



CATTOLICA
ASSICURAZIONI
DAL 1896



2018

REPORT ON CORPORATE GOVERNANCE
AND OWNERSHIP

PURSUANT TO ART. 123-BIS TUF

[CONSOLIDATE LAW ON FINANCIAL INTERMEDIATION]

(TRADITIONAL ADMINISTRATION AND CONTROL METHOD)

PRONTI ALLA VITA

Grow, renew, evolve

To live means to transform oneself and the world with new ideas and projects, and to gain a higher self-awareness.

The logo tracks the evolution of Cattolica Assicurazioni: the circular drawing that reveals the shape of a guardian angel - the traditional symbol for the Company - protecting life at all times.

Life itself means change and transformation, in a circle that completes itself, and enhances itself, over time. To be "ready for life" is to seize the day in all its richness, to become fully oneself, to tackle challenges without fear, and to be able to change whilst remaining faithful to one's authentic self, and to one's values.

Corporate Governance and Corporate Ownership Report Pursuant to Art. 123-bis of the TUF

(traditional administration and control method)

Report referring to FY2018, as approved by
the Board of Directors on 7 March 2019.

Società Cattolica di Assicurazione - cooperative
registered in Verona - Lungadige Cangrande 16
<http://www.cattolica.it>

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GLOSSARY

CAP: Code of Private Insurance ("CAP") – Legislative Decree no. 209 (9 September 2005, as subsequently amended).

Code/Corporate Governance Code: the Corporate Governance Code for publicly traded companies approved July 2018 by the Corporate Governance Committee and promulgated by Borsa Italiana S.p.A., ABI, ANIA, Assogestioni, Assonime and Confindustria. In the instant Report - which, except for specific scenarios for which updates were provided as of the date the Report itself was approved, describes corporate governance and the Company's ownership with reference to the financial year ending 31 December 2018 - each citation of the code shall be understood as the version published in July of 2018.

Civil Code / C.C.: the Civil Code.

Board: Issuer's Board of Directors.

Issuer/Company: Cattolica Assicurazioni, the issuer of mobile securities to whom the Report refers.

Financial Year: the financial year to which the Report refers.

Fundamental Functions (formerly Control Functions): Internal Audit, Risk Management, Compliance, and Actuarial Functions.

CONSOB Issuer Regulation: the CONSOB Regulation issued via Resolution no. 11971 (1999, as subsequently amended) applicable to issuers.

Report: the corporate governance and ownership report that publicly traded companies are required to generate pursuant to Art. 123-bis TUF.

Current Articles: The Articles of Association approved by the Annual General Meeting on 28 April 2018, including any transitional provisions.

New Articles: The Articles amended by the Annual General Meeting of 28 April 2018, in effect as of the date the Annual General Meeting was convened to approve the financial statements of 31 December 2018, or for the first re-election of the Board of Directors, and regardless as of the date of the meeting of the aforementioned Annual General Meeting.

Consolidated Law on Financial Intermediation / TUF: Legislative Decree no. 58 (24 February 1998, as subsequently amended) (Consolidated Law on Financial Intermediation).

*

FOREWORD ON METHODOLOGY

The Report described the corporate governance system and ownership structure for FY2018, highlighting the most significant events beginning 1 January 2019 and until the date the Report itself was approved. The information and considerations reported herein, aligned with the reference regulatory framework in force in 2018 and with the current governance model of the Company, takes into account changes to the Articles approved by the Annual General Meeting on 28 April 2018.

With reference to the statutory framework, we note the issuance on 3 July 2018, by the Institute for Insurance Supervision (hereinafter, "IVASS"), of the new corporate-governance regulation - Regulation n. 38 - slated to take effect gradually (no later than 31 December 2019), passing all convenient resolutions for the same by June 2019, should the adjustment not require an amendment to the Articles.

Such adjustment measures on certain implicated aspects of the Report are already under way. Others are being reviewed, as will be discussed as part of the instant Report relating to FY2018.

With regard to the governance model, we would note that the Annual General Meeting of 28 April 2018 approved, *inter alia*, the FY2017 financial statements, and approved with respect to its special-business element, a series of amendments to the Articles. These involve (i) the introduction, beginning on the date the Annual General Meeting approves the financial statements for the financial year closing 31 December 2018, of a "one-tier" governance system in lieu of the "traditional" one, and the attendant abrogation of the supervisory body, whose functions shall be in part discharged by the Management Supervision Committee, a Board committee, and the abolition of the Executive Committee; (ii) a review of the rules regarding limitations on legal-entity member stakes, raising the threshold from 2.5% to 5%, and extending the option to acquire the status of member to collective entities and UCI's.

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1

ISSUER
PROFILE

1.0 ISSUER PROFILE

Cattolica di Assicurazione – a cooperative company (hereinafter “**Cattolica**” or “**Company**”), founded in 1896, is the parent company (1) of a complex insurance group led by insurance and re-insurance companies, real-estate companies, service companies, and an equity-interest holding. The Company was formed as a cooperative company, but not primarily for mutual benefit, pursuant to Art. 2512 of the Civil Code. The administrative and control method in effect today is the traditional one, with both a Board of Directors and a Board of Statutory Officers in place.

The key rules and regulations to which Company is subject - in addition to those generally relating to providing insurance - relate to its nature as a cooperative. Furthermore, Law no. 207 (17 February 1992), regarding rules applicable to shares, applies.

The member register is mainly composed of individuals and consists of approximately 24 thousand members at the date of this Report's approval.

The principle of “one vote per individual”, typical of cooperative companies, means that there are no dominant positions and/or positions with substantial influence within the corporate ownership structure.

The Annual General Meeting has those powers vested in it by law. Amongst other powers, Annual General Meeting appoints - based on nominations - the Board of Directors, which is presently composed of eighteen members elected amongst the Shareholders. Please see Chapter 4.0 for further information on the Board of Directors.

Art. 35 of the current Articles provides that, within the Board, an Executive Committee be appointed, made up of the Chairman, Deputy Vice President, Vice President, Secretary, CEO, and another two Directors designated pursuant to a Board Resolution. Please further note, as noted in the Foreword, the Executive Committee shall be abolished once the New Articles take effect.

Currently, there are two General Managers vested with those powers attributed to the Board of Directors pursuant to Art. 49 of the currently in-effect Articles and specified *infra* at Paragraph 4.4. The same parties are vested with signing authority for ordinary Company business. There are also two Vice General Managers, vested with those powers set forth in Paragraph 4.4, *infra*.

Pursuant to Art. 44 of the current Articles, the Board of Statutory Auditors is appointed by the Assembly from amongst the Shareholders based on a slate of submitted candidates. Please see Chapter 13.0 for an illustration of current procedures.

In 2018, Company published the “2017 Sustainability Report”. Beginning in 2018, in compliance with recent regulatory updates the “Sustainability Report” was generated to comply with Legislative Decree no. 254 (30 December 2016), and thus provides a specific disclosure regarding “information of a non-financial nature”. The 2016, 2017 and 2018 Sustainability Reports, along with the financial statements published over the years, are available on Company’s “Corporate” website, “ www.cattolica.it/home-corporate”, in the “Sustainability” section.

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(1) The Cattolica Assicurazioni insurance group is enrolled as no. 19 in the Register of Insurance Groups kept, pursuant to statutory provisions, by IVASS.

2

INFORMATION
ON CORPORATE OWNERSHIP
(pursuant to Art. 123-*bis*,
paragraph 1, TUF)
AS OF
7 MARCH 2019

2.0 INFORMATION ON CORPORATE OWNERSHIP (pursuant to Art. 123- bis, paragraph 1, TUF) as of 7 March 2019

a) Share Capital formation (pursuant to Art. 123-bis, paragraph 1, subpart (a), TUF)

As of the date the instant Report is approved, the share capital totals Euro 522,881,778 and is represented by a total of 174,296,926 ordinary shares, with no book value.

There are no other categories of shares.

No financial instruments providing the right to underwrite new shares have been issued.

Employee stock-option plans for certain categories of employees are contemplated.

b) Restrictions on securities transfer (pursuant to Art. 123-bis, paragraph 1, subpart (b), TUF)

Securities are freely transferable.

The party named on the shares shall have all equity rights, but shall not be a Shareholder, in accordance with subpart (f), *infra*.

c) Significant stakes in share capital (pursuant to Art. 123-bis, paragraph 1, subpart (c), TUF)

According to the recordings in the Member Register, as supplemented by any notices received pursuant to Art. 120 of TUF, and by all other available information, as of the date the Report was approved, significant stakes (over 3%) in Company share capital are held as follows: General Reinsurance AG, a company held entirely by Berkshire Hathaway Inc. (9.047%) ⁽²⁾; Fondazione Banca del Monte di Lombardia (4.900%); Fondazione Cassa di Risparmio di Verona Vicenza Belluno e Ancona (3.165%) ⁽³⁾; Norges Bank (3.519%). We further note that, as of the same date, Cattolica Assicurazioni's stake in the share capital totals 4.04%.

d) Securities conveying special rights (pursuant to Art. 123-bis, paragraph 1, subpart (d), TUF)

As stated *supra*, Company's status as a cooperative company makes it impossible for majority and/or substantive stakes to be held, or notable influence over management to be wielded, as there are no securities or scenarios conveying special control rights, or any majority interests.

e) Employee-owned shares: mechanism for exercising voting rights (pursuant to Art. 123-bis, paragraph 1, subpart (e), TUF)

As of this writing, there are no employee-share options.

⁽²⁾ Shareholder, pursuant to Resolution of 10 January 2019, obtained the qualification of Member.

⁽³⁾ Shareholder, pursuant to Resolution of 19 July 2018, obtained the qualification of Member.

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

The exercise of member rights other than those based on equity ownership (including the right to vote) is predicated on the owner of the shares being granted Member status by the Board of Directors according to the terms and conditions set forth in Company's Articles presently in effect. In that regard, we would note paragraph 2 of Art. 10 of the current statute, which notes that "Applications are not accepted from individuals who do not practise the Catholic religion, or who have not demonstrated sentiments of membership with Catholic organisations".

The current Articles contemplate that only those persons who have reached the age of majority may be granted Member status, and that any restricted, incompetent, or bankrupt natural persons (during the pendency of the insolvency proceeding) or natural persons with a criminal conviction restricting them from holding public office, employees and agents (or the spouses, relatives / in-laws within the first degree of kinship) of either the Company or any affiliate, or any legal person meeting the criteria set forth *infra*, shall be restricted from such status.

The following cannot be admitted as Members:

- employees or agents of the Company or its subsidiaries;
- natural persons incapacitated, disqualified or bankrupt for the period of insolvency proceedings or who have past convictions that lead to a disqualification even temporary from holding public office;
- natural or legal persons or other entities that carry out activities, directly or indirectly, in competition with the activities of the Company.

The natural-person member shall not hold a stake higher than that permitted by applicable laws and regulations (currently 0.5%); however, it is possible to hold a stake above such limits, provided that the exercise of related administrative rights shall be restricted to the aforementioned limit, subject to the principle of per-capita voting.

The legal-person, collective-entity, or UCI Member may be enrolled in the Member Register as a member with a stake no higher than 5%; however, it is possible to hold a stake above such limits, provided that the exercise of related administrative rights shall be restricted to that limit, subject to the principle of per-capita voting.

Member status is predicated on holding and maintaining at least 300 shares, otherwise, Member status shall be automatically revoked.

In implementation of the specific provision in the Articles, the Board has approved Member Admission Rules, available online at "www.cattolicasoci.it".

With regard to legal persons and entities in general who are not natural persons, the Board of Directors has reiterated, in the aforementioned Rules, for purposes of the previously applicable Membership-eligibility criteria, for any Membership applications submitted, shall track the following:

- a) The institutional mission for the party applying for enrolment, as evidenced by the related formation documents, Articles, or equivalent documents;
- b) Any facts that, if brought to the attention of the Board, would unequivocally show the entity conducts itself in a manner contrary to Catholic beliefs (e.g. by publishing and disseminating anti-Catholic literature).

Pursuant to Law no. 207 (17 February 1992), a party's being rejected as a Member (something that can be resolved by the Board of Directors in accordance with the provisions of Art. 19 of the New Articles), simply generates the effect of a party not being permitted to exercise rights other than those relating to equity, and thus the party has an equity stake, but is not a Member. The Board of Directors may also resolve, provided certain criteria as set forth in the Articles are met, to remove a party as a Member.

Revocation of Member status shall not trigger a loss of the equity interest held by the party, including option and pre-emption rights.

g) Shareholder agreements (pursuant to Art. 123-bis, paragraph 1, subpart (g), TUF)

Over the course of 2018, and until the approval of the Report, no significant agreements pursuant to Art. 122 of the TUF have been served on Company.

h) Change-of-control clauses (pursuant to Art. 123-bis, paragraph 1, subpart (h), TUF) and IPO-related provisions in the Articles (pursuant to Art. 104, paragraph 1-ter, and Art. 104-bis, paragraph 1)

On March 29th, the closing of the purchase by Cattolica of 65% in Vera Assicurazioni (formerly Avipop Assicurazioni) and in Vera Vita (formerly Popolare Vita) was finalised and a commercial partnership in the life and non-life classes was launched with the former Banco Popolare network, for a term of 15 years.

Company entered into, with Banco BMP S.p.A., a member agreement with respect to the management of the aforementioned companies and their affiliates, which together with the distribution agreements with the same may be terminated, pursuant to the contract signed *inter partes*, where those types of parties take control of Company.

The Articles do not contemplate waivers of the provisions under Art. 104 of TUF.

As Cattolica is a cooperative company, the provisions of Art. 104-bis of TUF do not apply.

i) Powers of attorney to increase share capital and authorisations to purchase treasury shares (pursuant to Art. 123-bis, paragraph 1, subpart (m), TUF)

As of this writing, there are no outstanding powers of attorney to increase share capital.

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The Assembly of 28 April 2018, as Art. 23 of the current Articles contemplates - pursuant to Art. 2529 of the Civil Code - the possibility for the Board, upon authorisation of the Assembly, to purchase and sell Treasury Stock, resolved to renew that authorisation for another 18 months, as previously granted with the prior (2012) resolutions by the assembly.

With respect to the reasoning stated below, the Board of Directors, in the report generated for the Annual General Meeting of 28 April 2018 found that the purchase, trading, and sale of treasury shares is aimed, in Company's interest and in accordance with regulations (including any Company bylaws and articles in effect and as applicable) with respect to permitted market practices and the pursuit of the following objectives: (i) generate, in advance, a member package available for various types of transactions including: special transactions aimed at establishing partnerships or collaborations with other industrial or financial players, provided they fall within the scope of Company's core business; compensation plans predicated on financial instruments; assigning shares to members as dividends; (ii) intervening on the market to give liquidity and stable volume to securities negotiations, in the interest of both the members and Company, and to avoid undue uncertainties and fluctuations in share price; (iii) from an investment standpoint, including in the medium and long term, or at any rate, to seize market opportunities if and when convenient both in the market as well as (in terms of conveyances) in "over-the-counter" or "off-exchange" settings, albeit whilst tracking share prices on the regulated market; (iv) to facilitate, when appropriate, in extraordinary situations and in connection with a lack of liquidity of the shares, a timely realignment of the capital structure, to avoid the risk of destabilisation and the risk of sudden market shifts that might entail a difficult balance between supply and demand of the shares.

The request for authorisation to purchase treasury shares does not appear directed at transactions for the reduction of the Company's share capital via cancellation of the treasury shares acquired and/or in the service of stock-option plans.

The following are the essential operational terms for treasury stock, as resolved by the Annual General Meeting of 28 April 2018:

- a) a purchase may be made with funds taken from the share premium reserve, up until the maximum number of shares permitted by applicable legislative provisions, and therefore up to 20% of Company's *pro-tempore* share capital, whilst taking into account the treasury stock held by the same and by its subsidiaries;
- b) purchase transactions may be made available at any time within eighteen (18) months from the date of the instant resolution;
- c) the share purchase price may not be less than 20% on the lower end, nor more than 20% on the higher end with respect to the official share price of the Cattolica shares registered of Borsa Italia S.p.A. during the trading session immediately prior to each individual transaction;
- d) purchases and sales - the latter when carried out on the market - shall not exceed 25% of the average volume of shares traded on Borsa Italiana S.p.A., with the average volume calculated based on the trading during the 20 trading days prior to the date of each individual purchase;
- e) the purchases shall be carried out in accordance with applicable legislative provisions, and especially with regard to the methods contemplated under Art. 144-bis, paragraphs 1 and 1-bis of the Issuers Regulation;
- f) the accounting treatment of the purchase transactions shall take place in accordance with applicable provisions of statute, regulation, or of the Articles, as well as applicable accounting principles. In case of conveyance, the corresponding amount may be re-utilised for further purchases, until the expiry of the Annual General Meeting's authorisation period, subject to quantitative and expense limits, as well as conditions set by the Assembly.

Trading and sales of treasury stock:

a) shares that are purchased in execution of Annual General Meeting resolutions, or already available to Company, may become the object of purchase and disposal deeds; thus, they may be conveyed even before having exhausted the quantity of purchases subject to the present authorisation request, in one or more transactions, without any time limits, in the matter deemed most convenient in light of the reasons expressed in the Board of Directors Report and in Company's interest;

b) Conveyances of treasury stock may be made in one or more transactions, including before having exhausted the maximum quantity of treasury stock that might be purchased. Conveyances may take place in the manner and in the times deemed most opportune in the Company's interest, through any means convenient to the purposes pursued, subject in any case to compliance with applicable law.

Performance, in light of the aforementioned resolutions, thus continued in 2018 as part of new Annual General Meeting authorisations, and beginning on 27 December 2018, Company held 7,036,907 treasury shares, equal to 4.04% of share capital.

Please note that specific proposals in that regard shall be submitted for Member review at the 12/13 April 2019 Annual General Meeting; for a detailed analysis of the same, please see the content of the ad-hoc report, to be duly generated in accordance with the law.

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Please note, finally, that in accordance with applicable provisions, the purchase of treasury shares is contemplated to be recorded with "a negative sign" entitled "Negative reserve for treasury shares on the portfolio", whereas neither the recording of the value of the treasury shares on the portfolio nor the "Reserve for treasury shares in the portfolio" is contemplated.

I) Direction and coordination operations (pursuant to Art. 2497 et seq. of the Civil Code)

Issuer is not subject to any direction or control as defined under Art. 2497 et seq. of the Civil Code

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For the disclosures required by Art. 123-bis, paragraph 1, subpart (i) of TUF, regarding any agreements between Company and directors contemplating a severance package for any resignation or termination without just cause, or where their work relationship terminates due to an initial public offering, please refer to the provisions of Chapter 9.0.

Please further note that the disclosures required by Art. 123-bis, paragraph 1, subpart (l) of TUF, regarding regulations applicable to director appointment and replacement, as well as amendments to the Articles, other than legislation and regulations applicable as supplementary measures, are reported in the Report sections dedicated to the Board of Directors and the Assembly, respectively.

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3

COMPLIANCE
(pursuant to Art.
123-*bis*,
paragraph 2,
subpart (a), TUF)

3.0 COMPLIANCE (pursuant Art. 123-bis, paragraph 2, subpart (a), TUF)

Beginning in 2006, Company incorporated the principles of the Corporate Governance Code, keeping current with the same as new versions were published, making all convenient amendments relating to its own institutional and operating environment.

The Code version currently in effect, published in July 2018, is available for consultation online at:

"www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/corporategovernance.htm".

Company subscribed to the same according to the terms set forth in the Report, which highlights any forgoing of the recommendations set forth in the applicable principles and criteria of the Code.

*

Neither Cattolica nor its strategically relevant subsidiaries are subject to non-Italian legal provisions influencing the Issuer's corporate-governance structure, without prejudice, obviously, to any directly applicable EU regulations. For completeness' sake, please note the existence of Cattolica Life DAC within the Group and The Lawrence Life DAC, both registered in Dublin and subject to Irish law, as well as reinsurance firm CattRe, governed by Luxembourg law.

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4

BOARD
OF DIRECTORS

4.0 BOARD OF DIRECTORS

4.1 APPOINTMENT AND REPLACEMENT (pursuant to Art. 123-bis, paragraph 1, subpart (I), TUF)

The following are the rules concerning the appointment of the Board of Directors following the amendments to the Articles approved by the Annual General Meeting of 28 April 2018, and which shall apply once the new Board of Directors is appointed, with the current term set to expire once the Annual General Meeting is convened to approve the financial statements of 31 December 2018.

Appointment of Directors

The Board of Directors is presently composed of 18 members, which with the advent of the New Articles is reduced to 17.

The administrative body presently in office was appointed by the Annual General Meeting of 16 April 2016 for the 2016-2017-2018 period, and whose term in office shall thus expire with the convocation of the Annual General Meeting to approve the financial statements of 31 December 2018.

