

Vittoria Assicurazioni

Registered office: Via Caldera, 21 - 20153 Milano

Capitale sociale euro 65.788.948 interamente versato

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Report on corporate governance and ownership structures FY 2009

pursuant to Article 123–bis Italian Consolidated Finance Act

Vittoria Assicurazioni S.p.A.

www.vittoriaassicurazioni.com

FY 2009 Report

Approved by the Board of Directors on 9 March 2010





Glossary

Code/Corporate Governance Code:

The Corporate Governance Code of listed companies approved in March 2006 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 SpA

Financial year:

The financial year that ended on 31 December 2009.

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.

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 (Consolidated Law on Finance).



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1. DESCRIPTION OF VITTORIA ASSICURAZIONI

Vittoria Assicurazioni is an independent insurance company incorporated in Milan in 1921. Listed on the Milan Stock Exchange in 1988, the company operates in all insurance business segments throughout Italy. It relies on a nationwide network comprised by 283 general agencies and 463 sub-agencies. Vittoria Assicurazioni focuses primarily on addressing the insurance needs of families and SMEs. It dedicates special attention to offering innovative solutions and quality service.

Vittoria Assicurazioni also operates in the real estate and service business sectors, through its own subsidiaries and specialised partners in both sectors.

The Vittoria Assicurazioni S.p.A. management and control system is based on the traditional format, with the Board of Directors playing the key role. This system is comprised of the following three corporate bodies:

- Board of Directors
- Board of Statutory Auditors
- General Meeting

The following Committees are part of the Board of Directors:

- Appointments & Remuneration Committee
- Internal Control Committee
- Finance Committee
- Real Estate Committee

The Board of Directors approved the Code of Ethics at its meeting on 12 November 2004. It defines the ethical values and responsibilities that have always characterised relationships between the Company and its employees, on the one hand, and amongst the Company, its Agency Network and Customers, on the other hand.

2. OWNERSHIP STRUCTURE (pursuant to Art. 123–bis (1) TUF) at 31 December 2009

a) Structure of share capital (pursuant to Art. 123 – bis (1)(a), TUF)

At 31 December 2009, the share capital of Vittoria Assicurazioni S.p.A. totalled Euro 65,788,948, divided into 65,788,948 ordinary shares with a par value of Euro 1.00 each.

The ordinary shares of Vittoria Assicurazioni are listed on the Electronic Stock Market (MTA) – STAR Segment operated by Borsa Italiana S.p.A. and grant shareholders the property and administrative rights prescribed by law and the articles of association.

The convertible bonds issued against the “Vittoria Assicurazioni S.p.A. Fixed/Floater 2001/2016 subordinato convertibile in azioni ordinarie” loan are also listed on the Electronic Stock Market (MTA) operated by Borsa Italiana S.p.A. Following the bonus issue executed in 2008, the bonds are convertible at the ratio of two shares for each debenture with a par value of Euro 4.80.

There were 855,526 convertible bonds outstanding at 31 December 2009, convertible at the 1:2 ratio into 1,711,052 ordinary shares, for a residual amount of Euro 4,106,524.80 on the loan.

At its meeting on 12 November 2009, the Board of Directors of Vittoria Assicurazioni S.p.A. resolved to early repay the “Vittoria Assicurazioni S.p.A. Fixed/Floater 2001/2016 subordinato convertibile in azioni ordinarie” subordinated loan on 1 January 2011, pursuant to Article 9.5 of the loan Regulation. The early repayment was authorised by ISVAP pursuant to Article 45 of the Insurance Code.

Alternatively to reimbursement, the debenture holders will be granted the right to convert them. The bond holders that do not exercise their conversion option will be repaid the face value of each debenture plus accrued interest, at the rate of 5.5% gross of withholding tax, without any deductions for expenses.

b) Restrictions on transfer of financial instruments (pursuant to Art. 123 – bis (1)(b) TUF)

There are no limits imposed by law or the articles of association on the transfer of Vittoria Assicurazioni S.p.A. ordinary shares and convertible bonds.

c) Major shareholdings (pursuant to Art. 123 – bis (1)(c) TUF)

On the basis of the notices received pursuant to Article 120 TUF, the Register of Shareholders and the other information received, the following shareholders directly or indirectly own major shareholdings in Vittoria Assicurazioni S.p.A.:

Declarer	Direct shareholder	% share of ordinary stock	% share of voting shares
Carlo Acutis	Vittoria Capital NV	52.39 %	52.39 %
	Yafa Holding BV	6.18%	6.18%
Francesco Baggi Sisini	Arbus S.r.l.	5.65%	5.65%
Serfis S.p.A.	Serfis S.p.A.	3.64%	3.64%

There were no material changes in the ownership structure during the financial year.

d) Financial instruments granting special rights (pursuant to Art. 123 – bis (1)(d) TUF)

Vittoria Assicurazioni S.p.A. has not issued financial instruments that grant special controlling rights.

e) Employee stock plans: mechanism for exercising voting rights (pursuant to Art. 123 – bis (1)(e) TUF)

No employee stock plans have been approved.

f) Restrictions on voting rights (pursuant to Art. 123 – bis (1)(f) TUF)

There are no restrictions on voting rights.

g) Shareholders' agreements (pursuant to Art. 123 – bis (1)(g) TUF)

In November 2008, Yafa Holding BV, the parent company of Vittoria Capital NV (which is in turn the parent company of Vittoria Assicurazioni S.p.A.) and insurance company shareholders of that parent company (Münchener Rückversicherungs and Victoria Versicherung A.G.), which had been parties to a previous Shareholders' Agreement that expired in September 2008, have made a new Shareholders' Agreement that governs the rights to transfer the Vittoria Capital NV shares owned. The shareholders' agreement specifically envisages a pre-emptive right amongst the parties to the agreement, and co-sale rights in favour of the minority shareholders, as well as automatic application of the shareholders' agreement to 35% of the shares of Vittoria Assicurazioni if Vittoria Capital is dissolved.

h) Change of control clauses (pursuant to Art. 123 – bis (1)(h) TUF)

Vittoria Assicurazioni S.p.A. and its subsidiaries have not made material agreements that become enforceable, are modified or are extinguished if control of the contracting entity changes hands.



i) **Indemnities in favour of directors (pursuant to Art. 123 – bis (1)(i) TUF)**

There are no agreements between the company and the directors that envisage indemnities in the event of resignation or termination without cause or if the relationship is terminated following a public tender offer.

l) **Rules for the appointment and replacement of directors and amendments to the articles of association (pursuant to Art. 123 – bis (1)(l) TUF)**

Amendments to the articles of association are approved by the Extraordinary General Meeting, as provided by law. Pursuant to Section 2365 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, move of the registered office within national territory, and resolutions for merger in the cases envisaged in Sections 2505 and 2505 bis Italian Civil Code, even as cited for demerger, if these rules are applicable.

Please see section 4.1 of this Report for information about the appointment and replacement of directors.

m) **Delegations of authority for recapitalisation and authorisations for buyback of treasury stock (pursuant to Art. 123 – bis (1)(m) TUF)**

No resolutions have been passed authorising the Board of Directors to recapitalise the Company pursuant to Section 2443 Italian Civil Code, to issue equity financial instruments, or buyback of treasury stock pursuant to Sections 2357 et seq. Italian Civil Code.

n) **Management and co-ordination (pursuant to Sections 2497 et seq. Italian Civil Code)**

Vittoria Assicurazioni S.p.A. is not subject to management and co-ordination pursuant to Sections 2497 et seq. Italian 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 S.p.A.) are equity holding companies and do not participate in the definition of Company strategies.

The Company, which is Parent Company of the Vittoria Assicurazioni Insurance Group regulated by Articles 82 et seq. of Legislative Decree 209 of 7 September 2005 and ISVAP Regulation no. 15 of 20 February 2008, is the parent company and manages and co-ordinates the following companies:

Real estate companies

Vittoria Immobiliare SpA – Milan
Lauro 2000 S.r.l. – Milan
Acacia 2000 S.r.l. – Milan
Immobiliare Bilancia S.r.l. – Milan
Immobiliare Bilancia Prima S.r.l. – Milan
Immobiliare Bilancia Seconda S.r.l. – Milan
Immobiliare Bilancia Terza S.r.l. – Milan
V.R.G. Domus S.r.l. – Turin
Vittoria Properties S.r.l. – Turin
Forum Mondadori Residenze S.r.l. – Milan
Cadorna Real Estate S.r.l. – Milan
Vaimm Sviluppo S.r.l. – Milan
Interimmobili Srl - Rome
Gestimmobili S.r.l. - Milan
Valsalaria S.r.l. – Rome

Service companies

Interbilancia Srl - Milan
Vittoria Service S.r.l. - Milan
A.Spe.Vi. S.r.l. – Milan
Vittoria.net S.r.l. – Milan



3. COMPLIANCE (pursuant to Art. 123 – bis (2)(a), TUF)

In 2007 Vittoria Assicurazioni adopted the Corporate Governance Code of Listed Companies approved in March 2006 by the Corporate Governance Committee and promulgated by Borsa Italiana S.p.A. The Corporate Governance Code adopted by Vittoria Assicurazioni is available on the website www.borsaitaliana.it – “Regolamenti” Section.

The criteria adopted by Vittoria Assicurazioni S.p.A. to apply the principles and recommendations of the Corporate Governance Code, as summarised in outline form in Appendix 4, are illustrated in the following sections.

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

4. BOARD OF DIRECTORS

In accordance with its traditional system of management, the Board of Directors is the core body of the Company’s corporate governance structure.

With the support of its internal Committees, the Board of Directors defines the strategic guidelines of the Company and the Group, audits the system of controls necessary to monitor company performance, and is responsible for defining, applying and updating corporate governance rules in compliance with applicable laws and regulations.

4.1. Appointment and replacement (pursuant to Art. 123 – bis (1)(I), TUF)

The appointment and replacement of directors is regulated by Article 10 of the articles of association, which is cited as follows:

“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 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 fifteen 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.

Together with each list, by the respective dates indicated above, the following shall be lodged: (i) the appropriate certificate issued by a legally authorised intermediary proving ownership 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.

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 cast by the shareholders 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 the shareholders who submitted or voted for the list referred to at a) above, and which obtained the second highest number of votes cast by the shareholders. 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.

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.

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 Section 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 statutory 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 subparagraph a), the Board of Directors shall carry out the substitution, and the General Meeting shall subsequently resolve on the same, with the statutory 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 the presence of the minimum total number of independent Directors required by current legislation.”



The directors of Vittoria Assicurazioni must satisfy the integrity and professional requirements prescribed in Decree 186 of 24 April 1997 by the Minister of Industry, Trade and Handicrafts applicable to insurance companies. Therefore, they must be chosen from those persons who have accumulated at least three years of experience in the following activities:

- a) administration, management or control at companies or entities in the insurance, credit or financial sectors having share capital of no less than ITL 500 million;
- b) administration, management or control at public entities or public and private enterprises whose size is similar to that of the insurance company where the position must be filled;
- c) professional activities in matters involving the insurance, credit or financial sector, or university teaching activity in law, economics and business or actuarial science.

On proposal by the Appointments & Remuneration Committee, the Board of Directors shall resolve on co-optation of new directors, also in regard to the requirements envisaged by the aforementioned law. Considering the strict professional requirements imposed on directors, no activities other than the Board of Directors meetings are envisaged for the purpose of improving the directors' knowledge of the business's operations and performance.

The General Shareholders Meeting held on 27 April 2007, which appointed the current Board of Directors, has released the directors from compliance with the ban imposed by Article 2390 Italian Civil Code. The Board of Directors must address the substance of any problems and report any criticalities to the first General Meeting held thereafter.

Appendix 1 of this report lists the members qualified as independent Directors pursuant to Article 147-ter (4) TUF and the Corporate Governance Code.

4.2. Members (pursuant to Art. 123 – bis (2)(d) TUF)

The Board of Directors appointed by the 27 April 2007 General Shareholders Meeting for the 2007, 2008 and 2009 financial years, is composed by the following 16 regular members, nine of whom are independent. Their term expires on the date of the General Shareholders Meeting that will approve the annual report at 31 December 2009, which has been called for 23 April 2010:

- Giorgio Roberto COSTA	Chairman
- Andrea ACUTIS	Vice Chairman
- Carlo ACUTIS	Vice Chairman
- Roberto GUARENA	Managing Director
- Adriana ACUTIS BISCARETTI di RUFFIA	Director without executive authority
- Francesco BAGGI SISINI	Independent director
- Tiberto BRANDOLINI d'ADDA	Independent director
- Marco BRIGNONE	Independent director
- Arnaud HELLOUIN de MENIBUS	Director without executive authority
- Pietro Carlo MARSANI	Independent director
- Giorgio MARSIAJ	Independent director
- Edgar MUELLER-GOTTARD	Independent director
- Lodovico PASSERIN d'ENTRÈVES	Independent director
- Luca PAVERI FONTANA	Director without executive authority
- Robert RICCI	Independent director
- Giuseppe SPADAFORA	Independent director

Prof. Luigi Guatri, who was Chairman of the Board of Directors of Vittoria Assicurazioni from 28 June 1978, has been Honorary Chairman of the Company since 2007.

To date, there have been no changes in the members of the Board of Directors.

When the current Board of Directors was appointed, the Articles of Association of Vittoria Assicurazioni S.p.A. did not yet require election on the basis of voting lists. Therefore, the General Shareholders Meeting of 27 April 2007 appointed the Board of Directors by approving the nominations submitted by the majority shareholder, Vittoria Capital N.V., including one candidate nominated by the minority shareholders.

When the Board of Directors was elected, the voting shareholders represented, personally or by proxy, 21,110,521 ordinary shares, equal to 69.325% of the share capital. The motion for their election was approved unanimously.

After being elected by the General Shareholders Meeting on 27 April 2007, the Board of Directors assessed the size, composition and functions of the Board itself, including appointment of its own Committees.

The curricula vitae submitted at the election held on 27 April 2007, are published in the Governance section of the website www.vittoriaassicurazioni.com.

Pursuant to Article 144-decies of the Issuers Regulation, the current directors' personal and professional background is summarised as follows.

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

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 27 June 1995. He was elected Vice Chairman on 29 April 2002, and Chairman on 27 April 2007.

Formerly General Manager of Merrill Lynch S.p.A., Chairman of Milano Centrale Mutui S.p.A., Milano Centrale Leasing S.p.A. and Caboto Gestioni SIM S.p.A, Vice Chairman of Caboto Holding S.p.A. and Caboto International Lugano, Director of Lehman Brothers S.p.A., Finanza e Futuro S.p.A., Lasa S.p.A., Banca Brignone S.p.A., Sicav Sailor, Milano Centrale Immobiliare S.p.A., Milano Centrale Servizi Immobiliari S.p.A., Caboto SIM S.p.A., Caboto Securities Limited, Uno Erre S.p.A., Intesa Asset Management S.p.A., E.Lab S.p.A., Pirelli Real Estate Credit Services S.p.A., GIM S.p.A., Avvenire SGR S.p.A. and Vittoria Capital NV. He is currently Director of Vittoria Immobiliare S.p.A.

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

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 29 April 2004. He was elected Vice Chairman on 27 April 2007.

University degree in economic sciences at the University of Geneva, he worked as corporate finance executive at Lazard Brothers & C. Ltd. in London. He currently holds various positions on the Boards of Directors of Vittoria Assicurazioni Group companies and is Director of Yafa S.p.A. and Yafa Holding BV.e and Yarpa S.p.A.

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

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 26 May 1967. He was elected Vice Chairman on 14 June 1982.

“Laurea” university degree in economics and business at the University of Turin, Chevalier dell’Ordre National de la Légion d’Honneur, Cavaliere del Lavoro. Formerly Managing Director of Toro Assicurazioni and Chairman of C.E.A. - Comité Européen des Assurances. He is currently Vice Chairman of Banca Passadore & C. S.p.A., Director of Pirelli & C. S.p.A., Ergo Italia S.p.A., Ergo Assicurazioni S.p.A., Ergo Previdenza S.p.A., Yura International B.V., Scor S.A. He is also a member of the Supervisory Board of Yam Invest N.V., Vice Chairman of the Comité Strategique of the C.E.A. - Comité Européen des Assurances, representing the Italian market, Director of the Association de Geneve, and Member of the Executive Committee of A.N.I.A.



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

He has been a member of the Board of Directors and Managing Director of Vittoria Assicurazioni S.p.A. since 29 January 1994.

He was formerly General Manager and Director of the Istituto Mobiliare Piemontese I.P.I. S.p.A., Statutory Auditor of Assimoco S.p.A. and member of the Executive Committee of ANIA - Associazione Nazionale fra le Imprese Assicuratrici. He presently holds various positions on the Boards of Directors of subsidiaries and associates of Vittoria Assicurazioni.

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

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 29 April 2004.

Master of Arts from Cambridge University. Former Director of Alexander & Alexander Italia S.p.A. She is currently Chairman of Yafa Holding BV and Vittoria Capital NV, Member of the Supervisory Board of Yam Invest NV and Yareal International NV, Director of Yafa S.p.A., Yura International BV and Yarpa Investimenti SGR S.p.A., and Vice Chairman of Sint S.p.A. 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

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 26 April 2001.

He is currently Chairman of Icaria S.r.l., Sole Director of Martis S.r.l., Arbus S.r.l. and Bresi S.p.A., Director of Tamburi Investment Partners S.p.A. and Oxer S.r.l., and member of the Supervisory Board of Yam Invest N.V.

Tiberto BRANDOLINI d'ADDA, born in Lausanne, Switzerland on 8 March 1948

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 29 April 2004.

After working at Banque Lazard in London, he became assistant to the General Manager for Industrial Policy of the European Economic Commission in Brussels. Formerly General Manager and Managing Director of Exor Group (formerly IFINT), he is currently Chairman of Sequana SA, Vice Chairman of Exor S.p.A., Director of Fiat S.p.A., SGS SA and Giovanni Agnelli e C. Sapa.

