

REPORT ON CORPORATE GOVERNANCE AND THE OWNERSHIP STRUCTURE PURSUANT TO ART. 123_BIS TUF 2017

(MODEL OF ADMINISTRATION AD TRADITIONAL CONTROL)

2017

A year hallmarked
by transformation

A unique pictorial symbol that incorporates
the various corporate spirits within the
evolutionary dynamic experienced by the
Cattolica Assicurazioni Group.

An industrial and cultural transformation
towards innovation.



2017

REPORT ON CORPORATE GOVERNANCE AND THE OWNERSHIP STRUCTURE PURSUANT TO ART. 123 BIS TUF

(MODEL OF ADMINISTRATION AND TRADITIONAL CONTROL)

Report relative to the 2017 Financial Year
Approved by the Board of Directors on 20 March 2018

Società Cattolica di Assicurazione - Società Cooperativa [Cooperative Company]
Registered Office in Verona - Lungadige Cangrande 16 - <http://www.cattolica.it>

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GLOSSARY

Code / Corporate Governance Code:	the Corporate Governance Code of companies with listed shares approved in December 2011 by the Corporate Governance Committee and endorsed by Borsa Italiana S.p.A., ABI, ANIA, Assogestioni, Assonime and Confindustria. In this Report - which, without prejudice to specific areas for which updates are provided on the date of approval of the Report, describes the Company's corporate governance and ownership structure with reference to the financial year ended on 31 December, 2017 - any reference to the Code is to be understood for the edition published in July 2015.
Civ. Civil Code. / c.c.:	the Italian Civil Code.
Board:	The Issuer's Board of Directors.
Issuer / Company:	Cattolica Assicurazioni, the issuer of transferable securities to which the Report refers.
Financial year:	the financial year to which the Report refers.
Internal audit functions:	Internal Audit, Risk Management, Compliance and Actuarial Function.
CONSOB Issuers' Regulations:	CONSOB Regulation no. 11971 of 1999 (and subsequent amendments) governing issuers.
Report:	the report on corporate governance and ownership structure which companies are required to draft pursuant to article 123-bis TUF.
Consolidated Law on Finance / TUF:	Italian Legislative Decree no. 58 of 24 February 1998, (Consolidated Law on Finance) and subsequent amendments and additions.

PRELIMINARY METHODOLOGICAL REMARKS

<p>The Report describes the corporate governance system and ownership structure for the 2017 financial year, with a specific focus on the most significant events occurring from 1 January 2018 to the date of approval of the Report itself. The information and considerations contained therein, consistent with the regulatory framework in force in 2017 and with the Company's current governance model, do not necessarily take into account, unless specific clarifications are made, the expected evolution in these areas.</p> <p>With reference to the regulatory framework, it is worth mentioning the next issue, by the Italian Institute for the Supervision of Insurance (hereinafter "IVASS"), of new regulations on corporate governance, which will require specific adjustment interventions on certain aspects affected by the Report - for which, moreover, in-depth analyses and reflections are already underway - appropriately referring to it in the Report concerning the current year and to be published in 2019.</p> <p>On the other hand, in relation to the governance model, in recalling what was anticipated to the market with the press release of 29 January of this year with regard to the proposed amendments to the by-laws to be submitted to the Shareholders' Meeting of 27/28 April 2018, it is noted that the latter aims, among others, (i) the introduction, with effect from the next renewal of the administrative body (Shareholders' Meeting 2019), of the "one-tier" model in place of the "traditional" model, with simultaneous termination of the control body and abolition of the Executive Committee, as well as (ii) the review of the limits on shareholding, with an increase from 2.5 % to 5% of the relevant threshold and extension to collective bodies and UCIs. For an in-depth view of the above modification proposals, reference must be made to the Report on changes to the by-laws which will be made available in accordance with the law.</p>

1

ISSUER
PROFILE

1 ISSUER PROFILE

The company Cattolica di Assicurazione – Società Cooperativa (hereinafter “**Cattolica**” or the “**Company**”), founded in 1896, is the parent company 1 of a complex insurance group made up of insurance companies, real estate companies and service companies. The Company has the legal status of a co-operative, but is not a prevailing mutual cooperative pursuant to Art. 2512 of the Italian Civil Code. The administration and control model currently adopted is the traditional model, with a Board of Directors and a Board of Statutory Auditors².

The main provisions to which the Company is subject, in addition to the general provisions concerning the exercise of the insurance business, are related to its cooperative nature. Law no. 207 of 17 February 1992, concerning rules governing shares.

The company structure, made up for the most part by individuals, consists of approximately 24 thousand people on the date of approval of the Report.

The principle of the per capita vote, typical of cooperatives, means that positions of dominance and / or substantial influence cannot occur within the corporate structure. It must also be noted that, until the termination of the partnership with Banca Popolare di Vicenza, now under compulsory administrative liquidation (hereinafter also referred to as “BPVI”), which took place in August 2016, effective at the end of the 6th month starting from the withdrawal notice, and thus, on 10 February 2017³, some agreements regarding the governance of Cattolica were reached, for further details, please refer to the section “Shareholders’ Agreements (pursuant to Art 123-bis, paragraph 1, letter g), TUF)” of the previous edition of the Report.

The powers of the General Shareholders’ meeting are those required by law. The Shareholders’ Meeting therefore, among other things, appoints, on the basis of lists, the Board of Directors, currently composed of eighteen members elected from among the Shareholders. Please refer to Chapter 4.0 for further information regarding the Board of Directors.

Art. 35 of the By-laws states that, within the Board, an Executive Committee be appointed consisting of a Chairman, Deputy Vice Chairman, Deputy Chairman, Secretary, Chief Executive Officer and two other Directors specifically identified by means of a Board resolution.

Currently, there is a General Manager, who is vested with the powers granted by the Board of Directors pursuant to Art. 46 of the By-laws and specified below in Section 4.4, as well as authorised to affix the company signature for ordinary administration purposes⁴.

Pursuant to Art. 44 of the By-laws, the Board of Statutory Auditors is appointed by the Shareholders’ Meeting on the basis of lists: please refer to Chapter 13.0 for an explanation of the current provisions to this regard.

In 2017 the Company published the “2016 Sustainability Report”. Since 2018, in line with recent regulatory developments, the “Sustainability Report” has also been drafted in compliance with Italian Legislative Decree no. 254 of 30 December, 2016, and therefore provides specific disclosure on “non-financial information” The 2016 and 2017 Sustainability Reports, as well as the published corporate reports, can be consulted on the Company’s “Corporate” website “www.cattolica.it/home-corporate”, “Corporate ethics” section.

1 The insurance group Cattolica Assicurazioni is registered under number 19 under the Registry of Insurance Groups pursuant to the law and kept by the IVASS.

2 As specified in the preliminary methodological remarks, the Shareholders’ Meeting of 27/28 April 2018 will be subjected to a complex proposal for amendments to the by-laws, which aims, among other things, to transform the Company’s governance system from the “traditional” model to the “Single-tier” model, with effect, if approved, starting from the next renewal of the administrative body (envisaged with the 2019 shareholders’ meeting).

3 See press release issued on the same date, available on the Company’s “Corporate” website “www.cattolica.it/home-corporate”, section on “Investor Relations”.

4 Until January 28, 2018 there was a second General Manager, who left the position on that date, as announced with a press release issued by the Company on 29 January, 2018, available on the Company’s “Corporate” website “www.cattolica.it/home-corporate”, section on “Investor Relations”.

2

INFORMATION ON
THE OWNERSHIP
STRUCTURE
(PURSUANT TO ART. 123-
BIS, PARAGRAPH 1, TUF)
ON 16 MARCH, 2017

2 INFORMATION ON THE OWNERSHIP STRUCTURE

(pursuant to Art. 123-bis, paragraph 1, TUF) ON 16 MARCH, 2017

a) Structure of the share capital (pursuant to Art. 123-bis, par. 1, letter a), TUF)

On the date of approval of the Report, the share capital amounts to € 522,881,778 and is represented by 174,293,926 ordinary shares, with no par value. There are no other categories of shares. No financial instruments have been issued that attribute the right to underwrite new shares. There are no share-based incentive plans.

b) Restrictions on the transfer of securities (Art. 123-bis, par. 1, letter b), TUF)

Securities are are freely transferable. The name of the shares attributes to the holder all ownership rights, but not the status of Shareholder, in accordance with what is written below sub f).

c) Significant holdings in the capital (pursuant to Art. 123-bis, par. 1, letter c), TUF)

According to the results of the shareholders' register, supplemented by communications received pursuant to Art. 120 of the TUF and other information available, on the date of approval of the Report the significant holdings (over 3%) in the Company's share capital appear to be: General Reinsurance AG, company entirely controlled by Berkshire Hathaway Inc. (9.047%)⁵; Fondazione Banca del Monte di Lombardia (4.900%)⁶; Fondazione Cassa di Risparmio di Verona Vicenza Belluno e Ancona (3.437%) ⁷; Norges Bank (3.092%)⁸. It must also be noted that, on the same date, the incidence of treasury shares held by Cattolica Assicurazioni in its share capital amounted to 3.833%.

d)Securities with special control rights (pursuant to Art. 123-bis, par. 1, letter d), TUF)

As previously said, the Company's cooperative legal status excludes, obviously from the latter's point of view, positions of dominance and / or substantial influence on management, as no securities or situations are envisaged which confer special rights of control or of share ownership schemes of significant relevance. As

specified in Chapter 1.0, up to the termination of the partnership with BPVI, some agreements regarding the governance of Cattolica were reached, incorporated into the By-laws following an ordinary session resolution, only aimed at recognising specific representation safeguards to the partner, which in any case have not altered the principles and structures on which the Company is based. With the Shareholders' Meeting held on April 22, 2017, any relevant reference was removed from the By-laws.

e) Employee shareholdings: exercise of voting rights (pursuant to Art. 123-bis, par. 1, letter e), TUF)

Employee shareholding schemes are not currently available. Exemptions to the above are any decisions that, on this point, will be adopted by the Shareholders' Meeting of 27/28 April 2018.

f) Restrictions on voting rights (pursuant to Art. 123-bis, par. 1, letter f), TUF)

The exercise of the shareholder rights not relating to equity (including the voting rights) is subject to the admission of the shareholder under the terms and conditions set forth in the Company's By-laws. In this regard, we point out paragraph 2 of Art. 10 of the By-laws, according to which "request of those who do not profess the Catholic religion and have not expressed sentiments of adhesion to Catholic Works cannot be accepted."

The by-laws provide that senior citizens may be admitted as shareholders - excluding individuals who are banned, incapacitated, bankrupt during insolvency proceedings or who have been convicted of even under temporary disqualification from public offices, employees and agents of the Company or its subsidiaries and their spouses, as well as relatives or the like of employees and agents within the first degree of relationship - as well as legal entities, within the terms specified below.

⁵ The shareholder obtained the shareholding indicated on 6 October, 2017, acquiring it from Banca Popolare di Vicenza under compulsory administrative liquidation. Please note that in 2017 and up to 5 April 2017, the Vicenza-based institute, 99.33% controlled by Quaestio Capital Management SGR, held a stake of 15.071%, which decreased to 9.047% and then was sold to the current largest shareholder.

⁶ On 21 April 2017, the shareholder announced that it had exceeded the 3% shareholding threshold, going from 2.43% to 3.16%. Subsequently, it increased its shareholding until it reaches the indicated amount.

⁷ Equity interest acquired on 5 April 2017.

⁸ The shareholder, on 20 October 2017, increased its shareholding from 2,968% up to the amount indicated .

In any case the following shall be eligible: individuals or legal entities or other entities that carry out activities, directly or indirectly, in competition with the Company's activities, as well as company representatives, employees and permanent and current collaborators of the latter or persons who carry out banking and financial activities in relation to the public, without prejudice to the cases of company representatives or managers of companies or entities that have contractual relations of collaboration with the Company or its subsidiaries.

Shareholders registered under the Register of Shareholders subsequently as of 8 June 2015 - date of registration in the register of companies of the changes to the By-laws approved by the Shareholders' Meeting of 25 April 2015 - must possess at least 300 shares Shareholders already registered under the Register of Shareholders on that date who do not hold the minimum number of shares prescribed may, until 31 October 2018, supplement and document their minimum shareholding: in the absence of such supplements and documentation, the Board of Directors, after the aforementioned date, shall declare the forfeiture in accordance with the By-laws. Until 31 October 2018, for the aforementioned Shareholders, the status of Shareholder and relevant provisions shall remain in effect, the minimum shareholding limits in force on the date of the Extraordinary Shareholders' Meeting of 25 April 2015, and therefore a measure for Shareholders registered before 21 April 2001 and one hundred shares for Shareholders registered later. This minimum shareholding is a necessary requirement for maintaining the status of Shareholders; failing to do so shall entail the forfeiture of the status of Shareholder, to be declared by resolution of the Board of Directors, with effect from the date of the declaration itself (see Article 9-bis of the By-laws).

In implementation of a specific statutory provision, the Board approved a Regulation for admission of shareholders, available on the website "www.cattolicasoci.it".

With regard to legal entities and bodies in general other than individuals, the Board of Directors has reiterated, in the aforesaid Regulation, the previous assessment criteria for purposes of verifying admissibility conditions of applications for the admission of prospective Shareholders, which must therefore take into account:

a) the institutional aims of the applicants for registration, as resulting from the respective deeds of incorporation and by-laws or equivalent documents;

b) any factual elements that, brought to the attention of the Board, unequivocally manifest the adoption of behaviours of the entity contrary to the Catholic religion (for example, edition and / or dissemination of anti-Catholic publications).

Pursuant to Law no. 207 of 17 February 17, 1992, the refusal to admit prospective Shareholders, which can be resolved upon by the Board of Directors in compliance with the provisions of Art. 12 of the By-laws, produces only the effect of not allowing the exercise of rights other than those pertaining to equity and, therefore, the name assigned solely attributes ownership rights, but not the status of Shareholder. Moreover, upon exceeding company share thresholds established by the regulations and by the By-laws (0.5% for individuals and 2.5% for legal entities), the Shareholder shall, within sixty days from the occurrence of the event, give notice to the Company, and within the next nine months dispose of the shares held in excess. If the shareholder fails to do the above within the deadline indicated in the formal request served by the Company, by registered letter with acknowledgement of receipt, the Shareholder shall lose its status of Shareholder.

The Board of Directors may also decide, upon the fulfilment of certain conditions set forth in the By-laws to exclude an applicant from becoming a Shareholder.

The termination of the status as a shareholder does not entail losing ownership of equity rights inherent to the shares owned by the latter, including the right of option and pre-emption.

g) Shareholder agreements (pursuant to Art. 123-bis, par. 1, letter g), TUF)

During 2017 and up to the date of approval of the Report, no significant agreements were notified to the Company pursuant to Art. 122 of the TUF.

h) Change of control clauses (pursuant to Art. 123-bis, par. 1, letter h), TUF) and statutory provisions on takeovers (pursuant to Art. 104, par. 1-ter, and 104-bis, par. 1)

On 3 November 2017, the Company, in pursuing its strategic lines, entered into an agreement with Banco BPM S.p.A. for the establishment of a long-term strategic partnership in life and non-life bancassurance 9. The agreement provides for the acquisition by Cattolica of a 65% stake in Avipop Assicurazioni S.p.A. and in Popolare Vita S.p.A. and the start of a business partnership in the life and non-life division, on the former Banco Popolare network, for a period of 15 years.

Under the above agreement, and subject to obtaining the required authorizations from the competent supervisory authorities, the Company has entered into a shareholders' agreement with Banco BPM S.p.A. in relation to the management of the aforementioned companies and their subsidiaries, which, together with the relevant distribution agreements, may be terminated, by contractually agreed means between the parties, in the event certain types of parties take control of the Company.

The By-laws do not provide for exceptions to the provisions of Art. 104 of the TUF.

Being a Catholic cooperative company, the provisions of Art. 104-bis of the TUF do not apply.

i) Powers to increase the share capital and authorisations for the purchase of treasury shares (pursuant to Art. 123-bis, par. 1, letter m), TUF)

At present no powers have been granted to increase the share capital.

* * *

The Shareholders' Meeting of 22 April 2017, given that Art. 23 of the By-laws envisages, pursuant to and for the purposes of Art. 2529 of the Italian Civil Code, the possibility for the Board, with the approval of the Shareholders' Meeting, to buy and sell treasury shares, has resolved to renew said authorization for a further 18 months, previously granted by previous Shareholders' Meetings since 2012.

With regard to the underlying reasons, the Board of Directors, in the report drafted for the Shareholders' Meeting of 22 April 2017, found that the purchase, trading and sale of treasury shares had been finalised, in the interest of the Company and in compliance with the legislation, including regulatory and by-laws, in force and applicable, as well as the accepted market practices, to pursue the following objectives: to provide an equity package available for extraordinary transactions aimed at establishing partnerships or collaboration with other industrial operators; financial, always within the scope of the Company's typical activities; to intervene on the market to provide liquidity and stable volumes to trading in the stock, in the interests of shareholders and the Company, and to avoid unjustified uncertainties and fluctuations in listings; with a view to investing, even in the medium and long term, or, in any case, to seize market opportunities whenever it is appropriate both on the market and (only with regard to the sale) in the so-called over the counter markets or even outside each market, provided that the prices of the regulated market are

taken into account; to foster, under exceptional situations and consequent poor liquidity of the stock, a timely reorganisation of the company structure, without the risk of its destabilisation, as well as sudden changes on the market that may lead to difficulties in balancing supply and demand of securities.

In addition, the request to authorise the purchase of treasury shares had not been programmed for transactions to reduce the Company's share capital by cancelling treasury shares purchased and / or stock-option plans.

The following are the essential terms of transactions in treasury shares, as approved by the Shareholders' Meeting of 22 April 2017:

a) the purchase may be made from the share premium reserve, up to the maximum number of shares permitted by current legislative provisions, and therefore up to 20% of the Company's pro tempore share capital, taking into account the treasury shares held by the latter and the companies controlled by it;

b) purchase transactions can be ordered at any time within 18 months from the date of this resolution;

c) the purchase price of shares cannot be lower than the minimum of more than 20% and a maximum of more than 20% higher than the official price of Cattolica shares registered by Borsa Italiana S.p.A. in the stock exchange session preceding each individual transaction;

d) purchases and sales - the latter when made on the market - cannot exceed 25% of the average daily volume of shares traded on Borsa Italiana S.p.A., calculating the average volume on the basis of the average daily volume of trade in the 20 days of negotiation prior to the date of each individual purchase;

e) purchases must be made in compliance with applicable regulatory provisions, and in particular with regard to letters a), b), c) and d) of the first paragraph of Art. 144-bis of the CONSOB Issuer Regulations, as subsequently amended and supplemented;

f) the accounting processing of purchase transactions takes place in compliance with the current provisions of the law, regulations and By-laws, as well as applicable accounting standards. In the event of a disposal, the corresponding amount can be reused for further purchases, until the end of the authorisation of the Shareholders' Meeting, without prejudice to quantitative and expense limits, as well as the conditions established by the Shareholders' Meeting.

Disposals of treasury shares may be carried out, in one or more stages, even before the maximum quantity of treasury shares that can be purchased has been reached. Disposals can take place in the manner and at the time deemed most appropriate in the Company's interest, with the adoption of any method deemed appropriate

9 See press release issued on the same date, available on the Company's "Corporate" website "www.cattolica.it/home-corporate", section on "Investor Relations".

in relation to the purposes that will be pursued, without prejudice to compliance with applicable law.

Business, in light of the aforementioned resolutions, therefore continued in 2017 as part of the new shareholders' authorisation and, as at 31 December, 2017, the Company held 6,679,907 treasury shares, equal to 3.833% of the share capital.

It must be noted that specific proposals on the matter will be submitted to the Shareholders' Meeting on 27/28 April 2018; for a detailed review of the latter, please refer to the contents of the specific report that will be made available in accordance with the law.

For the purpose of providing complete information, it must be noted that, following the changes introduced by Art. 6, paragraph 1, of Italian Legislative Decree no. 139 of 18 August, 2015, n. 139, to Art. 2357-ter, paragraph 3, of the Italian Civil Code, With effect from 1 January 2016 and application to financial statements relating to financial years starting on 1 January 2016, "the purchase of treasury shares shall result in a reduction in equity of the same amount, by recording it under liabilities of balance sheet of a specific item, with a negative sign". The provision in question was included in the IVASS Regulation no. 22 of 4 April 2008, concerning the provisions and outlines for drafting the financial statements and the half-yearly report of insurance and reinsurance companies, following the amendments introduced therein by the IVASS ruling no. 53 of 6 December 2016, thereby becoming fully effective also for insurance companies. The new provision therefore changed the accounting processing of treasury shares in the portfolio: starting from the financial statements

for 2016, approved by the Shareholders' Meeting of 22 April 2017, the purchase of these shares is expected to be entered directly with a "negative sign" among the shareholders' equity items in a special reserve called "Negative reserve for treasury shares in portfolio", while the value of treasury shares in the portfolio or of the "Reserve for treasury shares in portfolio" is no longer required.

