



Ordinary and Extraordinary Shareholders' Meeting

19.04.13 (first call)

20.04.13 (second call)

Report of the Board of Directors on the second item on the agenda for Ordinary Meeting.

Appointment of the Board of Directors, subject to prior determination of the number of members, the duration of their appointment and their remuneration.

Shareholders

The approval of the Financial Statements for the year ending 31st December 2012 marks the end of the term of office of the current Board of Directors which was appointed during the Ordinary Shareholders' Meeting of 23rd April 2010.

Shareholders convened at the Shareholders' Meeting are therefore called to appoint the new Board of Directors, after determining the number of members and the term of office.

Attention is drawn to the fact that article 10 of the current Articles of Association (attached to this report in its entirety) provides for the company to be administered by a Board of Directors made up of a number of Directors between seven and sixteen, whose term of office shall be for a maximum of three years and who can be re-elected without limitation.

As per article 10 of the articles of Association, the appointment of the Board of Directors shall be made in accordance with the applicable regulation governing gender equality, on the basis of candidate lists presented by Shareholders in which the candidates are listed with a progressive number.

Lists of candidates may only be presented by one or a group of Shareholders who hold an overall shareholding of 2.5% of the share capital with a right to vote in an Ordinary Shareholders' meeting, as determined with reference to the shareholding registered in the name of the Shareholder/s as of the day when the list is presented to the company.

Each Shareholder, the Shareholders subscribing to a relevant Shareholders' agreement as per article 122 of Legislative Decree 58/1998, the parent company, the subsidiary companies and companies under common control as per article 93 of Legislative Decree 58/1998, may not submit or be party to a joint submission, directly or through an intermediary or trust company, of more than a single list, and may not vote for several lists, and each candidate may only stand in a single list under penalty of ineligibility.

In accordance with the applicable regulations governing gender equality, those lists with a number of candidates that is equal or greater than three must include candidates of both sexes in such a way that at least one fifth (rounded up) of the candidates are of the least represented sex.

Candidate lists underwritten by those shareholders presenting the list must be deposited at the company registered offices at least twenty-five days before the Shareholders' Meeting and therefore by 25th March 2013, complete with the following documentation as required by article 10 of the Articles of Association: (i) the appropriate certificate issued by a legally authorised intermediary proving ownership, on the date the lists are presented, of the number of shares necessary for the submission of the lists; (ii) a declaration by each candidate accepting their nomination and attesting, on their own responsibility, that none of the causes of disqualification and incompatibility apply to them, and the existence of the requirements prescribed for the respective posts; (iii) a curriculum vitae relating to the personal and professional characteristics of each candidate showing where appropriate the suitability of the same to claim independence.

Certification to be issued by an authorized intermediary, attesting ownership of the required number of shares for presenting a list of candidates, must be delivered to the company by 29th March 2013.

Candidate lists and associated supporting documentation can also be deposited by email at the following registered email address societario.vittoria@pec.vittoriaassicurazioni.it.

Shareholders who present a minority list are reminded that the recommendations of Consob (Italian stock exchange authority) Notice DEM/9017893 dated 26th February 2009 apply to them.

The lists, including the identity of the Shareholders presenting them and the percentage shareholding held by them, together with a detailed memorandum on the personal and professional characteristics of the candidates and a declaration of the candidates where they attest to the fact that they fulfil the necessary requisites of independence, shall be made available to the public at the registered offices of the company and on the company internet website www.vittoriaassicurazioni.com by Friday 29th March 2013.

The election of the Board of Directors is regulated by article 10 of the Articles of Association. In particular, in the event that there are several lists of candidates for election, then the election will proceed 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, excepting the last one;
- b) the remaining Director shall be chosen from the list which is not associated in any way, directly or indirectly, with those who submitted or voted for the list referred to in a) above, and which obtained the second highest number of votes.

Those lists with a number of votes that corresponds to less than 1.25% of the share capital shall not be taken into account.

The procedure in article 10 of the Articles of Association also provides for mechanisms for guaranteeing the appointment of at least two directors who fulfil the requirements of independence of article 148-ter, paragraph 3 of the TUF as well as compliance with the applicable regulation governing gender equality, which requires at least one fifth of the Directors to be of the least represented sex.