The Directors are elected based on lists, which may be submitted by the Board of Directors or by the Members pursuant to Art. 32 and 33 of the currently in-force Articles, thus:

- (a) The Board of Directors and each member may present a list of candidates. If the Board presents a list, the list shall include seventeen candidates.
- (b) If the Members present a list, that list shall include no fewer than three (3) candidates, and shall be submitted by at least 1/80 of Members with voting rights, regardless of the total stake held, or by a number of Members with voting rights such that, either individually or together with other Members having voting rights, they hold shares representing at least 1/40 of the total share capital.
- (c) The candidate lists are divided into two sections; in each section, candidates are presented in numerical order. The first section of the lists presents candidates for the office of Director who are not candidates for the Management Control Committee. The second section of the lists shows candidates for the office of Director who are also candidates for the Management Control Committee.
- (d) Affidavits shall be filed care of the registered offices, together with each list, by the deadline for the filing of the same; affidavits by means of which the individual candidates accept their candidature and certify, under their own responsibility, the non-existence of causes of ineligibility and incompatibility, as well as the possession of the requirements laid down by current legislation (including self-governance rules) or the Articles of Association for covering the office of Statutory Auditor of the Company.
- (e) The Board of Directors, and each Member, may only submit a single list, and each candidate shall only appear on a single list.

Pursuant to the Articles, for the lists to be taken into consideration for purposes of appointment to the Board, shall have at least 250 votes duly expressed during the assembly, except insofar as permitted under Art. 33.7 of the New Articles.

Should only a single list be submitted, all Directors shall be taken from such list in the numerical order in which such candidates appear in the respective sections.

Should more than one list be submitted, from the list earning the most votes ("Majority List"), sixteen (16) Directors shall be chosen in the order the candidates appear in their respective sections. Moreover, from the second section of the Majority List two (2) Directors shall be selected, in the numerical order in which the candidates appear, who will become members of the Committee for Management Control. The other Directors shall be taken from the first section on the Majority List (likewise in the numerical order in which the candidates appear).

From the list that secured the second-highest vote, which is not related, pursuant to applicable law, to the Majority List ("Minority List") comes one (1) Director, to wit, the candidate appearing in first place in the second section of the Minority List ("Minority Director"). If that candidate does not ensure compliance with applicable law and the Articles regarding the composition of the Board of Directors, the first of the next-appearing candidates on the second section of the Minority List pledging such compliance shall be elected Minority Director. Should no eligible candidates appear in the second section of the Minority List, the first eligible candidate in the first section of the Minority List shall be elected Minority Director; the Minority Director shall take the office of Chairman of the Management Control Committee.

If none of the candidates on the Minority List pledges compliance with applicable laws and the Articles, the Minority Director shall be selected from amongst any additional lists according to the number of votes earned by the same.

If there are no further lists, or if such candidate lists do not present candidates ensuring compliance with applicable laws and the Articles, the 17th Director shall be chosen from the Majority List.

If the Majority List does not indicate a sufficient number of candidates to complete the Board of Directors, from the Majority List will be chosen all Candidates noted therein, in the numerical order contemplated for both sections, and from the Minority List will be selected the Minority Director, as well as all other missing Directors needed until a full complement for the Board of Directors is reached. In such cases, where the majority of Directors is selected from the Minority List, the position of Chairman of the Management Control Committee shall be given to the candidate appearing in first place on the second section of the list from which the lower number of Directors came.

Should there be an insufficient number of candidates from the Minority List, the remaining directors shall be selected from amongst any additional lists according to votes (highest to lowest) secured by the same.

Should one or more candidate lists tie for votes, such lists shall be submitted for a new vote, which resubmission shall be repeated until the tie is broken.

Pursuant to Art. 33.7 of the current Articles, if an additional list, albeit different from the Majority list, receives the threshold of votes represented by at least 10% of the share capital, regardless of the number of members voting on the same (even if under the 250 contemplated by the Articles) and it has emerged as first amongst all lists other than the Majority List in terms of capital threshold, that list shall be known as the "Share Capital List". From that list, one (1) Director shall be chosen, or if the Share Capital List has reached the threshold of votes representing at least 15% of the share capital, two (2) Directors. The directors taken from the Share Capital List shall not be elected to the Management Control Committee. No more than two (2) Directors can come from the Share Capital List.

The Articles contemplate that the members of the Board of Directors hold at least 3,000 Company shares each, and that they meet the eligibility criteria set by applicable law for the position. Moreover, Directors shall meet the criteria of character, fitness, professionalism, and independence as set forth under Ministry of Economic Development Decree no. 220, of 11 November 2011. Please further note the required absence of disqualifying factors under Art. 4 of the aforementioned Decree no. 220/2011. With specific reference to the independence requirement, please note that pursuant to Art. 147-ter, paragraph 4 of TUF, at least ten (10) directors shall meet the independence requirements set for statutory auditors in Article 148, paragraph 3, as well as all other requirements contemplated by the Corporate Governance Code. Furthermore, at least three (3) Directors, and at least one (1) member of the Management Control Committee shall be enrolled in the Register of Auditors.

The rules set forth in Art. 36 of Law-Decree no. 201 (6 December 2011, amended and converted into Law no. 214 of 22 December 2011) apply to Company, as an insurance provider. Law no. 214/2011 introduced rules relating to reciprocal participation in the corporate bodies of companies operating in the credit, insurance, and finance sectors. That likewise serves to substantially reduce the risk of cross-directorship highlighted in the Corporate Governance Code.

For purposes of Art. 148, paragraph 1-bis of TUF, the Articles set forth that:

- a) The lists shall indicate the candidates necessary to ensure respect for gender parity at least insofar as contemplated by applicable law;
- b) For any co-opting as contemplated under Article 2386 of the Civil Code, or substitution, the appointments shall be made in accordance with the criterion of gender parity contemplated under applicable law with respect to then-existing circumstances.

Candidates shall be accompanied by an exhaustive personal dossier, including the meeting of the independence criteria contemplated under the law and by the Corporate Governance Code ⁽⁴⁾.

Replacement of Directors

Should one or more Directors (other than members of the Management Control Committee) no longer be present, for any reason, their replacement (applicable to Co-Opted Directors under Art. 2386 of the Civil Code) Shall take place pursuant to a Resolution passed by the majority of the Assembly pursuant to candidates submitted by the Board of Directors or by Members in the manner noted *supra*.

Directors appointed as replacements to the outgoing Directors shall serve until the expiry of the replaced Director's original term.

⁽⁴⁾ Actual possession of the independence criteria required by the Corporate Governance Code is not officially required by the Articles. In that respect, we would further note that Company, pursuant to Board Resolution of 8 May 2013, decided to nullify the application criterion under 3.C.1., subpart (e) of the Code: in so doing, those who held a directorship for more than nine years of the last 12 (and, obviously, who are not implicated in other relevant situations) are deemed "independent". That comes in observance of the recognised need for a substantive assessment to prevail it is, after all, convenient to continue to rely on those professionals who have, over time, proven they can operate within the bounds of the law and the Group's infrastructure.

If any outgoing Directors are also members of the Management Control Committee, the first runner-up from the second section of the list from which the outgoing Director was sourced, shall take the office. In the absence of eligible candidates, the member of the Management Control Committee shall be replaced by the Annual General Meeting, which shall be convened post-haste. Should the Chairman step down anticipatorily, the member of that same Management Control Committee taking the Chair's place shall become Chairman.

Succession Plans

The Board of Directors has not deemed it necessary, for the time being, to generate a succession plan for the CEO, the only director qualified as an executive. That decision was based on the fact that the presence of one or more General Managers ensures proper business continuity, albeit potentially with a partial redistribution of functions and powers. Furthermore, in accordance with the provisions of ISVAP Regulation no. 20 of 26 March 2008, the Board of Directors has approved emergency plans for any unscheduled absence of company leadership - including the CEO - in order to ensure business and corporate continuity.

4.2 COMPOSITION (pursuant to Art. 123-bis, paragraph 2, subpart (d) and (d-bis), TUF)

The outgoing Board of Directors is composed of 18 members elected from among the Members.

The governing body now in office was appointed by the Annual General Meeting of 16 April 2016 to a three-year term (2016-2017-2018). On that occasion, two lists were presented: one from the Board of Directors pursuant to Art. 33.3, subpart (a) of the current Articles, the other by Members pursuant to subpart (b) of the same provision ⁽⁵⁾. The list presented by the Board of Directors secured 83.92% of all votes represented by the number of voting shares, compared to 13.98% obtained on the list presented by Members. Thus, following the vote, the following directors were elected: Paolo Bedoni, Giovanni Battista Mazzucchelli, Aldo Poli, Barbara Blasevich, Pilade Riello, Manfredo Turchetti, Anna Tosolini, Bettina Campedelli, Paola Ferroli, Giovanni Maccagnani, Luigi Mion, Luigi Baraggia, Lisa Ferrarini, Paola Grossi, Alessandro Lai, Carlo Napoleoni, Angelo Nardi, from the list submitted by the Board of Directors, and Eugenio Vanda, as "Minority Director" from the list presented by the Members.

In that regard, please note that Director Anna Tosolini had resigned as of 24 October 2016. Thereafter, on 13 and 30 May 2017, respectively, Director Luigi Baraggia and CEO Giovanni Battista Mazzucchelli submitted their resignations.

On 17 January 2017, the Board thus co-opted Directors Chiara de' Stefani and Nerino Chemello, ratified by the Annual General Meeting on 22 April 2017; on 1 June 2017, finally, Director Alberto Minali was appointed CEO, ratified by the Annual General Meeting on 28 April 2018, and re-appointed by the Board of Directors on that later date as CEO.

⁽⁵⁾ For the list of candidates from each list, please see the documentation posted in 2016 on Company's "Corporate" site "www.cattolica.it/home-corporate", "Governance / Assembly" section.

Table 2 in the Appendix shows the composition of the Board of Directors as of the close of FY2018, with a notation of the year of birth for each, and the date of their first Assembly / Board nomination.

The following presents, in summary form, the personal and professional characteristics of each Director presently in office.

*

Paolo Bedoni (born 19 December 1955)

Businessman in the food-agriculture industry.

Within the Cattolica Assicurazioni Group, he is Chairman of the Cattolica Assicurazioni Parent Company, the Fondazione Cattolica Assicurazioni and Tua Assicurazioni, a company in the Cattolica Group.

Beginning in 2014, he joined the Provincial Confcooperative Board of Verona.

He is on the Board of Directors of the Chamber of Commerce of Verona.

Beginning in 2015, he joined the Executive Council of Ania.

Beginning in 2018, he became the Vice President and member of the Board of Governors of the Fondazione Arena. He is Past National President of Coldiretti, of the Federazione Regionale Coldiretti of the Veneto Region, of Fata Assicurazioni Danni S.p.A., and of Risparmio & Previdenza S.p.A., as well as Board Member for Axa Cattolica Previdenza in Azienda S.p.A.; a member of the CNEL (Consiglio Nazionale dell'Economia e del Lavoro) [National Council on Labour and the Economy]; Vice President of COPA- COGECA (Comitato delle Organizzazioni Professionali Agricole – Confederazione Generale delle cooperative agricole dell'Unione Europea) [Agriculture Professionals Organisational Committee - General Confederation of EU Farming Cooperatives], Chairman of Green Assicurazioni, member of the CES (Comitato Economico e Sociale dell'Unione europea) [EU Economic and Social Committee], President of Assinove Assicurazioni S.r.l., member of the Board of Directors of Verona Fiere.

Aldo Poli (born 24 March 1942)

Car dealer.

Chairman of the Fondazione Banca del Monte di Lombardia, and the Merchants' Association of the Province of Pavia; he continues to hold office as Board Member for the Fondazione Teatro alla Scala di Milano [La Scala Opera House Foundation - Milan], and President of the Mutua Ospedaliera Commercianti of the Province of Pavia.

Within the Cattolica Assicurazioni Group he serves as Deputy Vice President and member of the Executive Committee for the Cattolica Assicurazioni Parent Company and Board Member of Tua Assicurazioni.

In the past he has served as CEO for I.CO.GEI. CO., and on the Board of Directors for Duomo Uni One Assicurazioni S.p.A., Fondazione Cattolica Assicurazioni and E.N.A.S.C.O., and has been on the Board of Confcommercio Nazionale.

Manfredo Turchetti (born 21 January 1956)

Mr Turchetti earned a degree in Economics and Commerce with the University of Padua in 1981; he is a member of the Association of Qualified Accountants and Accountancy Experts of the Province of Vicenza, as well as the Register of Auditors. He practices as a Qualified Accountant and Auditor.

Within the Cattolica Assicurazioni Group, he is Vice President of the Cattolica Assicurazioni Parent Company, and member of the Executive Committee; he sits on the board of Fondazione Cattolica Assicurazioni.

He currently serves - to name the more salient offices - on the Boards of Arper S.p.A, Marco's S.r.l., Veronafiore S.p.A., Cereal Docks S.p.A., Fondazione Cattolica Assicurazioni; Chairman of the Board of Statutory Auditors of New Box S.p.A.; and as Statutory Auditor for M.E.B. S.r.l. and Rino Mastrotto Group S.p.A.

In the past he has served as Chairman of the Board of Statutory Auditors for ABC Assicura S.p.A. and has also held executive offices (including Chairman and CEO) and supervisory positions in companies operating in commerce and in industry, including publicly traded companies.

Alberto Minali (born 24 August 1965)

Company executive.

Within the Cattolica Assicurazioni Group he is CEO and on the Executive Committee for the Cattolica Assicurazioni Parent Company, Chairman of Cattolica Services, Vice President of Tua Assicurazioni as well as Chairman of Cattolica Agricola and Cattolica Beni Immobili [Agriculture and Real Estate].

In the past he has held, amongst other positions: General Manager and Group Chief Financial Officer of Assicurazioni Generali; Vice President of Generali Italia S.p.A.; Chairman of the Supervisory Board for Generali Deutschland Holding AG; Board of Directors for Fondazione Assicurazioni Generali; Member of the Supervisory Board of Deutsche Vermögensberatung Aktiengesellschaft DVAG; Member of the Supervisory Board of Generali Beteiligungs – und Verwaltungs – AG; Chairman of Eskatos Capital Management Sarl and founder of Eskatos SICAV – SIF; Chief Investment Officer at Eurizon Financial Group and Chief Financial Officer at Eurizon Vita; Head of Capital and Value Management with Allianz - RAS; Head of the Quotes Team with Cattolica Assicurazioni; Director of Company Finance Services with INA Assicurazioni Group; Reinsurance Underwriter at Generali UK Branch.

Alessandro Lai (born 10 January 1960)

Full professor of Business in the School of Business at the University of Verona, author of numerous scholarly writings and publications. He holds, amongst other offices, the role of ordinary academic member of the Italian Academy of Business, full member of the Italian Association of Accounting and Business Instructors and is a member of the European Accounting Association.

He is enrolled on the Register of Auditors, and the Association of Qualified Accountants and Accountancy Experts.

Within the Cattolica Assicurazioni Group he serves as Secretary and member of the Executive Committee for the Cattolica Assicurazioni Parent Company and Board Member / Secretary of Tua Assicurazioni.

He also sits on the Board of the Fondazione Cattolica Assicurazioni. Currently he serves as Chairman of the Board of Statutory Auditors of IMMSI S.p.A., Masi Agricola S.p.A., Consulfiduciaria S.p.A.; he is a Statutory Auditor for Calzedonia Holding S.p.A., Calzedonia S.p.A., OmniaInvest S.p.A. and Magazzini Generali Fiduciari di Mantova S.p.A.; he is a Statutory Auditor for Fondazione Banca Agricola Mantovana.

In the past he has served, amongst other offices, as Chairman of the Board of Statutory Auditors for Lombarda Vita S.p.A., Cattolica Services S.C.p.A., Risparmio & Previdenza S.p.A., Duomo Uni One Assicurazioni S.p.A., CIRA S.p.A. (formerly Cattolica Aziende S.p.A.), ABC Assicura S.p.A. and Maeci Vita S.p.A.; Statutory Auditor for Piaggio & C. S.p.A., San Miniato Previdenza S.p.A. and Duomo Previdenza S.p.A.; Board Member of UniCredit Credit Management Bank.

Barbara Blasevich (born 21 September 1966)

Company consultant and auditor.

She is Chairperson and CEO of Euroconsulting S.r.l., a consultancy firm focussed on EU agricultural and agro-industrial policy, as well as a member of the Board of Auditors of certain industrial companies.

Within the Cattolica Assicurazioni Group, she serves as Director and member of the Executive Committee for the Cattolica Assicurazioni Parent Company.

She is also on the Board of Veronafiore.

Previously she has served on the board of Fata Assicurazioni Danni S.p.A., Tua Assicurazioni S.p.A. and as Administrative-Financial Director for Consorzio Latterie "Virgilio" [Virgil Dairy Consortium].

Pilade Riello (born 19 October 1932)

Mr Riello is a businessman in the industries of metal-mechanics, electronics, IT, multimedia, and private equity.

He is Chairman of Riello Industries S.r.l., a company that operates internationally in different fields (electronics, energy conversion, IT and internet, utensil machinery, productions of customised robotic dispensers, private equity), as well as with Editoriale Veneto S.r.l.

Within the Cattolica Assicurazioni Group, he serves as Director and member of the Executive Committee for the Cattolica Assicurazioni Parent Company.

In the past he has served as Chairman of Mecfin S.p.A., the Industrial Association of the Province of Verona and the Industrial Federation of Veneto; was on the three-member board appointing the National Chairman of Confindustria; Chairman of Fondazione C.U.O.A., Chairman of Fondazione F.I.T.O.T., on the Board of Duomo Uni One Assicurazioni S.p.A.; member of the Ordering Committee and Management Committee with Fondazione Cattolica Assicurazioni.

Bettina Campedelli (born 28 March 1962)

Full Professor of Business at the University of Verona. Ms Campedelli handles issues relating to governance, control systems, and performance management; she has significant experience in that arena in both the public and private sectors (especially healthcare businesses and universities). She is also a Qualified Accountant, Auditor, and Member of the Italian Internal Auditors Association.

Within the Cattolica Assicurazioni Group she serves on the Board of Cattolica Assicurazioni Parent Company.

She also holds the office of Chairperson of the Board of ICM S.p.A., and sits on the Board of SIT S.p.a., and FVS S.g.r.; she serves as Statutory Auditor for Calpeda S.p.A. and SGL Multiservizi S.r.l. and is a member of the Strategy Committee of ASP Milanese IMMES and Pio Albergo Trivulzio.

Nerino Chemello (born 25 January 1945)

Mr Chemello holds a degree in Statistical Sciences and Economics with the University of Padua. Financial consultant.

Within the Cattolica Assicurazioni Group, he sits on the Board of Parent Company Cattolica Assicurazioni and is Deputy Vice President of BCC Vita S.p.A.

In the past he has served as an executive with Banca Cattolica del Veneto; General Manager of Banca Popolare di Venezia; Vice General Manager of Banca Agricola di Cerea (Gruppo San Paolo IMI); Board member of Banca Sintesi, Leasing Artigiano, and Artigianfactor; CEO and General Manager of Artigian Holding S.p.A., financial parent company of economic activities of Confartigianato Nazionale - Rome; CEO of Finart S.p.A., Saar S.r.l. and Inass S.r.l., an insurance-brokerage firm with Confartigianato Veneta.

Chiara de' Stefani (born 23 February 1965)

Business owner and company executive, Ms de' Stefani holds a degree in Economics, and has a Certificate in integrated business management from CUOA. She is a member of the Order of Qualified Accountants and Accountancy Experts of Padua and is an Auditor.

For SIT S.p.A, a company traded on the MTA Exchange of Borsa Italiana, she has served on the Board, the Risk Management and Sustainability Committee, and the Compensation Committee since 2008. SIT S.p.A. is an international industrial leader in the field of manufacturing and sales of components and systems for safety controls and adjustments of natural-gas equipment, with consolidated sales topping Euro 350 million, and approximately 2000 employees.

Since 2013 she has been an independent member of the Board of Directors at Lombarda Vita S.p.A., a bank-insurance company that is a member of Cattolica Assicurazioni Group and operating in the UBI Banca Banking Group.

Since 2017, she has been an independent member of the Board of Directors of Cattolica Assicurazioni S.p.A.

In 2018 she was appointed as a member of the Board of Governors of the University of Padua.

Lisa Ferrarini (born 30 April 1963)

Entrepreneur.

Chairperson of Ferrarini S.p.A. and Società Agricola Ferrarini S.p.A., CEO of Vismara S.p.A.

Ms Ferrarini began her career immediately after earning her university degree; today, she is responsible for the manufacturing organisation and procurement-management for all companies in the Ferrarini Group.

Within the Cattolica Assicurazioni Group she serves on the Board of Cattolica Assicurazioni Parent Company.

For Confindustria she serves as Vice President with authority over all of Europe.

She serves on the National Food Safety Board at the Ministry of Health.

Paola Ferroli (born 11 April 1962)

Entrepreneur.

