

**Shareholders'
Meeting 27-28 April
2018**

**Report of the
the Board of Directors on
the items on the agenda**

pursuant to Art. 125-ter, paragraph 1, of Leg. Decree 58 dated 24 February 1998 .

Approved by the Board of Directors
on 22 March 2018

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PREAMBLE

This document, containing the reports approved by the Board of Directors on the items listed on the agenda of the Shareholders' Meeting for April 2018 27-28 days, shall be made available, in accordance with Art. 125-*ter*, paragraph 1, of Leg. Decree 58 dated 24 February 1998, and subsequent amendments and additions (TUF) [Unified Finance Act], within the period prescribed by the law for the publication of the notice calling the meeting.

The reports prepared in accordance with specific laws are published within the time specified by the same rules, with the conditions set out in Art. 125-*ter*, paragraph 1, of TUF [Unified Finance Act].

* * *

CALL FOR MEETING

CATTOLICA ASSICURAZIONE

Cooperative Company

Registered office in Verona Lungadige Cangrande 16

Tax ID and registration number in the Companies Register of

Verona 00320160237- Coop. Reg. No. A100378

Registered in the Insurance Undertakings register at No. 1.00012

Parent Company of Cattolica Assicurazioni Insurance Group, registered in the Registry of Insurance Groups at No. 019

Share capital euro 522,881,778.00 ent. pd. and existing

CALL FOR THE EXTRAORDINARY AND ORDINARY SHAREHOLDERS' MEETING

The shareholders are called to an Extraordinary and Ordinary Shareholders' Meeting at the headquarters in Verona Lungadige Cangrande 16 at 8:30 a.m. on Friday 27 April 2018, or on second call, if a quorum is not reached on that day, at 9:00 a.m. on Saturday 28 April 2018, in Verona, Via Germania 33, to discuss and resolve on the following agenda:

Extraordinary Session

- Approval of new Bylaws, also in connection with adopting the one-tier governance and control model. Resolutions related thereto and thereof.
- Approval of final and transitional rules.

Ordinary Session

- Approval of the financial statements for the year ended 2017 and the report accompanying it, with resolutions relating thereto and thereof.
- Determinations regarding the remuneration policy, in compliance with the legal provisions and bylaws.
- Compensation plans based on financial instruments.
- Authorisation for the purchase and sale of treasury shares in accordance with law. Resolutions related thereto and thereof.
- Appointment of a Shareholder to the Board of Directors.
- Appointment of the Board of Statutory Auditors, its Chair and determination of related remunerations.

Subject to the provisions in the Meeting Rules of Procedure about conducting the agenda and the meeting, it is announced that the discussion on the matters referring to the ordinary session of the Meeting will be preceded by a discussion of the matters referring to the extraordinary session.

In accordance with Art. 30 of the Bylaws, the Board of Directors has arranged, for the second call, for the activation of a remote connection to be established, which will be equipped with the necessary safeguards to ensure identification of the Shareholders and the Chairman to exercise the power of order and control of the meeting:

- Congress Centre Palazzo Rospigliosi -Via XXIV Maggio 43 - ROME

This connection, within the meaning of that provision in the bylaws, will allow the shareholders permitted to participate in the Meeting in accordance with the law and the Bylaws and with the admission ticket, not intending to travel to Verona, Via Germania 33, to join the discussion, to follow the meeting activities live and cast their votes

during the voting.

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In compliance with current legislation, at Borsa Italiana S.p.a., will be made available at the registered office, in the storage mechanism called "eMarket-Storage", approved by CONSOB and run by Spafid Connect S.p.a., a connection via the website <http://www.emarketstorage.com>, and on the "Corporate" website of the Company at <http://www.cattolica.it/home-corporate> in the "Governance" section, for the public documents relating to the meeting, including the reports of the Board of Directors on the agenda and the related proposed resolutions, and specifically:

- at least thirty days before the date set for the Shareholders' Meeting on first call, and thus by 28 March 2018, the reports of the Board of Directors on the matters on the agenda and the other documents that will be published before the Meeting, other than those subsequently listed;
- at least 21 days before the date set for the meeting on first call, and thus by 6 April 2018, the financial report and the other documents referred to in Art. 154-*ter* of Leg. Decree 58/1998, the Remuneration report, the report on proposals to authorise the purchase and sale of treasury shares and the report on the motion for adopting a new text of the bylaws. In the same timeframe the report on corporate governance and ownership structure will also be made available containing the information referred to in Art. 123-*bis* of Leg. Decree 58/1998.

Shareholders are entitled to inspect the aforementioned documents filed at the company headquarters and to obtain copies.

It is recalled that, in accordance with the law and the Bylaws, Shareholders registered in the Shareholders List may speak and vote at the meeting if enrolled at least 90 days prior whereby the authorised intermediary, at the place where the shares are filed, has delivered the Company the appropriate notification as provided by the current regulations certifying the ownership of the shares at least two days prior to the date of the first call; a copy thereof, that the intermediary is obligated to make available to the applicant, can be used to confer delegation for participating in the meeting by signing the delegation form inserted at the bottom. A form that can be used to confer a delegate to attend the general meeting is sent to all the entitled Shareholders along with the notice of the meeting; it is also available on the "Corporate" website of the company at <http://www.cattolica.it/home-corporate> in the "Governance" section. Pursuant to the Bylaws, the Shareholders enrolled in the Shareholders' list starting from 21 April 2001 may participate in the meeting on condition that the above communication confirming the ownership of at least one hundred shares has been made. The Shareholders enrolled in the Shareholders' list after 8 June 2015 may participate in the meeting on condition that the above communication confirming the ownership of at least three hundred shares has been made.

The Shareholder may, by proxy, represent another Shareholder; however, no delegate may represent more than five Shareholders. The proxy cannot be conferred to members of the Board of Directors or the Board of Statutory Auditors of the Company or the subsidiaries or to the members of the administrative or supervisory body, or the employees thereof.

It is recalled that, pursuant to Art. 3 of the existing Meeting Rules of Procedure, the proxy must be exhibited in the original and accompanied by a photocopy of a valid ID of the delegator.

Each Shareholder is entitled to only one vote, regardless of the number of shares held. The number of Shareholders enrolled in the Shareholders List at least 90 days before the date of the first call amounts to 23,858.

Shareholders holding shares not yet computerised under existing legislation shall provide for their delivery in good time with an empowered intermediary, for the purpose of carrying out the procedure of computerisation provided therein and transmission of the notification provided under the current regulations above.

Please note that the share capital subscribed and fully paid equals, on 22 March 2018, euro 522,881,778.00, and is represented by 174,293,926 shares. The company holds, as of the date of this notice, 6,679,907 treasury shares.

