

Vittoria Assicurazioni

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

Report on corporate governance and ownership structures FY 2012

pursuant to Article 123–*bis* Italian Financial Act

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

www.vittoriaassicurazioni.com

[FY 2012 Report](#)

Approved by the Board of Directors on 8 March 2013



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 2012.

Consob Issuers Regulation:

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

Consob Markets Regulation:

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

Consob Related Party Regulation:

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

Report:

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

TUF:

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

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1. PROFILE OF VITTORIA ASSICURAZIONI

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

The company operates in all insurance business segments with a nationwide network of 370 general agencies and 630 sub-agencies. Vittoria Assicurazioni focuses primarily on addressing the insurance needs of families and SMEs, with a particular focus on innovative solutions and quality service.

Vittoria Assicurazioni is the parent company namesake Insurance Group, registered as No. 008 Register of Insurance Groups held by IVASS, Institute for the Supervision of Insurance. The Group consists of 20 companies with activities related and supporting the insurance business. Vittoria Assicurazioni also operates in real estate and services, through its own subsidiaries and specialised partners in both sectors.

The Vittoria Assicurazioni SpA management and control system is based on the traditional format, with the Board of Directors playing the key role.

The Vittoria Assicurazioni Spa has, since 2004, a Code of Ethics which makes explicit the ethical values and responsibilities that have always characterized the relationships between the Company and employees on the one hand and, secondly, between the Company, Network Agency and Customers.

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

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

At 31 December 2012, the share capital of Vittoria Assicurazioni SpA totalled Euro 67,378,924, divided into 67,378,924 ordinary shares with a par value of Euro 1.00 each.

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

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

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

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

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

As of December 31, 2012, the shareholdings in the capital, direct and indirect holding of more than 2%, according to the communications received pursuant to art. 120 of the TUF, from the Register of Shareholders and other information received, are:

Declarer	Direct shareholder	% share of ordinary capital	% share of voting capital
Carlo Acutis	Vittoria Capital NV	51.15 %	51.15 %
	Yafa Holding BV	6.23 %	6.23 %
Francesco Baggi Sisini	Arbus Srl	5.71 %	5.71 %
Serfis SpA	Serfis SpA	4.00 %	4.00 %
Norges Bank	Norges Bank	2.00 %	2.00 %

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

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

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

No Employee shareholding scheme have been approved.

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

There are no restrictions on voting rights.

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

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

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

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

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

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

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

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

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

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

l) Rules for the appointment and replacement of directors and amendments to the articles of association (pursuant to article 123-bis (1)(l) of the TUF)

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

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

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

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

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

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

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

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

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

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

The Corporate Governance Code is available in the 'Rules' section of the website at www.borsaitaliana.it.

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

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

4. BOARD OF DIRECTORS

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

The appointment and replacement of directors is regulated by article 10 of the articles of association. During 2012, the Board of Directors has provided for the adjustment of the By-laws in order to ensure the presence of the less represented gender in the administration and control Bodies of the company, in compliance with the rules concerning the balance between genders introduced in the TUF by Law July 12, 2011, n. 120 and with the subsequent update of the Issuer Regulations as per Consob Resolution no. 18098 of 8 February 2012.

As permitted by the above regulations, on the occasion of the first renewal of the Corporate Bodies following the entry into force of this discipline (on the agenda of the meeting called for April 19, 2013), the minimum quota reserved for the less represented gender is equal to one fifth of the directors, while in regime will be equal to one third.

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

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

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

The Board of Directors is appointed on the basis of lists submitted by shareholders according to the procedures specified below, on which candidates are listed in numerical order.

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

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

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

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

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

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

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

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

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

If, in addition, with the candidates elected in the manner described above is not assured the composition of the Board of Directors in accordance with the discipline currently in force inherent the balance between genders, the candidate of the generally more represented elected last in progressive order in the list which has reported the highest number of votes shall be replaced by the first candidate of the less represented gender not elected in the same list in progressive order.

This procedure of replacement shall be effected until it is assured the composition of the Board of Directors in accordance with the regulations currently in force concerning the balance between genders.

If this procedure does not produce the latter result, the replacement comes about a resolution passed from the General Meeting a relative majority, upon presentation of candidates belonging to the less represented gender.

In the event that one list is submitted or if no list is submitted, the general meeting decides with the majorities required by law, without following the above procedure, firm the respect of the discipline currently in force concerning the balance between genders.

If a single list is submitted, or if no lists are presented, the General Meeting resolves by legal majority, without following the procedure described above.

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

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

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

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

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

Prerequisite of professionalism

The directors of an insurance company must be selected according to criteria of professionalism and competence from among individuals who have accrued overall experience of at least three years (five for the Chairman of a Board of Directors, members of the executive committee and managing directors) through the exercise of one or more of the following activities:

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

Obstructions

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

- a) individuals who held the office of director, general manager, auditor or receiver in companies admitted to receivership, bankruptcy and extraordinary administration or similar types of procedures, in the three years prior to adoption of the related orders. The ban remains in place for a period of three years, starting from the date the orders are adopted. This ban is reduced to one year if the order to initiate the procedure was given on the request of the business owner, the boards of directors or as a result of a report made by individual concerned. The ban shall not apply if the competent company body decides, based on sufficient information and according criteria of plausibility and proportionality, that the candidate was not involved in the facts or actions that led to the financial crisis in the company;
- b) individuals who have been removed from the single national register of exchange agents, set forth by article 201, section 15, of the Legislative decree no. 58 of 24 February 1998, and exchange agents who have been excluded from trading on a regulated market. The ban remains in place for a period of three years, starting from the date the orders are adopted. This ban is reduced to one year if the order was adopted by request of the exchange agent.

Prerequisite of integrity

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

- a) state of interdiction or temporary interdiction from holding executive offices of the legal persons and enterprises and, in any event, all the situations set forth by article 2382 of the Civil Code;
- b) state of being submitted to preventative measures ordered by the courts, in accordance with Law 1423 of 27 December 1956 or Law 575 of 31 May 1965, or Law 646 of 13 September 1982, as amended, save for any effects of rehabilitation;
- c) final criminal conviction, save for any effects of rehabilitation:

- 1) with incarceration for one of the crimes set forth by the special legislation that regulates the insurance, financial, credit, securities, and securities markets sectors as well as by Legislative decree 231 of 21 November 2007, as amended;
- 2) incarceration for one of the crimes set forth under Title XI of Book V of the Civil Code and the Royal Decree 267 of 16 March 1942;
- 3) incarceration for a period of time not less than one year for crimes against the public administration, against the public faith, against public funds, against the public order, against public economy or for a tax related crime;
- 4) incarceration for a period of time not less than two years for any crime with malicious intent.

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

While the new regulation is essentially identical to the matters set forth previously as regards the prerequisites of integrity and professionalism, the aforementioned Ministerial Decree no. 220 of 11 November 2011 has introduced the new prerequisites of independence. The administration, management and control function in an insurance or reinsurance company is not considered compatible with providing a similar function, with maintaining employment relationships, continuous consulting or paid service or any other wealth related relationship at other insurance or reinsurance companies, their subsidiaries or parent companies.

Prohibition of "interlocking"

Following the entry into force of Article 36 of Law 22 December 2011 n. 214, members of management, supervisory and control bodies as well as the top managers of companies or groups of companies operating in the credit, insurance and financial markets can not assume or exercise similar positions in companies or groups of competitors.

Succession plans

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

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

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

At year end 2012, the Board of Directors was composed of the following 15 members:

- Giorgio Roberto COSTA	Chairman
- Andrea ACUTIS	Executive Deputy Chairman
- Carlo ACUTIS	Executive Deputy Chairman
- Roberto GUARENA	Managing Director
- Adriana ACUTIS BISCARETTI di RUFFIA	Non-executive Director
- Francesco BAGGI SISINI	Independent Director
- Luciano GOBBI	Independent Director
- Fulvia FERRAGAMO VISCONTI	Independent Director
- Bernd GIERL	Independent Director
- Arnaud HELLOUIN de MENIBUS	Non-executive Director (resigned with effect from 31.12.2012)
- Pietro Carlo MARSANI	Independent Director
- Giorgio MARSIAJ	Independent Director
- Lodovico PASSERIN d'ENTRÈVES	Independent Director
- Luca PAVERI FONTANA	Non-executive Director
- Robert RICCI	Independent Director
- Giuseppe SPADAFORA	Independent Director

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

The expiry of of the Board of Directors is established on the date of approval of the financial statements at 31 December 2012, called for April 19, 2013. There are not different expiry dates of the directors.

During the year 2012, there were the following changes in the composition of the Board of Directors:

- Mr. Bernd Gierl was co-opted to the Board of Directors on 16 February 2012, following the resignation of Mr. Massimo Antonarelli in November 2011. Mr. Gierl was confirmed in office by the Shareholders' Meeting on April 20, 2012;
- In accordance with the provisions of art. 36 of Law 22 December 2012 n. 214, which introduced the non-overlapping of the positions in the areas of insurance, banking and finance (prohibition of interlocking) Mr. Robert Ricci and Mr. Luciano Gobbi, respectively on 23 April 2012 and 11 May 2012, resigned from the post of Director of the company, found to be incompatible with other positions held;
- Mrs Fulvia Visconti Ferragamo was co-opted as a Director of the company on August 2, 2012;
- Mr. Arnaud de Menibus Hellouin has resigned as Director with effect from 31 December 2012, due to increasing professional commitments.

The Board of Directors will expire on the date of approval of the financial statements at December 31, 2012.

The appointment of the Board of Directors in charge was carried out by the General Meeting of Shareholders held on April 23, 2010.

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

- List 1 was submitted by Vittoria Capital NV, which holds 34,464,400 shares representing 52.39% of the share capital, with the following 15 candidates: Giorgio Roberto COSTA – Andrea ACUTIS – Carlo ACUTIS – Roberto GUARENA – Adriana ACUTIS BISCARETTI DI RUFFIA – Francesco BAGGI SISINI – Marco BRIGNONE – Arnaud HELLOUIN de MENIBUS – Luciano GOBBI – Pietro Carlo MARSANI – Giorgio MARSIAJ – Edgar MÜLLER-GOTTHARD – Lodovico PASSERIN d'ENTREVES – Luca PAVERI FONTANA – Giuseppe SPADAFORA.
- List 2 was jointly submitted by the shareholder BNP Paribas, which holds 1,200,000 ordinary shares representing 1.82% of the share capital, and the shareholder Ersel Asset Management SGR SpA, in its capacity as manager of the Fondersel and Fondersel PMI funds, which holds 493,561 ordinary shares representing 0.75% of the share capital, for a total of 1,693,561 shares equal to 2.57%, with the following single candidate: Robert RICCI.

