



**THE GROUP'S
CODE
OF
CORPORATE GOVERNANCE**

REVISED SEPTEMBER 2012

CONTENTS

INTRODUCTION	p. 4
A) RULES OF OPERATION OF UNIPOL GRUPPO FINANZIARIO S.p.A.'s MANAGEMENT BODIES.....	
A.1 BOARD OF DIRECTORS.....	p. 6
A.2 ADVISORY COMMITTEES:	p. 14
- MANAGEMENT COMMITTEE.....	p. 14
- APPOINTMENTS AND CORPORATE GOVERNANCE COMMITTEE	p. 15
- REMUNERATION COMMITTEE	p. 16
- CONTROL AND RISKS COMMITTEE.....	p. 19
- SUSTAINABILITY COMMITTEE/ETHICS COMMITTEE.....	p. 22
- COMMITTEE FOR TRANSACTIONS WITH RELATED PARTIES.....	p. 24
A.3 CHAIRMAN.....	p. 25
A.4 VICE CHAIRMAN	p. 30
A.5 CHIEF EXECUTIVE OFFICER/GENERAL MANAGER.....	p. 30
B) RULES OF OPERATION OF THE OPERATING COMPANIES' MANAGEMENT BODIES.....	
B.1 BOARD OF DIRECTORS	p. 35
B.2 CHAIRMAN.....	p. 38
B.3 VICE CHAIRMAN	p. 39



B.4 GENERAL MANAGER OR, IF EXPRESSLY PROVIDED FOR
IN THE SYSTEM OF CORPORATE GOVERNANCE OF THE
INDIVIDUAL OPERATING COMPANY, CHIEF EXECUTIVE
OFFICERp. 39

INTRODUCTION

Unipol Gruppo Finanziario's Code of Corporate Governance (hereinafter referred to as the 'Code') describes the composition and outlines the functions of the corporate bodies responsible, as part of the management team (hereinafter referred to as the 'Management Bodies'), for governing Unipol Gruppo Finanziario S.p.A. (hereinafter also referred to as the 'Parent' or the 'Company') and the operating companies controlled, direct or indirectly, by the Parent (hereinafter referred to as the 'Operating Companies' and, together with the Parent, as the 'Companies in the Group').

In this respect it must be pointed out that the Operating Companies are deemed to be 'of strategic importance' if:

- i) the value of the holding in the Operating Company accounts for more than 50% of the property assets of the Parent in the most recent approved financial statements, or
- ii) quite apart from the level of its equity, in view of its activity within the Group the Operating Company provides a contribution that the Parent's Board of Directors deems essential to enable the Group to achieve its business and strategic objectives.

The Code supplements the rules on the duties and function of the management bodies of the Companies in the Group, whether they be:

- i) legislative, regulatory or statutory or are laid down in contracts that have the nature of shareholders' agreements (these last only in the case of Operating Companies operating in bancassurance);
- ii) contained in the Code of Corporate Governance for listed companies (hereinafter referred to as the 'Code of Corporate Governance'), to which the Company adheres, or in internal rules



such as the Group's Code of Ethics.

A) RULES OF OPERATION OF UNIPOL GRUPPO FINANZIARIO S.p.A.'s MANAGEMENT BODIES

This section describes the composition and functions of Unipol Gruppo Finanziario S.p.A.'s Management Bodies; in particular it describes the composition, the functions and the rules of operation of the corporate bodies and the rules for the appointment and the functions of the individual members. These bodies are:

- BOARD OF DIRECTORS
- ADVISORY COMMITTEES:
 - MANAGEMENT COMMITTEE
 - APPOINTMENTS AND CORPORATE GOVERNANCE COMMITTEE
 - REMUNERATION COMMITTEE
 - CONTROL AND RISKS COMMITTEE
 - SUSTAINABILITY COMMITTEE/ETHICS COMMITTEE
 - COMMITTEE FOR TRANSACTIONS WITH RELATED PARTIES
- CHAIRMAN
- VICE CHAIRMAN
- CHIEF EXECUTIVE OFFICER/GENERAL MANAGER

A.1. BOARD OF DIRECTORS

Management of the Parent is entrusted to a Board of Directors made up of a minimum of 15 and a maximum of 25 members, who are appointed by

the Shareholders' Meeting (hereinafter referred to as the 'Meeting') after it has decided on the number and who must comply with the requirements provided for in relevant legislation. Directors are appointed for three years, or for a shorter period fixed by the Meeting when appointing them, and are eligible for reelection.

The Directors accept the appointment if they consider that they have the time necessary to enable them to carry out their duties diligently, also taking into account commitment to their own occupational and professional activities, the number of posts of Director or Statutory Auditor that they hold in other companies listed on regulated markets (including foreign markets), in finance, banking or insurance companies or in large companies.

The Board of Directors meets regularly – normally monthly – and organises itself and operates in such a way as to ensure that it carries out its functions effectively.

The Directors act and make decisions autonomously and with full knowledge of the facts, their priority being to create value for Shareholders over the medium to long term and to sustain it over time in line with the expectations of all stakeholders. The Directors maintain the confidentiality of the documents and information acquired in the course of their work, as do the members of the Board of Statutory Auditors.

