

DIRECTORS' REPORT

prepared in accordance with Article 72 of the regulation adopted through CONSOB resolution No. 11971 of May 14, 1999, as subsequently amended and supplemented (the “Issuers’ Regulations” and overall the “Report”) in compliance with Attachment 3A of the Issuers’ Regulations

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1. Cancellation of the nominal value of the ordinary and savings shares in circulation. Subsequent amendments to the company by-laws. Resolutions thereon.

Dear Shareholders,

you have been called to the Extraordinary Shareholders' Meeting of Fondiaria-SAI S.p.A. (hereafter also "**Fonsai**" or the "**Company**") to discuss and resolve upon the proposal to cancel the nominal value of the ordinary and savings shares of the Company in circulation - currently at Euro 1.00 - with consequent amendment to Articles 5, 6, 27 and 31 of the company by-laws. This proposal is considered within the capital strengthening operation of the Company put to the Shareholders' Meeting.

Firstly, it is noted that the issue of shares without nominal value is expressly provided for by the civil code (Articles 2328 and 2346).

In the case of the cancellation of an indicated nominal value, the by-law will indicate only the nominal share capital and the number of shares issued. The holding of the individual shareholder will be expressed not in a monetary figure, but as a percentage of the totality of shares issued, attributable therefore to shares with a nominal value, although no longer expressed - however implicitly identifiable by dividing the total nominal share capital by the total number of shares issued (the so-called "*implied par value*"). Therefore, only a change in the share capital, with the number of shares issued remaining the same, or a change in the total number of shares in circulation, with the amount of share capital remaining the same, would result in a change in the implied par value of the shares issued.

The elimination of the expressed nominal value is an instrument utilised for flexibility and simplification which may prove useful - among other circumstances - in relation to capital operations, such as that at point 4 of the Extraordinary Shareholders' Meeting agenda - which will be outlined in greater detail below - as the problems related to the existence of the fixed nominal value of a predetermined figure are removed.

In particular, the cancellation of an expressed nominal value of shares allows greater flexibility in protecting the fundamental interests of the Company, particularly in periods of significant volatility in stock market prices. Specifically, the cancellation of an expressed nominal value of shares allows, within the structuring of capital increase operations, the issue of new shares at a price below the pre-existing nominal value. Where a nominal value does not exist, in fact, the issuer may freely establish the

number of shares to be issued against a fixed share capital amount and any related share premium, therefore freely determining the issue price of the shares: the only restriction is that established by Article 2346, paragraph 5 of the civil code, under which the value of the allocated shares may not be lower than the total amount of the share capital increase. The proposed cancellation of the current nominal value must relate both to ordinary and savings shares. However, the nominal value assumes importance – within the by-laws of the Company – both for the determination of the dividends (ordinary and savings shares) and for the identification of rights devolving to savings shareholders in relation to loss sharing and the reduction of the share capital.

More specifically, Article 27 of the by-laws, in the current version, identifies the nominal value as a parameter for the determination of the saving share dividend.

Following the cancellation of the nominal value it is proposed to replace the current reference to the value with a fixed numeric parameter corresponding to the nominal value of the share – as well as consequently to the implied par value at the date of the present Report (Euro 1.00).

On the distribution of profits, the savings shares will therefore receive a preference dividend of 6.5% of the Euro 1.00 per share (and therefore Euro 0.065). Any remaining profits will be divided among the ordinary and savings shareholders in such a manner that these latter receive a dividend higher than the ordinary shares of 5.2% of Euro 1.00 (and therefore of Euro 0.052 per share).

Similarly, it is proposed to update the governance of the savings shareholders' right to defer the sharing of losses, providing that any capital losses impact the savings shares following the losses imposed on the ordinary shares. Similarly, in the case of the winding-up of the Company, in relation to the pre-emptive right of savings shares, following the by-law amendment, no reference will be made to their nominal value but repayment up to Euro 1.00 per share. Therefore it is proposed to amend the company by-laws in order to cancel reference to the nominal value of the ordinary and savings shares, indicating therefore at Article 5 the total amount of the share capital, the number of shares of which it comprises and removing the indication of their nominal value. In addition, Articles 6, 27 and 31 of the company by-laws will be amended to reflect the introduction of the numeric parameter established to govern savings shareholders' rights (Article 6), the determination of the dividend (Article 27) and the establishment of pre-emptive rights in the wind-up phase (Article 31). In line with common practice for similar operations, the last part of paragraph 5 of Article 6 was re-drafted in order to clarify its application in light of the proposed amendments.

In order to align the wording of the by-law with regulatory developments, we propose also to modify also the final section of Article 5, substituting “legal audit” with “accounting audit”.

Existing Text	Proposed Text
<p>Article 5 – (Amount of capital)</p> <p>The share capital is Euro 494,731,136.00 divided into:</p> <ul style="list-style-type: none"> - 367,047,470 ordinary shares with a nominal value of Euro 1.00 each. - 127,683,666 savings shares with a nominal value of Euro 1.00 each; 	<p>Article 5 – (Amount of capital)</p> <p>The share capital is Euro 494,731,136.00 divided into:</p> <ul style="list-style-type: none"> - 367,047,470 ordinary shares, <u>without nominal value;</u> - 127,683,666 savings shares, <u>without nominal value.</u>
<p>Euro 322,210,947.00 of the share capital is attributed to exercising Non-Life insurance and Euro 172,520,189.00 to exercising Life insurance.</p>	<p>Unchanged</p>
<p>Euro 205,396,577.39 of the share premium reserve is attributed to exercising Non-Life insurance and Euro 125,833,183.28 to exercising Life insurance.</p>	<p>Unchanged</p>
<p>Euro 172,200,702.63 of the revaluation reserve is attributed to exercising Non-Life insurance and Euro 27,824,231.05 to exercising Life insurance.</p>	<p>Unchanged</p>
<p>Euro 23,203,165.60 of the legal reserve is attributed to exercising Non-Life insurance and Euro 12,332,998.80 to exercising Life insurance.</p>	<p>Unchanged</p>
<p>Euro 23,506,325.77 of the treasury share and parent company share reserve is attributed to exercising Non-Life insurance and Euro 10,845,943.00 to exercising Life</p>	<p>Unchanged</p>

insurance.	
Euro 775,952,973.83 of the other reserves are attributed to exercising Non-Life insurance and Euro 399,893,921.48 to exercising Life insurance.	Unchanged
The net equity items do not include statutory reserves or retained earnings/losses carried forward.	Unchanged
In the event of a paid-in share capital increase, the shareholders rights option can be excluded within the limit of 10 per cent of the pre-existing share capital, on condition that the issue price of the new shares corresponds to the market value of the shares already in circulation and this is verified in a report issued by the company's auditors'.	In the event of a paid-in share capital increase, the shareholders rights option can be excluded within the limit of 10 per cent of the pre-existing share capital, on condition that the issue price of the new shares corresponds to the market value of the shares already in circulation and this is verified by a legal auditors' report.
Art. 6 (Shares)	Art. 6 (Shares)
The shares are divided into ordinary shares and savings shares.	Unchanged
The shares are registered if this is required by current legislation.	Unchanged
Otherwise if they are fully paid-up, the shares may be registered or nominated as bearer shares, as shareholders choose and at their expense.	Unchanged
The total nominal value of the savings shares may not exceed half of the share capital.	The number of savings shares may not exceed half of the total number of shares comprising the share capital .
The savings shares have the advantage of profit-sharing and of capital repayment. Therefore when the company is wound up, they have the pre-emptive right to repayment of capital at the full nominal	The savings shares have preferences in relation to profit-sharing and of capital repayment. Therefore when the company is wound up, they have the pre-emptive right to repayment of capital up to Euro 1.00

<p>value. The savings shares may be bearer shares in the cases allowed by law. The holders of the savings shares are not entitled to take part in meetings of the company's shareholders nor to request that meetings be called. Should the Company decide to distribute its reserves, the savings shares shall enjoy the same rights as the other shares. In the absence of operating profits, the Shareholders' Meeting shall be entitled to pass resolutions to distribute reserves in order to ensure that the guaranteed minimum dividend is paid or that the dividend is increased. A reduction in the capital because of losses does not lead to a reduction in the nominal value of the savings shares except by the part of the loss that exceeds the total nominal value of the other shares. Resolutions relating to reducing and re-capitalization must provide for any split-downs or split-ups required to ensure that the nominal value of the shares remains the same.</p>	<p><u>per share.</u> The savings shares may be bearer shares in the cases allowed by law. The holders of the savings shares are not entitled to take part in meetings of the company's shareholders nor to request that meetings be called. Should the Company decide to distribute its reserves, the savings shares shall enjoy the same rights as the other shares. In the absence of operating profits, the Shareholders' Meeting shall be entitled to pass resolutions to distribute reserves in order to ensure that the guaranteed minimum dividend is paid or that the dividend is increased. When the share capital has to be written down to cover losses, this does not imply a reduction on the value of the savings shares <u>which is not covered by the other shares.</u></p> <p><u>In the case of reverse stock splits or stock splits (also in the case of capital operations necessary to avoid altering the shareholder rights) the amounts per share accruing to the pre-emptive rights of savings shares are consequently amended.</u></p>
<p>In the event that the company's ordinary or savings shares are excluded from trading in regulated markets, the savings shares retain their rights and features unless otherwise resolved by an Extraordinary or Special Shareholders' Meeting.</p>	<p>Unchanged</p>
<p>Communications pertaining to Company operations that could affect the performance of the listings of the savings shares are sent without delay to the representative of the holders of saving shares.</p>	<p>Unchanged</p>

