

Guidance on the composition of the Board of Directors

In fulfilment of the requirements set forth in Article 1.C.1, letter h) of the Corporate Governance Code for listed companies, with which Vittoria Assicurazioni S.p.A. complies, the outgoing Board of Directors provides its guidance on the future size and composition of the board, in view of its renewal by the General Meeting called for 27 April 2016.

In conducting the assessment described herein, the Board of Directors took into consideration the results of its self-governance process carried out pursuant to Article 1.C.1, letter g) of the Corporate Governance Code and ISVAP Regulation No. 20, with respect to the size, composition and functioning of the board as a whole, as well as its committees.

This guidance, which also specifies the personal and professional characteristics it is believed Company Directors should have, has been developed by the Board of Directors on the basis of proposals of the Appointments and Remuneration Committee, one of whose functions is to provide opinions regarding the size and composition of the Board of Directors.

Regulatory requirements

Given the binding provisions of law in force on the requirements for Directors of insurance companies, candidates for the role of Director of Vittoria Assicurazioni S.p.A. must have the prerequisites of professionalism, integrity and independence as outlined in Ministerial Decree No. 220 of 11 November 2011, which determines the requirements of parties with administration, management and control functions at insurance and reinsurance companies.

Furthermore, Vittoria Assicurazioni S.p.A. is subject to the provision of Article 36 of Law 214 of 22 December ("interlocking restriction"), 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 competing companies or groups of companies.

In addition to the individual requirements that must be fulfilled by each director, the Board urges compliance with the provisions of Article 5 of ISVAP *Regulation* No. 20, which requires the board of directors of an insurance company to consist of parties who, overall, guarantee the presence of theoretical, professional and management experience in the area of insurance and financial markets, governance systems, financial and actuarial analysis, regulatory environments, commercial strategies and business models.

In addition, for the purposes of compliance with the Code of best practice, as concerns the appointment of the Remuneration Committee and the Control and Risk Committee, the Board of Directors recommends the presence of at least one director with adequate knowledge of and experience in financial matters or remuneration policies and one member with adequate experience in accounting and finance or risk management.

With respect to the independence requirement, in addition to what is established in Decree No. 220, mentioned above, and the joint provisions of Articles 147 and 148, paragraph 3 of the Consolidated Finance Act, the Board notes that as the Company is listed in the STAR Segment of Borsa Italiana, at least four directors must fulfil the independence requirements established in the Corporate Governance Code.

In this regard, the outgoing Board of Directors confirms its assessment that the presence of Directors in office for more than nine years does not undermine their independence; therefore, it does not believe that the Company needs to comply with Article 3.C.1 letter e) of the Corporate Governance Code. Indeed, it is believed that in-depth knowledge of the Company and the environment in which it carries on business, as well as technical insurance matters and industry regulations, achievable after years of experience,

enable Directors to make a significant contribution to the Board's work and, more generally, to the definition of the Company's strategies.

Size and term

The Articles of Association establish that the Company is administered by a Board of Directors composed of not less than seven and not more than sixteen members. The General Meeting of 19 April 2013 defined 16 members for the Board of Directors.

During its self-governance process, the Board decided that the current size should be deemed adequate in relation to the size of the Company and the complexity and specific characteristics of the business segment in which it operates, also taking into account the need to guarantee the presence of a wide range of skills on the Board and the possibility to have independent directors participate in the various Board committees.

In evaluating the possibility of decreasing the number of Directors to below its current number, the Board considered that any reduction should take place gradually, in light of the observations laid out above.

Taking into account the foregoing, the Board believes that there should be 15 Directors.

The outgoing Board of Directors also believes it is appropriate to confirm the three-year term to ensure that the Directors have a congruous term time horizon for the determination and implementation of development strategies.

Composition

On the basis of the provisions of the Corporate Governance Code, in evaluating the composition of the Board, it is necessary to check that the various types of members (executive, non-executive, independent) and professional and management skills are adequately represented, in light of the activity carried out by the Company, and also taking into account the benefits that may arise from the presence on the board of different genders, ages and terms spent in office.

During its self-governance process, the outgoing Board of Directors favourably assessed the current composition in relation to the number of non-executive directors with respect to the number of executive members, as well as the number of independent members with respect to the size of the Board. It was also deemed that the professional skills currently present on the Board guarantee a degree of diversification such so as to enable the Directors to make an adequate contribution to board activities.

This being stated, the Board recommends maintaining the proper proportion amongst the figures required on the board (executive, non-executive and independent), and also hopes that a wide range of professional experience will continue to be represented, in addition to continuity of company management, also considering the complexity and specific characteristics of the insurance business.

In particular, it recommends that each list contain many candidates qualified as independent in accordance with the criteria of the Corporate Governance Code.

Lastly, the Board of Directors notes that Shareholders should propose candidates who can devote the necessary time to the performance of their duties, also taking into account the commitment relating to their own work and professional activity, and the number of offices held as director or statutory auditor in other companies.

Maximum number of offices

In compliance with Article 1.C.3. of the Corporate Governance Code, the Board issues guidance regarding the maximum number of offices as director or statutory auditor in other companies that may be considered compatible with an effective performance of a director's duties, taking into account the attendance by the directors at the meetings of committees set up within the Board.

Whereas:

- the positions taken into consideration are those of director or statutory auditor in companies listed on regulated markets (also abroad), in financial, banking, insurance companies or in companies of significant size;
- significantly sized companies are those with revenue in excess of Euro 500 million;
- financial companies are those companies that carry out financial activities directed toward the public; therefore, unlisted holding companies are excluded;
- positions within the same corporate group are considered to be equivalent to just one office;
- executive office refers to the position of Managing Director, Sole Director, General Manager; the position of Statutory Auditor is not considered to be executive;

the Board believes that the following maximum number of other offices held at the types of companies specified above is compatible with the effective performance of a director's duties:

- for the Chairman and executive Directors of Vittoria Assicurazioni: no executive office; 4 non-executive offices;
- for the other Directors: 8 offices, of which no more than 2 executive.

Organisation of board work and structure of authorities

The outgoing Board of Directors provides its opinion on what it believes may be the optimal structure for the organisation of board work and authorities.

First and foremost, it is considered important to maintain a structure within the Board that guarantees continuity with the Company's past, by including figures that represent a point of reference and a guarantee of continuity with the traditional policies of prudent management for stakeholders.

In this regard, the outgoing Board of Directors proposes establishing the role of Chairman Emeritus, for a person with extended experience on the Company's Board, who can act as a point of reference for all Directors.

The Chairman of the Board of Directors, who legally represents the Company, should fulfil the professional requirements established by regulations in force as well as have personal characteristics of adequate authority to ensure the proper and transparent management of the Board's operations, representing a guarantee for all shareholders.

The executive authorities should be assigned to parties with proven experience in the insurance industry and in business management. The delegated powers should guarantee compliance with the principle of joint action by the Board of Directors in the definition of the Company's and the group's strategic, business and financial plans, as well as the degree of risk deemed compatible with the strategic objectives.

We underscore the importance of continuing to appoint Board committees, as is current practice, which support the joint activities of the Board and the delegated bodies by performing research and advisory functions.