

Extraordinary and Ordinary Shareholders' Meeting 26/27 June 2020

Report of the Board of Directors on the **items on the agenda** for the **Ordinary part**

pursuant to Article 125-ter, paragraph 1, of Legislative Decree
No. 58 of 24 January 1998.

Approved by the Board of Directors
on 22 May 2020

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INTRODUCTION

This document, containing the reports approved by the Board of Directors on the items on the agenda for the ordinary part of the Shareholders' Meeting called for 26/27 June 2020, is being circulated, pursuant to Article 125-ter, paragraph 1, of Legislative Decree 58 of 24 January 1998 (the Consolidated Law on Finance or TUF) as amended, within the term established by applicable legislation for the publication of the notice of the Shareholders' Meeting.

Reports produced pursuant to specific provisions of law are published within the terms indicated in the said provisions, by the methods established in the aforementioned Article 125-ter, paragraph 1, of the TUF.

* * *

NOTICE OF MEETING

SOCIETÀ CATTOLICA DI ASSICURAZIONE

Società Cooperativa [co-operative or mutual company incorporated under Italian law]
Registered office Lungadige Cangrande No. 16, Verona.
Tax identification and registration number in the Verona Companies Register
00320160237 - Cooperative Companies Register no. A100378
Listed in the Register of Insurance Companies at 1.00012
Parent Company of the Gruppo Assicurativo Cattolica Assicurazioni, registered in the
Register of Insurance Groups under no. 019
Share capital €522,881,778.00 fully paid up and existing

CALLING OF AN ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

Shareholders are called to an Extraordinary and Ordinary Meeting, to be held at the registered office at Lungadige Cangrande n. 16 Verona at 9.00 am on Friday 26 June 2020 or, **at second call**, if a quorum is not reached on that day, **at 9.00am on Saturday 27 June 2020**, again at the registered office at Lungadige Cangrande n. 16 Verona, to discuss and pass resolution on the following agenda:

Extraordinary part:

1. Articles of Association: amendments to Articles 23, 29, 30, 32, 33, 37, 38, 39, 40, 41, 42, 46 and 59. Related and consequent resolutions.
2. Proposal to grant the Board of Directors a mandate, pursuant to Article 2443 of the Italian Civil Code, to increase the share capital in one or more tranches, on one or more occasions, by 26 June 2025, for a maximum total amount of €500 million, including any share premium, by issuing ordinary shares with no nominal value and having the same characteristics as those in circulation, to be offered as an option to those entitled, with the widest power to establish from time to time, in accordance with the limits indicated above, the methods, terms and conditions of the operation, including the issue price, including any share premium, and dividend entitlement. With the consequent amendment of Article 6 of the Articles of Association. Related and consequent resolutions.

Ordinary Part:

1. Approval of the financial statements for the 2019 financial year and the accompanying report, with consequent and related resolutions.
2. Award of the mandate for statutory audit of the accounts for the years 2021-2029 and determination of the relevant fee. Related and consequent resolutions.
3. Decisions on remuneration policies and Report on Remuneration pursuant to Article 123-ter of the Consolidated Law on Finance and IVASS Regulation No. 38/2018.
4. Authorisation to purchase and dispose of treasury shares pursuant to law. Related and consequent resolutions.

5. Proposal for removal, for just cause, of Director Alberto Minali.

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SHARE CAPITAL

Please note that the subscribed and fully paid-up share capital amounts to €522,881,778.00 on the date of this notice of meeting and is represented by 174,293,926 shares. As at the date of this notice of meeting, the Company holds 7,215,810 treasury shares.

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PARTICIPATION IN THE MEETING

It should be noted that, in accordance with law and the Articles of Association, Shareholders listed in the Shareholders' Register for at least ninety days may attend and vote at the Shareholders' Meeting, without access to the venue of the meeting and exclusively in the manner specified below. The authorised intermediary, with which the shares are deposited, has sent the Company the relevant communication as required by applicable legislation certifying ownership of the shares at least two days prior to the date of the first call.

Pursuant to the Articles of Association, Shareholders listed in the Shareholders' Register for at least 90 days before the Shareholders' Meeting at first call may attend the Shareholders' Meeting provided that the said communication of the intermediary certifies ownership of at least three hundred shares.

Shareholders in possession of shares that have not yet been dematerialised in accordance with current legislation must arrange for their consignment to an authorised intermediary, in sufficient time to complete the dematerialisation procedure provided for therein and to send the communication provided for by the current legislation as indicated above.

Each Shareholder shall be entitled to one vote, regardless of the number of shares owned.

The number of Shareholders listed in the Shareholders' Register for at least ninety days prior to the date of first call is 18,617.

It should be noted that, in view of the emergency caused by the Covid-19 epidemic and

for the purposes of maximum protection and safety of Shareholders as permitted by Article 106 of Decree Law No. 18 of 17 March 2020 "on measures to strengthen the National Health Service and provide economic support for families, employees and companies in relation to the COVID-19 epidemiological emergency" (the so-called "Cura Italia Decree"), Shareholders entitled to do so may participate in the Meeting, without access to the venue where it is held, exclusively through their Designated Representative pursuant to Article 135-undecies of Legislative Decree No. 58 of 24 February 1998 (the "Designated Representative" and the "TUF"), in the manner described below.

In compliance with measures to contain the Covid-19 epidemic as established in applicable legal provisions, participation in the General Meeting by members of the corporate bodies, the Secretary, the Designated Representative, and any other persons authorised to participate by the Chairman of the Board of Directors may also take place, if necessary, through the use of remote connection systems that ensure their identification, in accordance with the applicable regulations for this eventuality.

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PARTICIPATION AND VOTING AT THE SHAREHOLDERS' MEETING THROUGH A DESIGNATED REPRESENTATIVE PURSUANT TO ARTICLE 135-UNDECIES OF THE CONSOLIDATED LAW ON FINANCE (TUF)

Shareholders with voting rights that intend to participate in the Shareholders' Meeting must be represented, free of charge (subject to any costs of dispatch of the proxy) by the Designated Representative who is issued with a proxy containing voting instructions on all or some of the items on the agenda.

The proxy must be issued to the Designated Representative at least two days prior to the date of the Meeting at first call, i.e. by 24 June 2020, by the methods indicated and using the specific form which will be available in the "Governance" section of the Company's corporate website at <http://www.cattolica.it/home-corporate>, which also indicates the methods to be used to grant and forward proxies and to revoke any proxies and voting instructions already granted by the same deadline.

Note that the proxy will be effective only for proposals in relation to which voting instructions are given.

The Company has identified Computershare S.p.A., with offices at Via Monte Giberto no. 33, Rome (00138), as its Designated Representative.