Chairman of Ferroli S.p.A. and Member on the Board of Directors of Ferroli Holding S.p.A.

She is Vice President of the ANIMA Federation with authority over Industrial Policies. Within the Cattolica Assicurazioni Group she serves on the Board of Cattolica Assicurazioni Parent Company.

In the past, she has served as Chairperson of Assotermica, a national industry association representing manufacturers of thermal-system equipment and parts, active in Confindustria through the ANIMA Foundation.

Paola Grossi (born January 1954)

A solicitor, Ms Gross practices civil and commercial law.

She heads the Legislative Office with the Coldiretti National Confederation and is General Manager of ASNACODI.

She holds the following offices as well: Chairperson of the "Risk Management" Group at COPA-COGECA; member of the National Conciliation Committee for the Italian Union of Chambers of Commerce; member of the Scientific Committee for the Agricultural and Rural Development Research Centre for "Agricultural Risk Management"; member of the Work Group for the publication of a Legal Guide to Agricultural Contracts with Unidroit.

Within the Cattolica Assicurazioni Group she serves on the Board of Cattolica Assicurazioni Parent Company.

Giovanni Maccagnani (born 19 March 1962)

A criminal and tax solicitor, Mr Maccagnani is also an Auditor, an instructor with the "Ezio Vanoni" Superior School of Economics and Finance, and serves on the finance committee for a number of publicly traded companies, as well as on the board for publicly traded companies and bank foundations; he is a member of the supervisory board for a number of top-tier companies, and has authored publications on criminal and tax-law matters; he has presented at continuing-education programmes and updates produced by institutional organisations and top-tier publishing outfits. Within the Cattolica Assicurazioni Group he serves on the Board of Cattolica Assicurazioni Parent Company.

He also serves as Director for the Fondazione Cariverona, and is a Statutory Auditor for myriad corporations, including Bauli, Pedrollo Group, and companies in the Calzedonia Group.

Luigi Mion (born 19 March 1960)

Business owner.

Within the Cattolica Assicurazioni Group he serves on the Board of Cattolica Assicurazioni Parent Company.

Mr Mion is also Chairman of Mion Immobiliare S.p.A., and CEO of Migross S.p.A. and MIG Restaurant S.p.A.

He is past CEO of Nuova Supershopping S.p.A., and Mion Immobiliare S.p.A., and has served on the Board of ABC Assicura S.p.A.

Carlo Napoleoni (born 13 August 1967)

Business executive.

Qualified Accountant and Auditor.

Vice General Manager of Iccrea Bancaimpresa S.p.A.

Within the Cattolica Assicurazioni Group, he sits on the Board of Parent Company Cattolica Assicurazioni and is Chairman of BCC Vita S.p.A. and BCC Assicurazioni S.p.A.

He also sits on the Board of BCC Creditoconsumo S.p.A. and BCC Factoring S.p.A.

In the past, he has served as Vice Deputy General Manager of Iccrea Holding S.p.A. and Vice President of Beni Stabili SGR S.p.A.; he has sat on the board of Istituto Centrale delle Banche Popolari Italiane S.p.A., BCC Private Equity SGR S.p.A., Aureo Gestioni SGR S.p.A., CartaSi S.p.A., Oasi-Diagram S.p.A., Iccrea Bancalmpresa S.p.A., Accademia BCC

S.p.A. and SEF Consulting S.p.A.; Statutory Auditor for Finanziaria BCC for Area Development and Ghella S.p.A. He has been in management with KPMG S.p.A. He has also served as Head of Planning and Performance Management, and Head of the Administrative and Finance Service for Iccrea Holding S.p.A.

Angelo Nardi (born 29 July 1949)

Legal counsel.

Within the Cattolica Assicurazioni Group he serves on the Board of Cattolica Assicurazioni Parent Company.

In the past, Mr Nardi has been on the faculty at the School of Law at the University of Padua, teaching courses in Political Economics, Finance, and Finance Law. He has served as Vice Director of the Federazione Regionale degli Industriali of Veneto, General Manager of Confindustria Federlombardia, and Director of Confindustria Verona. He has also held office with a number of different commercial and industrial companies.

Eugenio Vanda (born 11 July 1967)

Mr Vanda holds a degree in Industrial Sciences, on the "Insurance Sciences" track.

Within the Cattolica Assicurazioni Group he serves on the Board of Cattolica Assicurazioni Parent Company.

He is also Sole Director of Strategie Avanzate S.r.l.; Founding Partner and Sales Director of Strategie Avanzate S.r.l.; he is a Board member for Sicurezza e Ambiente S.p.A.

Previously, he has served as Director for Duomo Assicurazioni S.p.A., a company in the Cattolica Group; Founder and Shareholder of Ventura Investimenti S.r.l.; General Manager of Phoenix Capital Iniziative di Sviluppo; CEO of Domus Assicurazioni S.r.l.

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Diversity Policy

The culture of diversity - something Cattolica Group has long-since pursued - specifically with respect to the make-up of its corporate bodies, has been deemed fundamental in terms of the benefits that accrue from dialogue between people with different temperaments and from different walks of life, and what they have to offer within collegial boards. The positive impact reverberates both in the medium and in the long term. Those elements, moreover, are fostered during the meetings of these corporate bodies, which are conducted in a frank and cooperative environment. Meetings are a place for presentations, and discussions, where everyone has a chance to play an active part, and to best express his or her own potential. This outcome is bolstered by training programmes organised by Company and available to all Company and Group leaders.

Because of the Board of Directors' attention to these issues, and as of this writing, the formal adoption of a diversity policy regarding the members of the Board and Board Committee members was deemed superfluous, with respect to the re-election for the Governing Body, slated for the Annual General Meeting of 12/13 April, and subject to the diversity provisions set forth in the Corporate Governance Code to which Cattolica has subscribed.

Maximum cumulative offices held in other companies; other provisions.

Subject to the already cited provisions of law (MD no. 220/2011 and Art. 36 of Law-Decree, converted with amendments into Law no. 214/2011, the Articles contemplate that those who serve on the Board of more than five other publicly traded companies (or any subsidiary thereof) shall not be elected as Directors.

Furthermore, the members of the Management Control Committee shall respect the cumulative-office limits contemplated by applicable law for members of insurance-company supervisory bodies (for those insurance companies issuing shares on a regulated market).

Those serving on boards or in a leadership capacity for any other insurance company (which are not subsidiaries or affiliates) that is in competition with Company, or any other competitor business or corporate group, or those serving in leadership roles or top management of parent companies to such insurance companies or other competitors, may not serve on the Board of Directors. That restriction shall not apply to any co-opting within the governing body pursuant to applicable provisions of law, subject to the same provisions regarding any ineligibility or lapsed term. Relatives or kin within the fourth degree of affinity to the Board shall likewise not serve on the Board of Directors.

Given the foregoing rules, the Board of Directors did not believe it necessary to provide any other instructions on the matter.

Induction programme

The induction programme can be broken down into:

- Informational programme on
 - international scenarios
 - business strategy and model
 - insurance and financial markets

- Specialised update programme
 - legislative and regulatory framework and criteria
 - system of governance
 - economic-financial analyses

Previously provided and/or upcoming events involved both areas, with specific analysis regarding: *Governance System; Legislative and Regulatory Framework and Criteria; Insurance and Financial Markets.*

Within the specialised update programme concerning “*Governance System*” training components on the topic of Corporate Governance Model - One-Tier System was included, along with Governance for the Compensation and Executive Compensation policies.

In terms of “*Legislative and Regulatory Framework and Criteria*”, events are included on the issue of the New Privacy Code (the General Data Protection Regulation); regulatory updates and their implementation within Cattolica; the Corporate Governance System in IVASS Regulation no. 38 of 3 July 2018.

Within the “*Insurance and Financial Markets*” programme, a class on Fundamental Principles and Reinsurance Policies was included.

The training programmes - determined by agreement with the governing body - are produced as part of a dedicated company procedure, which moves from the preliminary identification of a need and the training objectives, to course design and development, to course delivery.

4.3 Board of Directors' role (pursuant to Art. 123-bis, paragraph 2, subpart (d), TUF)

The sweeping collegiality that distinguishes the work of corporate bodies is made manifest first and foremost through the frequency with which meetings are held. In 2018, there were twenty-four (24) board meetings, lasting for an average of three and one-half hours, approximately ⁽⁶⁾.

Seventeen meetings (of which five have already been held) are slated for 2019.

The Chairman is tasked with organising board work, which generally involves members from General Management.

The Board adopted, on 4 February 2009, a set of Bylaws - most recently updated in February 2013 - which govern, amongst other things, the operating procedures implemented to ensure Directors are provided sufficient information on the issues and matters to be discussed. Internal pre-meeting procedures are subject to specific scrutiny, thanks in large measure to an organisational body tasked with supervising it (the Company Secretariat), and the adoption of specific convocation and advance-notice of topics procedures.

The illustrative documentation on the matters subject to discussion is generally relayed to the Directors and Statutory Auditors no later than three (3) days before the meeting. That is done for a number of reasons, including allowing each Director to evaluate whether he/she has a conflict of interest in an agenda item, for purposes of Art. 2391 of the Civil Code, and to notify the Board of Directors and the Board of Statutory Auditors in advance of the same.

Additionally, an online accessible (but secured) portal dedicated to Directors and Statutory Auditors has been set up. Through the portal, the Directors and Auditors may view the documentation forming the basis of the agenda set for the Board meeting in advance. The portal is likewise available during the meeting, on a secured Wi-Fi network, and is structured in such a way that immediate access to the documentation as supplied is provided in support of the various topics being discussed, through the use of a tablet made available to each participant. Thanks to such garrisons, members may access the portal and the documentation uploaded thereto from anywhere.

The aforementioned Bylaws vest the Chairman of the Board of Directors the option (which may happen upon motion of the other Directors) to ask that all executives responsible for the issues placed up for discussion on the agenda attend the Board meeting, an option that was exercised during the most recent financial year. By the same token, professionals and consultants may be allowed to take part in the meeting, upon exercise of the aforementioned option by the Chairman.

*

The New Articles, at Art. 37, sets forth that making setting business strategy and establishing policies is reserved to the Board, amongst other powers of Company and Group, with the related strategic, industrial, financial, and budget planning, and the assessment of overall management performance, including the sufficiency of Company's organisational, administrative, and accounting infrastructure.

⁽⁶⁾ For details on individual participation, please see Table 2.

Subject to the powers reserved to the assembly by statute, Company's Articles also reserve the following powers to the Board of Directors:

- the delegation - within the scope of powers that may be delegated by law of powers to the CEO, if appointed, as well as the specific functions attributed to special offices under Art. 40.1 of the New Articles;
- approval of the business' organisational infrastructure and the system of delegation of authority, verifying its continued fitness over time.

Art. 37 of the New Articles includes, amongst those powers reserved to the Board of Directors:

- setting general business strategy and policies for Company and the Group, along with the attendant strategic, industrial, financial, and budget plans;
- the delegation - within the scope of powers that may be delegated by law - of powers to the CEO, if appointed, as well as the specific functions attributed to special offices under paragraph 40.1 of the New Articles;
- the appointment of one or more General Managers, setting the terms and conditions for contracts with the same, vesting powers in such persons, and identifying the functions therefore, as well as the termination of the working relationship if and when required, on motion of the CEO if any when appointed;
- approval of Company and the Group's organisational infrastructure and the system of delegation of authority, verifying its continued fitness over time;
- assessment of general business performance and auditing the fitness of Company's organisational, administrative, and accounting infrastructure;
- temporary suspension (with a detailed order therefor to be published in at least one newspaper of national circulation) of the admission of new Members;
- a yearly allocation of funds to promote Company's image with regard to sustainability and corporate social responsibility, as well as for social-welfare donations that accord with the mission set forth in paragraph 4.2 of the instant Articles. that allocation will be passed during the annual budget meeting, the amount predicated on Company's economic performance;
- the setting of criteria for the company's coordination and management pursuant to Art. 210-ter, paragraph 2, CAP;
- decisions concerning the orders for implementing the rules promulgated by IVASS geared towards companies identified in Art. 210-ter, paragraph 2, CAP;
- the implementation of procedures ensuring substantive and procedural transparency and ethics in related-party transactions in accordance with applicable law.

Including with respect to supervisory provisions, the Board of Directors furthermore sets and assesses (for purposes of any review) those strategies and policies for the assumption, assessment, and management of the most significant risks in accordance with the strength of the business' equity position and sets risk-tolerance levels.

Subject to the provisions of Art. 2420-ter and 2443 of the Civil Code, reserved exclusively to the Board of Directors, in accordance with Art. 2436 of the Civil Code, those resolutions regarding the issuance of bonds, resolutions regarding mergers and spin-offs in the cases respectively contemplated under Art. 2505 and 2505-bis and Art. 2506-ter of the Civil Code, the transfer of the corporate headquarters within the home municipality, the institution, closing, or transfer of secondary headquarters, and any identification of who amongst the directors (other than those appearing in Art. 48) shall be the Company's legal representatives, the reduction of share capital for any withdrawal, amendments to the Articles to adjust the Articles to any intervening regulatory or statutory changes.

The Board of Directors assess the fitness of the organisational, administrative, and accounting infrastructure. The foregoing assessments shall also be undertaken by relying on activities conducted, and the consequent reporting made available by the Control and Risk Committee (please see Chapter 10.0).

With regard to the conflict-of-interest management procedure, please see Chapter 12.0.

The Board determines the division of annual compensation for the Board of Directors pursuant to the Articles, by the Annual General Meeting. The Board further sets compensation for the CEO and other Directors who fill certain positions with respect to those offices contemplated under the Corporate Governance Code. That happens in accordance with the compensation policies passed by the Annual General Meeting.

Art. 39 of the New Articles introduced by the Annual General Meeting on 28 April 2018, which shall take actual effect on the date of the Annual General Meeting convened - for 12/13 April 2019 - for the re-electing the Board of Directors, contemplates:

- that members of the Board of Directors shall have expenses reimbursed (which reimbursement may be set in advance by the Board of Directors as a flat rate) as well as compensation set by the Annual General Meeting, the division of which shall fall to and not be delegated by the Board of Directors;
- that the Assembly shall set specific compensation for the members of the Management Control Committee, which is set as a fixed rate, on an equal pro-capita level, but with a specific premium for the Chairman of the same Management Control Committee;
- that compensation of Directors holding the offices of Chairman, Vice President, Secretary, CEO (if appointed) and other special offices, especially those contemplated under the self-governance codes, shall be set by the Board of Directors;
- that Directors shall further be entitled to compensation for meeting attendance, the amount for which shall be set by the Annual General Meeting for each Board of Directors, Management Control Committee, and any other Board Committee meeting.

The Board shall assess general management performance and foreseeable trends to the same with respect to company objectives, especially in light of information received from delegated entities or leaders from General Management.

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

By its own resolution, the Board has reserved to itself authority over actions with the highest economic, equity, and financial impact - which therefore involve those relating to the structure of the Group itself - identifying such actions as follows:

- non-recurring transactions, meaning those that, given conditions of the market and/or relating to the Group and/or Company, may be understood as outside normal management, and non-repeatable, such as:
 - underwriting increases to capital, or the purchase and sale of shares and equity interests in companies, exceeding Euro 5 million per individual transaction, and such that affiliation or control relationships are created or eliminated;
 - loans and/or pledges of collateral in excess of 15 million;
 - acquisitions/spin-offs of company branches;
 - issuance of debenture loans, as well as anticipated repayments of debenture loans;
 - other transactions that, given their specific quali- and quantitative elements, are deemed to be non-recurring, albeit falling within the scope of ordinary management;
- transactions consummated at non-standard conditions, meaning not in line with market conditions.

Any of the aforementioned transactions slated to be carried out by any subsidiary shall be subject to review by the Parent Company's Board of Directors.

During the first months of 2018, the Board - in accordance with the Corporate Governance Code and ISVAP Regulation no. 20/2008, moved forward with (in-house, meaning without availing itself of any external consultant) with an annual self-assessment of its structure and functioning, as well as that of those Committees to which it has delegated authority, as well as the related compensation for the same. The overall findings were satisfactory. Following that self-assessment procedure, the Board, in its resolution of 6 March 2018, conducted an update of the document bearing guidelines for skill sets and professionalism.

For the sake of completeness, we note that in January of 2019 a self-assessment was conducted on the governing body which included application of IVASS Regulation no. 38/2018. That process included - at the investigatory phase - the participation of the Nominations Committee, formed by the Board on 10 January 2019, in an investigatory capacity. The aforementioned Committee set the terms and conditions - with the support of an outsourced Company engaged by the Board - for the self-assessment processes. The choice was made to move forward with a Board member assessment using a questionnaire format. The Committee then processed the data, generating an analysis for the Board of Directors which included a judgement on the fitness of the same.

On that occasion, the overall satisfactory results from the Board's global self-assessment was likewise confirmed, with some suggestions for improving Board functioning, which might be weighed and considered, as part of the new governance framework on the heels of the Annual General Meeting of 12/13 April, within the context of the generating of new bylaws for the governing body.

4.4 Delegated Bodies

Delegated CEO

CEO Alberto Minali, the main party responsible for managing the Issuer (Chief Executive Officer), to whom the conditions set forth under Criterion 2.C.5 of the Corporate Governance Code ⁽⁷⁾ do not apply, has been vested with the specific functions and duties appearing below.

The CEO is positioned at the top of the Business' chain of command, and all of its structures. He, in accordance with Board of Directors resolutions:

- ensures that the organisational, administrative and accounting structure of the Company and Group is appropriate for the nature and size of the business, as part of the powers granted to him/her and according to the general guidelines established by the Board of Directors;
- promotes, co-ordinates and supervises the business management of the Company and Group;
- develops strategic, business, financial and organisational development assumptions for the Company and Group, proposing them to administrative bodies for the appropriate assessments and resulting decisions;
- provides to the Chairman and the Executive Committee, on a timely basis, information and data on the general operations of the Company and the Group and on significant transactions and events;
- reports to the Board of Directors and to the Board of Statutory Auditors at least quarterly on the activities carried out in the exercise of those functions and duties vested in him, on company performance in general and foreseeable trends to the same, on current operations, as well as significant transactions (in terms of size or nature) carried out by the company or its subsidiaries, especially with respect to atypical, unusual, or related-party transactions;
- establishes, oversees, and co-ordinates any intercompany operating committees and requests from administrative bodies or the management of subsidiaries all information that is useful or appropriate to their functioning;
- is charged with heading up the internal-control and risk-management system, and, in accordance with the Corporate Governance Code, all those powers allowing him to faithfully discharge his related functions shall be vested in him.

The following powers are likewise reserved to the CEO:

- directs all affairs for purposes of resolutions falling within the aegis of the Board of Directors and the Executive Committee, and ensure that the resolutions by such entities are carried out by the General Managers, subject to the option of executing them directly;
- makes motions on matters falling to the Executive Committee;
- manages the operations of the Company and the Group, as well as the organisation as a whole.
- coordinates and manages the operations of General Managers with respect to personnel policies, setting the general guidelines to which the latter shall conform in the management of human resources, and supervising the application of the same;
- verifies that incentivisation policies regarding employee professional growth are constantly in effect;
- takes disciplinary action against any Director, and for any unavoidable urgency, terminate the same, reporting the matter promptly to the Executive Committee;

⁽⁷⁾ For the sake of completeness, we cite Criterion 2.C.5 from the Code in its entirety: "The Chief Executive Officer of issuer(A) shall not act as director or administrator for another issuer (B) not belonging to the same group, of which a director or administrator of issuer (A) acts as chief executive officer".

- takes steps regarding the matters set forth in points 1, 2, and 3 regarding powers delegated to the Executive Committee up to the minimum threshold identified therein, and handles all insurance and reinsurance transactions and the related disputes on the same, regardless of amount;
- manages current, ordinary financial transactions within the scope of the finance-related framework resolution passed by the Board of Directors;
- participates in legal actions, engaging counsel as needed, both as a petitioner and as a defendant or respondent, including as ex-parte or emergency proceedings;
- engages agents or attorneys in fact for individual transactions, or sets of transactions falling within the aegis of one's own powers;
- sub-delegates, either fully or partially, within the limits of one's vested authority, whether on a one-off or ongoing basis, and with the Chairman's input, certain powers to Company employees.

The CEO's vested authority includes any other matter or transaction not falling within the foregoing list, but not reserved to the Board of Directors or the Executive Committee within the limits of the law or by the Articles.

If there is an urgent need to protect a Company or Group interest, the Managing Director may adopt, notwithstanding the power assigned to the Chairman, any resolution attributed exclusively as the responsibility of the Board of Directors or Executive Committee, except for those that cannot be delegated according to the law, and reporting to the competent body, under whose exclusive competence the adopted decision falls, in the first opportune subsequent meeting.

Chairman of the Board of Directors

The Chairman has not received delegations of managerial authority, nor does he have a specific role in generating company strategy, except insofar as defined *infra*. Therefore, he shall not be categorised as the main party responsible for managing the Issuer (i.e. Chief Executive Officer).