Attention is also drawn to the fact that the Directors of Vittoria Assicurazioni S.p.A. must possess the requirements of professionalism, integrity and independence applicable to officials of insurance companies as provided by the Regulations approved by the Decree No.220 of the Minister of Economic Development dated 11th November 2011, in addition to the provisions of article 147-quinquies of the TUF, and the requirements of integrity indicated in the Decree of 30th March 2000 No. 162.

Moreover, as per article 36 of the Decree Law of 6th December, No. 201, a candidate is precluded from being appointed to the position of Director of the Company in the event that such candidate is a member of a corporate body for the management, surveillance or control of, or holds a senior management position in, a competitor company. For the purpose of such preclusion, those companies or group of companies operating in the credit, insurance or finance markets that are not linked by a control relationship as per article 7 of the law of 10th October 1990, No. 287 operating in the same market and in the same geographic areas as Assicurazioni S.p.A. are deemed competitors.

In addition to the requirements set forth in article 148, paragraph 3 of the TUF (requirements that, by Law and as per Articles of Association, must hold true for at least two Directors), Directors' independence must also be assessed in terms of compliance with the principles stated in the Self-Regulation Code for listed companies promoted by Borsa Italiana (the Italian stock exchange), to which Vittoria Assicurazioni has declared its adherence.

With respect to the latter point, your attention is drawn to the fact that the Board of Directors has approved adherence to all the principles and application criteria provided in article 3 of the Self-Regulation Code promoted by Borsa Italiana, with the exception of the criterion that does not deem a Director who has held such office for more than nine years as independent. Indeed, the Board of Directors deemed that an extended term of office does not constitute an obstacle for the independence of a Director, but represents on the other hand a value for the company insofar as it accounts for a thorough knowledge of the company and the insurance business for the benefit of the Board. The reasons supporting such decision are detailed in the report on Corporate governance and proprietary assets.



And finally, you are called upon to determine the remuneration of the Board of Directors.

In this regard, article 15 of the Articles of Association establish that the remuneration of the Board of Directors shall be determined by the Shareholders convened in a Shareholders' meeting and distributed among the Directors as established subsequently by the Board itself. The remuneration of the Chairman, Vice Chairmen and Managing Directors and any Directors with special responsibility shall be determined by the Board of Directors upon submission of a proposal by the Appointments and Remuneration Committee and after consultation with Board of Statutory Auditors.

The remuneration of the current Board of Directors was established by a resolution of the Shareholders' meeting of 23rd April 2010 for an amount of 580,000 euros.

You are therefore requested to:

- establish the number of Directors making up the Board of Directors;
- determine the term of office of the Board;
- vote for a candidate list for the appointment of Directors to sit on the Board of Directors of the Company among the candidate lists presented as per article 10 of the Articles of Association;
- determine the remuneration of the Board of Directors.

The board shall refrain from formulating specific resolution proposals and invites the Shareholders to adopt resolutions as they may chose to formulate by themselves.

The Board of Directors:

Milan, 8 March 2013

Articles of Association

Art. 10 – Board of Directors

The Company shall be administered by a Board of Directors consisting of no fewer than 7 and no more than 16 Directors, elected by the General Meeting, with a term of office of a maximum of three financial years and who shall always be eligible for re-election. Prior to electing the Directors, the General Meeting shall decide on the number thereof between the said limits.

The Directors must meet the requirements specified by the legislation current at the time; a minimum number of these corresponding to the minimum provided by legislation must satisfy the requirements for independence referred to in article 148(3) of Legislative Decree 58/1998.

Any Director who ceases to fulfil these requirements shall cease to hold office. If any Director ceases to meet the requirements for independence specified above, he shall not become ineligible to hold his post if the requirements continue to be met by the minimum number of Directors who in accordance with current legislation must meet the said requirement.

Election to the Board of Directors shall be made according to the current legislation concerning the balance between genders and on the basis of lists submitted by shareholders in the manner specified below, on which candidates must be listed with a consecutive number.

Lists submitted by shareholders, signed by the person submitting them, must be lodged at the registered office of the Company, available to any person on request, at least twenty five days prior to the date set for the General Meeting on first call and shall be liable to be published in the manner specified in the legislation current at the time.

Shareholders subscribing to a relevant shareholders' agreement within the meaning of article 122 of Legislative Decree 58/1998, the parent company, the subsidiary companies and those under joint control within the meaning of article 93 of Legislative Decree 58/1998, may not submit or take part in the submission, including through an intermediary or trust company, of more than a single list, and may not vote for several lists, and each candidate may only stand in a single list on pain of ineligibility. Any seconding of nominations or votes cast in breach of this prohibition shall not count towards any list.