At the time of voting for the appointment, those who took part represented, on their own behalf or by proxy, 41,228,296 ordinary shares from 65,788,948 in issue, representing 62.668% of the share capital.

List 1 obtained 38,814,841 votes, representing 94.15% of the voting capital.

List 2 obtained 2,381,561 votes, representing 5.78 % of the voting capital.

Shareholders owning 16,919 shares in total (0.004% of the voting capital) voted against the proposals, and shareholders owning 14,975 shares in total (0.004% of the voting capital) abstained.

Personal and professional characteristics of directors.

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

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

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

Formerly General Manager at Merrill Lynch SpA, Senior Vice-President of Merrill Lynch International, member of the Board of Directors responsible for creating the capital markets and investment banking units of Lehman Brothers SpA in Milan, Chairman of Milano Centrale Mutui SpA, Milano Centrale Leasing SpA and Caboto Gestioni SIM SpA and Vice Chairman of Caboto Holding SIM SpA and Caboto International Lugano. Also served as a Board member at the following companies: Finanza e Futuro SpA, Lasa SpA, Banca Brignone SpA, Sicav Sailor e Società di Consulenza, Milano Centrale Immobiliare SpA, Milano Centrale Servizi Immobiliari SpA, Caboto SIM SpA, Caboto Securities Limited, Uno Erre SpA, Intesa Asset Management SpA, E.LAB SpA, Pirelli Real Estate Credit Services SpA, GIM SpA, Avvenire SGR SpA and Vittoria Capital NV. Also served as a member of the Executive Committee at Intesa Asset Management SpA.

Currently a member of the Board at Vittoria Immobiliare SpA and at Eagle & Wise Service SpA.

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

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

Graduated in economic sciences from the University of Geneva and worked as corporate finance executive at Lazard Brothers & C. Ltd. in London. Currently holds various positions in

the Boards of Directors of the companies in the Vittoria Assicurazioni Group and is Director of Yafa SpA and Yarpa SpA.

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

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

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

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

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

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

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

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

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

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

Francesco BAGGI SISINI, born in Sassari on 10 September 1949

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

Currently Chairman of Icaria Srl and Arbus Srl, Sole Director of Bresi SpA and Martis Srl, a member of the Board of Oxa Srl, and a member of the Supervisory Board of Yam Invest NV.

Marco BRIGNONE, born in Turin on 12 October 1938

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

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

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

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

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

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

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

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

Pietro Carlo MARSANI, born in Pavia on 29 September 1936

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

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

Giorgio MARSIAJ, born in Turin on 17 May 1947

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

Currently Chairman of TRW Automotive Italia SpA, TRW Automotive Holding Italia Srl, Olympic Real Estate SpA, Olyfen Properties Srl and Sabelt SpA, Chairman and Managing Director of Immobiliare Valsusa Srl and Moncanino SpA, Vice Chairman and Managing Director of M. Marsiaj & C. Srl, member of the Board and member of the Executive Committee of Fenera Holding Italia SpA. Also a member of the Board of Directors of Marsiaj Srl, Torre Elah Srl, Brembo Performance SpA and Production Group and the executive boards of Anfia, Amma, Unione Industriale and various cultural and charitable associations. Also serves on the Unicredit Regional Committee.

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

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

A law graduate, formerly Head of External Relations at the Toro Group. Subsequently served as head of the External Relations and Communications department at the Fiat Group and as Executive Assistant to the Chairman of Fiat SpA. Also served as Chairman of the External Relations Committee of the insurers' association *Associazione Nazionale fra le Imprese Assicuratrici* and as a member of the Board of Isvor Fiat. Currently Senior Advisor of Fiat SpA, Chairman of Publikompass SpA and member of the Board of Editrice La Stampa SpA. Also a member of the Superior Board of Bank of Italy and President of the Regency Council of the Banca d'Italia of Turin. Chairman of the Scientific Committee of the Courmayeur Foundation and Chairman of the Council for the enhancement of cultural and artistic heritage of Turin.

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

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

Graduated in law from the University of Turin. Formerly Managing Director of the SKF Group and Unicem SpA, Co-General Manager and Director of IFIL SpA, Vice Chairman of Worms & Co. (Paris) and St. Louis Sucre (Paris), member of the Board of Directors and member of the Strategic Committee of Telecom Italia SpA, member of the Board of AWA Plc (London), Soporcel SA (Lisbon), Permal Group (Paris) and Banque Demachy (Paris) and Chairman and Managing Director of Arjo Wiggins Appleton Plc (London). Currently Vice Chairman of Yarpa

SpA and Yarpa Investimenti SGR, member of the Supervisory Board of Yam Invest NV, member of the Board of Yafa SpA and Vittoria Immobiliare SpA and Chairman of YLF SpA.

Giuseppe SPADAFORA, born in Palermo on 7 September 1954

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

Graduated in economics and business from the University of Palermo, obtained an MSc in Economics from the London School of Economics. Formerly General Manager of Banco di Sicilia and General Manager Italy for the BNP Paribas Group, Managing Director and General Manager of Cassa Lombarda SpA. Currently Vice Chairman of Cassa Lombarda SpA and of Anthilia SpA.

Directors who ceased to hold office during the year 2012

As mentioned above, during 2012, following the entry into force of article 36 of Law 22 December 2012 n. 214 concerning the prohibition of interlocking for managers of companies or groups of companies operating in the credit, insurance and financial markets, Mr. Robert Ricci and Mr. Luciano Gobbi have resigned from the post of Director of Vittoria Assicurazioni Messrs.

In addition, Mr. Arnaud de Menibus Hellouin, due to increased professional commitments, has resigned from the post of Director of the company with effect from 31 December 2012.

Because in office for part or all of the year to which it refers this Report, we report below a brief profile of the personal and professional characteristics of the directors who resigned from office.

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

On the Board of Directors of Vittoria Assicurazioni SpA from 30 April 1999 to 31 December 2012.

Graduated from the Institute of Political Studies in Paris. Formerly Director of the real estate division of the Paribas Group, Chairman and General Manager of Compagnie Foncière, Vice Chairman of Gipec and Epargne Associations SICAV and member of the Board of Régie Immobilière de la Ville de Paris (RIVP), Gérer, Paribas Epargne, Ségécé, Cardif, Klépierre, Sinvim and Union Immobilière de France (UIF). Currently Chairman and Managing Director of Yam Invest NV, Chairman of Yareal International NV, Assets and Equity SAS, Time Investors SAS and Helse, Chairman of the Supervisory Board of Time Equity Parters SAS, member of the Supervisory Board of Aliuta and member of the Board of Vittoria Immobiliare SpA and Yareal BV.

Luciano GOBBI, born in Piacenza on 20 February 1953

On the Board of Directors of Vittoria Assicurazioni SpA from 23 April 2010 to 11 May 2012.

Graduated in nuclear engineering from Milan Polytechnic, obtained an SDA Bocconi MBA in Milan and graduated in architecture from Milan Polytechnic.

Formerly Managing Director of Pirelli International Ltd, Director of Telecom Italia SpA, Olimpia SpA, Pirelli Tyre SpA, Pirelli UK Ltd and The Fleming European Fledgling Investment Trust PLC. Has served at various times as Director of Corporate Finance, Financial Director and General Financial Director of Pirelli & C. and as a Credit Analyst and Senior Banker at the London, Rome and Milan offices of Chase Manhattan Bank.

At the end of financial year 2011, was serving as Director of the Banca di Piacenza and Effe 2005 Gruppo Feltrinelli SpA.

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

On the Board of Directors of Vittoria Assicurazioni SpA from 27 April 2007 to 24 April 2012.

Graduated 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 SpA, Chairman of Gamba Azioni & Co. SIM SpA and Sergafactoring SpA, Director of Arval SpA, member of the Executive Board of AIBE (*Association of Foreign Banks in Italy*) and member of the Board of ABI (*Italian Banking*

Association). Currently a member of the Board of Cardif Assicurazioni SpA and Vittoria Immobiliare SpA.

Maximum number of positions at other companies

On 2007, the Board of Directors, adopting the Code of Conduct, has set in 12 offices (including 6 listed companies), the maximum limit of positions to be filled in other companies, compatible with effective performance of a director of the company. For the evaluation, the following criteria were established:

- positions at listed companies and at financial companies, banks, insurance or large companies are taken into account;
- financial companies are defined as entities that may offer financial services to the public; holding companies are therefore excluded, provided that they are not listed;
- large companies are defined as generating more than Euro 100 million in revenues;
- if a position at a parent company is taken into account, any positions held at the latter's subsidiaries are not taken into account.

The current composition of the Council complies with these criteria. See the table under Appendix 1 of this Report for the number of relevant positions held on the basis of these criteria.

The compliance with these limits has been verified at the meeting of the Board of Directors held at the conclusion of the Ordinary General Meeting of the April 23, 2011, which appointed the directors expiring; the Board of Directors conducts an annual survey of the management and control positions held by individual directors in the types of company described above and publishes its results in the Report on Corporate Governance and Ownership Structure.

Since the Board of Directors will expire at the General Meeting approving the financial statements at December 31, 2012, in occasion of the next nomination the general criteria for the evaluation of the maximum number of positions as director or statutory auditor in other companies, which can be considered compatible with the effective performance of the role of director of the Company, will be subject to adjustment in the light of the above new provisions of Law 22 December 2011, n. 214 which introduced the so-called "prohibition of interlocking."

Induction Programme

During previous years the useful insights to the directors to raise knowledge of the reality and dynamics of the Company, were developed during the meetings of the Board of Directors.