Marco BRIGNONE, born in Turin on 12 October 1938

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 23 June 1983.

Formerly Vice Chairman of Banca Brignone S.p.A., Chairman of Brignone Informatica S.p.A., of the Supervisory Board of the Turin Stanza di Compensazione, of the Luxembourg SICAV "The Sailor's Fund" and Plurifid S.p.a., Director of Ceresole SIM & C. S.p.A. and Acquedotto De Ferrari Galliera. He is currently Director of Ersel SIM S.p.A. and of Online SIM S.p.A.

Arnaud HELLOUIN de MENIBUS, born in Déville-les-Rouen, France on 8 February 1946

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 30 April 1999.

University degree from the Institute of Political Studies in Paris. Formerly Director of the real estate division of the Paribas Group, Chairman and General Manager of Foncière, Vice Chairman of Gipec and Epargne Associations SICAV and Director of Régie Immobilière de la Ville de Paris "R.I.V.P.", Gérer, Paribas Epargne, Cégécé, Cardif, Klépierre, Sinvim and Union Immobilière de France "UIF". He is currently Chairman of Yareal International NV, Yam Invest NV, Nieruchomosci Spzoo, and Assets and Equity Sas, Director of Docks Lyonnais, Vittoria Immobiliare S.p.A, Yareal BV and Iskander S.A.

Pietro Carlo MARSANI, born in Pavia on 29 September 1936

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 26 June 1986.



“Laurea” degree in Economics and Business at the Bocconi University. Formerly Managing Director of P. Ferrero & C. S.p.A. and Ferrero International B.V., Chairman of Worms Sim S.p.A., Director of Worms Finanziaria S.p.A., Toro Assicurazioni S.p.A., Akros Finanziaria S.p.A. and Homeopharm S.r.l. and Statutory Auditor of I.DE.A. Institute S.p.A. and Aosta Factor S.p.A. He is currently Director of Dual Sanitaly S.p.A. and Suberit S.p.A.

Giorgio MARSIAJ, born in Turin on 17 May 1947

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 23 June 1998.

“Laurea” degree in Political Science from the University of Turin. He is currently Chairman of TRW Automotive Italia S.p.A., TRW Automotive Holding Italia S.r.l., Olympic Real Estate S.p.A., Olyfen Properties s.r.l., Moncanino S.p.A. and Sabelt S.p.A., Vice Chairman and Managing Director of M. Marsiaj & C. S.r.l., Director of Fenera Holding Italia S.p.A., Fenera Real Estate and Brembo Performance S.p.A.

Edgar MÜLLER-GOTTHARD, born in Alexandria, Egypt on 15 June 1933

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 29 June 1992.

Formerly Chairman of the Management Board of Victoria Rück, member of the Management Board of Nordsten - Cologne, Victoria Feuer and Victoria Holding, member of the International Committee of the Association of German Insurance Companies, Chairman of the Single Market Committee of CEA - Comité Européen des Assurances and Chairman of the Supervisory Board of Victoria Ruckversicherung AG. He is currently a Director of Vittoria Capital N.V.

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

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 9 November 2006.

“Laurea” university degree in Law, he was formerly Head of External Relations at the Toro Group, Head of corporate communications for the IFIL Group and, subsequently, Head of the Fiat Group External Relations and Communication Department. He was also Chairman of the External Relations Committee of the National Association of Insurance Companies. He is currently Chairman of Publikompass S.p.A. and Director of Editrice La Stampa S.p.A. He is also a member of the Superior Board of the Banca d'Italia.

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

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 29 April 2002.

“Laurea” degree in Law from the University of Turin. Formerly Managing Director of the SKF Group and Unicem S.p.A., Co-General Manager and Director of IFIL S.p.A., Vice Chairman of Worms & Co. (Paris) and St. Louis Sucre (Paris), Director and Member of the Strategy Board of Telecom Italia S.p.A., Director of AWA P.l.c. (London), Soporcel S.A. (Lisbon), Permal Group (Paris) and Banque Demachy (Paris) and Chairman and Managing Director of Arjo Wiggins Appleton P.l.c. (London). He is currently Chairman of Yafa S.p.A. and Yarpa Consulting S.p.A., Vice Chairman of Yarpa S.p.A., and Director of Yam Invest. NV., Medinvest International S.C.A. and Vittoria Immobiliare S.p.A.

Robert RICCI, born in Salon de Provence, France on 29 April 1945

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 27 April 2007.

“Laurea” university degree in Law and Political Science, formerly General Manager for Italy of the Paribas Group, then of the BNP Paribas Italia Group, General Manager of BNP Paribas Svizzera SA, Managing Director of Paribas Finanziaria S.p.A., Chairman of Gamba Azioni & Co. SIM S.p.A. and Sergafactoring S.p.A, Director of Arval S.p.A., Member of the Management Board of A.I.B.E. (Associazione fra le Banche Estere in Italia – Association of Foreign Banks in

Italy) and Member of the Board of ABI. He is currently Director of Cardiff Assicurazioni S.p.A. and Vittoria Immobiliare S.p.A.

Giuseppe SPADAFORA, born in Palermo on 7 September 1954

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 29 April 2005.

“Laurea” degree in Economics and Business from the University of Palermo, Master of Science in Economics at the London School of Economics. Formerly General Manager of the Banco di Sicilia and General Manager for Italy of the BNP Paribas Group. He is currently Chairman of Lombarda & Associati S.r.l., Managing Director and General Manager of Cassa Lombarda S.p.A., Vice Chairman of Anthilia S.p.A. and Director of PKB Privatbank AG.

Maximum allowed number of positions held at other companies

At its meeting on 22 March 2007, the Board of Directors approved the following criteria for determining the maximum number of positions as director or statutory auditor compatible with effective performance of a member’s duties at the Company:

- the positions at listed companies and at financial, bank, insurance or large companies are considered;
- financial companies are considered to be entities that may offer financial services to the public, and thus excluding holding companies, provided that they are not listed on the stock market;
- large companies are those that have more than Euro 100 million in revenues;
- if a position at a parent company is considered, any positions held at the latter’s subsidiaries are not considered.

A maximum limit of 12 positions, including six at listed companies, has been set in accordance with these criteria.

The current members of the Board of Directors comply with these general rules. The number of positions determined on the basis of these criteria is found in Appendix 1 of this Report.

The Board of Directors conducts an annual survey of the management and control positions held by individual directors at that aforementioned entities and publishes its results in the Report on Corporate Governance and Ownership Structures.

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

The Board of Directors shall have the most wide-ranging and unlimited powers for the ordinary and extraordinary administration of the Company. In particular it has all the powers necessary and appropriate to implement and achieve the Company's objectives which are not reserved expressly to the General Meeting.

The Board of Directors met five times during FY 2009, and the average length of its meetings was about two hours.

The average level of attendance by directors at the meetings was 76%. The details on attendance by individual directors at Board meetings are found in table illustrated in Appendix 1 of this report.

Six Board of Directors meetings are scheduled on the calendar of corporate events for FY 2010:

- 18 February
- 9 March (approval of the draft 2009 annual report)
- 23 April (election of corporate officers)
- 12 May (approval of the quarterly report at 31 March 2010)
- 29 July (approval of the 2010 half-year report)
- 10 November (approval of the quarterly report at 30 September 2010)

The first two of these meetings had already been held at the date of this report.

Following consolidated practise, agenda-related documents are sent in advance to the Directors and Statutory Auditors to ensure that they have accurate information about the matters submitted to them for review.

Most of the topics that are discussed during the Board of Directors meetings are submitted for review in advance to the following Board committees, according to their responsibilities:

- the Appointments & Remuneration Committee;
- the Internal Control Committee;
- the Finance Committee;
- the Real Estate Committee.

The executives in charge of various activities at the Company participate at these Committee meetings.

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.

Specifically, the Board of Directors of Vittoria Assicurazioni S.p.A.:

- a. examines and approves the strategic, business and financial plans of the Company and Group, and the company rules of corporate governance, while defining the guidelines for the Group's organisation.

In this regard, during 2009 the Board:

- approved the Company's strategic objectives for 2009;
- also defined the Group investment strategies and monitored the performance of its real estate investments with the support of the Finance Committee;
- approved the real estate projects undertaken by the Company and the Group with the support of the Real Estate Committee;
- established the guidelines for intercompany operations, pursuant to ISVAP Regulation no. 25;
- approved the Reinsurance plan for FY 2009 and amended the applicable Framework Resolution – Guidelines for Reinsurance set out in ISVAP Circular no. 574;
- examined and approved the "Report on the Insurance Group" required under ISVAP Regulation no. 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;

- b. assesses the Company organisational structure as presented by the Managing Director and, with the support of the Internal Control Committee, verifies that Top Management assesses the adequacy, effectiveness and effective operation of the internal control system and risk management system, and that it undertakes to implement those measures as it deems appropriate.

At the beginning of the financial year, the Board approves the schedules of activity for the Internal Audit, Compliance, Risk Management and the Supervisory Body pursuant to Legislative Decree 231/2001 and, once every six months, approves the reports prepared by these functions on their activity during that period.

Furthermore, in compliance with the provisions of ISVAP regulations, the Board of Directors annually:

- examines and approves the Report prepared pursuant to ISVAP Regulation no. 20, which describes the Internal Control and Risk Management system implemented by the Company, including the Report on the organisational structures of the Internal Audit, Compliance and Risk Management departments;
- examines and approves the list of what are deemed to be the most material 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;



- within the scope of its strategic and organisational policy duties pursuant to Section 2381 Italian Civil Code, it examines and approves the organisational chart and functional chart prepared by the Managing Director. These documents identify and define responsibilities for the Company's principal decisional processes, together with the proxy and power of attorney policy that defines the assignment of responsibilities to the individual operating units;
 - examines and approves the Annual Report by the organisational units responsible for Training and Supervision of the Commercial Networks, prepared in compliance with ISVAP Circular no. 533/2004 and illustrating the initiatives and audits of the adequacy of training and compliance with the fairness, transparency and professionalism rules applying to the sales networks;
 - annually defines reinsurance policies and audits their application;
- c. determines the distribution of the overall compensation owed to its own members as resolved by the General Meeting and, after examining the proposals made by the Appointments & Remuneration Committee and consulting with the Board of Statutory Auditors, it determines the remuneration of the Managing Director and the other Directors holding specific positions. As proposed by the Appointments & Remuneration Committee, it annually determines the variable compensation payable to the Managing Director according to the results achieved during the previous financial year;
- d. assesses general operating performance, taking into consideration, in particular, the information received from delegated officers and bodies and also regularly comparing actual vs. planned results;
- e. examines and approves in advance those transactions having a material impact on the strategy, earnings, capital or financial position of the Company, spending special attention to those situations where one or more directors have a personal interest or an interest on behalf of third parties in those transactions. In this regard, the Guidelines for Material Transactions, Intercompany Transactions and Transactions with Other Related Parties approved by the Board of Directors are material. These are illustrated in detail in Chapter 11 hereunder.

Acting through the Appointments & Remuneration Committee, the Board periodically assesses the size, composition and operations of the Board of Directors and its committees.

4.4. Officers with delegations of executive authority

Managing Directors

Article 18 of the Articles of Association delegates the Chairman, the Vice Chairman and the Managing Director as legal representatives of the Company.

The Board of Directors has vested the Vice Chairman, Mr. Carlo Acutis, and the Managing Director, severally and separately with some executive authority concerning ordinary insurance operations and, within given limits of amount, concerning the finance and real estate divisions. The principal delegations of authority concerning investments are as summarised below:

- purchase and sale of real estate for up to Euro 10 million per transaction;
- purchase and sale, without limits, of government securities, non-convertible bonds and similar debt securities, and bond CIUs (collective investment undertakings);
- purchase and sale of units of equity CIUs, excluding closed-end funds, up to a maximum of Euro 15 million;
- purchase and sale of shares, convertible bonds and equity interests in companies or entities, equity interests in closed funds up to a maximum of Euro 10 million, decreasing to Euro 5 million for transactions involving investments in insurance companies or in companies whose purpose is directly connected with 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 held exclusively by the Board of Directors;
- purchase and sale, without limits, of debt and equity securities for the benefit of life policyholders bearing investment risk and those relating to pension fund management;
 - granting of loans and financing up to a maximum of Euro 5 million.

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

The Vice Chairman and the Managing Director report to the Board of Directors on the exercise of powers delegated to them, usually on at least a quarterly basis so that the Board can check consistency with the company's strategic guidelines and operating plans as established by the Board.

In particular, they provide the Board of Directors and the Board of Statutory Auditors with adequate information on atypical, unusual, or related-party transactions.

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 have principal responsibility for operation of the business. Instead, he satisfies the prerequisites of an independent director.

4.5. Other Directors with executive authority

Vice Chairman Andrea Acutis is the Chief Financial Officer of Vittoria Assicurazioni S.p.A.

Vice Chairman Andrea Acutis and Managing Director Roberto Guarena hold various executive positions at Company subsidiaries.

4.6. Independent Directors

When it was appointed in 2007, the Board of Directors assessed whether the directors without executive authority satisfied the prerequisites for being considered independent, and subsequently reviewed whether they continued to satisfy those prerequisites.

This audit is performed at least once annually, as recommended by the Corporate Governance Code. After review by the Appointments & Remuneration Committee, the Board of Directors audits confirmed that the following Directors without executive authority satisfied the prerequisites of independence set out in the adopted Corporate Governance Code and pursuant to Article 147-ter (4) and Article 148(3) TUF: Francesco Baggi Sisini, Tiberto Brandolini d'Adda, Marco Brignone, Pietro Carlo Marsani, Giorgio Marsiaj, Edgar Müller-Gotthard, Lodovico Passerin d'Entrèves, Robert Ricci and Giuseppe Spadafora.

The Board of Directors applied all the criteria set out in the Code during its audit, except for the criteria according to which a director who has held that position for more than nine years would not be qualified as independent. Indeed, the Board of Directors has preferred acquisition of detailed knowledge about the Company. Considering the peculiar characteristics of the insurance and reinsurance business, such familiarity can be acquired only over the course of several years of experience.

The following reasons are given for this preference:

- the laws and regulations applicable to insurance companies, like Vittoria Assicurazioni, require that directors possess specific professional qualifications;
- the insurance business is subject to special laws and regulations, including – most recently - Legislative Decree 2009/2005 (the "Insurance Code") and related regulations issued by ISVAP, some of which are particularly complex. Over the course of the last two years, ISVAP has issued 30 new Regulations, many of which have imposed ever-greater burdens on the



Board of Directors in operating the Company. For example, certain “technical” resolutions have been approved by the Board of Directors in response to recent ISVAP regulations:

- definition of Guidelines for reinsurance operations (an activity of particular technical complexity);
- definition of Guidelines for the assignment of assets to the life and non-life businesses and the applicable accounting procedures; indeed, although there is a company under single management, all the financial statements must be broken down into two different sections, one for the Non-Life Business and one for the Life Business. This forces the directors to determine how shared costs and financial movements are to be properly allocated;
- definition of the policies for assumption, assessment and management of the most material risks, consistently with the Company’s net assets; according to the results of the processes of identifying and assessing risks, the Board of Directors must determine the risk tolerance levels at least once annually;
- the financial statements for the insurance business feature the peculiarity that most of the recognised liability accounts are subject to measurement, insofar as 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, insofar as the latter fall outside the Company's control;
- in the Life Business, Vittoria Assicurazioni manages investments whose risk is borne 80% by the insured. This requires special management in accordance with supervisory authority regulations. In this regard, management of an insurance company must be focused on achieving and maintaining profitability and financial balance with an extremely long-term perspective, which is exactly the opposite of what is done in other businesses. For example, in regard to retirement fund policies, the relations between an insurance company and an insured may be comprised by 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 the insured.

The Board of Statutory Auditors has verified the proper application of the aforementioned assessment criteria and audit procedures adopted by the Board of Directors for assessing the independence of its members.

In light of the positive performance of the Board of Directors and its Committees, the independent directors have not yet found it necessary to meet in the absence of the other directors.

4.7. Lead Independent Director

Since the Chairman of the Board of Directors does not have either primary responsibility for management of the Issuer or the Issuer's controlling shareholder, and given the weight held by the independent directors on the Board of Directors (9 out of 16), it has not been found necessary to designate a lead independent director.

5. HANDLING OF CORPORATE INFORMATION

The Managing Director supervises the management of confidential information and market disclosure of material information to guarantee the transparency of Company operations.

Information about material events is disclosed by means of a press release, pursuant to Italian Legislative Decree 58 of 24 February 1998, CONSOB Resolution no. 11971 of 14 May 1999, and the Borsa Italiana Regulation.



Disclosure of non-confidential documents concerning the Company, other than those which have already been officially disclosed to the public, must be approved beforehand by the Managing Director or the investor relations manager.

Other external disclosures concerning the Company, in particular those to shareholders, journalists or analysts, may be made exclusively by the Chairman of the Board of Directors, the Vice Chairmen, the Managing Director, the Investor Relations Manager and the Co-General Manager (Chief Administration Officer), or by persons delegated by the Managing Director.

In January 2007 the Company implemented a specific procedure that regulates management of information within the Company that could become market sensitive information and insider information.

All members of the corporate bodies and employees of Vittoria Assicurazioni who have access to what could become market sensitive information must comply with this procedure.

This procedure specifically defines:

- the requirements and responsibilities for classification of market sensitive information and insider information;
- the procedures for tracking access to market sensitive information, specifically in regard to establishment of the register pursuant to Article 115-bis of Legislative Decree 58/1998 and Article 152-bis of the Consob Regulation;
- the operating guidelines governing disclosure of market sensitive information.