*

It should be noted that, for the purposes of electing only one Director, the slates submitted must consequently contain the designation of a single candidate with no constraints of residence and gender.

It should also be noted that there are no plans to elect a Director from a minority slate pursuant to Art. 33.4 of the Bylaws, that having proceeded at the Meeting of 16 April 2016.

The Board of Directors will submit its own slate.

As for the submission of candidates on the basis of slates by the Shareholders, it is recalled that, pursuant to the Bylaws, these may be submitted by Shareholders who, alone or together with other Shareholders, hold shares representing at least 0.50% of the share capital. Candidates proposed by Shareholders may also be submitted by at least 500 Shareholders, regardless of the percentage of total share capital held.

Subject to the obligation to produce the certification relating to the ownership of the stake according to the law and regulations, submitting Shareholders must, at the same time as filing, sign the slate and each signature has to be accompanied by a photocopy of a valid identity card.

Filed together with each slate, within the time limit stated above for filing the same at the company's headquarters, must also be the Declaration whereby the nominee accepts their candidacy and certifies, under their own responsibility, that there are no grounds for their ineligibility or incompatibility, and that they meet the requirements prescribed by law and the Bylaws for the post of Director of the Company.

The applications must be accompanied by exhaustive information on the personal and professional characteristics of the candidate, including whether the independence requirements provided for by the combined provisions of Arts. 147-*ter*, paragraph 4, and 148, paragraph 3, of Leg Decree 58/1998 are met, and for the Code of Self-Governance for listed companies. In that regard, it is recognised that the current composition of the Board of Directors meets the requirements of the law.

The slates must be filed, together with all the additional documentation

required, at least 25 days before the date when the Meeting was convened on first call, and thus by 2 April 2018 through certified email to the address serviziosoci@pec.gruppocattolica.it or filed at the Shareholders' Service.

*

With reference to the election of the Board of Auditors, subject to the existing legislative provisions, it is recalled that, pursuant to Art. 44 of the Bylaws, the Board of Statutory Auditors to be elected also by voting on the slate pursuant to the Bylaws, must be composed of 3 standing auditors and 2 alternates.

As for the submission of slates by the Shareholders, it is also recalled that, pursuant to Art. 44 of the Bylaws, these may be submitted by at least 250 Shareholders who, alone or together with other shareholders, hold shares representing at least 0.25% of the share capital.

The slates must be filed, and according to the Bylaws must clearly distinguish with consecutive numbering one or more candidates for the office of Statutory Auditor and one or two candidates for the office of Alternate, together with all the ancillary documentation required at least 25 days before the date when the Meeting was convened on first call, and thus by 2 April 2018, by certified email to the address serviziosoci@pec.gruppocattolica.it or filed at the Shareholders' Service.

In the event that upon the expiration of this deadline of 2 April only one slate has been submitted for appointing the Board of Statutory Auditors, slates may be submitted until the third day following that date; in that case the thresholds indicated above will be reduced by half.

Filed together with each slate, within the time limit stated above for filing the same at the company's headquarters, must also be the Declaration, whereby the nominee accepts their candidacy and certifies, under their own responsibility, that there are no grounds for their ineligibility or incompatibility, and that they meet the requirements prescribed by law and the Bylaws for the office of Statutory Auditor.

The applications must be accompanied by a curriculum vitae that describes the personal and professional characteristics of the candidates, as well as the list of any offices as directors and statutory auditor held in other companies by each of them, which must be updated to the actual day of the Meeting.

The Board of Directors, in accordance with the provisions of the bylaws and within the terms noted above, will submit its own slate, signed for endorsement by a number of Shareholders who, alone or together with other Shareholders, are holders of shares that represent at least 0.50% of the share capital or by at least 500 Shareholders, regardless of the percentage of total share capital held.

Subject to and in addition to the provisions of the Bylaws, the Board of Statutory Auditors must respect gender balance to as per the legislation in effect, and thus slates containing a number of candidates of three must include candidates of both genders.

*

It is noted that, for greater clarity and uniformity of the process and to facilitate exercising the right to submit the slates, the Board of Directors has explained the procedures to be followed for conducting the related formalities, that are already deposited at the registered office and available at the company's Corporate website, <http://www.cattolica.it/home-corporate>, under "Governance", within the period prescribed for the publication of the notice calling the meeting. Shareholders are asked to take note of these operating procedures for more complete information.

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It is recommended that Shareholders pay attention to the formalities and documentation required for submitting the slates for the appointment of a Director and for the appointment of the Board of Statutory Auditors.

In the manner and within the limits established by law, a number of Shareholders not fewer than one-fortieth of total number, and that document, according to the regulations in force, holding the minimum number of shares required under Articles 9-*bis* and 54 of the Bylaws, to exercise the rights other than those of equity, may request the addition to the list of items to be discussed at the Meeting as resulting from this notice, stating in their application the additional topics proposed, or presenting draft resolutions on subjects already on the agenda. The signature of each Shareholder in the request must be accompanied by a photocopy of a valid identity document.

The request must be received at the registered office of the company within ten days of the publication of this notice by registered mail or certified email to the address serviziosoci@pec.gruppocattolica.it. Within the same timeframe, those Shareholders who request additions to the agenda must prepare a report stating the justification for the proposed resolutions on new matters for which they propose discussion or the reason concerning additional draft resolutions presented on subjects already on the agenda.

Verona, 22 March 2018

The Chairman
(Paolo Bedoni)

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EXTRAORDINARY SESSION

APPROVAL OF NEW BYLAWS, ALSO IN CONNECTION WITH THE ADOPTION OF THE ONE-TIER GOVERNANCE AND CONTROL MODEL. RESOLUTIONS RELATED THERETO AND THEREOF.

APPROVAL OF FINAL AND TRANSITIONAL RULES.

The Board of Directors announced that the Report prepared with respect to the items on the agenda of the Extraordinary Session, to which express and full reference is made, shall be made available under the terms and conditions required by current regulations, and thus by 6 April 2018.

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ORDINARY SESSION

**APPROVAL OF THE FINANCIAL STATEMENTS FOR YEAR 2017 AND THE REPORT ACCOMPANYING IT,
WITH RESOLUTIONS PERTAINING THERETO AND THEREOF**

The Board of Directors announces that the financial statements file, to which express and full reference is made, shall be made available under the terms and conditions required by Art. 154-*ter* of TUF, and thus by 6 April 2018.

It is proposed that the Meeting, having taken note of the contents of the financial statements, the Explanatory notes to the financial statements, the management report, the related data and the proposed allocation of the profits, approve the financial statements at 31 December 2017, with the related documents and the subsequent and related proposals, as detailed in the same file.