I) Management and coordination activities (pursuant to Art. 2497 et seq. of the Italian Civil Code)

The Issuer is not subject to management and coordination activities pursuant to Art. 2497 and following of the Italian Civil Code.

The information requested by article 123-bis, paragraph 1, letter i), TUF on any agreements between the company and directors which envisage indemnities in the event of resignation or dismissal without a just cause, or if their employment contract should terminate as the result of a takeover is contained in Chapter 9.0.

It is also specified that the information required by Art. 123-bis, paragraph 1, letter l) of the Consolidated Law on Finance (TUF), with regard to the rules applicable to the appointment and replacement of directors, as well as to the amendment of the By-laws, other than the legislative and regulatory provisions applicable as a supplement, are reported respectively in the section of the Report dedicated to the Board of Directors and the Meetings.

3

COMPLIANCE (PURSUANT TO Art. 123-bis, paragraph 2, letter a), TUF)

3 COMPLIANCE

(pursuant to Art. 123-bis, par. 2, letter a), TUF)

The Company, since March 2006, has adopted the principles of the Code of Conduct, incorporating over time the various published editions, with appropriate adaptations mainly related to its institutional and operational specificities.

The current edition of the Code, published in July 2015, can be seen on the website "www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm".

The Company has adhered to the above code under the terms specified in the Report, which shows evidence of any situations of non-compliance or non-application of the recommendations contained in the Code's principles and application criteria.

Neither Cattolica nor its subsidiaries of strategic importance are subject to non-Italian laws that influence the Issuer's corporate governance structure, with the obvious exception of directly applicable Community regulations. Please note, for the sake of completeness, the presence in the Group of the company Cattolica Life DAC and in the near future, subject to obtaining the required authorisations, of the company Lawrence Life DAC, both based in Dublin and subject to the Irish legal system.

4

BOARD
OF DIRECTORS

4 BOARD OF DIRECTORS

4.1 APPOINTMENT AND REPLACEMENT (PURSUANT TO ART. 123-BIS, PAR. 1, LETTER L), TUF)

As specified in the preliminary methodological remarks, the Shareholders' Meeting of 27/28 April 2018 will propose to amend some of the statutory provisions referred to below, as indicated in the report on the amendments to the By-laws that will be made available in accordance with the law. Consequently, the guidelines described below, in particular with regard to the appointment of the Board of Directors, will not be fully applied to the next renewal of the body in the event of approval of the aforementioned changes to the By-laws, thus resulting in an update to the latter therefrom.

Appointment of Directors

The Board of Directors currently consists of 18 members.

The administrative body in charge was appointed by the Shareholders' Meeting of 16 April 2016 for the 2016-2017-2018 three-year period, and is therefore due to expire with the Shareholders' Meeting called to approve the financial statements for the year ended on 31 December, 2018.

Pursuant to Art. 33.3 of the By-laws currently in force, the Directors are elected on the basis of lists, which may be submitted by the Board of Directors or the Shareholders as follows:

- (a) the Board of Directors must submit a list of eighteen candidates, in order according to their progressive number, which ensures compliance with the regional representations referred to in Art. 33, paragraph 1, of the By-laws. The list of the Board of Directors must be filed at the Company's registered office and made available to the public within the terms and according to the procedures established by the regulations in force at the time;
- (b) the lists of Shareholders must be submitted by a number of Shareholders who, alone or together with other Shareholders, hold shares representing a total of at least 0.5% of the share capital. The lists of shareholders may also be presented by at least 500 shareholders, regardless of the percentage of total share capital held. These lists must be filed at the Company's registered office and made available to the public within the terms and according to the procedures established by the regulations in force at the time. Subject to the obligation to produce the certification relating to the ownership

of shares held in accordance with the provisions of the law and regulations in force, submitting Shareholders must, simultaneously with the deposit, sign the list; each subscription is accompanied by a photocopy of a valid identity document;

- (c) The Board of Directors and each Shareholder may submit only one list and each candidate may appear in only one list;
- (d) each list of Shareholders must contain a number of candidates in any case of no less than two, ordered in accordance to their progressive number, in compliance with the legislative and statutory provisions relating to the composition of the body;
- (e) together with each list and within the deadline for submitting it, the statements with which individual candidates accept their candidacy and certify, under their own liability, the non-existence of causes of ineligibility and incompatibility (in addition to meeting the requirements prescribed by current legislation (including self-regulation) and by the By-laws to hold the position of Director) must be filed at the registered office.

Pursuant to the By-laws, the lists, in order to be considered for voting purposes, must achieve at least 250 votes validly expressed in the meeting. If only one list has been submitted or if several lists have been submitted and there is no minority director to be appointed, all expiring Directors are taken from the list that obtained the highest number of votes.

If more than one list has been submitted, 17 Directors are taken from the list that obtained the highest number of votes, in the order in which they are indicated, and a Director is drawn from the list that obtained the second highest number of votes (the so-called "Minority Director") and precisely the candidate which occupies the first spot on the list; if, however, this candidate does not ensure compliance with the regional representations described above or other provisions of the law or the By-laws concerning the composition of the Board of Directors, the first of the subsequent candidates on this list will be elected to ensure compliance with these provisions.

In any case, where, despite the above criterion, none of the candidates on the list obtaining the second highest number of votes ensure compliance with the provisions of the law and the By-laws, the eighteenth Director will be drawn from any further lists according to the order of votes obtained by them; if there are no other lists or the latter do not submit candidates who ensure compliance with the regional representations envisaged or other provisions of the law or the By-laws concerning the composition of the Board of Directors, the eighteenth Director will also be chosen from the list that obtained the most number of votes.

If the list obtaining the highest number of votes does not indicate a sufficient number of candidates to complete the Board of Directors, all the candidates indicated therein will be taken from that list, while a Minority Director will be drawn from the list that obtained the second highest number of votes in the manner described above; all the remaining Directors who are missing to complete the body will be drawn from- up to the number necessary to complete the body and in compliance with the provisions relating to its composition as provided for by the By-laws and by the law - the same list that obtained the second highest number of votes; in the event of insufficient candidates on the list obtaining the second highest number of votes, the remaining Directors will be drawn from any additional lists in the order of votes obtained by them.

It is envisaged by the By-laws that the members of the Board of Directors hold each of at least 3,000 shares of the Company, and meet the requirements of suitability required to hold the position. More specifically, Directors must meet the requirements of integrity, professionalism and independence as per the Decree of the Italian Ministry of Economic Development no. 220 of 11 November 2011, containing the Regulations adopted pursuant to Articles 76 and 77 of the Code of Private Insurance pursuant to Italian Legislative Decree no. 209 of 7 September, 2005.

The request for absence of disqualifying situations pursuant to Art. 4 of the aforementioned Decree no. 220/2011 is also recalled. With specific reference to independence requirements, it must lastly be noted

that, pursuant to the provisions of Art. 147-ter, paragraph 4, of the TUF, at least two directors must meet the independence requirements established for statutory auditors by Art. 148, paragraph 3, as well as the additional requirements set forth in the Corporate Governance Code.

With regard to the Company, which carries out insurance activities, the rules of Art. 36 of Italian Decree Law no. 201 of 6 December 2011, converted with amendments by the Law no. 214 of 22 December, 201 apply, which introduced legislation relating to reciprocal holdings in the corporate bodies of companies operating in the credit, insurance and financial markets. This also applies to substantially reducing the risks of cross-directorship highlighted in the Corporate Governance Code.

For the purposes referred to in Art. 148, paragraph 1-bis, of the TUF, the By-laws provide that:

- a) the lists must indicate the candidates necessary to ensure compliance with the gender balance at least to the minimum extent required by the regulations in force at the time;
- b) in the case of co-optation pursuant to Art. 2386 of the Italian Civil Code or of replacement, appointments must be made in compliance with the criterion of division between genders required by current legislation in relation to the current situation.

Candidatures must be accompanied by exhaustive information on the personal characteristics of the candidates, including the possible meeting of the requisites of independence required by law and by the Corporate Governance Code¹⁰.

Replacement of Directors

If, for any reason, one or more Directors are no longer present during the financial year, their replacement, also for Directors co-opted pursuant to Art. 2386 of the Italian Civil Code, takes place with the approval of the Shareholders' Meeting by relative majority on the basis of candidatures proposed by the Board of Directors or Shareholders in the manner indicated above.

Directors appointed to replace missing Directors remain in office until the original term of replaced Directors expires.

Succession plans

The Board of Directors did not consider it necessary to provide for a succession plan for the Chief Executive Officer, the only director qualified as an executive. This in consideration of the fact that the presence of the General Manager/s ensures the necessary continuity of management, possibly also foreseeing where needed

a partial reallocation of the functions and powers. Furthermore, also in compliance with ISVAP Regulation no. 20 of 26 March 2008, the Board of Directors has approved emergency plans for the case of unplanned absences of corporate officers - including the Chief Executive Officer - in order to ensure the necessary continuity of the company's business.

4.2 COMPOSITION (EX ART. 123-BIS, PARAGRAPH 2, LETTER D) AND D-BIS), TUF)

The Board of Directors, as previously mentioned, is made up of 18 members elected from among the Shareholders.

The administrative body in charge was appointed by the Shareholders' Meeting of 16 April 2016 for the 2016-2017-2018 three-year period. On that occasion, two lists were submitted, one by the Board of Directors, pursuant to Art. 33.3, letter a), of the By-laws, the other by Shareholders, pursuant to letter b) of the same provision of the By-laws 11. The list submitted by the Board of Directors obtained 83.92% of the votes on the number of shares represented in the vote, compared to the 13.98% obtained on the list submitted by Shareholders. As a result of the voting outcome, the following directors were elected: Paolo Bedoni, Giovanni Battista Mazzucchelli, Aldo Poli, Barbara Blasevich, Pilade Riello, Manfredi Turchetti, Anna Tosolini, Bettina Campedelli, Paola Feroli, Giovanni Maccagnani, Luigi Mion, Luigi Baraggia, Lisa Ferrarini, Paola Grossi, Alessandro Lai, Carlo Napoleoni, Angelo Nardi, taken from the list presented by the Board of Directors, and Eugenio Vanda, taken from the list submitted by Shareholders and qualifying as "Minority Directors".

In this regard, please note that Director Anna Tosolini resigned with effect from 24 October 2016. Subsequently, the Director Luigi Baraggia and the Managing Director Giovanni Battista Mazzucchelli resigned, on January 13 and 30 May, 2017.

On 17 January 2017, the Board then co-opted Directors Chiara de Stefani and Nerino Chemello, confirmed by the Shareholders' Meeting of 22 April 2017; on 1 June, the Director Alberto Minali was co-opted, who on the same date was appointed as Chief Executive Officer.

Table 2 in the annex shows the composition of the Board of Directors at the end of the 2017 financial year, with information for each year on their birth date and the date of the first appointment by the Shareholders' Meeting / Board of Directors.

Below is a summary of the personal and professional characteristics of each Director currently in office.

Paolo Bedoni (born on 19 December, 1955)
Entrepreneur in the agri-food sector.
Within the Cattolica Assicurazioni Group he is the Chairman and member of the Executive Committee of the Parent Company Cattolica Assicurazioni and of Fondazione Cattolica Assicurazioni; he is also a Director of Cattolica Agricola S.a.r.l. and Cattolica Beni Immobili S.r.l.
He is a Director of Verfin S.p.A., of the Verona Chamber of Commerce, of the National Council of Confcooperative and of the Verona Provincial Council Confcooperative. He is also a member of the Board of Directors of Ania.
In the past he was Chairman of: Coldiretti, Consorzio Sistema Servizi Coldiretti, Federazione Regionale Coldiretti del Veneto, Fata Assicurazioni Danni S.p.A., Cattolica Agricola S.a.r.l., Cattolica Beni Immobili S.r.l. e di Risparmio & Previdenza S.p.A.. He was also a member of CNEL (the Italian National Council for Economics and Employment); official component of the Italian government delegation, in missions abroad, in WTO negotiations - World Trade Organisation. Additionally he was a member of the Economic and Social Committee of the European Union as well as a Director of Banca Popolare di Vicenza soc. coop. p.a., Veronafiore, Axa Cattolica Previdenza in Azienda S.p.A. and Cattolica Immobiliare S.p.A.

¹⁰ Effectively satisfying the independence requisites provided for by the Corporate Governance Code is not formally required by the By-laws. In this regard, it must also be noted that the Company, with a Board resolution of 8 May 2013, decided not to apply the application criterion 3.C.1. letter e) of the Code: for the effect, those who have held the position of director for more than nine years in the last twelve years - and which obviously do not fall into further relevant situations - are considered "independent". This, in accordance with the acknowledged need to give priority to a substantial assessment, awaiting the opportunity to be able to avail itself of professionalism that over time has proved adequate to operate within the Group's complex regulatory and structural framework.

¹¹ For the list of candidates on each list, see the documentation published in 2016 on the Company's "Corporate" website "www.cattolica.it/home-corporate", section on "Governance / Meetings".

Aldo Poli (born on 24 March, 1942)

Motor vehicle production dealership.
He is Chairman of Fondazione Banca del Monte di Lombardia and of the Pavia Province Retailers' Association. He is also a Director of Confindustria. Within the Cattolica Assicurazioni Group he is Deputy Vice Chairman and member of the Executive Committee of the Parent Company, Cattolica Assicurazioni. In the past he held the position of Chief Executive Officer of I.CO.GEL.CO .; Director of Duomo Uni One Assicurazioni S.p.A., of Fondazione Cattolica Assicurazioni and of E.N.A.S.C.O.

Manfredo Turchetti (born on 21 January 1956)

He graduated in Economics and Commerce from the University of Padua in 1981; he is registered with the Register of Chartered Accountants and Accounting Experts of the Province of Vicenza, as well as with the Register of Auditors. He works in the profession of Chartered Accountant and Statutory Auditor. As part of the Cattolica Assicurazioni Group, he is Deputy Chairman of the Parent Company, Cattolica Assicurazioni and Director of Fondazione Cattolica Assicurazioni. Currently, among the most important duties he performs are: Director of: Veronafi S.p.A., Arper S.p.A., Cereal Docks S.p.A. and Marco's S.r.l.; Chairman of the Board of Statutory Auditors of New Box S.p.A.; Standing Auditor of Rino Mastrotto Group S.p.A. and of Veneta Sanitaria Finanza di Progetto S.p.A.; Alternate Auditor of Federlegno Arredo Eventi S.p.A. . In the past he held the position of Chairman of the Board of Statutory Auditors of ABC Assicura S.p.A. and has also held management (including as Chairman and Chief Executive Officer) and auditing positions within companies operating in the commercial and industrial sectors.

Alberto Minali (born on 24 August, 1965)

Company director.
As part of the Cattolica Assicurazioni Group, he is Chief Executive Officer and member of the Executive Committee of the Parent Company, Cattolica Assicurazioni, as well as Chairman of Cattolica Services. In the past he has covered, among others, the following offices: General Manager and Group Chief Financial Officer of Assicurazioni Generali; Vice President of Generali Italia S.p.A .; Chairman of the Supervisory Board of Generali Deutschland Holding AG; Director of Fondazione Assicurazioni Generali; Member of the Supervisory Board of Deutsche Vermögensberatung Aktiengesellschaft DVAG; Member of the Supervisory Board of Generali Beteiligungs - und Verwaltungs - AG; Chairman of Eskatos Capital Management Sarl and founder of Eskatos SICAV - SIF; Chief Investment Officer of Eurizon Financial Group and Chief Financial Officer of Eurizon Vita; Head of Capital and Value Management of Allianz - RAS; Head of the Cattolica Assicurazioni Listing Team; Head of the Corporate Finance

Department of the INA Assicurazioni Group; Reinsurance Underwriter of Generali UK Branch.

Alessandro Lai (born on 10 January 1960)

Full professor of Business Administration in the Department of Business Administration of the University of Verona, author of numerous writings and publications. He also holds the role of Full Scholar of the Italian Academy of Business Economics, of Ordinary Member of the Italian Association of Accounting and Business Economics Professors and Member of the European Accounting Association. He is registered with the register of Statutory Auditors and the Register of Chartered Accountants and Accounting Experts. Within the Cattolica Assicurazioni Group he is Secretary and member of the Executive Committee of the Parent Company, Cattolica Assicurazioni and Director of Fondazione Cattolica Assicurazioni. He currently holds the offices of Chairman of the Board of Statutory Auditors of IMMSI S.p.A., Masi Agricola S.p.A. and Consulfiduciaria S.p.A. as well as Statutory Auditor of Calzedonia S.p.A., OmniaInvest S.p.A. and Magazzini Generali Fiduciari di Mantova S.p.A.. He is also a Director of Fondazione Banca Agricola Mantovana. In the past he has held, among others, the position of Chairman of the Board of Statutory Auditors of: Cattolica Assicurazioni, Lombarda Vita SpA, Cattolica Services S.C.p.A., Risparmio & Previdenza S.p.A., Duomo Uni One Assicurazioni S.p.A., CIRA S.p.A. (formerly Cattolica Aziende S.p.A.), ABC Assicura S.p.A. and of Maeci Vita S.p.A. . He is Standing auditor of Piaggio & C. S.p.A., San Miniato Previdenza S.p.A. and Duomo Previdenza S.p.A. . and Director of UniCredit Credit Management Bank.

Barbara Blasevich (born on 21 September, 1966)

Business consultant and statutory auditor. She is the Chairman and Chief Executive Officer of Euroconsulting S.r.l., providing consultancy services in community agricultural legislation, as well as a member of the board of statutory auditors of industrial companies. Within the Cattolica Assicurazioni Group she is a Director and member of the Executive Committee of the Parent Company, Cattolica Assicurazioni. She is also a Director of Veronafi. In the past, she held the position of Director of Fata Assicurazioni Danni S.p.A. and Tua Assicurazioni S.p.A. in addition to administrative and financial director of Consorzio Latterie "Virgilio".

Pilade Riello (born on 19 October 1932)

Entrepreneur in the metalworking, electronics, IT, multimedia and private equity sectors. Chairman of Riello Industries S.r.l., company operating internationally in various sectors (electronics, energy conversion, information technology and internet, machine

tools, production of customised robotic dispensers, private equity), as well Editoriale Veneto S.r.l. Within the Cattolica Assicurazioni Group he is a Director and member of the Executive Committee of the Parent Company, Cattolica Assicurazioni. In the past he has held the positions of Chairman of Mecfin S.p.A. and of the Industrial Association of the Province of Verona as well as of the Industrial Federation of Veneto. He is a member of the Committee of Three Wise Men for appointing the Italian National Chairman of Confindustria. He was also Chairman of Fondazione C.U.O.A. and Fondazione F.I.T.O.T., Director of Duomo Uni One Assicurazioni S.p.A. as well as member of the Ordering Committee and the Management Board of Fondazione Cattolica Assicurazioni.

Bettina Campedelli (born on 28 March, 1962)

Full Professor of Business Administration at the University of Verona. She deals with issues related to "performance management" with reference to which she has had a significant professional experience in the private sector of industrial companies and in the public sector (with particular reference to health companies and universities). She is also a Chartered Accountant and Statutory Auditor. As part of the Cattolica Assicurazioni Group, she is a She also holds the position of Chairman of the Board of Directors of ICM S.p.A., Deputy Chairman of Fondazione Monte dei Paschi di Siena; Director of FVSSGR; Standing auditor of Capleda S.p.A .; Member of the Board of Directors of the ASP Milanese IMMES and Pio Albergo Trivulzio.

Nerino Chemello (born on 25 January, 1945)

Graduated in Statistical and Economic Sciences at the University of Padua. Financial advisor. Nell'ambito del Gruppo Cattolica Assicurazioni è As part of the Cattolica Assicurazioni Group, he is a Director of the Parent Company, Cattolica Assicurazioni and Deputy Chairman of BCC Vita S.p.A. In the past, he was manager of Banca Cattolica del Veneto; General Manager of Banca Popolare di Venezia and Deputy General Manager of Banca Agricola di Cerea (San Paolo IMI Group). He was also Director of Banca Sintesi, Leasing Artigiano, Artigianfactor as well as the Chief Executive Officer and General Manager of Artigian Holding S.p.A.; financial leader of the economic activities of Confindustria Nazionale - Roma. Additionally, he was Chief Executive Officer of Finart S.p.A., Saar S.r.l. and Inass S.r.l.; an insurance brokerage firm of Confindustria Veneta.

