidates are listed.

Where a single list or no lists are submitted, all candidates on the said list or respectively those voted on by the General Meeting shall be elected ordinary and substitute Statutory Auditors, provided that they achieve a majority of the votes cast at the General Meeting, subject to compliance with the applicable pro tempore regulations on the balance between genders.

Any Statutory Auditor who ceases to meet the statutory requirements shall cease to hold office.

In case of replacement of an Auditor, it takes over the alternate from the same list as the former. It is understood that the President of the Board of Statutory Auditors will remain in charge to the minority Auditor and that the composition of the Board shall comply with the discipline currently in force inherent the balance between genders.

When the General Meeting has to appoint Permanent and/or Deputy Auditors to fill a vacancy on the Board of Statutory Auditors, the following procedure is used: when a replacement is to be made of Auditors elected from the majority list, the appointment is made by relative majority vote without the use of lists; when a replacement is to be made of Auditors elected from the minority list, the General Meeting makes the appointment by relative majority vote, selecting from the list of candidates from which the departing Auditor was taken.

If for any reason the application of this procedure does not allow for the replacement of the Auditors appointed by the minority shareholders, the General Meeting shall proceed by relative majority vote; however, in counting the vote, no account is taken of shareholders that, according to notification submitted under laws in force, hold, directly or indirectly or together with other shareholders that are party to a relevant shareholders' agreement pursuant to article 122 of the TUF, a relative majority of the votes exercisable at the General Meeting, or of shareholders who control, are controlled by or subject to joint control by the same.

The replacement procedures described above must also ensure compliance with applicable regulations regarding the balance between genders.

13. STATUTORY AUDITORS (pursuant to article 123-bis (2)(d) of the TUF)

At the year end 2013, the Board of Statutory Auditors of Vittoria Assicurazioni is as follows:

Alberto GIUSSANI	Chairman
Giovanni MARITANO	Permanent Auditor
Francesca SANGIANI	Permanent Auditor
Michele CASO'	Deputy Auditor
Maria Filomena TROTTA	Deputy Auditor

The mandate of the Board of Statutory Auditors appointed in 2010 was concluded, due to the expiration of the term, on the date the financial statements as at 31 December 2012 were approved.

The General Meeting held on 19 April 2013 therefore appointed a new Board of Statutory Auditors for a term of three financial years, therefore up to the date of the General Meeting to approve the financial statements as at 31 December 2015.

Pursuant to article 16 of the Article of Association described above, two list of candidates for Auditor appointment were submitted at the General Meeting:

List 1

submitted by the majority shareholder Vittoria Capital NV, which holds 34,464,400 shares representing 51,15% of the share capital, with the following candidates:

Section 1 – Permanent Auditors

1. Giovanni Maritano
2. Francesca Sangiani

Section 2 – Deputy Auditors

1. Maria Filomena Trotta

- List n. 2

jointly submitted by Serfis S.p.A., which holds 2,695,157 shares representing 4% of the share capital, San Giorgio S.r.l. which holds 457,000 shares representing 0,68% of the share capital and Fenera Holding S.p.A. which holds 100.000 shares representing allo 0,148% of the share capital, with the following candidates:

Section 1 – Permanent Auditors

1. Alberto Giussani

Section 2 – Deputy Auditors

1. Michele Casò

When presenting the list, Serfis S.p.A, San Giorgio S.r.l. and Fenera Holding S.p.A issued a statement attesting to the absence of any connection as provided by current laws and regulations, with the shareholders who hold a controlling interest of the Company, as per art. 144 – quinquies of Consob lussers Regulation.

At the time of voting for the appointment, those who took part represented, on their own behalf or by proxy, 48,464,694 ordinary shares from 67,378,924 in issue, representing 71.93% of the share capital.

List 1 obtained 42,603,411 votes, representing 87.91% of the voting capital.

List 2 obtained 5,809,381 votes, representing 11.99 % of the voting capital.

Shareholders owning 50.900 shares in total voted against both proposals. No shareholders abstained.

In application of the provisions of article 148, paragraph 2-bis of the TUF and pursuant to article 17 of the Articles of Association, the Chairman of the Board of Statutory Auditors was appointed from among the auditors who were selected by the minority.

Following the appointment of the Board of Statutory Auditors which was decided upon by the aforementioned General Meeting of 19 April 2013, the respective duties of the Standing Auditor Corrado Versino and the Alternate Auditor Marina Mottura, who were appointed during the previous three year period based on a list presented by the majority shareholder Vittoria Capital, ceased.

There were no changes in the composition of the Board of Statutory Auditors subsequently to the General Meeting of 19 April 2013 and since the closing date of the year.

The following is a summary of the personal background and professional qualifications of the current Statutory Auditors. Also see the table in Appendix 3.

Alberto GIUSSANI, Born in Varese on 23.08.1946

He is Chairman of the Board of Statutory Auditors of Vittoria Assicurazioni SpA since September 30, 2011.

Degree in Economics at the Catholic University of Milan.

Member of Chartered Accountants since 1979 and the Register of Auditors since 1995, date of establishment of the register.

He has several positions in listed companies, in fact, the position of Statutory Auditor of Luxottica S.p.A. and Falck Renewables S.p.A., and he is the Chairman of the Board of Directors of El Towers S.p.A.

He is also Statutory Auditor of Tassara S.p.A. and Director of Istifid S.p.A.

Giovanni MARITANO, Born in Torino on 23.10.1960

Permanent Auditor of Vittoria Assicurazioni SpA since 26.4.2001 (Deputy since 23.6.1998).

Degree in Economics at the University of Turin.

Member of Chartered Accountants since 1987 and the Register of Auditors since 1995.

He is member of various boards of statutory auditors and Supervisory Bodies at Vittoria Assicurazioni Group companies.

Also holds several other positions as Statutory Auditor.

Francesca SANGIANI, Born in Sondrio on 25.04.1968

Member of the Board of Statutory Auditors of Vittoria Assicurazioni S.p.A. since 19 April 2013.

Degree in Business Administration from L. Bocconi University of Milan.

She has been registered with the Board of Certified Accountants since 1996 and the Board of Auditors since 1999. She is also registered with the role of professionals who work with the Bankruptcy Section of the Court of Milan.

She has been a liquidator and Standing Auditor in joint stock companies.

She has been an Administrative and Official Receiver in many arrangements with creditors and bankruptcy procedures through the court of Milan as well as the Liquidator in forced liquidation procedures upon assignment by the Ministry of Economic Development.

Michele CASO', born in Milano on 9.12.1970

Deputy Auditor of Vittoria Assicurazioni SpA since 30.9.2011.