The proxy to the Designated Representative, issued pursuant to Article 135 – undecies of the TUF, containing voting instructions, together with a copy of a valid identity document – and in the case of a delegating legal entity, a document providing proof of the power to issue the proxy – must be sent to Computershare S.p.A. at its certified email address ufficioroma@pecserviziotitoli.it, provided that the delegating party, even if a legal entity, uses a certified electronic mail account or, failing this, from an ordinary email account (in which case the original of the proxy, the instructions, and a copy of the relevant documentation must also be sent by registered letter with acknowledgement of receipt to the headquarters of Computershare S.p.A. at Via Monte Giberto no. 33, 00138 Rome), or by fax to +39 06 45417450, or alternatively by sending the original of the proxy and a copy of the appended documentation directly by registered letter with acknowledgement of receipt to Computershare S.p.A. Via Monte Giberto no. 33 – 00138 Rome.

As permitted by the said Article 106 of the “Cura Italia” Decree, the same Designated Representative may also be granted proxies and/or sub-proxies pursuant to Article 135-novies of the TUF, in derogation of Article 135-undecies, paragraph 4 of the TUF, using the form that is permanently available on the Company's website, by the deadline indicated therein.

In particular, the option for one Shareholder to delegate another Shareholder remains unchanged. However, no delegate may represent more than five Shareholders. Powers of representation may not be granted to members of the Board of Directors or employees of the Company, to companies controlled directly or indirectly by the Company, or to members of the administrative and control body or employees of such companies. In such cases, Delegated Shareholders must also grant the Designated Representative, in addition to their proxy, the proxy or proxies that they have been granted by other Shareholders, with the relevant supporting documentation.

In addition to being sent together with the notice of meeting, the forms to be used to grant the power to attend the Shareholders' Meeting are available in the “Governance” section of the Company's corporate website at www.cattolica.it/home-corporate.

The Designated Representative will be available for clarification or information at +39 06 4541 7413 from 9:00 to 18:00 Monday to Friday, or by email at ufficiorm@computershare.it.

Note that there is no provision for the Shareholders' Meeting to vote by correspondence or by electronic means.

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QUESTIONS ON ITEMS ON THE AGENDA

In view of the fact that participation in the General Meeting takes place exclusively through the Designated Representative, those entitled to vote may ask questions on agenda items before the Shareholders' Meeting by means of registered letter with acknowledgement of receipt sent to: Società Cattolica di Assicurazione - Società Cooperativa – Servizio Soci, Lungadige Cangrande 16, 37126 Verona, or by certified email to: serviziosoci@pec.gruppocattolica.it (indicating "Shareholders' Meeting - questions on agenda items" in the subject line of the email), taking care to specify the agenda item to which the question refers.

Questions must be received by the Company no later than 17 June 2020.

Only questions that are strictly relevant to agenda items will be considered. Those submitting questions must provide their personal details (surname and first name, or name in the case of a legal entity, place and date of birth and tax identification number) and provide documentation, as provided by applicable legislation, certifying their ownership of the minimum number of shares required, pursuant to Article 18 of the Articles of Association, for the exercise of rights other than property rights.

Questions received by the deadline indicated, that are relevant to the agenda and compliant with the terms and conditions indicated above, will be answered by 22 June 2020 by publication on the Company's website. A single response may be given to questions of similar content.

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ADDITION OF ITEMS TO THE AGENDA AND SUBMISSION OF NEW PROPOSED RESOLUTIONS

In accordance with the methods and by the deadlines established in current legislation, one fortieth of the Shareholders with voting rights, or Shareholders representing at least one fortieth of the share capital – that can document, in accordance with current legislation, their ownership of the minimum number of shares required for the exercise of non-property rights pursuant to Article 18 of the Articles of Association – may request that the list of matters to be discussed at the Shareholders' Meeting, as indicated in the notice of meeting, be supplemented, indicating the additional proposed items in their question, or may submit proposals for resolutions on matters already on the agenda. The signature

of each Shareholder making such a request must be accompanied by a photocopy of a valid identity document.

Requests must be received at company headquarters within ten days of the publication of this notice (i.e. by 29 May 2020) by registered letter with acknowledgement of receipt addressed to Società Cattolica di Assicurazione - Società Cooperativa – Servizio soci, Lungadige Cangrande 16, 37126 Verona, or by certified email to: serviziosoci@pec.gruppocattolica.it. By the same deadline, Shareholders requesting an addition to the agenda must also produce a report stating the reasons for the proposed resolutions on the matters that they propose for discussion, or the reasons for the additional proposed resolutions submitted on matters that are already on the agenda.

Any additions to the agenda will be announced at least fifteen days prior to date scheduled for the Shareholders' Meeting at first call (i.e. by 11 June 2020), by the same procedure as used for the publication of this notice.

Similarly, reports produced by Shareholders requesting an addition to the agenda, possibly accompanied by an assessment by the Board of Directors, will be made available to the public in the same form and by the same procedure as used for the shareholders' meeting documentation.

Furthermore, given that participation at the meeting may take place exclusively through a Designated Representative, shareholders entitled to participate in the meeting that intend to make individual proposals for resolutions on the items on the agenda are invited to present them in advance, no later than 10 June 2020.

Following verification of their relevance to items on the agenda of the Shareholders' Meeting, such items will be published on the Company's website by 11 June 2020, to enable Shareholders entitled to vote to express an informed opinion, including in relation to new proposals, and to enable the Designated Representative to receive any voting instructions on them.

In this case also, requesting Shareholders are required produce appropriate documentation providing proof, in accordance with current legislation, of their entitlement to participate in the Shareholder's Meeting and that they have granted a proxy to the Designated Representative to attend the General Meeting.

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DOCUMENTATION AND FURTHER INFORMATION

Documentation relating to the Shareholders' Meeting, including explanatory reports on items on the agenda and the relevant draft resolutions, will be made available to the public, in accordance with applicable legislation, by Borsa Italiana S.p.A. at its registered office using a storage mechanism authorised by CONSOB entitled "eMarket-Storage", which is managed by Spafid Connect S.p.A. and which can be accessed from the website www.emarketstorage.com and in the "Governance" section of the Company's corporate website at www.cattolica.it/home-corporate. The material available includes documentation already made available and published to date concerning the Shareholders' Meeting and any additions thereto, in particular:

- **at least thirty days prior to** the date set for the Shareholders' Meeting at first call, i.e. by 27 May 2020, the Directors' reports on items on the agenda and the other documentation scheduled for publication prior to the Meeting, other than the documentation listed below;
- **at least twenty one days prior to** the date set for the Shareholders' Meeting at first call, i.e. by 5 June 2020: the Report on proposals for authorisation to purchase and sell treasury shares.