In November 2012, the Board of Directors has determined that, starting from 2013, special initiatives will be organized aimed at providing insights on specific issues pertaining to the sector in which the company operates, on dynamics and their evolution and on the regulatory framework of reference. These initiatives will be implemented in practice during the year 2013.

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

Under Article 14 of the Articles of Association, the Board of Directors is vested with full and unlimited powers for ordinary and extraordinary management of the Company and with all necessary and appropriate powers for the implementation and achievement of the corporate purposes that are not expressly reserved to the Ordinary General Meeting.

Meetings of the Board of Directors

In financial year 2012, the Board of Directors held six meetings with an average duration of approximately 2 hours.

Average meeting attendance by the Directors was 90%. Detailed attendance figures for individual Directors can be found in the table in Appendix 1 of this Report.

Six meetings of the Board of Directors are scheduled in the corporate events calendar for FY 2013, on the following dates:

- 20 February (disclosure about premiums for FY 2012)
- 8 March (approval of the draft 2012 annual report)
- 19 April (corporate offices and vesting of powers)
- 9 May (approval of the 2013 first-quarter report)
- 31 July (approval of the 2013 half-year report)
- 12 November (approval of the 2013 third-quarter report)

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

In 2012, the Company set up a confidential Web portal to manage the meetings of the Board of Directors and of the Committees, in order to provide timely and complete pre-meeting information.

The portal is configured to maximise the security and confidentiality of the documents submitted to the attention of meeting participants. Access to the portal is personalised and enables only meeting participants to view the documents.

According to long-established practice, documents pertaining to agenda items are usually made available 3 days before the meeting; this time interval is generally deemed sufficient to enable the Directors and Statutory Auditors to make informed decisions and correctly to evaluate matters submitted to them for review.

The three-day interval is normally adhered to.

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.

As explained in the following paragraphs, the Committees established within the Board of Directors (Appointments & Remuneration Committee, Internal Control Committee, Finance Committee, Real Estate Committee, Committee for the Evaluation of Transactions with Related Parties) serve an essential function for the activity of the Board itself.

They are responsible for carrying out preliminary information gathering and analysis on certain issues to be resolved by the Board and they provide support by formulating opinions and proposals.

Committee meetings are attended by senior management representatives and the heads of various Company functions may be invited, according to their respective responsibilities.

When deemed necessary to provide the Board of Directors with more complete information on the topics to be discussed, the Executives of the company are invited to participate in certain phases of the work of the Board.

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 periodically monitors their implementation; it also defines the Company's corporate governance rules, and the guidelines for the Group's structure.

Specifically, the Board:

- annually approves the Company's strategic objectives for the current year;
- defines the investment strategies with the support of the Finance Committee and oversees the performance of investment securities;
- oversees transactions affecting currently held equity investments;
- with the support of the Real Estate Committee, approves the real estate projects undertaken by the Company and subsidiaries and investees operating in the real estate industry;

- approves the guidelines that govern the company's reinsurance operations. As required by regulations, annually approves the Reinsurance plan for the current year and subsequent changes;
 - examines and approves the 'Report on the Insurance Group' required under IVASS Regulation 15, which describes the organisation of the Group and the measures taken by the parent company as part of its own management and co-ordination activity;
 - outlines intra-group operations planned for the current year pursuant to IVASS Regulation 25;
- b. Assesses the Company's organisational structure as presented by the Managing Director and, with the support of the Internal Control and Risk Committee, verifies that senior management assures the adequacy and the efficient and effective operation of the internal control and risk management systems, implementing related measures as appropriate.
- At the beginning of the financial year, the Board approves work schedules for the Internal Audit, Compliance and Risk Management departments and for the Supervisory Body appointed pursuant to Italian Legislative Decree 231/2001 and reviews their work through the half-yearly reports they produce.
- Furthermore, pursuant to IVASS regulations, the Board of Directors annually:
- examines and approves the Report, prepared pursuant to IVASS Regulation 20, describing the internal control and risk management system implemented by the Company;
 - examines and approves the list of the most significant risks prepared by the Risk Management department according to the Company's regulatory reserves. It sets the risk tolerance levels and periodically revises them according to the results of the risk identification and assessment processes;
 - as part of its strategic and organisational duties pursuant to article 2381 of the Italian Civil Code and article 5 of IVASS Regulation 20, it reviews and approves the organisational and operational charts prepared by the Managing Director. These documents identify and define responsibilities for the Company's key decision-making processes, together with the proxy and power of attorney model that defines the assignment of responsibilities to the individual operating units;
 - approves, after review and approval by the Internal Control Committee, the annual report by the organisational units responsible for training and supervision of the commercial networks, required by article 40 of IVASS Regulation 4 and prepared in accordance with IVASS Instruction 2743;
 - examines, in order to assess whether critical situations exist, the reports prepared by the Head of Internal Control on complaints management, and the related statistical statements required by IVASS Regulation 24.
- c. assesses general operating performance, taking into consideration, in particular, information received from the Managing Director and periodically comparing actual and planned results;
- d. takes decisions pertaining to transactions with significant impact on the strategy, earnings, capital or financial position of the Company.
- e. approves the policy guidelines of strategic investments (structure of managed portfolios, the investment process and criteria for selecting investments).
- f. with the support of the Real Estate Committee, it examines and approves in advance the most important transactions carried out by the real estate subsidiaries.
- g. It periodically evaluates, through the Appointments and Remuneration Committee, the size, composition and operation of the Board and its members. Specifically, this evaluation was carried out as a result of the appointment of the current Board by the Shareholders' Meeting, for the

purpose of appointing the Committee members, taking into account the duties assigned to them and the directors' professional profiles.

In January 2013, in compliance also with IVASS Regulation 20, as amended in 2012, the Company submitted a questionnaire to its Directors, with the purpose of evaluating the size, composition and operation both of the Board of Directors as a whole and of its committees. The questionnaires, filled out anonymously by the individual Directors, were then submitted to the Appointments and Remuneration Committee, which supported the Board of Directors in examining and interpreting the responses.

Transactions with significant strategic, economic and financial relevance for the Company require the Board of Directors' approval, according to the criteria identified to set the limits of the powers delegated to the Executive Deputy Chairman Carlo Acutis and to the Managing Director, illustrated in the next paragraph 4.4 (Delegated Bodies).

4.4. Delegated bodies

Managing Director

Article 18 of the articles of association delegates the Chairman, the Deputy Chairmen and the Managing Director as legal representatives of the Company.

At its meeting of 23 April 2010, the Board of Directors vested Executive Deputy Chairman Carlo Acutis, and the Managing Director, severally and separately, with certain executive powers relating to ordinary insurance operations and, within set limits of amount, relating to the finance and real estate divisions. The main delegations of authority relating to investments are as summarised below:

- the purchase, exchange and sale of buildings for a maximum amount of Euro 10 million for each individual purchase, exchange or sale;
- the purchase and sale, without limits of amount, of government securities, non-convertible bonds and similar securities and bond CIUs (collective investment undertakings);
- the purchase and sale of units of equity CIUs, excluding closed-end funds, for a maximum amount of Euro 15 million;
- the 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 exclusively retained by the Board of Directors;
- the purchase and sale, without limits of amount, of debt and equity securities for the benefit of life policyholders bearing the investment risk and those relating to pension fund management;
- the granting of loans and financing up to a maximum amount of Euro 5 million.

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

The Executive Deputy Chairman and the Managing Director report to the Board of Directors on the exercise of the authority delegated to them, usually at least on a quarterly basis, so that the Board can verify that they are complying with the Company's strategic guidelines and operating plans. In particular, they provide the Board of Directors and the Board of Statutory Auditors with adequate information on atypical, unusual, or related-party transactions.

The Managing Director, Mr. Roberto Guarena, bears principal responsibility for the operation of the business. He does not hold positions entailing direction and control in other listed companies.

Chairman

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

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

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

4.5. Other executive Board Members

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

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

4.6. Independent Directors

As at the date of approval of this report, the following 8 non-executive Directors are independent: Francesco Baggi Sisini - Marco Brignone - Fulvia Ferragamo Visconti – Bernd Gierl – Pietro Carlo Marsani – Giorgio Marsiaj – Lodovico Passerin d'Entrèves – Giuseppe Spadafora.

Messrs. Luciano Gobbi and Robert Ricci, who served as Directors only for part of the year 2012, also qualified as independent directors.

Following the appointment of Directors by the General Meeting, the Board of Directors in verifying that the Directors fulfil the requirements prescribed by the regulations in force, also verified that the non-executive Directors fulfilled the independence requirements and disclosed the result of its verifications with a press release provided to the markets.

The continued fulfilment requirement is verified by the Board on an annual basis, subject to verification by the Appointments and Remuneration Committee.

In verifying the condition of independence, the Board of Directors applied all the criteria required by the Code, except for the criterion whereby a Director holding the position of independent Director for more than nine years no longer qualifies as independent. In so doing, the Board of Directors chose to promote the acquisition of thorough knowledge about the Company: given the peculiar characteristics of the insurance and reinsurance business, this level of knowledge can only be acquired over the course of several years of experience.

The following reasons are given for this preference:

- legislation applicable to insurance companies provide special requirements of professionalism on the part of administrators;
- insurance activity is subject to special regulations, specifically Italian Legislative Decree 209/2005 (the Insurance Code) and the related regulatory provisions issued by IVASS, some of which are particularly complex. For example, some Board resolutions that are 'technical' in nature, imposed by IVASS regulation:
 - the definition of guidelines for reinsurance operations (an activity of particular technical complexity);
 - the definition of guidelines for the assignment of assets to the life and non-life businesses and the related accounting procedures; although the company is under single management, all its financial statements must be divided into two different sections, one for the non-life business and one for the life business, meaning that directors must determine the correct allocation of shared costs and cash flows;
 - the definition of policies for assumption, assessment and management of the most significant risks, in accordance with the adequacy of the Company's net assets; the Board of Directors must determine risk tolerance levels at least once a year on the basis of the results of the risk identification and assessment processes;

- a particular feature of financial statements for the insurance business is that most of the recognised liability items are subject to measurement, since they consist of uncertain items; therefore, since revenues are collected in advance and costs will follow over the course of several years, it is necessary to have perfect knowledge and comprehension of insurance and financial techniques in order to synchronise assets with liabilities continually, since the latter fall outside the Company's control;
- In the life business, Vittoria Assicurazioni manages investments whose risk is 80% borne by policyholders. This requires special management in accordance with supervisory authority regulations; in this regard, insurance company management must be focused on achieving and maintaining profitability and financial balance with an extremely long-term perspective, which is completely different from common practice in other industries. For example, in the case of retirement fund policies, the relations between an insurance company and a policyholder may consist of 20 or more years of premium payments, followed by several decades of payouts of retirement benefits by the Company;
- the insurance business has a social useful function: the Company must consequently be able to manage mutuality in favour of policyholders.