Degree in Economics, member of Chartered Accountants and Accounting Experts to the jurisdiction of the Court of Milan. A Statutory Auditor, as published in the Official Gazette of the Italian Republic no. 87 4th Special Series on November 2, 1999.

He carries on business as a chartered accountant. He's adjunct professor at the Università Commerciale Luigi Bocconi, with respect to the international accounting standards. He's member of the International Group of the Italian Accounting Organism (OIC) and holds various positions of management and control.

Maria Filomena TROTTA, born in Paola on 5.6.1977

Deputy Auditor of Vittoria Assicurazioni SpA since 19.4.2013

Certified Accountant and Auditor.

She is currently a Standing Auditor and Auditor in private and public-private companies. She is a technical adviser to the Court of Paola (Cosenza) and expert witness in various civil and criminal procedures. She has assisted in forced administrative liquidations of cooperatives. She is a member of the Board of Statutory Auditors of Valdarno S.r.l.

During 2013 the Board of Statutory Auditors met 11 times and the average duration of the meetings was about 2 ½ hours. The average attendance at meetings was 100%.

For the year 2014 nine meetings are scheduled and five meeting together with the Committee Controls and Risk organized for the purpose of coordinating the activities of the two bodies.

At the date of this report, two meetings were held with the Committee Controls and Risk.

For the attendance at meetings of individual auditors, see the table Appendix 3 to this Report.

With effect from the end of the year there were no changes in the composition of the Board.

According to the Legislative Decree 39 of 27 January 2010, which assigned the boards of statutory auditors of companies of public interest (including Vittoria Assicurazioni, as a listed company) the function of 'Control and Risk Committee and Statutory Audit', the functions assigned to the Board of Auditors and the Audit and Risk Committee of Vittoria Assicurazioni differ as follows:

- the Control and Risk Committee, as established under the Code of Conduct, has preparatory and advisory duties to the Board of Directors;
- to the Statutory Auditors are assigned the functions envisaged by Legislative Decree 39/2010, that integrate to those already assigned to that organ, functions that remain of control. In chief the Board of Auditors there are no functions of management, co-management and nor of control on merit of management.

Pursuant to article 149 of the TUF, the Board of Statutory Auditors oversees:

- observance of the law and the Company's By-laws;
- compliance with the principles of correct administration;
- the adequacy of the organisational structure of company in terms of competency, the internal control system and the administrative accounting system, as well as the reliability of the latter in providing a fair representation of operations;
- the procedures used for effective implementation of the corporate governance rules set out in the Corporate Governance Code adopted by the Company;
- the adequacy of the directives issued by the Company to its subsidiaries to ensure respect for the disclosure obligations prescribed by the TUF.

Pursuant to article 19 of Legislative Decree 39 of 27 January 2010, the Board of Statutory Auditors also oversees:

- the financial disclosure process;
- the efficiency of the systems of internal control, internal audit, where applicable, and risk management;
- the statutory auditing of the separate and consolidated accounts;
- the independence of the company engaged to carry out the statutory audit of the accounts, verifying both compliance with the legislative provisions in this regard and the nature and

extent of the various statutory auditing services provided to the Company and its subsidiaries by the auditing company and by the entities in its network.

In carrying out these duties, the Board of Statutory Auditors:

- verifies that the definition of the delegations of authority is appropriate and that the organisation structure is adequate, paying particular attention to the division of responsibility for duties and functions;
- attends meetings of the Internal Control Committee, during which it meets the heads of the departments responsible for the internal control system, i.e. Internal Audit, Compliance and Risk Management. Assesses the efficiency and effectiveness of the internal control system, especially with regard to the operations of the Internal Audit, verifying that the department has the necessary autonomy, independence and functional efficiency;
- regularly exchanges information and data with the independent auditing company;
- ensures the prompt exchange of data and information material to discharging its duties between the boards of statutory auditors of Group companies through the presence of one of its members on the boards of statutory auditors of these subsidiaries.

Pursuant to the Corporate Governance Code adopted by the Company, the Board of Statutory Auditors:

- verified the independence of its members at the first opportunity after their appointment;
- verified that its members continued to satisfy the prerequisites for independence during the course of the financial year;
- applied all the principles set out in the Code adopted by Vittoria Assicurazioni in regard to the independence of directors when conducting these reviews. As per the criteria applied for directors, the maximum limit of nine years is not considered, as described in subsection 4.6 above.

No additional criteria were applied to those provided by art. 148, paragraph 3 of the TUF, other than those provided by DM November 11, 2011, n. 220 laying down the requirements of professionalism, integrity and independence of corporate officers of insurance companies and other than those provided by the Code.

The Auditors are defined as related parties pursuant to the Regulation adopted by Consob Resolution 17221, and therefore transactions carried out by the Company in which the Auditors may have an interest are subject to the Procedure for Related-party Transactions, described in section 11 above.

14. SHAREHOLDER RELATIONS

Vittoria Assicurazioni has set up the Investor Relations section under the Company's website www.vittoriaassicurazioni.com, easily identifiable and accessible, which contains periodic reports, financial presentations, information on share capital and the documents relating to Shareholders' Meetings and the calendar of corporate events, or any information concerning the company that is material to shareholders, in order to enable them to exercise their rights.

Finally, in the Governance section the information about the corporate governance system of Vittoria Assicurazioni SpA are available.

The person responsible for managing relationships with shareholders (Investor relations) is Mr. Andrea Acutis.

Given the organization of Vittoria Assicurazioni was not assessed the establishment of a department to manage the relationships with shareholders.

The presentations at meetings with the financial community are made public in a timely manner in accordance with current regulations.

15. GENERAL MEETINGS (pursuant to article 123-bis (2)(c) of the TUF)

The operation of the General Meetings, its powers, the rights of the Shareholders and the procedures under which they must be exercised as well as the attendance and representation in the General Meeting are governed by the law.

The General Meeting deliberates on issues it is competent for pursuant to the applicable laws and the Articles of Association.

Pursuant to the provisions of Isvap Regulation 39, in addition to establishing the remuneration payable to the bodies that it appoints, the General Meeting approves the compensation policies for the members of the corporate bodies and the Company personnel, including the remuneration plans which are based on financial instruments. The General Meeting must receive adequate disclosure on the implementation of the compensation policies.

During 2013, the Articles of Association of Vittoria Assicurazioni were updated with the new provisions of article 2369 of the civil code and articles 125-bis and 126-bis of the TUF, as these were amended by Legislative Decree 91/2012, regarding certain shareholder rights in listed companies.

The new law provides that, for general meetings of listed companies other than cooperative companies, the last convocation regime must apply, with the consequent modification of the quorums for meetings and resolutions, unless the Articles of Association do not expressly provided for multiple convocations.