* * *

DETERMINATIONS REGARDING THE REMUNERATION POLICY, IN COMPLIANCE WITH THE LEGAL PROVISIONS AND BYLAWS.

The Board of Directors, in accordance with ISVAP Regulation 39 dated 9 June 2011, and CONSOB resolution 18049 dated 23 December 2011, that amended the Issuer Regulations for companies executing the provisions under Art. 123-*ter* of TUF, submitted its own proposal, for approval, to the Shareholders' Meeting concerning the remuneration policy contained in the report that will be made available under the terms and in the manner prescribed by the applicable legislation, and thus by 6 April 2018.

The report will also, in a specific Section, state the information required for the application of the policies for 2017.

* * *

COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS.

The Board of Directors submitted its own proposal to the Shareholders' Meeting, for its approval, on the remuneration policy contained in the report that will be made available under the terms and in the conditions detailed in the information document drawn up in accordance with Arts. 114-*bis* of TUF and 84-*bis* of the Issuers' Regulations and that are fully stated below.

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Società Cattolica di Assicurazione, cooperative company with registered offices in Verona, Lungadige
Cangrande No. 16.

Performance Share Plan 2018-2020

INFORMATION DOCUMENT RELATING TO THE LONG-TERM INCENTIVISATION PLAN SUBMITTED TO THE GENERAL MEETING ON 28 APRIL 2018

Document drawn up pursuant to Article 84-bis
of Consob Regulation No. 11971 of 14 May 1999 and Schedule 7 of Appendix 3A of the Implementing
Regulations of Legislative Decree No. 58 of 24 February 1998 concerning Issuers' Regulations

INTRODUCTORY NOTE

This information document is drawn up pursuant to Art. 84-*bis*, paragraph 1 of the Issuers' Regulations (Consob Resolution No. 11971/1999 and subsequent amendments) in order to illustrate the terms and conditions of the Plan, as presently defined.

The Regulations of the *Performance Share Plan 2018-2020* were approved by the Board of Directors of the Company with resolution dated 20 March 2018, on the proposal of the Remuneration Committee and having heard the opinion of the Board of Statutory Auditors, and were submitted to the General Meeting called for 27/28 April 2018.

At the date of this information document, the General Meeting of the Company has not yet approved to adopt the Plan. It is noted, therefore, that this document was drawn up exclusively on the basis of the Regulations approved by the Board of Directors of the Company on 20 March 2018 and that each reference to the Plan in this document must be understood as referring to the Regulations.

The Company will be responsible for updating this information document where necessary and on the basis of the terms and methods required by existing legislation, in accordance with the approval of the Plan by the General Meeting and the resolutions it adopts.

It is noted that the Plan potentially qualifies as being "of particular relevance" in accordance with Art. 114-bis, paragraph 3 of the TUF (Leg. Decree No. 58/1998) and Art. 84-bis, paragraph 2 of the Issuers' Regulations.

DEFINITIONS

- **Allocation:** the effective allocation of Shares to each Beneficiary after the Vesting Period and the Deferment Period, in accordance with the terms and upon satisfaction of the conditions outlined in the Regulations.
- **Attribution:** the attribution to each Beneficiary by the Board of Directors, having heard the opinion of the Remuneration Committee, of the Right to Receive Shares.
- **Bad Leaver:** all cases of Contract terminations that are not classed as Good Leaver cases.
- **Base Number of Shares:** for each Beneficiary, the number of Shares obtainable when 100% of the Performance Objectives are achieved in the terms and conditions outlined by the Regulations.
- **Beneficiaries:** directors and/or employees of the Company, in addition to the Chief Executive Officer, identified as members of the Management Committee and second level Managers employed by the Parent Company, who report to the Chief Executive Officer or the General Managers or the Vice General Managers, including employees with high organisational and digital competencies who have demonstrated continuously high performance, on the proposal of the Chief Executive Officer and decided by the Board of Directors, having heard the opinion of the Remuneration Committee.

Performance Share Plan 2018-2020

- Board of Directors: the Board of Directors of CATTOLICA.
- CATTOLICA Group or Group: CATTOLICA and the Subsidiary Companies.
- Change of Control: (a) the acquisition by one or several Third-Party Purchasers of the control of the Company pursuant to Art. 93 of the TUF; (b) the acquisition by one or several Third-Party Purchasers of a number of shares or of a quota of a Subsidiary, or a direct or indirect parent company of the Subsidiary, so long as these are different from the Company, which is overall greater than 50% of the relative share capital, as long as the Company continues to have control pursuant to Art. 2359 of the Civil Code; (c) the definitive transfer in any capacity to one or several Third-Party Purchasers of the company or of the branch of the company in which the Beneficiary is employed.
- Company or CATTOLICA: Società Cattolica di Assicurazione, cooperative company with registered offices in Verona, Lungadige Cangrande No. 16.
- Contract: the employment and/or director contract existing between the individual Beneficiary and CATTOLICA or one of the Subsidiary Companies.
- Date of Allocation of Shares: with reference to each Beneficiary, the date of the Board of Directors decision regarding the allocation of Shares to that Beneficiary. The Shares will be available “upfront” for a quota equal to 60% and for a quota equal to 40% after the Deferment Period, in the methods provided for by Article 9.
- Date of Approval: the date these Regulations are approved by the Board of Directors.
- Date of Attribution of the Right: with reference to each Beneficiary, the date of the Board of Directors decision regarding the identification of said Beneficiary and the attribution to them of the Right to Receive Shares.
- Deferment Period: the period of duration of 2 (two) years beginning 31/12/2020 and ending 31/12/2022, after which a quota will be allocated equal to 40% of the Shares allocated.
- Good Leaver: the following situations in which the Contract is terminated:
 - termination not due to just cause;
 - voluntary resignation, only on the condition that the Beneficiary possesses the legal retirement requisites and in the following 30 days has issued a request to access the related process;
 - death or permanent disability.
- Letter of Attribution: the letter that the Company will send to each Beneficiary in order to communicate the attribution of their Right to Receive Shares, to which the Regulations will be attached, as an integral part of the letter, which, when signed and delivered to the Company by the Beneficiaries, will constitute, to the fullest extent of these Regulations, their full and unconditional

acceptance of the Plan.