The Board of Statutory Auditors verified the proper application of the aforementioned assessment criteria and audit procedures used by the Board of Directors to evaluate the independence of its members.

4.7. Lead Independent Director

Although, by virtue of the current composition of the Board of Vittoria Assicurazioni, the requirements indicated in the Corporate Governance Code for the designation of the Lead Independent Director, because the Chairman of the Board does not bear principal responsibility for the operation of the business and is not the person controlling the Company, it was nonetheless deemed appropriate to establish this position in order to coordinate the independent Directors' activities prescribed by the Corporate Governance Code. Therefore, in November 2012, the Board of Directors appointed Mr. Lodovico Passerin d'Entrèves as lead independent director.

5. HANDLING OF CORPORATE INFORMATION

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

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

The adopted procedure defines:

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

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

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

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

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

Within the Board of Directors, the following Committees have been established, to advise and make proposals to the Board:

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

Taking into account the size, structure and organization of society, it was decided to centralize the functions of the Appointments and Remuneration Committee under the Code in a single committee called Appointments and Remuneration Committee, with its members selected on the basis of more stringent rules for the remuneration committee (non-executive directors, most of whom are independent).

As is better illustrated in the paragraphs that follow, in 2012 the Board:

- redefined the duties of the Appointments and Remuneration Committee and of the Control and Risk Committee (formerly called Internal Audit Committee), to align them with the recommendation of the new wording of the Corporate Governance Code;
- established a Committee for the Evaluation of Transactions with Related Parties, consisting solely of independent directors and tasked with evaluating transactions with related parties as prescribed by the Regulations approved with CONSOB Resolution 17221 of March 2010; previously, this activity had been performed by the Control and Risk Committee.

The Board has not established an Executive Committee.

6.1. Finance Committee

Under Article 14 of the Articles of Association, the Board of Directors has established the Finance Committee, which, at the date of this Report, consisted of the following Directors:

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

The Committee also included Mr. Luciano Gobbi, who resigned as Director in May 2012.

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

The Committee members shall remain in office until the expiration of the Board; the Committee shall meet at least quarterly, convened by the Chairman or when requested by at least 2 members of the committee.

The Finance Committee met seven times in FY 2012.

Average meeting attendance was 92%. See the table in Appendix 2 of this Report for the individual Directors' attendance records.

Seven meetings are planned in 2013.

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

The duties of the Finance Committee are:

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

Specifically, the Finance Committee shall:

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

Among the non recurring activities carried out by the Finance Committee in 2012, of particular interest was the advice provided to the Board for the definition of the financial strategy to manage the resources related to the different pension schemes set up by the Company, as required by the Covip Resolution of 16 March 2012.

6.2. Real Estate Committee

Under Article 14 of the Articles of Association, the Board of Directors has established within its ranks the Finance Committee, which, at the date of this Report, consisted of the following Directors:

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

The Committee also included Mr. Arnaud Hellouin de Menibus, who resigned as Director effective 31 December 2012.

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

The Committee members shall remain in office until the expiration of the Board. The Committee shall meet at least quarterly, convened by the President or when requested by at least 2 members of the committee.

The Real Estate Committee met four times during the year.

Average meeting attendance was 88%. See the table in Appendix 2 of this Report for the individual Directors' attendance records.

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

The Real Estate Committee has the function of:

- supervising the performance of the Group's real estate investments;
- defining development strategies for the business segment;
- assessing the investment proposals submitted by operating managers.

6.3. Committee for the Evaluation of Transactions with Related Parties

Under Article 14 of the Articles of Association, the Board of Directors, in the course of its meeting of 2 August 2012, formed within its ranks the Committee for the Evaluation of Transactions with Related Parties, composed as follows:

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

The function of the Committee is to express a well-reasoned opinion on the interest of the Company to complete transactions with related parties and on the economic attractiveness and substantial correctness of their conditions, as prescribed by Consob Regulation 17221 of 12 March 2010.

Previously, this duty was assigned to the Control and Risk Committee, which originally consisted of three independent directors. Following the resignation of independent Director Luciano Gobbi and to his replacement in the Control and Risk Committee by non executive Director Luca Paveri Fontana, the Board appointed the new Committee for the evaluation of transactions with related parties, consisting solely of independent directors.

Meetings of the Committee may be attended by the heads of the group's operating functions and, in the performance of its duties, the Committee is entitled to access the information and the company functions necessary to carry out its tasks; it may also employ outside consultants within the terms approved by the Board.

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

The duties of the Committee have been established on the basis of Consob Regulation 17221 of 12 March 2010, as referenced in the procedure approved by the Board of Directors, which is described in Paragraph 11 below.

Having been established in the second half of the year, the Committee met only once with all its members in attendance, and the meeting lasted approximately an hour and a half.

The Committee evaluated some transactions with related parties, qualifiable as minor in relevance, which were submitted to it by several company functions, and it expressed its well-reasoned favourable opinion to their completion.

7. APPOINTMENTS AND REMUNERATION COMMITTEE

Under Article 14 of the Articles of Association, the Board of Directors has formed the Appointments and Remuneration Committee within its ranks.

As at 31 December 2012, the Appointments and Remuneration Committee consisted of the following members:

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

At the time the Committee was established, in April 2010, Mr. Luca Paveri Fontana was appointed Chairman; in November 2012, he resigned from this office to enable compliance with the principles of the new Corporate Governance Code, which prescribe that the Chairman of the Appointments and Remuneration Committee must be an independent Director. Mr. Lodovico Passerin d'Entrèves was then appointed Chairman.

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

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

The term of office is the same as the Board of Directors'.

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

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

In the performance of its duties, the Committee may access Company information and functions as necessary to carry out its tasks and employ the services of outside consultants, within the terms approved by the Board.

If it employs a consultant to obtain information about market practices pertaining to compensation policies, it shall verify ahead of time that the consultant is not in situations that would compromise his/her independence of judgement. To date, the Committee has not employed any outside consultants.

The Appointments and Remuneration Committee held five meetings in 2012, with an average duration of approximately one hour.

Average meeting attendance was 100%, as shown in the table "Appendix 2" of this Report.

7.1. Functions of the Appointments and Remuneration Committee

The Committee has the following functions:

For Vittoria Assicurazioni S.p.A.

- a) Appointments

- Formulating opinions to the Board of Directors with regard to the size and composition of the Board and of the Committees.
- Making proposals for the organisation and operation of the Board of Directors.
- Making recommendations with respect to:
 - the professionals whose presence within the Board is deemed advisable;
 - the maximum number of positions as director or statutory auditor in other companies listed on regulated markets (also abroad), in financial, banking, insurance companies or in companies of significant size, that would be compatible with the effective performance of a director's duties, taking into account the directors' participation in the committees within the Board of Directors of the Company.
- Making proposals for the appointment of Directors;
- Making proposals to the Board for co-opting Directors;
- Making proposals to the Board for the appointment of the Chairman, Executive Deputy Chairmen, Committee members and Managing Director.
- Making proposals to the Board, with the agreement of the Managing Director, for the appointment of the General Manager, of senior managers and of the head of the Internal Audit function.
- Assisting the Managing Director in preparing career and replacement plans for the Company's senior management.
- Carrying out the preliminary information gathering work for the preparation of the plan for the succession of the executive directors.

b) Remuneration

- Submitting proposals to the Board of Directors with regard to the definition of the policy for the remuneration of directors and senior managers with strategic responsibilities. In particular:
 - (a) Making proposals or expressing opinions to the Board of Directors for the remuneration of executive directors and of Directors holding specific offices;
 - (b) Making proposals to the Board, as indicated by the Managing Director, for setting the remuneration of the senior management of the Company in such a way as to attract and motivate high-calibre people, and the remuneration of the heads of the internal control departments;
 - (c) Defining, by internal Regulations, the criteria and dimensions of the variable components of the remuneration of the Managing Director, Senior Management and Managers;
 - (d) Assisting the Managing Director in developing proposals for the remuneration of the Directors, the Chairman, the Managing Director and the General Manager of subsidiaries.
- Verifying the enforcement of the Board of Directors' decisions on remuneration, monitoring also the actual attainment of performance targets.
- Periodically evaluating the adequacy, overall consistency and concrete enforcement of the remuneration policy, relying, for senior managers with strategic responsibilities, on the information provided by the Managing Director, formulating proposals on this matter.

No director shall attend meetings at which proposals are made about his/her own remuneration.

Subsidiaries

a) Appointments

- Assisting the Managing Director of the Parent Company in formulating proposals for the appointment of Directors, of the Chairman, Managing Director and General Manager.

b) Remuneration

- Assisting the parent company's Managing Director in formulating proposals for setting the remuneration of the Directors, of the Chairman, Managing Director and General Manager.

Affiliates

- Assisting the Managing Director of the Parent Company in formulating proposals for the appointment of the pertinent Directors.

In 2012, the Committee carried out the following main activities:

- It assisted the Board in determining the guidelines of the remuneration policies, illustrated in the pertinent Report submitted to the Shareholders' Meeting of 20 April 2012. Specifically, it formulated the proposals, which were approved by the Board, for the determination of the variable component of the Managing Director's remuneration and of senior managers and managers.
- It carried out preliminary fact-finding work for the Board with regard to the enforcement of Article 36 of Italian Law no. 214 of 22 December 2011 (so-called "Save-Italy" decree), which prohibited interlocking for directors, statutory auditors and senior officers in the banking, financial and insurance industries, verifying the positions of the members of the governing and controlling bodies of the company that could potentially fall within the scope of the prohibition.
- It examined the candidacy of Mr. Bernd Gierl and Mrs Fulvia Ferragamo Visconti, for the purposes of their co-optation into the Board, verifying their possession of the requirements set out by current regulations;
- It examined the proposed appointments in the corporate bodies of the investee companies and the proposed promotions of company executives;
- It verified whether the independent directors continued to meet independence requirements.