Chiara de' Stefani (born in Padua on 23 February, 1965)

Businesswoman in the metal industry. Graduated in Economics, she obtained a CUOA Master's Degree in Integrated Business Management, and is registered with the Order of Chartered Accountants and Accounting Experts of Padua.

As part of the Cattolica Assicurazioni Group, she is a Director of the Parent Company, Cattolica Assicurazioni and Lombarda Vita S.p.A. She is also a member of the Board of Directors of SIT S.p.A., a leading company of the SIT Group, where she was Chief Executive Officer of the Finance and Control Administration and Chief Financial Officer (CFO) of the Group, as well as a member of the Strategic Committee and the Internal Audit Committee. The company, founded in 1953 and today listed on the AIM market of Borsa Italiana, is a world leader in systems and components for combustion control in gas appliances. She previously held various positions in SIT Group companies with responsibilities in the administrative, financial, internal audit and corporate development areas.

Lisa Ferrarini (born on 30 April, 1963)

Businesswoman. Chairman of Ferrarini S.p.A. and of Società Agricola Ferrarini S.p.A., Chief Executive Officer of Vismara S.p.A. She began to work immediately after graduation, and today is responsible for the production organisation and procurement management of all the Ferrarini Group companies. As part of the Cattolica Assicurazioni Group, she is a Director of the Parent Company, Cattolica Assicurazioni. In Confindustria, she is Vice Chairman for Europe. In Federalimentare, she is a Director in charge of delegating Fairs. She is also a member of the General Council of Fondazione Cariverona.

Paola Ferrolì (born on 11 April 1962)

Businesswoman. Chairman of Ferrolì S.p.A. and Director of Ferrolì Holding S.p.A. She is Vice Chairman of the Federazione ANIMA with powers for Industrial Policies. As part of the Cattolica Assicurazioni Group, she is a Director of the Parent Company, Cattolica Assicurazioni. In the past, he was Chairman of Assotermica, a national association representing the manufacturers of equipment and components for heating systems, active in Confindustria through Federazione ANIMA.

Paola Grossi (born on 30 January, 1954)

Solicitor, practices the legal profession in civil and commercial law. She is Head of the Legislative Office of Confederazione Nazionale Coldiretti and General Manager of ASNACODI. Group; member of the National Committee for the conciliation of the Italian Union of Chambers of Commerce; member of the Scientific Committee of the Agricultural and Rural Development Studies Centre on "Risk Management in Agriculture"; member of the Working Group for the drafting of the Legal Guide on Agricultural Contracts established at Unidroit.

As part of the Cattolica Assicurazioni Group, she is a Director of the Parent Company, Cattolica Assicurazioni.

Giovanni Maccagnani (born on 19 March, 1962)
Solicitor specialising in criminal and tax law, Statutory Auditor, lecturer at the "Ezio Vanoni" School of Economics and Finance, member of the finance committees of listed companies, member of the board of listed companies and banking foundation, member of control bodies of leading companies , author of publications in criminal and tax matters, speaker in refresher and technical-professional in-depth meetings organised by institutional bodies and leading publishing groups.
As part of the Cattolica Assicurazioni Group, she is a Director of the Parent Company, Cattolica Assicurazioni. He also holds the position of Director of Fondazione Cariverona and is a Standing Auditor for numerous limited companies.

Luigi Mion (born on 19 March, 1960)
Entrepreneur.
As part of the Cattolica Assicurazioni Group, she is a Director of the Parent Company, Cattolica Assicurazioni. He is also Chairman of Mion Immobiliare S.p.A. and Chief Executive Officer of Migross S.p.A. and MIG Restaurant S.p.A. In the past, he was the Chief Executive Officer of Nuova Supershopping S.p.A., Mion Immobiliare S.p.A. and Director of ABC Assicura S.p.A.

Carlo Napoleoni (born in Rome on 13 August 1967)
Company manager
Chartered Accountant and Statutory Auditor.
Deputy General Manager of Iccrea Bancaimpresa S.p.A.
As part of the Cattolica Assicurazioni Group, he is a Director of the Parent Company, Cattolica Assicurazioni as well as Chairman of BCC Vita S.p.A. and BCC Assicurazioni S.p.A, He is also a Director of BCC Creditoconsumo S.p.A. and BCC Factoring S.p.A., in addition to auditor of Investire SGR. In passato he held the office of Vice deputy general Manager of Iccrea Holding S.p.A.; Vice chairman of Beni Stabili SGR S.p.A.; Director of Istituto Centrale delle Banche Popolari Italiane S.p.A., BCC Private Equity SGR S.p.A., Aureo Gestioni SGR S.p.A., CartaSi S.p.A., Oasi-Diagram S.p.A., Iccrea Bancalimpresa S.p.A., Accademia BCC S.p.A. and SEF Consulting S.p.A.; Standing Auditor of Finanziaria BCC per lo Sviluppo del Territorio and Ghella S.p.A. He has held managerial positions in KPMG S.p.A. He was also in charge of the Planning and Management Control Service and the Administration and Finance Service at Iccrea Holding S.p.A.

Angelo Nardi (born on 29 July, 1949)
Legal Adviser.
As part of the Cattolica Assicurazioni Group, she is a Director of the Parent Company, Cattolica Assicurazioni.

In the past he has taught at the Faculty of Law of the University of Padua, in the fields of Economics, Finance, and Financial Law. He has held the position of Deputy Director of the Regional Federation of Industrialists of Veneto, General Manager of Confindustria Federlombardia, Director of Confindustria Verona.
He also held managerial positions at various commercial and industrial companies .

Eugenio Vanda (born on 11 July 1967)
Graduated in Industrial Sciences, specialising in "Insurance".
As part of the Cattolica Assicurazioni Group, she is a Director of the Parent Company, Cattolica Assicurazioni. He is also a Founding Member and Sales Director of Strategie Avanzate S.r.l.; Director of Sicurezza e Ambiente S.p.A.; Founder and Shareholder di Ventura Investimenti S.r.l. In the past, he was Director of Duomo Assicurazioni S.p.A., a company of the Cattolica Group; Founder and Shareholder of Ventura Investimenti S.r.l.; General Manager of Phoenix Capital Iniziative di Sviluppo; Chief Executive Officer of Domus Assicurazioni S.r.l.

* * *

As indicated above, during the course of 2017 Luigi Baraggia, who resigned with effect of 13 January, 2017, and Giovanni Battista Mazzucchelli, who resigned with effect of 30 May, 2017, also held the position of Director; the summary of the respective professional profiles can be consulted in the previous edition of the Report.

Diversity policies
The culture of diversity, always pursued by the Cattolica Group, specifically in relation to the structure of corporate bodies, is considered fundamental for the benefits that a dialectic between parties with different experiences and temperaments can have in the context of collegial functioning bodies, with positive impacts also on the sustainability of medium-long term business activities. The above aspects, moreover, are specifically valued in the context of meetings of the aforementioned bodies, conducted in a frank and collaborative atmosphere, open to interventions and discussion, in which everyone is enabled to participate actively and to unlock their potential. This also favoured by the training programmes organised by the Company and extended to all representatives of the Company and the Group.
As the Board of Directors' attention is focused on the above issues, it has not been deemed appropriate, at present, to formally adopt a policy on the diversity of the members of the Board itself and the Board committees, having regard to the proposed changes to the by-laws submitted to the Shareholders' Meeting of 27/28 April 2018 with reference to the structure of the administrative body and, consequently,

to the opportunity to postpone any further studies on the outcome of decisions concerning the adoption of the new governance model.

Maximum number of positions held in other companies and other provisions
Without prejudice to the already mentioned provisions of the law (Ministerial Decree no. 220/2011 and Art. 36 of Decree-Law 6 no. 201/2011, converted with amendments by Law no. 214/2011), the By-laws provide that those who hold such office in more than five listed companies or companies controlled by them cannot be elected as Directors.

Members of the corporate bodies and senior officers of other insurance companies, non-subsidiaries or associates, in competition with the Company, as well as of companies or groups of competing companies, in addition to corporate officers and civil servants, top management of companies that control the insurance companies and competitors themselves, or those who maintain continuous professional collaboration relationships with the aforementioned companies or enterprises may not be members of the Board of Directors. The prohibition does not operate in the case of co-optation in the administrative body according to the current provisions of the law, subject to the same provisions regarding possible incompatibilities and forfeiture.

Given the already incisive provisions described above, the Board did not consider to make additional statements on the matter.

Induction programme
The induction programme is divided into:
→ Information programme on:
• international scenarios;
• strategy and business model;
• insurance and financial markets.

→ Specialist updating programme:
• regulatory framework and regulatory requirements;
• governance system;
• financial economic analysis.

The interventions carried out and / or at the planned state concern both areas, with specific in-depth analyses in terms of international scenarios.

As part of the update program concerning the "regulatory framework and regulatory requirements" training interventions are included on the subject of Market Abuse, transposition of the Fourth Anti-Money Laundering Directive with a focus on innovations for the insurance sector between self-assessment and communication obligations, third parties, sanctions and duties of the Anti-Money Laundering Officer; Insurance Distribution Directive (IDD) with a focus on implementation and implications for companies.

The training plans, shared with the administrative body, are defined and provided as part of a dedicated business process, which leads to the planning and development of the intervention, up to its actual delivery, from the preliminary identification of needs and training objectives .

4.3 ROLE AND DUTIES (ART. 123-BIS, PARA. 2, LETTER D), TUF)

The broad collegiality that characterises the work of corporate bodies is essentially based on the frequency of the relevant meetings. In 2017, 28 Board meetings were held; their average duration was 2 hours and 59 minutes approximately¹².

For 2018, 19 sessions are scheduled, of which 7 have already been held.

The Chairman is responsible for organising the board's work, whose meetings are normally attended by members of the General Management.

On 4 February 2009, the Board adopted a Regulation for its operations, most recently integrated in February 2013, which regulates, among other, the operating procedures adopted to ensure that Directors are provided with adequate information on the matters in question. Internal pre-board procedures are subject to particular attention, also considering the presence of a dedicated organisational presence (Company Secretariat) and the adoption of specific procedures for convening and prior notification.

¹² For information on individual investments, refer to Table 2.

Documentation explaining the matters being discussed is, as a rule, forwarded to the Directors and Statutory Auditors within the three days preceding the one established for the meeting; this, also in order to allow each Director to evaluate the existence of an interest in a specific transaction on the agenda, for the purposes and effects of Art. 2391 of the Italian Civil Code, and to notify it beforehand to the Board of Directors and the Board of Statutory Auditors.

An IT portal was also set up for Directors and Statutory Auditors and accessible, following the appropriate security verification, by computer, which provides a preliminary view of the documentation constituting the information in correspondence with the agenda for the Board session. The portal is also accessible during the session, in a protected Wi-Fi environment, and is structured in such a way as to provide immediate access to the documentation provided to support the various topics being discussed, through the use of a tablet made available to each. Due to these safeguards, representatives can access the portal and the documentation stored there.

In the aforementioned regulation, the Chairman of the Board of Directors, also at the request of other Directors, was granted the right to request that managers, who are entrusted with overseeing the issues under discussion, attend the meetings of the Board. This right was specifically implemented during the year. Likewise, professionals and consultants may be admitted to the session, once the aforementioned right has been exercised by the Chairman.

* * *

The By-laws specify that the exclusive powers of the Board be reserved, among other, to defining the general guidelines and business policies of the Company and the Group, with the relevant strategic, industrial, financial and budget plans, and to assessing the general management trend.

Without prejudice to the powers of the shareholders' meeting as defined by the law, the Company's By-laws also provide for the exclusive powers of the Board of Directors:

- the determination, within the scope of the powers delegated by law, of the powers of the Executive Committee and of the Chief Executive Officer, where appointed, as well as of the specific duties attributable to the special offices pursuant to Art. 35, paragraph 1, of the By-laws;
- the approval of the organisational structure of the company and of the system of delegations and powers, ensuring its adequacy over time.

Also in relation to supervisory provisions, the Board of Directors also defines and assesses, for the purposes of any future audits, the strategies and policies for assuming, assessing and managing the most significant risks, consistent with the company's level of capital adequacy, and sets risk tolerance levels.

Without prejudice to the provisions of Arts. 2420-ter and 2443 of the Italian Civil Code and in compliance with Art. 2436 of the Italian Civil Code, resolutions regarding the following are reserved for the Board of Directors: the issue of bonds, merger and demerger resolutions in the cases provided for by Art. 2505 and 2505-bis and Art. 2506-ter of the Italian Civil Code, the transfer of the registered office within the municipal area; the establishment, suppression and transfer of secondary offices, any information on the directors, in addition to those indicated in Art. 38, who legally represent the Company, the reduction of capital in the event of withdrawal, amendments of the By-laws to regulatory provisions.

The Board of Directors assesses the adequacy of the organisational, administrative and accounting structure. The assessments referred to above are also carried out making use of the activities performed and the consequent reporting drafted by the Control and Risk Committee (with reference to Chapter 10.0). The Board is responsible for reviewing the periodic report on the internal audit and risk management system envisaged by ISVAP Regulation no. 20/2008.

The sharing of systems, approaches and exponents, as well as the centralisation of multiple company functions, implies that assessments regarding the adequacy profiles of the organisational, administrative and accounting structure conducted at the Parent Company can also refer to subsidiaries, in relation to which the various corporate rationalization operations implemented in recent years must be highlighted.

With regard to the procedure for managing "conflicts of interest", please refer to the information provided in Chapter 12.0.

The Board determines the subdivision of the annual remuneration due to the members of the Board of Directors and of the Executive Committee resolved, in accordance with the Articles of Association, by the Shareholders' Meeting. It also determines, after examining the proposals of the Remuneration Committee and after consulting with the Board of Statutory Auditors, the remuneration of the Chief Executive Officer and of the other Directors who hold specific positions. The above is consistent with remuneration policies approved by the Shareholders' Meeting.

The Board assesses the general performance of transactions and their foreseeable evolution compared with company objectives, in particular, in light of the information received from the delegated bodies or from members of the General Management.

Legislative and regulatory updates concerning the Company are brought to the attention of the Board of Directors, usually on a monthly basis.

Through its own resolution, the Board has reserved the most important economic, equity and financial initiatives - which therefore also include those relating to the Group's structure - by identifying them as follows:

- Non-recurring transactions, meaning those transactions that, given the market and / or the Group's and / or the Company's instructions may be considered as unrelated to ordinary and non-repeatable management, such as, for example:
 - purchases/ sales of controlling shares or shares in associates and / or strategic investments;
 - financing and / or provision of guarantees;
 - contributions and distribution of reserves and / or share capital;
 - purchases / sales of business units;
 - other transactions which, given the specific qualitative/ quantitative characteristics, are considered non-recurring, even if they are part of ordinary operations.
- Transactions concluded under non-standard conditions, i.e. concluded at conditions not in line with those of the market.

The transactions referred to above, where they are expected to be carried out by the subsidiaries, must first be submitted for review by the Parent Company's Board of Directors.

In early 2017, the Board, in accordance with the provisions of the Corporate Governance Code and ISVAP Regulation no. 20/2008, proceeded, internally and therefore without the help of external consultants, to carry out the annual process of self-assessment of the structure and own

functioning and the committees in which it is structured, as well as the relevant composition, expressing a positive opinion concerning the overall adequacy. At the end of the self-assessment process, the Board, with resolution of 7 March 2017, updated the document containing the guidelines on skills and professionalism which, without prejudice to the requirements established by current regulations (see Section 4.1), is advisable they be adequately represented within the administrative body, essentially confirming the edition approved on 2 March 2016. This, also considering the need, in the Shareholders' Meeting of 22 April 2017, to appoint only two directors.

For the sake of completeness, it must be noted that in January 2018, the self-assessment process of the administrative body was repeated in a manner substantially similar to the previous editions: also during the same month, the opinion confirmed the overall adequacy of the administrative body, it being understood that there is need for an evolution pursuant to terms that will be proposed by the Board to the Shareholders' Meeting on 27/28 April 2018, also having regard to the goals of the 2018 - 2020 Business Plan.

The Board therefore approved a further update of the document containing the aforementioned guidelines, in conjunction with the need to resolve, at the next Shareholders' Meeting, the appointment of a director, to later be appointed Chief Executive Officer. The current guidelines can be consulted on the Company's "Corporate" website "www.cattolica.it/home-corporate", section on "Governance / Meetings".

It must be noted that the Shareholders' Meeting has not taken any decisions on authorizations, in a general and preventive way, about exemptions from the prohibition of competition provided for by Art. 2390 of the Italian Civil Code. The applicability to the Company of the provisions of Art. 36 of Italian Legislative Decree no. 201/2011, converted with amendments by Law no. 214/2011 must be reiterated, as well as the provisions regarding the independence of members of the administrative, management and control bodies of Ministerial Decree no. 220/2011.

4.4 GOVERNANCE BODIES

Chief Executive Officer

The Chief Executive Officer Alberto Minali, main person in charge of the Issuer's management for whom the conditions set forth in criterion 2.C.5 of the Corporate Governance Code do not apply¹³, is assigned the specific functions and powers that are reported below.

The Chief Executive Officer is the hierarchical head of the Company and of all its structures; he, in compliance with the resolutions of the Board of Directors:

- i) he/she ensures that the organisational, administrative and accounting structure of the Company and the Group is appropriate to the nature and size of the company, within the powers granted to it and according to the general guidelines established by the Board of Directors;
- ii) promotes, coordinates and supervises the entrepreneurial management of the Company and the Group;
- iii) draws up strategic, industrial, financial and organizational development assumptions of the Company and the Group, proposing them to the collective bodies for the relevant assessments and their consequent decisions;
- iv) promptly provides the Chairman and the Executive Committee with information and data on the general operations of the Company and the Group and on the operations and events of particular importance;
- v) reports, at least quarterly, to the Board of Directors and the Board of Statutory Auditors on the activities performed in the exercise of the duties and powers attributed to him/her, on the general performance of operations and on their foreseeable evolution, on current operations, as well as on greater importance, due to their size or characteristics, carried out by the company or its subsidiaries, with particular reference to atypical, unusual or related-party transactions;
- vi) constitutes, presides over and coordinates any intragroup operating committees and requests from the corporate bodies or the management of subsidiaries any information deemed or appropriate to better perform his/her duties;
- vii) oversees the internal control and risk management system of the Parent Company and of the companies that are part of it, and, in compliance with the Corporate Governance Code, is granted all powers that allow him/her to faithfully fulfil the above control duties.

The Chief Executive Officer is also vested with the following powers:

1. Advise on all matters, for purposes of resolutions of the Board of Directors and of the Executive Committee and to ensure that the decisions of the bodies themselves are carried out by the General Managers;
2. to propose the resolutions for which the Executive Committee is responsible;
3. to supervising the functioning of the company and the Group, as well as the organisation as a whole;
4. to coordinate and supervise the activity of the General Manager (s) in relation to personnel policies, determining the general guidelines to which the latter must comply in the management of human resources and supervising their application;
5. to verify that incentive policies for the professional growth of employees are constantly launched;
6. to adopt disciplinary measures against Executives and, in cases of unforeseeable urgency, to dismiss the latter, promptly reporting this to the Executive Committee;
7. to make a provision for the matters referred to in points 1, 2 and 3 related to the powers delegated to the Executive Committee up to the minimum threshold indicated therein and to provide without limitation of the amount in relation to the insurance and reinsurance business and to the relevant disputes;
8. to oversee current and ordinary financial transactions within the framework of the financial framework resolution adopted by the Board of Directors;
9. to initiate judicial proceedings and to grant the appropriate powers of attorney both as plaintiff and defendant, also of a supervisory or urgent nature;
10. to appoint attorneys for individual documents or categories of documents in the context of their powers;
11. to sub-delegate, within the limits of the powers conferred upon him/her, also on an ongoing basis and following consultation with the Chairman, certain powers in whole or in part to employees of the Company.

Any other matter or document not included in the aforementioned attributions falls within the competence and powers of the Chief Executive Officer if not reserved to the Board of Directors, the Executive Committee or the General Manager / s, within the limits of the provisions of the law and by the By-laws.