The focus was on maintaining the multiple convocations which were applicable previously, with insertion of an article providing for express derogation from the provisions of the aforementioned article 2369 of the civil code.

Also regarding the convocation of the General Meeting, following the provision of new article 125-bis of the TUF, the provision relative to the publication of the convocation notice was amended, to allow publication on daily newspapers via extract, rather than the entire text.

Finally, given that article 3 of the aforementioned Decree integrated article 126-bis of the TUF extending the procedure required for request by the shareholders of integration into the agenda of the presentation of proposals to place on the agenda, the part of the provision relative to the exercise of this right was adapted and simplified.

Individuals entitled to intervene and vote may be represented in the General Meeting with written authorization or authorization granted electronically as provided by the regulatory provisions and the procedures established therein.

The authorization may be notified electronically through the appropriate section of the company's website according to the procedures indicated in the convocation notice.

Voting by correspondence or remotely is not provided for and there is no provision for audiovisual connections.

The company's Board of Directors decided not to adopt the application criterion 11.C.5. of the Corporate Governance Code which provides for adoption of a regulation that governs the orderly and functional execution of the General Meetings, since the Company's general meetings to date, due to the number of participants and interventions, were always held without particularly critical issues and therefore the requirements for regulation do not apply.

The Chairman sets the discussions regarding the agenda items and grants the floor to those who request it, by raising their hand. Persons asking a question during the General Meeting will receive an immediate response and be given time to reply.

In the General Meeting of 19 April 2013, all Directors attended except for one, whose absence was justified.

The Board reports to the General Meeting on its activities that were carried out and scheduled and ensures that those with a voting right receive adequate information regarding the necessary elements so that they are able to make the decisions provided by the civil code, through the provision of reports on the general meeting agenda items, as required by the law.

As required by applicable laws, the shareholders may ask questions on the agenda items even prior to the holding of the General Meeting, sending these questions to the company (i) by post, at the companies registered offices (ii) electronically, to the following certified e-mail address used exclusively for the General Meeting (iii) through the use of a specific application which is available on the company's web site which is dedicated to the General Meeting.

Questions can be submitted up to the fifth day prior to the General Meeting. Answers to the questions submitted by this deadline will be provided to the asker and published in the aforementioned section of the company's website within the second day prior to the holding of the General Meeting.

In any case, a response is not required to be given during the General Meeting when the information requested is already available in a "question and answer" format in the aforementioned section of the Company's website, within the two days prior to the holding of the General Meeting.

During the financial year, there were no significant changes in the market capitalization of the Vittoria Assicurazioni S.p.A. shares or the composition of the corporate structure.

16. CHANGES SINCE THE END OF THE FINANCIAL YEAR

Since the closing date of the financial year, there were no changes to the Company's corporate governance structure.

APPENDIX 1

BOARD OF DIRECTORS

The following table shows the data concerning directors' attendance of Board meetings and indicates executive, non-executive, and independent directors, together with the number of other offices held in listed companies, in finance, banking, and insurance companies and/or companies of major size (as defined by the Board of Directors).

Name And office	Firts Appointment	In charge until	List	Exec.	Non – exec.	Indep.		Indep. per TUF	% BoD
Giorgio Roberto COSTA Chairman	27.06.1995	FY 2015	M		X			100%	0
Andrea ACUTIS Vice Chairman	29.04.2004	FY 2015	M	X				100%	2
Carlo ACUTIS Vice Chairman	26.05.1967	FY 2015	M	X				83%	3
Roberto GUARENA Managing Director	29.06.1994	FY 2015	M	X				100%	0
Adriana ACUTIS BISCARETTI di RUFFIA Director	29.04.2004	FY 2015	M		X			83%	3
Francesco BAGGI SISINI Director	26.04.2001	FY 2015	M		X	X	X	100%	0
Marco BRIGNONE Director	23.06.1983	FY 2015	M		X	X	X	100%	2
Fulvia FERRAGAMO VISCANTI - Director	02.08.2012	FY 2015	M		X	X	X	83%	1
Bernhard GIERL Director	16.02.2012	FY 2015	M		X	X	X	100%	0
Lorenza GUERRA SERAGNOLI - Director	19.04.2013	FY 2015	M		X	X	X	75%	1
Pietro Carlo MARSANI Director	26.06.1986	FY 2015	M		X	X	X	100%	0
Giorgio MARSIAJ Amministratore	23.06.1998	FY 2015	M		X	X	X	100%	3
Lodovico PASSERIN d'ENTREVES - Director	09.11.2006	FY 2015	M		X	X	X	83%	3
Luca PAVERI FONTANA Director	29.04.2002	FY 2015	M		X			100%	2
Giuseppe SPADAFORA Director	29.04.2005	FY 2015	M		X	X	X	100%	2
Anna STRAZZERA Director	19.04.2013	FY 2015	m		X	X	X	100%	1

KEY

List: "M" = director elected from list voted by majority – "m" = director designated by minority

Independent: independent director according to the criteria established by the Code

Independent as per TUF: director possessing the requisites for independence established by Article 148, paragraph 3, of the TUF (Italian Financial Act)

% BoD: the director's attendance, in percent terms, of Board meetings

Other offices held: total number of offices held in other companies listed in regulated Italian and foreign regulated markets; in financial, banking, and insurance companies; or in companies of major size, identified according to the criteria defined by the Board.

APPENDIX 2

BOARD COMMITTEES

The following tables show data concerning directors' attendance of meetings of the Committees set up by the Board of Directors.

Appointments & Remuneration Committee

Name	Office	Period in office during FY	% attendance of committee meetings
Lodovico PASSERIN d'ENTREVES	Independent non-executive president	01.01.2013 - 31.12.2013	100%
Francesco BAGGI SISINI	Independent non-executive	01.01.2013 – 31.12.2013	100%
Luca PAVERI FONTANA	Non-executive	01.01.2013 – 31.12.2013	100%

Control and risk Committee (already Internal Control Committee)

Name	Office	Period in office during FY	% attendance of committee meetings
Pietro Carlo MARSANI	Independent non-executive president	01.01.2013 – 31.12.2013	100%
Luca PAVERI FONTANA	Non-executive	01.01.2013 – 31.12.2013	100%
Giuseppe SPADAFORA	Independent non-executive	01.01.2013 – 31.12.2013	100%