As any urgency or necessity to protect a Company or Group interest requires, Company Chairman, on motion of the CEO, and where the Executive Committee cannot promptly be convened, the Chairman may make a decision reserved to the Board of Directors (except those which cannot be delegated as a matter of statute, or delegated exclusively to the Executive Committee), bearing in mind any directives that may have issued from the entity to which such decision is normally reserved; the aforementioned entity shall be notified of the decision at the next meeting thereafter as feasible. Please note that the exercise of such option shall be sporadic, and thus the Chairman shall remain a non-executive administrator.

In addition to the authority vested in his role, the Chairman is also entrusted with institutional communications, handling external relations, and interactions with Members and their associations.

The Chairman of the Board of Directors handles and supervises the proper functioning of corporate bodies and oversees Company performance.

He convenes and presides over the Annual General Meeting, Board and Executive Committee meetings (as well as those held by any other Board committee over which the Chairman presides) as allowed, and in accordance with applicable provisions, with duties of initiative and coordination. The Chairman sets the agenda for all collegial administrative bodies, coordinates their efforts, and ensures that sufficient information on agenda items is - as convenient, pursuant to procedures approved by the Board of Directors - provided to all Directors.

The Chairman, in accordance with resolutions passed by the Board of Directors, is vested with the following powers:

1. examines, prior to the convocation and the meetings of the Board of Directors and the Executive Committee as well as, if necessary, the CEO and/or the General Managers, the issues subject to disclosure on the part of the Delegated Bodies and/or General Managers, and to handle the generating and/or advance sending of documentation regarding matters falling within the aegis of the collegial bodies, bearing in mind the nature of topics appearing on the agenda, and the discretion required with respect to certain items of information;
2. acquires information, prior to every Board meeting wherein the Board is required to review and vote on corporate accounting documents, from the CEO, General Managers, and the Director charged with generating company financial documents, regarding the most significant issues regarding financial communications involving Company, making available (either directly or through the aforementioned General Managers and the Director identified *supra*) as convenient so that sufficient, and if possible, advance notice to all members of the Board of Directors is given;
3. supervises Group performance overall through periodic contact with the Chairmen of subsidiaries, including through the acquisition, as convenient, of information from Top Management from the same;
4. acquires information, through the CEO and General Management and, if necessary, summoning the Directors charged with specific areas or functions, any information or document relating to corporate operations, deemed useful or convenient in order to improve the performance of their own functions, including through the work of the Board Secretary;
5. supervises and handles, either directly or as convenient with the input of the CEO and/or General Managers, the circulation within the corporate bodies and any internal committees formed therein, of proper, timely informational flows regarding issues of interest to the aforementioned corporate bodies and committees;
6. monitors the format, methods, and content of notices and legal disclosures, or those deemed convenient, intended for the market or to the authorities, in concert with the CEO and/or the General Managers, and superintends relationships with the aforementioned authorities and the public institutions;
7. is in charge of interactions with Members and their representative Associations;
8. handles external relationships for Company;
9. delineates Company's institutional-communications strategy.

As any urgency or necessity to protect a Company or Group interest requires, Company Chairman, on motion of the CEO, and where the Executive Committee cannot promptly be convened, the Chairman may make a decision reserved to the Board of Directors (except those which cannot be delegated as a matter of statute, or which is delegated exclusively to the Executive Committee), bearing in mind any directives that may have issued from the entity to which such decision is normally reserved; the aforementioned entity shall be notified of the decision at the next meeting thereafter as feasible.

Should the Chairman be absent or unavailable for any reason, his duties (including in an emergency) shall be performed by the Deputy Vice President.

Executive Committee

Pursuant to the current Articles, an Executive Committee, in which the Chairman, Deputy Vice President, Vice President, Board Secretary, and CEO participate as a matter of right, is hereby formed. The Executive Committee also includes two other Directors identified by the Board of Directors.

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

In 2018, there were fifteen (15) Committee meetings, lasting for an average of 59 minutes, approximately ⁽⁸⁾.

Please note that the amendments to the Articles approved 28 April 2018 terminated the Executive Committee, effective as of the Annual General Meeting of 12/13 April 2019.

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The Executive Committee may make, upon delegation of the Board of Directors, strategically significant or extraordinary decisions that are the responsibility of the Board of Directors.

Included amongst the Executive Committee's powers are the following (note that those identified in points 1-3 do not involve insurance and reinsurance transactions and the disputes related to the same):

1. authorising the undertaking of duties or obligations for amounts over Euro 5,000,000 (FIVE MILLION AND 00/100 EURO) and up to 15,000,000 (FIFTEEN MILLION AND 00/100 EURO);
2. authorising the release or waiver of sureties in any form in excess of Euro 5,000,000 (FIVE MILLION AND 00/100 EURO) and up to 15,000,000 (FIFTEEN MILLION AND 00/100 EURO);
3. authorising the release of credit positions, or authorising transactions above Euro 5,000,000 (FIVE MILLION AND 00/100 EURO) and up to 15,000,000 (FIFTEEN MILLION AND 00/100 EURO);
4. authorising the purchase, sale, or financial lease of real property for company use, or assigned other uses, for gross amounts at or below Euro 5,000,000 (FIVE MILLION AND 00/100 EURO), provided the book value for the same does not exceed that amount;
5. making arrangements for offers in compromise on tax issues
6. approving supplemental company agreements;
7. approving annual programming for the staff, and the hiring plans;
8. passing resolutions regarding the appointment, hiring, promotion, bonus system, and firing of Executives, with the exception of any General Managers and any Co-Vice General Managers;
9. identifying directors and members of supervisory bodies over Cattolica subsidiaries or companies in which it has an equity interest, where the Board of Directors has not taken action in that respect.

When an emergency arises, or as protection of Company or Group interests requires, the Executive Committee may further adopt, subject to the power attributed to the Chairman, any determination (albeit reserved to the Board of Directors, except those which, by statute, cannot be delegated) cognizant of any directives provided by the administrative body, and regardless providing notice of the same at the next convenient meeting thereafter.

⁽⁸⁾ For details on individual participation, please see Table 2.

For any thresholds lower than those appearing above, the CEO or the General Manager(s) which, in terms of their respective areas of authority as described *infra*, is regardless entrusted to the current management of Company.

For purposes of complete information, please note that Company, following the amendments to the Articles introduced by the Assembly on 28 April 2018, taking effect beginning on the Assembly convened for 12/13 April 2019, shall be administered according to the one-tier administrative and control system, by a Board of Directors composed of 17 members within which the Management Control Committee composed of three (3) members is formed. The Board of Directors, with an absolute majority of Directors then in office, shall appoint, amongst its members, a Chairman, Deputy Vice President, another Vice President and Secretary, and has authority for the removal of the same. Using those same methods, it may appoint from amongst its members a CEO, and have authority for the removal of the same.

The Board of Directors may form, from within its ranks:

- a) a Control and Risk Committee made up of three or five members;
- b) a Compensation Committee made up of three or five members;
- c) a Nominations Committee composed of the Chairman of the Board of Directors, the Deputy Vice President, and three other Directors;
- d) a Related-Party Transaction Committee made up of three members;
- e) the other Committees, in accordance with applicable law, or as resolved by the Board of Directors.

The following are the powers attributed to General Managers in office as of 31 December 2018.

On April 26th, the Board of Directors of Cattolica granted Mr Valter Trevisani the appointment (beginning 2 May 2018) of General Manager with the leadership of the Technical Area and Operations General Management and the technical-insurance responsibility for all classes, including the pricing activities, as well as for innovative projects and management of operations services.

Mr Valter Trevisani works alongside General Manager Carlo Ferraresi, head of the Markets and Distribution Channels for the Cattolica Group.

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General Manager – “General Management for the Technical and Operations Area”

In accordance with resolutions passed by the Board of Directors, the Executive Committee, and the determinations of the CEO, the General Manager overseeing “General Management of the Technical and Operations Area” is responsible both for the Group's insurance management - including supervision of activities relating to all product aspects (including pricing), underwriting and liquidation - as well as Operations, including but not limited to: information technology, business operations, general services - as well as being the deputy for the respective organisational structures. The GM reports directly to the CEO, if appointed, or in the absence thereof, to the Company's Board of Directors and/or the Executive Committee.

General Management is tasked with “General Management of the Technical and Operations Area”, the execution of Board of Directors and Executive Committee resolutions, and resolutions by the CEO and the everyday management of the Company for issues falling within its aegis, except those expressly reserved to the Board of Directors, the Executive Committee and the CEO.

Falling within the scope of General Manager for “General Management of the Technical and Operations Area” duties are the following items of routine business, to:

- monitor the Life and Non-Life underwriting process, in line with the strategies defined by the Board of Directors;
- supervise management activities for the broker channel;
- supervise all activities related to reinsurance;
- supervise the application of underwriting policies (Life and Non-Life) and reinsurance, and other risk-mitigation tactics;
- supervise the application of claim settlement policies with a view to maximising efficiency and effectiveness;
- supervise activities relating to technical development, pricing, and regulatory compliance for products, and participate in planning on the same;
- supervise productivity and technical performance for the Life and Non-Life portfolio;
- set the contract terms and conditions, or pricing generally applicable to all clientèle, bearing in mind the Board strategic orientation on that front;
- authorise the undertaking of duties and obligations for amounts up to Euro 2.5 million, subject to the insurance and reinsurance matters, within the scope of the guidelines set by the CEO;
- superintend the management of IT systems, cooperating with the setting of strategies and objectives.

With specific reference to insurance and reinsurance matters, the General Manager for “General Management for the Technical and Operations Area” with respect to areas falling within its aegis, includes the following acts of routine business administration:

- assumption of risks, per insured risk, at or under Euro 70,000,000.00 (SEVENTY MILLION AND 00/100 EURO), net of any reinsurance conveyances, including with respect to the vetting procedures on the contracting party, both with respect to the “Non-Life” and the “Life” classes;
- liquidation and payment of adverse incidents relating to the “Non-Life” classes for amounts up to Euro 10,000,000 (TEN MILLION AND 00/100 EURO);
- liquidation and payment of services relating to policies in the “Life” classes;
- payments for any other issue relating or connected to the existence of policies.

With respect to all the aforementioned areas, the General Manager for “General Management of the Technical and Operations Area” is vested with the following duties as well:

- carries out the transactions contemplated under Company regulations and as necessary for compliance to the same;
- represents the Company before the Italian and foreign supervisory authorities and signing the correspondence, notices, provisions and any other document related to the same;
- represents Company in any transactions including those carried out with any public agencies or offices, in any type of, and at any level of proceeding;
- generates enforcement documents to protect Company claims;
- participates in legal actions, engaging counsel as needed, both as a petitioner and as a defendant or respondent, including as ex-parte or emergency proceedings;
- files criminal complaints, and police reports - and consequently retract them or reissue them - as against any party believed to be liable for any property crime against Company;
- enters as the civil petitioner in the related criminal proceedings; take action with respect to participation in controlled-administration, creditor-arrangement, or bankruptcy proceedings, as well as filings for bankruptcy;
- authorises an entry of appearance in any action as a petitioner or defendant/respondent, as well as entering into administrative and tax-related petitions, when the amount in controversy does not exceed Euro 1,000,000 (ONE MILLION AND 00/100) or, in emergency situations, including for amounts above the aforementioned threshold;

- engages agents or attorneys in fact for individual transactions, or sets of transactions falling within the aegis of one's own powers;
- sub-delegates, either fully or partially, within the limits of one's vested authority, whether on a one-off or ongoing basis, and with the CEO's input, certain powers to Company employees.

The General Manager for "General Management for the Technical and Operations Area" as a member of Top Management, is also vested with the duties applicable to "Top Management" under rules governing issues falling within the scope of their authority.

Should the General Manager for "General Management for the Technical and Operations Area" be absent or unavailable for any reason, and provided the criteria of proven necessity and urgency are met, the General Manager for "General Management for Markets and Distribution Channels" shall exercise the duties of General Manager for "General Management for the Technical and Operations Area", gathering where possible advance consent on the same.

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General Manager – "General Management of Markets and Distribution Channels"

In accordance with the resolutions of the Board of Directors and the determinations of the CEO, the General Manager for "General Management for Markets and Distribution Channels" supervises the Group's commercial networks. Entrusted to him is the responsibility and ordinary management of activities relating to the channels - especially agency channels - regarding bank-insurance (except for brokers). The GM reports directly to the CEO, if appointed, or in the absence thereof, to the Company's Board of Directors and/or the Executive Committee.

The General Manager for "General Management for Markets and Distribution Channels" is tasked with executing Board of Directors and the Executive Committee resolutions, and the determinations of the CEO as well as the day-to-day management of Company with respect to those elements falling within his purview, except for those items expressly reserved to the Board of Directors, the Executive Committee and the CEO.

Falling within the scope of General Manager for "General Management for Markets and Distribution Channels" duties are the following elements of routine business:

- supervises activities relating to the analysis of customer needs relating to product concept and product launches through the networks;
- supervises the overall collection of sales for those channels entrusted to him, in accordance with the industrial plan;
- determines - within the scope of the industrial plans and budgets set by the Board of Directors - with respect to the execution of agency and bank-insurance relationships, as well as the activation and optimisation of agencies, satellite offices, and other facilities or types of intermediation, or direct-sales channels, or the appointment / termination of the same;
- makes available, in accordance with the industrial plan and budget set by the Board of Directors, the development of current methods of sales and the exploration of

new markets and new sales opportunities, illustrating the same to the collegial bodies for those assessments and decisions falling within their purview;

- authorises the undertaking of duties and obligations for amounts up to Euro 2.5 million, subject to insurance and reinsurance restrictions, within the scope of the guidelines of the CEO;

With respect to all the aforementioned areas, the General Manager for “General Management for Markets and Distribution Channels” is vested with the following duties:

- carries out the transactions contemplated under Company regulations and as necessary for compliance to the same;
- represents the Company before the Italian and foreign supervisory authorities and signing the correspondence, notices, provisions and any other document related to the same;
- represents Company in any transactions including those carried out with any public agencies or offices, in any type of, and at any level of proceeding;
- generates enforcement documents to protect Company claims;
- participates in legal actions, engaging counsel as needed, both as a petitioner and as a defendant or respondent, including as ex-parte or emergency proceedings;
- files criminal complaints, and police reports - and consequently retract them or reissue them - as against any party believed to be liable for any property crime against Company;
- enters as the civil petitioner in the related criminal proceedings; take action with respect to participation in controlled-administration, creditor-arrangement, or bankruptcy proceeding, as well as with regard to filing for bankruptcy;
- authorises an entry of appearance in any action as a petitioner or defendant/respondent, as well as entering into administrative and tax-related petitions, when the amount in controversy does not exceed Euro 1,000,000 (ONE MILLION AND 00/100) or, in urgent situations, including for amounts above the aforementioned threshold;
- engages agents or attorneys in fact for individual transactions, or sets of transactions falling within the aegis of one's own powers;
- sub-delegates, either fully or partially, within the limits of one's vested authority, whether on a one-off or ongoing basis, and with the CEO's input, certain powers to Company employees.

The General Manager for “General Management for Markets and Distribution Channels” as a component for Top Management, is also vested with the duties applicable to “Top Management” under rules governing issues falling within the scope of their authority.

Should the General Manager for “General Management for Markets and Distribution Channels” be absent or unavailable for any reason, and provided the criteria of proven necessity and urgency are met, the General Manager for “General Management for the Technical and Operations Area” shall exercise the duties of General Manager for “General Management for Markets and Distribution Channels”, gathering where possible advance consent on the same.

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POWERS OF THE DEPUTY GENERAL MANAGERS

Powers of the Deputy General Manager and Chief Financial Officer (CFO)

In accordance with resolutions passed by the Board of Directors, and the Executive Committee, and decisions made by the CEO, the CFO's Vice General Management, which reports to the CEO, is responsible for the management of activities relating to Strategic Planning and Control, Capital Management, Investor Relations, Corporate Finance and Financial Legal, Actuarial Assessments, Administration and Financial Statements.

In particular, the CFO's Vice General Management shall be responsible for:

- providing support to the General Manager and Top Management in the assessment of whether to expand, and in defining special-business transactions and strategic programming: management of all M&A transactions, and overseeing all minority stakes in the portfolio, handling all related and consequential operations;
- managing the communication strategies and tools with respect to the financial community, and monitoring relationships with ratings agencies;
- providing support for the development and monitoring of the business' strategic plan and operating budget, in compliance with instructions received from the Board of Directors, and monitoring of the Group's economic/financial performance and the performance of available capital, by overseeing the annual budgeting process and continuously monitoring business and operational performance and Capital Management policies;
- monitoring the generation of the individual and consolidated financial statements, for both the Parent Company and the holdings, ensuring proper application of accounting principles, administrative compliance, and rules regarding financial statements, as set by applicable law;
- overseeing accounting and bookkeeping organisation, generating and signing periodic accounting reports as required by law, including for purposes of reporting to the supervisory bodies, along with formulating and presenting economic-equity situations based on the generation of annual and semi-annual reports by the Board of Directors and the Supervisory Bodies;
- overseeing the proper assessment of the technical reserves (financial statements / plans / ORSA and forecasts), through the application of statistical-actuarial methods, and setting forth the technical relationships on the Solvency II reserves, on foreseeable earnings, on the reinsurance reserve deposits, and the relevant supervisory statistics. coordinating value-assessment activity for the new production (NBV), of the portfolio value (Value in Force), and the forecasts for the technical accounts, and assessments relating to foreseeable income and ALM.

In terms of quantifying the limits of persons' authority to represent Company, and how these are exercised, please review all current powers of attorney.

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Delegations of authority to the Vice General Manager of "Non-Auto Damage" and "Reinsurance"

In accordance with the resolutions of the Board of Directors and the Executive Committee, and the resolutions by the CEO, the Vice General Manager - Non-Auto Damages and Reinsurance, who reports to the General Manager - Technical and Operations Area, is vested with the responsibility for managing ordinary business operations relating to "Non-Auto Damages" and "Reinsurance" Management.

Delegations of authority to the Vice General Manager of "Non-Auto Damages" and "Reinsurance" include the following:

- providing support to the General Manager of the Technical and Operations Area in the development of

operations relating to the Non-Auto Damages for the Retail Units, Business, Agriculture, Special Risks, Specialty Line and is responsible for the business channelled through the brokers;

- participating in the creation of non-life product plans, and especially in the supervision of activities tied to product technical development, pricing, and regulations.
- providing support to the General Manager for the Technical and Operations Area in monitoring the non-life-underwriting process;
- Providing support to the General Manager for the Technical and Operations Area in reinsurance strategies and other risk-mitigation techniques;
- providing support to the General Manager for the Technical and Operations Area in setting contract terms and conditions, and pricing, for the non-life class;
- managing the procurement process.

In terms of quantifying the limits of persons' authority to represent Company, and how these are exercised, please review all current powers of attorney.

* * *

Notice to the Board

In accordance with Art. 2381 of the Civil Code, the Articles contemplate that the delegated entities advise the Council regarding activities as performed during the next board meeting, and on at least a quarterly basis.

The CEO, during meetings with the Executive Committee and/or the Board of Directors, shall report regarding activity undertaken in the exercise of his delegated authority. With respect to operations management, that mainly takes place through the presentation of periodic accounting summaries.

Including with respect to the provisions of the aforementioned Art. 2381 of the Civil Code, we further note that a specific disclosure to the Board of Directors is contemplated, generally on a monthly basis, with respect to more significant transactions, depending on their size or characteristics, carried out by the Company and its subsidiaries.

4.5 Other Executive Directors

We further note that, in accordance with the provisions of the Corporate Governance Code, given the presence of a Chief Executive Officer, who is qualified as an executive administrator, and the content of the Executive Committee's actual operations, members of the Board of Directors other than the CEO shall not be considered executive.

4.6 Independent Directors

As of 31 December 2018, of 18 Directors in office, ten were considered independent pursuant to the Code ⁽⁹⁾.

The assessment of independence criteria is conducted on an annual basis upon the approval of the Corporate Governance and Ownership Report.

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

⁽⁹⁾ On that point, please see note (4) herein.

Independent directors shall have the option to meet over the course of the financial year. One must also bear in mind that the heightened presence of independent Directors, together with the frequency of collegial meetings, allows for wide-ranging debate on issues over which the Board has jurisdiction in such settings.

With respect to what is contemplated in the Corporate Governance Code regarding the minimum number of independent directors (at least two for companies like Cattolica), Company as is noted *supra*, presents as a situation already compliant with Code provisions. The Board, however, has pledged to abide by the Code's provisions regarding the lists proposed by the same pursuant to the Articles, including with respect to the anticipated need to have various Board committees that count independent directors among their members.

Regarding the expectation, expressed in the Code, that the independent directors undertake to maintain that status throughout their term, and should they no longer hold such status, to resign, the Board for the time being believes it opportune to handle any such instances on a case-by-case basis.