When the urgent need arises, in order to protect the interests of the Company or the Group, the Chief Executive Officer may adopt, without prejudice to the powers granted to the Chairman, any resolution attributed exclusively to the powers of the Board of Directors or the Executive Committee, except for those that cannot be delegated under the law, and referring it to the body that has exclusive powers over the adopted decision,at the next Board of Directors' meeting.

Chairman of the Board of Directors

The Chairman has not received managerial powers nor has specific roles in drawing up company strategies, except as specified below. The Chairman therefore, cannot be described as the main officer responsible for managing the company (chief executive officer).

If cases of urgency or need to protect the interests of the Company or of the Group occur, the Chairman of the Company, upon proposal of the Chief Executive Officer and whenever it is not possible or opportune to convene the Executive Committee in a timely manner, may adopt any decision reserved for the Board of Directors, except those that cannot be delegated pursuant to the law, or assigned exclusively to the Executive Committee, taking into account any directives issued by the body in whose jurisdiction the decision is to be adopted, in any case referring it to the aforementioned body in the first subsequent meeting . It must be noted that the use of the aforementioned powers are quite sporadic, thus confirming the Chairman as non-executive director.

In addition to the powers of the role, it must be noted that the Chairman is entrusted the task of establishing institutional communication, ensuring external relations and relations with the Shareholders and their associations.

Executive Committee

Pursuant to the By-laws, an Executive Committee is set up, in which the Chairman, Senior Deputy Chairman, Vice Chairman, Secretary of the Board and the Chief Executive Officer take part. The Executive Committee is completed by two additional Directors identified by the Board of Directors.

In November 2012, the Board of Directors approved a specific regulation for the functioning of the Executive Committee.

In 2017 19 Board meetings were held; their average duration was 1 hour and 10 minutes approximately¹⁴ For 2018, 14 sessions are scheduled, of which 3 have already been held.

* * *

The Executive Committee may allow, by means of an authorisation of the Board of Directors, decisions of strategic or extraordinary importance pertaining to the Board of Directors itself.

The following powers are attributed to the Executive Committee, among others, specifying that those referred to in points 1, 2 and 3, do not concern the insurance and reinsurance business and related disputes:

1. authorise the undertaking of commitments or obligations for amounts exceeding € 5,000,000 (five million / 00) and up to € 15,000,000 (fifteen million / 00);
2. authorise the issue or waiver of guarantees in any form for amounts exceeding € 5,000,000 (five million / 00) and up to € 15,000,000 (fifteen million / 00);
3. authorise the waiver of credit positions or authorise transactions for amounts exceeding € 5,000,000 (five million / 00) and up to 15,000,000 (fifteen million / 00), in addition to expenses;
4. authorise the purchase, sale or lease of property for business use or for other uses, for gross amounts not exceeding € 5,000,000 (five million / 00), provided that the carrying value of these does not exceed that amount ;
5. arrange for membership of tax definitions;
6. approve corporate supplementary agreements;
7. approve the annual planning of staffing and hiring plans;
8. to resolve on the appointment, recruitment, promotion, rewarding system, and dismissal of Executives, without prejudice to the General Managers and any Assistant General Managers and Deputy General Managers;
9. to appoint directors and members of control bodies in subsidiaries or only investee companies of Cattolica, where the Board of Directors does not provide for them.

When cases of urgency or need to protect the interests of the Company or the Group occur, the Executive Committee may also adopt, without prejudice to the powers attributed to the Chairman, any decision attributed to the powers of the Board of Directors, except those that cannot be delegated under the law, taking into account any directives given by the administrative body and in any case referring to it in the first subsequent useful meeting.

For thresholds lower than those indicated above, the Chief Executive Officer or the General Manager (s), who, for their respective remits described below, are in any case assigned the Company's current management.

* * *

¹³ The above mentioned criterion 2.C.5 of the Code is shown for completeness: "Il chief executive officer of an issuer (A) does not assume the office of director of another issuer (B) not belonging to the same group, of which a director of the issuer (A) is the chief executive officer ".

¹⁴ For individual investments, refer to Table 2.

For the sake of completeness of information, the powers attributed to the General Managers in office as at 31 December, 2017 are reported below. In this regard, it is specified that, with effect from 1 July 2017, the General Manager, Flavio Piva, head of the “General Management of Markets and Distribution Channels”, was replaced by Carlo Ferraresi; subsequently, on 28 January 2018, the General Manager Marco Cardinaletti, in charge of the “General Area for Insurance and Group Technical Coordination”, also ceased his role.

* * *

General Manager - “General Area for Insurance and Technical / Group Coordination”

In compliance with the resolutions of the Board of Directors, the Executive Committee and the decisions of the Chief Executive Officer, the General Manager who oversees the “General Insurance Area and Group Technical Coordination” area is responsible for insurance management and is responsible of the relevant organisational structures, overseeing their activities in all aspects in terms of product, underwriting and settlement. The General Manager reports directly to the Chief Executive Officer, when appointed, or in his/her absence, to the Board of Directors and / or the Company’s Executive Committee.

The General Manager of the “Insurance Division and Technical Coordination of the Group” is in charge of executing decisions of the Board of Directors and the Executive Committee and the decisions of the Chief Executive Officer and the current management of the Company for the areas within its remits, except as expressly reserved in this regard to the Board of Directors, the Executive Committee and the Chief Executive Officer.

With regard to the insurance and reinsurance business, the duties of the General Manager of the “General Insurance Area and Group Technical Coordination” are defined as follows: for individual assumptions of assured risk, net of of outwards reinsurance within the limit of Euro 70 million; for individual claims settlement up to a limit of Euro 5 million. The General Manager of the “General Insurance Area and Group Technical Coordination”, as a member of the Top Management, is also assigned the duties envisaged for the “Top Management” by the regulations for the areas within his/her remits.

The following powers are also assigned to the General Manager of the “General Insurance Area and Group Technical Coordination”, always with reference to the areas

for which he/she is responsible:

- supervising, in line with the strategies defined by the Board of Directors, the process of life and non-life risk assumption;
 - supervising broker channel management activities;
 - supervising all the activities related to reinsurance;
 - overseeing the application of claims settlement policies with a view to maximizing efficiency and effectiveness;
 - participating, together with the General Manager of the “General Management of Markets and Distribution Channels”, in defining the product plan and in particular overseeing the activities related to the concept and to the technical, tariff and regulatory development of the product;
 - monitoring productivity and technical performance of the life and non-life portfolio;
 - defining the contractual or tariff conditions generally applicable to customers, taking into account the guidelines of the Board of Directors;
 - authorising the undertaking of commitments or obligations for amounts up to Euro 2.5 million, without prejudice to the responsibilities of the insurance and reinsurance business, within the guidelines established by the Chief Executive Officer.
- In relation to the aforementioned areas, the following duties are also assigned to the General Manager of the “General Area for Insurance and Group Technical Coordination”:
- carrying out the transactions envisaged by the Company regulations and as necessary for their compliance;
 - representing the Company before the Italian and foreign supervisory authorities and sign correspondence, communications, provisions and any other document addressed to them;
 - representing the Company in any transaction, including those concluded with public bodies and offices of all types and levels;
 - implement conservative measures to protect the Company’s position;
 - initiating judicial proceedings and therefore granting the appropriate powers of attorney both as plaintiff and defendant, also of a supervisory or urgent nature;
 - to file lawsuits, requests and complaints - and to consequently withdraw or bring them forth - in respect of anyone who considers himself/herself liable for any offence committed against the Company;
 - to join criminal proceedings as a civil party seeking damages in the relevant trials; to have access to a procedure of controlled administration, prior agreement or bankruptcy, as well as to the filing of bankruptcy applications;

- authorising to stand trial both as plaintiff and defendant, as well as to undertake administrative and tax appeals, when the amount of the dispute do not exceed € 1,000,000 (one million / 00) or, in cases of urgent need, also for amounts above the aforementioned threshold;
- appointing attorneys for individual documents or categories of documents in the context of their powers;
- to sub-delegate, within the limits of the powers conferred upon him/her, also on an ongoing basis and following consultation with the Chairman, certain powers in whole or in part to employees of the company.

In the event of absence or impediment of the General Manager of the “General Management of Markets and Distribution Channels” and in the presence of conditions of proven necessity and urgency, the General Manager of the “General Area Insurance and Technical Group Coordination” exercises the powers of the General Manager of the “General Management of Markets and Distributive Channels” in the performance of ordinary administration activities reserved to the latter, obtaining, where possible, prior consent.

General Manager - “General Management of Markets and Distribution Channels”

In compliance with the resolutions of the Board of Directors, the Executive Committee and the decisions of the Chief Executive Officer, the General Manager of the “General Management of Markets and Distribution Channels” oversees the Group’s commercial networks. He/ she is entrusted the duties and the ordinary management of activities related to the channels, in particular the agency, bancassurance and private pensions, with the exception of brokers.

The General Manager reports directly to the Chief Executive Officer, when appointed, or in his/her absence, to the Board of Directors and / or the Company’s Executive Committee.

- The General Manager, of the “General Management of Markets and Distributive Channels”, as a member of the Top Management, is also assigned the duties envisaged for the “Top Management” by the regulations for the areas within his/her remits.
- The following activities of ordinary administration fall within the remits of the General Manager of “General Management of Markets and Distribution Channels”:
- together with the General Manager of the “General Insurance Area and Group Technical Coordination”, to contribute to defining the product plan and in particular, to oversee the activities related to the development of the product concept and the launch on the networks;
 - to oversee the total sales collected for the channels

- entrusted to them, in line with the provisions of the business plan;
- to decide, in compliance with business plans and budgets defined by the Board of Directors, regarding the entering into of agency and bancassurance relationships, as well as the reorganisation or optimisation of agencies, representations, other structures or forms of intermediation, or direct sales channels, or on their appointment or termination;
 - in compliance with the business plan and the budgets defined by the Board of Directors, to develop the current sales methods and explore new markets and new sales opportunities, proposing them to the governing bodies for the assessments and consequent decisions within their remits;
 - in the area of bancassurance and according to the guidelines established by the “General Insurance Area and Group Technical Coordination”:
 - to assume within the following limits:
 - for non-life
 - Euro <5,000,000.00> for insured sums;
 - Euro <3,000,000.00> for policy ceilings;
 - Euro <1,000,000.00> for premiums;
 - for life: individual assumptions of insured risk, net of outward reinsurance, Euro <70,000,000.00>;
 - make payments related to policies and claims, within the following limits:
 - for non-life, up to Euro <1,500,000.00>;
 - for life, up to Euro <5,000,000.00>;
 - stipulate treaties and carry out outward reinsurance transactions;
 - authorize the undertaking of commitments or obligations for amounts up to Euro 2.5 million, without prejudice to the responsibilities of the insurance and reinsurance business, within the guidelines established by the Chief Executive Officer.

In relation to the aforementioned areas, the General Manager “General Management of Markets and Distribution Channels” must also :

- carrying out the transactions envisaged by the Company regulations and as necessary for their compliance;
- representing the Company before the Italian and foreign supervisory authorities and sign correspondence, communications, provisions and any other document addressed to them;
- representing the Company in any transaction, including those concluded with public bodies and offices of all types and levels;
- implement conservative measures to protect the Company’s position;

- initiating judicial proceedings and therefore granting the appropriate powers of attorney both as plaintiff and defendant, also of a supervisory or urgent nature;
- to file lawsuits, requests and complaints - and to consequently withdraw or bring them forth - in respect of anyone who considers himself/herself liable for any offence committed against the Company;
- to join criminal proceedings as a civil party seeking damages in the relevant trials; to have access to a procedure of controlled administration, prior agreement or bankruptcy, as well as to the filing of bankruptcy applications;
- authorise to stand trial both as plaintiff and defendant, as well as to undertake administrative appeals, when the amount of the dispute do not exceed € 1,000,000 (one million / 00) or, in cases of urgent need, also for amounts above the aforementioned threshold;
- appointing attorneys for individual documents or categories of documents in the context of their powers;
- to sub-delegate, within the limits of the powers conferred upon him/her, also on an ongoing basis and following consultation with the Chairman, certain powers in whole or in part to employees of the company.

In the event of absence or impediment of the General Manager of "General Management of Markets and

Distribution Channels" and in the presence of conditions of proven necessity and urgency, the General Manager of "General Area Insurance and Technical Group Coordination" exercises the powers of the General Manager of "General Management of Markets and Distributive Channels" in the performance of ordinary administration activities reserved to the latter, obtaining, where possible, prior consent.

Reporting to the Board of Directors

In accordance with Art. 2381 of the Italian Civil Code, the By-laws state that governance bodies inform the Board of the activities carried out in the board meeting immediately following it and in any case at least quarterly.

The Chief Executive Officer, during the meetings of the Executive Committee and / or the Board of Directors, reports on the activities performed in the exercise of the proxies received. With regard to operations, this takes place mainly during the presentation of periodic accounting summaries.

Also in relation to the provisions of the aforementioned Art. 2381 of the Italian Civil Code, it must also be noted that specific information is provided to the Board of Directors, usually on a monthly basis, relating to the most significant transactions, due to their size or characteristics, carried out by the Company and its subsidiaries.

4.5 OTHER EXECUTIVE DIRECTORS

In accordance with the provisions of the Corporate Governance Code, given the presence of a Managing Director, qualified as executive director, and the contents

of the effective operations of the Executive Committee, members of the Board other than the Chief Executive Officer are considered non-executive.

4.6 INDEPENDENT DIRECTORS

As of 31 December 2017, out of 18 Directors in office, 10 were qualified as independent¹⁵. The assessment of independence requirements is conducted annually upon the approval of the Report on Corporate Governance and Ownership Structures. It is also noted that, with Board resolution of 28 April 2017, and therefore following the Shareholders' Meeting of 22 April 2017 which confirmed the Directors Chiara de' Stefani and Nerino Chemello in their posts, the Board carried out a further assessment of the latter's independence requirements. The market was informed simultaneously on the relevant outcomes.

The Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the Board to assess independence, sharing the results reported in the Report.

The possibility exists for the independent Directors to meet during the year. Independent Directors held a meeting in 2017. It must also be noted that the high number of

independent Directors, together with the frequency of board meetings, already allows for a broad debate on the matters within the Board's remit.

With regard to the provisions of the Corporate Governance Code regarding the minimum number of independent directors (at least two for companies such as Cattolica), the Company presents a situation as indicated above already compliant with the provisions of the Code. In any case, the Board has undertaken to comply with the provisions of the Code for the lists proposed by it in accordance with the By-laws, including the need for the formation of various internal committees with the presence of independent directors.

Lastly, the recommendation expressed in the Code for independent directors to undertake to maintain this status for their entire term of office and, in the event of their failure to do, to resign, the Board, at present, considered it appropriate to refer to any individual assessments.

4.7 LEAD INDEPENDENT DIRECTOR

As the conditions were not met, a lead independent director has not been identified.

In the various resolutions to comply with the Corporate Governance Code, the right for independent directors to select one directly, where deemed appropriate by them, was provided for.

¹⁵ It must be noted that the Board of Directors, at the meeting held on 8 May 2013, resolved, among other things, the general non-application, also for directors as already envisaged for statutory auditors, of the independence requirement envisaged by criterion 3. C.1, letter e), of the Corporate Governance Code (loss of the independence requirement for having held the office of director of the issuer for more than nine years in the last twelve years), in compliance with the acknowledged need to give priority to a substantial evaluation, in order to make use of professional skills that over time have proven adequate to operate within the complex regulatory and structural framework of the Group.

5

PROCESSING OF CORPORATE INFORMATION

5 PROCESSING OF CORPORATE INFORMATION

In consideration of the importance of communication processes in respect of the market, the Board of Directors has long considered it appropriate to adopt specific procedures. The above have been progressively updated, in order to adapt them to the required regulatory provisions - lastly, having regard to EU Regulation no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and related implementing provisions - and in light of the experience gained.

Confidentiality obligations in the processing of corporate information must be retained, as well as repeated in the code of conduct adopted by the Company ¹⁶, the procedures, after defining the notion of privileged information, regulate the powers and safeguards also procedural, in order to identify / qualify the latter, its internal management and compliance with the applicable regulatory requirements, including any disclosure to the public.

Press releases are published on the Company's website.

¹⁶ Il documento è reperibile al link "www.cattolica.it/codice-di-comportamento".

6

BOARD COMMITTEES
(PURSUANT TO ART.
123-BIS, PARAGRAPH 2,
LETTER D), TUF)

6 BOARD COMMITTEES

(pursuant to Art. 123-bis, paragraph 2, letter d), TUF)

The following Committees are established within the Board:

- the Control and Risk Committee;
- the Remuneration Committee;
- the Related Parties Committee;
- the Committee for Corporate Governance;
- the Investment Committee.

The Board can resort to the establishment of other committees, even temporary ones, for the performance of specific functions, as envisaged by art. 35 of the By-laws.

At the time of self-assessment, it has also been envisaged to assess the adequacy of internal board committees, as confirmed, without prejudice to decisions that will be made during the next renewal of the administrative body, also in the light of proposals for changes to the By-laws that will be submitted to the next Shareholders' Meeting.

The meetings of the aforementioned committees are attended by the Secretary pro tempore of the Board of Directors as Secretary of the Committees, assisted in this function by Company personnel, as well as collaborators of the Company (top managers) responsible for the competent corporate functions in relation to the topics on the agenda.

Below are some details of the aforementioned Committees, which are not specifically dealt with in other parts of the Report.

All the Committees are governed by a specific regulation approved by the Board of Directors.

* * *

Committee for Corporate Governance

In August 2010 a Corporate Governance Commission was set up by the Board of Directors, which in May 2013 was converted into a Corporate Governance Committee. The Corporate Governance Committee has preliminary and consultative functions within the Board of Directors regarding the definition of the corporate governance system of the Company and Group and to assess its efficiency, consistent with the attributions recognised to other Committees established within the Company's Board of Directors.

The Committee is made up of the Chairman of the Board of Directors, the Chief Executive Officer, the Deputy Vice Chairman, the Deputy Chairman and the Secretary of the Board of Directors.

The presence of any parties, even outside the Company, is arranged by the Chairman, in agreement with the Chief Executive Officer, from time to time on the basis of the matters dealt with in the meeting.

The Chairman of the Board of Statutory Auditors or an effective member of the Board of Statutory Auditors, as the Chairman's proxy, may attend the meetings of the Committee.

The duties of the secretary are performed by the Secretary pro-tempore of the Board of Directors, or, in the event of the latter's absence and / or impediment, by the Manager pro-tempore on which the Corporate Secretariat depends, or by another employee of the Company who is at least an Officer, chosen by the aforementioned Secretary of the Board or, as a supplementary measure, by the Manager mentioned above.

In 2017 the Corporate Governance Committee met five times.

* * *

Investment Committee

The Investment Committee, set up by a Board resolution of 13 May 2016, has advisory and investigative duties within the Board of Directors concerning the Company's financial and real estate investments, in compliance with the laws, regulations and by-laws in force at the time and with the guidelines established by the Board of Directors itself, consistent with the powers granted to other Committees established within the Company's Board of Directors.

The Investment Committee is made up of the Chairman of the Board of Directors, the Chief Executive Officer and five Board members appointed by the Board of Directors, who have adequate skills to perform their duties, also having regard to the various types of investments.. Currently, in addition to the Chairman Paolo Bedoni and the Chief Executive Officer Alberto Minali, there committee includes Directors Giovanni Maccagnani, Carlo Napoleoni, Aldo Poli, Pilade Riello and Manfred Turchetti.

The General Manager (s), the Chief Financial Officer (CFO) and the Chief Risk Officer (CRO), as well as the Head of Investments and the General Manager of the subsidiary Cattolica Immobiliare, normally attend Committee meetings.

The duties of the secretary are performed by the Secretary pro-tempore of the Board of Directors, or, in the event of the latter's absence and / or impediment, by the Manager pro-tempore on which the Corporate Secretariat depends, or by another employee of the Company who is at least an Officer, chosen by the aforementioned Secretary of the Board or, as a supplementary measure, by the Manager mentioned above.

In 2017 the Investment Committee met 5 times.

7

APPOINTMENTS
COMMITTEE

7 APPOINTMENTS COMMITTEE

The Board of Directors, during the assessment of the adjustments to the Corporate Governance Code, has over time decided not to proceed with the establishment of this Committee, preferring a direct assessment of the matter within the Company's institutional collegial bodies. The above also anticipates the specificities related to the status of the cooperative, as well as the specific role assigned by the Board of Directors to the Chairman, in particular in relations with the corporate base, which,

together with the applicable legal provisions and the wide presence of independent directors, are set to protect an adequately qualified composition of the Board. During the latest developments on the above point, this decision was broadly confirmed, subject however to a subsequent reconsideration of the matter to follow the Shareholders' Meeting of 27/28 April 2018, called to comment, among others, on the adoption of a new *governance* model.