6. BOARD OF DIRECTORS COMMITTEES (pursuant to Art. 123 – bis (2)(d) TUF)

As previously mentioned in Section 4, the Board of Directors has formed the following internal committees:

- the Appointments & Remuneration Committee;
- the Internal Control Committee;
- the Finance Committee;
- the Real Estate Committee.

The functions envisaged in the Corporate Governance Code for the Appointments Committee and the Remuneration Committee have been assigned to a single committee set up in accordance with the stricter rules envisaged by the Corporate Governance Code for the Remunerations Committee (directors without executive authority, the majority of whom must be independent).

These Committees have the following members:

Appointments & Remuneration Committee

- | | |
|--------------------------------|----------------------------------|
| - Luca PAVERI FONTANA | Non-executive Chairman |
| - Francesco BAGGI SISINI | Independent non-executive member |
| - Lodovico PASSERIN d'ENTRÈVES | Independent non-executive member |

Internal Control Committee

- | | |
|--------------------------|------------------------------------|
| - Pietro Carlo MARSANI | Independent non-executive Chairman |
| - Francesco BAGGI SISINI | Independent non-executive member |
| - Giuseppe SPADAFORA | Independent non-executive member |

Finance Committee

- | | |
|---------------------------------------|----------------------|
| - Andrea ACUTIS | Executive Chairman |
| - Adriana ACUTIS BISCARETTI di RUFFIA | Non-executive member |
| - Carlo ACUTIS | Executive member |
| - Giorgio Roberto COSTA | Non-executive member |
| - Roberto GUARENA | Executive member |
| - Luca PAVERI FONTANA | Non-executive member |



Real Estate Committee

- Andrea ACUTIS	Executive Chairman
- Adriana ACUTIS BISCARETTI di RUFFIA	Non-executive member
- Carlo ACUTIS	Executive member
- Francesco BAGGI SISINI	Independent non-executive member
- Giorgio Roberto COSTA	Non-executive member
- Roberto GUARENA	Executive member
- Arnaud HELLOUIN de MENIBUS	Non-executive member
- Luca PAVERI FONTANA	Non-executive member

The activities of the Finance Committee and the Real Estate Committee is illustrated in detail as follows. Reference is made to sections 7 and 9 hereunder in regard, respectively, to the Appointments & Remuneration Committee and the Internal Control Committee.

6.1. Finance Committee

The Finance Committee met six times in FY 2009.

The average level of attendance at meetings was 100%. Reference is made to the table in Appendix 2 of this Report for details on attendance by the individual directors.

Members of top management and the heads of operating departments also attended Committee meetings.

In particular, the Committee performed the following activities:

- it periodically monitored the securities portfolios whose risk is borne by the Company and those whose risk is borne by the insured, defining their investment policies in view of, inter alia, analyses of the economic scenario and possible effects on monetary policies;
- it assisted the Board of Directors in defining the risk tolerance levels for investing activities;
- it analysed the impact of the Solvency II regulation, monitoring risk levels and deviations from the adopted limit scenarios, in view of steadily adapting the policy to this regulation and the peculiar nature of the Company investment portfolio;
- it assisted the Board of Directors in defining new investment policies in regard to use of derivative financial instruments;
- it periodically assessed the financial position of Group real estate companies, auditing their compliance with the exposure limits set by the Board of Directors.

6.2. Real Estate Committee

The Real Estate Committee met four times during the past financial year.

The average level of attendance at meetings was 88%. Reference is made to the table in Appendix 2 of this Report for details on attendance by the individual directors.

Members of top management and the heads of Company operating departments also attended Committee meetings.

In particular, the Committee performed the following activities:

- it monitored the performance of Group real estate investments inside and outside Italy;
- it defined development strategies for the business segment;
- it assessed the investment proposals submitted by operating managers;
- it examined the forecast income and expenses for each individual project in FY 2009-2012 and their individual impact on the consolidated financial statements of Vittoria Assicurazioni.



7. APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments & Remuneration Committee, comprised by three directors without executive authority, the majority of whom are independent, met twice during the financial year. The average length of the meetings was about one hour.

The average level of attendance at meetings was 83%. Reference is made to the table in Appendix 2 of this Report for details on attendance by the individual directors.

On invitation by the Committee Chairman, the Managing Director attended the meetings except for the part relating to his own remuneration.

7.1. Functions of the Appointments and Remuneration Committee

The Regulation of the Appointments & Remunerations Committee approved by the Board of Directors at its 22 March 2007 meeting grants the following duties to the Committee:

Parent Company – Vittoria Assicurazioni S.p.A.

a) Appointments

- Make proposals for the membership, organisation and operation of the Board of Directors and Board committees.
- Make proposals for the appointment of directors.
- Make proposals to the Board for co-opting directors.
- Make proposals to the Board for the appointment of the Chairman, Vice Chairmen, committee members and the Managing Director.
- Constantly reflect on possible replacements for directors holding specific positions, so as to ensure continuity of management using the most suitable people.
- Make proposals to the Board, in agreement with the Managing Director, for appointment of the General Manager, top managers, and of internal control supervisors.
- Assist the Managing Director in the preparation of career paths and succession plans for the Company's top management.

b) Remuneration

- Make proposals for the Board of Directors' remuneration.
- Make proposals to the Board for remuneration of the Chairman, Vice Chairmen, Managing Director, and directors holding specific positions.
- Make proposals to the Board, as suggested by the Managing Director, to determine the remuneration of Company top management in order to attract and motivate qualified individuals.
- Make proposals to the Board of Directors as to the remuneration of the Chief Internal Auditor and the Manager responsible for preparing company financial documents.
- Develop proposals for criteria for variable remuneration linked to the company's performance, including any stock option plans, for the Managing Director and for the company's top management, to be submitted to the Board for approval.

Subsidiaries

a) Appointments

- Assist the parent company's Managing Director in developing proposals for the appointment of directors and of the Chairman, Managing Director, and General Manager.

b) Remuneration

- Assist the parent company's Managing Director in developing proposals for the remuneration of directors and of the Chairman, Managing Director, and General Manager.

Associate companies

- Assist the parent company's Managing Director in making proposals for the appointment of relevant directors (i.e. for which Vittoria Assicurazioni has the prerogative of designation).

In FY 2009 the Appointments and Remuneration Committee assisted the Board of Directors in verifying the independence of directors. It also made proposals to the Board of Directors in regard to:

- the appointment of Company representatives on the Boards of Directors and Statutory Auditors of its subsidiaries and associates;
- the appointment of members to the Supervisory Board of the Fondo Pensione Aperto Vittoria Formula Lavoro;
- the remuneration for top management of Vittoria Assicurazioni on the basis of proposals by the Managing Director;
- variable remuneration for the Managing Director according to the results achieved in FY 2008.

Proper minutes were drafted for all meetings of the Appointments & Remuneration Committee.

In performing its functions, the Appointments Committee may access Company information, departments or offices as necessary to perform its duties, and it may avail itself of the services of external consultants at company expense.

The directors must not attend the committee meetings where proposals are made to the Board of Directors affecting their own remuneration.

8. REMUNERATION OF DIRECTORS

The remuneration of executive directors and top management, based on their position and role, is partially linked to the business results achieved by the Company. Given the peculiar nature of the insurance business, which must consider both stability and growth over the medium-long term, the assigned targets do not place special emphasis on short-term results. Objectives are measured – depending on the area of responsibility – according to the following parameters: premiums written, operating ratio and profit before taxes.

This is why no stock option plans have been adopted to date.

The Vice Chairman Carlo ACUTIS does not receive any incentive-based remuneration as he is the majority shareholder.

The remuneration of directors without executive authority is not linked to the operating results of Vittoria Assicurazioni S.p.A., and they are not the beneficiaries of share-based incentive plans.

In FY 2009 no change in the remuneration approved in favour of the Board of Directors by the General Meeting on 27 April 2007 and allocated by the Board of Directors on that date.

Reference is made to the 2009 Report on Operations for more information about the remuneration received by members of the Board of Directors allocated to FY 2009.

The General Meeting held on 24 April 2009 approved making a Directors and Statutory Auditors Liability Insurance policy with a term of 12 months and renewable on an annual basis, at standard terms and conditions for the insurance business.

9. INTERNAL CONTROL COMMITTEE

The Internal Control Committee, composed of three independent directors, met four times during FY 2009, and the average length of its meetings was about two hours.

The average level of attendance at meetings was 89%. Reference is made to the table in Appendix 2 of this Report for details on attendance by the individual directors.

The Board of Directors considered the professional experience of candidates to the Committee.

Pursuant to the Regulation of the Internal Control Committee, a statutory auditor designated by the Chairman of the Board of Statutory Auditors attended Committee meetings. The Managing Director, the Chief Internal Auditor and, if appropriate, the Chiefs of the Compliance and Risk Management Departments also participated.



9.1. Functions of Internal Control Committee

The Internal Control Committee is delegated the following duties:

- assisting the Board of Directors in performing its duties in regard to the internal control system; it specifically assists the Board of Directors in the following activities:
 - definition of the guidelines for the internal control system, so that the main risks relating to the issuer and its subsidiaries are identified correctly, and also appropriately measured, managed, and monitored. It also determines the criteria for such risks' compatibility with healthy and proper management of the company;
 - assessment of the adequacy, effectiveness and effective operation of the internal control system at least once annually;
 - description in the Corporate Governance Report of the key features of the internal control system, expressing its own judgement on the system's overall adequacy;
 - appointment or dismissal of one or more internal control supervisors;
- assessment, in collaboration with the manager responsible for preparing the company financial documents and the auditors, proper use of accounting standards by the parent company and the uniformity of the accounting standards used at Group companies in view of preparation of the consolidated financial statements;
- giving opinions on specific aspects regarding identification of the principal risks faced by the company and the design, realisation and management of the internal control system;
- review of the work plan prepared by the internal control supervisor and the regular reports prepared by him;
- assessment of the proposals submitted by auditing firms in view of being engaged, as well as the audit work plan and the results set out in the report and in any letter of recommendations;
- acting as liaison between the Board of Directors and the Supervisory Body in regard to issues involving application of Legislative Decree 231/2001;
- oversight of the effectiveness of the independent auditing process;
- reports to the board on at least a semi-annual basis, on occasion of approval of year-end financial statements and of the midyear interim report, on the work done and on the adequacy of the internal control system;
- any further tasks assigned to the committee by the Board of Directors.

The principal activities performed by the Internal Control Committee in FY 2009 include:

- examination of the organisational changes and allocation of the Internal Audit and Compliance Departments requested by ISVAP, with the creation of a direct contact between the Internal Audit Department and the Board of Directors through the Internal Control Committee in regard to all aspects connected with the content and organisation of its own activities;
- assessment of the adequacy of the accounting policies used to prepare the 2008 annual report and consolidated financial statements, on the basis of the statement that was specifically given by the Manager in charge of preparing the company financial documents;
- examination of the audit plans of the Internal Audit Department;
- examination of the Internal Audit activities;
- examination of the Compliance Department plan;
- examination of the Risk Management Department plan;
- examination of the activities of the anti-fraud unit;
- examination of the explanatory report in regard to customer complaints, prepared pursuant to ISVAP Circular no. 518/D of 24 November 2003;
- examination of money laundering law compliance activities;
- examination of the Supervisory Body's audits of application of the Organisational and Management Model pursuant to Legislative Decree 231/2001;
- examination of the Report on the Internal Control and Risk Management System pursuant to ISVAP Regulation no. 20/2008;



- examination of the list of material risks faced by Vittoria Assicurazioni pursuant to ISVAP Regulation no. 20/2008;
- examination of the Report on the Insurance Group pursuant to ISVAP Regulation no. 15/2008;
- examination of the system of delegations of authority and powers of attorney, and the organisational and functional chart of the Company;
- examination of the updated version of the Organisational and Management Model, with the modifications that became necessary after the amendments to Legislative Decree 231/2001, which extended the administrative liability of the Company to criminal offences in violation of occupational health and safety regulations and money laundering and financial support for terrorism offences.

The Chairman of the Internal Control Committee reported 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.

Minutes were regularly kept of all Internal Control Meetings, and a copy of the minutes was transmitted to all Directors and Statutory Auditors.

In performing its functions, the Internal Control Committee may access Company information, departments or offices as necessary to perform its duties, and it may avail itself of the services of external consultants, within the limits established by the Board of Directors.

10. INTERNAL CONTROL SYSTEM

The Board of Directors has defined guidelines for the internal control system, so that the main risks relating to the issuer and its subsidiaries are identified correctly, and also appropriately measured, managed, and monitored. It also determines the criteria for such risks' compatibility with healthy and proper management of the company.

Responsibility for the internal control system is assigned to the Board of Directors, which sets the system's guidelines and regularly checks its adequacy and actual operation, aided by the Internal Control Committee.

Pursuant to applicable laws and regulations, the company set up the Internal Audit Department in 1999, with the mission of ascertaining and assessing the internal control system's efficiency and effectiveness and of providing support and advisory services to other company functions. The Chief Internal Auditor is identified as being the company's Internal Control supervisor.

Pursuant to, inter alia, the provisions of ISVAP Regulation no. 20, the Board of Directors set up the Compliance Department and the Risk Management Department. The duties and responsibilities of the Internal Audit, Compliance and Risk Management Departments are illustrated below in subsections 10.3, 10.4. and 10.5.

The Board of Directors has delegated the Internal Control Committee to assess the functioning of the company internal control system through examination of the documents submitted by the Chief Internal Auditor and the Chiefs of the Compliance and Risk Management Departments during periodic meetings. The Committee reports on the results of its reviews to the Board of Directors once every quarter.

Furthermore, overall assessment of the adequacy, effectiveness and actual functioning of the internal control system is carried out prior to annual approval of the Report on the Internal Control and Risk Management System pursuant to ISVAP Regulation no. 20 after being approved by the Internal Control Committee.

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

Foreword

The risk management and internal control system related to the financial disclosure process is an integral part of the Company's risk management and internal control system.



This system is intended to guarantee the reliability, accuracy, reliability and timeliness of financial disclosures, with these terms having the following meanings:

- reliability: disclosures must satisfy the requirements imposed by applied laws and regulations, and must be fair and compliant with generally accepted accounting principles. Generally accepted accounting principles mean the Italian accounting principles used to prepare the annual report and International Financial Reporting Standards-IFRSs (where “IFRSs” also refers to all International Accounting Standards-IAS and the interpretations issued by the International Financial Reporting Interpretations Committee-IFRIC, which was previously named the Standing Interpretations Committee-SIC) used to prepare the consolidated financial statements;
- accuracy: disclosures must be neutral and precise. Disclosures are considered neutral if they do not have any pre-conceived distortions intended to influence the users' decisional process in order to realise a predetermined result;
- reliability: 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 of the insurance business, while satisfying the obligation to comply with the mandatory financial statement formats imposed by current law and regulations, albeit without becoming excessive and superfluous;
- timeliness: the disclosures must meet the deadlines envisaged for their publication.

In this regard, Vittoria Assicurazioni S.p.A. has designed, implemented, monitored and updated the system used to prepare financial disclosures, as follows:

- by formalising all material procedures and processes;
- by raising the awareness of all personnel in the administrative area to pay constant attention to the provisions of procedures and processes and making them responsible for maintaining them;
- identifying the potential risks and the internal control system set up to prevent these risks by using the following reference framework: Enterprise Risk Management of the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- conducting annual audits that processes have been properly executed and handling their maintenance updates;
- setting up an organisational unit that uses evolved information system tools to monitor the actual performance of the envisaged controls.

In this regard, Vittoria Assicurazioni S.p.A. has complied with, inter alia, the provisions of Legislative Decree 262/05.

[Description of the principal features of the existing risk management and internal control systems related to the financial disclosure process](#)

The principal features of the adopted Risk Management and Internal Control System, specifically in regard to its structure, its principal operating procedures, and the roles and functions involved are illustrated in the following two sections:

a) Phases of the existing risk management and internal control systems related to the financial disclosure process:

In this regard, at the level of the parent company Vittoria Assicurazioni S.p.A.:

- the scope of action was determined by identifying the “material” processes in terms of their potential impact on financial disclosures. For this purpose, all accounts having an amount in excess of Euro 100,000 were identified, beginning with the annual report, and the processes underlying production of that information were also identified;
- All processes were grouped into 12 financial statement reference areas (premiums and premium reserves, commissions, claims, reinsurance, finance, other receivables and



payables, tax, real estate and capital assets, liabilities cycle, preparation of financial statements, treasury, personnel).

- Each process was subjected to an exact analysis by surveying the "As is" operating processes, the control points and administrative and accounting risks for production of the financial statements (statement of financial position and income statement) in order to:
 - identify the affected transactions in the scope of reference, by acquiring information in regard to how they are originated, authorised, registered, processed and represented;
 - identify all automatic and manual control points for the events and activities managed in the process;
 - define the detailed flow chart for compilation of the financial statements.

An action plan to improve the control system was defined when found necessary. This plan was discussed with two staff members assigned for this purpose to the Internal Control Supervisor, and led to definition of specific document standards for uniform tracking of control activities and definition of a plan for study, implementation and realisation of an information system for automatic management of audits of the administrative and accounting area.

At the end of FY 2009 the aforementioned system, named "Administrative Audit Control Panel" was tested live in the Finance and Tax units. In 2010, its use will be gradually extended to the other areas of the Administrative Department.

- All of the identified risks may be classified as operating risks. They principally refer to the following categories:
 - non-compliance risk;
 - processing risk;
 - manual entry risk;
 - fraud risk;
 - erroneous communication of data risk;
 - information system risk;
 - procedural deficiency and inefficiency risk.

The assessment of financial disclosure risks was carried out on the basis of an assessment process that is based on the interpolation of parameters that assess the likelihood of occurrence and parameters that assess the impact of possible occurrence of the event on the Company's earnings, operations and reputation. It was decided to assess them on the basis of the materiality of the balance of the corresponding account item.