The Board of Directors has the widest possible powers for carrying out the ordinary and extraordinary management of the Company. It is therefore authorised to take all the steps, including using powers of disposition, that it deems appropriate in order to achieve the company's aims and objectives with the sole exception of those that the law expressly reserves for the Meeting. The Board of Directors is responsible for:

- carrying out mergers with and splits from subsidiaries, in cases

allowed by law;

- reducing the share capital in the event of a shareholder withdrawing;
- amending the Company's By-laws to comply with legislation;
- issuing non-convertible bonds.

In addition to the tasks specifically mentioned in the subsequent sections of the Code, the Board of Directors:

- a) examines and approves the Company's and Group's strategic, business and investment plans, regularly checking to see that they are being implemented;
- b) defines:
 - the code of corporate governance, the corporate structure and the Group's governance models and guidelines;
 - the nature and level of risk compatible with the Group's strategic objectives;
 - the Sustainability Plan, the annual Sustainability Budget and the Sustainability Report;
- c) assesses the fitness of the Parent's organisational, administrative and accounting structure as well as its strategically important Operating Companies, with particular reference to the internal control and risk management system;
- d) chooses from its members one or more Directors charged with setting up and maintaining an efficient internal control and risk management system; where the Company is concerned, this person is the Chairman of the Board of Directors;
- e) after an opinion by the Control and Risks Committee:

- defines the guidelines of the internal control and risk management system so that the risks to which the Company and the Operating Companies may be exposed are properly identified and adequately measured, managed and monitored; it also ascertains how compatible these risks are with management of the business that is consistent with the identified strategic objectives;
 - assesses, at least once a year, to what extent the internal control and risk management system complies with the characteristics of the Parent and of the Group and with the profile of the risk taken on, and how efficient it is;
 - approves, at least once a year, the work plan drawn up by the Audit Manager, having heard the Board of Statutory Auditors and the Chairman in his capacity as Director responsible for the internal control and risk management system, based on a well-planned analysis process and prioritisation of the main risks;
 - describes, in the corporate governance report, the main characteristics of the internal control and risk management system, giving its own assessment of the fitness of this system;
 - having heard the Board of Statutory Auditors, assesses the results set out by the auditor in any letter of suggestions and in the report on any basic issues that arose when carrying out the statutory audit;
- f) on a proposal by the Chairman – in his capacity as Director responsible for the internal control and risk management system – after a favourable opinion by the Control and Risks Committee, and having heard the Board of Statutory Auditors, appoints or replaces the Heads of Audit, Risk Management and Compliance, making sure that they have adequate resources for carrying out their duties, and

sets their remuneration in line with the pay policies adopted by the Company;

- g) sets up the appropriate and necessary working groups and committees, consisting of some of its members and having the task of making suggestions and providing advice, in order to ensure that the Company and the Group operate properly and grow;
- h) delegates powers to the Chief Executive Officer and revokes them and lays down the limits and procedures for exercising them; decides on the frequency, which must be at least quarterly, with which the bodies to which powers are delegated must report to the Board of Directors on the work carried out while exercising the powers delegated to them;
- i) having taken account of the suggestions made by the Remuneration Committee, establishes the general policies containing the guidelines for remunerating the Directors and key Senior Executives of the Company (including the heads of the Audit, Compliance and Risk Management Departments) and the key Operating Companies;
- j) having taken account of the suggestions made by the Remuneration Committee and having consulted the Board of Statutory Auditors, fixes the remuneration of the Chief Executive Officer and the Directors who fulfil specific roles, including on the Advisory Committees, and, unless the Meeting has already voted on the matter, decides how the total amount of remuneration allocated to the Board of Directors is to be shared out among the individual members;
- k) with the assistance of the Appointments and Corporate Governance Committee appoints and dismisses the members of the Company's Supervisory Body; with the assistance of the Remuneration

Committee fixes the remuneration of these members; once a year, based on proposals put by the Supervisory Body, approves the expenditure, including extraordinary expenditure, required for carrying out the supervision and control provided for in the Organisational and Management Model and the actual expenditure for the previous year;

- l) assesses overall business performance, taking particular account of information received from the bodies to which power has been delegated and regularly comparing results with targets;
- m) with the assistance, if required, of the Committee for Transactions with Related Parties decides, with reference to the transactions of the Parent and/or the Operating Companies, if such transactions are likely to have a significant effect on the Company's strategy, profits, equity or investments, paying particular attention to situations in which one or more Directors have a personal interest or an interest on behalf of third parties and, more generally, to transactions with related parties. Therefore it lays down general criteria for identifying significant operations and takes steps to ensure that Operating Companies submit relevant operations to the Parent's Board of Directors for advance scrutiny;
- n) with the assistance of the Appointments and Corporate Governance Committee carries out an appraisal, at least once a year, of the performance of the Board of Directors and its Committees (hereinafter referred to as the 'Board Performance Valuation'), and of its size and composition; this appraisal also takes into account aspects such as the professional qualifications, managerial and other experience, and gender-mix of its members, and how long they have been in office;
- o) bearing in mind the results of the aforementioned appraisal and before appointing the new Board, provides guidance to Shareholders

on the professionals whom it considers advisable to have on the Board;

