

Ordinary General Meeting of Shareholders

20 April 2012 first call

21 April 2012 second call

Item 4 on the agenda:

Appointment of independent auditors for the period 2012-2020; related resolutions.

Report of the Board of Directors

Dear Shareholders,

The mandate of the independent auditors BDO S.p.A., which was granted by the Shareholders of Vittoria Assicurazioni S.p.A. on 28 April 2006, expired with the General Meeting of Shareholders held to approve the financial statements for the year ended 31 December 2011. Pursuant to the applicable laws, this mandate cannot be renewed and, as such, it is necessary to appoint another audit firm.

Articles 13 and 17 of Legislative Decree no. 39 of 27 January 2010 (Consolidated law on auditing) provides for the shareholders to appoint a new audit firm for the period 2012-2020.

To this end, we note that Article 13 of Legislative Decree no. 39 of 27 January 2010 provides for the Shareholders to appoint a new audit firm and set its fees, upon reasoned proposal of the Board of Statutory Auditors.

The Board of Statutory Auditors, with the support of the executive in charge of financial and corporate reports, started a procedure to select the audit firm to be recommended for the assignment, requesting three primary audit firms to submit a bid.

Following an in-depth financial, technical and organizational review the Board of Statutory Auditors outlined the proposal attached herewith, with reasons fully shared by the Board of Directors.

Therefore, we ask you to adopt a resolution concerning the appointment of the independent auditors for the period 2012-2020.

The Board of Directors

Milan, 13 March 2012

Ordinary General Meeting of Shareholders

20 April 2012 first call

21 April 2012 second call

Item 4 on the agenda:

Appointment of independent auditors for the period 2012-2020; related resolutions.

Reasoned proposal of the Board of Statutory Auditors

Dear Shareholders,

Considering that:

- The mandate of the independent auditors BDO S.p.A., which was granted by the Shareholders of Vittoria Assicurazioni S.p.A. on 28 April 2006, expired with the General Meeting of Shareholders held to approve the financial statements for the year ended 31 December 2011, and the opinion issued by the independent auditors;
- Pursuant to the applicable laws, this mandate cannot be renewed and, as such, it is necessary to appoint another audit firm;
- Article 13 of Legislative Decree no. 39 of 27 January 2010 (Consolidated law on auditing) provides for the Shareholders to appoint a new audit firm and set its fees, upon reasoned proposal of the Board of Statutory Auditors;
- The Board of Statutory Auditors carried out a competitive auction with three primary audit firms, to select the independent auditors to be recommended to the Shareholders for the assignment covering the 2012-2020 period.

At the end of the process and an in-depth technical and financial review of the documentation duly submitted, which was conducted autonomously by the Board of Statutory Auditors, and with the support of the competent company functions, the firm that should be retained to audit the accounts of Vittoria Assicurazioni S.p.A. (hereinafter also "Vittoria", for short), and other Group companies, is Deloitte & Touche S.p.A. This recommendation is based on a comparative and overall review of the proposals received, with special emphasis on:

- costs and terms and conditions of the engagement;
- the mix of staff deployed;
- coverage of the territory, skills and specific experience;
- proposed fees for the same scope of work.

To this end, and given the different rules and regulations applicable to Vittoria, a listed insurance company and parent of the namesake insurance group, we underscore, pursuant to legislative decree no. 39 of 27 January 2010, that:

- Deloitte & Touche S.p.A. is entered in the special register held by Consob pursuant to the combined provisions of article 161 of Legislative Decree no. 58 of 24 February 1998 (TUF – Consolidated Law on Finance) and article 43, paragraph 1, sub-paragraph i) of Legislative Decree no. 39 of 27 January 2010;
- The audit plan outlined in the proposal is adequate and complete in relation to the breadth and complexity of the engagement. In fact, the proposal contains a detailed description of the nature of the engagement, the details of the activities and related procedures, with special reference to:
 1. The audit of the separate and consolidated financial statements (article 14, paragraph 1, sub-paragraph a) Legislative Decree no. 39/2010);
 2. The review, during the year, that the accounting books are kept properly and that transactions are posted correctly (article 14, paragraph 1, sub-paragraph a) Legislative Decree no. 39/2010);
 3. The limited audit of Vittoria's separate six-monthly financial statement (ISVAP Regulation no. 22 of 4 April 2008);
 4. The limited audit of the Vittoria Group's condensed consolidated six-monthly financial statements (Consob Communication no. DAC/RM/97001574 OF 20 February 1997 and Consob Resolution no. 10867 of 31 July 1997);
 5. Audit of Vittoria's consolidation package prepared at fiscal year-end and limited audit of the consolidated six-monthly package. These packages are prepared for the translation and reclassification of Vittoria's separate financial statements and the financial statements of the individual subsidiaries on the basis of IAS/IFRS;
 6. Audit designed to sign Tax Returns on the basis of article 1, paragraph 5, first sentence of Presidential Decree no. 332 of 22 July 1998, as amended by article 1, paragraph 94, Law no. 244/07;
 7. Audit of the separate collective investment schemes (CISs) established by Vittoria, to be carried out pursuant to article 11 of ISVAP Regulation no.38 of 3 June 2011;
 8. Audit of internal insurance funds, to be performed pursuant to circular ISVAP 474/D of 21 February 2002;
 9. Audit of the open-ended pension funds established by Vittoria.
- The estimated number of hours to audit the financial statements and to perform the other audit activities and the breakdown among the various categories of professionals, for a total of 4,591, is consistent with:

- a) the size, composition and risk of the largest factors involved in determining the Company's financial conditions, operating performance and cash flows, as well as the risk profile associated with the consolidation of the subsidiaries' accounts;
- b) the technical expertise and experience required to perform audit work;
- c) the need to ensure, in addition to the actual audit, an adequate supervision and guidance activity, in keeping with the principles and standards set out by Consob.

Moreover, Deloitte & Touche S.p.A. put together a highly structured, first-class team, with a significant presence of Partners and Managers, who account for 43% of total hours for Vittoria and approximately 40% for the Vittoria Group, to ensure effectiveness, efficiency, timeliness in problem-solving and high-profile competencies.

The fee for the engagement, amounting to €338,000, reflects, as a whole and as itemized, the quality and reliability of the service and the independence of the audit firm:

Engagement	Hours	Fees (Euro)
Vittoria – Parent (1)	2,290	178,000
Total Vittoria Group	1,546	110,000
Separate CISs	390	26,000
Internal insurance funds	275	18,000
Pension Funds	90	6,000
TOTAL	4,591	338,000

(1) Includes periodic audits article 14, paragraph 1, sub-paragraph a), legislative Decree no. 39/2010 and the audit activities related to the signing of the Tax Returns (Modello Unico e Modello 770 Semplificato e Ordinario).

In addition to the fees detailed above, costs will include reimbursements and expenses incurred to perform the audit - such as lodging and travel – for the same amount and VAT. Ancillary expenses related to the technology (databases, software, etc.) and clerical and communication services will be charged on a lump-sum basis, amounting to 5%.

Moreover, charges will include the fees of the actuarial auditor for the activities related to the financial statements, the six-monthly accounts and the separate CISs, for a total of €15,000 a year.

Schedules and fees can be revised periodically, also in relation to the general criteria laid down in article 145-bis of Consob Regulation 11971/1999 as amended, if the conditions provided for by the applicable laws materialize.

Deloitte & Touche S.p.A. fulfils the independence requirements of the laws in force (currently, to the best of our knowledge, there are no situations of incompatibility).

The Partner in charge of the audit is Vittorio Frigerio, a member of the Board of Accountants and the Registry of Auditors, who has a long experience on the financial statements of listed companies.

To conclude, as the Board of Statutory Auditors – having determined that the fee requested by the audit firm is in line with the quantity and quality of work to be performed, the expertise of the staff to be employed and market prices -

hereby proposes

to the Body of Shareholders to retain the audit firm of Deloitte & Touche S.p.A. to:

- audit the Company's separate and consolidated financial statements (article 14, paragraph 1, sub-paragraph a) Legislative Decree no. 39/2010) for each of the nine fiscal years ending from 31 December 2012 to 31 December 2020;
- review, during the year, that the accounting books are kept properly and that transactions are posted correctly (article 14, paragraph 1, sub-paragraph a) Legislative Decree no. 39/2010);
- perform the limited audit of Vittoria's separate six-monthly financial statement (ISVAP Regulation no. 22 of 4 April 2008);
- perform the limited audit of the Vittoria Group's condensed consolidated six-monthly financial statements (Consob Communication no. DAC/RM/97001574 OF 20 February 1997 and Consob Resolution no. 10867 of 31 July 1997);
- audit Vittoria's consolidation package prepared at fiscal year-end and perform the limited audit of the consolidated six-monthly package. These packages are prepared for the translation and reclassification of Vittoria's separate financial statements and the financial statements of the individual subsidiaries on the basis of IAS/IFRS;
- perform audit activities designed to sign Tax Returns on the basis of article 1, paragraph 5, first sentence of Presidential Decree no. 332 of 22 July 1998, as amended by article 1, paragraph 94, Law no. 244/07, for the years 2012-2020;
- audit the separate collective investment schemes (CISs) established by Vittoria, to be carried out pursuant to article 11 of ISVAP Regulation no.38 of 3 June 2011
- audit internal insurance funds, to be performed pursuant to circular ISVAP 474/D of 21 February 2002;
- audit the open-ended pension funds established by Vittoria,

as per the proposal of the audit firm dated 24 February 2012, which calls for a total fee of €338,000.

Milano, 13 March 2012

BOARD OF STATUTORY AUDITORS

Alberto Giussani

Giovanni Maritano

Corrado Versino