4.7 Lead Independent Director

As the relevant criteria have not been met, currently no lead independent director has been identified.

In various resolutions to align with the Corporate Governance Code, there is an option for independent directors to handle the matter directly, should they see fit.

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5

HANDLING OF COMPANY INFORMATION

5.0 HANDLING OF COMPANY INFORMATION

In light of the significance of the market-disclosure protocols, the Board of Directors has for some time deemed it fitting to implement certain procedures for the same. These procedures have been gradually updated in order to adapt the intervening regulatory provisions - most recently, regarding EU Regulation no. 596/2014 of the European Parliament and Council of 16 April 2014 relating to market abuses and the related implementing provisions - as well as in light of the expertise accrued in this area.

Subject to the duties of confidentiality in processing corporate information, as reiterated in Company's Code of Ethics ⁽¹⁰⁾, the procedures, after having defined the notion of "privileged information", governs scope of authority and garrisons, on a both substantive and procedural level, regarding the identification/qualification of the same, internal management, and compliance with applicable regulatory prescriptions, including any public disclosure.

Press releases shall be published on Company's website.

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⁽¹⁰⁾ The document is available at "www.cattolica.it/codice-di-comportamento"

6

BOARD
COMMITTEES
(pursuant to Art.
123-*bis*,
paragraph 2,
subpart (d), TUF)

6.0 BOARD COMMITTEES (pursuant to Art. 123-bis, paragraph 2, subpart (d), TUF)

The following committees have been formed within the Board:

- Internal Control and Risk Committee;
- Compensation Committee;
- Related-Party Committee;
- Corporate Governance Committee;
- Investment Committee;
- Appointments Committee (formed 10/01/2019).

The Board may form transitional Commissions from within its ranks, determining the composition for the same in accordance with Art. 46 of the New Articles.

As part of the self-assessment phase, a review of the Board Committees' fitness is contemplated, which for the time being is confirmed.

Please note that the Board's pro-tempore Secretary will attend meetings of the aforementioned Boards as Committee Secretary, with the support of Company personnel and associates (generally speaking, executives) heading up those company functions involved in the issues being discussed on the agenda.

The following are details on the aforementioned Committees, not subject to specific processing in other parts of the Report.

All Committees are regulated by internal bylaws approved by the Board of Directors.

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Corporate Governance Committee

In August 2010, the Board of Directors formed the Corporate Governance Commission, which in May 2013 was converted into the Corporate Governance Committee. The Committee for Corporate Governance has investigative and consulting functions for the Board of Directors in term of determining Company and the Group's corporate-governance system, and the assessment of its efficiency, in accordance with the attributions recognised to other Committees formed within the Company's Board of Directors.

The Board of Directors, at the 16 October 2018 meeting, approved the amendments to the Corporate-Governance Committee bylaws, to vest certain proactive and consultancy functions in the Committee, including with respect to the issue of Corporate Social Responsibility, and changing the name to the Corporate Governance and Sustainability Committee.

The Committee is made up of the Chairman of the Board of Directors, the CEO, the Deputy Vice President, and the Secretary of the Board of Directors.

The presence of certain parties, both within and without Company, is made available by the Chairman, by agreement with the Chief Executive Officer on a case-by-case basis depending on the issues processed during the meeting.

The Chairman of the Board of Statutory Auditors, or a Statutory Auditor with the Board, if deputised by the Chairman, may take part in the meetings.

Secretarial duties are performed by the Board of Directors' pro-tempore Secretary or, in the absence and/or unavailability of the same, by the pro-tempore Executive who supervises the Company Secretariat, or by another Company employee ranking no lower than Functionary, selected by the Board Secretary, or in the alternative, by the Executive noted *supra*.

Over the course of 2018 the Corporate Governance Committee met eight (8) times.

*

Investment Committee

The Investment Committee, formed by board resolution of 13 May 2016, has investigatory and consultancy functions for the Board of Directors with respect to Company financial and real-estate investments, in accordance with applicable / pro-tempore provisions of statute, regulation, and the Articles, and the strategy established by the Board of Directors, in accordance with the attributions recognised to other Committees formed within Company's Board of Directors.

The Investments Committee is made up of the Chairman of the Board of Directors, the CEO, and by five (5) Directors identified by the Board of Directors having the skills needed to fulfil the duty, with respect to the various types of investments, amongst other considerations. Currently, in addition to Chairman Paolo Bedoni and CEO Alberto Minali, Committee members include Directors Giovanni Maccagnani, Carlo Napoleoni, Aldo Poli, Pilade Riello and Manfredi Turchetti.

Generally, the General Managers, Chief Financial Officer (CFO), and the Chief Investment Officer (CIO), as well as the Investments Director and the General Manager for Cattolica Immobiliare [Cattolica Real Estate], the subsidiary, take part in Committee meetings.

Secretarial duties are performed by the Board of Directors' pro-tempore Secretary or, in the absence and/or unavailability of the same, by the pro-tempore Executive who supervises the Company Secretariat, or by another Company employee ranking no lower than Functionary, selected by the Board Secretary, or in the alternative, by the Executive noted *supra*.

Over the course of 2018 the Investment Committee met nine times.

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7

NOMINATIONS
COMMITTEE

7.0 NOMINATIONS COMMITTEE

The Board of Directors, at the 10 January 2019 meeting, formed the Nominations Committee pursuant to Art. 46 of the New Articles, and is made up of the Chairman of the Board of Directors, the Deputy Vice President, and by other three Directors appointed by resolution of the Board of Directors. The majority of Committee members are independent as defined under the Code.

The Committee Bylaws contemplate that the same generate opinions for the Board of Directors review regarding the functioning, size, and composition of the same, and express recommendations regarding those professional figures deemed to be a good fit for Board membership, as well as the issues under Art. 1.C.3 and 1.C.4 of the Corporate Governance Code.

It is contemplated that the Committee propose a slate of Board member candidates for any co-opting scenario to the Board.

In addition to those described *supra*, the Committee is also tasked with the following duties and functions:

- overseeing investigations for forming candidate lists for Board positions to be nominated by the Annual General Meeting, expressing their opinion on the professional background to be required of the candidates;
- expressing their opinion regarding:
 - the formation and chairing of Board committees, unless otherwise required under the Articles and internal regulations;
 - the appointment and removal of the CEO, General Managers, Vice General Managers, and the Deputy Director charged with generating accounting documents pursuant to Art. 154-bis of Legislative Decree no. 58 (24 February 1998), and setting the related authority and allocating resources to the same;
 - appointment and removal of executives with strategic functions and the heads of control functions;
 - the Group Policy regarding character, fitness, professionalism, and independence requirements for corporate leadership, as well as regarding the maximum number of offices one may hold with other companies or organisation;
 - the self-assessment process, including the overall qualitative and quantitative fitness of the body, weighing in especially regarding the methods of performing the self-assessment, generating the results for the same with a view toward submitting it to the governing body, and availing itself of consultancy if and when needed;
 - the process to set succession plans for corporate and top-management positions;
 - the composition in terms of quality and quantity of subsidiaries' corporate bodies.

The Committee is made up of the following Directors:

- Paolo Bedoni Chairman
- Aldo Poli
- Bettina Campedelli independent
- Chiara Dè Stefani independent
- Nerino Chemello independent

*



COMPENSATION
COMMITTEE

8.0 COMPENSATION COMMITTEE

In 2001, Company formed the Compensation Committee.

The Compensation Committee has investigatory, consultancy, and proactive functions for the Board of Directors regarding Group compensation policies, in accordance with the authority vested in the CEO and/or other Committees instituted within the Board of Directors and Company; no managerial authority or duties have been delegated to the same.

It is made up of three non-executive directors, with the majority qualified as independent as defined under the Corporate Governance Code. At least one member shall have a sufficient background in finance, as determined by the Board of Directors upon appointment. The Committee Chairman is appointed from amongst the independent members by resolution of the Board of Directors.

The Chairman of the Board of Statutory Auditors, or a Statutory Auditor with the same, as the Chair's deputy, shall take part in the meeting; other members of the Board of Directors, Board of Statutory Auditors, the Deputy Director charged with generating corporate accounting documents, other members of the infrastructure, a member of the Legislative Decree no. 231/2001 supervisory board may be invited to participate generally, or with respect to specific agenda items.

Secretarial duties are performed by the Board of Directors' pro-tempore Secretary or, in the absence and/or unavailability of the same, by the pro-tempore Director who supervises the Company Secretariat, or by another Company employee ranking no lower than Functionary, selected by the Board Secretary, or in the alternative, by the Director noted *supra*.

The Committee may rely on external compensation-policy experts, provided such experts do not provide simultaneous support to the HR department, to directors or executives with strategic responsibilities under the form of consultancy or services significant enough to compromise their independent judgement.

The Compensation Committee presently includes the following Directors:

- Luigi Mion, Chairman, and as noted *supra*, independent;
- Paola Grossi, independent;
- Alessandro Lai.

The personal and professional characteristics required of the Code are held with the Board upon their appointment; Paragraph 4.2 provides a summary of the same.

Directors shall recuse themselves, or refrain from attending any meeting wherein resolutions regarding their own compensation are being discussed.

The Compensation Committee, over the course of 2018, met twelve (12) times. On average, the meetings lasted one hour and twenty minutes ⁽¹¹⁾. In addition to the aforementioned persons, the Chairman of the Board of Statutory Auditors was invited to attend, who personally attended all meetings (one of the meetings was also attended by two Statutory Auditors). Over the course of 2019, and as of today, five (5) meetings have been held.

⁽¹¹⁾ For details on individual participation, please see Table 2.

The following duties are incumbent on the Compensation Committee:

- (i) conducting periodic assessments regarding the fitness, overall consistency, and the concrete application of the general policies adopted for the remuneration of executive directors, of other directors vested with specific executive offices with strategic responsibilities, availing themselves in that last regard of information provided by CEO; submitting proposals on such matters to the Board of Directors;
- (ii) submitting proposals on compensation for executive-administrator directors and other administrators holding specific offices, as well as the setting of performance objectives relating to the variable component of such pay; monitoring the application of decisions adopted by the Board itself, assessing in particular whether performance objectives have been reached;
- (iii) submitting proposals to the Board of Directors regarding compensation to be paid to managers and directors vested with special functions, as well as members of certain committees and bodies;
- (iv) conducting periodic assessment for criteria adopted for the compensation of subsidiary corporate bodies, and submitting opinions and suggestions on these matters to the Board of Directors;
- (v) conducting specific enquiries as may be requested from time to time by the Board of Directors or by the CEO regarding compensation;
- (vi) developing Board of Director resolutions regarding fee, compensation, and incentive-related proposals to be submitted to the Annual General Meeting;
- (vii) according to what is contemplated by the procedure for the management of related-party transactions, express an advance opinion under Art. 7 of the CONSOB Regulation for decisions relating to allocation compensation and economic benefits in any capacity, to members of the Board of Directors and executives with strategic responsibilities, other than those passed at the Annual General Meeting;
- (viii) generating advance opinions on the content of the compensation report to be provided to the public in accordance with applicable provisions, and any other information document provided it is intended for public disclosure regarding compensation;
- (ix) carrying out other tasks, functions, and activities attributed to it for the Board of Directors or as required by applicable provisions of law or regulation

The Committee is tasked, in accordance with the provisions of ISVAP39 Regulation of 9 June 2011, incorporated into IVASS Regulation no. 38 of 3 July 2018, with the following functions:

- verifying executive-director compensation proportionality with respect to executives and with respect to company staff;
- verifying, should the business avail itself of external experts for the determination of compensation policies, that they do not contemporaneously provide other consultancy services to directors or entities involved in the decision-making process.

The Committee, over the course of FY2018: (i) reviewed compensation policies with respect to the aforementioned ISVAP Regulation no. 39/2011; (ii) reviewed the proposal for setting compensation for the General Manager as part of the termination of the related offices; further examined proposals relating to the economic conditions, and the variable component of CEO compensation and that of the new General Manager; (iii) examined, for purposes of the Board of Statutory Auditors re-election, a proposal for setting member compensation.

Minutes are duly kept of Compensation Committee meetings. The Committee Chairman shall deliver, at the first convenient Board of Directors meeting, an update on meetings held by the Committee.

The Compensation Committee is granted to the right to access company information and functions as necessary to carry out its duties, as well as to avail itself of external consultants, an option that it has exercised (upon verification of the consultant's independence) in order to secure an overall validation of the compensation policies.

Until now, no need to allocate specific financial resources to the Compensation Committee has been necessary.

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9

DIRECTOR COMPENSATION

9.0 DIRECTOR COMPENSATION

With ISVAP Regulation no. 39/2011, the industry's supervisory authority has established rules for compensation policies in the insurance sector. Compensation-related rules are now set forth in IVASS Regulation no. 38, issued on 3 July 2018, which repealed prior ISVAP Regulation no. 39, and incorporates in part the provisions of the Code with specific reference to the pre-arrangement, under the direction of the Board of Directors, of a report on compensation policies subject to the assembly's approval, and the Compensation Committee's report, contemplated for the largest and most complex companies, composed on non-executive directors, the majority of which shall be independent.

CONSOB, in December 2011, enumerated dispositions applying the rules of Art. 123-ter of TUF, as amended by Legislative Decree no. 259 (30 December 2010), regarding the Assembly's compensation.

Therefore, please see the aforementioned reports made available for the Assembly beginning in 2012 for profiles relating to the compensation policy.

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Severance fees for any resignation, termination, or closing of the relationship following a public offering (pursuant to Art. 123-bis, paragraph 1, subpart (i) of TUF)

There are no Company-Director agreements that contemplate severance packages for any resignation or termination without just cause, or where their work relationship ends following an initial offering.

With respect to the position of the current CEO Alberto Minali, as part of negotiations at the appointment stage (1 June 2017) a severance package totalling 15% of total gross compensation received for any reason, over the course of the financial year in the roles of Director and CEO, remains in place. An end-of-service bonus is likewise contemplated, equal to two times the total emoluments distributable over the course of the year, included variable components, contemplated at the time the relationship ends ⁽¹²⁾.

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⁽¹²⁾ The bonus shall not accrue when the office is terminated due to the revocation of the powers of attorney or the director's removal, in either case for just cause, or by voluntary resignation (except in instances where the resignation for just cause is attributable to Company).

10

INTERNAL
CONTROL
AND RISK
COMMITTEE

10.0 INTERNAL CONTROL AND RISK COMMITTEE

Company formed the Internal Control Committee in 2001. Pursuant to a resolution passed in the month of December 2012, as part of its incorporation of the Corporate Governance Code then in effect, and which indeed remained unvaried thereafter on the point, the Committee took on the functions and name of the Internal Control and Risk Committee.

The Internal Control and Risk Committee has investigatory, consultancy, and proactive functions with respect to the Board of Directors regarding the determination of guidelines for internal-control systems and risk-management systems, in verifying the adequacy and functioning of the same, for identifying and managing key company risks and other specific matters relating to the same; no powers of attorney or managerial duties are vested in the same.

It is made up of three non-executive directors, with the majority qualified as independent. At least one member shall have a sufficient background in finance and accounting, as vetted by the Board of Directors upon appointment. The Committee Chairman is appointed from amongst the independent members by resolution of the Board of Directors.

Taking part in the Committee meetings are the Chairman of the Board of Statutory Auditors or other Statutory Auditor deputised by the same, as well as - generally speaking - the CEO, Chief Risk Officer, the head of the Audit function, and the heads of other internal control functions. Board members from subsidiaries (to conduct activities identified in the resolution on the risk-tolerance system falling within the aegis of the Parent Company's Internal Control and Risk Committee) may be invited as well as other members of the Company's Board of Directors and the Board of Statutory Auditors, the Director charged with generating corporate accounting documents, a member of the Legislative Decree no. 231/2001 Supervisory Board, as well as other persons from within the company's infrastructure. The General Manager(s) may also be requested to participate. In meetings regarding the monitoring of the risk-tolerance resolution - issued in accordance with the Company's Risk-Management Policy, and in accordance with the Solvency II Directive, and the necessary corrective actions, Company's Top Management is represented by at least one of its members, unless the Committee determines otherwise.

Secretarial duties are performed by the Board of Directors' pro-tempore Secretary or, in the absence and/or unavailability of the same, by the pro-tempore Executive who supervises the Company Secretariat, or by another Company employee ranking no lower than Functionary, selected by the Board Secretary, or in the alternative, by the Executive noted *supra*.

The Internal Control and Risk Committee presently includes the following Directors:

- Bettina Campedelli, Chairman, and as noted *supra*, independent;
- Barbara Blasevich;
- Angelo Nardi, independent.

Directors' professional characteristics and skills, with specific reference to accounting and finance material, are noted by the Board at the moment of appointment; Paragraph 4.2 provides a summary of the same.

Over the course of 2018 the Investment Committee met nineteen (19) times. On average, the meetings lasted two hours and twenty-two minutes ⁽¹³⁾. In addition to the persons noted *supra*, the meetings were attended by the heads of internal-control functions, the members of the Board of Statutory Auditors and, as to some of these, the CEO as well as the General Managers. Eighteen meetings (of which five have already been held) are slated for 2019.

⁽¹³⁾ For details on individual participation, please see Table 2.

Amongst the functions assigned with greater detail to the Committee are as follows:

- (i) expressing an opinion to the Board of Directors when the latter is called upon to:
 - a. set the guidelines for the internal-control and risk-management system, in order to allow for the key risks relating to Company and its subsidiaries to be properly identified, as well as sufficiently measured, managed, and monitored through the use of proper information flows for the circulation and management of data, further gauging the compatibility of such risks with Company and Group management that aligns with those strategic objectives and risk propensity as may be identified from time to time;
 - b. assess, at least once per year, the sufficiency of the internal-control and risk-management system with respect to Company and Group characteristics, and in accordance with the assumed risk profile, as well as its efficacy;
 - c. approve, on at least an annual basis, the work programme - if contemplated - pre-arranged by the Heads of Internal Control Functions, with the input of the Board of Statutory Auditors and the CEO;
 - d. describe, in the corporate-governance report, the key characteristics for the internal-control and risk-management system, and the method of coordinating all involved parties, expressing its assessment on the fitness of the same;
 - e. assess, with the Board of Statutory Auditor's input, the auditor's findings within any letter of suggestions and in the report on fundamental questions that had emerged during the audit;
 - f. appoint heads of Internal-Control Functions, ensuring that the same are equipped with sufficient resources to carry out their own duties, and moreover that they are compensated in accordance with company policies; make arrangements regarding their removal as necessary; with reference to the head of the Internal-Audit Function, the opinion must be satisfactory;
- (ii) provide help, support and assistance, with proper investigatory activities, to the Board of Directors:
 - a. in establishing directives, on a Company or Group level, regarding the internal-control and risk-management system, and for reviewing the same, so that the strategies and policies relating to risk identification, assumption, assessment, and management appear to be sufficient, and a sound and prudent management of the business;
 - b. in the assessments and decisions relating to the approval of the periodic financial reports;
 - c. assessing, together with the Deputy Director charged with the generation of the corporate accounting documents, with the input of the internal auditor and the Board of Statutory Auditors, the proper use of the accounting principles and their homogeneity for purposes of generating the consolidated financial statements;
 - d. expressing opinions on specific aspects relating to identifying key risks to the company, assessing scenarios and hypotheses used for stress tests and the periodic analysis carried out in accordance with the risk-management policy;
 - e. examining periodic reporting from the Internal-Control Functions;
 - f. monitoring the autonomy, sufficiency, efficacy, and efficiency of the Internal-Control Function;
 - g. reporting, at least once per semester, during the approval of the annual and biannual financial reports on activity as performed, on the efficacy and sufficiency of the internal-control and risk-management system; without prejudice to the requirement that any significant issue be brought to the attention to the governing body post-haste;

- h. in assessing and making decisions relating to the management of risks arising from prejudicial facts on which the Board of Directors was on notice;
 - i. supervising adherence to the principles and values contained in the Company's Code of Conduct;
 - j. verifying that the Internal-Control Functions are ensured the necessary autonomy, means, and resources sufficient for the exercise of their duties;
 - k. in verifying whether the activities concerning the implementation and sufficiency of the internal-control and risk-management system by Top Management, composed of the CEO and General Managers;
- (iii) proposing and providing instructions to the Board of Directors regarding decisions on structural interventions upon the occurrence of specific scenarios contemplated in the Risk-Tolerance resolution;
- (iv) examining:
- those proposals - properly documented - from Top Management on the activation of scenario analyses, and sensitivity to the occurrence of specific scenarios contemplated in the Risk-Tolerance resolution;
 - Top Management proposals regarding structural action to be undertaken upon the occurrence of certain situations, as described in the Risk-Tolerance resolution (iii);
 - with respect to both scenarios described *supra*, the Committee may ask Top Management to identify, assess, and analyse the alternative proposals/solutions;
 - reports on complaints, providing all related observations and proposing potential resolutions to the Board of Directors;
- (v) suggesting to the governing body, with respect to specific areas falling under its own aegis, all initiatives convenient for the management of issues and problems brought to its attention;
- (vi) carrying out other tasks, functions, and activities attributed to it for the Board of Directors or as required by applicable provisions of law or regulation, and including but not limited to:
- monitoring the activities of the Deputy Director tasked with generating accounting documents;
 - verifying the delegation-of-authority system, and the exercise of delegated powers, as well as the implementation of an appropriate separation of functions;
 - periodic monitoring of the execution of plans scheduled by the Internal-Control Functions;
 - supporting the Board in verifying the adequacy and functioning of the Own Risk and Solvency Assessment (ORSA).