<p>Art. 27 (Allocation of profits)</p>	<p>Art. 27 (Allocation of profits)</p>
<p>The profits resulting from the accounts approved by the Shareholders' Meeting, less the amounts assigned to the ordinary reserves in the proportions established by law, will be allocated as follows:</p> <ul style="list-style-type: none"> - to savings shares a preference dividend of up to 6.5% of their nominal value. <p>The remainder to the ordinary shares and to the savings shares in such a way that the savings shares are allocated a total dividend that is 5.2% of the nominal value greater than that allocated to the ordinary shares, subject to the right of the Shareholders' Meeting to resolve to allocate some or all of them to reserves or provisions, to carry them forward, to allocate some of them extraordinarily to the Company's employees, specifying the amount, the conditions and the criteria for allocation, or to allocate them to any other purpose it deems to be in the interests of the Company.</p>	<p>The profits resulting from the accounts approved by the Shareholders' Meeting, less the amounts assigned to the ordinary reserves in the proportions established by law, will be allocated as follows:</p> <p>to savings shares a preference dividend of up to <u>Euro 0.065 per share</u>.</p> <p>The remainder to the ordinary shares and to the savings shares in such a way that the savings shares are allocated a total dividend of <u>Euro 0.052</u> greater than that allocated to the ordinary shares, subject to the right of the Shareholders' Meeting to resolve to allocate some or all of them to reserves or provisions, to carry them forward, to allocate some of them extraordinarily to the Company's employees, specifying the amount, the conditions and the criteria for allocation, or to allocate them to any other purpose it deems to be in the interests of the Company.</p>
<p>If in any financial year a dividend of less than 6.5% of their nominal value is allocated to the savings shares, the difference is taken into account in order to increase the preference dividend in the following two years.</p>	<p>If in any financial year a dividend of less than <u>Euro 0.065 per share</u> is allocated to the savings shares, the difference is taken into account in order to increase the preference dividend in the following two years.</p>
<p>Art. 31 – (Winding-up)</p>	<p>Art. 31 – (Winding-up)</p>
<p>If the Company is wound up the procedures to be followed are those that are laid down in law.</p> <p> Holders of savings shares have the pre-emptive right to repayment of capital at the full nominal value of their shares.</p>	<p>If the Company is wound up the procedures to be followed are those that are laid down in law.</p> <p> Holders of savings shares have the pre-emptive right to repayment of capital <u>up to Euro 1.00 per share</u>.</p>

<p>The liquidator or liquidators are appointed, according to law, by the Shareholders' Meeting, which fixes their powers and remuneration.</p>	<p>The liquidator or liquidators are appointed, according to law, by the Shareholders' Meeting, which fixes their powers and remuneration.</p>
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The present proposal to cancel the indication of the nominal value of ordinary and savings shares and the introduction of a numeric parameter does not alter the right to return shares by ordinary and savings shareholders, in accordance with Article 2437 of the civil code, and therefore in the case of its approval, does not confer shareholders with the right to withdraw from the Company.

In addition, the proposal is not subject to approval by a Special Savings Shareholders' Meeting in accordance with Article 146, paragraph 1, letter b) of Legislative Decree 58/1998 ("CFA"), as not affecting the rights of the category.

Finally, it is noted that the proposal is subject to authorisation by the relevant Authorities. In particular, the by-law amendments are subject to approval by ISVAP in accordance with Article 196 of Legislative Decree 209/2005 (the so-called Private Insurer's Code).

Proposal to the shareholders meeting

In light of that stated above, the Board of Directors proposes the following resolutions:

"The Extraordinary Shareholders' Meeting of Fondiaria-SAI S.p.A.:

- having reviewed the Board of Directors' Report and the proposals therein;

resolves

- 1) to cancel the indication of the nominal value of ordinary and savings shares of Fondiaria-SAI S.p.A., in accordance with Article 2328 and 2346 of the civil code;*
- 2) to replace the references, also in percentage terms, to the nominal value of shares in Articles 6, 27 and 31 of the by-laws with an amount based on the current implied par value of Euro 1.00;*
- 3) to adjust to the elimination of the indication of the nominal value of the shares the provisions in Article 6 of the by-laws, concerning the maximum quantity of savings shares and the right of the savings shareholders to defer the sharing of losses;*
- 4) to amend Articles 5, 6, 27 and 31 of the company by-laws as follows:*

Art. 5 – Amount of capital:

“The share capital is Euro 494,731,136.00 divided into:

- 367,047,470 ordinary shares, without nominal value;*
- 127,683,666 savings shares, without nominal value.*

Euro 322,210,947.00 of the share capital is attributed to exercising Non-Life insurance and Euro 172,520,189.00 to exercising Life insurance.

Euro 205,396,577.39 of the share premium reserve is attributed to exercising Non-Life insurance and Euro 125,833,183.28 to exercising Life insurance.

Euro 172,200,702.63 of the revaluation reserve is attributed to exercising Non-Life insurance and Euro 27,824,231.05 to exercising Life insurance.

Euro 23,203,165.60 of the legal reserve is attributed to exercising Non-Life insurance and Euro 12,332,998.80 to exercising Life insurance.

Euro 23,506,325.77 of the treasury share and parent company share reserve is attributed to exercising Non-Life insurance and Euro 10,845,943.00 to exercising Life insurance.

Euro 775,952,973.83 of the other reserves are attributed to exercising Non-Life insurance and Euro 399,893,921.48 to exercising Life insurance.

The net equity items do not include statutory reserves or retained earnings/ losses carried forward.

In the event of a paid-in share capital increase, the shareholders rights option can be excluded within the limit of 10 per cent of the pre-existing share capital, on condition that the issue price of the new shares corresponds to the market value of the shares already in circulation and this is verified by a legal auditors’ report”.

Art. 6 – Shares:

“The shares are divided into ordinary shares and savings shares.

The shares are registered if this is required by current legislation.

Otherwise if they are fully paid-up, the shares may be registered or nominated as bearer shares, as shareholders choose and at their expense.

The number of savings shares may not exceed half of the total number of shares comprising the share capital.

The savings shares have the advantage of profit-sharing and of capital repayment. Therefore when the company is wound up, they have the pre-emptive right to repayment of capital up to Euro 1.00 per share. The savings shares may be bearer shares in the cases allowed by law. The holders of the savings shares are not entitled to take part in meetings of the company's shareholders nor to request that meetings be called. Should the Company decide to distribute its reserves, the savings shares shall enjoy the same rights as the other shares. In the absence of operating profits, the Shareholders' Meeting shall be entitled to pass resolutions to distribute reserves in order to ensure that the guaranteed minimum dividend is paid or that the dividend is increased. When the share capital has to be written down to cover losses, this does not imply a reduction on the value of the savings shares which is not covered by the other shares.

In the case of reverse stock splits or stock splits (also in the case of capital operations necessary to avoid altering the shareholder rights) the amounts per share accruing to the pre-emptive rights of savings shares are consequently amended.

In the event that the company's ordinary or savings shares are excluded from trading in regulated markets, the savings shares retain their rights and features unless otherwise resolved by an Extraordinary or Special Shareholders' Meeting.

Communications pertaining to Company operations that could affect the performance of the listings of the savings shares are sent without delay to the representative of the holders of saving shares”.

Article 27 – Allocation of profits:

“The profits resulting from the accounts approved by the Shareholders' Meeting, less the amounts assigned to the ordinary reserves in the proportions established by law, will be allocated as follows:

- to savings shares a preference dividend of up to Euro 0.065 per share;*
- the remainder to the ordinary shares and to the savings shares in such a way that the savings shares are allocated a total dividend of Euro 0.052 greater than that allocated to the ordinary shares, subject to the right of the Shareholders' Meeting to resolve to allocate some or all of the profits to reserves or provisions, to carry them forward, to allocate a portion extraordinarily to the Company's employees, specifying the amount, the conditions and the criteria for allocation, or to allocate profits for any other purpose it deems to be in the interests of the Company.*

If in any financial year a dividend of less than Euro 0.065 per share is allocated to the savings shares, the difference is taken into account in order to increase the preference dividend in the following two years”.

Art. 31 – Winding-up

“If the Company is wound up the procedures to be followed are those that are laid down in law.

Holders of savings shares have the pre-emptive right to repayment of capital up to Euro 1.00 per share.

The liquidator or liquidators are appointed, according to law, by the Shareholders' Meeting, which fixes their powers and remuneration”.

- 5) *to mandate the pro tempore legal representatives, also individually, within the legal limits, all powers necessary to execute the above resolutions, including, for indicative purposes only and not exhaustive, the power and the faculty to propose amendments to the above-stated resolutions and additions and deletions considered not to be of a substantial nature which may be deemed necessary for legal compliance.*

* * * *

2. Reverse stock split of the ordinary and savings shares of FONDIARIA-SAI S.p.A. Subsequent amendments to the company by-laws. Resolutions thereon.

Dear Shareholders,

you have also been called in extraordinary session to resolve upon the reverse stock split operation proposal for the ordinary and savings shares of Fonsai.

The carrying out of a reverse share split, with the consequent reduction of the number of shares in circulation, facilitates better management of the shares (ordinary and savings) for the relative interests of current and future shareholders.

It should be noted that a reverse stock split operation does not in itself affect the value of holdings: the shareholders (ordinary and savings) would see a reduction in the number of shares in portfolio, and at the same time, an increase in the relative unitary value, without any impact on the total value of the investment with other conditions remaining the same.

For the reasons outlined above, it is today proposed to the Shareholders' Meeting to authorise the reverse stock split of ordinary and savings shares in the ratio of 1 ordinary share for every 100 existing ordinary shares and 1 savings share for every 100 existing savings shares.

On fulfilling all requirements to ensure a prompt execution of the operation and on obtaining all necessary authorisations, the reverse stock split shall be carried out before the beginning of the rights' issue on which the capital increase is based (fourth point

on the agenda), within the timeframe and manner which will be agreed with Borsa Italiana and the other relative Authorities.

The Board of Directors will take account of the reverse stock split in setting the conditions of the capital increase.

In order to complete the reverse stock split operation, it will be necessary to cancel 70 ordinary shares and 66 savings shares held by a shareholder nominating themselves or, otherwise, by the Company itself, without a reduction in the share capital. The reverse stock split operations will be carried out in accordance with the regulation applicable to authorised intermediaries utilising the centralised system of Monte Titoli S.p.A., without any charge incurred by the shareholder.

To ensure the completion of the reverse stock operations for the individual shareholders and to manage any remainders which may emerge, it is proposed to make available to shareholders a service for the handling of any remaining shares which may not be reversed, based on the official market prices and without expenses or commissions incurred by the shareholder.