Only those shareholders who, alone or together with other submitting shareholders, are overall holders of voting shares representing at least 2.5% of the share capital with the right to vote at the General Meeting, or representatives of any lesser percentage which may be provided by mandatory provisions of the law or regulations shall be entitled to submit lists.

The ownership of the minimum shareholding for the presentation of lists is determined with reference to the shares that are registered to the shareholder on the day on which the lists are filed with the Company.

Together with each list, the following shall be lodged: (i) the appropriate certificate issued by a legally authorised intermediary proving ownership, on the date the lists are presented, of the number of shares necessary for the submission of the lists; this certification may however also be provided subsequent to the filing, provided 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 attesting, on their own responsibility, that none of the causes of disqualification and incompatibility apply to them, and the existence of the requirements prescribed for the respective posts; (iii) a curriculum vitae relating to the personal and professional characteristics of each candidate showing where appropriate the suitability of the same to claim independence.

The lists that have a 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 belongs to the less represented gender.

Notwithstanding the provisions of the preceding paragraph, on the occasion of the first renewal after August 12, 2012, the quota therein is reduced to one-fifth (though rounded upwards) of the candidates.

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

Election to the Board of Directors shall be carried out as follows:

- a) the Directors to be elected shall be chosen from the list which has obtained the highest number of votes in the consecutive order in which they appear on the list, except one;
- b) the remaining Director shall be chosen from the list which is not linked in any way, directly or indirectly, with those who submitted or voted for the list referred to at a) above, and which obtained the second highest number of votes. For this purpose, any lists which have not obtained a percentage of votes at least equal to half of those required for submission of the lists, referred to in paragraph six of this article, shall be disregarded.

Where the election of candidates in the manner described above does not give rise to the election of a number of Directors who meet the requirements for independence provided for by article 148(3) of Legislative Decree 58 of 28 February 1998 equivalent to the minimum number provided by law in relation to the total number of Directors, the non-independent candidate last elected in consecutive order from the list obtaining the highest number of votes, referred to at a) in the above paragraph, shall be replaced by the first independent candidate in consecutive order not elected from the same list, or, failing that, by the first independent candidate in consecutive order not elected from other lists, according to the number of votes obtained by each. This substitution process shall continue until the Board of Directors is made up of a number of members satisfying the requirements of article 148(3) of Legislative Decree 58/1998 at least equal to the minimum prescribed by law. Finally, where this procedure does not produce the result referred to, substitution will take place on the basis of a resolution adopted by the General Meeting on a simple majority, after candidates meeting the said requirements have been put forward.

Further, where the election of candidates in the manner described above does not ensure the composition of the Board of Directors complying with the applicable pro tempore regulation concerning the balance between genders, the candidate of the gender most represented elected last in numerical order in the list that received the highest number of votes will be replaced by the first not elected candidate of the less represented gender on the same list. This substitution process shall continue until it is assured a composition of the Board of Directors complying with the applicable pro tempore regulation concerning the balance between genders. Finally, where this procedure does not produce the result referred to, substitution will take place on the basis of a resolution adopted by the General Meeting on a simple majority, after submission of nominations of persons belonging to the less represented gender.

Where only one list is submitted or where no lists are submitted, the General Meeting shall decide on a legal majority, without following the above procedure, subject to compliance with the applicable regulations pro tempore on the balance between genders.

If during the course of the financial year one or more directorships become vacant, provided that the majority of Directors have been elected by the General Meeting, the procedure referred to in article 2386 of the Civil Code shall be followed, as described below:

- a) the Board of Directors shall carry out the substitution from names appearing on the same list on which the retiring Director appeared, and the General Meeting shall resolve on the same observing the same criterion with the legal majority;
- b) where there are no candidates on the said list who remain unelected or meet the requirements, or in any event where for whatever reason it is not possible to comply with the provisions of sub-paragraph a), the Board of Directors shall carry out the substitution, and the General Meeting shall subsequently resolve on the same, with the legal majorities and without a vote on the lists.

In any event the Board of Directors and the General Meeting shall proceed to the election in order to ensure (i) the presence of the minimum total number of independent Directors required by current legislation (ii) the compliance with the applicable pro tempore regulations on the balance between genders.