Finance Committee

Name	Office	Period in office during FY	% attendance of committee meetings
Andrea ACUTIS	Executive president	01.01.2013 – 31.12.2013	100%
Adriana ACUTIS BISCARETTI DI RUFFIA	Non-executive	01.01.2013 – 31.12.2013	100%
Carlo ACUTIS	Executive	01.01.2013 – 31.12.2013	100%
Giorgio Roberto COSTA	Non-executive	01.01.2013 – 31.12.2013	88%
Roberto GUARENA	Executive	01.01.2013 – 31.12.2013	100%
Luca PAVERI FONTANA	Non-executive	01.01.2013 – 31.12.2013	100%

Real Estate Committee

Name	Office	Period in office during FY	% attendance of committee meetings
Andrea ACUTIS	Executive president	01.01.2013 – 31.12.2013	100%
Adriana ACUTIS BISCARETTI DI RUFFIA	Non-executive	01.01.2013 – 31.12.2013	75%
Carlo ACUTIS	Executive	01.01.2013 – 31.12.2013	75%
Francesco BAGGI SISINI	Independent non-executive	01.01.2013 – 31.12.2013	100%
Giorgio Roberto COSTA	Non-executive	01.01.2013 – 31.12.2013	100%
Roberto GUARENA	Executive	01.01.2013 – 31.12.2013	100%
Luca PAVERI FONTANA	Non-executive	01.01.2013 – 31.12.2013	100%
Anna STRAZZERA	Independent non-executive	19.04.2013 – 31.12.2013	100%

Related Parties Committee

Name	Office	Period in office during FY	% attendance of committee meetings
Pietro Carlo MARSANI	Independent non-executive president	01.01.2013 – 31.12.2013	100%
Marco BRIGNONE	Non-executive	01.01.2013 – 31.12.2013	100%
Giuseppe SPADAFORA	Independent non-executive	01.01.2013 – 31.12.2013	100%

APPENDIX 3

BOARD OF STATUTORY AUDITORS

Name	Office	First appointment	In charge until	List	Independent as per Code	% attendance of BoSA meetings	Other offices held (*)
Alberro GIUSSANI	President	30.09.2011	FY 2015	m	X	100%	5
Giovanni MARITANO	Auditor	23.04.2010	FY 2015	M	X	100%	0
Francesca SANGIANI	Auditor	19.04.2013	FY 2015	M	X	100%	0
Maria Filomena TROTTA	Substitute Auditor	19.04.2013	FY 2015	M	X		
Michele CASO'	Substitute Auditor	30.09.2011	FY 2015	m	X		

AUDITORS CEASED DURING FINANCIAL YEAR

Name	Office	First appointment	In charge until	List	Independent as per Code	% attendance of BoSA meetings	Other offices held (*)
Corrado VERSINO	Auditor	29.04.2011	19/04/2013	M		100%	
Marina MOTTURA	Substitute Auditor	29.04.2011	19/04/2013	M			

KEY

List: "M" = statutory auditor elected from list voted by majority – "m" = statutory auditor designated by minority

Independent: independent auditor according to the criteria established by the Code

% BoSA: the statutory auditor's attendance, in percent terms, of Board meetings

Others appointments: number of assignments held in other listed companies

APPENDIX 4

Adoption by Vittoria Assicurazioni S.p.A. of Corporate Governance Code for Listed Companies approved in December 2011 by the Committee for Corporate Governance and promoted by the Italian Stock Exchange

Corporate Governance Code

Adoption of Code by Vittoria Assicurazioni

ARTICLE 1 - ROLE OF THE BOARD OF DIRECTORS

Principles

1.P.1. Listed companies are governed by a Board of Directors that meets at regular intervals, adopts an organisation and a modus operandi which enable it to perform its functions in an effective manner. Adopted

1.P.2. The directors act and make decisions with full knowledge of the facts and autonomously pursuing and placing priority on the objective of creating value for the shareholders over a medium-long term period. Adopted

Criteria

1.C.1. The Board of Directors shall:

- a) examine and approve the strategic, operational and financial plans of both the issuer and the corporate group it heads, monitoring periodically the related implementation; it defines the issuer's corporate governance and the relevant group structure; Adopted
- b) define the risk profile, both as to nature and level of risks, in a manner consistent with the issuer's strategic objectives;
- c) evaluate the adequacy of the organizational, administrative and accounting structure of the issuer as well as of its strategically significant subsidiaries in particular with regard to the internal control system and risk management;
- d) specify the frequency, in any case no less than once every three months, with which the delegated bodies must report to the Board on the activities performed in the exercise of the powers delegated to them;
- e) evaluate the general performance of the company, paying particular attention to the information received from the delegated bodies and periodically comparing the results achieved with those planned;
- f) resolve upon transactions to be carried out by the issuer or its controlled companies having a significant

impact on the issuer's strategies, profitability, assets and liabilities or financial position; to this end, the Board shall establish general criteria for identifying the material transactions;

- g) perform at least annually an evaluation of the performance of the Board of Directors and its committees, as well as their size and composition, taking into account the professional competence, experience (including managerial experience) gender of its members and number of years as director. Where the Board of Directors avails of consultants for such a self-assessment, the Corporate Governance Report shall provide information on other services, if any, performed by such consultants to the issuer or to companies having a control relationship with the issuer;
- h) taking into account the outcome of the evaluation mentioned under the previous item g), report its view to shareholders on the professional profiles deemed appropriate for the composition of the Board of Directors, prior to its nomination;
- i) provide information in the Corporate Governance Report on (1) its composition, indicating for each member the relevant role held within the Board of Directors (including by way of example, chairman or chief executive officer, as defined by article 2), the main professional characteristics as well as the duration of his/her office since the first appointment; (2) the application of article 1 of this Code and, in particular, on the number and average duration of meetings of the Board and of the executive committee, if any, held during the fiscal year, as well as the related percentage of attendance of each director; (3) how the self-assessment procedure as at previous item g) has developed;
- j) in order to ensure the correct handling of corporate information, adopt, upon proposal of the managing director or the chairman of the Board of Directors, internal procedures for the internal handling and disclosure to third parties of information concerning the issuer, having special regard to price sensitive information.

1.C.2. The directors shall accept the directorship when they deem that they can devote the necessary time to the diligent performance of their duties, also taking into account the commitment relating to their own work and professional activity, the number of offices held as director or statutory auditor in other companies listed on regulated markets (including foreign markets) in financial companies, banks, insurance companies or companies of a considerably large size. The Board shall record, on the basis of the information

Adopted

received from the directors, on a yearly basis, the offices of director or statutory auditor held by the directors in the above-mentioned companies and include them in the Corporate Governance Report.

1.C.3. The Board shall issue guidelines regarding the maximum number of offices as director or statutory auditor for the types of companies referred to in the above paragraph that may be considered compatible with an effective performance of a director's duties, taking into account the attendance by the directors to the committees set up within the Board. To this end, the Board identifies the general criteria, differentiating them according to the commitment entailed by each role (executive or non-executive or independent director), as well as the nature and size of the companies in which the offices are performed, plus whether or not the companies are members of the issuer's group.