- p) uses the corporate governance report to provide information on: (1) its own composition, stating for each member their title (executive, non-executive, independent), their role within the Board (e.g. Chairman or Executive Director), their main professional qualifications and how long they have been in office since they were first appointed; (2) the procedures for applying the Code of Corporate Governance and, in particular, the number and average length of the Board of Directors' meetings held during the financial year and the extent, in percentage terms, to which each Director participated; (3) the procedures for carrying out the Board Performance Valuation; (4) the promptness and completeness of the pre-Board meeting statement, with information, among other things, on the generally accepted notice period for sending out documents and stating whether this stipulated period is normally observed;
- q) in order to ensure that company information is properly managed, adopts, on a proposal by the Chief Executive Office, an internal management procedure and a procedure for disclosing Company-related documents and information to outside parties, with particular reference to privileged information;
- r) after a Director deemed to be independent has been appointed and subsequently, on the occurrence of circumstances relevant to the issue of independence and at any rate at least once a year, assesses the independence of its non-executive members, disclosing the result of its assessments on the basis of information provided by the interested party or available to the Company (following the appointment communicated in a press release to the market and

subsequently as part of the corporate governance report). The independent Directors meet at least once a year without the other Directors being present;

- s) based on information received from Directors, records once a year and publishes in the corporate governance report the posts of director or auditor held by the Members of the Board in other companies listed on regulated markets (including foreign markets), in finance, banking or insurance companies or in large companies;
- t) gives guidance on the maximum number of directorships or auditorships in the companies referred to in the point above that could be deemed to be compatible with carrying out the role of Director of the Company efficiently, taking into account the involvement of Directors in Committees set up on the Board of Directors. For this purpose it identifies general criteria for each role (executive director, non-executive director or independent director) depending on the type and size of the companies in which the roles are carried out and whether they belong to the Group;
- u) if, for organisational reasons, the Meeting should authorise, generally and preventatively, subject to the law, exceptions to the ban on competition laid down in Article 2390 of the Civil Code, it makes a judgement each time this is likely to cause a problem and reports any critical factors to the next Meeting. Therefore on accepting the appointment each Director must inform the Board of any business activity carried out in competition with the Parent and subsequently of any significant change.

A.2 ADVISORY COMMITTEES

MANAGEMENT COMMITTEE

The Management Committee is made up of the Chairman of the Board of Directors, the Vice Chairman, the Chief Executive Officer and other Directors appointed by the Board of Directors.

The Management Committee has an advisory role and assists in identifying the policies for growth and guidelines for the strategic and operational plans to be submitted to the Board of Directors, in particular on the following matters:

- policies on dividends and/or remuneration of capital;
- operations of an extraordinary nature that have to be put to the Meeting, in particular capital increases and issues of convertible bonds, mergers, splits, distribution from provisions, acquisition of treasury shares and changes to the Company's By-laws;
- extraordinary operations of significant strategic interest or that are likely to have a significant effect on the value and/or the composition of the Company's capital and reserves or on the price of shares, such as acquisitions or divestments of major investments, mergers or alliances with other groups and significant changes to the structure or composition of the Group;
- the Company's and the Group's strategic multiyear plans and annual budgets.

APPOINTMENTS AND CORPORATE GOVERNANCE COMMITTEE

The Appointments and Corporate Governance Committee is made up of a maximum of five Directors appointed by the Board of Directors, the majority of whom are independent. The Chairman of the Board of Directors, the Vice Chairman and the Chief Executive Officer automatically attend the meetings of the Appointments and Corporate Governance Committee in an advisory capacity.

The Appointments and Corporate Governance Committee ensures that the Directors are suitably independent of management, advises on the optimum composition of the Board of Directors and helps to draw up the code of corporate governance.

The Appointments and Corporate Governance Committee is thus charged with the following:

- a) proposing candidates for the post of Director to the Board of Directors in cases of co-optation, should it be necessary to replace independent Directors;
- b) deciding on the timetable and procedures for carrying out the Board Performance Valuation;
- c) providing the Board of Directors with information and updates on regulations and best practice relating to corporate governance.

The Appointments and Corporate Governance Committee is then called upon to advise on:

- the appointment of the members of the Parent's Advisory Committees;
- the appointment of the Company's General Manager and Vice General Manager;

- candidates for the posts of Director and Statutory Auditor, and of Chairman, Vice Chairman and General Manager (and/or Chief Executive Officer) of the major companies (whether they be key Operating Companies or participating interests). A meeting of the Committee must be called well in advance of the date of the meeting of the Board of Directors at which the proposal will be discussed and voted on.
- applying the Group's code of corporate governance and the governance model and guidelines;
- the size and composition of the Board of Directors, recommending the professionals whose presence on the Board of Directors is deemed appropriate, as well as the maximum number of appointments and exceptions to the ban on competition.

In order to carry out the duties entrusted to it the Appointments and Corporate Governance Committee may propose that external consultants be appointed, giving reasons why it is desirable.

REMUNERATION COMMITTEE

The Remuneration Committee is made up of a maximum of five Directors appointed by the Board of Directors, all of whom must comply with the requirements of independence provided for by the Code of Corporate Governance; alternatively, where the Remuneration Committee is made up of non-executive Directors, the majority of whom are independent, one of the independent Directors is appointed to be Chairman⁽¹⁾.