- Minimum Performance Objectives (also “Gate”): achievement of the soft limit of the Solvency II ratio post distributed profits and the presence of distributable profits, as outlined in Article 8 of the Regulations of the Performance Share Plan, whose achievement the activation of the Plan is subject to.
- Ordinary General Meeting: the Ordinary General Meeting of the Members of CATTOLICA.
- Performance Objectives: the performance objectives outlined in Article 8 of the Regulations with reference to the following indicators:
 - Relative TSR measured against the EURO STOXX Insurance Index (indicator linked to the equity security);
 - ROE (indicator linked to the business plan).
- Performance Share Plan 2018-2020 (also “Plan”): the long-term 2018-2020 incentivisation plan aimed at Beneficiaries and governed by these Regulations.
- Reference Value of the CATTOLICA Share: the arithmetical average of the published price of the ordinary CATTOLICA share in the 180 (one hundred and eighty) days preceding the Date of Attribution of the Right.
- Regulations: the regulations regarding the definition of the criteria, methods and terms of implementation of the Plan.
- Remuneration Committee: the Remuneration Committee established and appointed by the Board of Directors of the Company in accordance with the Code of Conduct.
- Right to Receive Shares: the conditional, free, and non-transferable inter vivos right to the allocation free of charge of Shares in the terms and conditions set out by the Regulations.
- Shares: the CATTOLICA ordinary shares.
- Vesting Period: the period of performance measurement that begins 01/01/2018 and ends 31/12/2020, after which achievement of the Performance Objectives will be evaluated.

1. **BENEFICIARIES**

The Beneficiaries, in addition to the Chief Executive Officer, were identified as members of the Management Committee and second level Managers employed by the Parent Company, who report to the Chief Executive Officer or the General Managers or the Vice General Managers, including employees with high organisational and digital competencies who have demonstrated continuously high performance.

1.1 **Names of the Beneficiaries who are members of the Board of Directors of the Company and the companies directly or indirectly controlled by it.**

On the basis of the Plan Proposal approved by the Board of Directors of Cattolica on 20 March 2018, the only member of the Board of Directors who is – at present – beneficiary of the Plan is the Chief Executive Officer.

1.2 **Categories of Beneficiaries who are employees or associates of the Company and the subsidiary or parent companies as identified in the Plan**

On the basis of the Plan Proposal approved by the Board of Directors of Cattolica on 20 March 2018, the Plan is targeted at, in addition to the Chief Executive Officer, members of the Management Committee and second level Managers employed by the Parent Company, who report to the Chief Executive Officer or the General Managers or the Vice General Managers, including employees with high organisational and digital competencies who have demonstrated continuously high performance, including Managers with Strategic Responsibilities of Cattolica.

1.3 **Names of the Beneficiaries of the Plan**

- a) *general managers of the financial instruments issuer;*

General Manager, Carlo Ferraresi

- b) *other managers with strategic responsibilities of the financial instruments issuer, which is not of a “small size”, pursuant to Article 3, paragraph 1, lett. f) of Regulation No. 17221 of 12 March 2010, in the event that over the course of the financial year they have received overall compensation (obtained from the sum of monetary compensation and compensation based on financial instruments) greater than the highest overall compensation between that allocated to members of the Board of Directors, or the Management Board, and to the general managers of the financial instruments issuer;*

None present

- c) *individuals controlling the shares issuer who are employees or who provide collaboration activities in the shares issuer.*

Not applicable in that there are no individuals controlling the Company amongst the Beneficiaries.

Performance Share Plan 2018-2020

1.4 Numbers per category of Beneficiaries of the Plan

At the date of this information document, the Plan has not yet been approved by the General Meeting and, therefore, it is not possible to provide the number of Beneficiaries.

The characteristics of the Plan are the same for all Beneficiaries.

2. REASONS MOTIVATING THE ADOPTION OF THE PLAN

2.1 Objectives intended to be achieved through attribution of the Plan

The adoption of the long-term Performance Share incentive Plan aims to:

- guide the performance of Top Management and any member of staff contributing at high level to the achievement of the three-year Plan's targets;
- reward the annual performance, provided that the set targets are met;
- retain the talents already working for the company and attract talents from the market to develop them in the mid term.

2.1.1 Further information

The company has decided to introduce a long-term share incentive plan as a tool suited to aligning the interests of management and shareholders.

Beneficiaries of the Plan are a limited number of Top Managers whose performance may have a significant impact on the equity security of the Company.

The structure of the plan was designed based on best market practices.

2.2 Key variables, also in the form of performance indicators, considered for the purposes of attributing the Plan

The allocation of Shares is subject to the Beneficiaries meeting the performance objectives.

2.2.1 Further information

In addition to the Minimum (Gate) Objectives defined above, the performance objectives, suited to aligning the interests of management and shareholders, were identified from share and economic/financial indicators, which are calculated for the 2018-2010 Performance Period:

- Relative TSR -- growth of the equity security value in the 2018-2020 period plus the dividends if they are reinvested, in relation to the STOXX[®] Europe 600 Insurance performance in the same period (relative weight 30%);
- ROE -- indicator linked to the business plan (relative weight 70%).

2.3 Basic elements for determining the extent of the compensation based on financial instruments, namely, its determining criteria

The amount of Rights to Receive Shares to be attributed to each of the Beneficiaries is defined by the Board of Directors on the proposal of the Remuneration Committee, having heard the opinion of the Board of Statutory Auditors.

2.3.1 Further information

In accordance with point 2.3 above, the number of Rights to Receive Shares to be attributed to each Beneficiary will be defined by the Board of Directors, also taking into consideration the following elements:

- retention criticality
- impact on the business
- strategic importance of the employee

2.4 Reasons at the basis of any decision to attribute compensation plans based on financial instruments not issued by the Issuer

Not applicable.

2.5 Evaluations regarding significant fiscal and accounting implications that influence the definition of the Plan

There were no evaluations of significant fiscal or accounting implications that influenced the definition of the Plan.

2.6 Any support of the Plan from the Special Fund to Incentivise Employee Participation in Companies, as per Article 4, paragraph 112 of Law No. 350 of 24 December 2003

The Plan receives no support from the Special Fund to Incentivise Employee Participation in Companies, as per Law No. 350 of 24 December 2003.

3. APPROVAL PROCEDURE AND TIME FRAMES FOR ALLOCATING THE INSTRUMENTS

3.1 Scope of the powers and functions delegated by the General Meeting to the Board of Directors of the Company

On 28 April 2018, the General Meeting will be called to make a decision on granting mandate to the Board of Directors for the actual implementation of the “*Performance Share Plan 2018-2020*”, to be carried out in accordance with the Regulations of the Plan and in particular, including but not limited to, as regards the following:

- definition of the number of Rights to Receive Shares to be allocated to each Beneficiary in accordance with the maximum number that can be allocated;
- implementation of the Regulations of the Plan in accordance with the terms and conditions described in the Regulations themselves;
- granting the Board of Directors all powers to perform the legislative and regulatory obligations following the adopted resolutions.

3.2 Individuals in charge of administration of the Plan

Without prejudice to the duties of the Remuneration Committee, the operating management of the Plan will be entrusted to the Board of Directors with the support of the competent corporate structures.