Adopted

1.C.4. If the shareholders' meeting, when dealing with organisational needs, authorises, on a general, preventive basis, derogations from the rule prohibiting competition, as per Article 2390 of the Italian Civil Code, then the Board of Directors shall evaluate each such issue, reporting, at the next shareholders' meeting, the critical ones if any. To this end, each director shall inform the Board, upon accepting his/her appointment, of any activities exercised in competition with the issuer and of any effective modifications that ensue.

Adopted

1.C.5. The chairman of the Board of Directors shall ensure that the documentation relating to the agenda of the Board are made available to directors and statutory auditors in a timely manner prior to the Board meeting. The Board of Directors shall provide information in the Corporate Governance Report on the promptness and completeness of the pre-meeting information, providing details, *inter alia*, on the prior notice usually deemed adequate for the supply of documents and specifying whether such prior notice has been usually observed.

1.C.6. The chairman of the Board of Directors, also upon request of one or more directors, may request to the managing directors that certain executives of the issuer or the companies belonging to its group, in charge of the pertinent management areas related to the Board agenda, attend the meetings of the Board, in order to provide appropriate supplemental information on the items on the agenda.

ARTICLE 2 – COMPOSITION OF THE BOARD OF DIRECTORS

Principles

2.P.1. The Board of Directors shall be made up of executive and non-executive directors, who should be adequately competent and professional.

Adopted

2.P.2. Non-executive directors shall bring their specific expertise to Board discussions and contribute to the adoption of fully informed decisions paying particular care to the areas where conflicts of interest may exist. Adopted

2.P.3. The number, competence, authority and time availability of non-executive directors shall be such as to ensure that their judgement may have a significant impact on the taking of Board's decisions. Adopted

2.P.4. It is appropriate to avoid the concentration of corporate offices in one single individual. Adopted

2.P.5. Where the Board of Directors has delegated management powers to the chairman, it shall disclose adequate information in the Corporate Governance Report on the reasons for such organisational choice. Adopted

Criteria

2.C.1. The following are qualified executive directors for the issuers: Adopted

- the managing directors of the issuer or a subsidiary having strategic relevance, including the relevant chairmen when these are granted individual management powers and when they play a specific role in the definition of the business strategies;
- the directors vested with management duties within the issuer or in one of its subsidiaries having strategic relevance, or in a controlling company when the office concerns also the issuer;
- the directors who are members of the executive committee of the issuer, when no managing director is appointed or when the participation in the executive committee, taking into account the frequency of the meetings and the scope of the relevant resolutions, entails, as a matter of fact, the systematic involvement of its members in the day-to-day management of the issuer.

The granting of deputy powers of powers only in cases of urgency to directors, who are not provided with management powers is not enough, per se, to cause them to be identified as executive directors, provided however, that such powers are not actually exercised with considerable frequency.

2.C.2. The directors shall know the duties and responsibilities relating to their office. Adopted

The chairman of the Board of Directors shall use his best efforts for causing the directors and the statutory auditors, after the election and during their mandate, to participate in initiatives aimed at providing them with an adequate knowledge of the business sector in which the issuer runs its activity, of the corporate dynamics and the relevant evolutions, as well as the relevant regulatory framework.

2.C.3. The Board shall designate an independent director as lead independent director, in the following circumstances: (i) in the event that the chairman of the Board of Directors is the chief executive officer of the company; (ii) in the event that the office of chairman is held by the person controlling the issuer.

Adopted

The Board of Directors of issuers belonging to FTSE-Mib index shall designate a lead independent director if so requested by the majority of independent directors, except in the case of a different and grounded assessment carried out by the Board to be reported in the Corporate Governance Report.

2.C.4. The lead independent director:

(a) represents a reference and coordination point for the requests and contributions of non-executive directors and, in particular, those who are independent pursuant to Article 3 below;

(b) cooperates with the Chairman of the Board of Directors in order to guarantee that directors receive timely and complete information.

2.C.5. The chief executive officer of issuer (A) shall not be appointed director of another issuer (B) not belonging to the same corporate group, in the event that the chief executive officer of issuer (B) is a director of issuer (A).

ARTICLE 3 – INDEPENDENT DIRECTORS

Principles

3.P.1. An adequate number of non-executive directors shall be independent, in the sense that they do not maintain, directly or indirectly or on behalf of third parties, nor have recently maintained any business relationships with the issuer or persons linked to the issuer, of such a significance as to influence their autonomous judgement.

Adopted

3.P.2. The directors' independence shall be periodically assessed by the Board of Directors. The results of the assessments of the board shall be communicated to the market.

Adopted

Criteria

3.C.1. The Board of Directors shall evaluate the independence of its non-executive members having regard more to the contents than to the form and keeping in mind that a director usually does not appear independent in the following events, to be considered merely as an example and not limited to:

Adopted, except letter e), as specified later on

a) if he/she controls, directly or indirectly, the issuer also through subsidiaries, trustees or third parties, or is able to exercise over the issuer dominant influence, or

participates in a shareholders' agreement through which one or more persons can exercise a control or dominant influence over the issuer;

- b) if he/she is, or has been in the preceding three fiscal years, a significant representative of the issuer, of a subsidiary having strategic relevance or of a company under common control with the issuer, or of a company or entity controlling the issuer or able to exercise over the same a considerable influence, also jointly with others through a shareholders agreement;
- c) if he/she has, or had in the preceding fiscal year, directly or indirectly (e.g. through subsidiaries or companies of which he is a significant representative, or in the capacity as partner of a professional firm or of a consulting company) a significant commercial, financial or professional relationship:
 - with the issuer, one of its subsidiaries, or any of its significant representatives;
 - with a subject who, also jointly with others through a shareholders' agreement, controls the issuer, or – in case of a company or an entity – with the relevant significant representatives;

or is, or has been in the preceding three fiscal years, an employee of the above-mentioned subjects;

- d) if he/she receives, or has received in the preceding three fiscal years, from the issuer or a subsidiary or holding company of the issuer, a significant additional remuneration (compared to the "fixed" remuneration of non-executive director of the issuer and to remuneration of the membership in the committees that are recommended by the Code) also in the form of participation in incentive plans linked to the company's performance, including stock option plans;
- e) if he/she was a director of the issuer for more than nine years in the last twelve years;

In order to focus on acquiring a thorough knowledge of the company, which in the insurance and reinsurance can only occur after several years of experience, the constraint of a maximum 9 years duration is not considered.