With respect to the subsidiaries, auditing the internal-control system and risk management falls to the respective governing bodies.

The Committee may be tasked with other duties at the Board's discretion.

The Internal-Control and Risk Committee avails itself, including as part of the meetings coordinated with the same, of the support of the Internal Control Functions, which may be asked to perform assessments and verifications on specific areas of operations, as well to generate supporting documents.

In the performance of its functions, the Internal Control and Risk Committee has the option of accessing the information and company functions necessary for the performance of its duties, or to outsource such operations to external experts at the Company's expense at the Committee's discretion, an option that the latter did not exercise over the course of the most recently ended financial year.

Minutes are duly kept of Internal-Control and Risk Committee meetings. In addition to what is indicated in point (ii), subpart (g), the Committee Chairman shall also deliver, at the first convenient Board of Directors meeting, an update on meetings held by the Committee. The Committee Chairman shall regardless report to the Board of Directors regarding any request or need relating to the Committee activities that might be formulated within the context of Board function, or when the same Committee Chairman believes it opportune.

The Committee bylaws contemplate that the latter shall have a budget made available to it by the Board of Directors to discharge its assigned duties.

Activities undertaken during FY2018 involved:

1. Support activities regarding the Board of Directors regarding:
 - the setting of directives involving the internal-control and risk-management system;
 - the description of the structure and functioning of the internal-control and risk-management system in the Corporate Governance System and expression of the contemplated fitness assessment;
 - assessment of the control procedures as implemented;
 - assessment of the degree of autonomy and the sufficiency of resources allocated to the Control Functions;
2. A review of:
 - annual work plans regarding Internal-Control Functions and the updates to the same;
 - periodic reporting from the Internal-Control Functions;
 - reports on complaints.
3. Expressing opinions on:
 - conveyance of authority to parties tasked with internal control;
 - identification and monitoring of company risks;
 - design and management of the internal-control system.
4. Assessment of the proper use of accounting principles jointly with the Deputy Director charged with generating accounting documents.

The specific content of the activities realised by the Committee in the aspects of greatest impact involved the following areas:

1. Governance processes and corporate documents;
2. Strategic planning processes (an assessment of Internal-Control and Risk Management System);
3. Internal Control and Risk Management System;
4. Financial reporting processes.

The specific contents of the activity relating to the Committee are, in any case, described in detail in the meeting minutes, and are promptly referred over the course of the Board meeting by the Chair of the Committee itself.

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11

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

11.0 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Company complies with indications regarding internal-control instructions contemplated by the Corporate Governance Code, in accordance with the provisions of the Code of Private Insurance, as well as those issued by the Supervisory Authority in the insurance segment through ISVAP Regulation no. 20/2008, which replaced IVASS Regulation no. 38 of 3 July 2018.

The internal-control system (hereinafter also denoted "System"), integrated within the corporate-governance system, is composed of the set of rules, procedures, and organisational structures aimed at ensuring the proper functioning and the proper performance of the Parent Company and the businesses constituting the Insurance Group, ensuring furthermore:

- efficiency and efficacy of company procedures;
- sufficient control of current and prospective risks;
- the promptness of the corporate-disclosure reporting system;
- the reliability, integrity, and security of company, accounting, and management information, and the IT procedures;
- safeguarding company assets, including for the medium-long term;
- company compliance with applicable law, self-regulation, and company procedures;
- the prevention of the risk of unlawful acts being committed (including with reference to Legislative Decree no. 231/2001).

The System is laid out in accordance with the principles of proportionality in accordance with the nature, scope, and complexity of present and future risks inherent to business operations, or any type of risk identified within a medium-long term, and with an asset-protection perspective.

The actual implementation of the System - in terms of the performance and exercise of those control devices, mechanisms, procedures, and rules - is extensive in nature, and is integrated into company infrastructure; staff are engaged insofar as their assigned job duties and responsibilities.

Company, as the Parent Company, demands that its subsidiaries comply with guidelines regarding the internal-control system, provided in the exercise of its direction and control activities.

The key guidelines that characterise the System, bearing in mind the different applicable rules, and various sectors of activity, are delineated as follows:

- pervasiveness and unambiguousness, as described in the breakdown of the control levels appearing *infra*;
- segregation of duties and responsibilities: the skills and responsibilities are divided between company entities and infrastructure in a meticulous manner, thereby avoiding any gaps or overlaps that might impact company functioning; the segregation of duties is further a mechanism to manage potential conflicts of interest and prevent the excessive concentration of powers in a single person or facility;
- formalising the deeds: the work of corporate bodies and the delegated parties is documented in order to allow for supervision over acts of management and the decisions made;
- the independence of controls: the necessary segregation of the Control functions is ensured with respect to the operating units, including through appropriate organisational placement;

- internal-control culture: adherence to the principles of lawfulness and integrity are ensured, first and foremost, by the adoption of the Internal Code of Conduct directed to corporate bodies, to staff, and to other stakeholders.

The Cattolica Group, in line with more advanced governance systems, has adopted for its own System a three-level supervisory structure, in response to the goal of specific and differentiated controls, contributing to the overall proper functioning of the same. Their definition is as follows.

- **First Level.** This type includes the controls inherent to operating processes which require specific business competencies, or of the relevant risks and/or regulations; also defined as operational controls, line controls, or permanent controls, they involve checks carried out by the person performing a specific activity, and the person responsible for its supervision, generally within the same organisational unit. These are the controls performed by the same operating structures, also in the form of self-checking, or are incorporated in automated procedures, or performed as part of back-office activities. These controls shall be defined within the organisational procedures that describe the business processes; first-level controls are present in each business activity or function and are the responsibility, firstly, of the executive responsible for the individual organisational unit. Company's organisational function supports the definition and implementation of this system.
- **Second Level.** Such controls, which are also known as "periodic" controls, oversee the process of identification, assessment, and management of risks tied to operations, ensuring compliance with company objectives and respond to the need for segregation, which in turn allows for effective monitoring. Controls are carried out by specialised structures which define risk management policies and assessment methods for risk management and operating limits, in cooperation with the managing body and the operational departments, as well as control over operational compliance with objectives, the risk levels defined by company bodies with oversight over the same. These are functions established under the Private Insurance Code, as most recently amended by Italian Legislative Decree no. 74 of May 12, 2015: the Risk Management, Compliance, and Actuarial functions. Additional structures and parties which have control duties envisaged by other legislative sources and which carry out their activities with different degrees of independence and segregation from the operating functions and the company control functions are the Anti-Laundering function, instituted pursuant to ISVAP Reg. no. 41/2012 in insurance companies exercising the Life classes, and the Deputy Director charged with the corporate accounting documents, instituted pursuant to Legislative Decree no. 58/98 (Consolidated Financial Intermediation Law).
- **Third Level.** Provides overall assurance on the design and functioning of the internal control system through independent evaluations. Monitors and assesses the efficacy and efficiency of the system and its needs for adaptation, providing (additionally) support and advisory activities for the other company functions. Periodic control activities conducted by the Internal Audit Function include the assessment of the adequacy and efficacy of the additional components of the corporate-governance system and extends to the functionality and adequacy of the first- and second-tier garrisons.

In establishing the internal-control infrastructure, Company instituted the Internal Audit, Risk Management, Compliance, Actuarial Function, placing them in a position to report directly to the Board, as coordinated by the Group's Chief Risk Officer (C.R.O.) ⁽¹⁴⁾, positioned to report directly to the CEO in his function as Director charged with the internal-control system in accordance with the provision 7.C.4 of the Issuers' Corporate Governance Code, in order to operate in a coordinated fashion that avoids overlaps, and ensures the most effective integrated management of company risks. The Anti-Money-Laundering function reports to the Chief Risk Officer.

(14) At the beginning of 2019, the role of C.R.O. was eliminated with a view toward establishing a more direct relationship of the Control Functions toward the Board.

For the second- and third-tier internal-control function, formed pursuant to insurance-industry rules, the Board of Directors has established an organisational infrastructure that is based on the centralisation within a Parent Company organisational unit, in order to allow for consistency in the adoption of policies, procedures, and methodologies for risk management and controls.

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The Board of Directors, vested pursuant to Criterion 7.C.1 of the Corporate Governance Code with the task of setting guidelines for the Internal-Control System, carries out such task through the approval of an internal-control policy system, drafted pursuant to Art. 5, paragraph 2, subpart (d) of IVASS Regulation no. 38/2018.

Verification activities on the Internal Control System are carried out through the direct monitoring on the part of the organisational unit heads as part of their own roles and their own skills and through the specific audit interventions, planned on an annual basis and performed by the Audit function.

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In terms of risk management, we note that the Board established - for the benefit of the Group as well - a risk-management process, bearing in mind the objectives of the industrial plan and the annual budget, predicated on the following elements:

- 1) analysis of the risk map (identification and assessment of the risks);
- 2) definition of the Risk Tolerance level;
- 3) definition of policies for the undertaking and handling of risks;
- 4) definition and assignment of the operating limits (monitoring and mitigation of the risks);
- 5) methods for measuring the risks.

In particular:

1) Analysis of the risk map (risk identification and assessment)

Company continually gathers information on risks to which it is exposed. That activity is conducted by the Risk-Management Function, in accordance with the heads of operational areas tasked with risk management relating to the area falling within their aegis (Risk Owner) through the analysis of processes attributable to it, which present significant risks, as well as the identification of individual events that are sources of risk and the related controls placed to monitor the same. The risk-identification operational processes are set forth in the individual risk-management policies.

The categorisation of risks aligns with the taxonomy contemplated by ISVAP Regulation no. 20/2008 (now IVASS Regulation no. 38/2018), properly adjusted based on the Solvency II regulation. Furthermore, risks relating to the Group's non-insurance companies understood as risks attributable to the Group's instrumental businesses that are not regulated by insurance-industry regulations.

Finally, the emerging risks are subject to study and analysis, understood as new risks, or risks which are beginning to manifest themselves, difficult to quantify in terms of frequency and impact, and whose impact is potentially significant for Company and/or the insurance industry at large.

2) Definition of the Risk Tolerance level

Bearing in mind the findings of the risk and solvency assessment, and in line with the risk-management objectives, the medium-long term risk tolerance understood as the risk level that the Group and each Group Company intends to assume for the pursuit of their respective strategic objectives, has been defined. Risk tolerance is specified by setting the thresholds and the related monitoring and escalation procedures.

3) Definition of policies for the undertaking and handling of risks

The main aim of the risk-management strategy is to ensure the fulfilment of commitments to customers, Members and, more generally, all the stakeholders (employees, distribution networks, etc.).

4) Definition and assignment of the operating limits

The operating limits define, in detail, the maximum risk exposure allowed by operational structures, in accordance with the risk-tolerance level, both in quantitative and qualitative terms; these therefore limit the management activity both during the assumption and management of risks. The operational limits are defined by Top Management with the support of the Risk-Management Function.

5) Methods for measuring risks

Within the risk-management process, the methodologies to be adopted for the management and assessment of risks are established. To that end, the Risk-Management Function avails itself of different types of analysis:

- calculation metrics of the required Solvency II capital;
- assessment of the impact generated by adverse market transactions (sensitivities) on the solvency coefficient according to the Solvency II rules, and bearing in mind the set risk-tolerance levels;
- scenario analysis;
- stress tests.

In accordance with the Group risk profile, the scenarios for FY2018 have been defined with respect to market risks and compliance for technical-damage and illness risks.

11.1 Director charged with running the internal-control and risk-management system

The CEO is tasked with supervising the Control and Risk-Management System, and in accordance with the Corporate Governance Code, is vested with all powers that allow him to discharge these control duties.

The CEO carries out, according to the modalities stated *infra*, his own identification and monitoring activities for the key risks or related control systems.

Within that context, emerging needs for adjusting the system to keep pace with operational dynamics and the legislative and regulatory panorama are kept in mind.

The CEO acquires information useful for such purposes, in addition to specific reporting, from the internal-control functions and bodies, by participating in management committees and meetings, and meetings with the Deputy Director charged with the generating of corporate accounting documents, as well as the Heads of Internal Control Functions.

The CEO may ask the Internal Audit Function to perform audits on specific operating areas within Company or company operations, according to the methods set forth in the Function policy.

The Internal Control and Risk Committee Bylaws contemplate that the CEO might request to sit on the Internal Control and Risk Committee.

Please note, finally, that the CEO handles interactions with Supervisory Bodies for internal controls, directly supervising interactions with the Authorities in question, and taking all related initiatives falling within his span of authority.

11.2 Head of the Internal Auditing Function

Beginning 3 April 2018, Fabio Batista stepped into the role of Head of the Internal Audit Function, replacing outgoing Enrico Parretta. The new head of the Internal Audit Function was appointed by the Board of Directors, on motion of the Chairman and CEO, following receipt of a favourable opinion of the Internal Control and Risk Committee and the Board of Statutory Auditors.

The Internal Audit Function assesses and monitors the efficacy, efficiency, and sufficiency of the internal control system and additional components of the corporate-governance system, and any necessity for adjustment, including through support operations and consultancy to other company functions. It adopts a systematic professional approach aimed at assessing the control, risk management and corporate governance processes, in compliance with the Code of Conduct and the professional ethics, on a consistent basis with the Professional Practices Framework issued by The Institute of Internal Auditors. The function has implemented a quality-management system pursuant to regulation UNI EN ISO 9001:2015.

The Internal Audit Function is made up of a specific organisational unit and is placed at the service of the Board of Directors to ensure independence and autonomy with respect to the heads of operational units, as well as other fundamental functions. Operational roles are not given to the Head of a Function.

The operational tasks, responsibilities, and methods for the Function are established through the internal-review policy approved by the Board of Directors, which also includes, amongst other provisions, freedom of access to all designated parties to company structures and documentation germane to the company activity subject to control, including information useful relating to peripheral structures, the sales network, and those to verify the sufficiency of controls conducted on outsourced company operations.

The head of the Function has drawn up the annual programme applying a risk-based approach criterion which made the definition of the priority areas to be submitted for investigations possible on a consistent basis with the mapping of the main risks to which the company is subject. The plan includes activities to be conducted in accordance with regulatory duties, and a margin to tackle unforeseen auditing needs; it is subject to the approval of the Board of Directors, with the input of the Internal Control and Risk Committee, prior to the financial year in question.

The head falls, in terms of specific function objectives, into the incentivisation system contemplated for executives in accordance with the compensation policy approved by the Members Assembly. The allocation of financial, human, and technological resources in terms of budget to the head is made in a manner befitting the nature, scope, complexity, and development objectives for the business and the group, in accordance with the pursuit of the goals of assessing and monitoring the internal-control and corporate-governance system established in the annual-audit plan. Financial resources are defined within the company budgeting process and relate mainly to the expenses for the ordinary office activities, including the expenses for travel and transfer.

With reference to FY2018, in accordance with the internal standards established for the Function's policy, the head presented to the governing, directive, and control body, upon submission to the Internal Control and Risk Committee, those quarterly reports and the annual report that summarise - in accordance with the activity programme - all activity as performed, completed audits, findings of the same, issues found, and the recommendations made for their resolution, as well as the status and timeline for implementing the improvements, if made.

The audits involved, in accordance with the audit plans, both those company-management processes, including but not limited to organisational procedures aimed at verifying the internal-control system to prevent internal and external fraud, the IT systems and the accounting records of managerial processes, as well as peripheral processes, including the placement of insurance products in distribution networks, and liquidation of adverse events on the part of the dedicated offices.

11.3 Organisational Model pursuant to Legislative Decree no. 231/2001

The Parent Company, the Italian subsidiary insurance companies and the main instrumental companies of the Group - not being subject to sector regulations - adopted an Organisation, Management and Control Model, in accordance with Italian Legislative Decree no. 231 of 8 June 2001 (hereafter the "Model").

With reference to the Issuer, the Model - pursuant to Board resolution 26 April 2018, has been adjusted to align with organisational and regulatory changes arising since the date of its last approval, passed on 11 July 2014. The updating procedure for the Parent Company and the subsidiaries are continuously updated, in line with the evolution of the Group's corporate and regulatory framework.

Over the course of the year, in addition to the update of Cattolica's organisational model, the Models for the following subsidiaries have likewise been updated: ABC Assicura, BCC Assicurazioni, BCC Vita, Berica Vita, Lombarda Vita, TUA Assicurazioni.

It is reasonably likely that within the first half of 2019, the Organisational Models of other Group companies will likely be updated.

The updating programme has been coordinated by the Compliance Function and the Organisation with the support of a top-tier consultancy firm.

The work in question was broken down into three phases: a first phase relating to a preliminary assessment regarding the work modalities pursuant to the current Model and the regulatory framework, and internal company procedures; a second phase involves meticulous identification of necessary updates to the document (introduction of new categories of crime / intervening organisational changes); a third phase involves the Models' General Part and Special Part being generated by the Companies involved in the project.

That project has involved, first and foremost, top managers for the company, the respective supervisory entities, and the individual process owners, in order to create buy-in and standardisation.

Over the course of FY2018, Company entered into, and organised, the standard training required under Legislative Decree no. 231/2001, on the platform, geared towards all employees of the Cattolica Group.

The activities needed for an effective implementation of the Model are the following:

- definition of ethical principles with respect to behaviours which may be considered as criminal conduct according to the Decree: to this end, a specific Code of Conduct has been adopted;
- definition of corporate processes which may create the conditions, the opportunities or the means to commit crimes or instrumental activities;
- definition of staff training methods;
- definition of the information to be provided to the sales network, Service companies and other third parties cooperating with the Company;
- definition and implementation of disciplinary measures with the aim to sanction failure to comply with the provisions of the Model and characterized by suitable deterrence;
- identification of a Supervisory Body and assignment of specific monitoring tasks for the effective and efficient operation of the Model. This Body shall have a "mixed collective composition" - an external Chairman for the Parent Company, another external member and two internal members, temporarily responsible for the Functions of Internal Auditing and Compliance Verification;
- definition of ordinary and extraordinary information flows towards the Supervisory Body.

Regarding what is set forth in the Code in terms of the Supervisory Body's functions, we note that the Board of Directors, as of this writing, believed it preferable not to vest the Board of Directors with the functions of a Supervisory Body under Legislative Decree no. 231/2001, given that this would increase the already demanding functions of the Board of Statutory Auditors and the presence of another control body facilitates the internal dialogue and surveillance, even if a higher level of coordination is needed.

11.4 Independent Auditors

The retained auditing firm is Deloitte & Touche S.p.A. The related engagement, for FY2012-2020, was approved upon motion of the Board of Statutory Auditors at the Assembly of 21 April 2012.

11.5 Deputy Director charged with generating company accounting documents; other company positions and functions

The Articles contemplate that the Deputy Director tasked with generating accounting Documents must have sufficient background in administration, accounting, and finance. That expertise, to be vetted by the same Board of Directors, must have been acquired through professional experience in positions of sufficient responsibility over at least a three-year period.

The current Deputy Director, Enrico Mattioli, who also holds the office of Chief Financial Officer, was appointed through Board resolution of 28 January 2018; until that date, an analogous position was governed by General Manager Marco Cardinaletti.

The Deputy Director is charged with establishing, in coordination with Top Management, sufficient administrative and accounting procedures as needed to generate the financial statements, the consolidated financial statements as well as other finance-related disclosures, availing himself for such purposes of the collaboration of competent structures within the Companies, including for purposes of a general coordination of the work. To that end, autonomous spending power has been established; however, approval by the designated corporate bodies shall be required.

The Deputy Director has been authorised, including as against the subsidiaries, to: (i) request (and acquire) information and data from the individual company functions involved in the arrangement, implementation, application, and control of administrative and accounting procedures, and/or involved in processes relating to the generating of the financial statements and the consolidated financial statements, and more generally any company function with reference to information or data that might have an effect on the Group and Company's economic, equity, and financial position (both at the same or higher levels in the chain of command, as well as lower levels not directly reporting to the same); (ii) conduct audits and controls regarding the application of administrative and accounting procedures, including where the same involve processes managed by functions that do not report directly to him.

For more information on other company roles and functions with specific tasks regarding internal control and risk management, please refer to information in paragraphs *supra*.