It is hereby confirmed that the Annual Financial Report, together with the attestation signed by the Financial Reporting Officer, the reports of the Supervisory Committee and the auditing company, and the Report on Remuneration were made available on 9 April 2020 by Borsa Italiana S.p.A. at its registered office, using a storage mechanism authorised by CONSOB entitled "eMarket-Storage", which is managed by Spafid Connect S.p.A. and which can be accessed from the website www.emarketstorage.com and in the "Governance" section of the Company's corporate website at www.cattolica.it/home-corporate. On 9 April 2020 the Report on Corporate Governance and Ownership Structure was also made available. This report contains the information indicated in Article 123-bis of Legislative Decree 58/1998.

Shareholders are entitled to inspect the said documentation, which is deposited at the registered office, and obtain a copy thereof.

Further information on the rights that can be exercised by Shareholders is available in the "Governance" section of the Company's corporate website at www.cattolica.it/home-corporate. Any requests can be addressed to serviziosoci@pec.gruppocattolica.it.

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This notice of meeting is published on the Company website on 19 May 2020, on the Borsa

Italiana S.p.A. Website, and on the storage mechanism authorised by CONSOB entitled “eMarket-Storage”. An excerpt was also published in the “Italia Oggi” newspaper.

Verona, 19 May 2020

The Chairman
(Paolo Bedoni)

ORDINARY PART

1. APPROVAL OF THE FINANCIAL STATEMENTS FOR THE 2019 FINANCIAL YEAR AND THE ACCOMPANYING REPORT, WITH CONSEQUENT AND RELATED RESOLUTIONS.

The Board of Directors reports that the financial statement dossier, to which explicit reference is made herein, was made available to the public on 9 April 2020, under the terms and conditions established in Article 154-ter of the Consolidated Law on Finance (TUF).

It should also be noted that:

- at its meeting on 18 March 2020, the Board of Directors reserved the right to formulate its proposal for the allocation of profits and provide the relevant information on the occasion of and during the Shareholders' Meeting convened to approve the financial statements;
- at its meeting on 15 May 2020, the Board of Directors formulated a Proposal to allocate the profit resulting from the financial statement as at 31 December 2019. In particular, the Board of Directors decided act on the recommendations of the Supervisory Bodies in view of the situation caused by the pandemic, with no provision for a dividend distribution, and the consequent allocation of the 2019 result to the reserves.

The said proposal to allocate the profit resulting from the Financial Statements as at 31 December 2019 (to which reference is fully made herein) was made available to the public on the date of publication of this Report, according to the terms and conditions established in Article 154-ter of the TUF.

The Board of Directors proposes that the Shareholders' Meeting, having taken note of the contents of the financial statements, the explanatory notes, the report on operations, the relevant data and the proposed allocation of the result, adopt a resolution to approve the financial statements for the year ended 31 December 2019, with the relevant documents and the consequent and related proposals, as detailed in the dossier.

* * *

2. AWARD OF A MANDATE FOR THE STATUTORY AUDIT OF THE ACCOUNTS FOR THE YEARS 2021-2029 AND DETERMINATION OF THE FEE FOR THE MANDATE. RELATED AND CONSEQUENT RESOLUTIONS.

With the approval of the financial statements as at 31 December 2020, the audit mandate granted to the auditing firm Deloitte & Touche S.p.A. for the nine-year period 2012-2020 expired. It is therefore necessary to proceed with the appointment of an independent auditor for the nine-year period 2021-2029, bearing in mind that the “cooling-off” obligation established in Article 17, paragraph 1, of Legislative Decree 39/2010, does not allow a renewal of the mandate of the said auditing firm.

The appointment of a statutory audit mandate for Società Cattolica di Assicurazione for the period 2021-2029 involves the award to the successful company, in addition to the statutory audit mandate, of all the remaining auditing assignments for the entire nine-year period (IFRS package, segregated funds, unit pension funds and solvency).

Note that the award of a statutory audit mandate for a Public Interest Body (PIE), which pursuant to Article 16, paragraph 1, letter c) of Legislative Decree 39/2010, includes insurance companies and therefore the Società Cattolica di Assicurazione, is specifically governed by Article 16 of EU Regulation no. 537/2014 (the “PIE Regulation”). In particular, the legislation assigns to the Supervisory Committee the responsibility for the selection procedure of the auditor and the task of producing a reasoned recommendation, followed by a proposal to the Shareholders' Meeting for the award the audit mandate.

The Board of Directors therefore submits to the Shareholders' Meeting, for their approval, a proposal to award the mandate for the statutory audit the accounts for the years 2021-2029, accompanied by a reasoned proposal of the Supervisory Committee, formulated pursuant to Article 13 of Legislative Decree 39/2010 and EU Regulation 537/2014.

Dear Shareholders,

You have been convened today in an ordinary session to pass resolutions, *inter alia*, on the following agenda item:

2) award of the mandate for the statutory audit of the accounts for the years 2021-2029.

With regard to the appointment of a new auditor, the Board of Directors submits to the Shareholders' Meeting the appended reasoned proposal of the Supervisory Committee, formulated pursuant to Article 13 of Legislative Decree 39/2010 and EU Regulation 537/2014, for the appointment of one of the companies identified by the Committee, either PricewaterhouseCoopers S.p.A. (hereinafter "PWC") or Ernst & Young S.p.A. (hereinafter "EY") as independent auditors for the period 2021-2029, with a justified preference for PWC S.p.A., under the terms indicated in the proposal.

The Board of Directors, concurring with the reasoning indicated by the Supervisory Committee for its preference, submits the following proposed resolution to the Shareholders' Meeting:

"The Ordinary Shareholders' Meeting, having acknowledged:

(i) that Regulation (EU) No. 537/2014 provides that the Shareholders' Meeting, on the proposal of the Supervisory Body, appoints the statutory auditors and determines the fees due to the statutory auditor or independent auditors for the entire duration of the mandate, together with any criteria for adjustment of the fees during the mandate;

(ii) the reasoned proposal produced by the Supervisory Committee pursuant to Regulation (EU) No. 537/2014, indicating at least two proposed auditing companies and expressing a preference for PWC S.p.A.;

(iii) that the selection process met all the requirements established in Regulation (EU) No. 537/2014;

hereby resolves

A) to grant a mandate to the company PriceWaterHouseCoopers S.p.A. with registered office at Via Monte Rosa No. 91, Milan, Tax Identification Number 12449670152, for the statutory audit of the accounts for the period 2021-2029, except in the event of premature termination, under the terms and conditions of the offer made by the said auditing firm and set out in the reasoned proposal of the Supervisory Committee;

B) in particular, to pay a fee of €635,850 for the statutory audit of the financial statements for the years 2021-2029 involving an estimated commitment of 9,900 hours. The fees for the other assignments are €450,464 for an estimated commitment of 7,560 hours. The fees are inclusive of expenses incurred in the performance of the work, to which the supervisory contribution due to the Italian National Stock Exchange Supervisory Commission (CONSOB) must be added, together with VAT. The fees for the first two years shall not include any Italian National Statistics Institute (ISTAT) adjustment. As of the third year, the fee shall be adjusted at the rate of 75% of the ISTAT price index;

C) to delegate to the Chairman of the Board of Directors and to the General Manager, with equal and separate powers, all the widest powers, in accordance with the provisions of law, for the complete implementation of the said resolution, with each and every power necessary and appropriate to this end, without exclusion and exception, including the power to make any non-substantive amendments to resolutions that are deemed necessary and/or appropriate for the registration with the Companies Register and/or in relation to any instructions from the Supervisory Authority".