- f) if he/she is vested with the executive director office in another company in which an executive director of the issuer holds the office of director;
- g) if he/she is shareholder or quotaholder or director of a legal entity belonging to the same network as the company appointed for the auditing of the issuer;

h) if he/she is a close relative of a person who is in any of the positions listed in the above paragraphs.

3.C.2. For the purpose of the above, the chairman of the entity, the chairman of the Board of Directors, the executive directors and key management personnel of the relevant company or entity, must be considered as “significant representatives”.

Adopted

3.C.3. The number and competences of independent directors shall be adequate in relation to the size of the Board and the activity performed by the issuer; moreover, they must be such as to enable the constitution of committees within the Board, according to the indications set out in the Code.

Adopted

As for issuers belonging to FTSE-Mib index, at least one third of the Board of Directors members shall be made up of independent directors. If such a number is not an integer, it shall be rounded down.

Anyway, independent directors shall not be less than two.

3.C.4. After the appointment of a director who qualifies himself/herself as independent, and subsequently, upon the occurrence of circumstances affecting the independence requirement and in any case at least once a year, the Board of Directors shall evaluate, on the basis of the information provided by the same director or available to the issuer, those relations which could be or appear to be such as to jeopardize the autonomy of judgement of such director. The Board of Directors shall notify the result of its evaluations, after the appointment, through a press release to the market and, subsequently, within the Corporate Governance Report.

Adopted

In the documents mentioned above, the Board of Directors shall:

- disclose whether they adopted criteria for assessing the independence which are different from the ones recommended by the Code, also with reference to individual directors, and if so, specifying the reasons;

- describe quantitative and/or qualitative criteria used, if any, in assessing the relevance of relationships under evaluation.

3.C.5. The Board of statutory auditors shall ascertain, in the framework of the duties attributed to it by the law, the correct application of the assessment criteria and procedures adopted by the Board of Directors for evaluating the independence of its members. The result of such controls is notified to the market in the Corporate Governance Report or in the report of the Board of statutory auditors to the shareholders' meeting.

Adopted

3.C.6. The independent directors shall meet at least once a year without the presence of the other directors.

Adopted

ARTICLE 4 – INTERNAL COMMITTEES OF THE BOARD OF DIRECTORS

Principle

4.P.1. The Board of Directors shall establish among its members one or more committees with proposing and consultative functions according to what set out in the articles below.

Adopted

Criteria

4.C.1. The establishment and functioning of the committees governed by the Code shall meet the following criteria:

Adopted

- a) committees shall be made up of at least three members. However, in those issuers whose Board of Directors is made up of no more than eight members, committees may be made up of two directors only, provided, however, that they are both independent. The committees' activities shall be coordinated by a chairman;
- b) the duties of individual committees are provided by the resolution by which they are established and may be supplemented or amended by a subsequent resolution of the Board of Directors;
- c) the functions that the Code attributes to different committees may be distributed in a different manner or demanded from a number of committees lower than the envisaged one, provided that for their composition the rules are complied with those indicated from time to time by the Code and is ensured the achievement of the underlying objectives;
- d) minutes shall be drafted of the meetings of each committee;
- e) in the performance of their duties, the committees have the right to access the necessary company's information and functions, according to the procedures established by the Board of Directors, as well as to avail themselves of external advisers. The issuer shall make available to the committees adequate financial resources for the performance of their duties, within the limits of the budget approved by the Board;
- f) persons who are not members of the committee, including other Board members or persons belonging to issuer's structure, may participate in the meetings of each committee upon invitation of the same, with reference to individual items on the agenda;
- g) the issuers shall provide adequate information, in the Corporate Governance Report, on the establishment and composition of committees, the contents of the mandate entrusted to them, as well as, on the basis of the

indications provided for by each committee, the activity actually performed during the fiscal year, the number of meetings held, their average duration and the relevant percentage of participation of each member.

4.C.2 The establishment of one or more committees may be avoided and the relevant duties may be assigned to the Board of Directors, under the coordination of the Chairman and provided that: (i) independent directors are at least half of the Board of Directors members; if the number of the Board members is odd, a rounding down to the lower unit shall be carried out; (ii) adequate time is dedicated during the Board meetings to actions that the Code requires the Committees to carry out, and this circumstance is disclosed in the Corporate Governance Report; (iii) as far as the control and risk committee is concerned, the issuer is neither controlled by another listed company nor it is subject to direction and coordination.

The Board of Directors describes in detail in the Corporate Governance Report the reasons underlying the choice not to establish one or more committees; in particular, it provides adequate grounds for the choice not to establish the risks and control committee in consideration of the complexity level of the issuer and the sector in which it operates. In addition, the Board shall periodically reassess the choice made.

ARTICLE 5 – APPOINTMENT OF DIRECTORS

Principle

5.P.1. The Board of Directors shall establish among its members a committee to propose candidates for appointment to the position of director, made up, for the majority, of independent directors.

Adopted
A single Appointments and Remuneration Committee has been set up.

Criteria

5.C.1. The committee to propose candidates for appointment to the position of director shall be vested with the following functions:

Adopted

- a) to express opinions to the Board of Directors regarding its size and composition and express recommendation with regard to the professional skills necessary within the Board as well with regard to the topics indicated by articles 1.C.3. and 1.C.4.;
- b) to submit the Board of Directors candidates for directors offices in case of co-optation, should the replacement of independent directors be necessary.

5.C.2. The Board of Directors shall evaluate whether to adopt a plan for the succession of executive directors. In the event of adoption of such a plan, the issuer shall disclose it in the Corporate Governance Report. The review on the preparation of the above mentioned plan shall be carried out by the

The Board of Directors did not consider it necessary to set up a succession plan for executive directors, taking into account the ownership

nomination committee or by another committee established within the Board of Directors in charge of this task.

structure of the Company and the concentration of the shareholder.

6. REMUNERATION OF DIRECTORS

Principles

6.P.1. The remuneration of directors and key management personnel shall be established in a sufficient amount to attract, retain and motivate people with the professional skills necessary to successfully manage the issuer.

Adopted

6.P.2. The remuneration of executive directors and key management personnel shall be defined in such a way as to align their interests with pursuing the priority objective of the creation of value for the shareholders in a medium-long term timeframe. With regard to directors with managerial powers or performing, also de-facto, functions related to business management, as well as with regard to key management personnel, a significant part of the remuneration shall be linked to achieving specific performance objectives, possibly including non-economic objectives, identified in advance and determined consistently with the guidelines contained in the general policy described in principle 6.P.4.

Adopted

The remuneration of non-executive directors shall be proportionate to the commitment required from each of them, also taking into account their possible participation in one or more committees.