8. REMUNERATION OF DIRECTORS

For information about Directors' remuneration, please refer to the Remuneration Report, prepared pursuant to Article 24 of IVASS Regulation 39 and Article 123-ter TUF and published together with this Report.

9. CONTROL AND RISK COMMITTEE

Under Article 14 of the Articles of Association, the Board of Directors has formed within its ranks the Control and Risk Committee, previously called Internal Control Committee and re-named in accordance with the provisions of the new Corporate Governance Code.

At the date of this Report, the Committee consists of the following members:

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

On 11 May 2012, following the resignation of Mister Luciano Gobbi, Mister Luca Paveri Fontana was appointed to serve as a member of the Committee.

Committee Members were selected within the ranks of the Board on the basis of their respective professional experience.

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

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

The Internal Control Committee held five meetings in FY 2012, with an average duration of approximately 2 hours.

Meeting attendance was 100%, as shown in the table "Appendix 2" of this Report.

All meetings were attended by members of the Board of Statutory Auditors and the Heads of the Internal Audit, Legal Compliance and Risk Management functions, as well as the Manager responsible for preparing the company's financial reports. On the basis of the issues discussed, the Managing Director and other heads of various company functions also attended.

Moreover, in order to improve coordination of the activities of functions responsible for the internal control system, the Chairman of the Supervisory Board appointed pursuant to Italian Legislative Decree no. 231/2001 attended two meetings of the Committee, upon approval of the plans of the Internal Audit, Compliance and Risk Management functions, as well as upon the approval of the report on the internal control system prescribed by IVASS Regulation 20.

During the year 2013, 5 meetings shall be held, two of which have already been held as of the date of this Report.

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

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

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

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

9.1. Functions of the Control and Risk Committee

In 2012, the regulations that guide the activities of the Control and Risk Committee were amended in accordance with the new formulation of the Corporate Governance Code.

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

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

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

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

The governance system of Vittoria Assicurazioni, in particular, requires the Committee to perform preliminary fact-finding and advisory work for the Board of Directors for the examination of the following documentation pertaining to the risk management and control system:

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

Among the non-recurring activities carried out by the Committee in 2012, of note was the analysis of the new procedures adopted by the Company with regard to anti-money laundering, in order to establish the procedures for identifying suspicious transactions and of the data recording and document retention processes, as required by IVASS Regulation 41, as well as the study of the actions necessary for adhesion to the new principles and application criteria introduced in the Corporate Governance Code in December 2011.

10. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

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

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

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

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

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

The corporate functions responsible for the internal control system are Internal Audit, Compliance and Risk Management, as described in greater detail in paragraphs 10.3, 10.4. and 10.5 below.

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

In 2012, the Board of Directors, also as a result of the reorganisation of the Anti-Money Laundering function carried out in accordance with IVASS Circular 41, approved the new assignments governing the activities of the Internal Audit, Compliance and Risk Management functions, in order to update and coordinate the corporate functions responsible for the internal control system.

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

Foreword

The risk management and internal control system related to the financial disclosure process adopted by Vittoria Assicurazioni S.p.A. is an integral part of the Company's risk management and internal control system.

This system is designed to guarantee the reliability, accuracy, trustworthiness and timeliness of financial disclosures, these terms being defined as follows:

- reliability: disclosures must satisfy the requirements imposed by current laws and regulations, must be fair and must comply with generally accepted accounting principles. Generally accepted accounting principles are defined as the national accounting principles used to prepare the separate financial statements and the IFRSs (used to prepare the consolidated financial statements);

- accuracy: disclosures must be neutral and precise. Disclosures are considered neutral if they do not contain any pre-conceived distortions intended to influence the users' decision-making process in order to achieve a predetermined result;
- trustworthiness: disclosures must satisfy the requirements of clarity and completeness so that investors may make informed investment decisions. Disclosures are considered 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, without becoming excessive and superfluous;
- timeliness: disclosures must meet the deadlines prescribed for their publication.

Vittoria Assicurazioni attributes a fundamental role to the Financial Reporting Officer responsible for drawing up the company's accounting documents as regards the trustworthiness of the accounting documents and drafting appropriate administrative and accounting procedures. For this purpose, the Financial Reporting Officer, head of the Administration, Finance, Planning and Control area, has undertaken the responsibilities of the design, implementation, and update of the internal control system in relation to the financial disclosure process in order to ensure:

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

In this way, the individual control protocols are identified, precise responsibilities of execution are defined and specific monitoring responsibilities in relation to the correct execution of the set of control protocols are attributed to the "Assistant to the Administration, Finance, Planning and Control Office".

Vittoria Assicurazioni constantly updates the list and classification of potential risks and the related internal control system for protection from said risks, maintaining unchanged the approach based on the Enterprise Risk Management reference framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

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

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

a) The risk management and internal control process.

The process consists of the following steps:

- Preliminary identification of the relevant processes in terms of potential impact on the financial disclosures.
- Identification of the risks related to each "relevant" process.
- Audit, using the assessment method and the structure of the internal control systems for every process in terms of control protocols protecting against each risk and execution responsibilities.
- Evaluation of the controls in view of the risks identified in terms of:
 - Design – this activity is performed considering certain parameters that assess the control itself (type, traceability, cyclicity, timing)

- Efficiency – this activity is done by performing tests using a spot check method in order to determine that the control operations are actually performed as described by applicable procedures.
- Preparation, if an area requiring improvement has been noted, of corrective action plans formalised by second and third level control functions and submitted to the top management.

In addition to these steps, the following activities are performed:

- Update of all procedures and processes pertaining to financial disclosure;
- Sensitise all personnel of the administrative area to pay constant attention to the procedures and the processes;
- holding the area responsible for promptly upgrading procedures and processes.

With regard to the financial disclosure process of the Vittoria Assicurazioni Group, the method followed and the results obtained are similar to those of the Company. Specifically:

- The administrative management of Group real estate companies is carried out by the subsidiary Gestimmobili S.r.l., which has specific competence 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 Administration Office of the Real Estate division also coordinates and controls the financial information received from the other investee companies;
- The Group's real estate companies use an accounting system with automatic control mechanisms, which Vittoria Assicurazioni can access autonomously. This integration assures timeliness:
 - in the analysis of the information contained in the accounting system;
 - in the preparation and checking of the financial statements;
 - in the formalisation of the financial information included in the consolidated financial statements of Vittoria Assicurazioni S.p.A.

b) The involved corporate functions.

In order to assure the correct operation of the Internal Control System, as well as the general supervision of the Internal Control System assigned to the Board of Directors, the essential functions and roles are those attributed to:

- Control and Risk Committee;
- Financial Reporting Office,
- second and third level control functions (as provided by IVASS Regulation 20).

The Control and Risk Committee.

It performs the following functions:

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

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

The Financial Reporting Manager.

He performs the following functions:

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

For this purpose, the Financial Reporting Officer has identified the operating roles and functions as well as the control functions. The staff of assistants to the financial reporting manager are also responsible for implementing controls throughout the division and the timely execution of operations.

Second and third level control functions

Second and third level control functions are: Risk Management, Compliance and Internal Audit.

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

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

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

10.2. Executive Director responsible for the internal control system

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

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

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

- the Risk Management function and the Company's Risk Management Committee (attended by members of senior management and executives of the company responsible for business areas), to identify the most significant risks consistently with the company's strategies and policies, identifying the risk tolerance levels to be submitted to the Board for review;
- the Compliance function, to identify any needs to adapt the internal control system in view of current legal and regulatory provisions;

- Internal Audit, for the audits necessary to assess the effectiveness and efficiency of the internal control system.

10.3 Internal Audit Department

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

The Head of Internal Audit is also the head of internal control as defined by the Corporate Governance Code.

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

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

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

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

As at 31 December 2012, the Internal Auditing department consisted of eight staff members, including the Head.

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

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

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

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

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

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

- it assesses the reliability of the information, protection of company assets, compliance with laws, regulations and internal procedures, efficient use of resources, fraud prevention. For this purpose, it specifically audits:

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

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

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

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

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

In 2012, Internal Audit also employed outside consultants.

10.4. Compliance Department

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

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

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

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

The Compliance Department has the following duties:

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

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

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

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

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

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

10.5. Risk Management Department

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

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

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

The Risk Management Department has the following duties:

- promoting the surveying and awareness of risks;
- identifying and classifying risks;
- participating in the analysis of the surveyed risks;
- verifying the impact and significance of identified risks;
- defining a model for assessment of every known risk;
- distributing the results of risk analysis internally and externally;
- defining contingency plans;
- defining risk mitigation actions;
- disseminating the culture of risk management;
- providing senior management with useful information for assigning operating limits to the business units and defining the procedures for prompt audits of those limits;
- defining measurement methods and models (input data, algorithms and rules, interfaces for controlling the models) for the most significant risks;
- establishing the methodological approach for defining and calculating tolerance levels for the most significant risks;
- having an integrated view of assets and liabilities;
- defining and auditing the formulation of stress tests and monitoring the maximum potential loss;
- studying correlations between risks;
- verifying compliance with tolerance limits;
- providing reports to the Board of Directors, senior management, and the Risk Management Committee of the parent company and line functions on changes in risks and violations of set operating limits;
- drafting reports for corporate bodies (Internal Control Committee and the Board of Statutory Auditors): reporting half-yearly on monitoring and risk management activities and the annual plan of activities;
- auditing the consistency of the risk measurement models with the entity's operations;
- promoting, organising and carrying out the projects for compliance with the Solvency II regulations and quality impact studies (QIS);
- assure the preparation of the overall business continuity plan, integrating the parts under the responsibility of Information Systems, General Services and Security, and verify that it is consistent with corporate needs.