The Board of Directors.

Annexes:

- A) Reasoned proposal of the Supervisory Committee, formulated pursuant to Article 13 of Legislative Decree 39/2010 and Regulation (EU) No. 537/2014.

Annex A)

Reasoned proposal of the Supervisory Committee, formulated pursuant to Article 13 of Legislative Decree 39/2010 and Regulation (EU) No. 537/2014.

RECOMMENDATION OF THE SUPERVISORY COMMITTEE OF SOCIETÀ CATTOLICA DI ASSICURAZIONE – SOCIETÀ COOPERATIVA – FOR THE AWARD OF A MANDATE FOR STATUTORY AUDIT OF ACCOUNTS FOR THE PERIOD 2021-2029

1. INTRODUCTION

The approval of the financial statements as at 31 December 2020 will see the expiry of the mandate for the statutory audit of the accounts of Società Cattolica di Assicurazione – Società Cooperativa (hereinafter also referred to as the Company, or Cattolica Assicurazioni) and of the Cattolica Group (hereinafter also referred to as GCatt) which was awarded for the nine-year period 2012-2020 to the audit firm Deloitte & Touche S.p.A. (D&T). According to the “cooling-off” obligation established in Article 17, paragraph 1, of Legislative Decree No. 39/2010, it is not permitted to renew the mandate, and therefore it is necessary to appoint a new Statutory Auditor for the 2021-2029 period.

The process is governed by the provisions of the said Legislative Decree due to the fact that the Company, as an insurance company with shares listed on the Borsa Italiana S.p.A regulated market, comes within the category of a ‘Public Interest Entity’ (PIE, as provided in Article 16), and the provisions of Regulation (EU) No. 537/2014 governing the statutory audit of such entities.

Evidently the other companies belonging to the Cattolica Group are also required to comply with the same legislation due to their nature as insurance businesses.

In view of this situation, in June 2019 the Company concurred with the Supervisory Committee (hereinafter the SC), in its capacity as the Internal Control and Audit Committee (hereinafter the ICAC) pursuant to Article 19 of Legislative Decree 39/2010, that it was appropriate to begin the process of selecting an independent auditor in advance, with a view to extending its mandate to all subsidiaries, in coordination with the subsidiaries themselves, and with the objective of submitting the final recommendations of the ICAC to the shareholders' meeting for the relevant resolutions at the meeting called to approve the financial statements for the year ended 31 December 2019.

This decision was based on two grounds: compliance with the independence requirement for the auditor, and a smooth changeover between mandates.

The applicable legislation (Article 5 of Legislative Decree no. 537/2014) requires the mandated auditor to perform certain services other than auditing to a PIE and its subsidiaries, not only pending its appointment, but also in the year preceding the commencement of its mandate (the so-called “cooling-in period”). The early

appointment of the auditor enables the conditions to be created to avoid any risk of affecting the independence requirement during the observation period.

The identification of the auditor in the year before the start of its mandate facilitates the handover between the outgoing and incoming auditor, enabling some activities (i.e. the so-called 'shadow audit') that result in a more effective and efficient transition. In this context, the SC was supported by the management structure of the Chief Financial Officer (DCFO) and the heads of other Group functions in the process of searching and selecting the new auditor, and in coordinating with other Group companies in order to reach a consensual decision.

Finally, it should be noted that in addition to the task of auditing the accounts, which was the subject of particular attention during the assessment process, the new auditor will also be entrusted with additional audit assignments linked to its main duties: the Non-Financial Declaration, the IFRS package, segregated funds, unit pension funds and solvency.

2. REGULATORY FRAMEWORK

A mandate for the statutory audit for a Public-Interest Entity, which includes insurance companies, is governed by the following legislation:

- Regulation (EU) No. 537/2014 (the Regulation) of the European Parliament and of the Council of 16 April 2014 on specific requirements relating to the statutory audit of the accounts of public-interest entities (PIEs) including Italian companies issuing securities admitted to trading on the Italian and European Union regulatory markets, credit institutions and insurance companies;

- Legislative Decree No. 39 of 27 January 2010 (the Decree), as amended by Legislative Decree No. 135 of 17 July 2016, implementing Directive 2006/43 EC on statutory audits of annual and consolidated accounts, as amended by Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014.

During the process of appointing the statutory auditor, these provisions, *inter alia*, reinforced the role of the Internal Control and Audit Committee (Supervisory Committee), which is identified as the Supervisory Committee (SC) for companies with a one-tier system of administration, as is the case with Cattolica Assicurazioni.

The Supervisory Committee is therefore responsible for the auditor selection procedure and, pursuant to Article 16 of the Regulation, is entrusted with the task of forwarding to the Board of Directors a reasoned recommendation for the award of the audit mandate. In accordance with the latter provision, the recommendation must be the result of a "selection procedure initiated by the audited entity" in a traceable and demonstrably

fair manner, in which proposals made by prospective candidates are assessed on the basis of "transparent and non-discriminatory selection criteria".

Finally, the recommendation must contain at least two possible alternative bidders for the mandate, with an indication of a preference for one of them, duly justified by the Supervisory Committee, in order to enable the Shareholders' Meeting - the final recipient of the document through the proposal formulated by the Board of Directors - to make an adequately informed decision.

3. THE SELECTION PROCEDURE

3.1. Introduction

The Cattolica Assicurazioni Group has adopted a policy and procedure governing the process of appointing the independent auditors and requires that the procedure be conducted in the following stages:

- (a) identification of the auditing companies to be invited to tender
- (b) selection criteria
- (c) Implementation of the selection procedure
- (d) selection results.

3.2 Preliminary activities

The selection procedure adopted was developed and conducted in accordance with the provisions of Article 16 of the Regulation. The criteria considered when selecting the audit firms to be contacted, the structure of the invitation to tender, the logical flow for evaluating the proposals received - including the actors and the phases of the process - and the scoring system adopted to gauge the assessments in summary form were agreed by the Internal Control and Audit Committee prior to the commencement of selection, in consultation with the other sister public-interest entity companies.

Moreover, in accordance with the provisions of Article 16, paragraph 3, letter f) of the Regulation, throughout the entire process, measures were adopted to ensure full traceability of the selection procedure and compliance with the criteria announced to tenderers.