In light of that stated above, the by-laws of Fonsai must be altered, as reported below, to incorporate the effects of the reverse stock split.

Articles 5, 6, 27 and 31 of the by-laws, highlighting the proposed amendments to the text following approval by the Extraordinary Shareholders' Meeting of the amendments concerning the cancelation of the nominal value of the ordinary and savings shares at point one of the Extraordinary Shareholders' Meeting agenda, are reported below.

Existing Text	Proposed Text
Art. 5 – (Amount of capital)	Art. 5 – (Amount of capital)
The share capital is Euro 494,731,136.00 divided into: - 367,047,470 ordinary shares, without nominal value; - 127,683,666 savings shares, without nominal value.	Unchanged
Euro 322,210,947.00 of the share capital is attributed to exercising Non-Life insurance and Euro 172,520,189.00 to exercising Life	Unchanged

insurance.	
Euro 205,396,577.39 of the share premium reserve is attributed to exercising Non-Life insurance and Euro 125,833,183.28 to exercising Life insurance.	Unchanged
Euro 172,200,702.63 of the revaluation reserve is attributed to exercising Non-Life insurance and Euro 27,824,231.05 to exercising Life insurance.	Unchanged
Euro 23,203,165.60 of the legal reserve is attributed to exercising Non-Life insurance and Euro 12,332,998.80 to exercising Life insurance.	Unchanged
Euro 23,506,325.77 of the treasury share and parent company share reserve is attributed to exercising Non-Life insurance and Euro 10,845,943.00 to exercising Life insurance.	Unchanged
Euro 775,952,973.83 of the other reserves are attributed to exercising Non-Life insurance and Euro 399,893,921.48 to exercising Life insurance.	Unchanged
The net equity items do not include statutory reserves or retained earnings/losses carried forward.	Unchanged
In the event of a paid-in share capital increase, the shareholders rights option can be excluded within the limit of 10 per cent of the pre-existing share capital, on condition that the issue price of the new shares corresponds to the market value of the shares already in circulation and this is verified by a legal auditors' report.	Unchanged

	<p><u>The Extraordinary Shareholders' Meeting of [...] 2012 approved the reverse stock split of ordinary and savings shares in circulation in the ratio of 1 new ordinary share with normal dividend rights for every 100 ordinary shares held, and 1 new savings share with normal dividend rights for every 100 savings shares, following cancellation of 70 ordinary shares and 66 savings shares, without however, in the absence of a nominal value, a reduction in the share capital, as well as consequently adjusting the numeric value per share to which the savings share preferences are based.</u></p>
Art. 6 (Shares)	Art. 6 (Shares)
The shares are divided into ordinary shares and savings shares.	Unchanged
The shares are registered if this is required by current legislation.	Unchanged
Otherwise if they are fully paid-up, the shares may be registered or nominated as bearer shares, as shareholders choose and at their expense.	Unchanged
The number of savings shares may not exceed half of the total number of shares comprising the share capital.	Unchanged
The savings shares have the advantage of profit-sharing and of capital repayment. Therefore when the company is wound up, they have the pre-emptive right to repayment of capital up to Euro 1.00 per share. The savings shares may be bearer shares in the cases allowed by law. The holders of the savings shares are not entitled	Unchanged

<p>to take part in meetings of the company's shareholders nor to request that meetings be called. Should the Company decide to distribute its reserves, the savings shares shall enjoy the same rights as the other shares. In the absence of operating profits, the Shareholders' Meeting shall be entitled to pass resolutions to distribute reserves in order to ensure that the guaranteed minimum dividend is paid or that the dividend is increased. When the share capital has to be written down to cover losses, this does not imply a reduction on the value of the savings shares which is not covered by the other shares.</p> <p>In the case of reverse stock splits or stock splits (also in the case of capital operations necessary to avoid altering the shareholder rights) the amounts per share accruing to the pre-emptive rights of savings shares are consequently amended.</p>	
<p>In the event that the company's ordinary or savings shares are excluded from trading in regulated markets, the savings shares retain their rights and features unless otherwise resolved by an Extraordinary or Special Shareholders' Meeting.</p>	<p>Unchanged</p>
<p>Communications pertaining to Company operations that could affect the performance of the listings of the savings shares are sent without delay to the representative of the holders of saving shares.</p>	<p>Unchanged</p>
	<p><u>Following the reverse stock split of shares passed by the Extraordinary Shareholders' Meeting of [...] 2012, the amount of Euro 1.00 per share indicated</u></p>

	<u>at the fifth point of the present Article will be increased to Euro 100.00 per share</u>
Art. 27 (Allocation of profits)	Art. 27 (Allocation of profits)
<p>The profits resulting from the accounts approved by the Shareholders' Meeting, less the amounts assigned to the ordinary reserves in the proportions established by law, will be allocated as follows:</p> <ul style="list-style-type: none"> - to savings shares a preference dividend of up to Euro 0.065 per share; - the remainder to the ordinary shares and to the savings shares in such a way that the savings shares are allocated a total dividend of Euro 0.052 greater than that allocated to the ordinary shares, subject to the right of the Shareholders' Meeting to resolve to allocate some or all of the profits to reserves or provisions, to carry them forward, to allocate a portion extraordinarily to the Company's employees, specifying the amount, the conditions and the criteria for allocation, or to allocate profits for any other purpose it deems to be in the interests of the Company. 	Unchanged
<p>If in any financial year a dividend of less than Euro 0.065 per share is allocated to the savings shares, the difference is taken into account in order to increase the preference dividend in the following two years.</p>	Invariato
	<u>Following the reverse stock split of shares approved by the extraordinary Shareholders' Meeting of [...] 2012, the above stated amount of Euro 0.065 per share and of Euro 0.052 per share will</u>

	<u>be respectively increased to Euro 6.50 and Euro 5.20 per share.</u>
Art. 31 – (Winding-up)	Art. 31 – (Winding-up)
<p>If the Company is wound up the procedures to be followed are those that are laid down in law.</p> <p>Holder of savings shares have the preemptive right to repayment of capital up to Euro 1.00 per share.</p> <p>The liquidator or liquidators are appointed, according to law, by the Shareholders' Meeting, which fixes their powers and remuneration.</p>	Unchanged
	<u>Following the reverse stock split of shares passed by the Extraordinary Shareholders' Meeting of [...] 2012, the above-indicated amount of Euro 1.00 per share will be increased to Euro 100.00 per share.</u>

The present reverse stock split proposal for ordinary and savings shares does not affect the requirements for the right to return shares by ordinary and savings shareholders in accordance with Article 2437 of the civil code and, therefore, in the case of its approval, shareholders will not have the right to withdraw from the Company.

Furthermore, the operation is not subject to approval by the Special Savings Shareholders' Meeting in accordance with Article 146, paragraph 1, letter b) of the CFA, as not affecting the rights of this category.

Finally, it is noted that the proposal is subject to authorisation by the relevant Authorities. In particular, the by-law amendments are subject to approval by ISVAP in accordance with Article 196 of Legislative Decree 209/2005 (the so-called Private Insurer's Code).

Proposal to the shareholders meeting

In light of that stated above, the Board of Directors proposes the following resolutions:

“The Extraordinary Shareholders’ Meeting of Fondiaria-SAI S.p.A.:

- having reviewed the Board of Directors’ Report and the proposals therein;

resolves

- 1) to reverse split, on a date to be agreed together with Borsa Italiana S.p.A. and any other relevant Authority, the ordinary and savings shares in circulation in the ratio of 1 (one) new ordinary share with normal dividend rights for every 100 (hundred) ordinary shares held and 1 (one) new savings share with normal dividend rights for every 100 (hundred) savings shares, with prior cancellation of 70 ordinary shares and 66 savings shares held by a shareholder nominating themselves or, otherwise, of the company itself, without however, in the absence of a nominal value, a reduction in the share capital, therefore resulting in a total of 3.670.474 ordinary shares and 1,276,836 savings shares;*
- 2) to consequently adjust the numeric value per share on which, following the cancellation of the indication of the nominal value, the savings shares preferences contained in Article 6, 27 and 31 of the by-laws are based;*
- 3) to consequently amend articles 5, 6, 27 and 31 of the by-laws as follows:*

Art. 5 – Amount of capital:

“The share capital totals Euro 494,731,136.00, divided into:

- 367,047,470 ordinary shares, without nominal value;

- 127,683,666 savings shares, without nominal value.

Euro 322,210,947.00 of the share capital is attributed to exercising Non-Life insurance and Euro 172,520,189.00 to exercising Life insurance.

Euro 205,396,577.39 of the share premium reserve is attributed to exercising Non-Life insurance and Euro 125,833,183.28 to exercising Life insurance.

Euro 172,200,702.63 of the revaluation reserve is attributed to exercising Non-Life insurance and Euro 27,824,231.05 to exercising Life insurance.

Euro 23,203,165.60 of the legal reserve is attributed to exercising Non-Life insurance and Euro 12,332,998.80 to exercising Life insurance.

Euro 23,506,325.77 of the treasury share and parent company share reserve is attributed to exercising Non-Life insurance and Euro 10,845,943.00 to exercising Life insurance.

Euro 775,952,973.83 of the other reserves are attributed to exercising Non-Life insurance and Euro 399,893,921.48 to exercising Life insurance.

The net equity items do not include statutory reserves or retained earnings/losses carried forward.

In the event of a paid-in share capital increase, the shareholders rights option can be excluded within the limit of 10 per cent of the pre-existing share capital, on condition that the issue price of the new shares corresponds to the market value of the shares already in circulation and this is verified by a legal auditors' report.

The Extraordinary Shareholders' Meeting of [...] 2012 approved the reverse stock split of ordinary and savings shares in circulation in the ratio of 1 new ordinary share with normal dividend rights for every 100 ordinary shares held, and 1 new savings share with normal dividend rights for every 100 savings shares, following cancellation of 70 ordinary shares and 66 savings shares, without however, in the absence of a nominal value, a reduction in the share capital, as well as consequently adjusting the numeric value per share to which the savings share preferences are based.