8

REMUNERATION
COMMITTEE

8 REMUNERATION COMMITTEE

The Company set up the Remuneration Committee in 2001.

Composition and functioning of the remuneration committee (pursuant to Art. 123-bis, paragraph 2, letter d), TUF)

The Remuneration Committee has advisory, investigative and proposal-making duties within the Board of Directors with regard to Group remuneration policies, consistent with the powers granted to the Chief Executive Officer and / or other Committees established within the Company's Board of Directors; no proxies or management duties are recognised.

It consists of three non-executive directors, most of whom are qualified as independent pursuant to the Corporate Governance Code. At least one member must possess adequate experience in financial matters, ascertained by the Board of Directors at the time of appointment. The Chairman of the Committee is appointed from among the independent members by resolution of the Board of Directors.

The Chairman of the Board of Statutory Auditors or another effective member of the Board of Statutory Auditors, as delegate of the Chairman, participates in Committee meetings; other members of the Board of Directors, the Board of Statutory Auditors, the Manager in charge of drafting the corporate accounting documents, other members of the structure, a member of the supervisory body pursuant to Italian Legislative Decree no. 231/2001, also with reference to specific items on the agenda.

The duties of the secretary are performed by the Secretary pro-tempore of the Board of Directors, or, in the event of the latter's absence and / or impediment, by the Manager pro-tempore on which the Corporate Secretariat depends, or by another employee of the Company who is at least an Officer, chosen by the aforementioned Secretary of the Board or, as a supplementary measure, by the Manager mentioned above.

The Committee may avail itself of the work of external consultants who are experts in the field of remuneration policies, provided that they do not simultaneously provide assistance to the human resources department, directors or managers with strategic responsibilities in the form of consultancy or services of significance such as to compromise the independence of judgement.

The Remuneration Committee is currently composed of the following Directors:

- Luigi Mion, Chairman and, as specified above, independent;
- Paola Grossi, independent;
- Alessandro Lai.

It must be noted that, during 2017, the Director Luigi Baraggia who also performed the office of Chairman of the Committee, resigned on 13 January 2017 and was replaced in the role, with effect from 14 February 2017, by the current Chairman Luigi Mion.

The personal and professional characteristics of the components required by the Code were kept in mind by the Board at the time of their appointment; a summary of these is given in Section 4.2.

The Directors abstain from voting, or shall leave the meeting, in the event of resolutions relating to their own remuneration.

The Remuneration Committee met eight times in 2017. The average duration of the meetings was of 43 minutes¹⁷. In addition to the persons indicated above, the Chairman of the Board of Statutory Auditors was invited to the meetings; he personally attended 7 of them, granting a proxy in another case a Standing Auditor to represent the supervisory body. For 2018, 8 sessions are scheduled, of which 5 have already been held.

Duties of the Remuneration Committee

Specifically, the Remuneration Committee is responsible for the following activities:

- (i) periodically assessing the adequacy, overall consistency and concrete application of the general policy adopted for the remuneration of executive directors, other directors vested with special duties and executives with strategic responsibilities, making use of the information provided by the Chief Executive Officer; to formulate proposals on the matter to the Board of Directors;
- (ii) submit to the Board of Directors proposals on the remuneration of executive directors and other directors who hold particular offices as well as on the setting of performance targets related to the variable component of this remuneration; to monitor the application of decisions adopted by the Board, verifying, in particular, the actual achievement of performance goals;

- (iii) to make proposals to the Board of Directors regarding the remuneration to be paid to members and managers with special duties, as well as to the members of committees and bodies;
- (iv) to periodically assess the criteria adopted for the remuneration of corporate bodies of subsidiaries and to formulate opinions and recommendations on the matter to the Board of Directors;
- (v) to carry out any specific in-depth analyses requested from time to time by the Board of Directors or the Chief Executive Officer in matters of remuneration;
- (vi) to advise on resolutions of the Board of Directors concerning the proposals regarding compensation, remuneration and incentives to be submitted to the Shareholders' Meeting;
- (vii) in accordance with the procedure for managing transactions with related parties, expressing the prior opinion pursuant to Art. 7 of the CONSOB Regulation for decisions regarding the allocation of remuneration and economic benefits, in any form, to members of administrative bodies and to managers with strategic responsibilities, other than those approved by the Shareholders' Meeting;
- (viii) to formulate a prior opinion on the content of the remuneration report to be provided to the public pursuant to the provisions in force and on any other informative document always intended for the public concerning the subject of remuneration;
- (ix) to carry out the additional tasks, functions and activities assigned to it by the Board of Directors or pursuant to legal or regulatory provisions.

In implementation of the provisions of ISVAP Regulation no. 30 of 9 June 2011¹⁸, the Committee must also:

- verify the proportionality of the remuneration of executive directors among themselves and with respect to the company's personnel;
- in the event that the company uses external consultants to determine the remuneration policies, check that they do not simultaneously provide other consulting services to directors or to parties involved in the decision-making process.

The Committee, during the 2017 financial year: (i) has reviewed the remuneration policies referred to in the aforementioned ISVAP Regulation no. 39/2011; (ii) has reviewed the proposal for determining the treatment to be recognised to the Chief Executive Officer and to the General Manager on termination of their respective offices; has also reviewed the proposals relating to the economic conditions and the variable component of the remuneration of the new Chief Executive Officer; (iii) has reviewed, for purposes of renewal of the Supervisory Body, the proposal for determining compensation for external components.

* * *

The meetings of the Remuneration Committee are duly recorded. It is envisaged that the Chairman of the Committee, to provide information on the meetings held by the Committee, at the next Board of Directors.

The Remuneration Committee is given the opportunity to access the information and company departments necessary for the performance of its duties, as well as to avail itself of the Company's external consultants, the latter which it has used - after verifying the consultant's independence - with the aim of obtaining an overall validation of remuneration policies.

There has not yet been a need to resolve on specific allocations of financial resources available to the Remuneration Committee.

¹⁷ For personal investments, refer to Table 2.

¹⁸ The forthcoming issue of the IVASS Regulation on Corporate Governance, which, in the wording contained in Consultation Document no. 2/2017, provides for the express repeal of Regulation no. 39/2011.

9

REMUNERATION OF DIRECTORS

9 REMUNERATION OF DIRECTORS

With ISVAP Regulation no. 39/2011, the Supervisory Authority of the sector has regulated remuneration policies in insurance companies¹⁹. The rules contained in the aforementioned Regulation provide for provisions that partly incorporate those of the Code, with particular reference to the drafting, by the Board of Directors, of a report on remuneration policies submitted to the approval of the shareholders' meeting, and on the role of the Remuneration Committee, provided for companies of a greater size or complexity, made up of non-executive directors, most of whom are independent.

CONSOB, in December 2011, issued implementing provisions of the regulations pursuant to Art. 123-ter of the TUF, as amended by Italian Legislative Decree no. 259 of 30 December 2010, regarding the remuneration report for the Shareholders' Meeting.

Please refer to the aforementioned reports drafted for the Shareholders' Meeting with effect from 2012 for the profiles of merit of the remuneration policy.

* * *

Compensation of directors in the event of resignation, dismissal or termination of the relationship following a takeover (under terms of article 123-bis, paragraph 1, letter i), TUF)

There are no agreements between the Company and the Directors that provide for compensation in the event of resignation or dismissal without a just cause or if their employment relationship ceases as a result of a takeover bid.

With regard to the position of the current Chief Executive Officer Alberto Minali, in the agreements reached at the time of the appointment - which took place on 1 June 2017 - and still in force, a termination treatment amounting to 15% of the total gross remuneration received is envisaged, in any capacity, during the year for the offices of Director and Chief Executive Officer. There is also an end-of-term bonus for the termination of offices equal to twice the total payable payable per annum, including the variable amounts, provided at the time of termination²⁰.

It must also be noted that, during the course of the 2017 financial year, in relation to the resignation from the position resigned from by the previous Chief Executive Officer Giovanni Battista Mazzucchelli and the General Manager Flavio Piva. (see Chapter 4.0), the Company published the planned disclosures to the market, making known the extent of the compensation paid to resigning Directors with press releases issued on May 23 and 13 June, 2017 and whose content is expressed and full reference is made to.

Similarly, on termination of the position of General Manager held by Marco Cardinaletti, a press release was issued on 29 January 2018, to which reference is also made²¹.

¹⁹ The forthcoming issue of the IVASS Regulation on Corporate Governance, which, in the wording contained in Consultation Document no. 2/2017, provides for the express repeal of Regulation no. 39/2011.
²⁰ The forthcoming issue of the IVASS Regulation on Corporate Governance, which, in the wording contained in Consultation Document no. 2/2017, provides for the express repeal of Regulation no. 39/2011).
²¹ Press releases are available on the Company's "Corporate" website "www.cattolica.it/home-corporate", section on "Investor Relations".

10

RISK AND CONTROL
COMMITTEE

10 RISK AND CONTROL COMMITTEE

In 2001 the Company set up an Internal Audit Committee which, with a resolution adopted in December 2012, has implemented the functions and taken on the name of Risk and Control Committee in compliance with the Corporate Governance Code then in force and unchanged on this point.

Composition and functioning of the Risk and Control Committee (pursuant to Art. 123-bis, paragraph 2, letter d), TUF)

The Risk and Control Committee has advisory, investigative and proposal-making duties in respect of the Board of Directors regarding determining guidelines for the internal audit and risk management system, the verification of its adequacy and functioning, the identification and management of the main business risks and other specific matters related to this; no proxies or management powers are recognised.

It consists of three non-executive directors, most of whom are qualified as independent. At least one member must possess adequate experience in accounting matters, ascertained by the Board of Directors at the time of appointment.

The Chairman of the Committee is appointed from among the independent members by resolution of the Board of Directors.

The Chairman of the Board of Statutory Auditors or another Auditor appointed by the latter takes part in Committee meetings, as well as the Chief Executive Officer, the Chief Risk Officer, the Head of the Audit function and the managers of the other internal audit functions. Directors of subsidiaries may also be invited to the meetings (for the performance of the activities identified in the resolution on the risk appetite system as per the Parent Company's Control and Risk Committee), other members of the Board of Directors and the Board of Statutory Auditors of the Parent Company, the Manager in charge of preparing the corporate accounting documents, a member of the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001, other components of the company structure. The General Managers / may also request to take part. In meetings concerning the monitoring of the risk appetite resolution - issued in implementation of the Company's Risk Management Policy and in compliance with the Solvency II Directive - and the assessment of the necessary corrective measures, the Company's Top Management is represented by at least one of its members, unless the Committee determines otherwise.

The duties of the secretary are performed by the Secretary pro-tempore of the Board of Directors, or, in the event of the latter's absence and / or impediment, by the Manager pro-tempore on which the Corporate Secretariat depends, or by another employee of the Company who is at least an Officer, chosen by the aforementioned Secretary of the Board or, as a supplementary measure, by the Manager mentioned above.

The Risk and Control Committee is currently made up of the following Directors:

- Bettina Campedelli, Chairman and, in line with the above, an independent director;
- Barbara Blasevich;
- Angelo Nardi, independent director.

The characteristics and professional skills of the Directors, with particular reference to accounting and financial matters, are kept in mind by the Board at the time of appointment; a summary of these is given in Section 4.2. In 2017 the Committee met 21 times. The average duration of the meetings was of 1 hour and 47 minutes 22. In addition to the persons indicated above, the heads of the Internal Audit Departments, the members of the Board of Statutory Auditors and, some of these persons, the Chief Executive Officer and the General Managers took part in the meetings. For 2018 17 meetings are scheduled, of which 4 have already been held.

Duties attributed to the Control and Risk Committee

Among the duties described in more detail for the Committee, the following must be noted:

- (i) expressing an opinion to the Board of Directors, when the latter is called to:
 - a. define the guidelines for the internal control and risk management system, so that the main risks relating to the Company and its subsidiaries are correctly identified, adequately measured, managed and monitored through suitable information flows for distribution and collection of data, also determining the degree of compatibility of these risks with the management of the Company and the Group consistent with the strategic objectives and the pro tempore risk appetite identified;

22 For individual investments, refer to Table 2.

<p>b. assess, at least annually, the adequacy of the internal control and risk management system with respect to the characteristics of the Company and the Group and the risk profile assumed, as well as its effectiveness;</p> <p>c. approve, at least once a year, the work plan - where envisaged - drawn up by the Heads of Internal Audit Departments, following consultation with the Board of Statutory Auditors and the Chief Executive Officer;</p> <p>d. describe, in the report on corporate governance, the main characteristics of the internal audit and risk management system and the methods of coordination between the parties involved, expressing its own assessment on the adequacy of the latter;</p> <p>e. assess, after consulting the board of statutory auditors, the results presented by the statutory auditor in the letter of suggestions and in the report on the fundamental issues that emerged during the legal audit;</p> <p>f. to appoint the heads of the internal audit department, ensuring that they are provided with adequate resources to perform their responsibilities, as well as remunerated in line with company policies, and to arrange for their revocation; with reference to the Head of the Internal Audit Department, the opinion rendered must be favourable;</p> <p>(ii) to assist and support, with adequate preliminary activities, the Board of Directors:</p> <p>a. in defining the directives, including at the Group level, on the internal audit and risk management system, and on the review thereof, so that the strategies and policies for identifying, assuming, evaluating and managing risks are adequate for a sound and prudent management of the company;</p> <p>b. in evaluations and decisions regarding the approval of periodic financial reports;</p> <p>c. assessing, together with the Manager in charge of drafting the corporate accounting documents and having heard the statutory auditor and the board of statutory auditors, the correct use of accounting principles and their uniformity for purposes of drafting the consolidated financial statements;</p> <p>d. expressing opinions on specific aspects regarding the identification of the main business risks, evaluating scenarios and assumptions used for stress tests and the results of periodic analyses carried out in accordance with the risk management policy;</p> <p>e. reviewing the periodic reports of the internal audit departments;</p>	<p>f. monitoring the independence, adequacy, effectiveness and efficiency of internal audit functions;</p> <p>g. reporting, at least every six months, during the approval of the annual and half-yearly financial report, on the activity carried out, on the effectiveness and adequacy of the internal audit and risk management system; without prejudice to the fact that any significant criticality must be brought to the attention of the administrative body promptly;</p> <p>h. in evaluations and decisions relating to the management of risks deriving from detrimental facts of which the board of directors has become aware;</p> <p>i. supervising compliance with the principles and values contained in the Business Conduct Code;</p> <p>j. verifying that the Internal Audit Departments are assured of the necessary independence as well as the means and adequate resources for the performance of their duties;</p> <p>k. verifying the implementation and evaluation of the functionality and adequacy of the internal audit and risk management system by the Top Management, composed of the Chief Executive Officer and the General Managers;</p> <p>(iii) proposing to and advising the Board of Directors decisions on the structural interventions to be adopted when specific situations occur, as described in the Risk Appetite resolution;</p> <p>(iv) review:</p> <ul style="list-style-type: none">proposals, adequately documented, of the Top Management on the performance of scenario and sensitivity analyses on the occurrence of specific situations, as described in the Risk Appetite Resolution;the proposals of the Top Management of structural measures to be adopted when specific situations occur, as described in the Risk Propensity resolution, for purposes of the activity referred to in the previous point (iii);in relation to both the above mentioned cases, the Committee may ask the Top Management to identify, evaluate and analyse alternative proposals / solutions;the reports on complaints, carrying out the relevant observations and proposing to the Board of Directors any decisions to be taken; <p>(v) to suggest to the administrative body, having regard to the areas of its specific competence, the appropriate initiatives for the management of the problems and criticalities of which it has received notification;</p>	<p>(vi) to carry out the additional tasks, functions and activities that may be assigned to it by the Board of Directors or pursuant to legal or regulatory provisions. (list by way of example but not of limitation):</p> <ul style="list-style-type: none">oversees the activity of the Manager in charge of drafting accounting documents;verifies the system of delegation of powers and the exercise of delegated powers, as well as the implementation of an appropriate separation of duties;periodically monitors the execution of the plans programmed by the internal audit Departments ;supports the Board in checking the adequacy and functioning of the Own Risk and Solvency Assessment process (ORSA). <p>With regard to subsidiaries, the verification of the adequacy of the internal audit and risk management system is the responsibility of the respective administrative bodies.</p> <p>Furthermore, the Committee can be assigned further tasks by the Board .</p> <p>The Risk and Control Committee makes use, also in the context of periodic meetings for this purpose, the support of the internal audit Departments, which can delegate the carrying out of assessments and verifications on specific operating areas, as well as the drafting of supporting documentation.</p> <p>In carrying out its duties, the Risk and Control Committee has the right to access information and company departments as necessary for the performance of its duties and to avail itself of external consultants at the Company's expense according to the Committee's decision, although it did not avail itself of the latter during the year.</p> <p>The meetings of the Risk and Control Committee are duly recorded. Beyond what is indicated in point ii), letter g), it is also envisaged that the Chairman of the Committee, at the first Board of Directors, provide information on the meetings held by the Committee. Nevertheless, the Chairman of the Committee reports to the Board of Directors on any request or requirement relating to the Committee's activity that is formulated in board meetings or when the Chairman of the Committee deems it appropriate.</p> <p>The Committee Regulation states that it is to have a budget allocated by the Board of Directors for the performance of its duties.</p> <p>The activities carried out in 2017 concerned:</p> <p>1. Assistance to the Board of Directors regarding:</p>	<ul style="list-style-type: none">defining directives concerning the internal audit system and risk management;description of the structure and functioning of the internal audit and risk management system in the Corporate Governance Report and adequacy assessment;evaluation of the control procedures adopted;assessment of the level of independence and adequacy of resources assigned to the Audit Departments. <p>2. Review of:</p> <ul style="list-style-type: none">annual work plans of the Internal Audit Departments and their updating;periodic reports of the internal audit departments;report of complaints. <p>3. Opinions on:</p> <ul style="list-style-type: none">granting of powers to the persons in charge of internal audit;identification and monitoring of company risks;design and management of the internal audit system. <p>4. Assessment of the correct use of accounting principles together with the Manager in charge of drafting the corporate accounting documents.</p> <p>The specific contents of the activities carried out by the Committee in the aspects of greater significance concerned the following areas:</p> <ol style="list-style-type: none">Governance processes and corporate documents;Strategic planning processes (assessment of the Internal Audit and Risk Management System);Internal Audit and Risk Management System;Financial Reporting Processes;Specific planning carried out on behalf of the Board of Directors; in particular, the Company's Board of Directors has conferred on the Risk and Control Committee, with the support of the Internal Audit Department and in liaison with the 231 Supervisory Body and the Board of Statutory Auditors, a specific task relating to the oversight and coordination of activities as part of the investigations launched in June 2017 by the Public Prosecutor's Office of Venice; in this regard, the Risk and Control Committee, during the second half of the year, coordinated the activities carried out by consultants appointed by the Board of Directors and monitored the results, which conclusively highlighted a substantial overall stability of the Management and Control Organisation Model defined pursuant to Italian Legislative Decree 231/2001. <p>The specific contents of the activities carried out by the Committee are, in any case, described in detail in the minutes of the meetings and were promptly reported during the session to the Board of Directors by the Chairman of the Committee.</p>
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11

SISTEMA
DI CONTROLLO
INTERNO E GESTIONE
DEI RISCHI

11 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Company complies with the internal audit guidelines provided for by the Corporate Governance Code, in compliance with the provisions of the Private Insurance Code as well as those issued by the Insurance Supervisory Authority through ISVAP Regulation no. 20/20088.

The internal audit system (hereinafter the “System”), integrated within the corporate governance system, is made up of the set of rules, procedures and organisational structures that aim to ensure the correct functioning and good performance of the Parent Company and of the companies forming the insurance Group, also ensuring:

- the efficiency and effectiveness of business processes;
- adequate control of current and future risks;
- the timeliness of the corporate information reporting system;
- the reliability, integrity and security of company information, accounting and management, and IT procedures;
- the safeguarding of corporate assets, also with a medium to long-term perspective;
- the compliance of companies with current legislation, self-regulation standards and company procedures;
- prevention of the risk of committing illegal activities (also pursuant to Italian Legislative Decree no. 231/2001).