3.3 Existing procedures for the revision of the Plan, also in relation to any variations of the basic objectives

Without prejudice to the duty of the General Meeting in the cases provided for by existing legislation, the Board of Directors is the competent body that will make amendments to the Plan.

3.4 Description of the methods through which the availability and allocation of the financial instruments for the Plan are determined

The Plan foresees the free allocation to Beneficiaries of Rights to Receive ordinary shares of the Company.

The overall maximum number of shares to be allocated to Beneficiaries is established as up to a maximum of 1,600,000 (one million six hundred thousand) shares.

For this purpose, on 28 April 2018 the General Meeting of the Company will approve the use of own shares for the Plan.

For further information on the use of own shares for the Plan see the explanatory report prepared pursuant to the Issuers’ Regulations, which will be made available to the public in the terms of the law through publication on the Company’s website.

3.5 Role carried out by each Director in determining the characteristics of the Plan; any conflicts of interest of the Directors concerned

The characteristics of the Plan, which will be submitted to the General Meeting pursuant to and in accordance with Art. 114 bis of the TUF, were determined jointly by the Board of Directors, which approved the submission of plan for approval of the General Meeting, based on the proposal from the Remuneration Committee.

At present, there are no potential conflicts of interest of the Directors since the Directors – with the exception of the Chief Executive Officer who did not participate in the construction of the plan – are not Beneficiaries of the Plan.

3.6 Date of the decision by the competent body to submit the Plan to the General Meeting for approval and the proposal of the Appointments and Remuneration Committee

The Remuneration Committee specifically prepared the structure of the Plan, reporting on the activity carried out to the Board of Directors in the meetings in February and March 2018.

On 20 March 2018 the Board of Directors approved the Regulations of the Plan. The ordinary General Meeting of the Company was called on 28 April 2018 for the approval of the Plan.

3.7 Date of the decision by the competent body regarding the allocation of instruments and any proposal to the afore-mentioned body formulated by the Appointments and Remuneration Committee

Following the General Meeting of 28 April 2018, if the Plan is approved, the Board of Directors will meet to make the relevant decisions for the purposes of implementing said Plan, in accordance with the Regulations and the rules applicable to Beneficiaries.

3.8 Market price of shares, recorded on the above dates, for the financial instruments on which the plans are based, if negotiated on regulated markets

Each of the Rights to Receive Shares attributed to the Beneficiaries, under the conditions outlined by the Regulations, will have a unit value equal to the arithmetical average of the official prices recorded by the shares on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. in the 180 clear calendar days preceding the Date of Attribution.

3.9 Terms and methods with which, when identifying the time frames for allocating the instruments to implement the Plan, the Issuer takes into account the possible coincidence in time between: (i) said allocation or any decisions made in this regard by the Appointments and Remuneration Committee; and (ii) the distribution of any relevant information pursuant to Art. 114, paragraph 1 of the TUF

The decisions regarding the allocation of the Rights to Receive Shares will be made by the Board of Directors in one or several sessions, subject to approval of the initiative by the General Meeting, having acquired the opinion of the Remuneration Committee.

Moreover, the Rights to Receive Shares will not be immediately available and are subject to the conditions outlined by the Regulation, in addition to the specific performance conditions, for which the Company does not envisage the creation of any particular safeguards in relation to the situations described above.

4. CHARACTERISTICS OF THE INSTRUMENTS ATTRIBUTED

4.1 Description of the forms in which the Plan is structured

The Plan envisages the free allocation to the Beneficiaries of Rights to Receive Shares, in the proportion of one Right per Share. The allocation of shares after the Performance Period (31 December 2020) is subject to the Beneficiaries reaching performance objectives, in addition to fulfilling the terms and upon satisfaction of the conditions provided for by the Regulations.

4.2 Indication of the period of effective implementation of the Plan also with reference to any different cycles envisaged

This Plan envisages an overall duration of 3 years (from 1 January 2018 to 31 December 2020), after which achievement of the Performance Objectives will be evaluated. The Shares will then be allocated according to the following quotas equal to:

- 60% “upfront” no later than two months following approval of the 2020 Financial Statements relating to the final year of the vesting period;
- 40% after the deferment period of 2 (two) years from 31/12/2020 until 31/12/2022.

4.3 Term of the Plan

This Plan will in any case end on 31 December 2020.

4.4 Maximum number of financial instruments, also in the form of Options, allocated in every financial year to the individuals named or the categories indicated

The overall maximum number of shares to be allocated to Beneficiaries is established as up to a maximum of 1,600,000 (one million six hundred thousand) shares.

4.5 Methods and implementing clauses of the Plan, specifying if the effective attribution of the instruments is subject to satisfying conditions or fulfilling certain results including performance

The effective allocation of Shares is subject to the Beneficiaries meeting the performance objectives.

4.6 Indication of any availability restrictions borne on the Options or on the Shares resulting from their exercise

The Plan consists of the free allocation to the Beneficiaries of the Right to Receive Shares free of charge in the terms and conditions outlined in the Regulations.

The Right to Receive Shares will be attributed on an individual basis to each Beneficiary and cannot be transferred by deed between living persons nor subject to constraints nor made the object of other trading methods in any capacity.

The Shares allocated in favour of the Beneficiary will be freely available and, therefore, freely transferable by the Beneficiary.

The Shares allocated pursuant to the Plan will have regular dividend rights and, therefore, be equal to that of other Shares in circulation at the date of their issue.

4.7 Description of any conditions subsequent in relation to attribution of the Plan if the beneficiaries carry out hedging transactions to neutralise any prohibitions on the sale of the Options or of the Shares resulting from their exercise

Not applicable.

4.8 Description of the effects caused by terminating the employment contract

Since the right to receive Shares is genetically and functionally connected to the existence of the Contract between the Beneficiary and the Company or its Subsidiary Companies, in the event of termination of the Contract, the following provisions will apply, unless decided otherwise by the Board of Directors if more favourable to the Beneficiaries.

In the event of terminating the Contract following a Bad Leaver situation during the vesting period or in any case before the delivery of the Shares, the Beneficiary will lose definitively and entirely the right to receive the Shares allocated.

In the event of termination of the Contract following a Good Leaver situation during the vesting period or in any case before the delivery of the Shares, the Beneficiary (or his or her heirs) will maintain the right to receive a pro-rata quantity of the Shares allocated before the Date of Termination, based on the final assessment of the Board of Directors regarding the level of achievement of the performance objectives. It is understood that the assessment of the level achievement of the objectives will be carried out with reference to the last approved Financial Statements and that the pro-rata will be determined by using the financial year as a unit of calculation.

4.9 Indication of any other causes of cancellation of the Plan

Not applicable.