Art. 6 – Shares:

“The shares are divided into ordinary shares and savings shares.

The shares are registered if this is required by current legislation.

Otherwise if they are fully paid-up, the shares may be registered or nominated as bearer shares, as shareholders choose and at their expense.

The number of savings shares may not exceed half of the total number of shares comprising the share capital.

The savings shares have the advantage of profit-sharing and of capital repayment. Therefore when the company is wound up, they have the pre-emptive right to repayment of capital up to Euro 1.00 per share. The savings shares may be bearer shares in the cases allowed by law. The holders of the savings shares are not entitled to take part in meetings of the company's shareholders nor to request that meetings be called. Should the Company decide to distribute its reserves, the savings shares shall enjoy the same rights as the other shares. In the absence of operating profits, the Shareholders' Meeting shall be entitled to pass resolutions to distribute reserves in order to ensure that the guaranteed minimum dividend is paid or that the dividend is increased. When the share capital has to be written down to cover losses, this does not imply a reduction on the value of the savings shares which is not covered by the other shares.

In the case of reverse stock splits or stock splits (also in the case of capital operations necessary to avoid altering the shareholder rights) the amounts per share accruing to the pre-emptive rights of savings shares are consequently amended.

In the event that the company's ordinary or savings shares are excluded from trading in regulated markets, the savings shares retain their rights and features unless otherwise resolved by an Extraordinary or Special Shareholders' Meeting.

Communications pertaining to Company operations that could affect the performance of the listings of the savings shares are sent without delay to the representative of the holders of saving shares.

Following the reverse stock split of shares passed by the Extraordinary Shareholders' Meeting of [...] 2012, the amount of Euro 1.00 per share indicated at the fifth point of the present Article will be increased to Euro 100.00 per share”;

Article 27 – Allocation of profits:

“The profits resulting from the accounts approved by the Shareholders' Meeting, less the amounts assigned to the ordinary reserves in the proportions established by law, will be allocated as follows:

- to savings shares a preference dividend of up to Euro 0.065 per share;

- the remainder to the ordinary shares and to the savings shares in such a way that the savings shares are allocated a total dividend of Euro 0.052 greater than that allocated to the ordinary shares, subject to the right of the Shareholders' Meeting to resolve to allocate some or all of the profits to reserves or provisions, to carry them forward, to allocate a portion extraordinarily to the Company's employees, specifying the amount, the conditions and the criteria for allocation, or to allocate profits for any other purpose it deems to be in the interests of the Company.

If in any financial year a dividend of less than Euro 0.065 per share is allocated to the savings shares, the difference is taken into account in order to increase the preference dividend in the following two years.

Following the reverse stock split of shares approved by the extraordinary Shareholders' Meeting of [...] 2012, the above-stated amount of Euro 0.065 per share and of Euro 0.052 per share will be respectively increased to Euro 6.50 and Euro 5.20 per share.

31 – Winding-up:

“If the Company is wound up the procedures to be followed are those that are laid down in law.

Holders of savings shares have the pre-emptive right to repayment of capital up to Euro 1.00 per share.

The liquidator or liquidators are appointed, according to law, by the Shareholders' Meeting, which fixes their powers and remuneration.

Following the reverse stock split of shares passed by the Extraordinary Shareholders' Meeting of [...] 2012, the above-indicated amount of Euro 1.00 per share will be increased to Euro 100.00 per share”;

- 4) *to mandate the pro tempore legal representatives, also individually, within the legal limits, all powers necessary to execute the above resolutions, including, for indicative purposes only and not exhaustive, the power and the faculty to: (a) establish with Borsa Italiana S.p.A. and all other relevant Authorities the start date of the reverse stock split operations outlined above; (b) to adopt all necessary measures to ensure shareholders with a holding of less than (or not a multiple of) 100 shares are protected; (c) to establish together with Borsa Italiana S.p.A. and all relevant Authorities the timeframe and conditions for the relative operations and those resulting from the above-stated reverse stock split such as, for example, the management of remaining shares, in compliance with applicable regulations; (d) to file the communications, disclosures and other provisions required by legislation and regulations in application of that outlined above; (e) to implement any amendments, supplementations and deletions of a non-substantial nature to the resolutions adopted above which may be required for legal compliance, as well as to carry out every other act and/or activity which may be useful and/or necessary in order to enable an efficient and prompt execution of the resolutions; (f) to file and publish in accordance with law the updated text of the by-laws with the changes to Articles 5, 6, 27 and 31 following the execution of the reverse stock split operation.*

* * * *

3. Amendment to Articles 6 (Shares), 10 (Ordinary and Extraordinary Shareholders' Meetings. Special Shareholders' Meeting), 27 (Allocation of profits) and 31 (Winding-up) of the by-laws, in order to enable the company to issue a further category of savings shares to those already existing. Resolutions thereon.

Dear Shareholders,

you have been called in extraordinary session to approve a number of amendments to the by-laws in order to enable the Company to issue a further category of savings shares to those already in existence. This amendment – which concerns Articles 6, 10, 27 and 31 of the by-laws – is strictly related to implementing the capital increase subject to the next item on the agenda. As will be examined in detail, the share capital increase proposal concerns (i) an ordinary shareholders' rights issue and (ii) a saving shareholders' rights issue for those currently holding shares (for ease of understanding indicated as Category A savings shares) concerning a new category of savings shares (which to facilitate understanding will be indicated as category B savings shares).

The present proposal establishes that the Category B savings shares shall have the same rights as the Category A savings shares, with the preference dividend linked to the “average par value for the category”, i.e. the ratio between the total amount of share issued in the subscription period of the Category B savings shares and the total number of shares in the category. This parameter, on the first issue of the Category B savings shares, will coincide therefore with the portion of the issue price which will be recorded to the share capital. Over time however, this parameter may change following the issue of new Category B shares, depending on the issue price which, with such further issues, will be recorded to the share capital. The proposed amendments consist therefore of the adjustments to Article 6, 10, 27 and 31 of the by-laws, which contain the legislatively required provisions for Category A savings shares - in order to ensure a corresponding governance for Category B savings shares in line with the above indicated criteria.

Below the proposed amendments to Articles 6, 10, 27 and 31 of the by-laws, highlighting the proposed amendments compared to the current text following the approval by the Extraordinary Shareholders’ Meeting of the amendments regarding the preceding points on the agenda, are reported.

Existing Text	Proposed Text
<p>Art. 6 (Shares)</p> <p>The shares are divided into ordinary shares and savings shares.</p>	<p>Art. 6 (Shares)</p> <p><u>The company may issue ordinary shares, Category A savings shares (hereafter the “Category A Shares”) and Category B savings shares (hereafter the “Category B Shares” and together with the Category A Shares, the “Savings Shares”).</u></p> <p><u>The Category A Shares and the Category B Shares attribute to holders rights established by the present by-law.</u></p>
<p>The shares are registered if this is required by current legislation.</p>	<p>Unchanged</p>
<p>Otherwise if they are fully paid-up, the shares may be registered or nominated as bearer shares, as shareholders choose and</p>	<p>Unchanged</p>

<p>at their expense.</p>	
<p>The number of savings shares may not exceed half of the total number of shares comprising the share capital.</p>	<p>The number of Savings Shares may not exceed half of the total number of shares comprising the share capital.</p>
<p>The savings shares have the advantage of profit-sharing and of capital repayment. Therefore when the company is wound up, they have the pre-emptive right to repayment of capital up to Euro 1.00 per share. The savings shares may be bearer shares in the cases allowed by law. The holders of the savings shares are not entitled to take part in meetings of the company's shareholders nor to request that meetings be called. Should the Company decide to distribute its reserves, the savings shares shall enjoy the same rights as the other shares. In the absence of operating profits, the Shareholders' Meeting shall be entitled to pass resolutions to distribute reserves in order to ensure that the guaranteed minimum dividend is paid or that the dividend is increased. When the share capital has to be written down to cover losses, this does not imply a reduction on the value of the savings shares which is not covered by the other shares.</p> <p>In the case of reverse stock splits or stock splits (also in the case of capital operations necessary to avoid altering the shareholder rights) the amounts per share accruing to the pre-emptive rights of savings shares are consequently amended.</p>	<p>In relation to the allocation of profits and capital repayment, savings shareholders, on the winding up of the company, <u>for the Category A Shares</u>, have a pre-emptive right to repayment of capital up to Euro 1.00 per share <u>and the category B shares have a pre-emptive right of repayment of capital up to an amount per share equal to the average par value of the same category of shares (i.e. the ratio existing between the total amount of shares allocated on the subscription of the Category B shares and the total number of Category B shares existing) (hereafter the "Category B Shares par value")</u>. The Savings Shares may be bearer shares in the cases allowed by law. The holders of the Savings Shares are not entitled to take part in meetings of the company's shareholders nor to request that meetings be called. Should the Company decide to distribute its reserves, the Savings Shares shall enjoy the same rights as the other shares. In the absence of operating profits, the Shareholders' Meeting shall be entitled to pass resolutions to distribute reserves in order to ensure that the guaranteed minimum dividend is paid or that the dividend is increased. When the share capital has to be written down to cover losses, this does not imply a reduction on the value of the Savings Shares which is not covered by the other shares.</p>