The System is structured based on proportionality criteria according to the nature, extent and complexity of current and future risks inherent to the business activity or any type of risk identified according to a medium-long term perspective and of asset protection.

The effective implementation of the System – in terms of the specific management and operation of devices, mechanisms, procedures and control rules – is widespread and integrated into the corporate structures and involves all staff according to their respective duties and responsibilities.

The Company, as the Parent Company, requires its subsidiaries to comply with the guidelines regarding the internal audit system issued in the exercise of management and coordination.

The main guidelines that characterise the System, taking into account the various applicable regulations and the various areas of activity, are outlined below:

- pervasiveness and uniqueness, as described by the structure of control levels mentioned above;
- separation of tasks and responsibilities: duties and responsibilities are divided between the corporate bodies and structures in a timely manner, so as to avoid any lack or overlap that may affect the company’s functionality; the separation of tasks is also a mechanism for managing potential conflicts of interest and prevents the excessive concentration of powers on a single person or structure;
- formalisation of documents: the actions of the corporate bodies and of the delegated subjects are documented, in order to allow control over management documents and the decisions taken;
- independence of controls: the necessary separation of Control Departments with respect to the operating units is ensured, also by means of an appropriate organisational position;
- internal audit culture: adherence to the principles of legality and integrity is guaranteed primarily by the adoption of the Internal Code of Conduct addressed to the corporate bodies, staff and other stakeholders.

The Cattolica Group, in line with the most advanced governance systems, adopts a three-level structure for its System which, responding to specific and differentiated control objectives, contributes to guaranteeing its proper functioning. Their definition is described below.

→ **First level.** This type includes the controls inherent in operational processes that require specific business skills, risks and / or relevant regulations; also defined as operational or line or permanent controls, they are specified in the checks carried out both by those who carry out a specific activity, and by those in charge of supervision, generally within the same organisational unit. These are the verifications carried out by the same operating structures, also in the form of self-control, or incorporated into automated procedures, or performed within the context of the back-office activity. The above controls are defined within the organisational procedures that describe the business processes; first level controls are present in each business activity or function and are primarily managed by the manager in charge of the individual organisational unit.

The Company’s organisational function supports the description and implementation of this system.

→ **Second level.** These checks, also called periodic checks, oversee the process of identifying, assessing and managing risks related to operations, ensuring consistency with the company objectives and responding to segregation criteria that allow for effective monitoring. They are entrusted to specialised structures that contribute, together with the governing body and the operating structures, to defining the risk management policies, the methodologies for measuring them, the operational limits assigned to the various departments as well as the control of the consistency of operations with the objectives and levels of risk defined by the relevant corporate bodies. These are the functions established under the Italian Private Insurance Code, as last amended by Italian Legislative Decree of 12 May 2015, no. 74: the Risk Management function, the Compliance Verification function and the Actuarial Function. The Anti-Money Laundering function, established pursuant to the ISVAP Regulation no. 41 of 15 May, 2012, in life insurance companies.

The four functions mentioned above are coordinated by the Group Chief Risk Officer (CRO), reporting directly to the Board of Directors, also through the latter. Within the scope of risk management relating to financial information pursuant to Art. 154 bis of the TUF, the control role performed by the Manager in charge of drafting the corporate accounting documents is also provided for. Within the Cattolica Group there are additional structures and parties with control tasks provided by various regulatory sources, which carry out their activities with various degrees of independence and segregation from the operational functions and the corporate control functions.

→ **Third level.** Provides overall assurance on the design and operation of the internal audit system through independent evaluations. It monitors and evaluates the effectiveness and efficiency of the system and its adjustment needs, also providing support and advisory services to other company departments. The periodic control performed by the Internal Audit Department includes the assessment of the adequacy and effectiveness of the other components of the corporate governance system and also extends to the functionality and adequacy of the first and second level controls.

For the second and third level internal control functions, established pursuant to insurance sector regulations, the Board of Directors has established an organisational structure based on the centralisation of the Parent Company’s organisational units in order to ensure

consistency in the adoption of policies, procedures and methods of governance of risks and control.

* * *

The Board of Directors, to which criterion 7C.1 of the Corporate Governance Code assigns the task of defining the guidelines for the internal audit system, performs this task by approving the directives of the internal audit system, drafted pursuant to Art. 5, paragraph 2, letter d) of ISVAP Regulation no. 20/2008, which include the policies of the internal control functions and the procedures that link them.

The Board assesses the adequacy and effectiveness of the internal audit system by reviewing the reports of the Top Management and the Internal Audit Departments as well as the Annual Reports – both individual and the Group’s – to the Supervisory Authority, through which the Board is provided with a vision of the Internal Audit System as a whole.

* * *

With regard to risk management, it must be noted that the Board defined, also from a Group perspective, a risk management process, taking into account the objectives of the business plan and the annual budget, based on the following components:

- 1) analysis of the risk map (identification and assessment of risks);
- 2) definition of the risk appetite level;
- 3) definition of assumption and risk management policies;
- 4) definition and assignment of operating limits (risk monitoring and mitigation);
- 5) risk measurement methodologies.

In particular:

- 1) **Analysis of the risk map (identification and risk assessment)**
The Company collects information on the risks to which it is exposed on an ongoing basis. The above activity is carried out by the Risk Management Department, in collaboration with the managers of the operating areas that are responsible for managing the risks pertaining to the area they are responsible for (Risk Owner) by analysing the processes pertaining to them that present significant risks and identifying the single source of risk and the relevant checks to protect them. Operational processes for identifying risks are indicated in the policies for managing individual risks.

The taxonomy of risks is consistent with the cataloguing required by ISVAP Regulation no. 20/2008, appropriately adjusted on the basis of Solvency II regulations. In addition, the risks relating to the Group's non-insurance companies are taken into account, considered as risks attributable to the Group's instrumental companies that are not regulated by the insurance industry's regulations. Finally, emerging risks, understood as new or emerging risks, difficult to quantify in terms of frequency and impact and whose impact is potentially significant for the Company and / or the entire insurance industry are studied and analysed.

- 2) **Definition of the risk appetite level**
Taking into account the results of the assessment of risks and solvency and consistently with the risk management objectives, the medium / long-term risk appetite is defined, understood as the level of risk that the Group and each Company of the Group intends to assume for the pursuit of their respective strategic goals. Risk appetite is specified by setting thresholds and relevant monitoring and escalation procedures.
- 3) **Definition of policies for assuming and managing risks**
The main objective of the risk management strategy is to comply with commitments in respect of customers, shareholders and, more generally, the various stakeholders of the Company (employees, distribution networks, etc.).

- 4) **Definition and assignment of operating limits**
Operating limits define in detail the maximum risk exposure allowed by the operating structures, in line with the risk appetite, both in quantitative and qualitative terms; they therefore limit the management activity both during the assumption and risk management stage. Limits to operations are defined by the Top Management with the Risk Management Department.
- 5) **Risk assessment methodologies**
As part of the risk management process, the methods to be adopted for measuring and assessing risks are defined. To this end, the Risk Management Department uses different types of analyses:
 - metrics for calculating the Solvency II capital requirement;
 - evaluation of the impacts generated by adverse market changes (sensitivities) on the solvency ratio according to Solvency II rules and taking into account the risk tolerance thresholds set;
 - scenario analysis;
 - stress test.

In line with the Group's risk profile, scenarios for the year 2017 have been defined with respect to market risks and to technical risks for damage and illness.

The Managing Director is responsible for overseeing the audit and risk management system and, in compliance with the Corporate Governance Code, is granted all powers enabling him/her to perform all of the above mentioned audit activities.

The Chief Executive Officer, in accordance with the procedures indicated below, carries out the activity of identifying and monitoring the main risks and relevant control systems.

In this context, the emerging needs for adaptation of this system to the dynamics of operating conditions and the legislative and regulatory framework were kept in mind.

The Chief Executive Officer acquires useful information for the aforementioned purposes, as well as through specific notifications, also of internal control bodies or departments, by taking part in committees and meetings at the managerial level and meetings with the Manager in charge of drafting corporate accounting documents, as well as with the Head of internal audit Departments.

The Chief Executive Officer may ask the Internal Audit Department to carry out checks on specific company operating areas or company operations, in accordance with the procedures defined in the Department's policy.

The Regulations of the Control and Risk Committee state that the Chief Executive Officer may request to take part in meetings of the Control and Risk Committee.

Lastly, it is specified that the Chief Executive Officer handles relations with the Supervisory Authority for internal controls, directly supervising the interactions with the authority in question and assuming the consequent initiatives within its remits.

11.2 HEAD OF INTERNAL AUDITING

The Head of the Internal Audit Department, Enrico Parretta, was appointed by the Board of Directors, upon proposal of the Chairman and the Chief Executive Officer, following the favourable opinion of the Risk and Control Committee - at the time called Internal Audit Committee - and having consulted the Board of Statutory Auditors.

The manager is included within the incentive system established for executives in accordance with the remuneration policy approved by the Shareholders' Meeting for specific function goals. The allocation to the budget manager of the economic, human and technological resources is carried out in an appropriate manner to the nature, scope, complexity and development objectives of the company and the group, consistent with the pursuit of evaluation and monitoring purposes. of the internal audit and corporate governance system set out in the annual audit plan. Financial resources are defined within the corporate budgeting process and mainly refer to expenditure for ordinary office activities, including travel and travel expenses.

The Internal Audit Department assesses and monitors the effectiveness, efficiency and adequacy of the internal audit system and of the other components of the corporate governance system and any need for adjustment, including through support and consulting activities to the other company departments. It adopts a systematic professional approach aimed at evaluating the processes of control, risk management and corporate governance, taking inspiration from the Code of Internal Conduct and the principles of professional ethics, in line with the Professional Practices Framework of The Institute of Internal Auditors.

The department also adopts a quality management system in accordance with the UNI EN ISO 9001:2015 standard.

The Internal Audit Department is set up as a specific organisational unit and is employed by the Board of Directors to guarantee independence and autonomy with respect to the managers of the operating areas and the other internal audit functions. Operational roles are not assigned to the manager of the Department.

The duties, responsibilities and operational procedures of the Department are established by the internal audit policy approved by the Board of Directors, which provides for, among other, freedom of access for persons in charge to all corporate structures and documentation relating to the business area subject to review, including useful information regarding peripheral structures, the sales network and structures for verifying the adequacy of the checks performed on outsourced company activities.

The Head of the Department draws up the annual internal audit programme by applying a risk-based approach, which allows to identify the areas to be investigated primarily in line with the mapping of the main risks to which the company is exposed. The plan also includes the activities to be carried out in compliance with regulatory obligations and a margin to meet the needs of unforeseen checks; is subject to approval by the Board of Directors, after consultation with the Risk and Control Committee, before the start of the reference year.

With reference to the 2017 financial year, in accordance with the internal standards established by the Department's policy, the manager submitted the quarterly reports and the annual report summarised to the administrative, management and control body, after submitting it to the Risk and Control Committee, in line with the activities plan, activities and checks carried out, results emerged, critical issues and the recommendations made for their removal, as well as the status and timing of implementation of improvement measures, if implemented.

The checks involved, in line with the audit plan, both corporate management processes, such as, for example, organisational procedures, information systems and management accounting records, and peripheral processes, such as the placement of insurance products on distribution networks and the settlement of claims by dedicated offices.

11.3 ORGANISATIONAL MODEL PURSUANT TO ITALIAN LEG. DECREE 231/2001

The Parent Company, the Italian insurance companies subsidiaries and the main instrumental companies of the Group not subject to sector regulations have adopted an Organisational, Management and Control Model, pursuant to Italian Legislative Decree of 8 June 2001, no. 231 (hereinafter referred to as the "Model").

With reference to the Issuer, the Model, with a Board resolution of 11 July 2014, was adapted to the organisational and regulatory changes following its last approval, approved on 6 June, 2011. The updating process for the Parent Company and for the subsidiaries is nonetheless on-going, consistent with the evolution of the Group's regulatory and corporate framework.

The Parent Company's Supervisory Body, following certain significant organisational changes and recent additions to the 231 list of offences, has highlighted the need to update the Model of the Company and its subsidiaries.

The updating project, coordinated by the Compliance Verification Department and by the Organisation with the support of a leading consulting firm, concerns the Cattolica Models and the Group's insurance and instrumental companies. The activity is expected to be completed within the first half of 2018.

The intervention in question was divided into three stages: a first stage relating to a preliminary assessment of the needs and methods of intervention on the basis of the current Model and of the company's internal regulatory and procedural framework; a second stage of precise identification of the need to update the document (introduction of new types of offences / organisational changes that have occurred); a third stage of drafting the General Section and the Special Part of the Model of all the companies under the scope of consolidation.

The above approach involves primarily the top managers of the companies, the relevant supervisory bodies and the individual process owners, for sharing and alignment.

In 2017, the Company planned and organised the compulsory training course pursuant to Italian Legislative Decree no. 231/2001, on a platform, targeted at all employees of the Cattolica Group, and carried out a course on legislation updates in the presence of executives and top managers.

Activities related to the effective implementation of the Model are as follows:

- definition of ethical principles in relation to behaviours that can represent the types of offences envisaged by the Decree: a specific Code of Conduct has been adopted for this purpose;
- definition of the Company's processes in which, in principle, the conditions, the opportunities or the means for committing offences of instrumental activities can occur;
- definition of personnel training methods;
- definition of the information to be provided to the sales network, service companies and other third parties with whom the Company comes into contact;
- definition and application of disciplinary provisions capable of sanctioning the failure to comply with the measures indicated in the Model and equipped with appropriate deterrence;
- identification of the Supervisory Body and assignment to the latter of specific supervisory tasks on the effective and correct functioning of the Model, with a "mixed collegiate" composition (for the Parent Company there is an external Chairman, another external member and two internal members, as well as the pro tempore managers of the Internal Audit and Compliance Verification Departments);
- definition of ordinary and extraordinary information flows in respect of the Supervisory Body.

As indicated in the Code regarding the performance of the Supervisory Body's functions, it is specified that the Board of Directors, at present, deemed it preferable not to assign to the Board of Statutory Auditors the functions of the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001, bearing in mind that the aforementioned assignment would entail a further extension of the already demanding functions performed by the Board of Statutory Auditors and that the presence of a further "control body", while placing the need for coordination, facilitates internal dialectics in a perspective of greater supervision .

11.4 AUDIT FIRM

The appointed auditing firm is Deloitte & Touche S.p.A. The relevant authorisation, for the 2012-2020 financial years, was approved, on the proposal of the Board of Statutory Auditors, in the Shareholders' Meeting of 21 April 2012.

11.5 MANAGER IN CHARGE OF DRAFTING THE COMPANY ACCOUNTS AND OTHER ROLES AND CORPORATE FUNCTIONS

The By-laws state that the Executive in charge of drafting accounting documents must possess adequate expertise in administrative, accounting and financial matters. The above skills, to be ascertained by the Board of Directors itself, must have been acquired through work experience in positions of adequate responsibility for at least three years.

The Manager in charge Enrico Mattioli, who also holds the role of Chief Financial Officer, was appointed by Board resolution of 28 January 2018; until that date, a similar role was performed by the General Manager, Marco Cardinaletti.

The Financial Reporting Manager is responsible for defining, in agreement with the Top Management, adequate administrative and accounting procedures for drafting the financial statements, the consolidated financial statements and any other disclosure of a financial nature, thereby making use of the collaboration of the Company's relevant structures, also for the purpose of a general coordination of interventions. To this end, an independent power of expenditure has been envisaged, subject to approval by the relevant corporate bodies if the latter is exceeded.

The Financial Reporting Manager is authorised, also in respect of subsidiaries, to: (i) request (and obtain) information and data from the individual company departments involved in the drafting, implementation, application and control of administrative and accounting procedures and / or involved in the processes relating to drafting the financial statements and the consolidated financial statements, and in general, to any company function with reference to information or data that may have an impact on the economic, equity or financial situation of the Company and the Group (both at the equivalent and higher hierarchical levels as well as those below him/her and not dependent on him/her); (ii) carry out checks and controls on the application of administrative and accounting procedures, even if they concern processes managed by functions that are not hierarchically dependent on him/her.

With reference to other corporate roles and functions having specific duties regarding internal audit and risk management, reference must be made to the foregoing sections.

11.6 COORDINATION BETWEEN PARTIES INVOLVED IN THE INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM

The Board of Directors, within the scope of defining directives on the internal audit system, has provided for an exchange of information between the various corporate bodies and the other persons in charge of control. Meetings are scheduled, with regard to aspects of common interest, between the Boards of Statutory Auditors of Group companies, as well as collective meetings of the internal control bodies and functions, planned by the Board of Statutory Auditors. The connection of Internal Audit Functions with the corporate bodies is also carried out through the invitation, addressed

to the managers of the respective Departments, to participate on a quarterly basis in Board meetings, to explain the results of its activities and the future work plans.

There are also procedures for the connection between the Internal Audit Functions themselves, which also identify moments of information exchange, on a periodic basis or in the event of the occurrence of particularly serious situations, in order to guarantee an adequate level of coordination and effectiveness, as well as to ensure maximum information and mutual transparency.

12

DIRECTORS' INTERESTS
AND RELATED PARTY
TRANSACTIONS

12 DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS

On 29 November, 2010, in compliance with the CONSOB Regulation no. 17221 of March 12, 2010, subsequently amended by resolution no. 17389 of 23 June, 2010, the Board of Directors, on hearing the positive opinion of the Internal Committee for this purpose pursuant to the aforementioned legislation, approved the "Procedure for managing transactions with related parties" (hereinafter the "Procedure"), as last amended on 20 December 2016 and available on the Company's website ²³, which applies to the cases envisaged by the above CONSOB Regulation, except for cases of exemption approved by the Board within the framework of the powers provided for by the regulations.

In referring to the above document for further details, however, the following qualifying elements are reported:

- 1) an ad hoc Related Parties Committee is envisaged, separate from other Committees present in the Company, composed entirely of directors recognised by the Company as independent pursuant to the Corporate Governance Code; in the event of resolutions concerning remuneration, the functions provided for in the regulation are assigned to the Remuneration Committee;
- 2) the Shareholders' Meeting approved the statutory provision regarding the possibility of submitting to the Shareholders' Meeting the approval of transactions of greater significance for which the Related Parties Committee has expressed a negative opinion (the so-called whitewash), also stating that the Shareholders' Meeting can refuse to authorise to carry out the transaction only if there is at least 2.5% of unrelated Shareholders present (necessary quorum);
- 3) the following exemptions from the application of the Procedure are envisaged:
 - a. for small transactions, whose countervalue does not exceed Euro 250l;
 - b. for ordinary transactions concluded on terms equivalent to market or standard conditions;
 - c. for remuneration plans based on financial instruments approved by the Shareholders' Meeting, as well as for the remuneration of directors with special duties and managers with strategic responsibilities to resort to the conditions for exemption provided for by the Regulations (Article 13, paragraph 3, point b);
 - d. for intragroup transactions, in the absence of significant interests of parties related to the Company, other than Group companies.

Specific procedures are in place for the census of related parties and pre-emptive interception of transactions.

During 2017, the Director Giovanni Maccagnani performed duties as Chairman of the Related Parties Committee while Bettina Campedelli and Paola Feroli performed their duties as members, and all are currently in office in their respective roles.

In 2017 the Committee met twice.

It must also be noted that the matter is also partly regulated by IVASS Regulation no. 30 of 26 October 2016, concerning supervisory provisions on intra-group transactions and on risk concentrations, which replaced, with effect from 1 December 2016, the previous ISVAP Regulation no. 25 of 27 May 2008.

Lastly, it must be noted that, as repeated and affirmed, due to the liability of each Director to inform the Board of Directors and the Board of Statutory Auditors on the existence of any interest, on their own account or on behalf of third parties, on a specific transaction, pursuant to Art. 2391 of the Italian Civil Code, the Board of Directors approved a specific procedure on this matter.

The above mentioned procedure provides that, upon the prior availability of documentation relating to each session, also governed by the Regulations governing the functioning of the Board of Directors, for the integrated purpose, Directors are to assess the existence of an interest in a given transaction, providing information to the other Directors and to the Board of Statutory Auditors by sending, by computer or paper means, a specific format for reporting to the Chairman of the Board of Directors and to the Chairman of the Board of Statutory Auditors.

In any case, the possibility, provided for by law, for a Director to meet the obligation to provide information at the latest during the meeting of the Board, during the introduction of the discussion of the point relating to a specific transaction in which the Director recognises the existence of any interest that they may have, either directly or on behalf of third parties.

²³ The procedure can be found by clicking on the following link "www.cattolica.it/parti-correlate".