The Selection Procedure was divided into the following phases:

3.2.1. identification of the auditing companies to be invited to tender

In view of the Company's size, geographical distribution and areas of operation, the criteria adopted in the selection of the auditing firms to be contacted were as follows:

- (i) the availability of a sufficiently sophisticated structure of a scale capable of ensuring an adequate level of service;
- (ii) the level of specific professional experience in the sectors in which the Company operates, as proven by the fulfilment - currently or recently - of statutory audit mandates for comparable institutions in terms of size and structure;
- (iii) reasonable evidence that the bidder can retain adequate margins of economic independence for the entire duration of the contract, taking into account the income from the mandate in proportion to the bidder's total revenues.

The twenty companies registered in the Special Register of Independent Auditors kept by Consob were examined. Of these, in addition to D&T and KPMG S.p.A., the latter of which was excluded due to circumstances that could potentially prejudice the independence requirement, companies that are not incorporated in the legal form of public limited companies and those that, on the basis of the transparency report, had limited insurance references, were excluded. Following this preliminary analysis, conducted on the basis of publicly available data, on 5 July the following audit firms were approached to invite them to express an interest in participating in the selection: BDO Italia S.p.A., Ernst & Young S.p.A., Mazars Italia S.p.A. and PricewaterhouseCoopers S.p.A..

All the companies interviewed confirmed their interest, attaching a declaration that they meet the independence requirements for the mandate. On 26 July 2019, each were sent a letter containing the information, specified in greater detail below, required for the presentation and structuring of the offer, in order to provide the Company with a comprehensive assessment framework for the selection of the auditor.

3.3 THE LETTER OF INVITATION

The summary of information referred to in the communication can be summarised as follows:

Terms and conditions for submitting offers;

Content of the Offer:

- b.1. Services to be included in the offer
- b.2. Structure of the Offer, divided into five sections:
 - b.2.1 General Section

- b.2.2 Technical section
- b.2.3 Professional Section - Review Team
- b.2.4. Independence Section
- b.2.5 Economic Section

Each section was clarified in detail, and the relevant forms were provided for completion. The letter also required a specific list of further supporting documentation and certificates from the Auditor to accompany the offer, and declarations by the auditor.

- c. Conduct of the tender;
- d. Confidentiality clause

3.4 ASSESSMENT CRITERIA

Pursuant to Article 16, paragraph 3, letter(e) of the Regulation, the proposal submitted by the prospective auditors was assessed on the basis of predefined selection criteria. In particular, 5 different areas of assessment were identified ("Sections", see the previous point) and areas of specific interest were identified for each Section. They were awarded a maximum rating that can be assigned by each appraiser to the offer of each competitor, through a process of weighting of the votes assigned to individual items. To safeguard the independence of judgment, the process required that the assessment be based on the sum of judgements independently expressed by six members of a panel of evaluators with different areas of professional expertise. The process was also monitored by internal controls aimed at ensuring adequate quality standards and constant supervision by the Parent Company's Supervisory Committee.

The table below sets out specifications of the Sections indicated above, the maximum scores assigned, and their weight in the selection procedure:

- a) General Section: this section assesses the profile and structure of the Italian auditing firm and its international network, knowledge of the industry of reference (insurance), and capacity of the bidder's structure (weighted 12%);
- b) Technical Section: this section assesses the audit approach and proposed procedures, methods used for communication with the governance bodies, methods of managing the transition with the outgoing auditor, the proposed approach to the transition to IFRS 9 and 17, capacity to adapt to new legislation and regulations, and the path of technological evolution (weighted 20%);
- c) Professional Section: geographic coverage, use of experts, specific expertise in the insurance sector and qualitative/quantitative composition of the review team (weighted 20%);

d) Independence Section: this section assesses how the audit firm continuously manages its independence, the processes it follows to ensure audit quality the auditor's approach to non-audit services (weighted 5%);

e) Economic section: commercial structure of the proposal, costs, contract management (weighted 30%);

f) Presentation - Management presentation - (**weight 13%**).

	Punti Massimi	
Sezione Generale	120	12%
Capacity della struttura del Revisore al 2021	20	
Assenza conflitti con peers mkt italiano	60	
Conoscenza dell'industria di riferimento	40	
Sezione Tecnica	200	20%
Approccio di revisione e utilizzo strumenti D&A	50	
Approccio transizione	30	
Approccio transizione - focus IFRS 17/IFRS9	50	
Modalità gestione "Issue resolution process" (centralizzato vs locale)	40	
Modalità di comunicazione con gli organi governance	30	
Sezione Professionale	200	20%
Conoscenza dei progetti core (IFRS 17) di cattolica e sul mkt	60	
Referenze tecniche insurance Partner di riferimento	40	
Organizzazione del team con referente centrale interamente dedicato	30	
Referenze insurance manager riferimento	30	
Struttura Piramide e coinvolgimento specialisti	40	
Sezione Indipendenza	50	5%
Modalità gestione nell'on going dei servizi non audit	25	
Onerosità operativa/economica uscita incarichi in corso	25	
Sezione Economica (initial offer)	300	30%
Presentazione	130	13%
Totale Tender	1.000	100%

3.5 THE CONDUCT OF THE SELECTION PROCEDURE

As indicated in the tender offer, the bidding companies submitted their proposals by 9 September 2019, by hand, in sealed envelope f.a.o. Procurement - Riccardo Schwetz and/or Andrea De Togni, duly compiled and signed by their legal representative.

The bid envelopes were opened at a meeting of the Parent Company's Supervisory Committee convened for the purpose, attended by the Chairman of the Supervisory

Board, Prof Silvano Corbella, and Messrs Brettani, Castagnetti, Urbani, Donatelli and Schwetz, of the corporate structure.

Once opened, arrangements were made to send the documents to the assessors through the head of the Budget Reporting and Compliance Office.

The assessors then analysed the bids and sent their duly signed assessment forms, indicating the points assigned in each section, by email to the Area CFO. The assessment took account, *inter alia*, of:

- expertise and specific knowledge of the sectors in which the Company operates
- the bidder's organisational structure,
- the total number of work hours estimated by each candidate to fulfil the audit mandate, in relation to the qualitative-quantitative composition of the proposed teams,
- the amount of the fees sought.

An "on the desk" review of the results of the assessment, so named because it was conducted on the basis of a reading of the material received (on a basis of a points score of 870/1000), led the Supervisory Committee to exclude participants at the bottom of the ranking from the further stages of the process, on the criteria that even if they subsequently attained maximum points, they would still not have reached the top two positions.

Those remaining on the shortlist, PWC and EY, were invited to give a management presentation (maximum score 130/1000), held in two sessions in the presence of the Supervisory Committee and with the participation of the competent company offices. The presentation in November was of an institutional nature, while the February presentation was technical, focusing on a demo of the IT tools that each player indicated would create the most savings in terms of working hours.

At these meetings, representatives of the auditing firms also responded to requests for clarification on various aspects of their offers and provided supporting material for their responses.