11.6 Coordination amongst parties involved in the internal-control and risk-management system

The Board of Directors, as part of the establishment of directives for the internal-control system, contemplates information exchanges amongst various corporate bodies and other entities vested with control functions. Meetings on topics of common interest to the Board of Statutory Auditors for the different Group companies, as well as the collegial meetings of the entities and the Internal Control Function, as convened by the Board of Statutory Auditors, are scheduled. The link between the internal-control functions with the corporate bodies has also been established through the invitation, geared towards the heads of the respective Functions, to participate in the board meetings on a quarterly basis to describe the results of their operations, and plans for future efforts.

Likewise, in place are procedures to create connections amongst the same internal-control Functions, which also identify opportunities for informational exchanges on a periodic basis, or upon the occurrence of any particularly serious situations, in order to guarantee sufficient coordination and efficacy, in addition to pursuing maximum disclosure and mutual transparency.

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12

DIRECTOR
INTERESTS AND
TRANSACTIONS
WITH RELATED PARTIES

12.0 DIRECTOR INTERESTS AND RELATED-PARTY TRANSACTIONS

On 29 November 2010, in accordance with the provisions of CONSOB Regulation no. 17221 of 12 March 2010, subsequently amended by Resolution no. 17389 of 23 June 2010, the Board of Directors, in accordance with a positive opinion of the internal committee formed specifically in accordance with the aforementioned regulations, approved the "Procedure for the management of related-party transactions" (the "Procedure"), most recently updated on 20 December 2016, and available for review on Company's website ⁽¹⁵⁾, applies to those situations contemplated under the aforementioned CONSOB regulation, except in those cases where waivers are authorised by Board resolutions insofar as the regulation grants them such authority.

However, in consulting this document for additional details, the following qualifying factors should be noted:

- 1) an ad hoc Related Parties Committee is envisaged, distinct from other committees within Cattolica, composed entirely of directors recognised by the Company as independent pursuant to the Corporate Governance Code; for resolutions concerning compensation, the functions envisaged by the regulation are assigned to the Parent Company's Remuneration Committee;
- 2) the Annual General Meeting approved the Articles of Association regulation regarding the possibility of submitting for the approval of the Annual General Meeting any significant transactions for which the Related Parties Committee has expressed a negative opinion (known as "whitewashing"), also providing that the Shareholders' Meeting may withhold authorisation for the transaction only if at least 2.5% of unrelated members are present (constituent quorum);
- 3) The following are exempt from the Procedure:
 - a. Small transactions, whose value is less than € 250 thousand;
 - b. Ordinary transactions concluded at conditions equivalent to market or standard;
 - c. Compensation plans based on financial instruments, possibly approved by the Annual General Meeting, as well as remuneration of directors with special functions and executives with strategic responsibilities, under the conditions of exemption envisaged in the regulation (Art. 13, para. 3, point b) are applied;
 - d. Intercompany transactions, with no significant interests from parties related to the Parent Company, other than Group companies.

Specific surveying procedures of related parties, and preventative interception of transactions, and quarterly ex-post monitoring of transactions undertaken which are not subject to preventative investigation.

Over the course of FY2018, Director Giovanni Maccagnani chaired the Related-Party Transactions Committee, with Bettina Campedelli and Paola Ferroli participating as members of the same, all of whom have continued in their respective roles.

Over the course of 2018 the Committee met five (5) times.

Please further note that this issue is regulated in part by the IVASS Procedure of 26 October 2016 (no. 30), concerning provisions regarding supervision of intra-group transactions and risk concentration, which replaced (effective 1 December 2016) prior ISVAP Regulation of 27 May 2008 (no. 25).

⁽¹⁵⁾ The procedure can be found at "www.cattolica.it/parti-correlate".

Please also note that, without prejudice to, and in fact reiterating, the responsibility incumbent upon each Director to advise the Board of Directors and the Board of Statutory Auditors regarding any interest they or any third party has in a given transaction pursuant to Art. 2391 of the Civil Code, the Board of Directors has approved a specific procedure in that regard.

That procedure contemplates that, upon documentation relating to each meeting being made available (which is likewise governed by Board of Directors bylaws, supplemented for such purposes) Directors shall determine whether they have an interest in a given transaction, disclosing the same to other Board members and to the Board of Statutory Auditors by sending (in electronic or hard-copy form) their disclosure in the designated format to the Chairman of the Board of Directors and the Chairman of the Board of Statutory Auditors.

The option, as contemplated by law, that the Director handle disclosure no later than the Board meeting itself, upon the introduction of the agenda item relating to a transaction in which the Director has a personal or third-party interest, shall not be infringed.

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13

APPOINTMENT OF STATUTORY AUDITORS

13.0 APPOINTMENT OF STATUTORY AUDITORS

The Board of Statutory Auditors was appointed by the Annual General Meeting of 28 April 2018 and is made up of three (3) Statutory Auditors and two (2) Substitute Auditors, serving two-year terms. On that same date, the Annual General Meeting amended Company's governance model, moving from a traditional to a one-tier model, which contemplates the abrogation of the Board of Statutory Auditors beginning with the Annual General Meeting to approve the 31 December 2018 financial statements.

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14

COMPOSITION AND FUNCTION OF THE BOARD OF STATUTORY AUDITORS

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

14.0 COMPOSITION AND FUNCTION OF THE BOARD OF STATUTORY AUDITORS (pursuant to Art. 123-bis, paragraph 2, subpart (d) and d-bis), TUF)

The Board of Statutory Auditors presently in office was appointed at the Annual General Meeting of 28 April 2018. The Board is serving a three-year term (2018 / 2019 / 2020). The composition thereof is as contemplated under paragraph 1 of Art. 44 of the Articles, novated by resolution of the Special Assembly held 22 April 2017 which, *inter alia*, lowered the actual members of this supervisory body from five (5) to three (3). As part of the re-election, three lists of candidates were presented, one by the Board of Directors pursuant to Art. 44.8 of the Articles, and one by the Members, pursuant to Art. 44.9 ⁽¹⁴⁾. The slate submitted by the Board of Directors received 1,726 votes, compared to the 857 and 830 received by the other two slates submitted by the Members. At the end of voting, and in accordance with the criteria established for the appointment of the Board of Statutory Auditors (see Paragraph 13.0, *supra*), the following persons were elected Statutory Auditors: Giovanni Glisenti (Chairman), Cesare Brena (Statutory Auditor), Federica Bonato (Statutory Auditor), Carlo Alberto Murari (Substitute Auditor) and Massimo Babbi (Substitute Auditor). Statutory Auditors Brena, Bonato, and Substitute Auditor Murari, came from the list presented by the Board of Directors, which obtained the greatest number of votes (majority list); the Chairman of the Board of Statutory Auditors Glisenti and Substitute Auditor Babbi on the other hand came from the list submitted by the Members earning more votes (minority list).

At the same time as that appointment, the Annual General Meeting also approved compensation for the Board of Statutory Auditors on motion of the Board of Directors, which was determined based on the specific duties and diligence required of the position.

Table 3 (Appendix) summarises certain salient information regarding the Board of Statutory Auditors.

The following presents, in summary form, the personal and professional characteristics of each Statutory Auditors presently in office.

Please note that the transition to the single-tier governance system contemplates the supervisory body being abrogated; consequently, its functions shall cease as of the Annual General Meeting of 12/13 April 2019.

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Giovanni Glisenti (born 04 September 1956) (Chairman of the Board of Statutory Auditors)

Mr Glisenti holds a degree in Business from the Luigi Bocconi Business University of Milan in 1981; the following year, he earned an "Advanced Professional Certificate in General Management" from New York University; he has been a member of the Association of Qualified Accountants of the Province of Verona since 1983, Qualified Auditor since 1989, and a member of the Association of Auditors since its inception in 1992. He practices as a Qualified Accountant and Auditor.

⁽¹⁴⁾ For a list of candidates from each list, please consult the documentation posted to Company's "Corporate" website "www.cattolica.it/home-corporate", in the "Governance / Annual General Meeting" section.

Within the Cattolica Assicurazioni Group, he serves as Chairman of the Board of Statutory Auditors for Parent Company Cattolica Assicurazioni, Statutory Auditor for ABC Assicura S.p.A. and Substitute Auditor for C.P. Servizi Consulenziali S.p.A..

Currently, he serves as Chairman of the Board of Statutory Auditors for: Gestioni Benacensi S.p.A., Consulique SCF S.p.A., Neafidi Società Cooperativa di Garanzia Collettiva Fidi; Statutory Auditor in: Colorificio A. & B. Casati S.p.A., J. Lamarck S.p.A. and COLLIS Veneto Wine Group Soc. Coop Agricola Consortile; and Chairman of the Board of Auditors at Fondazione Cattolica. Furthermore, he is a Board Member of FININT S.p.A.

Previously, he served as Chairman of the Board of Statutory Auditors for Tua Assicurazioni S.p.A., and Risparmio & Previdenza S.p.A., and Substitute Auditor for Cattolica Polo Finanziario S.p.A..

Federica Bonato (born 25 November 1955)

(Statutory Auditor)

Ms Bonato has a degree in Economics and Commerce from the University of Padua (Verona satellite campus); she is a member of the Board of Qualified Accountants of Verona, and she is on the Register of Auditors.

She practices as a Qualified Accountant.

Within the Cattolica Assicurazioni Group, she serves as Statutory Auditor for Parent Company Cattolica Assicurazioni, and Substitute Auditor for ABC Assicura S.p.A. and Cattolica Services S.c.p.A.

Currently, she holds the office of Substitute Auditor for Unicredit Subito Casa S.p.A., di Unicredit Factoring S.p.A., and sits on Boards of Statutory Auditors for top-tier industrial corporations.

Previously, she has served as Substitute Auditor for Unicredit S.p.A., Forgital Italy S.p.A., Unicredit Merchant S.p.A., Unicredit Corporate Banking S.p.A., Casa di Cura S. Francesco S.p.A., Quercia Factoring S.p.A.; she has also served as Chairman of the Board of Statutory Auditors for the Fondo Aggiuntivo Previdenza Aziendale Dipendenti Mediovenezie S.p.A.

Cesare Brena (born 11 January 1965)

(Statutory Auditor)

Mr Brena holds a degree in Business from the Luigi Bocconi Business University of Milan (1988); he has been a member of the Board of Qualified Accountants and Accountancy Experts of the Province of Verona since 1991, as well as the Register of Auditors since 1995. He practices as a Qualified Accountant and Auditor.

Within the Cattolica Assicurazioni Group, he serves as Substitute Auditor for Parent Company Cattolica Assicurazioni, and Cattolica Agricola S.a.r.l.

Currently, he sits on governing boards for companies operating in the commercial and industrial sectors, including Air Liquide Italia S.p.A.

He has also been a member of Boards of Statutory Auditors for companies belonging to top-tier corporate groups, as well as publicly traded outfits, such as: Gruppo Banco BPM, Gruppo Camfin, Gruppo Credit Agricole, Gruppo De Agostini, Gruppo Enel, Gruppo Mediobanca, Gruppo Pam, Gruppo Unicredit.

In the insurance industry, he has served as internal auditor for certain industry organisations, especially top-tier ones, including Confagricoltura Veneto and Confagricoltura Verona. For the Court of Verona, he has served as Bankruptcy Trustee.

Massimo Babbi (born 23 October 1963)

(Substitute Auditor)

Mr Babbi holds a degree in Business from the “Luigi Bocconi” Business University of Milan (1987); he has been a member of the Board of Qualified Accountants and Accountancy Experts of the Province of Verona since 1991, as well as the Register of Auditors since 1995. He practices as a Qualified Accountant and Auditor.

Within the Cattolica Assicurazioni Group he acts as Substitute Auditor for Parent Company Cattolica Assicurazioni.

Currently, he holds the office of Chairman of the Board of Auditors for the Region of Lombardy.

Carlo Alberto Murari (born 31 July 1965)

(Substitute Auditor)

Mr Murari earned a degree in Economy and Commerce from the University of Verona in 1989; he has been a member of the Board of Qualified Accountants and Accountancy Experts of the Province of Verona since 1991, as well as the Register of Auditors since 1995.

He practices as a Qualified Accountant and Auditor.

Within the Cattolica Assicurazioni Group, he acts as Substitute Auditor for Parent Company Cattolica Assicurazioni, for Berica Vita S.p.A. and Cattolica Agricola S.c.a.r.l., as well as Substitute Auditor for Cattolica Beni Immobili S.r.l.

He is a past Chairman of the Board of Statutory Auditors of Eurofidi Veneto Soc. Coop.; Substitute Auditor for Lombarda Vita S.p.A., and for Cattolica Services Sinistri S.p.A. (previously Car Full Service S.p.A.) and for AGSM di Verona S.p.A., Substitute Auditor for Fata Assicurazioni Danni S.p.A.

Over the course of FY2018, forty (40) meetings of the Board of Directors were held. The attendance of Board members at the aforementioned meetings are noted in Table 3 of the Appendix. For FY2019, eleven (11) meetings are scheduled, of which five (5) shall be joint meetings with the Internal Control and Risk Committee.

The Board of Auditors vetted, at the appointment stage, that all its members meet the independence requirements contemplated for Directors under Art. 3 of the Corporate Governance Code, as required by Criterion 8.C.1.

During FY2018, continuing compliance with such requirements was the subject of a further control, the findings have been duly delivered to the governing body, which acknowledged the same during the Board meeting of 6 March 2018, handling market disclosures for the same. In that respect, please note, that for completeness' sake, that Company decided not to apply Criterion 3.C.1, subpart (e), according to which those who have served as director for more than nine (9) of the last twelve (12) years, and where obviously they are not implicated in situations deemed significant for such purposes (see, Note to Paragraph 4.1), shall not be considered “independent”. We note this even though none of the auditors now in office falls into that category.

Company subscribed to the Corporate Governance Code, and therefore each Auditor is cognizant of the duty to promptly and fully disclose to all other Auditors and to the Chairman of the Board, when such Auditor has an interest, or knows of a third-party interest, in a specific Company transaction. Where the aforementioned circumstances arise, the members of the Board of Statutory Auditors are therefore required to render a specific disclosure to the Board of Directors.

The Board of Directors has vetted the independence of the external auditing firm, verifying both legal compliance and reviewing the nature and scope of any services other than auditing provided to Company and to its subsidiaries by the same auditing firm.

The Board of Statutory Auditors has coordinated the carrying out of their own activities with the Internal Audit Function and with the Internal Control and Risk Committee, including through participation in the meetings themselves.

The Board of Statutory Auditors participates in the Induction Programme under Paragraph 4.2.

Diversity Policy

Please see the considerations provided on the issue in Paragraph 4.2 herein, regarding the decision to forego, for the time being, the implementation of a specific diversity policy for the members of the Board of Statutory Auditors.

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15

SHAREHOLDER
INTERACTIONS

15.0 MEMBERS INTERACTIONS

On Company's internet site, one can find information on Cattolica regarding its own members (see the "Governance", "Investor Relations" and "Media", on Company's "Corporate" section).

A link for Members is also available, featuring information on programmes dedicated to them.

A head of investor relations has been identified in CFO Enrico Mattioli, who relies on a specific function to carry out such duties. In terms of member relations, Company handles those through its own Member Services.

Members are also sent, under the care of the Chairman, periodic updates on the Group and its activities.

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16

ASSEMBLIES
(pursuant to Art.
123-*bis*,
paragraph 2,
subpart (c), TUF)

16.0 ANNUAL GENERAL MEETINGS (pursuant Art. 123-bis, paragraph 2, subpart (c), TUF)

Please see the New Articles for additional details; note that the Members' Regular Annual General Meeting for the approval of the financial statement is convened within 120 days of the close of the financial year, or within 180 days, where the statutory criteria are met.

Pursuant to the Articles amendments approved by the Annual General Meeting of 28 April 2018, the following provisions of the Articles in effect beginning at the next Annual General Meetings following the ones convened for 12/13 April 2019.

The Annual General Meetings may be convened at any time upon resolution of the Board of Directors, in all other cases contemplated by the law or by the Articles, and when deemed opportune by the same Board of Directors, as well as on request of at least 1/40 of the Shareholders having voting rights, or Shareholders representing at least 1/40 of the share capital.

The Management Control Committee may convene the Annual General Meeting upon notice to the Chairman of the Board of Directors, when deemed necessary for the exercise of its own functions. Pursuant to the modalities, terms, and in the limits established by law, 1/40th of Shareholders having voting rights, or Shareholders representing at least 1/40th of the share capital may request a supplementation of the list of agenda items to be discussed at the Annual General Meeting as noted in the notice of meeting, indicating in the request any additional proposed arguments, or to submit motions on matters already appearing on the agenda.

Each Member, enrolled for more than ninety (90) days in the Member Register, takes part in the Annual General Meeting with a single vote regardless of the shares held ⁽¹⁷⁾. In order to participate in the Annual General Meeting, it is necessary that the authorised intermediary with whom the shares are deposited has provided Company the advance notice required by applicable law regarding the ownership of a number of shares equal to at least the minimum amount established under Art. 18 of the Articles, at least two (2) days before the day set for the first scheduled meeting date.

Members may, by means of a proxy, represent other Members; no proxy may however represent more than five (5) Members. To take part in the Meeting, the proxy shall present the original of each proxy along with a photocopy of the proxy's own valid ID.

Anyone who is not a Member cannot take part in the Meetings - even as a proxy or agent - except insofar as permitted for the participation of representatives of Shareholders who are legal entities.

The Annual General Meeting assignments are those contemplated by law, bearing in mind Company's cooperative status.

Resolutions of the Annual General Meeting require a majority of votes expressed in the Annual General Meeting, unless otherwise established by Articles, and as stated below. In case of tie, the motion will fail.

⁽¹⁷⁾ Please note that pursuant to Art. 3 of Law no. 207 (17 February 1992), "each shareholder shall have no greater than a 0.5% stake in the share capital". As noted *supra* in Chapter 2.0, subpart (f), we note finally that pursuant to the Articles, members shall hold at least 300 shares.

According to the provisions of Art. 28, paragraph 2, of the Articles, any amendments shall require a 2/3 majority of the votes.

Votes shall be cast unambiguously on all matters placed up for discussion.

For resolutions bearing on anticipatory Company dissolution, for any situations not contemplated by law, a favourable vote of four-fifths of Members presented or represented in the Members meeting, provide they represent at least one third of the Members overall.

Art. 10 of the Articles may be amended absent the consent given by all Members during the Members' Regular Annual General Meeting.

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Current practice for convening the Assembly contemplates, in addition to all publications required by law, for Shareholders to be sent a specific written invitation to take part in the Annual General Meeting. The meetings shall generally be held on the second convocation, set for a non-business day to facilitate Members' participation.

There is the possibility of activating one or more remote connections to the Annual General Meeting, in order to allow for the Shareholders to follow the work being conducted and to express their votes during voting. That provision was incorporated into the Annual General Meeting Bylaws, most recently updated on 25 April 2015, the text for which is available on the Company site ⁽¹⁸⁾, which we cite herein for all procedural matters, including the methods of taking part in the discussion.

During the Annual General Meeting held 28 April 2018, in which all Directors shall participate, a remote connection has been established to the Centro Congressi Palazzo Rospigliosi, located in Rome at Via XXIV Maggio 43.

Please note that Annual General Meeting resolutions regarding compensation are passed on motion of the Board of Directors' Annual General Meeting, upon acquisition of a conforming opinion from the Compensation Committee. The Chairman pro-tempore of that Committee has therefore not contemplated a separate illustration of any activities conducted.

The Board of Directors makes sure that the information given to Shareholders allows them to vote in an informed manner at the Annual General Meeting. On that occasion, management performance and trends are generally described.

*

We cite to Paragraph 2.0, subpart (c) and to Table 1 for information concerning significant equity interests in Company, we note that over the course of FY2018, those holding stakes above 3% were: General Reinsurance AG, a company held entirely by Berkshire Hathaway Inc., Fondazione Banca del Monte di Lombardia, Fondazione Cassa di Risparmio di Verona Vicenza Belluno and Ancona, Norges Bank.

The Board of Directors has not deemed it necessary to make any change regarding the percentages established for the exercise of shares and prerogatives placed in the service of the minority shares. Indeed, as it is

⁽¹⁸⁾ Available at "www.cattolica.it/documenti-societari".

Cattolica is a cooperative company: the aforementioned shares and prerogatives presume a party's member's status, and the exercise of rights by a single person, as well as, in some cases, a percentage share in the share capital. The percentages contemplated in the Articles remain, albeit significant, are still relatively contained interests in capital.

*

17

ADDITIONAL CORPORATE GOVERNANCE PRACTICES

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

17.0 OTHER CORPORATE GOVERNANCE PRACTICES (pursuant to Art. 123-bis, paragraph 2, subpart (a), TUF)

No further information other than one is set forth herein is necessary.

*

18

CHANGES TO THE
CLOSING OF THE
FINANCIAL YEAR IN
QUESTION

18.0 CHANGES TO THE CLOSING OF THE FINANCIAL YEAR IN QUESTION

No changes to the corporate-governance structure occurred following the close of FY2018, except for the formation of the Appointments Committee as described in Paragraph 7 of the instant Report.