13

APPOINTMENT
OF AUDITORS

13 APPOINTMENT OF AUDITORS

Going back to Art. 44 of the By-laws, the breakdown in detail of the provisions of the By-laws relating to the appointment of the Board of Statutory Auditors - which, from the forthcoming renewal envisaged with the Shareholders' Meeting of 27/28 April, 2018 and consequently to the amendments of the By-laws resolved on 22 April, 2017, shall be composed of three Standing Auditors and two alternates - it must be noted that:

- the Board of Directors must submit, on the occasion of each renewal of the Board of Statutory Auditors, its own list, signed for membership by as many Shareholders who, alone or together with other Shareholders, hold shares representing a total of at least 0.5% of the share capital, or at least 500 shareholders, regardless of the percentage of the total share capital held;
- in the case of lists submitted by Shareholders, they must be submitted by at least 250 Shareholders who hold shares representing a total of at least 0.25% of the share capital;
- in the event that only one list is submitted within this deadline, the Shareholders may deposit lists up to the third following day and the statutory thresholds set forth above are reduced to half.

During the election of members, the Board of Statutory Auditors, in the event several lists are submitted, shall proceed as follows:

- a) the first two candidates for the position in progressive order of the list that obtained the majority of the members' votes (the "majority list") and the first candidate for the corresponding office in progressive order, among the remaining lists of candidates, are elected as members of the Board of Statutory Auditors, from the list that obtained the highest number of votes and which, pursuant to Art. 147-ter, paragraph 3 of the TUF, is in no way connected to the majority list (the "minority list");
- b) alternate members of the Board of Statutory Auditors are elected as candidates for the position indicated in the first place in the majority list and in the first place in the minority list.

If several lists obtain the same number of votes, for the assignment of the relevant duties of the Statutory Auditor, a ballot will be held between these lists.

The Auditor appointed by the list that has obtained the second highest number of votes, if any, is elected from the Board of Statutory Auditors. Where the Board of Statutory Auditors is drawn from a single list or has been appointed without a list, the chairman of the Board is in the first case, the person that appears in first place on the list that obtained the majority of votes, and in the second case to the Standing auditor who will have obtained the highest number of votes.

Regarding the composition by genres, the By-laws state that:

- a) the lists made up of a number of effective candidates equal to three must indicate candidates of both genders;
- b) if the number of statutory auditors of the under-represented gender is lower than that established by the current provisions of the law, the necessary substitutions shall be carried out according to the order of presentation of candidates within the scope of the section of standing auditors of the majority list;
- c) in the event of replacement, the auditors appointed by the Shareholders' Meeting in replacement must be of the same gender as those that have lapsed or ceased;
- d) in all case in which, when the members of the Board of Statutory Auditors are appointed, the balance between genders is not assured, the Shareholders' Meeting will resolve in compliance with the legislative and regulatory provisions by a relative majority from among the candidates submitted to the Shareholders' Meeting itself

In the event of forfeiture or termination of office for any reason of an Auditor, he/she is replaced by the Alternate Auditor taken from the same list. In the event of early termination of the Chairman of the Board of Statutory Auditors, the Chair is taken over by the Alternate Auditor taken from the minority list and, where this is not possible, by the most senior Auditor.

14

COMPOSITION AND
FUNCTIONING OF THE
BOARD OF STATUTORY
AUDITORS
(PURSUANT TO ART.
123-BIS, PARAGRAPH 2,
LETTER D) AND D-BIS),
TUF)

14 COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS

(pursuant to Art. 123-bis, paragraph 2, letter d) and d-bis), TUF)

The Board of Statutory Auditors in charge was appointed by the Meeting of 25 April 2015 for the 2015-2016-2017 three-year period. During that meeting, three lists were submitted, one by the Board of Directors, pursuant to Art. 44.8 of the By-laws, the others by Shareholders, pursuant to Art. 44.9 24. The list submitted by the Board of Directors obtained 75.65% of the votes on the number of shares represented in the vote, compared to the 10.09% and 7.05% obtained on the two additional lists submitted by Shareholders. Following the vote and having regard to the criteria for appointing the Board of Statutory Auditors (see section 13.0 above), the following were elected as Statutory Auditors: Giovanni Glisenti (Chairman), Cesare Brena (Standing Auditor), Federica Bonato (Standing Auditor), Luigi de Anna (Standing Auditor), Andrea Rossi (Standing Auditor), Carlo Alberto Murari (Alternate Auditor) and Massimo Babbi (Alternate Auditor). The Statutory Auditors Brena, Bonato, de Anna and Rossi, as well as the Alternate Auditor Murari, were taken from the list submitted by the Board of Directors, which obtained the highest number of votes (majority list); the Chairman of the Board of Statutory Auditors, Glisenti and the alternate Auditor Babbi, were instead taken from the most voted list submitted by Shareholders (minority list).

At the time of the appointment, the Shareholders' Meeting also decided on the remuneration of the Board of Statutory Auditors, approving the relevant proposal of the Board of Directors, formulated in respect of the specific duties and the significant commitment required by the appointment.

Table 3 in the annex summarises some relevant information relating to the Board of Statutory Auditors.

Below is a summary of the personal and professional characteristics of each Auditor in office.

Giovanni Glisenti (born on 4 September 1956)
(Chairman of the Board of Statutory Auditors)
He graduated in Business Economics at the "Luigi Bocconi" University of Milan in 1981; the following year he obtained the "Advance Professional Certificate in General Management" at New York University; he has been a member of the Association of Chartered Accountants of the Province of Verona since 1983, an Official Auditor since

1989, registered with the Register of Accounting Auditors by the institution in 1992. He works in the profession of Chartered Accountant and Statutory Auditor. Within the Cattolica Assicurazioni Group he is Chairman of the Board of Statutory Auditors of the Parent Company Cattolica Assicurazioni, Statutory Auditor of ABC Assicura S.p.A. and Alternate Auditor of C.P. Servizi Consulenziali S.p.A. He currently holds the offices of Chairman of the Board of Statutory Auditors in Gestioni Benacensi S.p.A., Consultique S.p.A., Neafidi Società Cooperativa di Garanzia Collettivo Fidi, as well as Standing Auditor in Colorificio A. & B. Casati S.p.A., J. Lamarck S.p.A. and Fondazione Cattolica. In the past he was Chairman of the Board of Statutory Auditors of Tua Assicurazioni S.p.A. and Risparmio & Previdenza S.p.A. as well as Standing Auditor of Cattolica Polo Finanziario S.p.A.

Federica Bonato (born on 25 November, 1955)
(Standing statutory auditor)
Graduated in Economics and Commerce from the University of Padua - Verona branch; she is registered with the Association of Chartered Accountants of Verona, as well as with the Register of Statutory Auditors. She works in the profession of Chartered Accountant. As part of the Cattolica Assicurazioni Group, she is Standing Auditor of the Parent Company Cattolica Assicurazioni and Alternate Auditor of ABC Assicura S.p.A. and Cattolica Services S.c.p.A. She currently holds the office of Standing Auditor of Unicredit Subito Casa S.p.A. and Unicredit Factoring S.p.A., in addition to being a member of the Board of Statutory Auditors of leading industrial companies. In the past she has been Statutory Auditor of Unicredit S.p.A., Forgital Italy S.p.A., Unicredit Merchant S.p.A., Unicredit Corporate Banking S.p.A., Casa di Cura S. Francesco S.p.A, and Quercia Factoring S.p.A.; she was also Chairman of the Board of Statutory Auditors of Fondo Aggiuntivo Previdenza Aziendale Dipendenti Mediovenezie S.p.A.

Cesare Brena (born on 11 January 1965)
(Standing statutory auditor)
He graduated in Business Economics at the "Luigi Bocconi" University of Milan in 1989; he is registered with the Register of Chartered Accountants and Accounting Experts of the

24 For the list of candidates on each list, refer to the documentation published on the Company's "Corporate" website "www.cattolica.it/home-corporate", section on "Governance / Meeting".

Province of Verona since 1991, as well as the Register of Auditors since 1995. He works in the profession of Chartered Accountant and Statutory Auditor. Within the Cattolica Assicurazioni Group he is Standing Auditor of the Parent Company Cattolica Assicurazioni and of Cattolica Agricola S.a.r.l. He is currently a member of the control body of companies operating in the commercial and industrial sectors, including Air Liquide Italia S.p.A. In the past he was Chairman of the Board of Statutory Auditors of Fata Assicurazioni Danni S.p.A., Hydro Dolomiti Enel S.r.l. and Agos Ducato S.p.A.,. He was also Standing Auditor of IDeA Sgr S.p.A., Gecos S.p.A., Gruppo Pam S.p.A., Linea S.p.A., Deval S.p.A. and Gruppo Rossetto S.p.A.

Luigi de Anna (born on 7 January,1959)

(Standing statutory auditor)
He graduated in Economics and Commerce at the University of Verona in 1984; he is registered with the Register of Chartered Accountants and Accounting Experts of the Province of Vicenza since 1986, as well as the Register of Statutory Auditors since 1995. He works in the profession of Chartered Accountant and Statutory Auditor. As part of the Cattolica Assicurazioni Group, he is a Standing Statutory Auditor of the Parent Company, Cattolica Assicurazioni. He currently holds the offices of Chairman of the Board of Statutory Auditors of SEC Servizi S.C.p.A., Bisazza S.p.A., Lotto Sport Italia S.p.A. and Standing Statutory Auditor of Salvagnini Italia S.p.A. He also holds various offices as statutory auditor and auditor in financial, industrial and commercial companies. In the past he has been Statutory Auditor of Banca Popolare di Vicenza, Banca Nuova S.p.A., Diadora S.p.A., Dainese S.p.A. and Centrale del latte of Vicenza S.p.A.

Andrea Rossi (born on 20 July 1972)

(Standing statutory auditor)
He graduated in Economics and Commerce at the Catholic University of Milan in 1994; he is registered with the Register of Chartered Accountants and Accounting Experts of the Province of Vicenza, as well as in the Register of Statutory Auditors. He works in the profession of Chartered Accountant. Within the Cattolica Assicurazioni Group he is Standing Auditor of the Parent Company Cattolica Assicurazioni, Chairman of the Board of Statutory Auditors of Cattolica Agricola S.a.r.l. and of Cattolica Immobiliare S.p.A. ; Statutory Auditor of Berica Vita S.p.A. Alternate auditor in Cattolica Beni Immobili. He currently holds administration and control positions in companies operating in the commercial and industrial sectors. In the past he was Statutory Auditor of Fata Assicurazioni Danni S.p.A., San Miniato Previdenza S.p.A. and Cattolica

Services Sinistri S.p.A. (formerly Car Full Service S.p.A.), auditor of Fondazione Cattolica.

Massimo Babbi (born on 23 October, 1963)

(Alternate auditor)
He graduated in Business Economics at the “Luigi Bocconi” University of Milan in 1987; he is registered with the Register of Chartered Accountants and Accounting Experts of the Province of Verona since 1991, as well as the Register of Statutory Auditors since 1995. He works in the profession of Chartered Accountant and Statutory Auditor. As part of the Cattolica Assicurazioni Group, he is an Alternate Auditor of the Parent Company, Cattolica Assicurazioni. He currently holds the office of Chairman of the Board of Auditors of the Lombardy Region.

Carlo Alberto Murari (born on 31 July, 1965)

(Alternate auditor)
He graduated in Economics and Commerce at the University of Verona in 1989; he is registered with the Register of Chartered Accountants and Accounting Experts of the Province of Verona since 1991, as well as the Register of Statutory Auditors since 1995. He works in the profession of Chartered Accountant and Statutory Auditor. As part of the Cattolica Assicurazioni Group, he is alternate Auditor of the Parent Company Cattolica Assicurazioni of Berica Vita S.p.A. and of Cattolica Agricola S.c.a.r.l., as well as Standing Auditor of Cattolica Beni Immobili S.r.l. In the past, he was Chairman of the Board of Statutory Auditors of Eurofidi Veneto Soc. Coop.; Standing Statutory Auditor of Lombarda Vita S.p.A., Cattolica Services Sinistri S.p.A. (formerly Car Full Service S.p.A.) and of AGSM di Verona S.p.A., Alternate auditor of Fata Assicurazioni Danni S.p.A.

* * *

During the course of 2017, 43 meetings of the Board of Statutory Auditors were held. The attendance of the members of the Board at the aforementioned meetings are indicated in Table 3 in the annex. In 2018, 7 sessions have already been held.

The Board of Statutory Auditors verified, upon appointment, the meeting, by all its members, of the requisites of independence envisaged for Directors pursuant to Art. 3 of the Corporate Governance Code, as required by criterion 8.C.1.

In 2017, the continuation of the requirements in question was subject to further verification, the results of which were appropriately notified to the administrative body, which took note of it at the Board meeting of 16 March 2017, thus providing information to the market. The same was

done during the Board meeting of 6 March, 2018. In this regard, for the sake of completeness, it is recalled that the Company has decided not to apply criterion 3.C.1, letter e), according to which those who have held the office of director for more than nine years in the last twelve years are not considered “independent”, and evidently not in further relevant situations on the matter (see note to Section 4.1). The above is specified, although none of the statutory auditors are in the aforementioned situation.

The Company has adhered to the Corporate Governance Code and therefore each Auditor is aware of the burden of promptly and comprehensively informing the other Statutory Auditors and the Chairman of the Board, in the event that he / she has an interest, on their own account or third parties, in a given transaction of the Company. Should the aforementioned case occur, the members of the Board of Statutory Auditors are therefore required to make a specific statement to the Board of Directors.

The Board of Statutory Auditors monitored the independence of the auditing company, verifying

compliance with the provisions in this regard, as well as the nature and extent of any services other than the financial audit provided to the Company and its subsidiaries by the auditing company.

The Board of Statutory Auditors coordinated its activities with the Internal Audit Department and with the Risk and Control Committee, also taking part in meetings of the latter.

The Board of Statutory Auditors takes part in the Induction Programme referred to in Section 4.2.

Diversity policies

Please refer to the considerations made on the section 4.2, noting that the assessment of suspending, for the time being, the adoption of a policy on the diversity of the members of the Board of Statutory Auditors, is even more motivated by the decision to propose at the next Shareholders' Meeting the transition from the “traditional” model of governance to the “single-tier” one.

15

RELATIONS WITH
SHAREHOLDERS

15 RELATIONS WITH SHAREHOLDERS

The Company's website contains information on Cattolica that is relevant to its shareholders (see in particular the "Governance", "Investor Relations" and "Media" links in the "Corporate" section of the Company's website).

A link is also available for Members, containing information on the initiatives specifically dedicated to them.

A person in charge of managing relations with institutional shareholders (investor relator) has been identified, in the person of the CFO, Enrico Mattioli, who makes use of a specific support structure. With regard to relations with the company base, the Company uses the structures of the service offered to shareholders.

Shareholders are also sent periodic updates on Life companies of the Group by the Chairman.

16

SHAREHOLDERS'
MEETINGS
(PURSUANT TO ART.
123-BIS, PARAGRAPH 2,
LETTER C), TUF)

16 SHAREHOLDERS' MEETINGS

(pursuant to Art. 123-bis, paragraph 2, letter c), TUF)

Referring to the By-Laws for further details, it must be noted that the Ordinary Shareholders' Meeting for the approval of the financial statements is convened within one hundred and twenty days from the end of the financial year, or within one hundred and eighty days, if the conditions established by law are met.

Meetings, both as ordinary and extraordinary sessions, may be convened at any time, upon the resolution of the Board or at least two members of the Board of Statutory Auditors or at the request of at least one twentieth of the Shareholders, usually in Verona and in any other place than the Registered Office and from the municipality itself, where deemed necessary by the Board of Directors.

With the methods, within the terms and within the limits established by law, a number of members of no less than one fortieth of the total number, which document, according to current regulations, to be the holders of the minimum number of shares required, in accordance with the provisions of the By-laws, to exercise rights other than those related to equity, may require the inclusion of the list of matters to be discussed in the Shareholders' Meeting resulting from the call notice, stating in the request the additional topics proposed. It is also possible to make proposals on points already on the agenda, as required by law.

Each Shareholder, registered for at least 90 days in the Register of Shareholders, attends the Shareholders' Meeting with only one vote regardless of the number of shares he/she owns, provided that he is in good standing with payments and has not exceeded the limit set for the Shareholder (as an individual or legal entity) by the law and by the By-laws 25 For purposes of taking part in the Shareholders' Meeting, it is necessary for the authorised intermediary, with whom the shares are deposited, to

have sent the Company the notice required by current legislation certifying the ownership of a number of shares at least equal to the minimum established pursuant to Articles 22 and 54 of the By-laws, at least two days before the day set for the first call.

Shareholders may represent another Shareholder by proxy; however, no proxy or representative may represent more than five Shareholders. To attend the meeting, the proxy must show the original of each proxy accompanied by a photocopy of a valid identity document of the proxy.

Anyone who is not a Shareholder cannot intervene in the Meetings, not even as a representative or proxy, except as provided for by the statutory representatives of Shareholders who are legal entities.

The powers of the Shareholders' Meeting are those of the law, also considering the Company's legal form as a cooperative.

The Shareholders' Meeting resolves by a majority of votes cast in the Shareholders' Meeting, except as provided for by the By-laws and reported below. With the same number of votes, the proposal is considered rejected.

According to the provisions of Art. 32, paragraph 3, of the By-laws, a two-thirds majority of voters are required for amendments to the By-laws ²⁵.

The vote is clear on all matters set out in the resolution.

To resolve on the anticipated dissolution of the Company, in cases not provided for by the law, a favourable vote of four fifths of the Shareholders present or represented at the Meeting is required, provided they represent at least one third of the number of Shareholders.

Art.10 of the By-laws cannot be changed without the consent given by all the Shareholders in a Meeting duly constituted as such.

* * *

The current practice for convening the Shareholders' Meeting provides, in addition to the law publications, the sending to all Members of a specific written notice of invitation to take part in the Shareholders' Meeting. Meetings are usually held on second call, set on a non-working day to facilitate the participation of Shareholders, which has always been numerous.

It is possible to activate one or more remote connections with the place where the Shareholders' Meeting is held, in order to allow Shareholders to still follow the meeting and express their vote at the time of voting. This provision is included in the Shareholders' Meeting Regulations, most recently updated on 25 April 2015; the relevant text is available on the Company's website ²⁷, to which reference must be made for the procedural profiles, including the ways in which to take part in the discussion.

During the Meeting held on 22 April 2017, attended by all the Directors, a remote connection took place with Centro Congressi Palazzo Rospigliosi, located in Rome, Via XXIV Maggio 43.

It must be noted that resolutions of the Shareholders' Meeting concerning remuneration were taken on the proposal formulated to the Shareholders' Meeting by the

Board of Directors, after previously obtaining the opinion of the Remuneration Committee. The Chairman pro tempore of said Committee therefore did not provide a separate explanation of the activities carried out.

* * *

In referring to Section 2.0, letter c), and to table 1, for information concerning significant holdings in the Company's share capital, it is recalled that in 2017 the 3% threshold was exceeded by General Reinsurance AG, a wholly owned subsidiary of Berkshire Hathaway Inc., Fondazione Banca del Monte di Lombardia, Fondazione Cassa di Risparmio di Verona Vicenza Belluno e Ancona, Norges Bank.

The Board does not deem it necessary to intervene on the percentages established for exercising rights and prerogatives set up to protect minorities. In fact, as Cattolica is a cooperative company, the aforementioned rights and prerogatives assume the status of shareholder and the exercise of the rights of the individual person, as well as, in some cases, a percentage of share capital. The percentages envisaged in the By-laws remain, regardless of however significant, in any case contained within the capital thresholds.

²⁵ It is recalled that, pursuant to Art. 3 of the Law of 17 February 1992, no. 207, "the shareholding of each shareholder cannot exceed 0.5% of the share capital"; moreover, according to the provisions of Art. 8 of the By-laws, "Shareholders who are legal entities or collective entities may be registered with the Register of Shareholders as holders of shares for a percentage of capital not exceeding 2.5%, without prejudice to the possibility of holding a percentage of capital exceeding 2.5% ". On this specific point, reference must be made to the considerations made in the preliminary methodological remarks. As set out in Section 2.0, letter f) above, it must be noted that, pursuant to the By-laws, Shareholders registered with the Register of Shareholders as from 8 June 2015 - date of registration in the company register of the amendments to the By-laws approved by the Shareholders' Meeting of 25 April 2015 - must possess at least 300 shares; Shareholders registered before that date and holders of a lower number of shares (in accordance with the previous statutory provisions on the matter) are required to regularise their position by 31 October, 2018, in order to maintain, after this date, the status of Shareholder.