After 31 December 2019, the company reached agreement with the Supervisory Committee on the adoption of procedures to protect the independence requirement of candidates on the shortlist when they were awarded and/or renewed their mandates, in accordance with the provisions of Article 5 of the Regulation.

4. SELECTION RESULTS

Given that the documentation received confirms that the auditors selected have Italian insurance clients and demonstrate adequate levels of quality and professionalism in the services offered, from a more specific qualitative standpoint, the analyses of the proposals showed that:

- The methods described for performing the services required are generally adequate in relation to the complexity of the duties involved;
- The bids contain specific and justified declarations concerning the undertaking to prove that they meet the independence requirements established by law, with particular reference to Articles 10 and 17 of the Decree;
- The selected auditors were found to possess the appropriate organisation and technical and professional ability for the scale and complexity of the mandate, in accordance with Article 10-bis, 10-ter, 10-quater and 10-quinquies of the Decree, and to meet the requirements of the Regulation.

On the basis of the scores awarded as a result of the evaluation process described above, the bids were substantially in line, obtaining the following overall score:

- PWC S.p.A.: 860/1000.

- EY S.p.A.: 852/1000.

In view of the modest difference between the two competing bids, additional "resistance" checks on the list were conducted by agreement with the Chief Financial Officer in order to reveal any distorting effects that may have been caused by the procedure.

The Supervisory Committee therefore shifted its analysis in the qualitative sense, considering the impact on the overall assessment of the various sections of the scoring module based on the intrinsic contents of the various detailed components.

The review highlighted: the general prevalence of the scores achieved by PWC over those of EY in the general, technical and professional sections, with the sole exception in the latter of the evaluation of the "pyramid structure and specialist involvement", a tie in the Independence and Presentation sections; and a better score obtained by EY in the economic section, in view of the lower total fee sought. The gap in the latter comparison was the main factor in narrowing the gap compared with the sum of the other assessments assigned to PWC.

The Supervisory Committee also shared the Chief Financial Officer's further assessments of the merits in his report. These are reproduced below where they constitute factors that distinguish the competing bids.

Following the assessment, a preference emerged for the PWC team in terms of both capacity and absence of conflicts with other peers, and in the technical section, where PWC had a more centralised approach to the audit process. Another factor that was particularly appreciated is PWC's direct knowledge of IFRS 9/17 in the context of Cattolica. Finally, the PWC partner of reference has more years of experience in the insurance world than EY.

With regard to the initial hours, both audit firms budgeted, for all the activities subject to the mandate, for an overall commitment at Group level that was essentially the same, just over 40,000 hours, with a 22% reduction in the level employed the outgoing auditor. The difference is primarily due to the wider availability and use of IT tools today, a situation which was discovered when the tender was launched, in particular, during management presentations, and which is corroborated by a comparison with comparable bids for insurance industry groups.

With regard only to the statutory audit of the separate and consolidated financial statements, PWC has estimated a higher number of hours for the Group than EY's estimate, a difference which is reflected in the amount of the relevant fees, involving a saving of approximately €230,000. This picture is reversed in the case of the Parent Company alone, for which the lower number of hours worked results in a saving of €184,000.

With regard to the seniority pyramid, the EY proposal was more appreciated due to the plan for almost full time commitment of two audit partners, with an hourly commitment corresponding to that indicated for senior managers, although in this case divided between three managers.

For its part, PWC has a pyramid of the actuarial team that is more propelled upwards than EY and appears to adopt a more centralised model unlike EY, which makes greater use of specialists.

Having regard to all that has been stated and considered so far, the summary judgement reached by the Supervisory Committee leads to a validation of the tender ranking, in particular valuing the weight of qualitative factors other than the economic component. Finally, it was concluded that, with respect to the mandate in question, the PWC proposal offers conditions that, overall, are more in line with the audit work required by the Company and the Group.

5. RECOMMENDATION OF THE SUPERVISORY COMMITTEE

The Supervisory Committee

- received on 5 March last the Report on the conclusions of the independent auditor selection procedure delivered by Company through the Group CFO;
- found that the selection procedure was conducted in accordance with Article 16 of the Regulation, under its own supervision;
- on the basis of the procedure, the bids, and assessments conducted of the results;
- in view of the fact that Article 16, paragraph 2 of the Regulation requires that the Supervisory Committee (i.e.: the Internal Control and Audit Committee) give a reasoned recommendation containing at least two possible alternatives for the award of the tender, in order to enable the Shareholders' Meeting to make a choice;
- given that Article 16, paragraph 2 requires that the Supervisory Committee express a duly justified preference,

RECOMMENDS

to the Board of Directors to propose to the Shareholders' Meeting that the statutory audit mandate for Società Cattolica di Assicurazione – Società Cooperativa for the years 2021-2029 be awarded preferentially to PWC S.p.A. or alternatively to EY S.p.A.

For the years 2021-2029, the financial terms and the annual hourly commitment of the bids of the said audit companies are set out below:

- with respect to PWC S.p.A.: the fees for the mandate of audit of the separate and consolidated financial statements for the year are €635,850, with an estimated commitment of 9,900 hours; fees for other mandates are €450,464, with an estimated commitment of 7,560 hours;
- with respect to EY S.p.A.: the fees for the mandate of audit of the separate and consolidated financial statements for the year are €819,356 with an estimated commitment of 11,705 hours; fees for other mandates are €612,490 with an estimated expected commitment of 8,750 hours;

- in general: the fees are inclusive of expenses incurred in the performance of the work, to which must be added the supervisory fee due to Consob and VAT; the fees for the first two years cannot include any ISTAT adjustment. As of the third year, the consideration will be adjusted at the rate of 75% of the ISTAT index.

	Revisore uscente			PWC			EY		
	Ore	Corrispettivi e spese	Rate Orario	Ore	Corrispettivi e spese	Rate Orario	Ore	Corrispettivi e spese	Rate Orario
Revisione Legale Bilanci individuali				5.000	310.000	496	6.727	470.894	560
Revisione Bilancio Consolidato annuale				3.200	212.800	532	2.153	150.686	560
Revisione limitata Consolidato semestrale	11.894	1.147.493	772	1.700	113.050	532	2.825	197.776	560
Revisione Package IFRS annuali				-	-	-	-	-	-
Revisione limitata del package semestrale				-	-	-	-	-	-
Revisione DNF	850	85.717	807	600	37.200	496	841	58.862	560
Revisione MVBS				1.600	99.200	496	2.682	187.720	560
Revisione limitata SCR	7.800	738.483		2.100	130.200	496	2.475	173.280	560
Verifica SFCR				-	-	-	-	-	-
SUBTOTALE	20.544	1.971.692	768	14.200	902.450	508	17.703	1.239.217	560
Verifica rendiconti Gestioni Separate, Fondi interni e Fondo Pensione	3.170	336.361	849	3.260	183.864	451	2.752	192.628	560
TOTALE	23.714	2.308.053	779	17.460	1.086.314	498	20.455	1.431.846	560

6. DECLARATIONS

Pursuant to Article 16, paragraph 2 of the Regulation, the Supervisory Committee declares that this recommendation has not been influenced by third parties and that none of the clauses of the type described in Article 16, paragraph 6 of the said Regulations, designed to limit the choice of the Shareholders' Meeting, have been applied between the company and a third party.