⁽¹⁾ This provision, under the interim system provided for by the version of the Code of Corporate Governance adopted in December 2011, will apply from the time the Board of Directors is first renewed after the end of the financial year that began in 2011.

The Chairman of the Board of Directors, the Vice Chairman and the Chief Executive Officer automatically attend meetings of the Remuneration Committee in an advisory capacity; the Chairman of the Board of Statutory Auditors or another Statutory Auditor designated by him also automatically attends.

No Director or Statutory Auditor takes part in the meetings of the Remuneration Committee in which proposals relating to his own remuneration are made to the executive body unless the proposals relate to the remuneration to be paid to all the Directors or Statutory Auditors.

The Remuneration Committee carries out investigations, makes suggestions and provides advice.

In particular it:

- submits proposals to the Board of Directors on the general policies for remunerating the Directors and key Senior Executives of the Company (including the Heads of the Audit, Compliance and Risk Management Departments) and the key Operating Companies;
- submits proposals to the Board of Directors on the remuneration of the CEO and of Directors who fulfil specific roles, and on specifying the performance objectives on which the variable element of this remuneration is based, in line with the general remuneration policies adopted by the Board of Directors;
- monitors the application of the resolutions passed by the Board of Directors, in particular ensuring that the performance objectives have actually been reached;
- periodically evaluates the appropriateness, overall coherence and actual application of the general policies for remunerating the Directors and key Senior Executives of the Company (including the

Heads of the Audit, Compliance and Risk Management Departments) and the key Operating Companies, using, for this last purpose, the information provided by the Chief Executive Officer and submitting the relevant proposals to the Board of Directors.

The Chairman of the Committee is responsible for gathering information and submitting the relevant data to the Remuneration Committee, ensuring that the various items to be dealt with are accompanied by all the information required for them to be discussed with full knowledge of the facts.

In order to fulfil the duties entrusted to it the Remuneration Committee may, within the financial constraints laid down by the Board of Directors, consult outside experts on remuneration policies, provided that (i) the consultants do not at the same time provide services likely to compromise their independence to any corporate structure dealing with human resources, to the Directors or to key Senior Executives and (ii) the corporate structures dealing with human resources and the CEO do not raise the objection that any consultants identified are incompatible with the overall corporate context.

CONTROL AND RISKS COMMITTEE

The Control and Risks Committee is made up of a maximum of five Directors appointed by the Board of Directors, all of whom must comply with the requirements of independence provided for by the Code of Corporate Governance; alternatively, where the Control and Risks Committee is made up of non-executive Directors, the majority of whom are independent, the post of Chairman of the Control and Risks Committee is

entrusted to an Independent Director⁽²⁾. At the time of the appointment the Board of Directors must ensure that at least one member of this Committee has substantial accounting and financial or risk management experience.

The Chairman of the Board of Directors, the Vice Chairman and the Chief Executive Officer are invited to attend the meetings of the Control and Risks Committee. The Chairman of the Board of Statutory Auditors or another Statutory Auditor designated by him attends the meetings of the Committee. The other Statutory Auditors and representatives of the company of auditors responsible for auditing the financial statements may also attend.

The Control and Risks Committee carries out investigations and provides the Board of Directors with suggestions, advice and assistance relating to the executive body's assessments and decisions, principally concerning the internal control and risk management system and approval of the periodic accounting documents.

The main tasks carried out by the Control and Risks Committee in order that it can carry out these duties are:

- a) expressing opinions to the Board of Directors on:
 - drawing up guidelines for the internal control and risk management system in such a way that the principal risks affecting Companies and the Companies in the Group can be correctly identified and properly calculated, managed and monitored, it also ascertains how compatible these risks are with

⁽²⁾ This provision, under the interim system provided for by the version of the Code of Corporate Governance adopted in December 2011, will apply from the time the Board of Directors is first renewed after the end of the financial year that began in 2011.

management of the business that is consistent with the identified strategic objectives;

- assessing, at least once a year, to what extent the internal control and risk management system complies with the characteristics of the business and with the profile of the risk taken on, and how efficient it is;
 - approving the work plan drawn up by the Audit Manager, having heard the Board of Statutory Auditors and the Director responsible for the internal control and risk management system;
 - preparing the annual corporate governance report, with reference to the description of the main characteristics of the internal control and risk management system, and the assessment regarding the fitness of this system;
 - having heard the Board of Statutory Auditors, assessing the results set out by the auditor in any letter of suggestions and in the report on any basic issues that arose when carrying out the statutory audit;
- b) expressing a favourable opinion on the proposal to appoint and revoke the appointments of the Heads of Audit, Risk Management and Compliance and on their remuneration, in line with the guidelines adopted by the Board of Directors;
- c) together with the Senior Executive responsible for drawing up the Company's financial statements and having heard the auditor and the Board of Statutory Auditors, assessing whether the accounting principles are being applied correctly and whether they are sufficiently standardised for the purpose of drawing up the Company's individual

financial statements and the Group's consolidated financial statements;

- d) examining the processes whereby the Companies in the Group prepare the periodic accounting documents so that the consolidated and individual financial statements can be drawn up;
- e) expressing opinions on specific aspects concerning identification of the main company risks; examining the periodic reports designed to assess the internal control and risk management system, and those of particular relevance prepared by the Audit Department;
- f) monitoring the autonomy, fitness, efficiency and effectiveness of the Audit Department;
- g) being able to ask the Audit Department to carry out audits on specific operating areas, simultaneously notifying the Chairman of the Board of Directors, the Chief Executive Officer and the Chairman of the Board of Statutory Auditors of these;
- h) reporting to the Board, at least every six months, when approving the annual and interim financial report on the business carried out and the fitness of the internal control and risk management system.