4.10 Motivations relating to any “repurchase”, by the company, of the financial instruments under the plan, prepared pursuant to Articles 2357 et seq. of the Civil Code

The Plan does not envisage the right to repurchase by the Company.

4.11 Any loans or other subsidies intended to be granted for the purchase of Shares pursuant to Art. 2358, paragraph 3 of the Civil Code

Performance Share Plan 2018-2020

There are no loans or other subsidies for the purchase of Shares pursuant to Art. 2358, paragraph 3 of the Civil Code.

4.12 Evaluations on the fee expected for the Company at the date of allocation, as can be determined on the basis of previously defined terms and conditions, for overall amount and in relation to each financial instrument

At the date of this document, it is not possible to specify the exact fee amount expected from the Plan for the Issuer, in that said fee is influenced by the maximum extent of the Shares that will be allocated.

Pursuant to the IFRS 2 (Share-based payments), the Company will recognise, for the part under its jurisdiction, during the period of maturation, the Fair Value of the Shares allocated.

4.13 Indication of any dilution effects on the capital caused by the Plan

The use of own shares, for a maximum number of 1,600,000 (one million six hundred thousand) would not lead to any dilution effect on the total share capital.

4.14 Any limits envisaged for exercising the voting right and for allocating proprietary rights

The Shares allocated pursuant to the Plan will have regular dividend rights and, therefore, be equal to that of other Shares in circulation at the date of their issue.

The Shares have voting rights.

4.15 If the shares are not negotiated on regulated markets, any information useful for an evaluation of the value attributable to them

Not applicable.

4.16 Number of financial instruments underlying each Option

Not applicable.

4.17 Expiry of the Options

Not applicable.

4.18 Methods, time frames and exercise clauses of the Options

Not applicable.

4.19 Exercise price of the Options, namely methods and criteria for determining it, with particular reference to: a) the formula for calculating the exercise price in relation to a determined market price; and b) the methods for determining the market price used as a reference for determining the exercise price

Not applicable.

4.20 If the exercise price is not equal to the determined market price as indicated in point 4.19 letter b) (fair market value), motivations for said difference

Not applicable.

4.21 Criteria on the basis of which different exercise prices are envisaged between various individuals or various categories of beneficiaries

Not applicable.

4.22 If the financial instruments underlying the Options are not marketable on regulated markets, indication of the value attributable to the underlying financial instruments or the criteria for determining the value

Not applicable.

4.23 Criteria for the necessary adjustments following extraordinary transactions on the capital and other transactions that lead to the variation of the number of underlying instruments

In the event of extraordinary events not specifically governed by the Regulations, including:

- i. extraordinary transactions on the capital of the Company and, including but not limited to, reductions of capital for losses through cancellation of shares, increases of the capital of the Company, free or for cash, offered as an option to shareholders or without preemptive rights, possibly also to be settled through contribution in kind, rearrangement or splitting of Shares likely to influence the Shares,
- ii. mergers or demergers, purchase or sale of shares, companies or branches of the company, or
- iii. legislative or regulatory amendments or other events likely to influence the Rights, Shares, or the Company.

the Board of Directors will, autonomously and without the need for further approval from the General Meeting of the Company, having heard the opinion of the Remuneration Committee, be able to make all amendments and additions to the Regulations considered necessary or appropriate, within the limits acceptable by legislation from time to time applicable, so that the substantial and economic contents of the Plan remain unvaried.

Should, during the vesting period:

- i. a Change of Control take place,
- ii. a public offer of purchase or a public offer of exchange regarding the Shares take place, or
- iii. the quotation of the Shares in the MTA be revoked (delisting),

The Board of Directors will have the power to allow for the Beneficiaries, in accordance with the terms provided for by the Regulations, to receive all or part of the Shares early, even independently of the effective achievement of the required objectives, namely to envisage the early termination of the Plan.

These decisions will be binding for the Beneficiaries.

4.24 The share issuers attach Appendix Table No. 1 to the information document

With regard to the implementation of the Plan and the data in the summary table pursuant to Article 4.24, Appendix 3A of the Issuers' Regulations, information will be provided in the times and methods outlined by the Regulations and the applicable legislation.

"AUTHORISATION FOR THE PURCHASE AND SALE OF TREASURY SHARES IN ACCORDANCE WITH LAW. RESOLUTIONS PERTAINING THERETO AND THEREOF.

The Board of Directors submits to the Shareholders' Meeting, for its approval, its proposal regarding authorisation for the purchase and sale of treasury shares, which is shown in full below.

* * *

Dear Fellow Shareholders,

It is recalled that Art. 23 of the Bylaws provides, pursuant to and for the purposes of Art. 2529 of the Civil Code, the possibility for the Board, with the prior authorisation of the Meeting, to buy and sell treasury shares.

The Shareholders' Meeting on 12 April 2012 authorised the operation in treasury shares, which was renewed at the various Meetings that have occurred since then and, most recently, on the occasion of the meeting of 22 April 2017.

It is proposed that the Shareholders authorise, to the extent and in the manner further clarified, the purchase and disposal of treasury shares - including those already in the portfolio - under the terms and conditions that follow, howsoever in revoking and substituting the authorisation resolved at the Shareholders' Meeting on 22 April 2017 for the period still unused.

*

Reasons for which authorisation is requested for the purchase and/or sale of treasury shares

The purchase, trading and sale of Treasury shares is intended, in the interest of the company and in compliance with the regulations and the bylaws, for the time in force and applicable as well as accepted market practices, in pursuit of the following objectives:

- previously arranging an equity package available for various operations, including:
 - special operations aimed at establishing relationships of *partnership*
 - collaboration with other industrial operators or financial, also in the scope of the typical *business* of the Company;
 - Compensation plans based on financial instruments;
 - allotment of shares to shareholders by way of dividend;
- acting in the market to provide liquidity and stable trading volumes of the stock, in the interests of the shareholders and the company, and to avoid uncertainty and unjustified fluctuations in the listings;
- with a view to investment, also in the medium and long term, that is, howsoever, to seize market opportunities wherever either appropriate or on the market (only as regards alienation) in the so-called over-the-counter markets or also outside every market, provided that, taking into account the listings of the regulated market;
- encouraging, where appropriate, in extraordinary situations and of consequent poor liquidity, a timely restructuring of the company structure, without the risk of destabilisation, and sudden movements in the market that can complicate a balanced supply-demand balance of the share.

It should be noted that the request for the authorisation to purchase treasury shares is not intended for reducing the share capital through the cancellation of the treasury shares purchased.

Maximum number, category and value of the shares referred to for authorisation

As of today's date, the share capital is composed of 174,293,926 ordinary shares, each with a regular dividend.