- The control system is based on attribution of specific responsibilities in the administrative sector by identifying the contact persons for:
 - the individual process control activities (control owner);
 - the organisational units and/or processes (process owner) who are obliged to audit proper performance of activities performed by their own assistants or colleagues. In order to streamline operations, a warning system has been set up that can flag the status of implementation of the control so as to facilitate action by the aforementioned contact persons as necessary.

Furthermore, the Internal Control Supervisor's staff is responsible for implementing controls throughout the sector, and monitors the timely execution of operations on a daily basis.

- The controls of the identified risks are assessed in terms of:
 - design – this activity is performed annually, considering certain parameters that assess the control itself (type, traceability, cyclicity, timing)



- operations – this activity is performed annually by performing tests using a spot check method in order to determine that the control operations are actually performed as described by applicable procedures.

At the Group level, the methods used and results obtained are analogous to those obtained at the company level. It must be emphasised that:

- the consolidated financial statements are mainly comprised by values found in the annual report of Vittoria Assicurazioni S.p.A.
- the administrative management of Group real estate companies is delegated to Gestimmobili S.r.l., which has specific responsibilities and authority in this area, and is subject to constant control by the Administration Office of the Real Estate division of Vittoria Assicurazioni S.p.A.;
- the Reporting and Subsidiaries office co-ordinates and controls the financial information received from all equity investments;
- the Group's real estate companies implemented a new computerised accounting system beginning 1 January 2009 for preparation of the financial statements. This system is integrated with automated control mechanisms and is directly accessible by Vittoria Assicurazioni S.p.A., allowing prompt control of the information stored on it, the drafting and audit of financial statements and formalisation of the financial information received in the consolidated financial statements of Vittoria Assicurazioni S.p.A.

Monitoring of the internal control system is performed by the Internal Audit Department, which submits its results to top management, the Internal Control Committee and the Board of Statutory Auditors.

b) Participating Roles and Functions.

The operating roles and functions and the control roles and functions as specified hereinabove have been identified in the Administration, Finance, Planning and Control Sector.

The Internal Audit Department audits the design and actual operation of the controls, availing itself of specific professional consultants.

10.2. Executive director in charge of the Internal Control System

The Managing Director is in charge of identifying the Company's principal risks and submitting them for examination to the Board of Directors.

In FY 2009, the Managing Director:

- identified the main corporate risks (strategic, operating, financial and compliance), taking into account the characteristics of the business activities of the Company and its subsidiaries, and regularly submitted them to the Board of Directors for review;
- executed the guidelines defined by the Board of Directors, handling the design, creation and management of the internal control system, constantly checking its overall adequacy, effectiveness, and efficiency;
- adapted this system to operating dynamics and to the legislative and regulatory framework.

10.3. Internal Audit Department

The Company set up the Internal Audit Department in 1999, with the mission of ascertaining and assessing the internal control system's efficiency and effectiveness and of providing support and advisory services to other corporate departments.

The Chief Internal Auditor is Dr Vincenzo Coppa, who, as previously mentioned, is also the Internal Control Supervisor.

The Internal Auditing Department currently consists of six staff members.

In order to guarantee the autonomy and independence of this department, the Chief Internal Auditor is appointed by the Board of Directors, on recommendation by the Appointments & Remuneration Committee and the Internal Control Committee. The remuneration of the Chief Internal Auditor is set by the Board of Directors, on recommendation by the Appointments & Remuneration Committee and the Internal Control Committee.

Until March 2009, the Internal Audit Department reported to the Managing Director. In March 2009 the Board of Directors decided that it shall report directly to the Board itself, through the Internal Control Committee, on all aspects regarding the content and organisation of its activity.

The Internal Audit Department also has a direct, functional contact with the Managing Director in regard to all aspects pertaining to compliance with the internal regulations issued by the Company (e.g. information processing procedures, information and physical security, access to Company facilities, use of Company tools and instruments, human resource and independent contractor management policies...).

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

The Company maintains an Internal Audit Department with adequate human and technological resources. Supervisors must possess and maintain adequate know-how and professional skills according to the different demands resulting from the activities operated in the Group.

If the Internal Audit Department does not dispose of adequate resources in qualitative or quantitative terms to perform the activities covered by the plan, the Chief Internal Auditor may employ qualified external resources.

The Internal Audit Department is assured full collaboration by the supervisors of the various units and free, unrestricted access to the material documentation of the information systems and the accounting data for the examined area, including useful information for auditing the adequacy of the audits of outsourced corporate functions.

The Board of Directors has 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. Furthermore, it guarantees that corporate departments and the sales and claims settlement networks comply with internal and external regulations in performing work processes.

Its principal assigned objectives are to:

- audit the effectiveness and efficiency of management processes and organisational procedures as an element of the Internal Controls System;
- verify the consistency between the organisational chart, the functional chart and delegations of authority granted to the individual department and unit chiefs and compliance with those mandates;
- audit the regularity and functionality of information flows between corporate units;
- audit the adequacy of information systems and their reliability;
- verify that administrative and accounting processes are fair and that accounts are regularly kept;
- assure protection of the reliability and integrity of corporate information assets;
- ascertain and assess the efficiency of audits performed on outsourced activities;
- audit exact compliance with corporate procedures, laws and regulations;
- maintain informational links with the Company departments that manage risk measurement, monitoring and reporting systems;



- support the Supervisory Body in monitoring and supervising the Organisational and Management Model pursuant to Legislative Decree 231/2001;
- analyse and assess the effectiveness and efficiency of existing processes and procedures on the distribution network and claims settlement centres, while also verifying that their activities comply with statutory obligations and rules issued by the Company.

The areas of responsibility of the Internal Audit Department are to:

- define and update audits scheduled in the periodic plan, according to their objectives, content, committed resources and timelines;
- assure that audits of the management units scheduled in the periodic plan are actually carried out, that they are performed correctly, and that the actions for correction or improvement envisaged in the audit reports are properly carried out;
- examine the audit reports prepared by the independent auditor, agreeing with it on any "suggestions" and discussing them with the heads of the corporate units involved, in order to receive any comments by them;
- guarantee adequate support for the independent auditor of the financial statements, defining the programme for commitment of resources (time and persons involved) together with it;
- in regard to the management of complaints, audit the fairness of the adopted procedures, draft an illustrative report, and handle information flows to corporate bodies (top management, Board of Directors, Board of Statutory Auditors) and to ISVAP.

The operating procedures implemented by Internal Audit comply with the standards for professional practice of internal auditing issued by IIA.

The planning of all Internal Audit Department activity is based on a model that assigns a risk index to each of the audited areas according to specific risk factors. The allocation of resources, frequency and degree of detail of audit measures 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 that is received by the Internal Audit Department 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 approval by the Board of Directors.

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 Chief Internal Auditor reports on his activities to the Internal Control 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 functionality of the internal control system.

The internal audit activity is performed by the Internal Audit Department, which also availed itself of external consultants in FY 2009.

10.4. Compliance Department

The Company set up the Compliance Department in November 2008, appointing its head and defining its responsibilities, duties, operating procedures and the nature and frequency of reports to the affected corporate bodies and departments. The mandate of the Compliance Department was updated in March 2009.

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 focuses special attention on 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 in general, consumer protection.

The Compliance Department has the following duties:

- ongoing identification of the laws and regulations that are applicable to the Company and assessing their impact on corporate processes and procedures;
- assessing the adequacy and effectiveness 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 in 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 in general, consumer protection;
- proposing organisational and procedural changes to assure adequate protection against the risk of non-compliance with laws and regulations;
- assessing the effectiveness of organisational adjustments resulting from the suggested changes;
- providing advice to top management and organisational units to give them ex ante support with the configuration of operating processes so that they comply with laws and regulations;
- 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 its 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;
- maintain informational links with the Company departments that manage risk measurement, monitoring and reporting systems.

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 preventive and ex post control. This activity is designed to prevent misalignment between corporate procedures and the complex of rules existing inside and outside the Company.

The Compliance Department also provides support and guidance to top 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.

10.5. Risk Management Department

The Company has set up the Risk Management Department in order to assist top 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:

- promote the surveys and awareness of risks;
- identify and classify risks;
- participate in the analysis of the surveyed risks;



- verify the impact and significance of identified risks;
- define a model for assessment of every known risk;
- distribute the results of risk analysis internally and externally;
- define contingency plans;
- define risk mitigation actions;
- disseminate the culture of risk management;
- provide top management with useful information for assigning operating limits to the business units and defining the procedures for prompt audits of those limits;
- define measurement methods and models (input data, algorithms and rules, interfaces for controlling the models) for the most significant risks;
- establish the methodological approach for defining and calculating tolerance levels for the most significant risks;
- have an integrated view of assets and liabilities;
- define and audit the formulation of stress tests and monitor the maximum potential loss;
- study correlations between risks;
- verify compliance with tolerance limits;
- provide reports to the Board of Directors, top management, and the Risk Management Committee of the parent company and line functions for the evolution of risks and violation of set operating limits;
- draft reports for corporate bodies (Internal Control Committee and the Board of Statutory Auditors): semi-annual report on monitoring and risk management activities and the annual plan of activities;
- audit the consistency of the risk measurement models with the entity's operations.

The company has set up a Risk Management committee in order to ensure 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 top management and the heads of various corporate units.

10.6. Organisational Model pursuant to Legislative Decree 231/2001

In 2004 the Company Board of Directors approved the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001 and then amended it on the basis of subsequent amendments to the law.

In FY 2009 alone, amendments to Legislative Decree 231/2001 were adopted that extended the administrative liability of entities to offences committed in violation in occupational health and safety regulations, and laws against money laundering and the financing of terrorism. Furthermore, certain changes were made that consider the evaluation of Company management processes.

The Organisational Model regulates:

- the identification of activities performed at Vittoria Assicurazioni that are exposed to the offences envisaged in Legislative Decree 231/2001;
- the identification of the Supervisory Body, its functions and powers, reporting to corporate bodies and its obligations to give disclosure and audit the adequacy of the Organisational Model;
- the procedures for notifying and distributing the Organisational Model to employees, agents, Group companies and independent contractors;
- identification of a system of penalties;
- identification of areas subject to risk for each type of offence (relations with the Public Administration, white collar crime, offences and individuals and market abuse), together with definition of the rules of conduct, specific control procedures and the control activities of the Supervisory Body.

In 2008, the Supervisory Body pursuant Legislative Decree 231/2001 assumed the form of a board, comprised by a member of the Board of Statutory Auditors, an external consultant with specific expertise in application of the provisions of Legislative Decree 231/2001 and the Chief Internal Auditor, the General Counsel and the Chief Administrative Officer of the Company.

Given the peculiar nature of the responsibilities delegated to the Supervisory Body and its supervisory and auditing duties, it relies on the operational support of the entire Internal Audit Department.

The Organisational Model for Management and Control pursuant to Legislative Decree 231/2001 is published in the Governance section on the Company website.

10.7. Independent Auditor

On 28 April 2006, the General Meeting of Vittoria Assicurazioni S.p.A. retained the company BDO S.p.A. (formerly BDO Sala Scelsi Farina Società di Revisione per Azioni) to audit its accounts for the 2006 through 2011 financial years.

10.8. Manager charged with preparing the Company's financial reports

Article 16 of the Articles of Association envisages that the Manager charged with preparing the Company's financial reports must possess professional qualifications demonstrated by specific administrative and accounting skills, in addition to the qualifications of good character as prescribed by current legislation for those persons who carry out administrative and managerial functions. This expertise must be acquired through work experience in a position with adequate responsibility for an adequate period of time.

Acting on a proposal made by the Appointments & Remuneration Committee and the positive opinion of the Board of Statutory Auditors, the Board of Directors appointed the Co-General Manager, Mario Ravasio, Chief Accounting Officer, as the Manager charged with preparing the Company's financial reports pursuant to Article 154-bis TUF.

The Manager charged with preparing the Company's financial reports sets up adequate administrative and accounting procedures for preparing the annual report, the consolidated financial statements and all other financial disclosures, availing himself of the assistance of specialised resources within the Company.

Furthermore, he is obligated:

- together with the delegated body, to certify the adequacy and effective application during the reference period of administrative and accounting procedures, the correspondence of corporate accounting documents with the books and ledger entries, and their fitness to provide an accurate and fair view of the financial position, income and cash flow of the Company;
- to certify the consistency of the Company's acts and market disclosures in regard to its annual and interim accounts with the documental records, books and ledger entries.

11. DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS

In April 2004 the Board of Directors of Vittoria Assicurazioni S.p.A. approved the "Guidelines for significant transactions and related party transactions," in accordance with the provisions of the Corporate Governance Code of Listed Companies on the basis of Section 2391-bis Italian Civil Code.

After ISVAP Regulation no. 25 of 27 May 2008 came into force, regulating the intercompany transactions of insurance companies, the Board of Directors of Vittoria Assicurazioni S.p.A. adopted new Guidelines to regulate in a single document the activity carried out by the Company in regard to significant, intercompany and related party transactions.

As envisaged by applicable laws and regulations, the new Guidelines govern the transactions executed by and between Vittoria Assicurazioni S.p.A. and a large number of counterparties which do not necessarily belong to the insurance group, including its subsidiaries and associates, its parent companies and, more in general, the persons covered by the definition of “related parties” pursuant to IAS 24, while also imposing overall operating limits for the various types of transactions in regard to:

- individual transactions or several transactions related to each other by their common functional or programmatic purpose and executed over the course of 12 months with the same counterparty;
- overall operating limits for each type of intercompany transactions.

Violation of these limits is subject to a specific resolution by the Board of Directors that authorises them in accordance with the principles of healthy, prudent management. The Board in any case has the prerogative of approving intercompany and other related-party transactions whose object, consideration, terms, conditions and timelines may affect the integrity of corporate assets or the completeness and fairness of information, including accounting information, concerning the Company. In this case, the Board must be adequately informed about the nature of the relationship, the transaction’s operating procedures, the timing and financial terms for its completion, the assessment process applied, the underlying interest and reasons, and any risks for the Company and the Group.

Intercompany and related-party transactions that do not require prior authorisation by the Board of directors shall be periodically presented to the Board of Directors by the directors with executive authority.

Furthermore, public disclosure of the aforementioned transactions and unusual transactions has been regulated.

The document “Guidelines for Significant, Intercompany and Other Related-Party Transactions” approved by the Board of Directors is appended to this Report (Appendix 5).

Finally, in accordance with Article 114(7) TUF and Articles 152- sexies through 152-octies of the Issuers Regulation, the Board of Directors of Vittoria Assicurazioni has approved a “Procedure for Transactions on the Issuer’s Financial Instruments by Significant Parties.” This procedure is found in Appendix 6 of this report.

As envisaged for companies listed in the STAR segment by the Market Regulation of Borsa Italiana, the procedure prohibits the members of the administrative and control bodies, the persons who perform executive duties and managers from executing transactions on the Company’s financial instruments during the 15 days prior to the Board of Directors meetings called to approve period accounting results.

The notices that must be given to Consob pursuant to the cited statute are published on the website www.vittoriaassicurazioni.com, in the section *Governance – Internal Dealing*.

12. APPOINTMENT OF STATUTORY AUDITORS

Pursuant to Article 17 of the Articles of Association, the Statutory Auditors shall be elected from lists in accordance with the procedure described in the paragraphs below, in order to ensure that one standing and one alternate Statutory Auditor are chosen by minority shareholders.

Lists shall be submitted containing two sections: one for election of standing Statutory Auditors and the other for election of substitute Statutory Auditors. The lists shall contain a number of candidates no greater than the number of Members to be elected, listed by means of consecutive numbering.

Each candidate may appear only on a single list, on penalty of disqualification.

Only those Shareholders who, individually or together with others, have an overall holding of voting shares representing at least 2.5% of the share capital with the right to vote, or representatives of the minority shareholding established or claimed under the mandatory provisions of the law or regulations have the right to submit lists.

Shareholders that are party 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. Any seconding of nominations or votes cast in breach of this prohibition shall not count towards any list.

Lists, signed by the person submitting them, must be filed at the registered office of the Company at least fifteen days prior to the date set for the General Meeting on the first notice of meeting, notwithstanding any other form of publicity and means of filed specified in statutory regulations applicable at the time.

The lists must contain:

- the personal details of the shareholders submitting the lists, and the overall shareholding together with a certificate of such shareholding;
- a declaration by the shareholders other than those who hold, individually or collectively, a controlling interest or simple majority, that they do not have any of the links with the latter as envisaged in current laws and regulations;
- 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, and a list of any posts held involving the administration and control of other companies.

Any lists submitted other than in accordance with the above provisions shall be considered 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 who, within the meaning of current legislation, is not indirectly or directly connected with the shareholders who have submitted or voted for the list obtaining the highest number of votes, shall be elected Statutory Auditors. The latter shall be elected 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 who, pursuant to current laws and regulations, is not indirectly or directly associated with the shareholders who have submitted or voted for the list obtaining the highest number of votes, shall be elected alternate Statutory Auditors. In case of a tie vote between two or more lists, the eldest candidates shall be elected Statutory Auditors until all available posts have been filled. 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 standing and alternate Statutory Auditors, provided that they achieve a majority of the votes cast at the General Meeting.

In the case of substitution of a Statutory Auditor, he shall be replaced by a substitute from the same list as the Statutory Auditor to be replaced. The Chairman of the Board of Statutory Auditors shall continue to be the Statutory Auditor elected by the minority shareholding.

When the General Meeting has to elect standing and/or alternate Statutory Auditors to fill vacate seats on the Board of Statutory Auditors, the following procedure shall be adopted: when it is necessary to substitute Statutory Auditors from the majority list, they shall be elected with a simple



majority irrespective of the lists; when, on the other hand, it is necessary to substitute Statutory Auditors elected from the minority list, the General Meeting shall elect them with a simple majority vote, selecting from among the candidates appearing on the list to which the Statutory Auditor to be replaced appeared.

