

Report of the Board of Directors to the General Shareholders' Meeting

Appointment of Alternate Auditors; Relevant and Ensuing Resolutions

Shareholders,

On 30 June 2015, Ettore Maria Tosi resigned from his position as Regular Auditor and Chairman of the Company's Board of Statutory Auditors. Following his resignation and pursuant to the provisions set forth in Article 20, paragraph 11, of the Articles of Association, Massimo Cremona became Regular Auditor and Chairman of the Board of Statutory Auditors.

In this regard, it should be noted that the aforementioned Article 20, paragraph 11, of the Articles of Association envisages that in the case of the death, resignation or forfeiture of a Regular Auditor, the first Alternate Auditor belonging to the same list as the replaced Auditor will succeed him or her for a period conterminous with the term of the other statutory Auditors in office at the time of his appointment as an Auditor. Therefore, Massimo Cremona will be in office until the date of the Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2017, as resolved by the Shareholders' Meeting held on 23 April 2015 to appoint the Board of Statutory Auditors.

Most recently, on 4 March 2016, Anna Bruno resigned from her position as Alternate Auditor, and consequently the Board of Statutory Auditors currently includes no alternate auditors.

In light of the foregoing and bearing in mind that the Board of Statutory Auditors is made up of three Regular Auditors and two Alternate Auditors, the Shareholders' Meeting is hereby invited to appoint two Alternate Auditors to fill the vacant positions.

In this regard, it bears also recalling that, under the Articles of Association mentioned, the Board of Statutory Auditors is appointed based on lists of candidates, made up of two sections: one for the appointment of the Regular Auditors and the other for the appointment of the Alternate Auditors. The lists contain a number of candidates no higher than the number of members to be elected, listed by progressive number.

Each of the two sections of the lists must present candidates in a manner that ensures gender balance, as required by applicable regulations.

Each candidate may appear on only one list, upon penalty of ineligibility.

Candidates who fall within situations that are incompatible pursuant to law or those exceeding the maximum number of concurrent positions set forth by regulations in force may not be appointed to the Board of Statutory Auditors, and if so appointed, will fall from office.

Moreover, Auditors shall possess all requisites required by law.

Shareholders who individually or jointly represent at least 1.00% of share capital are entitled to submit a list.

Each shareholder (as well as (i) Shareholders belonging to the same group, the latter being defined to include the party, which need not necessarily be a corporation, exercising control within the meaning of Article 2359 of the Italian Civil Code, and each subsidiary controlled by, or under the common control of the said party, or (ii) shareholders who have entered into the same shareholders' agreement within the meaning of Article 122 of Legislative Decree No. 58 of 24 February 1998 as further amended, or (iii) shareholders who are otherwise associated with each other by virtue of associative relationships contemplated under the applicable statutory and/or regulatory framework) may contribute to the submission of only one list. In the event of breach, account will not be taken of the relative backing given to any of the lists.

The lists, signed by Shareholders with standing must be filed no later than the 25th day prior to the scheduled date of the first calling of the General Shareholders' Meeting. If at the above deadline only one list has been filed or lists have only been filed by shareholders related to one another, lists shall be submitted through to the third day after the said deadline.

In this case, shareholders who individually or jointly represent at least 0.50% of share capital are entitled to submit a list.

Lists must be accompanied by the information on the identity of shareholders who submitted them, with an indication of the percentage of share capital held jointly, as well as the following documentation:

- a) the resume of each candidate, containing exhaustive information on the candidate's personal and professional features, as well as their skills and experience in the insurance, financial and/or banking fields;
- b) a declaration by shareholders other than those who, even jointly, hold a controlling interest or relative majority stake, attesting the absence of associative relationships with the latter;

c) the declarations in which each candidate accepts nomination and commits, if he/she is elected, to accept the office and also certifies, under his/her own responsibility, the inexistence of causes of incompatibility and of ineligibility, as well as possession of the requisites of integrity and professionalism which prevailing laws require for the office of Statutory Auditor of the Company.

The certifications from authorised brokers attesting to the collective ownership interest held as at the date of filing of the list must be delivered to the Company by 31 March 2016. Lists submitted in disregard of the provisions set forth in Article 20 of the Articles of Association shall be considered as never having been submitted.

The appointments aimed at filling the vacant positions in Board of Statutory Auditors will be carried out as provided for by Article 20 of the Articles of Association. The first candidate on the list obtaining the highest number of votes and the first candidate on the list obtaining the highest number of votes from amongst the lists submitted and voted by shareholders who are not associated, not even indirectly, with the shareholders who submitted and voted for the list obtaining the highest number of votes (Minority List), shall be deemed elected Alternate Auditors. Should only one list be submitted, all Alternate Auditors shall be appointed from the said list.

In inviting you to pass a resolution on the appointment of the Alternate Auditors, electing the said members from one of the lists submitted by the persons and parties entitled to do so, in accordance with Article 20 of the Articles of Association, it is pointed out that the text of the related shareholders' resolution must reflect the outcome of the ballot.

Milan, 10 March 2016

THE BOARD OF DIRECTORS