	In the case of reverse stock splits or stock splits (also in the case of capital operations necessary to avoid altering the shareholder rights) the amounts per share accruing to the pre-emptive rights of Category A Shares are consequently amended.
In the event that the company's ordinary or savings shares are excluded from trading in regulated markets, the savings shares retain their rights and features unless otherwise resolved by an Extraordinary or Special Shareholders' Meeting.	In the event that the company's ordinary or Savings Shares are excluded from trading in regulated markets, the Savings Shares retain their rights and features unless otherwise resolved by an Extraordinary or Special Shareholders' Meeting.
Communications pertaining to Company operations that could affect the performance of the listings of the savings shares are sent without delay to the representative of the holders of saving shares.	Communications pertaining to Company operations that could affect the performance of the listings of the savings shares are sent without delay to the representative of the holders of Saving Shares.
Following the reverse stock split of shares passed by the Extraordinary Shareholders' Meeting of [...] 2012, the amount of Euro 1.00 per share indicated at the fifth point of the present Article will be increased to Euro 100.00 per share	Following the reverse stock split of shares passed by the Extraordinary Shareholders' Meeting of [...] 2012, the amount of Euro 1.00 per share indicated at the sixth paragraph of the present Article will be increased to Euro 100.00 per share.
Art. 10 (Ordinary and Extraordinary Shareholders' Meetings. Special Shareholders' Meetings).	Art. 10 (Ordinary and Extraordinary Shareholders' Meetings. Special Shareholders' Meetings).
The validity of the constitution and of the resolutions of both ordinary and extraordinary Shareholders' Meetings is governed by legislation, subject to the provisions of Articles 13 and 24 below in the case of the appointment of, respectively, the Board of Directors and the Board of Statutory Auditors. Special Shareholders' Meetings and the	The validity of the constitution and of the resolutions of both ordinary and extraordinary Shareholders' Meetings is governed by legislation, subject to the provisions of Articles 13 and 24 below in the case of the appointment of, respectively, the Board of Directors and the Board of Statutory Auditors. Special Shareholders' Meetings and the

representative of the holders of saving shares are governed by legislation.	representatives of the holders of saving shares are governed by legislation.
Art. 27 (Allocation of profits)	Art. 27 (Allocation of profits)
<p>The profits resulting from the accounts approved by the Shareholders' Meeting, less the amounts assigned to the ordinary reserves in the proportions established by law, will be allocated as follows:</p> <ul style="list-style-type: none"> - to savings shares a preference dividend of up to Euro 0.065 per share; - the remainder to the ordinary shares and to the savings shares in such a way that the savings shares are allocated a total dividend of Euro 0.052 greater than that allocated to the ordinary shares, subject to the right of the Shareholders' Meeting to resolve to allocate some or all of the profits to reserves or provisions, to carry them forward, to allocate a portion extraordinarily to the Company's employees, specifying the amount, the conditions and the criteria for allocation, or to allocate profits for any other purpose it deems to be in the interests of the Company. 	<p>“The profits reported in the accounts approved by the Shareholders' Meeting, less the amounts allocated to the ordinary reserves in the proportions established by law, are allocated <u>in the following order:</u></p> <p>to <u>Category A Shares</u> a preference dividend up to Euro 0.065 per share.</p> <p><u>- to Category B Shares a preference dividend per share up to 6.5% of the par value of Category B Shares;</u></p> <ul style="list-style-type: none"> - the remainder to the ordinary shares and to the Savings Shares in such a way that the <u>Category A Shares</u> are allocated a total dividend of Euro 0.052 greater than that allocated to the ordinary shares, <u>and the Category B Shares a dividend of 5.2% greater than the ordinary shares, considering the par value of the Category B shares,</u> subject to the right of the Shareholders' Meeting to resolve to allocate some or all of the profits to reserves or provisions, to carry them forward, to allocate a portion extraordinarily to the Company's employees, specifying the amount, the conditions and the criteria for allocation, or to allocate profits for any other purpose it deems to be in the interests of the Company.
If in any financial year a dividend of less than Euro 0.065 per share is allocated to the savings shares, the difference is taken into account in order to increase the preference dividend in the following two	If in any financial year, the <u>Category A Shares</u> are allocated a dividend less than Euro 0.065 per share <u>and/or the Category B Shares a dividend per share less than 6.5% of the par value of the</u>

years.	Category B Shares , the difference is taken into account in order to increase the preference dividend in the following two years.
Following the reverse stock split of shares approved by the extraordinary Shareholders' Meeting of [...] 2012, the above stated amount of Euro 0.065 per share and of Euro 0.052 per share will be respectively increased to Euro 6.50 and Euro 5.20 per share.	Unchanged
Art. 31 – (Winding-up)	Art. 31 – (Winding-up)
<p>If the Company is wound up the procedures to be followed are those that are laid down in law.</p> <p> Holders of savings shares have the pre-emptive right to repayment of capital up to Euro 1.00 per share.</p> <p>The liquidator or liquidators are appointed, according to law, by the Shareholders' Meeting, which fixes their powers and remuneration.</p>	<p>If the Company is wound up the procedures to be followed are those that are laid down in law.</p> <p> Holders of Category A Shares have the pre-emptive right to repayment of capital up to Euro 1.00 per share.</p> <p><u> Holders of Category B Shares have the pre-emptive right to repayment of capital up to an amount per share equal to the par value of the Category B Shares.</u></p> <p>The liquidator or liquidators are appointed, according to law, by the Shareholders' Meeting, which fixes their powers and remuneration.</p>
Following the reverse stock split of shares passed by the Extraordinary Shareholders' Meeting of [...] 2012, the above-indicated amount of Euro 1.00 per share will be increased to Euro 100.00 per share.	Unchanged

The proposed amendments to Articles 6, 10, 27 and 31 of the by-laws do not impact the events under which the right to return shares may be exercised by ordinary and savings shareholders, in accordance with Article 2437 of the civil code, and therefore in the case of its approval, does not confer shareholders with the right to withdraw from the Company.

The proposal is not subject to approval by the Special Savings Shareholders' Meeting in accordance with Article 146, paragraph 1, letter b) of the CFA, as not affecting the rights of the category.

Finally, it is noted that the proposal is subject to authorisation by the relevant Authorities. In particular, the by-law amendments are subject to approval by ISVAP in accordance with Article 196 of Legislative Decree 209/2005 (the so-called Private Insurer's Code).

Proposal to the shareholders meeting

In light of that stated above, the Board of Directors proposes the following resolutions:

“The Extraordinary Shareholders’ Meeting of Fondiaria-SAI S.p.A.:

- having reviewed the Board of Directors’ Report and the proposals therein;

resolves

- 1) *to approve the Company to issue new savings shares (hereafter “Category B Shares”) with the same characteristics as the savings shares already in circulation (hereafter the “Category A Shares”) with the exception of:*
 - the pre-emptive right, following that devolving to Category A shares, of capital repayment up to an amount per share equal to the average par value of shares in the same category, i.e. the ratio existing between the total amount of shares allocated on the subscription of the Category B Shares and the total number of Category B Shares existing (hereafter the “Category B Par Value”);*
 - a preference dividend, following payment of Euro 6.50 devolving to Category A Shares, up to an amount of 6.5% of the par value of the Category B Shares;*
 - a total dividend 5.2% greater than the ordinary shares of the value of the Category B shares;*
 - the pre-emptive, after that devolving to Category A Shares, to repayment of capital on winding-up of up to an amount per share equal to the par value of the Category B Shares;*
- 2) *to amend Articles 6, 10, 27 and 31 of the by-laws of Fondiaria-SAI S.p.A. as follows:*

Art. 6 – Shares:

*“The company may issue ordinary shares, Category A savings shares (hereafter “**Category A Shares**”) and Category B savings shares (hereafter “**Category B Shares**” and, together with the Category A Shares, the “**Savings Shares**”).*

The Category A Shares and the Category B Shares attribute to holders the rights established by the present by-law.

The shares are registered if this is required by current legislation.

Otherwise if they are fully paid-up, the shares may be registered or nominated as bearer shares, as shareholders choose and at their expense.

The number of Savings Shares may not exceed half of the total number of shares comprising the share capital.

*In relation to the allocation of profits and capital repayment, savings shareholders, on the winding-up of the company, for the Category A Shares, have a pre-emptive right for capital repayment of up to Euro 1.00 per share and the Category B shares have pre-emptive right of capital repayment up to an amount per share equal to the average par value of the same category of shares (i.e. the ratio existing between the total amount of shares allocated on the subscription of the Category B shares and the total number of Category B shares existing) (hereafter the “**Category B Shares par value**”). The Savings Shares may be bearer shares in the cases allowed by law. The holders of the Savings Shares are not entitled to take part in meetings of the company's shareholders nor to request that meetings be called. Should the Company decide to distribute its reserves, the Savings Shares shall enjoy the same rights as the other shares. In the absence of operating profits, the Shareholders' Meeting shall be entitled to pass resolutions to distribute reserves in order to ensure that the guaranteed minimum dividend is paid or that the dividend is increased. When the share capital has to be written down to cover losses, this does not imply a reduction on the value of the Savings Shares which is not covered by the other shares.*

In the case of reverse stock splits or stock splits (also in the case of capital operations necessary to avoid altering the shareholder rights) the amounts per share accruing to the pre-emptive rights of Category A Shares are consequently amended.

In the event that the company's ordinary or Savings Shares are excluded from trading in regulated markets, the savings shares retain their rights and features unless otherwise resolved by an Extraordinary or Special Shareholders' Meeting.

Communications pertaining to Company operations that could affect the performance of the listings of the savings shares are sent without delay to the representative of the holders of Saving Shares”.

Following the reverse stock split approved by the extraordinary Shareholders' Meeting of [...] 2012, the amount of Euro 1.00 per share indicated at the sixth point of the present Article will increase to Euro 100.00 per share.”;

Art. 10 – Ordinary and Extraordinary Shareholders' Meetings. Special Shareholders' Meetings

“The validity of the constitution and of the resolutions of both ordinary and extraordinary Shareholders' Meetings is governed by legislation, subject to the provisions of Articles 13 and 24 below in the case of the appointment of, respectively, the Board of Directors and the Board of Statutory Auditors.

Special Shareholders' Meetings and the representative of the holders of saving shares are governed by legislation”.

Art. 27 – Allocation of profits:

“The profits reported in the accounts approved by the Shareholders' Meeting, less the amounts allocated to the ordinary reserves in the proportions established by law, are allocated as follows:

- to Category A Shares a preference dividend up to Euro 0.065 per share;*
- to Category B Shares a preference dividend per share up to 6.5% of the par value of Category B Shares;*
- the remainder to the ordinary shares and to the Savings Shares in such a way that the Category A Shares are allocated a total dividend of Euro 0.052 greater than that allocated to the ordinary shares, and the Category B Shares a dividend of 5.2% greater than the ordinary shares, considering the par value of the Category B shares, subject to the right of the Shareholders' Meeting to resolve to allocate some or all of the profits to reserves or provisions, to carry them forward, to allocate a portion extraordinarily to the Company's employees, specifying the amount, the conditions and the criteria for allocation, or to allocate profits for any other purpose it deems to be in the interests of the Company.*

If in any financial year, the Category A Shares are allocated a dividend less than Euro 0.065 per share and/or the Category B Shares a dividend per share less than 6.5% of the par value of the Category B Shares, the difference is taken into account in order to increase the preference dividend in the following two years.