Within the limits provided for by law (Art. 2357, paragraph 1, of the Civil Code), the distributable profit and available reserves resulting from the last approved budget, the authorisation proposed concerns the purchase, on one or more occasions, of treasury shares up to the maximum number allowed by current laws, and therefore up to 20% of the share capital of the company *pro tempore*, taking into account the Treasury shares already held thereby or by its subsidiaries. The operations will be carried out in compliance with the regulations and bylaws applicable at the time and in accordance with accepted market practices and howsoever according to the procedures and terms allowed.

The request for authorisation provides the power to the Board to make repeated and subsequent purchases and sales (or other acts of disposal) of its treasury shares on the basis of the maximum quantity authorised for on a rotating basis, also for fractions of the maximum quantity authorised, so that, howsoever, at any time, of shares underlying the proposed acquisition and owned by the company does not exceed the limits provided by law and the authorisation of the Meeting.

Information useful for verifying compliance with the limits as per Art. 2357 of the Civil Code

The purchases - whose turnover, net of sales, leads to the formation of the negative reserve in equity - cannot be made for amounts which are not available in the reserve capacity defined by the Bylaws and showing in the Company's last regularly approved financial statements. To this end, it should be noted that in the draft budget as at 31 December 2017 ⁽¹⁾, submitted for approval by the same Shareholders' Meeting called to approve the present proposal for authorisation and, assuming in this venue its approval, the negative reserve for Treasury shares would amount to euro 46,945,285.52 and registered reserves are available for euro 987,522,207.58 and, in particular, euro 785,490,034.35 ⁽²⁾ in relation to the share premium reserve in which the negative reserve for treasury shares will apply.

Please note that, as of the date of this report, 22 March 2018, the company holds 6,679,907 treasury shares, equal to 3.833% of the share capital ⁽³⁾, and that the negative reserve for treasury shares in the portfolio is euro 46,945,285.52; the subsidiaries do not hold Company shares (*).

In light of the above, compliance is verified with the ceiling limit provided for in Art. 2357, paragraph 3, of the Civil Code, equalling one-fifth part of the share capital, subject in each case to the obligation of compliance with the authorising conditions of the shareholders' meetings.

It remains understood that, in the event of sale, the amount can be reused for additional purchases, until the expiry of the term of the authorisation, subject

⁽¹⁾ Before allocation of 2017 result.

⁽²⁾ Amount at 31 December 2017, to be updated as indicated below.

⁽³⁾ At 31 December 2017, the company held an equal amount of treasury shares.

to the quantitative limits and expenses, as well as the conditions laid down by the Meeting.

Duration of the authorisation

The duration of the authorisation for the purchase request is 18 months from the date on which the Meeting adopts the corresponding resolutions that lead this new resolution to revoking and then replacing the existing authorisation by Meeting resolution 22 April 2017.

The Board of Directors may proceed to authorised purchase operations on one or more occasions and at any time within the timeframe stated above.

Authorisation for availability of treasury shares is requested without time limits, given the lack of regulatory constraints in this respect and the opportunity to maximise the time frame in which to make the possible sale.

Minimum and maximum fee

The purchase price of the shares shall not be lower, at minimum, by more than 20% or higher, at a maximum, by above 20% compared to the official price of the shares registered by Borsa Italiana S.p.A. in the trading session prior to each operation.

We also propose authorising the sales, in accordance with Article 2357-*ter* of the Civil Code, at any time and without time limits, in whole or in part, on one or more occasions, the treasury shares already in the availability of the Company or purchased under this proposal, for the above mentioned purposes to be intended, in any case, as stated here, as well as to authorise the further use of all shares purchased in accordance with and for the same purposes identified above, in all cases under the terms and conditions determined by the Board of Directors.

Regarding the sale of treasury shares, the Board will establish the criteria for determining the related price and/or procedures, terms and conditions for using Treasury shares, having regard to the specific execution procedures used, the trend in stock prices of the period preceding the transaction and the best interests of the company.

Method for buying and selling shares

The purchase of treasury shares operations will be carried out in accordance with Article 132 of Legislative Decree 58/1998 and 144-bis, paragraph 1, section (b), of CONSOB Issuer Regulations, according to the operating methods set forth in the regulations providing for the organisation and management of such markets in order to ensure equal treatment of shareholders.

Therefore, the purchases will be made exclusively and even multiple times by each procedure on regulated markets according to the operating procedures set forth in

compliance with the reference standards, which do not permit directly combining purchasing trade orders with predetermined trade sales orders.

With regard to the volume of shares, the purchases and sales - the latter where made on the market - will not be more than 25% of the average daily volume of shares traded at Borsa Italiana S.p.A.. The average volume is calculated based on the average daily volume traded in the 20 trading days preceding the date of each purchase.

Disposals of shares may be made, one or more times, also before having exhausted the maximum number of shares that can be purchased, in the manner and in the times deemed most appropriate in the interests of the Company, by adopting any procedure deemed appropriate in relation to the purposes which will be pursued, including off market sales or in blocks and/or by assignment consistent with and within the purposes identified above, subject in any case to compliance with the legislation in effect from time to time.

* * *

Draft resolution

The meeting is submitted the following draft resolution:

The Shareholders' Meeting

- having acknowledged the proposal of the Board of Directors;
- keeping in mind the provisions of the applicable law and the company bylaws, the latter also in the new formulation which will be subject to the approval of the shareholders on 27-28 April 2018;
- having acknowledged that, as of today, the Company holds 6,679,907 treasury shares, equal to 3.833% of the share capital, and that the negative reserve for treasury shares in the portfolio is euro 46,945,285.52 while the subsidiaries do not hold Company shares (*);

resolved

to authorise the Board of Directors to purchase and/or dispose of treasury ordinary shares in accordance with the provisions of the law and the company bylaws, for a period of 18 months after the Shareholders' Meeting, using the procedures set out hereinafter, thereby revoking and replacing the Meeting's resolution of authorisation to purchase and/or dispose of treasury shares dated 22 April 2017, subject to and without prejudice to what is done, performed, or executed, in consequence thereof.

The start of the operation, or its suspension and/or termination, is decided by the Board of Directors with the option to delegate this to the Executive Board, in accordance with the legislation and regulations and bylaws, applicable at the time.

l) Purchase of treasury shares

- a) The purchase may be made to the share premium reserve, now entered in the

financial statements in the amount of euro 785,490,034.35 ⁽⁴⁾, up to the maximum number of shares permitted by the applicable laws, and therefore up to 20% of the share capital of the Company *pro tempore*, taking into account the treasury shares held by the same or by its subsidiaries.