*

19

CONSIDERATIONS ON
THE LETTER
OF 21 DECEMBER 2018
FROM THE CHAIRMAN
OF THE CORPORATE
GOVERNANCE
COMMITTEE

19.0 CONSIDERATIONS ON THE LETTER OF 21 DECEMBER 2018 FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

The annual FY2018 report published by the Italian Corporate Governance Committee (hereinafter, the "Committee") on Corporate Governance trends for all publicly traded companies, which also includes the sixth report on the application of the corporate governance code, was brought to the Board's attention on 10 January 2019.

Amongst the key recommendations by the Committee for FY2019, we note: the suggestion made to the Boards of Directors to express their assessment of the sufficiency of information received prior to the Board meeting over the course of the financial year; the invitation to the governing bodies to apply the independence criteria as set forth in the Code (with respect to directors) more stringently; the recommendation to ensure greater transparency regarding the corporate-governance procedure to be applied by the Board of Directors; the need to assess the sufficiency of the compensation policies with a view toward medium-long term sustainability, thereby shoring up the connection to the variable components of compensation for objectives in the medium-long period.

The Board of Directors has found no significant issues relating to Cattolica regarding the Committee's recommendations.

In particular, with respect to the corporate-governance process, over the course of the present year it was carried out in outsourcing to an independent third party. That outsourced party submitted questionnaires to directors and drew up the findings of the same in order to produce suggestions on the same with the engagement of the Board Secretary and coordinated the entire board-review activity.

*

TABLES

TABLE 1: INFORMATION ON CORPORATE OWNERSHIP

FORMATION OF SHARE CAPITAL			
	no. of shares	% with respect to the s.c.	as publicly traded (note the exchanges) / not publicly traded
Ordinary shares	174,293,926	100%100%	Traded on a regulated exchange
Multiple-vote shares	//	//	//
Limited-vote shares	//	//	//
Shares without voting rights	//	//	//
Other	//	//	//

Notes

The shares vest the holders with the ordinary equity rights contemplated therefor. With respect to non-equity rights, for which the status of “Member” is required, please see the related sections of the instant Report.

OTHER FINANCIAL INSTRUMENTS (conveying the right to underwrite newly issued shares)				
	as publicly traded (note the exchanges) / not publicly traded	no. of instruments in circulation	Category of shares in the service of the conversion / exercise	no. of shares in the service of the conversion / exercise
Convertible bonds	//	//	//	//
Warrants	//	//	//	//

SIGNIFICANT STAKES IN SHARE CAPITAL (conveying the right to underwrite newly issued shares)			
Declarant	Direct shareholder	% stake in ordinary share capital	% stake in voting share capital *
Berkshire Hathaway Inc.	General Reinsurance AG	9.047	N.S.
Fondazione Banca del Monte di Lombardia	Fondazione Banca del Monte di Lombardia	3.162	N.S.
Fondazione Cassa di Risparmio di Verona Vicenza Bellino e Ancona	Fondazione Cassa di Risparmio di Verona Vicenza Bellino e Ancona	3.437	N.S.
Norges Bank	Norges Bank	3.092	N.S.

* The datum has not been reported, in that as a cooperative company with pro-capita voting, it was not deemed significant.

As contemplated in Chapter 2.0, subpart (c), please note that as of the date the Report was approved, the impact on treasury shares held by Cattolica Assicurazioni in its own share capital totals 4.04%.

*

TABLE 2: COMPOSITION OF THE BOARD OF DIRECTORS AND COMMITTEES AS OF THE CLOSE OF FY2018

office	Board of Directors										Risk Management Committee		Compens. Committee		Executive Committee	
	members	year of birth	date of initial appointment *	holding office from	holding office until	List **	exec.	non-exec.	indep. Code (1)	indep. TUF	no. other offices held ***	(a)	(a)	(b)	(a)	(b)
Chairman	Paolo Bedoni	1955	18/12/1999	16/04/2016	2019 Assembly	BOD		X	no	yes	8	24/24			15/15	C
Deputy Vice Chairman	Aldo Poli	1942	28/04/2007	16/04/2016	Assembly of 2019	BOD		X	no	yes	5	20/24			13/15	M
Vice Chairman	Manfredo Turchetti	1956	16/04/2016	16/04/2016	2019 Assembly	BOD		X	no	yes	9	18/24			12/15	M
CEO	Alberto Minali	1965	01/06/2017	01/06/2017	Assembly of 2018	BOD	X		no	no	4	24/24			15/15	M
Secretary	Alessandro Lai	1960	15/01/2016	16/04/2016	2019 Assembly	BOD		X	no	yes	10	24/24		12/12	M	M
Director	Neirino Chemello	1945	17/01/2017	22/04/2017	2019 Assembly	BOD		X	yes	yes	2	23/24				
Director	Chiara de' Stefani	1965	17/01/2017	22/04/2017	2019 Assembly	BOD		X	yes	yes	5	20/24				
Director	Barbara Blasevich	1966	30/04/2011	16/04/2016	2019 Assembly	BOD		X	no	yes	4	24/24	19/19	M		15/15
Director	Bettina Campedel	1962	21/04/2012	16/04/2016	2019 Assembly	BOD		X	yes	yes	6	24/24	19/19	C		
Director	Lisa Ferrarini	1963	20/04/2013	16/04/2016	2019 Assembly	BOD		X	yes	yes	7	20/24				
Director	Paola Ferrolli	1962	20/04/2013	16/04/2016	2019 Assembly	BOD		X	yes	yes	2	24/24				
Director	Paola Grossi	1954	16/04/2016	16/04/2016	2019 Assembly	BOD		X	yes	yes	1	24/24		12/12	M	
Director	Giovanni Maccagnani	1962	30/04/2011	16/04/2016	2019 Assembly	BOD		X	yes	yes	7	23/24				
Director	Luigi Milan	1960	07/11/2012	16/04/2016	2019 Assembly	BOD		X	yes	yes	3	24/24		12/12	C	
Director	Carlo Napoleoni	1967	31/10/2012	16/04/2016	2019 Assembly	BOD		X	no	yes	6	17/24				
Director	Angelo Nardi	1949	24/04/2010	16/04/2016	2019 Assembly	BOD		X	yes	yes		23/24	19/19	M		
Director	Flavio Riello	1932	24/11/2006	16/04/2016	Assembly of 2019	BOD		X	no	yes	2	21/24			12/15	M
Director	Eugenio Vanda	1967	16/04/2016	16/04/2016	2019 Assembly	m		X	yes	yes	2	24/24				
# meetings held during the financial year in question: 24										Internal Control and Risk Committee: 19		Compensation Committee: 12		Executive Committee: 15		

Note the quorum required for lists submitted by the minority component for the election of one or more members (pursuant to Art. 147-ter of TUF): 0.5% stake or at least 500 Members

NOTES

* The date of first appointment for each director shall mean the date the director was appointed for the very first time to the Issuer's Board of Directors.

** In this column, the list from which each director appears ("M": majority list; "BOD": list submitted by the BOD) is noted.

*** This column shows the number of director / auditor positions held by the interested party in other companies publicly traded on regulated markets, including on foreign markets, in financial, banking, insurance, or other companies of significant size, provided in detail in Paragraph 4.2.

(a) This column features the participation of the directors at BOD and committee meetings, respectively (the first number indicates the number of meetings in which the party participated; the second indicated the overall number of meetings held by the body to which the party has right to participate).

(b) In this column, the qualification of director within the Committee is noted as: "C": Chairman; "M": Member.

(1) As noted in Paragraph 4.1, we would further note that Company, pursuant to Board Resolution of 8 May 2013, decided to nullify the application criterion under 3.C.1., subpart (e) of the Code: in so doing, those who held a directorship for more than nine of the last 12 years (and who, obviously, were not implicated in other relevant situations) are deemed "independent".

TABLE 3: COMPOSITION OF THE BOARD OF STATUTORY AUDITORS

office	members	year of birth	date of initial appointment*	holding office beginning	holding office until	List**	independence Code (1)	participation in Board meetings***	no. other offices held****
Chairman	Giovanni Gilentti	1956	25.04.2015	25.04.2015	2018 Assembly	m	yes	397/40	24 (10)
Statutory Auditor	Federica Bonato	1955	25.04.2015	25.04.2015	2018 Assembly	M	yes	397/40	10 (5)
Statutory Auditor	Cesare Brena	1965	21.04.2012	25.04.2015	2018 Assembly	M	yes	387/40	25 (4)
Substitute Auditor	C. Alberto Murari	1965	25.04.2015	25.04.2015	2018 Assembly	M	yes	//	5 (4)
Substitute Auditor	Massimo Babbi	1963	25.04.2015	25.04.2015	2018 Assembly	m	yes	//	4
AUDITORS LEAVING OFFICE DURING THE FY IN QUESTION									
Statutory Auditor	Luigi de Anna	1959	28.04.2007	25.04.2015	2018 Assembly	M	yes		17
Statutory Auditor	Andrea Rossi	1972	21.04.2012	25.04.2015	2018 Assembly	M	yes		29

no. meetings held during the financial year in question: 40

NOTES

* The date of first appointment for each director shall mean the date the director was appointed for the very first time to the Issuer's Board of Directors.

** In this column, the list from which each director appears ("M": majority list; "m" minority list; "BOD": list submitted by the BOD) is noted.

*** This column shows the number of director / auditor positions held by the interested party in other companies publicly traded on regulated markets, including on foreign markets, in financial, banking, insurance, or other companies of significant size, provided in detail in Paragraph 4.2.

(c) This column features the participation of the directors at BOD and committee meetings, respectively (the first number indicates the number of meetings in which the party participated; the second indicated the overall number of meetings held by the body to which the party has right to participate).

(d) In this column, the qualification of director within the Committee is noted as: "C": Chairman; "M": Member.

(1) As noted in Paragraph 4.1, we would further note that Company, pursuant to Board Resolution of 8 May 2013, decided to nullify the application criterion under 3.C.1., subpart (e) of the Code: in so doing, those who held a directorship for more than nine of the last 12 years (and who, obviously, were not implicated in other relevant situations) are deemed "independent".

ATTACHMENTS

ATTACHMENT 1: PARAGRAPH ON “KEY CHARACTERISTICS OF THE INTERNAL-CONTROL AND RISK-MANAGEMENT SYSTEMS WITH RESPECT TO FINANCIAL-DISCLOSURE PROCEDURES” PURSUANT TO ART. 123-BIS, PARAGRAPH 2, SUBPART (b) OF TUF

1) Foreword

The internal-control and risk-management system with respect to the financial-disclosure process (hereinafter, “System”) adopted by Company is one component of the broader internal-control and risk-management system contemplated in Chapter 11.0 of the Report.

That System is intended to frame and govern the internal controls and risk management relating to the finance-disclosure procedure in an integrated view, for the purpose of identifying and assessing the risks relating to financial-disclosure procedures (“administrative and accounting risk”) to which Company and the Group are exposed, as well as the identification and assessment of the related controls.

The System is geared towards ensuring the reliability, accuracy, trustworthiness and timeliness of financial disclosure through the pre-arrangement of operating procedures and instructions.

Responsibility for implementing the System, within Company and the Group, involves various company functions as better delineated in Paragraph 2.2 *infra*.

The System is based on a reference framework that is generally recognised and accepted on an international level. To wit, Company has chosen COSO ⁽¹⁹⁾ (Committee of Sponsoring Organisation of the Treadway Commission) Internal Control – Integrated Framework as its framework; it sets forth the guidelines for evaluating and developing an internal-control system.

2) Key characteristics of existing internal-control and risk-management systems with respect to the financial-disclosure procedure

2.1 Phases of the risk management system

The various phases in which the System is laid out have been established by Company in accordance with its chosen framework, that is, the COSO Framework). A plan for gradual implementation is underway for the COBIT (Control Objectives for Information and Related Technology), which provides guidelines for the informational systems identifying specific IT General Controls.

In particular, the System may be broken down into the following phases:

- (i) company-level assessments (Entity Level Controls);
- (ii) defining the relevant scope, and activity programming (Scoping);
- (iii) risk identification and assessment, and the control of processes on financial disclosure;
- (iv) verifying the efficacy of the financial-disclosure control system;

⁽¹⁹⁾ Methodological approach used to set the Financial-Administrative Model.

(v) drafting the affidavit from the Designated Director and confirmation letters from Company's subsidiaries.

2.1.1 Company-level assessments (Entity Level Controls);

The Entity Level Controls (ELC) are configured as a global, company (and Group) level summary analysis. The control system aimed at ensuring the existence of a company context that serves to lower the risks of errors and improper behaviour in order to provide accounting and finance information. The discovery method used for the ELC contemplates the use of a checklist, through which the compliance level is assessed with regard to specific criteria set forth under the COSO Framework within the company's context.

This includes but is not limited to controls relating to:

- the implementation of the Code of Conduct generated pursuant to Legislative Decree no. 231 (8 June 2001), and the impetus for the Organisational, Management, and Control Model adopted by Company;
- the establishment of sufficient organisational structures as defined within the various organisational structures and company workflows, by members of company functions, with clear delineations of roles and responsibilities;
- the drafting of the Corporate Governance Report regarding corporate governance, and policies relating to the internal-control system.

The presence of such entity-level controls may condition certain management decisions. Specifically, in the presence of a well-structured control environment, it is possible to reduce the assessment control efficacy within the related processes. Management shall thus bear in mind the entity-level controls, although it cannot limit itself to that assessment.

Moreover, the exercise of such controls is directed at mitigating the risks of errors regarding a specific account/financial disclosure (i.e. "analytical review" controls on end-of-quarter data, etc.), and more so the management may rely on the functioning of such controls without resorting necessarily to the assessment of control processes linked to the same risk.

ELC analysis allows the Deputy Director a periodic recognition of the organisational and control system existing within the Group (for FY2018, the activity performed involved Cattolica Assicurazioni Parent Company and the Lombarda Vita subsidiary), functional to the support the responsibilities incumbent on the same by statute (Art. 154-bis of TUF), and by resolution of the Board of Directors.

In particular, the ELC analysis is aimed at reaching the following objectives:

- verifying the completeness of the internal-accounting control metric variables, or the control environment, of internal company information and disclosure methods, of monitoring and risk-assessment processes;
- tracing a reference framework for the business environment in which the accounting/administrative control system exists, carving out useful information to direct the subsequent assessment phases;
- obtaining an immediate snapshot of the level of implementation for the regulatory framework within Group Companies, in the support of the biannual and annual affidavits given by the Designated Director;

- identifying, should the ELC reflect an unsatisfactory situation, compensatory controls to mitigate and gaps emerged during the testing phase during the process phase.

2.1.2 defining the relevant scope, and activity programming (Scoping):

the Designated Director's scope of enquiry is defined through the identification of relevant companies based on their contribution to the economic/equity results of the aggregated financial statements.

2.1.3 risk identification and assessment, and the control of processes on financial disclosure;

In terms of process-level risks, the risk-mapping procedure is based on a bottom-up approach that begins with the processes including in the project perimeter, identifying the risk factors and identifying for each of these the related risks and controls to monitor the same.

In particular, the risk-assessment activity, performed by Company in order to identify significant risks, is performed pursuant to an analysis of documents relating to significant processes.

The risks identified are managed through a specific computer programme, with the company database uploaded to it, which surveys the organisational procedures, and allows one to identify and associate to each process, procedure, and activity, and surveyed in the same, information on related prospective risks.

The organisational and risk-management procedures are subject to periodic updates and maintenance.

The risk assessment is conducted bearing in mind their impact, that is, the consequences that each individual risk might generate, as well as the frequency with which it is possible that such might see within a specific period of time.

Finally, for each risk, control objectives have been identified, relating to the financial-statement assertions, for which a specific activity is contemplated.

With reference to control identification and assessments relating to identified risks, in accordance with the accounting doctrine, Company has identified the following control methods, with specific reference to the administrative and accounting risk in direct relationship with financial-statement assertions:

- a) balance;
- b) completeness;
- c) rights and responsibilities;
- d) value of contributions;
- e) submission and disclosure.

The process owners monitor the performance of a specific control activities (linked to individual risks) which have been assessed as fitting to mitigate specific administrative/accounting risks identified pursuant to the aforementioned control objectives.

The analysis of risks and controls is summarised in a specific control matrix with evidence of processes, of the administrative and accounting risks, of controls; should, over the course of the assessment, a gap due to insufficient control design be found, to mitigate risks specific action plans that allow for (i) the definition of corrective actions most suitable of the individual gap, (ii) identifying the party responsible for the corrective measure, (iii) defining the priority level and expiry of the same have been established.

2.1.4 Verifying the efficacy of the financial-disclosure control system;

In order to verify the efficacy and actual performance of control activities found over the course of assessments, and the monitoring the administrative/accounting risk, testing of key, identified controls is periodically performed. The testing is conducted according to pre-determined timeframes and methods, and at the end of the activities, the findings are reported within a summary document. Should, over the course of the assessment, a gap due to an ineffective control be discovered, in order to mitigate the risk, specific action plans have been contemplated. These make it possible to (i) identify the most suitable corrective action based on the gap found, (ii) identify the party responsible for the corrective action.

2.1.5 Drafting the affidavit from the Deputy Director and confirmation letters from Company's subsidiaries.

The overall assessment of entity-level and process-level controls constitutes the method through which the Deputy Director and the designated governing entity set forth all affidavits contemplated by paragraph 2 and 5 of Art. 154-bis of TUF (Legislative Decree no. 58/98).

Also requested of the subsidiaries are specific confirmation letters geared towards confirming that (i) the disclosure regarding Group Companies' economic, financial, and equity situation is complete, timely, accurate, truthful and conforming to the accounting principles and methods adopted by the Group; (ii) complies with applicable law; (iii) the related administrative and accounting procedures, the internal control on financial disclosure with respect to the Deputy Director's operations, and that the Organisational, Administrative, and Accounting Infrastructure is sufficient.

2.2 Functions involved in the System; assigned roles and related information flows

Responsibility for the actual implementation of the System - in terms of the performance and exercise of those control devices, mechanisms, procedures, and rules - is extensive in nature, and is integrated by company infrastructure.

To wit, in terms of the financial-information procedure, the System involves corporate bodies, and operational and control structures within an integrated management system, investing each entity and structure for the functions relating to the design, implementation, monitoring and updates of the System over time.

In order to ensure proper System functioning, in addition to the general monitoring function entrusted to the Board of Directors, the functions and roles attributed to the Internal Control and Risk Committee, the Deputy Director charged with generating corporate accounting documents, to the Audit Function, to the Risk Management Function, to the Compliance Function are likewise essential.

The Internal Control and Risk Committee, as described in another Chapter within the Report, in addition to assisting the Board of Directors in the performance of duties entrusted to the same regarding accounting controls, with reference to financial-disclosure procedures, exercises the following functions:

- handles the analysis of activities relating to the generation of the financial statements, especially with reference to the data-production timeline;
- meets the firm engaged with the auditing of financial statements to handle assessment and procedural issues;

The Internal Control and Risk Committee reports to the Board of Directors on at least a biannual basis, on activities conducted as well as the sufficiency of the internal control system.

The Deputy Director has the responsibility for ensuring the pre-generation, and the actual implementation of the procedures for the financial statements being generated, and consolidated financial statements, and any other financial information. The Deputy Director is further vested with the power to perform audits and controls regarding the administrative and accounting procedures contemplated by the same, including where these involve processes managed by functions that do not report along the hierarchy to the same.

Company shall, in order to ensure that all bodies and functions to which specific tasks within the internal-control and risk-management system (in terms of financial disclosure) are able to collaborate through the exchange of any information useful for the performance of their respective tasks, identified a series of informational flows and information exchanges.

The representation of information flows and communication channels for the Company has been broken down by thematic area, traceable to organisational structures. To wit, the information flows and exchanges, including participation in periodic meetings, involve the following parties: the Director charged with supervising the functioning of the internal-control system, the Internal Control and Risk Committee, the Deputy Director, the Board of Statutory Auditors, the Heads of the Audit, Risk Management, and Compliance Functions, and the Actuarial Function, the Supervisory Body implemented pursuant to Legislative Decree no. 231/2001, the Head of the Human Resource Offices and Organisational Development.

The Designated Director reports to the Internal Control and Risk Committee on all activities performed, and the most significant decisions following the exercise of its own functions. In order to ensure a profitable exchange of information amongst Deputy Director and Internal Control and Risk Committee, the Deputy Director may be invited to participate in Internal Control and Risk Management Committee.

Periodic meetings between Deputy Director and the Internal Control and Risk Committee in order to institute a functional and profitable exchange of information regarding the actual functioning and reliability of the administrative-accounting procedures, have been scheduled.

Furthermore, a specific information flow between the Deputy Director and Board of Directors, on both a periodic basis and as needed when significant events arise, is ensured.

* * *

Verona, 07 March 2019

On behalf of THE BOARD OF DIRECTORS,
THE CHAIRMAN

[SIGNATURE]