The Control and Risks Committee has appropriate instruments and flows of information to enable it to carry out its duties. These are mostly provided by the Company's Audit, Compliance and Risk Management Departments and enable the Committee to carry out the checks entrusted to it. The Control and Risks Committee may also:

- require the representatives of the boards of the Companies in the Group to provide the information and documentation it needs to be able to carry out its duties properly;

- propose that external consultants be appointed to assist the Committee to carry out the duties entrusted to it, giving reasons why it is desirable.

The Control and Risks Committee will forge the links with the Board of Statutory Auditors required for the work common to both bodies to be carried out efficiently, according to their specific areas of expertise.

SUSTAINABILITY COMMITTEE/ETHICS COMMITTEE

The Sustainability Committee is made up of a maximum of five Directors appointed by the Board of Directors. The Chairman of the Board of Directors, the Vice Chairman and the Chief Executive Officer automatically attend the meetings of the Sustainability Committee.

The main duties required for the Sustainability Committee to do its investigatory and advisory work are:

- examining the guidelines and procedure for drawing up the Sustainability Plan and the annual Sustainability Budget;
- examining the draft Sustainability Report and the procedures for drawing it up;
- regularly updating the principal preparations for implementing the Group's Sustainability objectives in full;
- advising the Chairman and the Chief Executive Officer on the specific procedures for providing information on and publishing the Sustainability Plan, the Sustainability Budget and the Sustainability Report;
- regularly monitoring whether the indicators contained in the Sustainability Plan are in line with the Group's operational and business activities.

In accordance with the principles expressed in the Code of Ethics the Board of Directors entrusts the Sustainability Committee with the functions of the Ethics Committee (making suggestions, giving advice and taking decisions), allocating it the task of:

- ensuring that the principles of the Group's Code of Ethics, business policies and mission statement are consistent with one another;
- helping to set up the various initiatives aimed at promoting knowledge and understanding of the Code of Ethics;
- drawing up the communications and ethical training programme and submitting it to the Board of Directors for examination;
- reviewing the Code of Ethics and if necessary regularly updating and/or amending it;
- ensuring that the Code of Ethics is observed. In order to do so it may, through the Head of Ethics, acquire all the information and documentation required to monitor whether the Code of Ethics is being observed by the people to whom it is addressed;
- expressing opinions on the more complex information received by the Head of Ethics relating to alleged infringements of the Code;
- receiving and evaluating the Ethics Report and publishing it as part of the Sustainability Report.

COMMITTEE FOR TRANSACTIONS WITH RELATED PARTIES

The Committee provides advice and suggestions to and holds discussions with the Board of Directors and the various departments of the Parent and the Operating Companies on transactions with related parties (hereinafter referred to as the 'Transactions'), in accordance with the Regulation issued by CONSOB in its ruling 17221 of 12 March 2010 as amended and with the

internal procedures adopted by the Parent for carrying out such Transactions.

To be specific, the Committee:

- advises the Parent's Board of Directors on the procedures for setting up, compiling and updating the register in which related parties are recorded (hereinafter referred to as the 'Register');
- provides the body charged with making the decision with a reasoned non-binding opinion on the advisability of the Company carrying out any Transaction of Minor Relevance (as defined in the internal procedures) and on the suitability and substantial appropriateness of the terms and conditions;
- provides the body charged with making the decision with a reasoned binding opinion, based on full and timely information provided by the relevant department during the investigation stage and, if appropriate, the negotiating stage, on the advisability of the Company carrying out any Transaction of Major Relevance (as defined in the internal procedures) and on the suitability and substantial appropriateness of the terms and conditions;
- provides the body authorised to examine or approve Transactions carried out through the Operating Companies with a reasoned non-binding opinion on the advisability of the Company and the Group carrying out the Transaction and on the suitability and substantial appropriateness of the terms and conditions;
- advises the Board of Directors on updating the internal procedures relating to transactions with related parties.

A.3 CHAIRMAN

The Chairman is elected by the Board of Directors from among its own members for three years or the period he is a member of the Board if this is shorter.

The Chairman provides the impetus for the actions of the Board of Directors, promoting transparency within the Company's business activities and ensuring that all Shareholders are represented. In particular, subject to his power to represent the Company within the limits provided for in the Company's By-laws, he may apply himself to ensuring that the Board of Directors and directors with specific roles keep in touch with one another, carry out their duties effectively and work as a team. This by no means implies that he is involved in management, which is the job of the bodies authorised for this purpose.

The Chairman ensures that the Directors and Statutory Auditors can take part, following their appointment and while they are in office, in initiatives designed to give them a reasonable understanding of the business segments in which the Company operates, the business trends and how they evolve, and the reference regulatory framework.