Following the reverse stock split of shares approved by the extraordinary Shareholders' Meeting of [...] 2012, the above-stated amount of Euro 0.065 per share and of Euro 0.052 per share will be respectively increased to Euro 6.50 and Euro 5.20 per share”.

Art. 31 – Winding-up

“If the Company is wound up the procedures to be followed are those that are laid down in law.

Holders of Category A Shares have the pre-emptive right to repayment of capital up to Euro 1.00 per share.

Holders of Category B Shares have the pre-emptive right to repayment of capital up to an amount per share equal to the par value of the Category B Shares.

The liquidator or liquidators are appointed, according to law, by the Shareholders' Meeting, which fixes their powers and remuneration.

Following the reverse stock split of shares passed by the Extraordinary Shareholders' Meeting of [...] 2012, the above-indicated amount of Euro 1.00 per share will be increased to Euro 100.00 per share”;

- 3) *to mandate the pro tempore legal representatives, also individually, within the legal limits, all powers necessary to execute the above resolutions, including, for indicative purposes only and not exhaustive, the power and the faculty to: (a) to implement any amendments, supplementations and deletions of a non-substantial nature to the resolutions adopted above which may be required for legal compliance (b) to file and publish in accordance with law the updated text of the by-laws with the changes to Articles 5, 6, 27 and 31 following the execution of the reverse stock split operation.”*

* * * *

4. Paid-in share capital increase through a rights issue of new ordinary shares and a new category of savings shares. Consequent amendment to article 5 of the Company By-Laws. Resolutions thereon.

Dear Shareholders,

you have been called in extraordinary session to discuss and resolve upon a divisible paid-in share capital increase proposal for a total maximum amount of Euro 1,100,000,000.00, including any share premium, to be carried out by December 31, 2012, through a rights issue of ordinary and Category B savings shares with the same characteristics outlined in the preceding matter on the agenda (the “**Category B Shares**”) to be offered to holders of ordinary shares and savings shares of the Company currently in circulation (the “**Category A Shares**”), in accordance with Article 2441, first, second and third paragraphs of the civil code (the “**Share Capital Increase**”).

We propose also to confer to the Board of Directors all necessary powers to establish, in compliance with the above-stated limits, the manner, terms and conditions of the Share Capital Increase and, in particular, the issue price of the new ordinary shares and

the Category B Shares (including any share premium) to be established shortly before the rights issue, taking account, among other issues, of the market conditions, the Company share performance, results, balance sheet position and financial position of the Company, also at a consolidated level, as well as common market practices, in addition to establishing the number of shares to be issued and the relative rights ratio.

1. Reasons and allocation of funds deriving from the capital increase, considering also the operational performance of the company.

The Share Capital Increase is intended to strengthen the capital base of the Fondiaria-SAI Insurance Group (the “**Group**”), in light of the recent results within the overall difficult insurance and financial market and concerns - also in a complementary manner to other initiatives - the need to increase the consolidated solvency margin to the level indicated in the Risk Tolerance objectives drawn up by the Board of Directors of 120%.

As announced to the market on December 12, 2011, the Board of Directors of the Company on the same date appointed the Chief Executive Officer and the General Manager to explore possible initiatives to be proposed to the Board in order to strengthen the balance sheet, also structurally, in the short-term period. In order to ensure the maximum impact and timeliness of such proposals, the Board of Directors have employed the services of the leading independent financial advisor Goldman Sachs International.

Subsequently, on December 23, 2011, as announced to the market on the same date, the Board of Directors of the Company reviewed the results of the work carried out by the Chief Executive Officer and the General Manager, assisted by the advisor, regarding a range of initiatives which may be implemented in the short-term to strengthen the capital base and bring the consolidated solvency margin above the 120% threshold.

At the meeting, the Board examined the 2011 preliminary results indicating a loss, net of taxes, of Euro 925 million and an estimated solvency ratio – considering the effects of Isvap regulation No. 37/2011 of approx. 21 percentage points – at approx. 90%.

The Board of Directors of the Company subsequently reviewed in the meeting of January 29, 2012 the data of the present report – updating the stated preliminary results, to an expected loss, net of taxes, of Euro 1,105 million and an estimated solvency ratio - taking account also of the above stated effects – at about 75%.

The updated estimates, despite the strong current operating performance in the final part of 2011 confirming that established in the preceding periods of the year, stem primarily from non-recurring items – principally:

- adjustments of the Motor TPL claims reserves of approx. Euro 790 million related to the combined effect of two factors: (i) the updating of accounting records (for December 2011); (ii) the completion of actuarial model processes based on the principal parameters of the claims portfolio historical data. This non-recurring effect is at least partly offset by the further improvement of the technical performance in December 2011 following a further reduction in the Motor TPL claims frequency.
- adjustments to the value of the “Available-for-sale” equities and bond portfolio (exclusively comprising Greek government bonds) of approx. Euro 350 million;
property write-downs for a total of approx. Euro 310 million following the Group property valuations carried out by independent experts;
- goodwill write-down estimated at approx. Euro 120 million.

Isvap, with letter dated January 10, 2012, noted the significant shortcomings in relation to the adjusted solvency margin requesting a commitment to introduce initiatives to bolster the adjusted solvency situation and to guarantee future solvency.

The Share Capital Increase therefore also takes into account the considerations of Isvap.

On January 29, 2012 Unipol Gruppo Finanziario S.p.A. (“**UGF**”) announced the reaching of an agreement with Premafin Finanziaria S.p.A. (“**Premafin**”) concerning reciprocal commitments regarding an integration plan between the Company, Unipol Assicurazioni S.p.A., Premafin and Milano Assicurazioni S.p.A. Under the integration plan, Premafin will carry out a share capital increase reserved to UGF for a maximum amount of Euro 400 million, providing Premafin with the necessary financial resources to allow the company and its subsidiary Finadin S.p.A. to subscribe, for their respective holdings, to the share capital increase subject to the present point of the current Report. Therefore UGF will indirectly acquire control of the Fondiaria-SAI Group.

As communicated to the market, the agreement is subject to a number of conditions including, among others, the granting of authorisation from the relevant supervisory authorities and the granting to Unipol by Consob of exemption from launching a public purchase offer on the shares of Premafin, Fondiaria-SAI and Milano Assicurazioni.

Consequently, the Board meeting of January 29, 2012, having noted the signing of the agreement between UGF and Premafin, approved the appropriate actions in relation to the proposed integration in order to formulate the subsequent proposals to be presented to the Shareholders' Meeting.

In light of that stated above, the Share Capital Increase forms part therefore of the wider integration operation.

2. *Operating performance and preliminary results for the past year*

The interim report of Fondiaria-SAI at September 30, 2011, available on the internet site of the Company and to which reference should be made, reports a consolidated loss of Euro 211.7 million.

The following table summarises the key highlights of the interim report of Fondiaria-SAI at September 30, 2011.

(in Euro thousands)

	Non-Life	Life	Real Estate	Other Activities	IC	Total
Net premiums	5,121,577	3,228,525				8,350,102
Commission income		7,718		17,180	(6,179)	18,719
Income and charges from financial instruments at fair value through profit or loss	(13,731)	195,799	(321)	(1,113)	(20)	180,614
Income from investments in subsidiaries, associates and joint ventures	76		13,719			13,795
Income from other financial instruments and property investments	246,795	592,504	34,959	45,906	(37,215)	882,949
Other revenue	400,306	56,546	62,711	492,730	(515,832)	496,461
TOTAL REVENUES AND INCOME	5,755,023	4,081,092	111,068	554,703	(559,246)	9,942,640
Net charges relating to claims	(4,057,784)	(3,550,549)				(7,608,333)
Commission expenses		(6,480)		(6,244)		(12,724)
Charges from investments in subsidiaries, associates and joint ventures	(1,616)		(56)	(10,318)		(11,990)
Charges from other financial instruments and property investments	(259,782)	(157,922)	(51,284)	(18,908)	15,159	(472,737)
Management expenses	(1,139,569)	(170,892)	(147)	(239,702)	164,820	(1,385,490)
Other expenses	(592,961)	(83,690)	(60,501)	(316,099)	379,267	(673,984)
TOTAL COSTS AND CHARGES	(6,051,712)	(3,969,533)	(111,988)	(591,271)	559,246	(10,165,258)
LOSS BEFORE TAXES	(296,689)	111,559	(920)	(36,568)	-	(222,618)
Income tax						(19,896)
NET LOSS						(242,514)

PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS						30,850
CONSOLIDATED LOSS						(211,664)
Group share						(178,612)
minority share						(33,052)
Pre tax result 9M 2010	(494,568)	65,481	(26,324)	(27,010)	-	(482,421)

In relation to the preliminary results for 2011 reference should be made to point 1 above.

3. Underwriting syndicate or placement consortiums, the relative composition, as well as the manner and terms for their involvement.

On February 3, 2012, Fonsai appointed Mediobanca – Banca di Credito Finanziario S.p.A. (“**Mediobanca**”) to promote, at conditions in line with market practice, the underwriting syndicate concerning the Share Capital Increase, within the above-stated integration project with UGF, a company which itself appointed Mediobanca to a similar role for its own share capital increase.

Fondiarria-SAI and UGF have received confirmation from Barclays Capital, Credit Suisse, Deutsche Bank, Mediobanca, Morgan Stanley, Nomura, UBS Investment Bank and UniCredit Corporate & Investment Banking of their respective availability to act as Joint Global Coordinators and Joint Bookrunners - at normal market conditions and on satisfactory analysis of the merger - for the respective capital increase syndicates, with the availability of UniCredit Corporate & Investment Banking subject to the granting of authorisation by the relevant internal boards, in light also of the provisions of Article 136 of Legs. Decree No. 385/1993.