6.P.3. The Board of Directors shall establish among its members a remuneration committee, made up of independent directors. Alternatively, the committee may be made up of non executive directors, the majority of which to be independent; in this case, the chairman of the committee is selected among the independent directors. At least one committee member shall have an adequate knowledge and experience in finance or remuneration policies, to be assessed by the Board of Directors at the time of his/her appointment.

Adopted

A single Appointments and Remuneration Committee has been set up.

6.P.4. The Board of Directors shall, upon proposal of the remuneration committee, establish a policy for the remuneration of directors and key management personnel.

Criteria

6.C.1. The policy for the remuneration of executive directors and other directors covering particular offices shall define guidelines on the issues and consistently with the criteria detailed below:

- a) the non-variable component and the variable component are properly balanced according to issuer's strategic objectives and risk management policy, taking into account the business sector in which it operates and the

nature of the business carried out;

- b) upper limits for variable components shall be established;
- c) the non-variable component shall be sufficient to reward the director when the variable component was not delivered because of the failure to achieve the performance objectives specified by the Board of Directors;
- d) the performance objectives - i.e. the economic performance and any other specific objectives to which the payment of variable components (including the objectives for the share-based compensation plans) is linked - shall be predetermined, measurable and linked to the creation of value for the shareholders in the medium-long term;
- e) the payment of a significant portion of the variable component of the remuneration shall be deferred for an appropriate period of time; the amount of that portion and the length of that deferral shall be consistent with the characteristics of the issuer's business and associated risk profile;
- f) termination payments shall not exceed a fixed amount or fixed number of years of annual remuneration. Termination payments shall not be paid if the termination is due to inadequate performance.

6.C.2. In preparing plans for share-based remuneration, the Board of Directors shall ensure that:

Adopted - To date no stock-option plans have been approved.

- a) shares, options and all other rights granted to directors to buy shares or to be remunerated on the basis of share price movements shall have an average vesting period of at least three years;
- b) the vesting referred to in paragraph a) shall be subject to predetermined and measurable performance criteria;
- c) directors shall retain a certain number of shares granted or purchased through the exercise of the rights referred to in paragraph a), until the end of their mandate.

6.C.3. The criteria 6.C.1 and 6.C.2 shall apply, *mutatis mutandis*, also to the definition - by the bodies entrusted with that task - of the remuneration of key management personnel.

Adopted

Any incentive plan for the persons in charge of internal audit and for the executive responsible for the preparation of the corporate financial documents shall be consistent with their role.

6.C.4. The remuneration of non-executive directors shall not be - other than for an insignificant portion - linked to the economic results achieved by the issuer. Non-executive

Adopted

directors shall not be beneficiaries of share-based compensation plans, unless it is so decided by the annual shareholders' meeting, which shall also give the relevant reasons.

6.C.5. The remuneration committee shall:

Adopted

- periodically evaluate the adequacy, overall consistency and actual application of the policy for the remuneration of directors and key management personnel, also on the basis of the information provided by the managing directors; it shall formulate proposals to the Board of Directors in that regard;
- submit proposals or issues opinions to the Board of Directors for the remuneration of executive directors and other directors who cover particular offices as well as for the identification of performance objectives related to the variable component of that remuneration; it shall monitor the implementation of decisions adopted by the Board of Directors and verify, in particular, the actual achievement of performance objectives.

6.C.6. No director shall participate in meetings of the remuneration committee in which proposals are formulated to the Board of Directors relating to his/her remuneration.

Adopted

6.C.7. When using the services of an external consultant in order to obtain information on market standards for remuneration policies, the remuneration committee shall previously verify that the consultant concerned is not in a position which might compromise its independence.

Adopted

ARTICLE 7 – INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Principles

7.P.1. Each issuer shall adopt an internal control and risk management system consisting of policies, procedures and organizational structures aimed at identifying, measuring, managing and monitoring the main risks. Such a system shall be integral to the organizational and corporate governance framework adopted by the issuer and shall take into consideration the reference model and the best practices that are applied both at national and international level.

Adopted

7.P.2. An effective internal control and risk management system contributes to the management of the company in a manner consistent with the objectives defined by the Board of Directors, promoting an informed decision-making process. It contributes to ensuring the safeguarding of corporate assets, the efficiency and effectiveness of management procedures, the reliability of financial information and the compliance with laws and regulations, including the by-laws and internal procedures.

Adopted

7.P.3. The internal control and risk management system involves each of the following corporate bodies depending on their related responsibilities: Adopted

a) the Board of Directors, that shall provide strategic guidance and evaluation on the overall adequacy of the system, identifying within the Board:

(i) one or more directors to be charged with the task of establishing and maintaining an effective internal control and risk management system (hereinafter, the “director in charge of the internal control and risk management system”), and

(ii) a control and risk committee in line with the requirements set forth by principle 7.P.4., to be charged with the task of supporting, on the basis of an adequate control process, the evaluations and decisions to be made by the Board of Directors in relation to the internal control and risk management system, as well as to the approval of the periodical financial reports;

7.P.4. The control and risk committee is made up of independent directors. Alternatively, the committee can be made up of non executive directors, the majority of which being independent ones; in this case, the chairman of the committee is selected among the independent directors. If the issuer is controlled by another listed company or is subject to the direction and coordination activity of another company, the committee shall be made up exclusively of independent directors. At least one member of the committee is required to have an adequate experience in the area of accounting and finance or risk management, to be assessed by the Board of Directors at the time of appointment. Adopted

Criteria

7.C.1. The Board of Directors, with the opinion of the control and risk committee, shall: Adopted

a) define the guidelines of the internal control and risk management system, so that the main risks concerning the issuer and its subsidiaries are correctly identified and adequately measured, managed and monitored, determining, moreover, the level of compatibility of such risks with the management of the company in a manner consistent with its strategic objectives;

b) evaluate, at least on an annual basis, the adequacy of the internal control and risk management system taking into account the characteristics of the company and its risk profile, as well as its effectiveness;

c) approves, at least on an annual basis, the plan

drafted by the person in charge of internal audit, after hearing the Board of statutory auditors and the director in charge of the internal control system;

- d) describe, in the Corporate Governance Report, the main features of the internal control and risk management system, expressing the evaluation on its adequacy;
- e) after hearing the Board of statutory auditors, it assesses the findings reported by the external auditor in the suggestions letter, if any, and in the report on the main issues resulting from the auditing.

The Board of Directors shall, upon proposal of the director in charge of the internal control and risk management system, subject to the favourable opinion of the control and risk committee, as well as after hearing the Board of statutory auditors:

- appoint and revoke the person in charge of the internal audit function;
- ensure that such a person is provided with the adequate resources for the fulfilment of his/her responsibilities;
- define the relevant remuneration consistently with company's policies.