By keeping in constant touch the Chairman and the Chief Executive Officer identify opportunities and risks affecting the insurance, banking and financial business in general, and the Chairman will keep the Board of Directors informed so that they can make their own decisions on how to guide and coordinate the Parent and the Group. The Chairman will ensure that he listens to the aspirations of Shareholders and translates them into strategic and operational guidelines for the Board of Directors. The Chairman is also expected to ensure that the Company is run not only for profit but also qualitatively in such a way as to produce consistent results, compete in the market place and safeguard resources and equity.

In order to enable the Company to be properly run the Chairman has access to all the information within the Company and informs the Chief Executive Officer of information acquired from other sources.

The Chairman, including at the request of one or more Directors, may ask the Chief Executive Officer, and the Company's managers and those of the Operating Companies responsible for the business functions within their remit, to take part in the Board meetings to provide judicious detailed comments on the items on the agenda.

In agreement with the Chief Executive Officer, the Chairman is also charged with:

- scheduling the work of the Board of Directors with regard to the issues from time to time placed on the agenda, doing his best to ensure that the Directors and Statutory Auditors are able to familiarise themselves with the documentation relating to the items on the agenda in good time;
- after consulting the Appointments and Corporate Governance Committee, proposing candidates for the posts of the Company's General Manager and Vice General Manager to the Board of Directors;
- after consulting with the Appointments and Corporate Governance Committee, submitting names to the Board of Directors for appointment to the Parent's Advisory Committees;
- submitting names to the Board of Directors for the posts of Director and Statutory Auditor, and of Chairman, Vice Chairman and General Manager (and/or Chief Executive Officer) of the major businesses (whether they be key Operating Companies or participating interests), after having consulted widely in advance and having submitted these

- names to the Appointments and Corporate Governance Committee;
- indicating the names to be submitted to the relevant decision-making bodies for the posts of Director and Statutory Auditor and of Chairman, Vice Chairman and General Manager (and/or Chief Executive Officers) of the minor direct subsidiaries and participating interests;
 - expressing the Parent's approval for the Operating Companies to appoint trustees in the various minor subsidiaries and participating interests;
 - proposing to the relevant decision-making bodies the level of total or individual remuneration to be paid to the members of the Board of Directors of the Operating Companies, in accordance with the guidelines laid down in the general policies resolved by the Board of Directors;
 - proposing to the relevant decision-making bodies the level of remuneration to be paid to the Operating Companies' Chairmen, Vice Chairmen and General Managers (and/or Chief Executive Officers), in accordance with the guidelines laid down in the general policies resolved by the Board of Directors;
 - providing the Remuneration Committee with suggestions for the wording of the proposals to be submitted to the Board of Directors on the general policies for the remuneration of the General Manager, Vice General Manager and other key Senior Executives of the Company and the key Operating Companies;
 - submitting to the Board of Directors, in accordance with the guidelines laid down in its general policies, proposals on the remuneration to be paid to the Company's General Manager and on

determining the level of remuneration, specifying the performance objectives on which the variable element of the remuneration is based;

- in accordance with the guidelines laid down in the general policies resolved by the Board of Directors, determining the remuneration of the key Senior Executives of the Company and the key Operating Companies, fixing the performance objectives on which the variable element of their remuneration is based.

If the Chief Executive Officer has a potential conflict of interest, the functions listed above devolve to the Chairman, in agreement with the Vice Chairman.

As the Director responsible for the internal control and risk management system, the Chairman:

- taking into account the characteristics of the businesses carried out, identifies the main business risks to which the Company and the Operating Companies are exposed, periodically getting the Board of Directors to scrutinise them;
- implements the guidelines defined by the Board of Directors, taking care of the planning, creation and management of the internal control and risk management system, and continually checking that they are effective and fit for purpose;
- is responsible for adapting this system to the trends in operating conditions and in the legislative and regulatory landscape;
- is able to ask the Audit Department to carry out audits on specific operating areas and on compliance with internal rules and procedures when performing business transactions, simultaneously notifying the Chief Executive Officer, the Chairman of the Control and Risks

Committee and the Chairman of the Board of Statutory Auditors of these;

- informs the Chief Executive Officer, the Control and Risks Committee (or the Board of Directors) in good time of any problems and critical issues that may have arisen when carrying out his work or of which he may, at any rate, have become aware, so that the Chief Executive Officer or the Committee (or the Board) can take the appropriate actions;
- puts proposals to the Board of Directors concerning the appointment or replacement of the Heads of Audit, Compliance and Risk Management, and their remuneration, in line with the guidelines specified in the general policies decided by the latter, having fully discussed these in advance and submitted the names for these positions to the Control and Risks Committee.

The Chairman is automatically a member of the Management Committee, automatically attends the meetings of the Appointments and Corporate Governance Committee, the Remuneration Committee and the Committee for Sustainability Committee/Ethics Committee and is invited to attend the meetings of the Control and Risks Committee.

A.4 VICE CHAIRMAN

The Vice Chairman is elected by the Board of Directors from among its own members for three years or the period he is a member of the Board if this is shorter.

The Vice Chairman, together with Chairman, the Chief Executive Officer and the other members appointed by the Board of Directors, make up the Management Committee. The Vice Chairman automatically attends the

meetings of the Appointments and Corporate Governance Committee, the Remuneration Committee and the Sustainability Committee/Ethics Committee and is invited to attend the meetings of the Control and Risks Committee.