- b) The purchases operations may be arranged at any time within 18 months of the date of this resolution.
- c) The purchase price of the shares shall not be lower at minimum by more than 20% or higher at maximum by above 20% compared to the official price of the shares registered by Borsa Italiana S.p.A. in the trading session prior to each operation.
- d) The purchases and sales – the latter if made on the market – shall not be higher than 25% of the average daily volume of shares traded at Borsa Italiana S.p.A., calculating the average volume based on the average daily volume traded in the 20 trading days prior to the date of each purchase.
- e) Purchases must be made in accordance with the applicable regulatory requirements, and in particular with regard to the provisions of Art. 144-*bis* and paragraphs 1 and 1-bis of the Issuer Regulations.
- f) The accounting treatment of transactions will be in compliance with the current legislation, regulations and bylaws, as well as the applicable accounting principles. In the event of disposal, the amount can be reused for additional purchases, until the expiry of the term of the authorisation, subject to the quantitative limits and spending, as well as the conditions laid down by the Meeting.

II) Trading and sales of treasury shares

- a) The shares that will be purchased in implementation of Meeting resolution or already in the Company's availability will be subject to deeds of sale and disposition and therefore to be sold even before having exhausted the entire quantity of purchases covered in this request for authorisation, on one or more occasions, without time limits, in the manner deemed most appropriate in light of the reasoning expressed in the report of the Board of Directors and in the interest of the company.
- b) Le alienazioni delle azioni proprie potranno essere effettuate, in una o più volte, anche prima di avere esaurito il quantitativo massimo di azioni proprie che può essere acquistato. Disposal may take place in the manner and in the times deemed most appropriate in the interests of the Company, by adopting any procedure deemed appropriate in relation to the purposes which will be pursued subject in any case to the applicable regulations.

Verona, 22 March 2018

* * *

(*) The data reported, referring to the date of 22 March 2018 will be updated at the Meeting.

⁽⁴⁾ Amount as at 31 December 2017, which rely on the negative reserve for treasury shares in the portfolio equal euro 46,945,285.52, to be updated as indicated below.

APPOINTMENT OF A SHAREHOLDER TO THE BOARD OF DIRECTORS.

It is recalled that, effective 31 March 2017, Giovanni Battista Mazzucchelli resigned from his office as Director and CEO of the company. Consequently, in accordance with the provisions of Art. 2386 of the Italian civil code and Art. 33.5 of the Bylaws, the Board of Directors has proceeded to appoint the replacement by nominating, at its meeting on 1 June 2017, Director Alberto Minali, simultaneously appointed Chief Executive Officer. Under the aforementioned statutory provision, the mandate of the nominated Director reaches its expiry with today's Meeting of Shareholders held on 27-28 April 2018.

The shareholders' meeting is called to deliberate the appointment of a Shareholder of the Board of Directors, in accordance with the rules in applicable law and in the manner set out in the applicable notice of the meeting, that for completeness are cited below.

We note in particular that appointing the Director will proceed by nominations on the basis of the slates. The slates submitted must contain the designation of a single candidate with no constraints of residence and gender. In this regard, reference is made, in addition to the applicable laws and bylaws, to the recommendations made by the Board of Directors regarding the specific skills required for the position, as contained in updated version of the document establishing the guidelines for Shareholders on the qualitative and quantitative composition of the administrative body, which can be found on the "Corporate" internet site at <http://www.cattolica.it/home-corporate>, in the "Governance" section.

There are no plans to elect a Director from a minority slate pursuant to Art. 33.4 of the Bylaws, that having proceeded at the Meeting of 16 April 2016.

*

The slates of candidates filed within the time limits and in the manner provided will be made available to the public at least 21 days before the date of the meeting on first call, and thus by 6 April 2018.

*

For greater clarity and uniformity of the process and to facilitate exercising the right to submit the slates, the Board of Directors has updated the procedures to be followed for conducting the related formalities, already prepared by previous meetings, providing for filing the same at the registered office and available at the company's Corporate website, <http://www.cattolica.it/home-corporate>, under "Governance": notice of this was given in the call for the meeting.

* * *

APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS, ITS CHAIR AND DETERMINATION OF THE RELATED REMUNERATIONS.

With the approval of the financial statements for 2017 the three-year term of the Statutory Auditors expires, conferred with the resolution at the Meeting on 25 April 2015.

The Board of Directors expresses its sincere thanks to the members of the supervisory body for the work carried out in the interest of the Company in executing the assignment.

The Shareholders' Meeting is called to approve the appointment of the Board of Auditors for a new mandate.

It is recalled, in particular, that candidates must meet the requirements of the specific regulations and Bylaws.

It is also recalled that, in accordance with Art. 44 of the Bylaws, the Board of Auditors, to be elected by voting the slate pursuant to the Bylaws, must be comprised of 3 standing auditors and 2 alternates.

Finally it is noted that the Auditors appointed must comply with the gender balance referred to in the regulations at the current time: accordingly, at least one third of the standing Auditors must belong to the less represented gender.

Subject to compliance with statutory provisions, for greater clarity and uniformity of the process and to facilitate exercising the right to submit the slates, the Board of Directors has updated the procedures to be followed for conducting the related requirements, already prepared by previous meetings, providing for the deposit thereof at the registered office and the company's Corporate website, <http://www.cattolica.it/home-corporate>, under "Governance": notice of this was given in the call for the meeting.

Please note that, the preconditions fulfilled for the appointment of the Chairman of the Board of Auditors, the process will take place by applying the provisions of Art. 148 of TUF, as amended by Law 262/2005, which provides that the Chairman of the Board of Auditors is "appointed by the Shareholders' Meeting from the auditors elected on the minority slate".

If the new corporate Bylaws are approved as set out in the Extraordinary Session of the Meeting on 27-28 April 2018 and thus by adopting the one-tier system of administration and control, the Board of Statutory Auditors appointed will expire at the date of the first subsequent renewal of the Board of Directors.

* * *

The slates of candidates filed within the time limits and in the manner provided will be made available to the public at least 21 days before the date of the meeting on first call, and thus by 6 April 2018.

* * *

In accordance with the law and the Bylaws, the Shareholders' Meeting determines the annual remuneration of the members of the Board of Statutory Auditors at the time of their appointment and for the entire period of their term in office.

With regard to remuneration for the Board of Statutory Auditors, the following is the proposal approved by the Board of Directors:

"The Board of Directors, having also heard the Committee for Remuneration in this regard, having regard to the specific tasks and current legislation, regulations and the Bylaws, considering the relevant commitment required to carry out the assignment, proposes to confirm the extent of the statutory compensation, now provided at 110,000 euros gross per year for each member, with an increase of 50% for the Chairman. It also proposes to confirm the application of the reimbursement system for expenses provided for Directors in accordance with Art. 45 of the Bylaws in force. The same will be owed, pursuant to the Bylaws, also the attendance fee provided for the members of the Board of Directors. "

* * *