When for any reason the application of such procedure does not allow the substitution of the Statutory Auditors nominated by the minority shareholding, the General Meeting shall proceed on a simple majority vote; however, in counting the vote, no account shall be taken of those shareholders who, according to notification submitted under current legislation, hold directly or indirectly or together with other shareholders who have entered into a material shareholders' agreement within the meaning of Article 122 of Legislative Decree 58/1998, a simple majority of votes in relation to the eligible votes at the General Meeting, or of those shareholders who control, are controlled by or subject to common control by, the same.

13. STATUTORY AUDITORS (pursuant to Art. 123 – bis (2)(d) TUF)

The Board of Statutory Auditors had the following members at 31 December 2009:

- Angelo CASO'	Chairman
- Giovanni MARITANO	Standing statutory auditor
- Ferruccio ARALDI	Standing statutory auditor
- Sergio VASCONI	Alternate statutory auditor
- Corrado VERSINO	Alternate statutory auditor

The term of the Board of Statutory Auditors elected by the General Meeting on 27 April 2007, will expire at the General Meeting called to approve the financial statements at 31 December 2009.

Two lists were submitted at the General Meeting held on 27 April 2007:

- A) list no. 1 submitted by Vittoria Capital N.V. (majority shareholder of Vittoria Assicurazioni S.p.A.), composed of the following candidates:
- Dr Giovanni MARITANO – Standing statutory auditor
 - Dr Livio STRAZZERA – Standing statutory auditor
 - Dr Ferruccio ARALDI – Standing statutory auditor
- b) list no. 2 submitted jointly by BNP Paribas – Paris and Ersel Asset Management SGR S.p.A., comprised of the following candidates:
- Dr Angelo CASO' – Standing statutory auditor
 - Dr Sergio VASCONI – Standing statutory auditor

At the General Meeting that elected the Board of Statutory Auditors, shareholders representing 69.325% of the share capital were in attendance. List no. 1 received 94.1% of the votes cast by the voting shares, and list no. 2 received the remaining 5.9%, with no abstentions. Consequently, pursuant to Article 17 of the Articles of Association, the Board of Statutory Auditors has the following members:

- Angelo CASO' – Chairman (minority list)
- Giovanni MARITANO – Standing statutory auditor (majority auditor)
- Livio STRAZZERA – Standing statutory auditor (majority auditor)
- Ferruccio ARALDI – Alternate statutory auditor (majority list)
- Sergio VASCONI – Alternate statutory auditor (minority list)



After Dr Livio Strazzera, Standing statutory auditor, resigned in September 2008, the General Meeting held on 24 April 2009 filled the vacancy on the Board of Statutory Auditors pursuant to Section 2401 Italian Civil Code by electing Dr Ferruccio Araldi as Standing statutory auditor and Dr Corrado Versino as Alternate statutory auditor.

Because this involved filling a vacancy on the Board of Statutory Auditors following the resignation of a statutory auditor who had been elected from the majority shareholders' list, the General Meeting elected him with a simple majority, pursuant to Article 17 of the Articles of Association.

A summary of the personal background and professional qualifications of the current Statutory Auditors follows hereunder. Reference is also made to the table in Appendix 3.

Angelo CASO, born in Milan on 11 August 1940

He has been a member of the Board of Directors of Vittoria Assicurazioni S.p.A. since 27 June 1995.

"Laurea" university degree in Economics and Business, entered in the Register of Chartered Accounts for the jurisdiction of Milan since 27 May 1965. Auditor (formerly Official Auditor) since 18 February, pursuant to the Ministerial Decree of 18 February 1971, published in the Official Gazette of the Italian Republic no. 55 on 3 March 1971. Entered in the Register of Auditors pursuant to the Decree of 12 April 1995, Official Gazette of the Italian Republic no. 31 bis IV special series of 12 April 1995.

Member of the Accounting Standards Standing Committee set up by the National Board of Chartered Accountants and Accountants since its foundation.

Chairman of the "Board of Statutory Auditors Code of Conduct" Committee established by the National Board of Chartered Accountants.

He was chairman of the Fédération des Experts Comptables Europeens (F.e.E.) from 1991 to 1993, after serving as its Vice Chairman for six years. Member of the International Auditing Practices Committee of IFAC from 1993 to 2000 (now IAASB). Member of the Board of IFAC – International Federation of Accountants from 2001 to 2005. Member of the Board of Arbitration of Milan from 1998 to 2005. Since 2008 he has chaired the Management Committee of the OIC (Italian Accounting Organisation), where he was Chairman of the Technical and Scientific Committee from 2004 to 2008. He practices only as Chartered Accountant with an office in Milan.

He held the following positions at 31 December 2009: Member of the Board of Directors of Mediobanca, Chairman of the Board of Statutory Auditors of Benetton Group S.p.A., Indesit Company S.p.A., Bracco S.p.A., Bracco Imaging S.p.A., Fidelity S.p.A., Edizione S.r.l. and Vestar Capital Partners Italia S.r.l. and is Standing Statutory Auditor of Barclays Private Equity S.p.A.

Giovanni MARITANO, born in Turin on 23 October 1960

He has been a member of the Board of Statutory Auditors of Vittoria Assicurazioni S.p.A. as Standing Statutory Auditor since 23 June 1998. He has been a Standing Statutory Auditor since 26 April 2001.

Holder of a "Laurea" degree in Economics and Business, he has been entered at no. 868 in the Register of Chartered Accountants since 8 July 1987. He is an auditor, as published in the Official Gazette of the Italian Republic no. 31 bis of 21 April 1995.

He is a member of various boards of statutory auditors at Vittoria Assicurazioni Group companies.

He also holds the post of Chairman of the Board of Statutory Auditors at the following companies: Carcoustics Italia S.p.A. and Crisfer S.r.l., and as Standing Statutory Auditor at the following companies: ABC Farmaceutici S.p.A., Guido Vincon & Figli S.p.A., Istituto Biologico Chemioterapico S.r.l., Kelemata S.r.l., La Prealpina Divisione Commercio S.p.A., La Prealpina Ron & Figli S.p.A. and Massifond S.p.A.

Ferruccio ARALDI, born in Turin on 19 April 1933

He has been a member of the Board of Statutory Auditors of Vittoria Assicurazioni S.p.A. as Alternate Statutory Auditor since 29 April 2004. He has been a Standing Statutory Auditor since 19 September 2008.

Holder of a “Laurea” degree in Economics and Business, he is entered in the Register of Chartered Accountants and is an Auditor as published in the Official Gazette of the Italian Republic no. 31 bis of 21 April 1995.

He is a member of various boards of statutory auditors at Vittoria Assicurazioni Group companies.

He is also Chairman of the Board of Statutory Auditors of Società Amati S.p.A., Autolinee Giachino S.r.l., Cave Sangone S.r.l., Fornace in Laterizi Carena S.p.A., GEV S.p.A., Guido Vincon & Figli S.p.A., Kelemata S.r.l., Kelemata S.p.A., La Prealpina Divisione Commercio S.p.A., La Prealpina Ron & Figli S.p.A., Lazzero Tecnologie S.r.l., Massifond S.p.A., Movincom Servizi S.p.A., Mustad S.p.A., Qsave Technology S.p.A., SINT S.p.A., and is Standing Statutory Auditor at the following companies: CNA Servizi S.r.l., De Tomaso S.p.A., VP Sviluppo 2015 S.r.l., Zoppoli & Pulcher Costruzioni Generali S.p.A.

Sergio VASCONI, born in Turin on 10 November 1935

He has been a member of the Board of Statutory Auditors of Vittoria Assicurazioni S.p.A. since 26 April 2001.

Holder of a “Laurea” degree in Economics and Business, he has been entered in the Register of Accountants of Turin since 1961 and in the Register of Chartered Accountants since 1970. He currently holds the position of Chairman of the Board of Statutory Auditors at ILCEA S.p.A. and SOFIMI S.r.l.

Corrado VERSINO, born in Turin on 18 May 1955

He has been a member of the Board of Statutory Auditors of Vittoria Assicurazioni S.p.A. as Alternate Statutory Auditor since 24 April 2009.

Holder of a “Laurea” degree in Economics and Business, he has been a member of the Association of Chartered Accountants of Turin since 1982. He is a member of various boards of statutory auditors at Vittoria Assicurazioni Group companies.

Furthermore, he is Chairman of the Board of Statutory Auditors at ZP Immobili & Territorio S.r.l. and Standing Statutory Auditor at the following companies: Amati S.p.A., Carcoustics Italia S.p.A., Centro Servizi Vadò S.r.l., Geodata S.p.A. and Zoppoli & Pulcher S.p.A.

The Board of Statutory Auditors Directors met eight times during FY 2009, and the average length of its meetings was about two hours. The average level of attendance at meetings was 100%.

Nine meetings are planned for FY 2010 riunioni. One meeting had been held at the date of this Report.

Reference is made to the table in Appendix 3 of this Report for details on attendance by the individual statutory auditors.

The Board of Statutory Auditors oversees the company’s compliance with the law and the Articles of Association, and its observance of the principles of proper management. In particular, it oversees the adequacy and effectiveness of the organisational and accounting system adopted by the Company, and its effective operation.

In particular, the Board of Statutory Auditors:

- Reviews the fitness of the definition of the delegations of authority and the adequacy of the organisational structure, dedicating special attention to the separation of duties and functions.



- Assesses the efficiency and effectiveness of the Internal Control System, especially in regard to the operations of the Internal Audit Department. It must verify that it possesses the necessary autonomy, independence and functional efficiency. This activity is actually carried out through the effective participation of one of its members and the Chief Internal Auditor at meetings of the Internal Control Committee, during which the representative of the Board of Statutory Auditors is allowed to assess the activities of the Internal Audit Department. The member of the Board of Statutory Auditors shall present this assessment at the meetings of the Board of Statutory Auditors.
- It regularly exchanges information and data with the independent auditor and the Internal Audit Department.
- It 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 board of statutory auditors of the subsidiaries themselves.

The “Guidelines for Significant, Intercompany and Related-Party Transactions” also apply to the members of the Board of Statutory Auditors in regard to the interests that the Statutory Auditors might have in a specific transaction by the Issuer.

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. Similarly to the criteria applied for directors, the maximum limit of nine years is not considered, as illustrated in section 4.6 hereinabove.

The Board of Statutory Auditors oversees the independence of the independent auditor, checking both compliance with relative regulatory requirements and the nature and entity of services other than auditing rendered to the issuer and its subsidiaries by the independent auditor and by entities belonging to the latter's network.

14. SHAREHOLDER RELATIONS

Vittoria Assicurazioni has set up a special section on its website www.vittoriaassicurazioni.com, which is easily located and accessed, where information of material interest to shareholders is provided so that they may exercise their rights on an informed basis.

The Company Vice Chairman, Dr Andrea Acutis, has been named Investor Relations Manager.

15. GENERAL MEETINGS (pursuant to Art. 123 – bis (2)(c), TUF)

The operations and powers of the General Meeting, shareholder rights and how they may be exercised are regulated by law.

Pursuant to the Articles of Association, notice of meetings shall be published in the Official Gazette or in a daily paper, either IL SOLE 24 ORE or CORRIERE DELLA SERA. The Company's standard practice is to publish notice of its general meetings in both the Official Gazette and in a newspaper. The notice of meeting is also published on the Company website.

The notice of meeting may indicate the day of the meeting on the second and third call. If no such notice is given, the general meeting on the second and third call may be convened within 30 days after the first or second call, respectively, with a reduction in the deadline pursuant to Section 2366(2) to eight days.

The Directors shall call a General Meeting without delay, when requested by Shareholders representing at least 5% of the share capital.

Shareholders who, individually or jointly, represent at least one fortieth of the share capital may request the inclusion of an item on the agenda within five days of the publication of the notice of the general meeting, specifying in their request the topics proposed by them.

Such additions shall be notified, in the same manner as prescribed for publication of the notice of meeting, at least ten days prior to the date set for the General Meeting. Any item on which the General Meeting must resolve, pursuant to statutory obligations, on motion by the Directors or on the basis of a plan or report put forward by them, may not be included in the agenda.

Pursuant to Section 2370(2) Italian Civil Code and Article 8 of the Articles of Association, specific certification issued pursuant to applicable laws and regulations by the intermediary retained to keep the accounts and sent at least two business days before the meeting must be shown to gain entrance to the General Meeting.

The Articles of Association do not contain a clause that blocks the shares until the General Meeting is held.

Resolutions by the General Meetings, both ordinary and extraordinary, shall be governed by the law. Pursuant to Section 2365(2) Italian Civil Code, Article 14 of the Articles of Association delegates to the Board of Directors the following prerogatives held by the General Meeting: resolutions regarding the creation or closure of secondary offices, the designation of Directors to represent the Company, decreases in share capital in the case of withdrawal, adjustments to the Company Articles of Association to reflect changes in legislation, transfer of the registered office within Italy, decisions to merge under Sections 2505 and 2505 bis including spin-offs, where such regulations are applicable.

The Company has decided not to comply with implementation rule 11.C.5. of the Corporate Governance Code, which envisages a regulation governing the orderly and efficient administration of General Meetings, given the long-standing procedures that have been followed for these meetings over the years.

The Chairman moderates discussion of agenda and gives the floor to those who request it by raising their hand. Exact, punctual answers are given to every shareholder, and they have the right to reply.

At General Meetings, the Board of Directors reports on the work done and planned and undertakes to ensure that shareholders have adequate information on the aspects necessary to enable them to take informed decisions that are the prerogative of General Meetings pursuant to the Italian Civil Code.

16. CHANGES SINCE THE END OF THE FINANCIAL YEAR

No changes have been made to the corporate governance structure since the date this Report was approved, aside from those highlighted in the Report itself.



APPENDICES

Appendix 1: Board of Directors

Appendix 2: Committees

Appendix 3: Board of Statutory Auditors

Appendix 4: Adoption of Corporate Governance Code

Appendix 5: Guidelines for Significant Transactions, Intercompany Transactions and Transactions with Related Parties

Appendix 6: Procedure for Transactions by Material Parties on the Issuer's Financial Instruments

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	Office	List	Executi ve.	Non- executi ve	Indepe ndent	Indepe ndent as per ICFA	% BoD	Other offices held
Giorgio Roberto COSTA	Chairman	M		X			100%	-
Andrea ACUTIS	Deputy Chairman	M	X				100%	1
Carlo ACUTIS	Deputy Chairman	M	X				100%	6
Roberto GUARENA	Managing Director	M	X				100%	0
Adriana ACUTIS BISCARETTI di RUFFIA	Director	M		X			80 %	1
Francesco BAGGI SISINI	Director	M		X	X	X	100%	1
Tiberto BRANDOLINI d'ADDA	Director	M		X	X	X	60 %	5
Marco BRIGNONE	Director	M		X	X	X	20 %	2
Arnaud HELLOUIN de MENIBUS	Director	M		X			20 %	2
Pietro Carlo MARSANI	Director	M		X	X	X	100 %	-
Giorgio MARSIAJ	Director	M		X	X	X	40 %	1
Edgar MÜLLER-GOHTTARD	Director	M		X	X	X	80 %	-
Lodovico PASSERIN d'ENTREVES	Director	M		X	X	X	80 %	2
Luca PAVERI FONTANA	Director	M		X			100%	5
Robert RICCI	Director	m		X	X	X	80%	1
Giuseppe SPADAFORA	Director	M		X	X	X	80%	3

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 ICFA: director possessing the requisites for independence established by Article 148, paragraph 3, of the ICFA (Italian Consolidated Finance 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
Luca Paveri FONTANA	Non-executive president	01.01.2009 – 31.12.2009	100%
Francesco BAGGI SISINI	Independent non-executive member	01.01.2009 – 31.12.2009	100%
Lodovico PASSERIN d'ENTREVES	Independent non-executive member	01.01.2009 – 31.12.2009	50%

Internal Control Committee

Name	Office	Period in office during FY	% attendance of committee meetings
Pietro Carlo MARSANI	Independent non-executive president	01.01.2009 – 31.12.2009	100%
Francesco BAGGI SISINI	Independent non-executive member	01.01.2009 – 31.12.2009	100%
Giuseppe SPADAFORA	Independent non-executive member	01.01.2009 – 31.12.2009	50%

Finance Committee

Name	Office	Period in office during FY	% attendance of committee meetings
Andrea ACUTIS	Executive president	01.01.2009 – 31.12.2009	100%
Adriana ACUTIS BISCARETTI DI RUFFIA	Non-executive	01.01.2009 – 31.12.2009	100%
Carlo ACUTIS	Executive	01.01.2009 – 31.12.2009	100%
Giorgio Roberto COSTA	Non-executive	01.01.2009 – 31.12.2009	100%
Roberto GUARENA	Executive	01.01.2009 – 31.12.2009	100%
Luca PAVERI FONTANA	Non-executive	01.01.2009 – 31.12.2009	100%

Real Estate Committee

Name	Office	Period in office during FY	% attendance of committee meetings
Andrea ACUTIS	Executive president	01.01.2009 – 31.12.2009	100%
Adriana ACUTIS BISCARETTI DI RUFFIA	Non-executive	01.01.2009 – 31.12.2009	75%
Carlo ACUTIS	Executive	01.01.2009 – 31.12.2009	100%
Francesco BAGGI SISINI	Independent non-executive	01.01.2009 – 31.12.2009	100%
Giorgio Roberto COSTA	Non-executive	01.01.2009 – 31.12.2009	100%
Roberto GUARENA	Executive	01.01.2009 – 31.12.2009	100%
Arnaud HELLOUIN de MENIBUS	Non-executive	01.01.2009 – 31.12.2009	25%
Luca PAVERI FONTANA	Non-executive	01.01.2009 – 31.12.2009	100%



APPENDIX 3

BOARD OF STATUTORY AUDITORS

Board of Statutory Auditors as at 31 December 2009

Name	Office	In office since:	List	Independent as per Code	% attendance of BoSA meetings	Other offices held
Angelo CASO'	Presidente	01.01.2009	m	X	100 %	10
Giovanni MARITANO	Sindaco Effettivo	01.01.2009	M	X	100 %	25
Ferruccio ARALDI	Sindaco Effettivo	24.04.2009	M	X	100%	35
Sergio VASCONI	Sindaco Supplente	01.01.2009	m	X	-	2
Corrado VERSINO	Sindaco Supplente	24.04.2009	/*	X	-	23

/* Member appointed on the proposal of the majority shareholder with no application of list system, following the resignation of a statutory auditor who had been elected from the majority shareholders' list, pursuant to Artiche 17 of the Artiche of Association.