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

10.6. Anti-Money Laundering Department

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

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

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

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

The Anti-Money Laundering Department has the following duties:

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

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

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

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

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

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

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

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

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

The Supervisory Body of Vittoria Assicurazioni is organised as a collective body; it consists of an outside consultant (serving as Chairman) with specific expertise in applying the provisions of Italian Legislative Decree no. 231/2001, a member of the Board of Statutory Auditors and the Heads of the Internal Audit, Legal and Organisation functions of the Company and it relies, for the operational part, on the Internal Audit department.

It has the task, with autonomous powers of initiative and control, and through surveys on the business, to supervise the operation, compliance, effectiveness and adequacy of Organisation and Management Model, performing, inter alia, an audit of the adequacy of training programs, compliance with the Model by the persons to whom it is addressed and information collection across the enterprise.

In 2012, the Supervisory Body of Vittoria Assicurazioni S.p.A. held 5 meetings, attending two meetings of the Control and Risk Committee together with the Board of Statutory Auditors, and it carried out the activities prescribed by Italian Legislative Decree no. 231/2001 and by the Organisation and Management Model adopted by the Company and currently in force (latest edition of 14 November 2012).

Specifically:

- it carried out surveys of the company's activity for the purposes of the activities potentially involved in the offences set out by Italian Legislative Decree no. 231/2001, relying on the support of the Internal Audit Department;

- it collected, processed and retained relevant information for compliance with the Model. In particular, through Internal Audit it carried out sensitisation work and it received specific periodic and event-driven flows originating from the company departments and from the Supervisory Bodies of the subsidiaries of Vittoria Assicurazioni S.p.A.;
- it supervised the adequacy of 231/2011 training, acquiring the corporate documentation provided by the Company, stressing the need to continue with training activities;
- it considered the advisability of updating the Model whenever it noted needs to change it in relation to changed company and/or regulatory conditions, proposing the amendments to the Model it deemed most appropriate to the Board of Directors;
- it supervised compliance with the Model in relation to the corporate structure and to the actual ability to prevent offences, and it assessed whether the company has a suitable and effective disciplinary system as defined by the Model. For this purpose it acquired specific information from the Contractual Relations department, from the Personnel Department and from the Legal Department, with regard to disciplinary proceedings initiated against agents and employees. It also proposed some amendments to the penalty system;
- it reported to the Board, through the Control and Risk Committee, with regard to the activities carried out in 2012.

10.8. Auditing company

Following the expiration of the previous appointment of the company BDO S.p.A., on 20 April 2012 the Shareholders' Meeting voted on the proposal of the Board of Statutory Auditors, i.e. to appoint the auditing company Deloitte & Touche S.p.A. as independent auditor for the 2012 – 2020 time period.

10.9. Financial Reporting Manager

The Board of Directors has identified as the officer responsible for preparing corporate accounting documents Co-General Manager Mr. Mario Ravasio, Head of Administration, Finance, Planning and Control. The appointment was made on a proposal by the Appointments and Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors.

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

He shall:

- Attest, jointly with the delegate body, the adequacy and effective implementation, in the period, of the administrative and accounting procedures, correspondence to the company's financial accounting books and accounting records, as well as their ability to provide a true and fair representation of the assets, economic and financial situation of the company;
- declare that the document results, books and records of company match the records and communications of the company disclosed to the market and relating to accounting, including interim reports.

The manager responsible for preparing the financial reports shall provide for adequate administrative and accounting procedures for the preparation of financial statements, the consolidated financial statements and any other type of financial communication, relying on the collaboration of competent structures in the company.

11. DIRECTORS' INTERESTS AND RELATED-PARTY TRANSACTIONS

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

On November 10, 2010 the Board of Directors of the Company approved the "Procedure for transactions with related parties" in accordance with the provisions of Consob resolution 17221 of March 12, 2010. This procedure, which also applies to transactions with related parties of Vittoria Assicurazioni carried out by its subsidiaries, was subsequently amended.

In particular, for 2012, the procedure was changed as a result of the establishment, within the Board of Directors, of a Committee for the evaluation of transactions with related parties, which took over from the Control and Risk Committee in the preventive evaluation of transactions subject to the procedure.

At the company level, a Committee to identify relations was established and tasked with identifying, according to the information received and available, the related parties of Vittoria Assicurazioni S.p.A.

Therefore, a company department was identified to be tasked with collecting, on a quarterly basis, the information about persons who are related parties of Vittoria Assicurazioni S.p.A. through the Directors, Statutory Auditors and senior Managers with strategic responsibilities of Vittoria Assicurazioni and of its parent company and reporting the results of the survey to the Committee for the identification of relations. In complex or controversial cases, the latter may request the opinion of experts or of the Related Parties Committee.

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

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

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

Decisions related to the allocation of remuneration and economic benefits (classed as transactions of minor significance) are an exception; they are instead subject to a prior opinion from the Appointments and Remuneration Committee, which mainly comprises independent Directors.

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

Pursuant to the Consob Regulation, the procedure:

- a) identifies transactions with major significance, whose parameters are consistent with those indicated by Consob and whose approval is subject to more stringent procedural restrictions than transactions with minor significance;
- b) identifies related-party transactions not subject to the procedure according to the exemptions allowed by Consob;
- c) identifies the independence requirements for directors called upon to express opinions on

related-party transactions for the purposes of applying the procedure;

- d) establishes methods and procedures for the assessment and approval of related-party transactions and identifies rules for the assumptions used by the Company in reviewing or approving transactions involving subsidiaries;
- e) establishes procedures and deadlines for the provision of information on the transactions, with the relative documentation, to Directors or independent Board members expressing opinions on related-party transactions and to administration and control bodies, before resolution upon and during and after execution of these transactions;
- f) indicates the Company's selection from the options set out in the Consob Regulation.

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

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

12. APPOINTMENT OF STATUTORY AUDITORS

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

During 2012, the Board of Directors provided the adjustment of the Articles of Association in order to ensure the presence of the less represented gender in order to ensure the presence of the less represented gender in the administration and control Bodies of the company, in compliance with the rules concerning the balance between genders introduced in the TUF by Law July 12, 2011, n. 120 and with the subsequent update of the Issuer Regulations as per Consob Resolution no. 18098 of 8 February 2012.

As permitted by the above regulations, on the occasion of the first renewal of the corporate bodies following the entry into force of this discipline (on the agenda of the general meeting called for April 19, 2013), the minimum quota reserved for the less represented gender in Statutory Auditors Board of the company is equal to one fifth of the Auditors, while in regime will be equal to one third.

Statutory Auditors are appointed on the basis of lists, to ensure the appointment of at least one Permanent and one Deputy Auditor by the minority shareholders.

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

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

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

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

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

The lists must contain:

- the personal details of the shareholders submitting the lists, details of the total equity interest held and certification of ownership of the equity interest; certification may be produced subsequently, provided that it is within the deadline set for publication of the lists pursuant to the laws in force;
- a declaration by the shareholders other than those holding, either individually or collectively, a controlling interest or relative majority, to the effect that they have no connection with the latter pursuant to laws and regulations in force;
- a detailed report on the personal qualifications and background of the candidates, and a declaration by the candidates that they satisfy the requirements imposed by law and accept their nomination, as well as a list of any administrative or management positions held at other companies.

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

The first two candidates from the list obtaining the highest number of votes and the first candidate on the list obtaining the second highest number of votes that, pursuant to the laws and regulations

in force, is neither directly nor indirectly connected to the shareholders who have submitted or voted for the list obtaining the highest number of votes, are appointed Permanent Auditors. The latter candidate is appointed Chairman of the Board of Statutory Auditors.

The first candidate on the list obtaining the highest number of votes and the first candidate on the list obtaining the second highest number of votes that, pursuant to the laws and regulations in force, is neither directly nor indirectly connected to the shareholders who have submitted or voted for the list obtaining the highest number of votes, are appointed Deputy Auditors. In the event of a tie vote between two or more lists, the eldest candidates are appointed Statutory Auditors until all the available positions have been filled. If a single list or no lists are submitted, all candidates on the single list or respectively those voted upon by the General Meeting shall be appointed as Permanent or Deputy Auditors, provided that they achieve a relative majority of the votes at the General Meeting. In the event that an Auditor ceases to meet the statutory requirements, his or her mandate expires.

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

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

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

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

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

At the date of December 31, 2012 the Board of Auditors of Vittoria Assicurazioni is as follows:

- Alberto GIUSSANI	Chairman
- Giovanni MARITANO	Permanent Auditor
- Corrado VERSINO	Permanent Auditor
- Michele CASO'	Deputy Auditor
- Marina MOTTURA	Deputy Auditor

The Board of Statutory Auditors was appointed by the General Meeting held on April 23, 2010 and will expire at the General Meeting to approve the financial statements at 31 December 2012, called for April 19, 2013.

The following two lists were presented for the appointment of the Board of Statutory Auditors at the General Meeting of 23 April 2010:

- A) List 1, submitted by Vittoria Capital NV (majority shareholder of Vittoria Assicurazioni S.p.A.), comprising the following candidates:
1. Giovanni MARITANO – Permanent Auditor
 2. Ferruccio ARALDI – Permanent Auditor
 3. Corrado VERSINO – Deputy Auditor
- B) List 2, jointly submitted by BNP Paribas – Paris and Ersel Asset Management SGR SpA, comprising the following candidates:
1. Angelo CASO' – Permanent Auditor
 2. Sergio VASCONI – Deputy Auditor

When presenting the list of BNP Paribas - Paris and Ersel Asset Management SGR issued a statement attesting to the absence of any connection as provided by current laws and regulations, with the shareholders who hold a controlling interest of the Company.

At the time of voting for the appointment, those who took part represented, on their own behalf or by proxy, 41,228,296 ordinary shares from 65,788,948 in issue, representing 62.668% of the share capital.

List 1 obtained 38,814,815 votes, representing 94.15% of the voting capital.

List 2 obtained 2,381,587 votes, representing 5.78% of the voting capital.

Shareholders with 16,919 shares in total (0.004% of the voting capital) voted against the proposals, and shareholders with 14,975 shares in total (0.004% of the voting capital) abstained.

According to art. 17 of the Article of Association, the following Statutory Auditors were appointed: Chairman: Angelo Casò; Permanent Auditors: Giovanni Maritano and Ferruccio Araldi; Deputy Auditors: Sergio Vasconi and Corrado Versino.