4. Other possible forms of placement.

No other possible forms of private placement are provided for.

5. The basis on which the issue price of the new shares was established, the allocation ratio.

As stated, the proposal submitted for your approval establishes that the issue price of new ordinary shares and Category B Shares is set by the Board of Directors,

considering, among other issues, of the market conditions, the Company share performance, results, balance sheet and financial position of the Company, also at consolidated level, as well as common market practices.

Following the establishment of the subscription price (including any share premium), the Board of Directors will establish the maximum number of shares to be issued and the rights issue ratio.

6. Shareholders who have expressed availability to subscribe in proportion to the shares held, to newly issued shares and/or convertible bonds, as well as any unexercised rights.

With exception to that outlined below, at the date of the present Report the Company had not received from shareholders expressions of interest to subscribe to newly issued shares. In relation to the above-stated integration operation (see point 1), UGF is committed, through the subscription to the share capital increase of Premafin reserved to UGF at set conditions, such as to ensure Premafin and the subsidiary Finadin S.p.A. acquires the resources necessary to subscribe to the share capital increase for the shares pertaining to them.

7. Time period for the execution of the operation.

Subject to the granting of the necessary authorisations by the relevant Authorities the rights issue is expected to begin in May.

8. Dividend rights.

The ordinary shares and the Category B Shares which will be issued under the Share Capital Increase subject to the present Report will have full dividend rights and therefore a dividend may potentially be paid from the 2012 results and thereafter.

9. Effects of the operation

To facilitate understanding, the data relating to the Fondiaria-SAI interim third quarter report, at consolidated level, concerning net equity, investments, technical reserves and financial liabilities, prepared according to International Accounting Standards and not according to Italian Accounting Standards, is reported below.

Shareholders' Equity

(in Euro thousands)	30/09/2011	30/06/2011	31/12/2010
Net equity	2,538,187	2,607,163	2,550,105
Group Net Equity	1,850,044	1,922,907	1,882,127
Share capital	494,731	167,044	167,044
Capital reserves	315,595	209,947	209,947
Retained earnings and other reserves	1,826,647	1,840,835	2,620,792
Treasury shares	(213,026)	(213,026)	(321,933)
Translation reserve	(47,205)	(46,700)	(56,598)
Profit or loss on AFS financial assets	(359,736)	(2,659)	(34,759)
Other gains and losses recorded directly in equity	11,650	29,377	15,216
Group loss	(178,612)	(61,911)	(717,582)
Minority interest shareholders' equity	688,143	684,256	667,978
Share capital and reserves pertaining to minority interests	838,531	707,951	902,126
Gains and losses recorded directly in equity	(117,336)	(24,057)	(22,869)
Minority interest loss	(33,052)	362	(211,279)

Investments

(in Euro thousands)	30/09/2011	30/06/2011	31/12/2010
Investment property	2,848,132	2,856,621	2,894,209
Investments in subsidiaries, associates and joint ventures	195,059	200,975	325,369
Investments held to maturity	609,811	603,901	592,138
Loans and receivables	3,774,949	3,633,171	3,159,211
AFS financial assets	19,231,165	19,715,952	20,302,882
Financial assets at fair value through the profit or loss account	9,500,172	9,514,726	8,740,064
Total investments	36,159,288	36,525,346	36,013,873
Tangible fixed assets: buildings and other fixed assets	597,625	602,549	594,334
Total non-current assets	36,756,913	37,127,895	36,608,207
Cash and cash equivalents	536,226	523,127	625,940

Total non-current assets and cash equivalents	37,293,139	37,651,022	37,234,147
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Net technical reserves

(in Euro thousands)	30/09/2011	30/06/2011	31/12/2010
Non-Life technical reserves			
Unearned premium reserve	2,374,306	2,646,179	2,623,533
Claims reserve	8,897,476	8,563,326	8,595,280
Other reserves	11,152	11,363	12,317
Total Non-Life reserves	11,282,934	11,220,868	11,231,130
Life technical reserves			
Reserve for sums to pay	342,884	276,537	275,246
Actuarial reserves	15,434,236	15,636,809	15,909,498
Technical reserves where the investment risk is borne by policyholders	7,982,545	7,873,205	6,950,978
Other reserves	(668,919)	(381,683)	(362,064)
Total Life Reserves	23,090,746	23,404,868	22,773,658
Total Technical Reserves	34,373,680	34,625,736	34,004,788

Although all the information necessary to measure the net impact of the Share Capital Increase on the consolidated net equity of the Group is not yet available, it may be stated that the operation will significantly increase the total consolidated net equity of Fondiaria-SAI.

10. Effect on the unitary value of shares, of any dilution of their value or redistribution among the categories of shares.

As the issue price of the new shares, the number of shares to be issued and the relative rights have not yet been determined - matters which will only be finalised shortly before the implementation of the Share Capital Increase based on the market performance - it is not possible at the moment to determine or draw up an estimate of the dilutive effect on the unitary value of ordinary and savings shareholders which will not fully exercise the rights pertaining to them. It however may be stated that a significant dilutive effect will take place.

11. Authorisations of the Relevant Authorities.

The proposed operation is subject to authorisation by the relative Authorities.

In particular, the by-law amendments following the operation are subject to approval by ISVAP in accordance with Article 196 of Legislative Decree 209/2005 (the so-called Private Insurer's Code).

In addition, the execution of the Share Capital Increase requires, in accordance with Article 94 of the CFA and the relative enacting provisions, the publication of a prospectus concerning the offer and listing subject to approval by Consob.

12. Other information.

Subscription to newly issued ordinary shares and Category B Shares under the rights issue must take place through the authorised intermediaries utilising the centralised management system Monte Titoli S.p.A. The shares will be made available to such shareholders through the authorised intermediaries utilising Monte Titoli S.p.A.

Full payment of the share offer price must be paid on subscription to the intermediary by the shareholder.

13. Amendments to the by-laws and right to return shares.

If the Share Capital Increase proposal subject of the present Report is approved, it will be necessary to supplement Article 5 of the by-laws with a new final paragraph, incorporating the resolution passed by the Extraordinary Shareholders' Meeting. This amendment is outlined in the following table which assumes approval by the Extraordinary Shareholders' Meeting of the amendments concerning the cancelation of the nominal value of ordinary and savings shares and the reverse stock split considered in the first and second points on the agenda of the extraordinary session.

Existing Text	Proposed Text
Art. 5 (Amount of capital)	Art. 5 (Amount of capital)
The share capital is Euro 494,731,136.00 divided into: - 367,047,470 ordinary shares, without	Unchanged

nominal value; - 127,683,666 savings shares, without nominal value.	
Euro 322,210,947.00 of the share capital is attributed to exercising Non-Life insurance and Euro 172,520,189.00 to exercising Life insurance.	Unchanged
Euro 205,396,577.39 of the share premium reserve is attributed to exercising Non-Life insurance and Euro 125,833,183.28 to exercising Life insurance.	Unchanged
Euro 172,200,702.63 of the revaluation reserve is attributed to exercising Non-Life insurance and Euro 27,824,231.05 to exercising Life insurance.	Unchanged
Euro 23,203,165.60 of the legal reserve is attributed to exercising Non-Life insurance and Euro 12,332,998.80 to exercising Life insurance.	Unchanged
Euro 23,506,325.77 of the treasury share and parent company share reserve is attributed to exercising Non-Life insurance and Euro 10,845,943.00 to exercising Life insurance.	Unchanged
Euro 775,952,973.83 of the other reserves are attributed to exercising Non-Life insurance and Euro 399,893,921.48 to exercising Life insurance.	Unchanged
The net equity items do not include statutory reserves or retained earnings/losses carried forward.	Unchanged
In the event of a paid-in share capital increase, the shareholders rights option can	Unchanged

<p>be excluded within the limit of 10 per cent of the pre-existing share capital, on condition that the issue price of the new shares corresponds to the market value of the shares already in circulation and this is verified by a legal auditors' report.</p>	
<p>The Extraordinary Shareholders' Meeting of [...] 2012 approved the reverse stock split of ordinary and savings shares in circulation in the ratio of 1 new ordinary share with normal dividend rights for every 100 ordinary shares held, and 1 new savings share with normal dividend rights for every 100 savings shares, following cancellation of 70 ordinary shares and 66 savings shares, without however, in the absence of a nominal value, a reduction in the share capital, as well as consequently adjusting the numeric value per share to which the savings share preferences are based.</p>	<p>Unchanged</p>
	<p><u>The Extraordinary Shareholders' Meeting of [...] 2012 approved a divisible paid-in share capital increase for a total maximum amount of Euro 1,100,000,000.00, including any share premium, to be carried out by December 31, 2012, through a rights issue of ordinary shares and Category B shares (as established at the subsequent Art. 6), with full dividend rights, to be offered to holders of ordinary shares and Category A Shares (also established at the subsequent point 6), in accordance with Article 2441, first, second and third paragraphs of the civil code. The Extraordinary Shareholders' Meeting conferred to the Board of Directors all necessary powers, in the manner and terms required by law, to:</u></p> <p><u>(i) establish the issue price of new ordinary shares and Category B Shares (including any share premium), considering, among other issues, of the market conditions, the Company share</u></p>

	<p><u>performance, results, balance sheet and financial position of the Company, also at consolidated level, as well as common market practice;</u></p> <p><u>(ii) establish – following that established at sub-point (i) – the maximum number of newly issued ordinary shares and Category B Shares, in addition to the rights issue ratio, and any rounding of the number of shares;</u></p> <p><u>(iii) establishes the timeframe for the execution of the share capital increase, particularly the beginning of the rights issue as well as the subsequent stock market offer of any rights not taken up at the end of the subscription period, within however the final deadline of December 31, 2012.</u></p> <p><u>(iv) prepare, draws up and present all of the necessary documentation, also considered preliminary, for implementation or otherwise relating to the share capital increase, including the application for admission to listing on the Stock Exchange of Category B Shares, the communication and accompanying approval request for publication of the prospectus to Consob, the information prospectus, and more in general, all that necessary for the successful completion of the operation.</u></p>
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The above-stated amendment to Article 5 of the by-laws does not affect the conditions for the exercise of the right to return shares by ordinary and savings shareholders in accordance with Article 2437 of the civil code and, therefore in the case of its approval, does not confer the right to withdraw to shareholders from the Company.