²⁶ The wording of this article before the Shareholders' Meeting of 22 April 2017 required, for the areas indicated below, also the favourable vote of one tenth of the Shareholders: (i) changes to paragraph 3 of Art. 32, limited to the ultra-legal quorum for resolutions of the Shareholders' meeting, as well as articles 33.1, 33.2, 33.3, 35, paragraph 1, limited to the appointment of a Deputy Chairman chosen from the directors appointed by BPVI, 39, paragraph 3 (ultra-legal quorum for resolutions of the Board) and 44, paragraph 8 (submission of the list by of the Board of Directors) and paragraph 19 (replacement of the Statutory Auditors) of the By-laws; (ii) increases in share capital excluding option rights reserved for banks or companies belonging to banking groups. The above provision was removed by the Shareholders' Meeting of 22 April 2017.

²⁷ Can be found at the link "www.cattolica.it/documenti-societari".

17

OTHER CORPORATE
GOVERNANCE PRACTICES
(PURSUANT TO ART.
123-BIS, PARAGRAPH 2,
LETTER A), TUF)

17 OTHER CORPORATE GOVERNANCE PRACTICES

(pursuant to Art. 123-bis, paragraph 2, letter a), TUF)

It is not deemed necessary to provide additional information to the contents of the Report.

18

CHANGES SINCE THE
CLOSE OF THE FINANCIAL
YEAR OF REFERENCE

18 CHANGES SINCE THE CLOSE OF THE FINANCIAL YEAR OF REFERENCE

There have been no changes in the corporate governance structure since the end of 2017, without prejudice to the aforementioned termination of the General Manager, Marco Cardinaletti.

19

CONSIDERATIONS
ON THE LETTER OF 13
DECEMBER, 2017 SENT
BY THE CHAIRMAN
OF THE CORPORATE
GOVERNANCE
COMMITTEE

19 CONSIDERATIONS ON THE LETTER OF 13 DECEMBER, 2017 SENT BY THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

The 2017 annual report published by the Italian Corporate Governance Committee (hereinafter, the “Committee”) on the evolution of the Corporate Governance of listed companies, which also reports the 5th report on the application of the Corporate Governance Code was brought to the attention of the Corporate Governance Committee and the Board of Directors respectively on 16 and 23 January 2018.

Among the recommendations most focused on by the aforementioned bodies of the Company, we highlight: the suggestion to extend the evaluation of the board not only to the body as a whole but also to individual directors, and to focus the assessment also on reviewing the effective functioning of the board ; the observation of the low level of adherence to the recommendation to set up an appointments committee; the importance of diversity, not only in terms of gender but also professionally, for an optimal composition of boards, and also of training interventions deemed necessary to facilitate the alignment of skills with the specific needs of each company.

With specific reference to the comments concerning the procedures for conducting the board review, it was found that, at present, the focus on self-assessment on the collective body as a whole was maintained, thus referring to the Board of Directors of the next meeting (meeting 2019) any reconsideration of the matter; this, both because, as noted by the Committee itself, there is not an express indication of the Corporate Governance Code on this point, but also and above all, to maintain a substantial homogeneity of opinion with respect to the self-assessment that the Board in office has been called - and

will be called during early 2019 - to perform throughout the term of its office. With regard to the effectiveness of the functioning of the Board as a specific area of self-assessment, it must be noted that this aspect was taken into due consideration during the last audit, without any shortcomings or specific observations made.

With regard to the establishment of the appointments committee, reference must be made to the considerations made in Chapter 7.0.

The issue of professional diversity was assessed during the self-assessment, and thus specifically emphasized in the updated version of the document containing the guidelines for Shareholders on the qualitative and quantitative composition of the Board of Directors, available for consultation on the Company’s “Corporate” website “www.cattolica.it/home-corporate”, section on “Meetings”, to the extent that it highlights the opportunity for the Board, considered as a whole, to express diversified skills, also enhancing the experience gained at an international level and in terms of technological know-how.

Likewise, the evaluation concerned further areas partly highlighted by the Committee, including the time-frames for making the pre-meeting information available and the role of independent directors, finding, in one case, the progressive extension of time-frames for sharing the material subject to approval by the Board, and, in the other, the adequacy of the number of independent directors in relation to the objectives assigned to them by the Corporate Governance Code.

TABLES

TABLE 1:
INFORMATION ON THE OWNERSHIP STRUCTURE

SHARE CAPITAL STRUCTURE

	No. of shares	in % compared to 2015	Listed (state markets) / non-listed
Ordinary shares	174,293,926	100%	Listed, regulated market
Shares with multiple voting rights	//	//	//
Shares with limited voting rights	//	//	//
Shares without voting rights	//	//	//
Other	//	//	//

Note
The shares confer the holders equity rights normally envisaged. With regard to non-equity rights, the exercise of which requires the status of “Shareholder”, please refer to the sections of the Report dedicated to the matter.

OTHER FINANCIAL INSTRUMENTS (carrying the right to subscribe newly issued shares)

	Listed (state markets) / non-listed	no. of issued instruments	Category of shares to service the conversion / year	No. of shares to service the conversion / year
Convertible bonds	//	//	//	//
Warrant	//	//	//	//

SIGNIFICANT HOLDINGS IN SHARE CAPITAL (carrying the right to subscribe newly issued shares)

Declared shareholder	Direct shareholder	Stake % on common stock	Percentage % on voting share capital*
Berkshire Hathaway Inc.	General Reinsurance AG	9.047	N.S.
Fondazione Banca del Monte di Lombardia	Fondazione Banca del Monte di Lombardia	4.900	N.S.
Fondazione Cassa di Risparmio di Verona Vicenza Bellino e Ancona	Fondazione Cassa di Risparmio di Verona Vicenza Bellino e Ancona	3.437	N.S.
Norges Bank	Norges Bank	3.092	N.S.

* The figure has not been reported since, as it is a cooperative company with a per capita vote, it was considered not significant.

As specified in Chapter 2.0, letter c), it must be noted that, on the date of approval of the Report, the incidence of treasury shares held by Cattolica Assicurazioni in its share capital is equal to 3.833%.

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES AT
THE CLOSING DATE OF THE 2017 FINANCIAL YEAR

The board of directors														Risk and control committee				Remuneration Committee				Executive Committee			
Position	Members	Birth year	Date of first appointment *	In office from	In office until	List **	Executive Committee	non - executive Committee	Indip. Codice (1)	Indip. TUF	No. other positions ***	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)						
Chairman	Bedoni Paolo	1955	18/12/1999	16/04/2016	assemblea 2019	BoD		X	non	Yes	8	28/28						19/19	P						
Deputy Vice Chairman	Poli Aldo	1942	28/04/2007	16/04/2016	assemblea 2019	BoD		X	non	Yes	4	22/28						16/19	M						
Vice Chairman	Turchetti Manfreda	1956	16/04/2016	16/04/2016	assemblea 2019	BoD		X	non	non	9	21/28						16/19	M						
Chief Executive Officer	Minoli Alberto	1965	01/06/2017	01/06/2017	assemblea 2018	BoD	X		non	non	1	16/16						7/7	M						
Secretary	Lai Alessandro	1940	15/01/2016	16/04/2016	assemblea 2019	BoD		X	non	Yes	9	28/28			8/8	M		19/19	M						
Director	Chernello Nerino	1945	17/01/2017	22/04/2017	assemblea 2019	BoD		X	Yes	Yes	1	27/28													
Director	de' Stefani Chiara	1965	17/01/2017	22/04/2017	assemblea 2019	BoD		X	Yes	Yes	2	27/28													
Director	Basovich Barbara	1966	30/04/2011	16/04/2016	assemblea 2019	BoD		X	non	Yes	4	28/28	20/21	M				19/19	M						
Director	Compadelli Bettina	1962	21/04/2012	16/04/2016	assemblea 2019	BoD		X	Yes	Yes	6	27/28	20/21	P											
Director	Ferrarini Lisa	1963	20/04/2013	16/04/2016	assemblea 2019	BoD		X	Yes	Yes	5	23/28													
Director	Ferrari Paola	1962	20/04/2013	16/04/2016	assemblea 2019	BoD		X	Yes	Yes	3	28/28													
Director	Grossi Paola	1954	16/04/2016	16/04/2016	assemblea 2019	BoD		X	Yes	Yes	1	27/28			8/8	M									
Director	Maccagnani Giovanni	1962	30/04/2011	16/04/2016	assemblea 2019	BoD		X	Yes	Yes	6	28/28													
Director	Mion Luigi	1960	07/11/2012	16/04/2016	assemblea 2019	BoD		X	Yes	Yes	3	28/28			8/8	P									
Director	Napoleoni Carlo	1967	31/10/2012	16/04/2016	assemblea 2019	BoD		X	non	Yes	6	20/28													
Director	Nardi Angelo	1949	24/04/2010	16/04/2016	assemblea 2019	BoD		X	Yes	Yes	-	28/28	21/21	M											
Director	Riello Piliade	1932	24/11/2006	16/04/2016	assemblea 2019	BoD		X	non	Yes	2	23/28						14/19	M						
Director	Vanda Eugenio	1967	16/04/2016	16/04/2016	assemblea 2019	m		X	Yes	Yes	2	28/28													
..... DIRECTORS WHO LEFT DURING THE FINANCIAL YEAR IN QUESTION																									
Chief Executive Officer	Mazucchielli G. Battista	1946	28/04/2008	16/04/2016	30/05/2017		X		no	no	7	12/12						12/12	M						
Director	Baraggia Luigi	1929	11/04/1981	16/04/2016	13/01/2017			X	si	si	1	1/1			0/0	P									
No. meetings held during period: 28														Executive Committee: 19											
														Remuneration Committee: 8											
														Risk and Control Committee: 21											
														Indicate the quorum required for submission of the lists by the minority groups for the election of one or more members (pursuant to Art.147-ter TUF): 0.5% of the share capital or at least 500 Shareholders											

NOTES

- * The date of the first appointment of each director means the date on which the director was appointed for the first time (in absolute terms) on the Issuer's Board of Directors.
- ** This column shows the list from which each director was taken ("M": majority list, "m": minority list, "BoD": list submitted by the Board).
- *** The number of positions as director or auditor held in listed companies: inc. foreign companies, in the financial, banking and insurance sectors, or in companies of significant size, fully included in Section 4.2.
- (a) This column indicates the participation of the directors in the meetings of the BoD and the committees respectively (the first number indicates the number of meetings attended by the representative, the second indicates the total number of meetings held by the body to which the representative had the right to attend).
- (b) This column indicates the director's position within the Committee: "C": chairman; "M": member.
- (1) As seen in the note under Section 4.1, it must also be noted that the Company, with a Board resolution of 8 May 2013, decided not to apply the application criterion 3(C.1 letter e) of the Code: for the effect, those who have held the position of director for more than nine years in the last twelve years - and which obviously do not fall into further relevant situations - are considered "Independent".

TABLE 3:
STRUCTURE OF THE BOARD OF STATUTORY
AUDITORS

Position	Members	Birth year	Date of first appointment *	In office from	In office until	List **	Independence Code (1)	Attend. to meeting of the Board of Stat. Auditors ***	No. other duties ****
Chairman	Glisenti Giovanni	1956	25/04/2015	25/04/2015	2018 Shareholders' meeting	m	si	41/43	23 (5)
Standing Auditor	Bonato Federica	1955	25/04/2015	25/04/2015	2018 Shareholders' meeting	M	si	40/43	3 (6)
Standing Auditor	Brena Cesare	1965	26/04/2009	25/04/2015	2018 Shareholders' meeting	M	si	34/43	22 (5)
Standing Auditor	de Anna Luigi	1959	28/04/2007	25/04/2015	2018 Shareholders' meeting	M	si	24/43	19
Standing Auditor	Rossi Andrea	1972	26/04/2009	25/04/2015	2018 Shareholders' meeting	M	si	37/43	17 (3)
Alternate auditor	Murari C. Alberto	1965	25/04/2015	25/04/2015	2018 Shareholders' meeting	M	si	//	3 (4)
Alternate auditor	Babbi Massimo	1963	25/04/2015	25/04/2015	2018 Shareholders' meeting	m	si	//	4
No. meetings held during period: 43									

NOTE

* The date of the first appointment of each auditor means the date on which the auditor was appointed for the first time (in absolute terms) on the Issuer's Board of Statutory Auditors.

** This column shows the list from which each auditor was taken ("M": majority list, "m": minority list, "BoD": list submitted by the Board).

*** This column indicates the participation of auditors in the meetings of the Board of Statutory Auditors (the first number indicates the number of meetings attended by the representative, the second indicates the total number of meetings held by the body to which the representative had the right to attend).

**** This column indicates the number of offices as director or statutory auditor (including the positions of "alternate statutory auditor" indicated in brackets) held by the person in question, additional to the position held at the Issuer.

(1) As noted in the note to Section 4.1, in order to verify independence, the Company has decided not to apply the independence requirements set forth in Criterion 3.C.1., Letter e) of the Code, according to which those who held the office for more than nine years in the last twelve years are not deemed to be independent; in any case, none of the Statutory Auditors in office falls within the relevant situation (see Chapter 14.0 of the Report).

ANNEXES

ANNEX 1: SECTION ON THE “MAIN CHARACTERISTICS OF EXISTING RISK MANAGEMENT AND INTERNAL AUDIT SYSTEMS IN RELATION TO THE FINANCIAL INFORMATION PROCESS” PURSUANT TO ART 123-BIS, PARAGRAPH 2, LETT. B) OF THE TUF

1) Introduction

The risk management and internal audit system in relation to the financial reporting process (hereinafter the “System”) adopted by the Company is a component of the broader internal audit and risk management system described in Chapter 11.0 of the Report.

The purpose of this System is to frame and regulate internal audit and risk management relating to the financial reporting process from an integrated perspective, with the aim of identifying and assessing risks related to the production process of financial reporting (the so-called administrative and accounting risk) to which the Company and the Group are exposed, as well as to identify and evaluate the relevant controls.

The System is aimed at ensuring the credibility, accuracy, reliability and timeliness of financial reporting through the drawing up of procedures and operating instructions.

The responsibility for implementing the System, in the Company and in the Group, involves various company functions, as better described in section 2.2 below.

The System is based on a reference framework generally recognised and accepted internationally. In particular, the Company has chosen the reference framework as the CoSO²⁸ (Committee of Sponsoring Organisation of the Treadway Commission) Internal Control – Integrated Framework, which defines the guidelines for evaluating and developing an internal audit system.

2) Main characteristics of the risk management and internal controls systems used in relation to the financial reporting process

2.1 Stages of the risk management system

The various stages in which the System is structured have been defined by the Company in accordance with the chosen reference framework (CoSO Framework).

In particular, the System can be divided into the following stages:

- (i) identification and assessment of risks and controls on financial reporting;
- (ii) verification of the effectiveness of the control system on financial reporting.

2.1.1 Identification and assessment of risks and controls on financial reporting

With regard to the risks at the process level, the risk mapping process is based on a bottom-up approach that starts from the processes included in the scope of intervention, identifies the risk factors and identifies the relevant risks for each of them.

In particular, the risk assessment activity conducted by the Company for the purpose of identifying the relevant risks is carried out on the basis of the analysis of the documentation relating to the relevant processes.

The implementation of risk assessment activities allows the classification of administrative and accounting risks in twelve risk classes.

Identified risks are managed through a special IT application, integrated with the company database, which records the organisational procedures and allows to identify and associate with each process, procedure and activity detected and recorded in it, information on the relevant potential risks.

Organisational procedures and risk assessment are subject to periodic updating and maintenance, on the basis of formalities and time-frames, formalised in a specific internal procedure.

Risk assessment is carried out taking into account both their impact, i.e. the consequences that the individual risk may generate on accounting and financial reporting, and the frequency with which it is possible that it will occur in a given period of time.

Finally, for each risk, control objectives are identified (related to the financial statement assertions and to the other objectives related to financial reporting) for which it is necessary to provide for a specific activity.

With reference to identifying and assessing controls for the risks identified, in compliance with accounting literature, the Company has identified the following control aims, with specific reference to administrative and accounting risk directly connected with data in the financial statements:

- a) existence and occurrence;
- b) completeness;
- c) rights and obligations;
- d) evaluation and registration;
- e) submission and information.

The process owners supervise the performance of specific control activities (associated with the identified risks) that have been assessed to mitigate the specific accounting administrative risks identified according to the aforementioned control aims.

The analysis of risks and controls is summarised in a specific risk control matrix with evidence of assets, administrative and accounting risks (detailed description, risk class and assessment), control aims, control activities; if, during the assessment, a deficiency is found due to an inadequate design of the control, in order to mitigate the risk, specific action plans have been provided for that allow (i) to define the most appropriate corrective measure to address the identified deficiency , (ii) identify the entity responsible for the corrective measure, (iii) define the priority level and the deadline.

2.1.2 Verification of the effectiveness of the Audit system on financial reporting

In order to verify the effectiveness and actual performance of control activities recorded during the assessments to monitor administrative and accounting risk, a test activity is periodically carried out on all the key controls identified. The testing activity is performed according to predefined time-lines and methods and at the end of the activity, the results are represented in a summary document.

2.2 The Functions involved in the System, the respective roles and the relevant information flows

Liability for the effective implementation of the internal audit system, in terms of the actual conduct and operation of devices, mechanisms, procedures and control rules, is widespread and integrated into the corporate structures.

In particular, with regard to the financial reporting process, the System involves the corporate bodies and

the operating and control structures in an integrated management, involving each body and structure of the functions related to the design, implementation, monitoring and System update over time.

In order to guarantee the correct functioning of the System, in addition to the general supervision function entrusted to the Board of Directors, the functions and roles assigned to the Risk and Control Committee, the Manager in charge of drafting the company’s accounting documents, the Audit Department, the Risk Management Department and the Compliance Department are essential.

The Risk and Control Committee, as described in the other chapter of the Report, in addition to assisting the Board of Directors in carrying out the tasks assigned to it in matters of financial audit, performs the following functions with reference to the financial reporting process:

- performs the analysis of activities related to drafting the financial statements, in particular with reference to time-frames for data production;
- meets with the company in charge of auditing the financial statements to deal with evaluation and procedural issues.

The Risk and Control Committee reports to the Board of Directors, at least every six months, on the activity carried out as well as on the adequacy of the internal audit system.

The Financial Reporting Manager is responsible for ensuring the drafting and effective implementation of the procedures for drafting the annual and consolidated financial statements and any other financial information. The Financial Reporting Manager is also given the power to carry out checks and inspections on the administrative and accounting procedures drawn up by the latter, even if these relate to processes managed by functions that do not depend hierarchically on him/her.

The Company, in order to ensure that all bodies and functions, which are assigned specific tasks within the internal audit and risk management system in relation to financial reporting, are able to collaborate through the exchange of useful information for the performance of their respective tasks, has identified a series of information flows and exchanges of information.

The representation of the Company’s information flows and communication channels has been divided into subject areas, referable to organisational structures. In particular, information flows and exchanges of information, including through participation in periodic meetings, involve the following: the Director in charge of supervising the functioning of the internal audit system, the Risk and Control Committee, the Financial Reporting Manager, the Board of Statutory Auditors, the Heads of the Audit, Risk

²⁸ Methodological approach used for defining the Financial Administrative Model.

Management, Compliance and Actuarial Departments, the Supervisory Body established pursuant to Italian Legislative Decree no. 231/2001, the Head of the Human Resources Department and Organisational Development.

The Financial Reporting Manager reports to the Risk and Control Committee on the activities carried out and on the most significant decisions taken in performance of their duties. In order to ensure a profitable exchange of information between the Financial Reporting Manager and the Risk and Control Committee, the Financial Reporting Manager may be invited to attend meetings of the Risk and Control Committee.

Periodic meetings are also established between the Financial Reporting Manager and the Risk and Control Committee, in order to establish a functional and profitable exchange of information on the effective operation and the real reliability of administrative accounting procedures.

In addition, a specific information flow is also guaranteed between the Financial Reporting Manager and the Board of Directors, both on a periodic basis and when events deemed to be relevant emerge.

Information to the Board of Directors of the Company on the performance of individual companies and at the consolidated level is also achieved through the information provided in the context of the explanation of the mandatory quarterly periodic reporting.

* * *

Verona, 20 March 2018

**p.p. THE BOARD OF DIRECTORS
THE CHAIRMAN**

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