Following the appointment by the shareholders, the following changes have occurred:

- on 23 October 2010, Permanent Auditor Ferruccio Araldi died. Pursuant to article 17 of the articles of association, the position was replaced by Corrado Versino, the Deputy Auditor of the same majority list from which the auditor failed had been elected;
- the Shareholders Meeting on 29 April 2011 has integrated the Board of Statutory Auditors through the appointment of Mr. Corrado Versino to Permanent Auditor and Ms. Marina Mottura to Deputy Auditor;
- on May 20, 2011 Mr. Angelo Casò has resigned from the charge of Chairman of the Board of Statutory Auditors of the company. According to the law and the Company bylaws, the position was replaced by Mr. Sergio Vasconi, the Deputy Auditor of the same list proposed by the minority shareholders.

- subsequently also Mr. Sergio Vasconi, by letter dated July 28, 2011, announced his intention to resign as Chairman of the Board, for health reasons, with effect from the first meeting of Shareholders. The Board of Directors, in order to enable a correct representation of minority shareholders in the organ of control of the company, then called the shareholders' meeting on 30 September 2011 for integration of the Board of Statutory Auditors;
- the shareholders' meeting of September 30, 2011, at the proposal of the minority member Ersel Asset Management SGR SpA, then approved the integration of the Board of Statutory Auditors by the following appointments:
 - Alberto Giussani, Chairman;
 - Michele Casò, Deputy Auditor.

Since integration of the Board following the resignation of the auditors elected by the minority, according to art. 17 of the bylaws in the vote was not taken into account the votes of the majority.

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

Alberto GIUSSANI, Born in Varese on 23.08.1946

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

Degree in Economics at the Catholic University of Milan.

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

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

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

Giovanni MARITANO, Born in Torino on 23.10.1960

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

Graduated in economics and business. Has been entered at no. 868 in the Register of Chartered Accountants since 8 July 1987. A Statutory Auditor, as published in the Official Gazette of the Italian Republic no. 31 *bis* of 21 April 1995 entered as no. 35756.

A member of various boards of statutory auditors at Vittoria Assicurazioni Group companies.

Also holds the following positions: Permanent Auditor of ABC Farmaceutici S.p.A., FM Italia S.r.l., Guido Vincon & Figli S.p.A., International Cosmetic Development S.p.A., Istituto Biologico Chemioterapico S.r.l., Kelemata S.r.l., La Margherita Società Sportiva Dilettantistica a r.l., Perlier S.r.l., Vittoria Capital N.V., VP Sviluppo 2015 S.r.l., Yafa S.p.A., Yafa Holding B.V., Yura S.p.A., Yura International B.V., Zoppoli & Pulcher – Costruzioni Generali S.p.A..

Corrado VERSINO, Born in Torino on 18.05.1955

He is Permanent Auditor of Vittoria Assicurazioni SpA since 23.10.2010 (Deputy since 24.4.2009).

Graduated in economics and business. Has been entered in the Turin Register of Chartered Accountants since 1982. A Statutory Auditor, as published in the Official Gazette of the Italian Republic no. 31 *bis* of 21 April 1995 entered as no. 60442.

A member of various boards of statutory auditors at Vittoria Assicurazioni Group companies.

Also holds the following positions: Chairman of the Board of Statutory Auditors of Vittoria Capital NV, Yafa Holding BV, Yafa S.p.A.; Permanent Auditor of Amati S.p.A., Geodata Engineering S.p.A., Geodata S.p.A., Gev S.p.A., Massinfond S.p.A., Mosaico S.p.A., Movincom Servizi S.p.A., Mustad S.p.A., Pama & Partners S.r.l., Sint S.p.A., Vallesi S.p.A., Zoppoli & Pulcher Costruzioni Generali S.p.A., ZP Partecipazioni S.r.l., Yura S.p.A., Yura International BV; Chairman of the Board of Directors of di Sirto S.r.l.; Chief Executive of Real Estate 90 S.r.l..

Michele CASO', born in Milano on 9.12.1970

He is Deputy Auditor of Vittoria Assicurazioni SpA since 30.9.2011.

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

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

Marina MOTTURA, born in Torino Milano on 9.7.1963

She is Deputy Auditor of Vittoria Assicurazioni SpA since 30.9.2011.

Graduated in Economics and Commerce, member of the Order of Chartered Accountants and Accounting Experts to the jurisdiction of the Court of Turin. A Statutory Auditor, as published in the Official Gazette of the Italian Republic no. 31a of 21 April 1995 entered as no. 40073.

Carries on business as a chartered accountant and currently holds the following positions as a member of the Board of Auditors: FM Italy Srl, International Cosmetic Development SpA, Martis Srl, Massifond SpA, Yura International BV, Yura SpA, Zoppoli & Pulcher SpA, Amati SpA, Concert Immobiliare Srl, Diageo Italy SpA, Ersel Asset Management SpA, SpA Gev, Guido Vincon and Sons Ltd, INSIT Srl, INSIT Industria SpA, Chemical Auxiliary Agents Industrial SpA, Kelemata SpA, Kelemata Srl, Montepo SpA, Parco Dora Baltea SpA, Perlier Srl, Valais SpA

In the past she was a member of the Board of Statutory Auditors of Banca SpA Brignone, Prada Industrial SpA, Plurifid Trust Ltd, Ersel Hedge SGR SpA, Family Advisory SIM SpA and Sella Partners.

During 2012 the Board of Statutory Auditors met 11 times and the average duration of the meetings was about 2 ½ hours. The average attendance at meetings was 94%.

For the year 2013 nine meetings are scheduled, five of which together with the Audit Committee and Risk organized for the purpose of coordinating the activities of the two bodies. At the date of this report, two meetings were held with the Committee Controls, and Risk. For the presence of individual auditors, see the table Appendix 3 to this Report. With effect from the end of the year there were no changes in the composition of the Board.

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

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

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

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

- the adequacy of the directives issued by the Company to its subsidiaries to ensure respect for the disclosure obligations prescribed by the TUF.

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

- the financial disclosure process;
- the efficiency of the systems of internal control, internal audit, where applicable, and risk management;
- the statutory auditing of the separate and consolidated accounts;
- the independence of the company engaged to carry out the statutory audit of the accounts, verifying both compliance with the legislative provisions in this regard and the nature and extent of the various statutory auditing services provided to the Company and its subsidiaries by the auditing company and by the entities in its network.

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

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

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

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

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

The Auditors are defined as related parties pursuant to the Regulation adopted by Consob Resolution 17221, and therefore transactions carried out by the Company in which the Auditors may have an interest are subject to the Procedure for Related-party Transactions, described in section 11 above, approved by the Board of Directors on 10 November 2010 and modified by the Board of Directors on 10 November 2011.

14. SHAREHOLDER RELATIONS

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

The press section also contains press releases issued to the market at the time of disclosure of price sensitive information.

Finally, in the Governance section you will find information about the corporate governance system of Vittoria Assicurazioni SpA

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

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

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

The functioning of the General Meeting, its powers, shareholder rights and the manner of their exercise, the participation and representation in the General Meeting are regulated by law.

The General Meeting deliberates on matters assigned by the current law and the Articles of Association to its competence.

In compliance with the provisions of Regulation IVASS n. 39, the General Meeting, in addition to establishing the remuneration of the social bodies which has appointed, approve the remuneration policy for members of the governing bodies and of the employees of the company, including the remuneration plans based on financial instruments. The General Meeting must be provided adequate information on the implementation of remuneration policies.

Persons entitled to attend and vote may be represented at the meeting by written proxy or by proxy given electronically when required by the regulations and in the manner set out in them.

The proxy may be notified electronically in a special section of the company's website, as specified in the notice of the meeting.

There shall be no voting by mail, electronic voting and there are no audio-visual link.

The Board of Directors of the company has decided not to adopt the criterion 11.C.5. of the Corporate Governance Code, that provide for the adoption of a Regulation governing the orderly and efficient conduct of meetings.

The company meetings to date, the number of participants and interventions, have always been held without problems, not creating the conditions for regulate the execution.

The Chairman moderates discussion of agenda and gives the floor to those who request it by raising their hand. Questions raised at the Meeting are answered promptly and those raising them are given the opportunity to reply.

At General Meetings, the Board of Directors reports on the work done and planned and undertakes to ensure that shareholders with voting rights have adequate information on the aspects necessary to enable them to take informed decisions that are the prerogative of General Meetings pursuant to the Civil Code, through the preparation of the reports on the agenda of the meetings, as required by current regulations.

During the financial year there were no significant changes in the market capitalisation of the shares of Vittoria Assicurazioni SpA or in the composition of the ownership structure.

16. CHANGES SINCE THE END OF THE FINANCIAL YEAR

As described in the previous chapter 4, on the Board of Directors, Mr. Arnaud Hellouin de Menibus, due to increased professional commitments, has resigned from the post of director of the company with effect from 31 December 2012.