Verona, 20 May 2020.

The Supervisory Committee of Società Cattolica di Assicurazione – Società Cooperativa, in its capacity as the Internal Control and Audit Committee.

Giovanni Glisenti - Chairman

Federica Bonato

Cesare Brena

* * *

3. DETERMINATION OF REMUNERATION POLICIES IN ACCORDANCE WITH IVASS REGULATION No. 38/2018 AND REPORT ON REMUNERATION PURSUANT TO ARTICLE 123-TER OF THE CONSOLIDATED LAW ON FINANCE (TUF).

The Board of Directors, pursuant to IVASS Regulation No. 38 of 3 July 2018 and CONSOB Resolution No. 18049 of 23 December 2011, which amended the Regulation on Issuers in execution of the provisions of Article 123-ter of the TUF, subsequently amended by Legislative Decree No. 49 of 10 May 2019, submits to the Shareholders' Meeting, for approval, its proposal on remuneration policies, as contained in the report that has already been made available to the public on 9 April 2020 according to the terms and conditions established by current legislation.

The report also includes, in a specific section, the information required for the application of the policies in 2019.

* * *

4. AUTHORISATION TO PURCHASE AND DISPOSE OF TREASURY SHARES PURSUANT TO LAW. RELATED AND CONSEQUENT RESOLUTIONS.

The Board of Directors submits to the Shareholders' Meeting, for approval, its proposal for authorisation to purchase and sell treasury shares, as set out in full below.

* * *

Dear Shareholders,

Pursuant to applicable provisions of law, the Shareholders' Meeting held on 12 April 2012 authorised transactions in treasury shares, a resolution which was then renewed by various Shareholders' Meetings held since then, most recently, at the Shareholders' Meeting held on 13 April 2019.

It is proposed that the shareholders authorise, within the limits and in the manner described below, the purchase and sale of treasury shares - including those already held in portfolio - under the following terms and conditions, in all cases revoking and replacing the remaining period of authorisation resolved by the Shareholders' Meeting of 13 April 2019.

*

Reasons for which authorisation is required for the purchase and/or disposal of own shares

The purchase, trading and sale of treasury shares, in the interest of the Company and in compliance with the legislation, including regulations and provisions of the Articles of Association, in force and applicable at the time, together with accepted market practices, is intended for the pursuit the following objectives:

- have a shareholding available in advance for transactions of various kinds, including:
 - extraordinary transactions designed to establish partnerships or collaborations with other industrial or financial operators, in all cases within the scope of the Company's ordinary business;
 - remuneration plans based on financial instruments;
 - the allotment of shares to shareholders as dividends;
- from an investment standpoint, to take advantage of market opportunities and provide liquidity for the stock when needed;
- to facilitate, where necessary, in extraordinary circumstances when stock liquidity is low, the prompt reorganisation of the company ownership structure without the risk of its destabilisation and of sudden market movements that could lead to difficulties in balancing supply and demand for the stock.

It should be noted that the request for authorisation to purchase treasury shares is not intended to reduce the Company's share capital by cancelling the treasury shares purchased.

Maximum number, category and value of shares covered by the authorisation

As of the date hereof, the share capital consists of 174,293,926 ordinary shares, all with regular dividend entitlement.

Within the limits established by applicable legislation (Article 2357, paragraph 1, of the Italian Civil Code) and of the distributable profits and available reserves resulting from the last approved financial statements, the proposed authorisation concerns the purchase, on one or more occasions, of treasury shares up to the maximum number permitted by current legislation, i.e. up to 20% of the Company's *pro tempore* share

capital, taking into account the treasury shares already held by the Company and its subsidiaries. Transactions will be conducted in compliance with the laws, including regulations and the articles of association, in force at the time, as well as in accordance with accepted market practices, and in all cases by the permitted methods and within permitted timescales.

The requested authorisation enables the Board to make repeated and subsequent purchase and sale transactions (or other acts of disposal) of treasury shares on a revolving basis, including for fractions of the maximum authorised quantity, so that, in any event and at any time, the quantity of shares owned by the company subject to the proposed purchase does not exceed the limits established by law and by the authorisation of the Shareholders' Meeting.

Information useful for verifying compliance with the limits set out in Article 2357 of the Italian Civil Code

Purchases - the value of which, net of sales, determines the formation of the negative equity reserve - may not be made for amounts that are not included in the available reserves defined by the Articles of Association and resulting from the latest duly approved financial statements of the Company, to which full reference is made.

It should be noted that, as of the date of this Report, 28 May 2020, the Company holds 7,215,810 treasury shares, amounting to 4.14% of the share capital, and that the negative reserve for treasury shares in the portfolio amounted to €50,729,189; the subsidiaries do not hold shares in the Company.

In view of this situation, compliance with the threshold limit established in Article 2357, paragraph 3, of the Italian Civil Code, amounting to one fifth of the share capital, has been verified, without prejudice, in all cases, to compliance with the conditions set out in the authorisation resolved by the Shareholders' Meeting.

It is understood that, in the event of disposal, the corresponding amount may be reused for further purchases, until the end of the term of the Shareholders' Meeting authorisation, without prejudice to the quantitative and expenditure limits, as well as the conditions established by the Shareholders' Meeting.

Duration of the authorisation

The duration of the purchase authorisation requested is 18 months from the date on which the Shareholders' Meeting adopts the corresponding resolution. This entails the revocation and therefore the replacement of the authorisation granted by the Shareholders' Meeting resolution of 13 April 2019.

The Board of Directors may proceed with authorised purchase transactions on one or more occasions and at any time within the timeframe indicated above.

The authorization to dispose of treasury shares is requested without time limits, given the absence of regulatory constraints in this regard and the advisability of maximising the time frame in which a possible sale may take place.

Minimum and Maximum Consideration

The purchase price of the shares may not be lower, at its minimum, than 20%, and higher, at its maximum, than 20% of the official price of Cattolica shares recorded by Borsa Italiana S.p.A. during the stock exchange session preceding each individual transaction.

We also propose to authorise the sale, pursuant to Article 2357-ter of the Italian Civil Code, at any time and without limit on time, in whole or in part, on one or more occasions, of the treasury shares already held by the Company or purchased on the basis of this proposal, for the purposes indicated above, which are understood, in all cases, as fully incorporated herein, and to authorise the further use of all the treasury shares purchased in accordance with and within the scope of the purposes identified above, in all cases under terms and conditions to be determined by the Board of Directors.