In order to enable the Company to be properly run, if the Chairman is absent or prevented from fulfilling his duties the Vice Chairman has the same powers to act, in doing so has access to all the information within the Company and informs the Chief Executive Officer of information acquired from other sources.

A.5 CHIEF EXECUTIVE OFFICER/GENERAL MANAGER

The Chief Executive Officer is appointed by the Board of Directors from among its own members for three years or the period he is a member of the Board if this is shorter.

The Chief Executive Officer carries out the following tasks:

- a) jointly with the Chairman:
 - identifying the strategies relating to the general guidelines for the Company and the Group to be submitted to the Board of Directors;
 - examining in advance operations to be proposed from time to time to the Board of Directors that according to the criteria laid down by the Board of Directors are likely to have a significant effect on profits, equity and investments, particularly Transactions with Related Parties of major relevance;
 - ensuring that the Directors can carry out their duties effectively and with full knowledge of the facts;

- b) ensuring that the objectives laid down by the Board of Directors are pursued by issuing the relevant operating guidelines; working with the Company's Senior Executives to ensure that the resolutions passed by the Board of Directors are implemented and that the business is properly run;
- c) establishing guidelines and lines of action for the Group as a whole by ensuring good relations at the various levels between the Parent and the rest of the Group;
- d) drawing up possible proposals for supplementing the annual control plan and may require that specific auditing measures not provided for in the plan itself be undertaken.
- e) identifying, in agreement with the Chairman, potential candidates for the posts of General Manager and Vice General Manager of the Company so that the Chairman can submit them to the Appointments and Corporate Governance Committee and propose them to the Board of Directors;
- f) identifying, in agreement with the Chairman, potential candidates for the posts of Director and Statutory Auditor and of Chairman, Vice Chairman and General Manager (and/or Chief Executive Officer) of the major businesses (whether they be key Operating Companies or participating interests), so that the Chairman can submit them to the Appointments and Corporate Governance Committee and propose them to the Board of Directors;
- g) submitting to the Chairman the names to be submitted to the relevant decision-making bodies for the posts of Director and Statutory Auditor and of Chairman, Vice Chairman and General Manager (and/or Chief Executive Officer) of the minor direct subsidiaries and participating

interests;

- h) submitting to the Chairman the names of potential candidates for the posts of trustees in the various minor subsidiaries and participating interests to be appointed by the Operating Companies with the approval of the Parent;
- i) having overall responsibility for the process of appointing 'key Group personnel' to cover the principal managerial posts in the various companies in the Group;
- j) in agreement with the Chairman, providing the Remuneration Committee with suggestions for the wording of the proposals to be submitted to the Board of Directors on the general policies for the remuneration of the General Manager, Vice General Manager and other key Senior Executives of the Company and the key Operating Companies;
- k) in agreement with the Chairman, submitting to the Board of Directors, in accordance with the guidelines it has laid down in the general policies, proposals on the remuneration to be paid to the Company's General Manager and on determining the level of the remuneration, specifying the performance objectives on which the variable element of the remuneration is based;
- l) in agreement with the Chairman, determining the remuneration of the key Senior Executives of the Company and the key Operating Companies, fixing the performance objectives on which the variable element is based, in accordance with the guidelines laid down in the general policies by the Board of Directors;
- m) in agreement with the Chairman, proposing to the relevant decision-making bodies the level of total or individual remuneration to be paid

to the members of the Board of Directors of the Operating Companies, in accordance with the guidelines laid down in the general policies by the Board of Directors;

- n) in agreement with the Chairman, submitting proposals for the remuneration of the Chairmen and Vice Chairmen of the Operating Companies to the relevant decision-making bodies, in accordance with the guidelines laid down in the general policies by the Board of Directors.

If the Chief Executive Officer has a potential conflict of interest, the functions listed above that are expected to be fulfilled by the Chief Executive Officer in agreement with the Chairman are exercised instead by the Vice Chairman.

The Chief Executive Officer is automatically a member of the Management Committee, automatically attends meetings of the Appointments and Corporate Governance Committee, the Sustainability Committee/Ethics Committee and the Remuneration Committee in an advisory capacity and is invited to attend the meetings of the Control and Risks Committee.

The Chief Executive Officer also holds the post of General Manager, as resolved by the Board of Directors in accordance with Article 15 of the Company's By-laws.

In particular as General Manager the Chief Executive Officer ensures that the Group's business is properly managed, in line with the strategic plan.

B) RULES OF OPERATION OF THE OPERATING COMPANIES' MANAGEMENT BODIES

This section describes the composition and functions of the Management Bodies of the Operating Companies; in particular it describes the composition, the role and the rules of operation of the corporate bodies and the rules for the appointment and roles of the individual members.

These bodies are:

- BOARD OF DIRECTORS
- CHAIRMAN
- VICE CHAIRMAN
- GENERAL MANAGER OR, IF EXPRESSLY PROVIDED FOR IN THE INDIVIDUAL OPERATING COMPANY'S CODE OF CORPORATE GOVERNANCE, CHIEF EXECUTIVE OFFICER

B.1 BOARD OF DIRECTORS

Management of the Operating Company is entrusted to a Board of Directors appointed by the Meeting, based on proposals submitted by the Parent.