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	Firts Appointment	In charge until	List	Exec.	Non – exec.	Inde-pendent	Inde-pendent as per TUF	% BoD	Other offices held
Giorgio Roberto COSTA	President	27.06.1995	Shareholders meeting approving statements FY 2012	M		X			83%	0
Andrea ACUTIS	Vice President	29.04.2004	Shareholders meeting approving statements FY 2012	M	X				100%	2
Carlo ACUTIS	Vice President	26.05.1967	Shareholders meeting approving statements FY 2012	M	X				100%	2
Roberto GUARENA	Managing Director	29.06.1994	Shareholders meeting approving statements FY 2012	M	X				100%	0
Adriana ACUTIS BISCARETTI di RUFFIA	Director	29.04.2004	Shareholders meeting approving statements FY 2012	M		X			83%	3
Francesco BAGGI SISINI	Director	26.04.2001	Shareholders meeting approving statements FY 2012	M		X	X	X	100%	1
Marco BRIGNONE	Director	23.06.1983	Shareholders meeting approving statements FY 2012	M		X	X	X	100%	2
Fulvia FERRAGAMO VISCONTI	Director	02.08.2012	Shareholders meeting approving statements FY 2012	/		X	X	X	100%	2
Bernhard GIERL	Director	16.02.2012	Shareholders meeting approving statements FY 2012	/		X	X	X	100%	0
Arnaud HELLOUIN de MENIBUS	Director	30/04/1999	31.12.2012	M		X			33%	=
Pietro Carlo MARSANI	Director	26.06.1986	Shareholders meeting approving statements FY 2012	M		X	X	X	100%	0
Giorgio MARSIAJ	Director	23.06.1998	Shareholders meeting approving statements FY 2012	M		X	X	X	83%	3
Lodovico PASSERIN d'ENTREVES	Director	09.11.2006	Shareholders meeting approving statements FY 2012	M		X	X	X	100%	3
Luca PAVERI FONTANA	Director	29.04.2002	Shareholders meeting approving statements FY 2012	M		X			100%	3
Giuseppe SPADAFORA	Director	29.04.2005	Shareholders meeting approving statements FY 2012	M		X	X	X	100%	2
DIRECTORS CEASED DURING THE YEAR										
Luciano GOBBI	Director	23.04.2010	11.05.2012	M		X	X	X	100%	
Robert RICCI	Director	27.04.2007	24.04.2012	M		X	X	X	33%	

KEY

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

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

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

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

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

APPENDIX 2

BOARD COMMITTEES

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

Appointments & Remuneration Committee

Name	Office	Period in office during FY	% attendance of committee meetings
Luca Paveri FONTANA	Non-executive president	01.01.2012 – 14.11.2012	100%
	Non-executive	14.11.2012 – 31.12.2012	100%
Francesco BAGGI SISINI	Independent non-executive member	01.01.2012 – 31.12.2012	100%
Lodovico PASSERIN d'ENTREVES	Independent non-executive member	01.01.2012 – 14.11.2012	100%
	Independent non-executive president	14.11.2012 – 31.12.2011	100%

Control and risk Committee (already Internal Control Committee)

Name	Office	Period in office during FY	% attendance of committee meetings
Pietro Carlo MARSANI	Independent non-executive president	01.01.2012 – 31.12.2012	100%
Luciano GOBBI	Independent non-executive member	01.01.2012 – 11.05.2012	100%
Luca PAVERI FONTANA	Non-executive	11.05.2012 – 31.12.2012	100%
Giuseppe SPADAFORA	Independent non-executive member	01.01.2012 – 31.12.2012	100%

Finance Committee

Name	Office	Period in office during FY	% attendance of committee meetings
Andrea ACUTIS	Executive president	01.01.2012 – 31.12.2012	100%
Adriana ACUTIS BISCARETTI DI RUFFIA	Non-executive	01.01.2012 – 31.12.2012	100%
Carlo ACUTIS	Executive	01.01.2012 – 31.12.2012	100%
Giorgio Roberto COSTA	Non-executive	01.01.2012 – 31.12.2012	100%
Luciano GOBBI	Independent non-executive	01.01.2012 – 11.05.2012	100%
Roberto GUARENA	Executive	01.01.2012 – 31.12.2012	86%
Luca PAVERI FONTANA	Non-executive	01.01.2012 – 31.12.2012	86%

Real Estate Committee

Name	Office	Period in office during FY	% attendance of committee meetings
Andrea ACUTIS	Executive president	01.01.2012 – 31.12.2012	100%
Adriana ACUTIS BISCARETTI DI RUFFIA	Non-executive	01.01.2012 – 31.12.2012	75%
Carlo ACUTIS	Executive	01.01.2012 – 31.12.2012	100%
Francesco BAGGI SISINI	Independent non-executive	01.01.2012 – 31.12.2012	75%
Giorgio Roberto COSTA	Non-executive	01.01.2012 – 31.12.2012	100%
Roberto GUARENA	Executive	01.01.2012 – 31.12.2012	100%
Arnaud HELLOUIN de MENIBUS	Non-executive	01.01.2012 – 31.12.2012	50%
Luca PAVERI FONTANA	Non-executive	01.01.2012 – 31.12.2012	100%

Related Partied Committee

Name	Office	Period in office during FY	% attendance of committee meetings
Pietro Carlo MARSANI	Independent non-executive president	02.08.2012 – 31.12.2012	100%
Marco BRIGNONE	Non-executive	02.08.2012 – 31.12.2012	100%
Giuseppe SPADAFORA	Independent non-executive	02.08.2012 – 31.12.2012	100%

APPENDIX 3

BOARD OF STATUTORY AUDITORS

Name	Office	Period in office during FY	In charge until	List	Independent as per Code	% attendance of BoSA meetings	Other offices held ⁽¹⁾
Alberto GIUSSANI ⁽¹⁾	President	30.09.2011	Shareholders meeting approving statements FY 2012		X	80%	3
Giovanni MARITANO	Auditor	23.04.2010	Shareholders meeting approving statements FY 2012	M		100%	0
Corrado VERSINO ⁽²⁾	Auditor	29.04.2011	Shareholders meeting approving statements FY 2012	M		100%	0
Marina MOTTURA	Substitute Auditor	29.04.2011	Shareholders meeting approving statements FY 2012	M	X		-
Michele CASO ⁽²⁾	Substitute Auditor	30.09.2011	Shareholders meeting approving statements FY 2012		X		-

(1) Appointed without list voting on a proposal of the minority to integrate the Board of Auditors

(2) Already Auditor from April 23, 2010

(3) Appointed without list voting on a proposal of the minority to integrate the Board of Auditors

KEY

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

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

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

Others appointments: number of assignments held in other listed companies

APPENDIX 4

Adoption by Vittoria Assicurazioni S.p.A.

of Corporate Governance Code for Listed Companies approved in December 2011 by the Committee for Corporate Governance and promoted by the Italian Stock Exchange

Corporate Governance Code Adoption of Code by Vittoria Assicurazioni

ARTICLE 1 - ROLE OF THE BOARD OF DIRECTORS

Principles

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

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

Criteria

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

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

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

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

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

Adopted

insurance companies or companies of a considerably large size. The Board shall record, on the basis of the information received from the directors, on a yearly basis, the offices of director or statutory auditor held by the directors in the above-mentioned companies and include them in the Corporate Governance Report.

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

Adopted

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

Adopted

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

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

ARTICLE 2 – COMPOSITION OF THE BOARD OF DIRECTORS

Principles

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

Adopted

competent and professional.

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

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

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

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

Criteria

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

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

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

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

The chairman of the Board of Directors shall use his best efforts for causing the directors and the statutory auditors, after the election and during their mandate, to participate in initiatives aimed at providing them with an adequate

knowledge of the business sector in which the issuer runs its activity, of the corporate dynamics and the relevant evolutions, as well as the relevant regulatory framework.

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

Adopted

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

2.C.4. The lead independent director:

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

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

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

ARTICLE 3 – INDEPENDENT DIRECTORS

Principles

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

Adopted

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

Adopted

Criteria

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

Adopted, except letter e), as specified later on

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

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

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

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

- d) if he/she receives, or has received in the preceding three fiscal years, from the issuer or a subsidiary or holding company of the issuer, a significant additional remuneration (compared to the "fixed" remuneration of non-executive director of the issuer and to remuneration of the membership in the committees that are recommended by the Code) also in the form of participation in incentive plans linked to the company's performance, including stock option plans;
- e) if he/she was a director of the issuer for more than nine years in the last twelve years;
- f) if he/she is vested with the executive director office in another company in which an executive director of the issuer holds the office of director;
- g) if he/she is shareholder or quotaholder or director of a legal entity belonging to the same network as the company appointed for the auditing of the issuer;

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

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

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

Adopted

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

Adopted

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

Anyway, independent directors shall not be less than two.

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

Adopted

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

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

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

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

Adopted

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

Adopted

ARTICLE 4 – INTERNAL COMMITTEES OF THE BOARD

OF DIRECTORS

Principle

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

Criteria

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

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

actually performed during the fiscal year, the number of meetings held, their average duration and the relevant percentage of participation of each member.

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

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

ARTICLE 5 – APPOINTMENT OF DIRECTORS

Principle

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

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

Criteria

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

Adopted

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

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

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

within the Board of Directors in charge of this task.

shareholder.

6. REMUNERATION OF DIRECTORS

Principles

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

Adopted

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

Adopted

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

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

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

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

Criteria

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

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

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

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

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

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

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

6.C.4. The remuneration of non-executive directors shall not be – other than for an insignificant portion – linked to the economic results achieved by the issuer. Non-executive directors shall not be beneficiaries of share-based compensation plans, unless it is so decided by the annual shareholders' meeting, which shall also give the relevant reasons.

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

Adopted

Adopted

6.C.5. The remuneration committee shall: Adopted

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

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

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

ARTICLE 7 – INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Principles

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

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

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

- a) the Board of Directors, that shall provide strategic

guidance and evaluation on the overall adequacy of the system, identifying within the Board:

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

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

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

Adopted

Criteria

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

Adopted

- a) define the guidelines of the internal control and risk management system, so that the main risks concerning the issuer and its subsidiaries are correctly identified and adequately measured, managed and monitored, determining, moreover, the level of compatibility of such risks with the management of the company in a manner consistent with its strategic objectives;
- b) evaluate, at least on an annual basis, the adequacy of the internal control and risk management system taking into account the characteristics of the company and its risk profile, as well as its effectiveness;
- c) approves, at least on an annual basis, the plan drafted by the person in charge of internal audit, after hearing the Board of statutory auditors and the director in charge of the internal control system;
- d) describe, in the Corporate Governance Report, the main features of the internal control and risk

management system, expressing the evaluation on its adequacy;

- e) after hearing the Board of statutory auditors, it assesses the findings reported by the external auditor in the suggestions letter, if any, and in the report on the main issues resulting from the auditing.

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

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

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

Adopted

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

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

Adopted

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

Adopted

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

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

Adopted

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

g) verifies, as part of the audit plan, the reliability of information systems including systems of accounting survey.

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

Adopted

ARTICLE 8 – STATUTORY AUDITORS

Principles

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

Adopted

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

Adopted

Criteria

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

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

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

Adopted

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

Adopted

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

Adopted

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

Adopted

ARTICLE 9 – RELATIONS WITH THE SHAREHOLDERS

Principles

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

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

Criteria

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

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

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

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

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

Not applicable