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: total number of assignments held in other joint-stock companies, partnerships limited by shares, and limited liability companies.



APPENDIX 4

The Corporate Governance Code for listed companies (Codice di Autodisciplina) approved in March 2006 by the Italian Corporate Governance Committee and promoted by Borsa Italiana SpA

Corporate Governance Code

Adoption of Code by Vittoria Assicurazioni

1. ROLE OF BOARD OF DIRECTORS

Principles

1.P.1. The issuer is guided by a board of directors that meets at regular intervals and operates in such a way as to assure effective performance of its functions.

1.P.2. Directors act and take decisions in an informed and independent manner, pursuing the primary objective of creation of shareholder value. Consistently with this objective, in performing their office directors also take into account the directives and policies defined for the group to which the issuer belongs, as well as the benefits of membership of the group.

Application criteria

1.C.1. The board of directors:

- | | |
|--|---------|
| a) Examines and approves the strategic, business and financial plans of the issuer and of the group that it heads; the corporate governance system of the issuer; and the corporate structure of the group; | Adopted |
| b) Assesses the adequacy of the organisational, administrative and general accounting set-ups of the issuer and of its strategically significant subsidiaries as arranged by managing directors, with special reference to the internal control system and to management of conflicts of interest; | Adopted |
| c) Delegates and revokes executive powers to/from managing directors and the executive committee, defining their limits and method of exercise. It also establishes the frequency, which must not in any case be less than quarterly, with which delegated officers and bodies must report to the board on the work done in exercising the powers delegated to them; | Adopted |
| d) Determines, after having reviewed the specific committee's recommendations and consulted with the board of statutory auditors, the remuneration of managing directors and of other directors holding specific offices and, if the shareholders' meeting has not already done so, the split of the overall global compensation payable to board members; | Adopted |
| e) Assesses general operating performance, taking into consideration, in particular, the information received from delegated officers and bodies and also regularly comparing actual vs. planned results; | Adopted |
| f) Reviews and approves beforehand transactions of the issuer and its subsidiaries, when such transactions are of significant strategic business, capital or financial importance for the issuer, paying special | Adopted |



attention to situations where one or more directors have an interest on their own account or on that of third parties and, more generally, related-party transactions. To this end it establishes general criteria for the identification of transactions of significant importance;

g) Assesses, at least once a year, the size, membership, and operation of the board itself and of its committees, possibly expressing orientations concerning the professional figures whose presence on the board is deemed appropriate; Adopted

h) Discloses, in the Corporate Governance Report, the ways in which the present Article 1 is applied and, in particular, information on the number of meetings of the board and executive committee, if the latter exists, held during the financial year and the related percent attendance of each director. Adopted

1.C.2. Directors accept office when they believe themselves able to dedicate the necessary time to diligent performance of their duties, also considering the other directorships or offices as statutory auditors held in other companies listed in regulated Italian and foreign markets, in financial, banking, and insurance companies or companies of significant size. The board, based on the information received from directors, annually notes and discloses – in the Corporate Governance Report – the directorships and offices as statutory auditors held by directors in the aforesaid companies. Adopted

1.C.3. The board expresses its orientation concerning the maximum of directorships or offices as statutory auditors in the companies mentioned in the previous paragraph that can be deemed compatible with effective performance of office as a director of the issuer. To this end it identifies general criteria differentiated according to the commitment associated with each role (as executive, non-executive, or independent director), also in relation to the nature and size of the companies where offices are held and to their possible membership of the issuer's group. It can also take directors' membership of board committees into account. Adopted

1.C.4. If, in order to address organisational needs, the shareholders' meeting authorises on a general and prior basis departures from the non-competition rule established by Article 2390 of the Italian Civil Code, the board of directors examines the merit of each problematical case and reports any criticalities at the first available shareholders' meeting. To this end, when accepting appointment each director informs the board of any activities performed in competition with the issuer and, thereafter, of all significant changes in this respect. Adopted

2. MEMBERSHIP OF THE BOARD OF DIRECTORS

Principles

2.P.1. The board of directors consists of executive and non-executive directors.

2.P.2. Non-executive directors bring their specific expertise to board discussions, contributing to balanced decision-making and paying special attention to areas where conflicts of interest might arise.

2.P.3. Non-executive directors' number, skill, authoritativeness, and time available are such as to ensure that their judgement carries significant weight in board decision-making.

2.P.4. It is advisable to avoid the concentration of corporate offices in



just one person.

2.P.5. If the board of directors has delegated executive powers to the chairman, it provides appropriate information on the reasons for this organisational choice in the annual Corporate Governance Report.

Application criteria

2.C.1. Executive directors are:

- The managing directors of the issuer or of a strategically important subsidiary, including chairmen when the latter are vested with individual executive powers or when they play a specific role in developing corporate strategies; Adopted

- Directors holding top management positions in the issuer or in a strategically important subsidiary, or in the parent company when the position also relates to the issuer; Adopted

- Directors who are members of the issuer's executive committee, when no managing director has been identified or when participation in the executive committee, in view of the frequency of meetings and related decision-making content leads, de facto, to systematic involvement of committee members in the issuer's ordinary operations. Attribution of powers solely for emergencies to directors not vested with executive powers is not, as such, sufficient to qualify them as executive directors, unless such powers are used with considerable frequency. Adopted

2.C.2. Directors are required to know the duties and responsibilities inherent to their office. The chairman of the board of directors ensures that directors take part in initiatives designed to increase their knowledge of corporate reality and trends, also as regards the regulatory framework of reference, so that they can play their role effectively.

Adopted – for the time being no initiatives, apart from Board meetings, are envisaged to increase knowledge

2.C.3. If the chairman of the board of directors is also the chief executive office, and also in cases when the chairmanship is held by the person who controls the issuer, the board designates an independent director as lead independent director. The latter constitutes a point of reference and co-ordination of the requests and contributions of non-executive directors and, in particular, of those qualifying as independent under Article 3 below.

Adopted – At present the Chairman of the Board does not control the company and is not CEO but qualifies as an independent director.

3. INDEPENDENT DIRECTORS

Principles

3.P.1. An adequate number of non-executive directors are independent, in the respect that they do not have, and have not recently had – not even indirectly – relations with the issuers or with parties associated with the issuer such as to affect their present independence of judgement.

3.P.2. The board of directors regularly assesses directors' independence. The outcome of the Board's assessment is disclosed to the market.

Application criteria

3.C.1. The board of directors assesses the independence of non-executive members paying attention more to substance than to form

Adopted, except for letter e), as specified



and remembering that, as a rule, a director does not seem independent in the following possible cases, which are not considered mandatory:

later on.

a) If – directly or indirectly, also via controlled companies, trustees or interposed persons – he/she controls the issuer or is able to exercise significant influence over the same, or is party to a shareholder agreement whereby one or more parties are able to exercise control or significant influence over the issuer;

b) If he/she is, or has been in the previous three financial years, an important exponent of the issuer, of one of the latter's strategically important subsidiaries, of a company subject to joint control with the issuer, or of a company or entity that – also together with others by means of a shareholder agreement – controls the issuer or is able to exercise significant influence over the same;

c) If, directly or indirectly (for example: via companies controlled or of which he/she is an important exponent, or in the capacity of partner in a professional firm or consultancy) he/she has, or has had in the previous financial year, significant commercial, financial, or professional dealings:

- With the issuer, one of its subsidiaries, or with any of such companies' important exponents;
- With a party who, also together with others via a shareholder agreement, controls the issuer or – in the case of a company of entity – with important exponents of the company or entity;
- or if he/she is, or has been in the previous three financial years, a dependent employee of any of the aforesaid parties.

d) If he/she receives, or has received in the previous three financial years, from the issuer or from a subsidiary or parent company of the issuer, significant compensation in addition to the "fixed" emolument as a non-executive director of the issuer, including participation in incentive schemes linked to corporate performance, also of the share-based type.

e) If he/she has been a director of the issuer for more than 9 years in the last 12 years.

In order to give preference to acquisition of in-depth knowledge of the company – which in the insurance and reinsurance industry is possible only after several years of experience - the constraint of a maximum 9-year duration is not considered

f) If he/she holds office as an executive director in another company where an executive director of the issuer holds a directorship;

g) If he/she is a partner in or director of a company or entity belonging to the network of the company appointed as the issuer's independent auditor;

h) If he/she is a close relative of a person who is in any of the circumstances indicated in the previous points.

3.C.2. For the purposes of the above, "important exponents" of a company or entity are considered to be the entity's president, legal representative, the chairman of the board of directors, the executive directors and strategically accountable managers of the company or entity in question.

Adopted



3.C.3. The number and skills of independent directors must be adequate in relation to the board's size and the issuer's business. They must also be such as to permit the creation of board committees, as per the guidance contained in the Code. If the issuer is subject to direction and co-ordination by third parties or is controlled by a party active – either directly or via other controlled companies – in the same business sector or in closely related sectors, membership of the issuer's board of directors must be such as to assure adequate conditions of operating autonomy and thus to pursue the objective of creation of value for the issuer's shareholders on a priority basis.

Adopted

3.C.4. Following appointment of a director qualified as independent and, thereafter, at least once a year, the board of directors – based on information provided by the person concerned or in any case at the issuer's disposal – assesses the relations that may be or may seem to be such as to jeopardise the independence of judgement of the director in question. The board of directors discloses the outcome of its assessment, at the time of appointment, via a communiqué released to the market and, subsequently, in the Corporate Governance Report, providing adequate explanation if parameters other than those indicated in these application criteria have been applied.

Adopted

3.C.5. The board of statutory auditors, within the sphere of the tasks assigned to it by law, checks proper application of the assessment criteria and procedures used by the board of directors to evaluate its members' independence. The outcome of such checks is disclosed to the market in the Corporate Governance Report or in statutory auditors' report to shareholders at the AGM.

Adopted

3.C.6. Independent directors meet at least once a year without the other directors being present.

In the light of the positive operation of the company's Board of Directors and Board committees, for the time being the independent directors have not applied the provision according to which independent directors should meet at least once a year without the other directors being present.

4. HANDLING OF CORPORATE INFORMATION

Principles

4.P.1. Directors and statutory auditors are under obligation to keep documents and information acquired during performance of the tasks confidential and to observe the issuer's procedure for internal management and external disclosure of such documents and information.

Application criteria

4.C.1. Managing directors ensure proper management of corporate information. To this end they recommend to the board of directors adoption of a procedure for internal management and external disclosure of documents and information regarding the issuer, with special reference to privileged information.

Adopted



5. CREATION AND OPERATION OF COMMITTEES WITHIN BOARD OF DIRECTORS

Principles

5.P.1. The board of directors creates, within the board, one or more committees with propositive and consultative functions as indicated in the following articles.

Application criteria

5.C.1. Creation and operation of committees within the board of directors meet the following criteria:

- | | |
|---|---------|
| a) Committees consist of not less than three members. In the case, however, of issuers whose board of directors consists of not more than five members, committees can be formed by just two directors, as long as they are independent. | Adopted |
| b) Individual committees' tasks are established with the board resolution creating them and can be supplemented or amended by a subsequent board resolution. | Adopted |
| c) The functions attributed by the Code to the various committees can be distributed differently or delegated to a smaller number of committees than that indicated, as long as the rules concerning membership as indicated in each case by the Code are observed and achievement of the underlying objectives is assured. | |
| d) Each committee's meetings are documented in minutes; | Adopted |
| e) In performing their functions, committees are able to access the information and corporate functions necessary to carry out their tasks. They are also able to draw on the services of outside advisors, within the terms established by the board of directors. The issuer makes appropriate financial resources available to committees for performance of their tasks, within the limits of the budget approved by the board. | Adopted |
| f) Each committee's meetings can be attended by non-members at the committee's invitation, with reference to individual agenda items; | Adopted |
| g) The issuer provides appropriate information, in the Corporate Governance Report, on the creation and membership of committees, on the content of the mission assigned to them, and on the work actually done during the financial year, specifying the number of meetings held and the related percent attendance of each member. | Adopted |

6. APPOINTMENT OF DIRECTORS

General principles

6.P.1. Directors are appointed according to a transparent process. The latter assures timely and adequate information on the personal and professional characteristics of candidates for office as statutory auditors.

6.P.2. The board of directors decides whether to set up an appointments committee within the board consisting mostly of

Adopted – A single Appointments & Remuneration Committee has been set up.



independent directors.

Application criteria

6.C.1. Lists of candidates for directorships, accompanied by exhaustive information on candidates' personal and professional characteristics, also indicating their eligibility, if any, to qualify as independent under Article 3, are lodged at the company's registered offices at least 15 (fifteen) days before the date fixed for the shareholders' meeting. The lists, complete with information on candidates' characteristics are published in a timely manner by means of the issuer's website. Adopted

6.C.2. If it has been created, the appointments committee can be assigned one or more of the following functions, i.e. to:

a) Propose to the board candidates for directorships in the case envisaged by Article 2386, first paragraph, of the Italian Civil Code, if it is necessary to replace an independent director; Adopted

b) Indicate candidates for the office of independent director to be submitted to the issuer's shareholder meeting, taking any indications received from shareholders into account; Adopted

c) Express opinions to the board of directors concerning the latter's size and membership and also, if appropriate, concerning the professional figures whose presence on the board is deemed advisable. Adopted

7. REMUNERATION OF DIRECTORS

Principles

7.P.1. Directors' remuneration is established to an extent sufficient to attract, retain, and motivate directors endowed with the professional qualities needed to manage the issuer successfully.

7.P.2. Executive directors' remuneration is structured so as to align their interests with pursuit of the primary objective of creating shareholder value in a medium-/long-term horizon.

7.P.3. The board of directors sets up a remuneration committee within the board, consisting of non-executive directors, the majority of whom are independent. Adopted – A single Appointments & Remuneration Committee has been set up.

Application criteria

7.C.1. A significant part of the remuneration of executive directors and of strategically accountable managers is linked to the operating results achieved by the issuer and/or to achievement of specific objectives indicated on a prior basis by the board of directors or, in the case of the managers mentioned above, by managing directors. Adopted

7.C.2. Non-executive directors' remuneration is commensurate with the commitment required of each of them, considering any membership of one or more committees. Such remuneration – saving possibly an insignificant part – is not linked to the operating results achieved by the issuer. Non-executive directors are not recipients of share-based incentive schemes, saving an explicitly justified decision in this sense taken by the shareholders' meeting. Adopted



7.C.3. The remuneration committee:

– Submits proposals to the board for the remuneration of managing directors and of other directors holding specific executive offices, monitoring application of relevant decisions taken by the board; Adopted

– Regularly evaluates the criteria adopted for remuneration of strategically accountable managers; oversees their application based on information supplied by managing directors; and makes general recommendations on the matter to the board. Adopted

7.C.4. No director attends remuneration committee meetings in which proposals for the board are developed concerning his/her own remuneration. Adopted

8. INTERNAL CONTROL SYSTEM

Principles

8.P.1. The internal control system is the combination of rules, procedures, and organisational facilities designed to permit – via an appropriate process of identification, measurement, management, and monitoring of the main risks – healthy and proper management of the company, consistent with the objectives set.

8.P.2. An effective internal control system helps to assure protection of corporate assets, operating efficiency and effectiveness, the reliability of financial information, and legal and regulatory compliance.

8.P.3. The board of directors assesses the adequacy of the internal control system in relation to corporate characteristics.

8.P.4. The board of directors ensures that its assessments and decisions concerning the internal control system, approval of year-end and half-yearly interim reports & accounts, and relations between the issuer and the independent auditor are supported by adequate preparatory and analytical activity. To this end the board of directors sets up an internal control committee, consisting of non-executive directors, the majority of whom are independent. If the issuer is controlled by another listed company, the internal control committee consists exclusively of independent directors. At least one member of the committee possesses adequate experience in accounting and financial matters, to be assessed by the board of directors at the time of his/her appointment.