7.C.2. The control and risk committee, when assisting the Board of Directors shall:

Adopted

- a) evaluate together with the person responsible for the preparation of the corporate financial documents, after hearing the external auditors and the Board of statutory auditors, the correct application of the accounting principles, as well as their consistency for the purpose of the preparation of the consolidated financial statements, in any;
- b) express opinions on specific aspects relating to the identification of the main risks for the company;
- c) review the periodic reports of the internal audit function concerning the assessment of the internal control and risk management system, as well as the other reports of the internal audit function that are particularly significant;
- d) monitor the independence, adequacy, efficiency and effectiveness of the internal audit function;
- e) request the internal audit function to carry out reviews of specific operational areas, giving simultaneous notice to the chairman of the Board of statutory auditors;
- f) report to the Board of Directors, at least every six months, on the occasion of the approval of the annual and half-year financial report, on the activity carried out, as well as on the adequacy of the internal control and risk

management system.

7.C.3. The chairman of the Board of statutory auditors or another statutory auditor designated by this chairman shall participate in the works of the control and risk committee; the remaining statutory auditors are also allowed to participate. Adopted

7.C.4. The director in charge of the internal control and risk management system, shall: Adopted

- a) Identify the main business risks, taking into account the characteristics of the activities carried out by the issuer and its subsidiaries, and submit them periodically to the review of the Board of Directors;
- b) implement the guidelines defined by the Board of Directors, taking care of the planning, realization and management of the internal control and risk system, constantly monitoring its adequacy and effectiveness;
- c) adjust such system to the dynamics of the operating conditions and the legislative and regulatory framework;
- d) request to internal audit function to carry out reviews of specific operational areas and on the compliance of business operation with rules and internal procedures, giving simultaneous notice to the chairman of the Board of Directors, the chairman of control and risk committee and the chairman of the Board of statutory auditors;
- e) promptly report to the control and risk committee(or to the Board of Directors) issues and problems that resulted from his/her activity or of which he/she became aware in order for the committee (or the Board) to take the appropriate actions.

7.C.5. The person in charge of internal audit shall: Adopted

- a) verify, both on a continuous basis and in relation to special needs, in conformity with international professional standards, the adequacy and effective functioning of the internal control and risk management system, through an audit plan, to be approved by the Board of Directors. Such a plan shall be based on a structured analysis and ranking of the main risks;
- b) not be responsible for any operational area and be subordinated to the Board of Directors;
- c) have direct access to all useful information for the performance of its duties;
- d) draft periodic reports containing adequate information on its own activity, and on the company's risk management process, as well as about the compliance with the management plans defined for risk mitigation. Such periodic reports contain an evaluation on the adequacy of the internal control and risk management system;

- e) prepare timely reports on particularly significant events;
- f) submit the reports indicated under items d) and e) above to the chairman of the Board of statutory auditors, the control and risk committee and the Board of Directors, as well as to the director in charge of the internal control and risk management system.
- g) verifies, as part of the audit plan, the reliability of information systems including systems of accounting survey.

7.C.6. The internal audit functions may be entrusted, as a whole or by business segments, to a person external to the issuer, provided, however, that it is endowed with adequate professionalism, independence and organization; The adoption of such organizational choices, with a satisfactory explanation of the relevant reasons, shall be disclosed to the shareholders and the market in the Corporate Governance Report.

Adopted

ARTICLE 8 – STATUTORY AUDITORS

Principles

8.P.1. The statutory auditors shall act with autonomy and independence also vis-à-vis the Shareholders, which elected them.

Adopted

8.P.2. The issuer shall adopt suitable measures to ensure an effective performance of the duties typical of the board of auditors.

Adopted

Criteria

8.C.1. The statutory auditors shall be chosen among people who may be qualified as independent also on the basis of the criteria provided by this Code with reference to the directors. The Board of statutory auditors shall check the compliance with said criteria after the appointment and subsequently on an annual basis, including the result of such verification in Corporate Governance Report, according to manners complying with the ones provided with reference to directors.

Adopted - As for Directors, the requirement of a maximum duration of 9 years is not considered.

8.C.2. The statutory auditors shall accept the appointment when they believe that they can devote the necessary time to the diligent performance of their duties.

Adopted

8.C.3. A statutory auditor who has an interest, either directly or on behalf of third parties, in a certain transaction of the issuer, shall timely and exhaustively inform the other auditors and the chairman of the Board about the nature, the terms, origin and extent of his/her interest.

Adopted

8.C.4. In the framework of their activities, the statutory auditors may demand from the internal audit function to make assessments on specific operating areas or transactions of

Adopted

the company.

8.C.5. The Board of statutory auditors and the control and risk committee shall exchange material information on a timely basis for the performance of their respective duties. Adopted

ARTICLE 9 – RELATIONS WITH THE SHAREHOLDERS

Principles

9.P.1. The Board of Directors shall take initiatives aimed at promoting the broadest participation possible of the shareholders in the shareholders' meetings and making easier the exercise of the shareholders' rights. Adopted

9.P.2. The Board of Directors shall endeavour to develop a continuing dialogue with the shareholders based on the understanding of their reciprocal roles. Adopted

Criteria

9.C.1. The Board of Directors shall ensure that a person is identified as responsible for handling the relationships with the shareholders and shall evaluate from time to time whether it would be advisable to establish a business structure responsible for such function. Adopted

9.C.2. All the directors usually participate in the shareholders' meetings. The shareholders' meetings are also an opportunity for disclosing to the shareholders information concerning the issuer, in compliance with the rules governing price-sensitive information. In particular, the Board of Directors shall report to the shareholders' meeting the activity performed and planned and shall use its best efforts for ensuring that the shareholders receive adequate information about the necessary elements for them to adopt in an informed manner the resolutions that are the competence of the shareholders' meeting. Adopted

9.C.3. The Board of Directors should propose to the approval of the shareholders' meeting rules laying down the procedures to be followed in order to permit an orderly and effective conduct of the shareholders' meetings of the issuer, without prejudice, at the same time, to the right of each shareholder to express his or her opinion on the matters under discussion. The Company has chosen not to comply with this criterion, given the longstanding procedures that have been followed for the Shareholders' meetings over a period of years.

9.C.4. In the event of significant changes in the market capitalization of the company's shares or in the composition of its shareholders, the Board of Directors shall assess whether proposals should be submitted to the shareholders' meeting to amend the by-laws in respect to the majorities required for exercising actions and rights provided for the protection of minority interests. Adopted

ARTICLE 12 - TWO TIER AND ONE TIER MANAGEMENT
AND CONTROL SYSTEMS

Not applicable