The Directors, who must fulfil the professional requirements and the requirements relating to trustworthiness provided for by law, are appointed for three years, or for a shorter period fixed by the Meeting when appointing them, and are eligible for reelection.

The Board of Directors meets regularly – at least quarterly – and organises itself and operates in such a way as to ensure that it carries out its functions effectively.

The Directors act and make decisions autonomously and with full

knowledge of the facts, their priority being to create value for Shareholders. The Directors maintain the confidentiality of the documents and information acquired in the course of their work, as do the members of the Board of Statutory Auditors.

The Board of Directors has the widest possible powers for carrying out the ordinary and extraordinary management of the Operating Company. It is therefore authorised to take all the steps, including using powers of disposition, that it deems appropriate in order to achieve the Company's aims and objectives with the sole exception of those that the law expressly reserves for the Meeting. The Board of Directors takes decisions relating to:

- carrying out mergers with and splits from subsidiaries, in cases allowed by law;
- reducing the share capital in the event of a shareholder withdrawing;
- amending the Company's By-laws to comply with legislation;
- issuing non-convertible bonds.

In particular, the Board of Directors:

- a) examines and approves the Operating Company's strategic, business and investment plans drawn up in accordance with the guidelines laid down by the Parent;
- b) ensures that the Operating Company's general organisational, administrative and accounting structure is appropriate, with particular reference to the internal control system and dealing with conflicts of interest;
- c) with the assistance of the Control and Risks Committee, if there is one, lays down the guidelines for the internal control system and checks at least once a year that it is appropriate and operates

efficiently and effectively for the purposes of the Operating Company's business;

- d) sets up the appropriate and necessary working groups and committees, having the task of making suggestions and providing advice, in order to ensure that the Operating Company runs properly and grows;
- e) on the basis of the proposal submitted by the Parent, appoints the General Manager and/or Chief Executive Officer, confers and revokes their powers and lays down the limits and procedures for exercising them. It also decides on the frequency, which must be at least quarterly, with which the General Manager or the Chief Executive Officer must report to the Board of Directors on the work carried out while exercising the powers delegated to him;
- f) on the basis of the proposals submitted by the Parent and having consulted the Board of Statutory Auditors, fixes the remuneration of the Directors who fulfil specific roles and of the General Manager in line with the general policies laid down by the Parent and, provided the Shareholders' Meeting has not already voted on it, decides how the total amount of remuneration allocated to the Board will be shared out among its individual members;
- g) assesses overall business performance, taking particular account of information provided by the General Manager or Chief Executive Officer and regularly comparing results achieved with targets set;
- h) submits to the Parent's Board of Directors for advance scrutiny operations likely to have a significant effect on the Operating Company's strategy, profits, capital and reserves or investments and implements them only after having obtained the Parent's approval.

- i) after consultation with the Control and Risks Committee, if there is one, appoints or replaces the Heads of Audit, Compliance and Risk Management and fixes their remuneration in line with company policies.

B.2 CHAIRMAN

The Chairman is elected by the Board of Directors from among its own members for three years or the period he is a member of the Board if this is shorter, based on proposals submitted by the Parent.

The Chairman provides the impetus for the work of the Board of Directors and promotes transparency within the Company's business activities. In particular, subject to his power to represent the Operating Company within the limits provided for in the Company's By-Laws, he must ensure that the Board of Directors and the bodies delegated to manage the Operating Company keep in touch with one another, that they carry out their duties effectively and work as a team. This by no means implies that he is involved in management.

The Chairman is also expected to ensure that the Company is run not only for profit but also qualitatively in order to produce consistent results, compete in the market place and safeguard resources and equity.

Based on suggestions made by the Chief Executive Officer, the Chairman, if appointed, or the General Manager also has the task of scheduling the work of the Board of Directors and drawing up the agenda for meetings.

After consultation with the Chief Executive Officer, if appointed, or the General Manager, the Chairman provides the Board of Directors with the text of motions on the appointment or replacement of the Heads of Audit, Compliance and Risk Management and, if necessary, on their remuneration.

B.3 VICE CHAIRMAN

The Vice Chairman is elected by the Board of Directors from among its members for three years or the period he is a member of the Board if this is shorter, based on proposals submitted by the Parent.

If the Chairman is absent or prevented from fulfilling his duties the Vice Chairman has the same powers to act.

B.4 GENERAL MANAGER OR, IF EXPRESSLY PROVIDED FOR IN THE SYSTEM OF CORPORATE GOVERNANCE OF THE INDIVIDUAL OPERATING COMPANY, CHIEF EXECUTIVE OFFICER

The General Manager/Chief Executive Officer is appointed by the Board of Directors, based on proposals submitted by the Parent.

The General Manager/Chief Executive Officer implements the resolutions passed by the Board of Directors, operating within the limits of the powers delegated to him.

As part of his duties the General Manager/Chief Executive Officer ensures that the relevant objectives are achieved and monitors the Operating Company's business activities, in line with its strategic plan.

The General Manager/Chief Executive Officer also draws up the Operating Company's draft three-year plan and draft annual budget in accordance with the guidelines laid down by the Parent and submits them to the Board of Directors for examination.

The General Manager is invited to attend the meetings of the Board of Directors.