Application criteria

8.C.1. The board of directors, aided by the internal control committee:

a) Defines guidelines for the internal control system, so that the main risks relating to the issuer and its subsidiaries are identified correctly, and also appropriately measured, managed, and monitored. It also determines the criteria for such risks' compatibility with healthy and proper management of the company; Adopted

b) Identifies an executive director (normally one of the managing directors) appointed to superintend the internal control system's functionality; Adopted

c) Assesses, on at least an annual basis, the internal control system's Adopted



adequacy, effectiveness, and effective operation;

d) Describes, in the Corporate Governance Report, the key features of the internal control system, expressing its assessment of the system's overall adequacy. Adopted

In addition, the board of directors, on the recommendation of the executive director appointed to superintend the internal control system's functionality and, after having received the internal control committee's opinion, appoints and revokes one or more internal control supervisors and defines their remuneration consistently with corporate policies. Adopted

8.C.2. The board of directors exercises its functions concerning the internal control system giving appropriate consideration to benchmark models and domestic and international best practices. Special attention is paid to the organisation & management models adopted pursuant to Italian Legislative Decree no. 231 of 8 June 2001. 231. Adopted

8.C.3. Besides assisting the board of directors in performance of the tasks indicated in criterion 8.C.1, the internal control committee also:

a) Evaluates, together with the financial reporting manager and the independent auditors, proper utilisation of accounting standards and, in the case of groups, their uniformity for the purposes of preparing consolidated financial statements; Adopted

b) At the request of the executive director appointed for the purpose, expresses opinions on specific aspects concerning identification of the main corporate business risks, as well as the design, creation, and management of the internal control system; Adopted

c) Reviews the work plan prepared by internal control supervisors and the regular reports prepared by them; Adopted

d) Assesses the proposals submitted by auditing firms to obtain the auditing assignment, as well as the audit work plan and the results set out in the report and in any letter of recommendations; Adopted

e) Oversees the effectiveness of the independent auditing process; Adopted

f) Performs any further tasks assigned to the committee by the board of directors; Adopted

g) Reports to the board on at least a 6-monthly basis, on occasion of approval of year-end financial statements and of the half-yearly interim report, on the work done and on the adequacy of the internal control system. Adopted

8.C.4. The president of the board of statutory auditors or another standing statutory auditor designated by the same takes part in the internal control committee's proceedings. Adopted

8.C.5. The executive director appointed to superintend the internal control system's functionality:

a) Identifies the main corporate risks, taking into account the characteristics of the business activities of the issuer and its subsidiaries, and regularly submits them to the board of directors for review; Adopted



b) Executes the guidelines defined by the board of directors, handling the design, creation and management of the internal control system, constantly checking its overall adequacy, effectiveness, and efficiency. He also adapts the system to operating dynamics and to the legislative and regulatory framework;

Adopted

c) Proposes to the board of directors the appointment, revocation, and remuneration of one or more internal control supervisors.

Adopted

8.C.6. The internal control supervisors:

a) Are appointed to check that the internal control system is always adequate and fully operational, and that it is actually operating;

Adopted

b) Are not responsible for any operating area and do not report hierarchically to any head of operating areas, including the finance and administration area;

Adopted

c) Have direct access to all information useful for performance of their assignment;

Adopted

d) Have adequate resources at their disposal to perform the function assigned to them;

Adopted

e) Report on their work to the internal control committee and board of statutory auditors. It can also be envisaged that they report back to the executive director responsible for superintending the internal control system's functionality. More specifically, they report on the ways in which risks are managed, as well as on observance of plans established for their limitation, and express their assessment of the ability of the internal control system to achieve an acceptable overall risk profile.

Adopted

8.C.7. The issuer sets up an internal auditing function. As a rule, the internal control manager is identified in the person heading this corporate function.

Adopted

8.C.8. The internal auditing function, in its entirety or by operating segments, can be entrusted to parties outside the issuer, as long as they have adequate requisites in terms of professionalism and independence. Such parties can also be given the role of internal control supervisors. Adoption of similar organisational choices, appropriately justified, is disclosed to shareholders and the market in the Corporate Governance Report.

9. DIRECTORS' INTERESTS AND RELATED-PARTY TRANSACTIONS

Principles

9.P.1. The board of directors takes measures designed to ensure that transactions in which a director has an interest – on his/her own account or that of third parties – and related-party transactions are completed in a transparent manner, observing criteria of material and procedural correctness.

Application criteria

9.C.1. The board of directors, after consultation with the internal control committee, establishes approaches for approval and execution of transactions undertaken by the issuer, or by its subsidiaries, with

Adopted



related parties. More specifically, it defines specific transactions (or sets the criteria for identifying transactions) that have to be approved subject to an opinion of the internal control committee and/or with the assistance of independent experts.

9.C.2. The board of directors adopts operating solutions able to facilitate identification and appropriate management of situations where a director has an interest, either on his/her own account or that of third parties.

Adopted

10. STATUTORY AUDITORS

Principles

10.P.1. Statutory auditors are appointed according to a transparent process. The latter assures timely and adequate information on the personal and professional characteristics of candidates for office as statutory auditors.

10.P.2. Statutory auditors act autonomously and independently also vis-à-vis the shareholders who have elected them.

10.P.3. The issuer takes the measures necessary to assure effective performance of the tasks for which the board of statutory auditors is responsible.

Application criteria

10.C.1. Lists of candidates for office as statutory auditors, accompanied by exhaustive information on candidates' personal and professional characteristics, are lodged at the company's registered offices at least 15 (fifteen) days before the date fixed for the shareholders' meeting. The lists, complete with information on candidates' characteristics are published in a timely manner by means of the issuer's website.

Adopted

10.C.2. Statutory auditors are chosen from among persons who qualify as independent also based on the criteria envisaged by this Code for directors. The board of statutory auditors checks compliance with such criteria after appointment and annually thereafter, disclosing the result of these checks in the Corporate Governance Report.

Adopted – As done for directors, the requirement of a maximum duration of 9 years is not considered.

10.C.3. Statutory auditors accept office when they believe themselves able to dedicate the necessary time to diligent performance of their duties.

Adopted

10.C.4. A statutory auditor who, on his/her own account or that of third parties, has an interest in a given transaction of the issuer, informs the other statutory auditors and the chairman of the board of directors promptly and exhaustively of the nature, terms, origin, and scope of his/her interest.

Adopted

10.C.5. The board of statutory auditors oversees the independence of the independent auditor, checking both compliance with relative regulatory requirements and the nature and entity of services other than auditing rendered to the issuer and its subsidiaries by the independent auditor and by entities belonging to the latter's network.

Adopted

10.C.6. Within the sphere of their activities, statutory auditors can ask the internal auditing function to conduct audits of specific operating areas or corporate transactions.

Adopted



10.C.7. The board of statutory auditors and the internal control committee exchange in a timely manner relevant information for performance of their respective tasks

Adopted

11. INVESTOR RELATIONS

Principles

11.P.1. The board of directors promotes initiatives designed to foster the widest possible attendance of shareholder meetings by shareholders and to facilitate exercise of shareholders' rights.

11.P.2. The board of directors makes every endeavour to create an ongoing dialogue with shareholders based on understanding of their reciprocal roles.

Application criteria

11.C.1 The board of directors makes every endeavour to make access to information concerning the issuer that is important for its shareholders timely and easy, so as to enable shareholders to exercise their rights in an informed manner. To this end, the issuer creates a specific section in its website – easily identifiable and accessible – in which it makes the aforesaid information available. It does so with special reference to the procedures envisaged for shareholder meeting attendance and exercise of voting rights, as well as to documentation relating to agenda items, including the lists of candidates for directorships and for office as statutory auditors, with information on their personal and professional characteristics.

Adopted

11.C.2. The board of directors ensures that a person responsible for managing investor relations is identified and periodically assesses the advisability of setting up a corporate unit responsible for this function.

Adopted

11.C.3. The board of directors makes every effort to reduce the constraints and formalities making it difficult and laborious for shareholders to attend and speak at shareholder meetings and exercise voting rights.

Adopted

11.C.4. As a rule, all directors attend shareholders' meetings. The latter are occasions for communicating information on the issuer to shareholders, whilst observing the rules for privileged information. More specifically, at shareholders' meetings the board of directors reports on the work done and planned and makes an effort to ensure that shareholders have adequate information on the aspects necessary to enable them to take decisions that are the prerogative of shareholders' meetings in an informed manner.

Adopted

11.C.5. The board of directors proposes for approval by the shareholders' meeting a regulation governing orderly and functional shareholder meeting proceedings, assuring the right of each shareholder to take the stand to speak about the items under discussion.

Adoption of a regulation may possibly be proposed at a future shareholders' meeting.

11.C.6. In the event of a significant change in the company's market capitalisation or in shareholder structure, the board of directors decides whether to propose to the shareholders' meeting amendment of the company by-laws as regards the percentages established for exercise of the actions and prerogatives established to protect minority shareholders.

Adopted



Vittoria Assicurazioni

12. DUALIST AND MONIST MANAGEMENT AND CONTROL SYSTEMS

Section not applicable to Vittoria Assicurazioni



APPENDIX 5

GUIDELINES FOR SIGNIFICANT, INTERCOMPANY AND RELATED PARTY TRANSACTIONS

INTRODUCTION

- In April 2004 the Board of Directors of Vittoria Assicurazioni S.p.A., an issuer of shares listed on the Milan Stock Exchange, approved the “Guidelines for Significant Transactions and Related Party Transactions,” in accordance with the provisions of the Corporate Governance Code of Listed Companies on the basis of Section 2391-bis Italian Civil Code.
- Article 6 of ISVAP Regulation no. 25 of 27 May 2008 (hereinafter, the “Regulation”) requires that the Board of Directors of insurance companies define the guidelines according to which intercompany operations must be carried out and the transactions that are to be carried out. For the purposes of the Regulation, these refer to the transactions carried out between Vittoria Assicurazioni S.p.A. and a large number of counterparties, not necessarily belonging to the insurance group, including subsidiaries and associates, parent companies or the subsidiaries of a parent company and, more in general, the parties satisfying the definition of “related parties” pursuant to IAS 24.
- To ensure compliance with the principles of healthy, prudent management, avoiding transactions that might have a negative impact on the solvency of the business or that might cause prejudice to the interests of shareholders, the insured or others entitled to insurance benefits, and in consideration of the aforementioned laws and regulations, the Board of Directors of Vittoria Assicurazioni S.p.A. adopts the following Guidelines. The purpose of these Guidelines is to provide a single document containing the rules that govern the Company in significant, intercompany and related party transactions. Consequently, these Guidelines replace the “Guidelines for Significant Transactions and Related Party Transactions” approved by the Board of Directors on 29 April 2004, as amended on 22 March 2007.

GUIDELINES

1. SIGNIFICANT TRANSACTIONS

The powers delegated to executive directors establish specific limits.

More specifically, the following transactions are considered significant and therefore subject to the Board of Directors’ prior approval, unless they are investments for the benefit of life policyholders bearing investment risk and investments relating to pension fund management:

- purchase, exchange or sale of buildings for amounts exceeding €10 million;
- purchase or sale of shares in CIUs investing in equities, excluding closed-end funds, for amounts exceeding €15 million;
- purchase or sale of shares, convertible bonds, equity interests in companies and entities, and shares in closed-end funds for amounts exceeding €10 million, with this limits lowered to €5 million in the case of equity investments in insurance companies or in companies having a corporate purpose directly connected with or functional to insurance activities;
- purchase or sale of majority interests in other companies or entities, with the exception of those relating to the real estate companies, to which a €10 million limit applies;
- issuance of suretyships or endorsements to third parties, excluding those relating to lease contracts for premises functional to the company’s business activity.

When it becomes necessary for the Company to execute significant transactions, executive directors must provide the Board of Directors, reasonable advance in advance, with an overview summarising the performed analyses of strategic consistency, economic feasibility, and expected return for the company.

2. INTERCOMPANY AND RELATED PARTY TRANSACTIONS

2.1. Definition of intercompany or related party transaction (objective scope of application)

An intercompany or related party transactions is a transaction where the satisfaction of a contractual or other obligation through payment of a consideration or gratuitously in favour of the entity depends directly or indirectly on the counterparties envisaged hereunder at clause 2.2. "Subjective scope of application"

Pursuant to Article 4 of ISVAP Regulation no. 25, the following specific types of intercompany transactions are of importance:

- a) financing;
- b) guarantees, commitments and other transactions recognised in the memorandum accounts;
- c) the amounts that may be credited to the solvency margin;
- d) investments;
- e) reinsurance transactions;
- f) cost apportionment agreements;
- g) cash pooling agreements;
- h) investment pooling agreements.

Given that Vittoria Assicurazioni S.p.A. does not have other insurance companies have been identified pursuant to clause 2.2 hereunder, reinsurance transactions are not subject to these Guidelines.

2.2. Counterparties (subjective scope of application)

2.2.a Counterparties identified pursuant to Article 5 of ISVAP Regulation no. 25

Pursuant to the provisions of Article 5 of ISVAP Regulation no. 25, transactions carried out by Vittoria Assicurazioni with the following counterparties are of material interest:

(Article 5(1) ISVAP Regulation no. 25)

- a) the subsidiaries that are directly or indirectly controlled by Vittoria Assicurazioni;
- b) the associates (*) that are directly or indirectly owned by Vittoria Assicurazioni;
- c) the direct or indirect parent companies of Vittoria Assicurazioni;
- d) the shareholding entities (**) that have a direct or indirect stake in Vittoria Assicurazioni;
- e) the entities that are subject together with Vittoria Assicurazioni to the same management pursuant to Article 96 of the Private Insurance Code (Legislative Decree 209/2005);
- f) the subsidiaries of the parent companies of Vittoria Assicurazioni;
- g) the subsidiaries of a shareholding entity (**) that has a stake in Vittoria Assicurazioni;
- h) the subsidiaries of an entity subject to the same management as Vittoria Assicurazioni;
- i) the associates (*) of a parent company of Vittoria Assicurazioni;
- j) the natural person who controls or holds an equity interest in Vittoria Assicurazioni or in one of the entities listed at the preceding subindents.

(Article 5(2) ISVAP Regulation no. 25)

- a) the associates of a shareholding entity (**) that has a stake in Vittoria Assicurazioni;
- b) the associates of an entity subject to the same management as Vittoria Assicurazioni;

(Article 5(3) ISVAP Regulation no. 25)

- a) natural persons or legal entities that hold a significant equity investment (greater than 5%) in Vittoria Assicurazioni and that are not mentioned at the preceding subindents;



- b) that do not fall in the definition of related parties pursuant to IAS 24 and that are not mentioned at the preceding subindents.

(*) “associate”: the entity in which equity rights are directly or indirectly held and that establish a stable relationship with the shareholding entity or that permit exercising significant influence on the basis of specific clauses of contract. In any event, an associate is considered to be an entity in which at least 20% of the share capital or voting shares of the entity are held.

(**) “shareholding entity”: the entity that directly or indirectly holds rights in the share capital of another entity, which establish a stable relationship with the associate or that allow the exercise of a significant influence pursuant to specific clauses of contract. A shareholding entity is also an entity that is associated with another entity when they are subject to the same management or when the majority of the administrative, management and control bodies are composed of the same persons. In any event, an associate is considered to be an entity in which at least 20% of the share capital or voting shares of the entity are held.

2.2.b Related parties pursuant to IAS 24

Pursuant to IAS 24, a party is related to an entity if:

- a) directly, or indirectly through one or more intermediaries, the party:
 - (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - (ii) has an interest in the entity that gives it significant influence over the entity; or
 - (iii) has joint control over the entity;
- b) the party is an associate (as defined in IAS 28 Investments in Associates) of the entity;
- c) the party is a joint venture in which the entity is a venturer (see IAS 31 Interests in Joint Ventures);
- d) the party is a member of the key management personnel of the entity or its parent;
- e) the party is a close member of the family of any individual referred to in points (a) or (d);
- f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in points (d) or (e); or
- g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

In addition to the provisions of IAS 24, the Company Statutory Auditors are also considered related parties.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity. They may include:

- a) the individual's domestic partner and children;
- b) children of the individual's domestic partner; and
- c) dependents of the individual or the individual's domestic partner.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the contractually agreed sharing of control over an economic activity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statutory clauses, or agreements.

The following are not necessarily related parties:

- a) two entities simply because they have a director or other member of key management personnel in common, notwithstanding (d) and (f) in the definition of 'related party';
- b) two venturers simply because they share joint control over a joint venture;
- c)
 - (i) providers of finance;
 - (ii) trade unions;
 - (iii) public utilities, and
 - (iv) government's departments and agencies, simply by virtue of their normal business dealings with the entity (even although they may affect the freedom of action of an entity or participate in its decision-making process); and
- d) a customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, merely by virtue of the resulting economic dependence.

2.3. General principles

Intercompany and related party transactions are carried out exclusively on behalf of the Company and the Group and must be carried out in accordance with the principles of transparency and substantial fairness.

The Board in any case has the prerogative of approving intercompany and other related party transactions whose object, consideration, terms, conditions and timelines may affect the integrity of corporate assets or the completeness and fairness of information, including accounting information, concerning the Company.

All intercompany and related party transactions not executed on an arm's length basis, which are allowed only on an exceptional basis and which must be motivated by specific interests for the Company and the Group, are also subject to prior authorisation by the Board of Directors.

If a transaction must be submitted to the Board of Directors for prior authorisation in accordance with these Guidelines, the Board must be adequately informed about the nature of the relationship, the terms and conditions for executing the transaction, the terms and economic conditions for carrying it out, the adopted assessment process, the underlying interest and justifications and any risks for the entity and the Group.

Each Director who has a direct, potential or indirect interest in the transaction shall promptly give the Board full disclosure of that interest.

Any Statutory Auditor who, on his/her own account or that of third parties, has an interest in a given company transaction, promptly informs the other Statutory Auditors and the Chairman of the Board of Directors.

The Board of Directors may require that the transaction be concluded with the assistance of one or more independent experts who shall give an opinion on the economic conditions, the executory and technical terms and conditions, and the lawfulness of the transaction.

Intercompany and related party transactions that do not require prior authorisation by the Board of Directors shall be periodically presented to the Board of Directors by the directors with executive authority.

In their regular reporting to the Board, executive directors must provide information on the nature of the relationship, the terms and conditions for execution of the transaction, the timing and financial terms for its completion, the assessment process applied, the underlying interest and reasons, and any risks for the Company.

Underwriting transactions that, by virtue of their type, nature, capital or insured amounts, fall within the scope of ordinary operations do not have to be periodically reported to the Board of Directors.

A transaction is considered to be carried out on an arm's length basis when the consideration is adequately correlated to the good or service.

When determining the fairness of the consideration, reference shall be made to the following, when possible and according to the type of transaction:

- current price and/or rates for similar transactions;
- market practice;
- commercial practice;
- stock market quotations;
- recognised measurement principles.

Given the objective of IAS 24 to prevent the Company's capital and financial position and its operating results being altered by the existence of related parties and by transactions and balances with such parties, and in view of the specific activity of the Company, which offers services to the public on a large scale, it has been decided that related party transactions do not include transactions with counterparties who are natural persons or with companies outside the Group over which they have a significant influence, up to a limit of Euro 100,000 for each transaction and up to a maximum of Euro 500,000 for each financial year.