With regard to the disposal of treasury shares, the Board will establish the criteria for determining the relevant price and/or the methods, terms and conditions for use of the treasury shares held in portfolio, having regard to the concrete implementation methods employed, the trend in share prices in the period prior to the transaction, and the best interests of the Company.

Method of purchase and sale of shares

The purchase of treasury shares will take place, pursuant to Articles 132 of Legislative Decree no. 58/1998 and 144-bis, paragraph 1, letter b), of the CONSOB Regulation on Issuers, in accordance with the operating procedures established in the regulations governing the organisation and management of the markets themselves, in order to ensure equal treatment between shareholders.

Therefore, purchases will be made, exclusively and even on several occasions for each method on regulated markets, according to operating methods established in accordance with the said regulations, which do not allow the direct matching of proposals to purchase with predetermined proposals to sell.

With regard to the volume of shares, purchases and sales - the latter if made on the market - shall not exceed 25% of the average daily volume of shares traded at Borsa Italiana S.p.A.. The average volume is calculated on the basis of the average daily trading volume in the 20 trading days prior to the date of each individual purchase.

The shares may be disposed of on one or more occasions, even before the maximum quantity of treasury shares that can be purchased has been used up, by the methods and at the time deemed most appropriate in the Company's interest, by the adoption of any procedures deemed appropriate in relation to the objectives pursued, including sales outside the markets or blocks and/or allocation that is consistent with and within the scope of the purposes identified above, without prejudice in all cases to compliance with the legislation applicable from time to time.

* * *

Proposed resolution

The following draft resolution is submitted to the meeting:

The Shareholders' Meeting

- having noted the proposal of the Board of Directors;
- having regard to the applicable provisions of law and the Articles of Association;
- having noted that, as of the date hereof, the Company holds 7,215,810 treasury shares, amounting to 4.14% of the share capital, and that the negative reserve for treasury shares in portfolio amounts to €50,729.189, and that the subsidiaries do not hold any Company shares;

hereby resolves

to authorise the Board of Directors to purchase and/or dispose of ordinary treasury shares in accordance with applicable provisions of law and the Articles of Association, for a period of 18 months as of the shareholders' meeting resolution, in the manner specified below, in revocation and replacement of the resolution authorising the purchase and/or disposition of treasury shares adopted at the Shareholders' Meeting of 13 April 2019, without prejudice to actions taken or transactions executed, as a result of the said resolution.

The commencement of operations, or its suspension and/or cessation, shall be resolved by the Board of Directors, in compliance with legislation, including regulations and articles of association, in force from time to time.

l) Purchase of treasury shares

- a) Purchases may be made within the limit of the available reserves up to the maximum number of shares allowed by current legislative provisions, i.e. up to 20% of the Company's *pro tempore* share capital, taking into account the treasury shares held by the Company and its subsidiaries;
- b) Purchases may be concluded at any time within 18 months of the date of this resolution;
- c) The share purchase price may not be over 20% less than or over 20% more than the official price of the Cattolica Assicurazioni shares registered by Borsa Italiana S.p.A. in the trading session preceding each individual transaction;
- d) Purchases and sales – the latter where made on the market – may not exceed 25% of the average daily volume of shares traded at Borsa Italiana S.p.A., calculated on the basis of the average daily trading volume in the 20 trading days prior to the date of each individual purchase.
- e) Purchases must be made in compliance with the applicable legislative provisions, in particular with regard to the procedures established in Article 144-bis, paragraph 1, letter b) of the Regulation on Issuers;
- f) The accounting treatment for purchase transactions will comply with the current provisions of law, regulations and the Articles of Association, and with the applicable accounting principles. In the event of disposal, the corresponding amount may be reused for further purchases until the expiry of the term of the

Shareholders' Meeting authorisation, without prejudice to quantitative and expenditure limits and the conditions established by the General Meeting.

II) Trading and sale of treasury shares

- a) Shares that are purchased in execution of the resolution of the General Meeting resolution or already available to the Company may be subject to deeds of sale and purchase, and therefore may be transferred even before the quantity of purchases covered by this request for authorisation has been exhausted, on one or more occasions, without time limits, in the manner considered most appropriate in the light of the reasons given in the Report of the Board of Directors and in the interest of the Company;
- b) Disposals of treasury shares may take place on one or more occasions, even before the maximum quantity of treasury shares that can be purchased has been used up. Sales may take place in the manner and at the time deemed most appropriate in the interest of the Company, by adopting any method deemed appropriate in relation to the objectives to be pursued, without prejudice in all cases to compliance with applicable legislation.

* * *

5. PROPOSAL FOR REMOVAL, FOR JUST CAUSE, OF DIRECTOR ALBERTO MINALI

With respect to item 5 of the agenda, regarding the current position of former Managing Director Mr Minali and the proposal to remove him as a director of the company for just cause, the Board of Directors has noted and considered that:

- a) on 31/10/2019, the Board of Directors resolved to revoke the powers that had been granted to Mr Alberto Minali, as the relationship of trust implicit in his management mandate had ceased for various reasons that have previously been indicated;
- b) Mr Alberto Minali nevertheless remained as a director of the company, while contesting on several occasions the legitimacy of the Board's resolution to remove him, although at no stage, at least to date, did he legal action in this regard. However, it should be noted out that the Board resolution of 31 October 2019 is now final and should therefore be considered legitimate;
- c) the situation that has arisen appears increasingly anomalous, also in view of the manifest conflict between Dr Minali and the rest of the Board;
- d) in particular, Mr Minali on several occasions ventilated his objections and complaints outside the Board, thereby infringing the prerogatives of the Board of Directors in passing resolutions;
- e) it has become clear that there is no longer any harmony between Mr Minali and the rest of the Board of Directors, and therefore his contribution to the Board's functions is positive and it is essentially inspired by conflicting personal interests;
- f) in any case, it remains the case, also from an objective standpoint, that Dr Minali was presented on the list submitted by the Board of Directors at the time of renewal of the body in April 2019, as the candidate for the position of Managing Director and therefore in close association with that role, which he no longer performs and which cannot be restored in the near future;
- g) this constitutes and represents a clear anomaly that, on the one hand, causes latent tension in the functioning of the administrative body and, on the other, actually precludes the appointment of a new Managing Director, which could be within the prerogatives of the Board of Directors and in the interest of the company;
- h) the Board of Directors appears to be obliged to refer the situation described here to the shareholders' meeting in the interest of transparency and in accordance with its powers, pointing out that, on the basis of authoritative legal opinions, there could be a just cause for his revocation, consisting of the objective mismatch

indicated above between Mr Alberto Minali and the rest of the Board of Directors following the revocation of the powers granted to the Mr Minali for just cause and Minali's ongoing situation of conflict of interest with the company;

accordingly, the Board of Directors believes, without prejudice to subsequent assessments of his former position as Managing Director, that it should in any case propose the removal of Mr. Alberto Minali from the position of director of the company, with all legal effects and consequences.

* * *