2.4. Limits on intercompany transactions

Without prejudice to the provisions of ISVAP Regulation no. 25 for the transactions subject to prior disclosure to ISVAP, limits are prescribed for the different types of intercompany and related party transactions.

The limits are imposed in regard to:

- individual transactions or several transactions related to each other by their common functional or programmatic purpose and executed over the course of 12 months with the same counterparty;
- overall operating limits for each type of intercompany transactions.

Instances where these limits are exceeded must be specifically approved by the Board of Directors, which shall authorise the transactions in accordance with the principles of healthy, prudent management. In particular, the Board of Directors authorisation must be granted on the basis of its assessment of the Company's and/or the Group's interest in the transaction, in previous transactions carried out with those counterparties, the entirety of intercompany exposures and any risks for the companies and the Group.

Specific attention shall be dedicated to the risk of contagion for transactions carried out with counterparties belonging to the Group. In transactions carried out with other counterparties, special attention must be focused on the possibility of conflicts of interest.

Underwriting transactions

A. With counterparties that are subsidiaries and associates of Vittoria Assicurazioni

A.1. Individual transactions

Insurance transactions that are executed at standard market rates and conditions with subsidiaries or associates of Vittoria Assicurazioni may be executed on the basis of delegations of authority granted pursuant to the Articles of Association, within the limit of Euro 1 million, except for the underwriting of risks in the Fire Insurance, Comprehensive Building and Suretyship Businesses, and for third party liability or commercial liability insurance coverage, for which the Euro 100 million retained risk limit applies.

Legally mandatory insurance (e.g. car liability insurance) is excluded from the aforementioned limits.

The amounts refer to the insured principal or amounts.

The Board of Directors shall make the final decision on amounts over those limits.



Underwriting transactions at market rates refer to those where the insurance premiums are equal to those currently applied to the Company's best customers, in policies written without the intermediation of brokers.

A.2. Aggregate operating limits

The maximum exposure for underwriting transactions with counterparties that are subsidiaries and associates of Vittoria Assicurazioni is set at Euro 50 million of retained risk. Underwriting transactions that exceed this limit must be authorised by the Board of Directors.

B. With other counterparties identified pursuant to clause 2.2. hereinabove.

B.1. Individual transactions

The limits indicated hereinabove are reduced by one half in the case of individual transactions as listed hereinabove that are carried out with other related parties.

B.2. Aggregate operating limits

The maximum exposure for underwriting transactions with other related parties is set at Euro 20 million of retained risk. Underwriting transactions that exceed this limit must be authorised by the Board of Directors.

Financing

A. With counterparties that are subsidiaries and associates of Vittoria Assicurazioni

A.1. Individual transactions

Loans may be granted to subsidiaries or associates of Vittoria Assicurazioni at market rates in accordance with the delegations of authority granted pursuant to the Articles of Association in transactions for a maximum of Euro 5 million. The Board of Directors shall decide on transactions that exceed this limit.

The Company may not obtain loans granted by its subsidiaries or associates.

Loans made at market rates means those granted at the rates currently applied by the market in transactions for similar amounts and durations.

A.2. Aggregate operating limits

The maximum exposure for loan transactions with counterparties that are subsidiaries and associates of Vittoria Assicurazioni is set at Euro 20 million. Transactions that exceed this limit must be authorised by the Board of Directors.

B. With other counterparties identified pursuant to clause 2.2. hereinabove.

B.1. Individual transactions

Loans may be granted to other related parties at market rates in accordance with the delegations of authority granted pursuant to the Articles of Association in transactions for a maximum of Euro 0.5 million. The Board of Directors shall decide on transactions that exceed this limit.

Loans made at market rates means those granted at the rates currently applied by the market in transactions for similar amounts, durations and credit risk.

The Company may not receive loans granted by other related parties, although other related parties by subscribe to and acquire bonds issued by the Company to the public.

B.2. Aggregate operating limits

The maximum exposure for loan transactions with other related parties is set at Euro 2 million. Loan transactions that exceed this limit must be authorised by the Board of Directors.

Suretyships and guarantees

All transactions involving suretyships or guarantees with all the counterparties listed at clause 2.2. hereinabove and granted outside the operations of the Suretyship Business are subject to approval by the Board of Directors.

Amounts that may be credited to the solvency margin

If it is necessary to shore up its capital, the Company may receive amounts from its subsidiaries or associates that may be credited to its solvency margin, such as recapitalisation or settlement of losses. These transactions must be approved by the delegated corporate bodies as prescribed by law.

Investments

A. With counterparties that are subsidiaries and associates of Vittoria Assicurazioni

A.1. Individual transactions

Arm's length transactions involving investments made with subsidiaries or associates of Vittoria Assicurazioni may be carried out pursuant to the delegations of authority granted in accordance with the Articles of Association and within the following limits:

- equity investments in insurance companies or in entities whose purpose is instrumental to or directly connected with the insurance business: up to Euro 5 million;
- controlling equity stakes in real estate companies: up to Euro 10 million;
- bonds not traded on liquid, active and regulated markets: up to Euro 10 million;
- non-controlling equity interests that are not traded on liquid, active and regulated markets: over Euro 10 million.

The Board of Directors must decide on transactions exceeding these amounts, and also on the acquisition of controlling interests in other companies.

Transactions that are carried out on an arm's length basis mean those executed on the basis of stock market quotations or, in the case of unlisted financial instruments, according to currently recognised valuation methods or valuations made by qualified independent professionals.

A.2. Aggregate operating limits

The maximum limit for investments with counterparties that are subsidiaries and associates of Vittoria Assicurazioni is set at Euro 50 million. Transactions that exceed this limit must be authorised by the Board of Directors.

B. With other counterparties identified pursuant to clause 2.2. hereinabove.

B.1. Individual transactions

When the transactions listed hereinabove are carried out with other related parties, the aforementioned limits are reduced to Euro 1.5 million per transaction.

The Board of Directors must decide on transactions exceeding these amounts, and also on the acquisition of controlling interests in other companies.

B.2. Aggregate operating limits

The aggregate limit on investments with other related parties is set at Euro 10 million. The Board of Directors must grant its authorisation if said limit is to be exceeded.

Property

A. With counterparties that are subsidiaries and associates of Vittoria Assicurazioni

A.1. Individual transactions

Arm's length transactions involving the purchase and sale of real estate with subsidiaries or associates of Vittoria Assicurazioni may be carried out pursuant to the delegations of authority granted in accordance with the Articles of Association and within the limit of Euro 10 million:

The Board of Directors shall make the final decision on transactions exceeding these limits.

Arm's length transactions involving the lease of real estate with subsidiaries or associates of Vittoria Assicurazioni may be carried out pursuant to the delegations of authority granted in accordance with the Articles of Association and within the limit of Euro 0.5 million in annual rent.

The Board of Directors shall make the final decision on transactions exceeding these limits.

Arm's length transactions mean those executed on the basis of current prices resulting from appraisals made by qualified independent professionals.



A.2. Aggregate operating limits

The aggregate limit for real estate purchase and sale transactions with counterparties that are subsidiaries and associates of Vittoria Assicurazioni is set at Euro 50 million annually. Transactions that exceed this limit must be authorised by the Board of Directors.

The aggregate limit for property lease transactions with counterparties that are subsidiaries and associates of Vittoria Assicurazioni is set at Euro 2 million annually. Transactions that exceed this limit must be authorised by the Board of Directors.

B. With other counterparties identified pursuant to clause 2.2. hereinabove.

B.1. Individual transactions

Arm's length transactions for the purchase and sale of real estate with other related parties may be carried out on the basis of the delegations of authority granted pursuant to the Articles of Association and within the limit of Euro 1.5 million.

The Board of Directors shall make the final decision on transactions exceeding these limits.

Arm's length transactions for the lease of real estate with other related parties may be carried out on the basis of the delegations of authority granted pursuant to the Articles of Association and within the limit of Euro 0.5 million in annual rent.

The Board of Directors shall make the final decision on transactions exceeding these limits.

B.2. Aggregate operating limits

The aggregate limit on transactions for the purchase and sale of real estate with other related parties is set at Euro 5 million annually. The Board of Directors must grant its authorisation if said limit is to be exceeded.

The aggregate limit on transactions for the lease of real estate with other related parties is set at Euro 2 million annually. The Board of Directors must grant its authorisation if said limit is to be exceeded.

Purchase of other goods and services

A. With counterparties that are subsidiaries and associates of Vittoria Assicurazioni

A.1. Individual transactions

Arm's length transactions involving the purchase of other goods and services not mentioned hereinabove with subsidiaries or associates of Vittoria Assicurazioni may be carried out pursuant to the delegations of authority granted in accordance with the Articles of Association and within the limit of Euro 2 million.

The Board of Directors shall make the final decision on transactions exceeding these limits.

A.2. Aggregate operating limits

The aggregate limit on the purchase of goods and services with counterparties that are subsidiaries and associates of Vittoria Assicurazioni is set at Euro 10 million annually. Transactions that exceed this limit must be authorised by the Board of Directors.

B. With other counterparties identified pursuant to clause 2.2. hereinabove.

B.1. Individual transactions

Arm's length transactions for the purchase of other goods and services with other related parties may be carried out on the basis of the delegations of authority granted pursuant to the Articles of Association and within the limit of Euro 0.5 million.

The Board of Directors shall make the final decision on transactions exceeding these limits.

B.2. Aggregate operating limits

The aggregate limit on transactions for purchase of goods and services with other related parties is set at Euro 1 million annually. The Board of Directors must grant its authorisation if said limit is to be exceeded.



Agreements for apportionment of costs with entities belonging to the Insurance Group

The parent company's activities on behalf of subsidiaries belonging to the Vittoria Assicurazioni Insurance Group are billed to these entities at the average carrying cost of the human resources used.

Cash pooling agreements with entities belonging to the Insurance Group

Any cash pooling agreements with Group entities must be submitted for approval to the Board of Directors after the Finance Committee has issued its favourable opinion.

Investment pooling agreements with entities belonging to the Insurance Group

Any cash pooling agreements with Group entities must be submitted for approval to the Board of Directors after the Finance Committee has issued its favourable opinion.

2.5. Application of the guidelines to Group entities

If a Vittoria Assicurazioni Group entity wishes to execute one of the transactions listed hereinabove with one of the counterparties identified in accordance with clause 2.2. hereinabove, the entity must give advance to the Managing Director of the parent company so that the parent company may issue its compliance opinion.

2.6. Public disclosure

The intercompany and related party transactions carried out by Vittoria Assicurazioni that have been concluded or are pending shall be disclosed to the public with complete, transparent illustration in the explanatory notes to the annual report and consolidated financial statements, and in the comments of the midyear interim report.

In the case of unusual transactions or transactions not carried out on an arm's length basis, the disclosure must contain all useful information for providing the public with a clear description of the purposes and operating and management procedures for intercompany transactions. Specifically, it must cover:

- the interest of the Company and/or the Group
- previous transactions carried out with the same counterparties
- object
- consideration
- terms and conditions of execution
- any risks to the Company and/or the Group

Pursuant to Article 71-bis of the Issuers Regulation approved with Consob Regulation no. 11971, transactions with related parties, which are also concluded through subsidiaries, whose object, consideration, terms, conditions and execution timeline may impact the integrity of corporate assets or the completeness and fairness of accounting and other information regarding the Company shall be disclosed to the public either in the form of a press release or publication of the disclosure document envisaged in Article 71-bis of the Issuers Regulation.

2.7. Internal control

Pursuant to Article 8 of ISVAP Regulation no. 25, the company shall establish adequate risk management and internal control mechanisms, including adequate accounting and reporting procedures so that intercompany transactions and compliance with these Guidelines may be audited, quantified, monitored and controlled.

Acting through the Internal Control Committee, the Board of Directors shall audit compliance by the Company with the obligations imposed by ISVAP Regulation no. 25 in regard to prior or subsequent disclosures to the Supervisory Authority.



APPENDIX 6

PROCEDURE CONCERNING TRANSACTIONS IN THE ISSUER'S SECURITIES EXECUTED BY RELEVANT PERSONS

1. The purpose of this procedure is to implement the dictates of Article 114, paragraph 7, of Italian Legislative decree no. 58 of 24 February 1998 and the articles from Article 152/6 to 152/8 of CONSOB (Italian securities & exchange commission) Regulation no. 11971 of 14 May 1999. 11971.
2. For the purpose of this procedure, "relevant persons" are defined as being:
 - a) Members of the Board of Directors and of control bodies;
 - b) Persons who perform top management functions and managers [persons with the Italian contractual grade of "dirigente"] who have regular access to privileged information and have the power to make management decisions that could have an impact on the development and future prospects of Vittoria Assicurazioni SpA;
 - c) Parties owning an equity interest of at least 10% in Vittoria Assicurazioni SpA and any other party controlling it;
 - d) Members of the Board of Directors and of control bodies, persons performing top management functions, and managers [persons with the Italian contractual grade of "dirigente"] who have regular access to privileged information and have the power to make management decisions that could have an impact on the development and future prospects of a subsidiary, if the carrying value of the investment in the subsidiary exceeds 50% of Vittoria Assicurazioni SpA's balance sheet assets, as shown in the latest set of year-end accounts approved by shareholders.

With specific reference to Vittoria Assicurazioni SpA, relevant persons are, as regards point a), directors and standing statutory auditors and, as regards point b), General Managers and members of the General Management (i.e. top management) unit.

Persons "closely related" to relevant persons are defined as being:

- i. Spouses not legally separated, dependent children, including those of the spouse, and, if they have cohabited for at least a year, the parents, relatives and in-laws of the relevant persons;
 - ii. Legal entities, partnerships and trusts in which a relevant person or one of the parties indicated in point a) above holds the management function, individually or jointly with such parties;
 - iii. Legal entities, directly or indirectly controlled by a relevant person or one of the parties indicated in point a) above;
 - iv. Partnerships whose financial interests are substantially equivalent to those of a relevant person or of one of the parties indicated in point a) above;
 - v. Trusts set up for the benefit of a relevant person or of one of the parties indicated in point a) above.
3. Purchase, sale, subscription and exchange transactions involving shares or financial instruments related to the shares, performed by relevant persons or closely related persons, either on their own behalf or for any reason whatsoever, must be notified simultaneously to the CONSOB and Vittoria Assicurazioni SpA.
 4. For the purposes of point 3, "financial instruments related to the shares" mean:
 - a) Financial instruments enabling their bearers to subscribe, purchase or sell the shares;
 - b) Debt instruments convertible into or exchangeable with the shares;
 - c) Financial derivatives on the shares as indicated in Article 1, paragraph 3, of the Italian Consolidated Finance Act;
 - d) The other financial instruments, equivalent to shares, representing such shares;



- e) Listed shares issued by subsidiaries and the financial instruments in letters a) and d) related to such shares;
- f) Unlisted shares issued by subsidiaries, when the carrying value of the investment in the subsidiary exceeds 50% of Vittoria Assicurazioni SpA's balance sheet assets, as shown in the latest approved financial statements, and the financial instruments indicated in letters a) and d) related to such shares.

5. The following transactions are not taken into account:

- a) Transactions totalling less than € 5,000 at year-end. In the case of financial derivatives, the amount is calculated on the basis of the underlying shares;
- b) Transactions completed between the relevant party and closely related persons;
- c) Transactions carried out by Vittoria Assicurazioni SpA and by its subsidiaries.

The amount indicated in letter a) is calculated by summing the transactions, concerning the shares and the financial instruments related to such shares, completed on behalf of each relevant person and those completed on behalf of persons closely related to relevant persons.

- 6. It is forbidden for relevant persons, as defined in points 2a, 2b, and 2d, to execute – either directly or via interposed persons – transactions in the financial instruments as indicated in point 3 during the 15 days preceding Board meetings called to approve year-end and interim financial statements. The restriction is not applied in the case of exceptional circumstances of subjective need, adequately justified by the person concerned to the company.
- 7. Each relevant person indicated in points 2a), 2b) and 2d) notifies the transactions, as defined in point 3 above, to the CONSOB and Vittoria Assicurazioni SpA within five trading days after the day when they were carried out.
- 8. Each relevant person indicated in point 2c) notifies the CONSOB and discloses information by the end of the fifteenth day of the month following the one when the transaction was executed.
- 9. Notifications to the CONSOB and disclosures to the public as per points 6 and 7 can be carried out by Vittoria Assicurazioni SpA on behalf of all relevant persons.

In such cases, in order to enable Vittoria Assicurazioni SpA to perform the necessary formalities in a timely manner:

- Relevant persons indicated in points 2a), 2b) and 2d) are under obligation to notify Vittoria Assicurazioni SpA, as per point 3, by the end of and not later than the second day after that when the transaction was carried out;
- Relevant persons indicated in point 2c) are under obligation to notify Vittoria Assicurazioni SpA by the end of and not later than the tenth day of the month following the month when the transaction was carried out.

- 10. In the cases envisaged by points 6 and 8 the Legal & Corporate Affairs Department will be the function responsible for receiving, managing and disclosing the transactions notified by relevant persons.
- 11. (Omitted – Internal company operations)
- 12. Notifications to the CONSOB can be sent, alternatively, by:
 - Fax, to the number (+39) 06.84.77.612;
 - e-mail, to the address INTERNALDEALING@CONSOB.IT.

Notifications sent to the CONSOB by Vittoria Assicurazioni SpA can also be performed via the Milan Bourse's "NIS" notification and disclosure circuit.

- 13. All notifications contemplated by this Procedure must be performed using the filing model indicated in Attachment 6 of CONSOB resolution no. 11971 of 14 May 1999. 11971.
- 14. (Omitted – Internal company operations)

If relevant persons deviate from the conduct established by the present Procedure and current regulations, the CONSOB will impose the administrative sanctions dictated by such regulations.