Furthermore, the operation is not subject to approval by the Special Savings Shareholders' Meeting in accordance with Article 146, paragraph 1, letter b) of the CFA, as not affecting the rights of this category.

As previously stated, the proposal is subject to authorisation by the relative Authorities. In particular, the by-law amendments are subject to approval by ISVAP in accordance with Article 196 of Legislative Decree 209/2005 (the so-called Private Insurer's Code).

Proposal to the shareholders meeting

In light of that stated above, the Board of Directors proposes the following resolutions:

“The Extraordinary Shareholders' Meeting of Fondiaria-SAI S.p.A.:

- having reviewed the Board of Directors' Report and the proposals therein;

resolves

- 1) *a divisible paid-in share capital increase for a total maximum amount of Euro 1,100,000,000.00, including any share premium, to be carried out by December 31, 2012, through a rights issue of ordinary shares and Category B shares, with full dividend rights, to be offered to holders of ordinary shares and Category A Shares, in accordance with Article 2441, first, second and third paragraphs of the civil code;*
- 2) *to establish that the share capital increase is undertaken to facilitate non life insurance operations and life insurance operations based on the current proportions pertaining to each;*
- 3) *to confer to the Board of Directors all necessary powers, in the manner and terms required by law:*
 - (i) *to establish the issue price of new ordinary shares and Category B Shares (including any share premium), considering, among other issues, the market conditions, the Company share performance, results, balance sheet and financial position of the Company, also at consolidated level, as well as common market practice;*
 - (ii) *to establish – following that established at sub-point (i) – the maximum number of newly issued ordinary shares and Category B Shares, in addition to the rights issue ratio, and any rounding of the number of shares;*
 - (iii) *to establish the timeframe for the execution of the share capital increase, particularly the beginning of the rights issue as well as the subsequent stock market offer of any rights not taken up at the end of the subscription period, within however the final deadline of December 31, 2012.*

(iv) *to prepare, draws up and present all of the necessary documentation, also considered preliminary, for implementation or otherwise relating to the share capital increase, including the application for admission to listing on the Stock Exchange of Category B Shares, the communication and accompanying approval request for publication of the prospectus to Consob, the information prospectus, and more in general, all that necessary for the successful completion of the operation.*

4) *to amend Article 5 of the by-laws as follows:*

Art. 5 – Amount of capital

“The share capital totals Euro 494,731,136.00, divided into:

- 367,047,470 ordinary shares, without nominal value;

- 127,683,666 savings shares, without nominal value.

Euro 322,210,947.00 of the share capital is attributed to exercising Non-Life insurance and Euro 172,520,189.00 to exercising Life insurance.

Euro 205,396,577.39 of the share premium reserve is attributed to exercising Non-Life insurance and Euro 125,833,183.28 to exercising Life insurance.

Euro 172,200,702.63 of the revaluation reserve is attributed to exercising Non-Life insurance and Euro 27,824,231.05 to exercising Life insurance.

Euro 23,203,165.60 of the legal reserve is attributed to exercising Non-Life insurance and Euro 12,332,998.80 to exercising Life insurance.

Euro 23,506,325.77 of the treasury share and parent company share reserve is attributed to exercising Non-Life insurance and Euro 10,845,943.00 to exercising Life insurance.

Euro 775,952,973.83 of the other reserves are attributed to exercising Non-Life insurance and Euro 399,893,921.48 to exercising Life insurance.

The net equity items do not include statutory reserves or retained earnings/ losses carried forward.

In the event of a paid-in share capital increase, the shareholders rights option can be excluded within the limit of 10 per cent of the pre-existing share capital, on condition that the issue price of the new shares corresponds to the market value of the shares already in circulation and this is verified by a legal auditors’ report.

The Extraordinary Shareholders’ Meeting of [...] 2012 approved the reverse stock split of ordinary and savings shares in circulation in the ratio of 1 new ordinary share with normal dividend rights for every 100 ordinary shares held, and 1 new savings share with normal dividend rights for every 100 savings shares, following cancellation of 70 ordinary shares and 66 savings shares, without however, in the absence of a nominal value, a reduction in the share capital, as well as consequently adjusting the numeric value per share to which the savings share preferences are based.

The Extraordinary Shareholders' Meeting of [...] 2012 approved a divisible paid-in share capital increase for a total maximum amount of Euro 1,100,000,000.00, including any share premium, to be carried out by December 31, 2012, through a rights issue of ordinary shares and Category B shares (as established at the subsequent Art. 6), with full dividend rights, to be offered to holders of ordinary shares and Category A Shares (also established at the subsequent point 6), in accordance with Article 2441, first, second and third paragraphs of the civil code. The Extraordinary Shareholders' Meeting conferred to the Board of Directors all necessary powers, in the manner and terms required by law:

- (i) to establish the issue price of new ordinary shares and Category B Shares (including any share premium), considering, among other issues, the market conditions, the Company share performance, results, balance sheet and financial position of the Company, also at consolidated level, as well as common market practice;*
 - (ii) to establish – following that established at sub-point (i) – the maximum number of newly issued ordinary shares and Category B Shares, in addition to the rights issue ratio, and any rounding of the number of shares;*
 - (iii) establishes the deadline for the execution of the share capital increase approval, particularly the beginning of the rights issue as well as the subsequent stock market offer of any rights not taken up at the end of the subscription period, within however the final deadline of December 31, 2012.*
 - (iv) to prepares, draw up and present all of the necessary documentation, also considered preliminary, for implementation or otherwise relating to the share capital increase, including the application for admission to listing on the Stock Exchange of Category B Shares, the communication and accompanying approval request for publication of the prospectus to Consob, the information prospectus, and more in general, all that necessary for the successful completion of the operation.*
- 5) *to mandate the pro tempore legal representatives, also individually, within the legal limits, all powers necessary to execute the above resolutions, including, for indicative purposes only and not exhaustive, the power and the faculty to: (a) to implement any amendments, supplementations and deletions of a non-substantial nature to the resolutions adopted above which may be required for legal compliance (b) to file and publish in accordance with law the updated text of the by-laws with the changes following the execution of the share capital increase.*

* * * *

5. Amendment to Art. 9 (Meeting call) of the by-laws.

Dear Shareholders,

Article 9 of the Company by-laws establishes that the Shareholders' Meeting for the approval of the annual accounts must be called within 120 days from the end of the financial year and that this period may be extended until "180 days when particular circumstances concerning the capital structure so require and the fulfilment of scope of the company so requires or when reinsurance activities have been exercised to a significant extent".

It is proposed to amend the wording of the above-stated provision of Article 9 in order to enable application - enabled by Article 92 of Legislative Decree 209/2005 (the so-called Private Insurer's Code) and 2364, last paragraph, of the civil code - for the preparation of the consolidated financial statements. It is proposed therefore to include at Article 9, paragraph 4 of the by-laws a general reference to the existence of legal conditions to call the shareholders' meeting to approve the financial statements within the extended time period of 180 days.

Article 9 of the by-laws is reported below with the proposed amendments highlighted.

Existing Text	Proposed Text
Art. 9 (Meeting Call)	Art. 9 (Meeting Call)
<p>Shareholders' Meetings are called by the Board of Directors, or by a member delegated to do so by the Board, at the registered office or elsewhere in Italy, by means of a notice published within the time limit provided by current legislation on the internet site of the Company and through the other means established in the regulation. In addition, this notice is published in the Official Gazette and, where required by the applicable regulation, in the daily newspaper "Il Sole 24 Ore".</p> <p>The day for the second or third call may be specified in the notice of the meeting.</p> <p>Ordinary Shareholders' Meetings to approve the annual accounts must be called within one hundred and twenty days of the end of</p>	<p>Shareholders' Meetings are called by the Board of Directors, or by a member delegated to do so by the Board, at the registered office or elsewhere in Italy, by means of a notice published within the time limit provided by current legislation on the internet site of the Company and through the other means established in the regulation. In addition, this notice is published in the Official Gazette and, where required by the applicable regulation, in the daily newspaper "Il Sole 24 Ore".</p> <p>The day for the second or third call may be specified in the notice of the meeting.</p> <p>Ordinary Shareholders' Meetings to approve the annual accounts must be called within one hundred and twenty days of the end of the financial year.</p>

<p>the financial year.</p> <p>Legislation provides that this period may be extended to one hundred and eighty days if particular requirements relating to the structure and the objects of the company so require or if a significant level of reinsurance activity is carried out.</p> <p>Shareholders' Meetings are also called – whether ordinary or extraordinary – whenever the Board of Directors deems that it is appropriate to do so, and in the cases provided for in law.</p> <p>Shareholders' Meetings may also be called by at least two statutory auditors giving prior notice to the Chairman of the Board of Directors.</p>	<p>This term may be extended to 180 days <u>in accordance with the provisions of law.</u></p> <p>Shareholders' Meetings are also called – whether ordinary or extraordinary – whenever the Board of Directors deems that it is appropriate to do so, and in the cases provided for in law.</p> <p>Shareholders' Meetings may also be called by at least two statutory auditors giving prior notice to the Chairman of the Board of Directors.</p>
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The present proposed amendment to Article 9 of the by-laws does not affect the conditions for the exercise of the right to return shares by ordinary and savings shareholders in accordance with Article 2437 of the civil code and, therefore in the case of its approval, does not confer the right to withdraw to shareholders from the Company.

The proposal is not subject to approval by the Special Savings Shareholders' Meeting in accordance with Article 146, paragraph 1, letter b) of the CFA, as not affecting the rights of the category.

Finally, it is noted that the proposal is subject to authorisation by the relevant Authorities. In particular, the by-law amendment is subject to approval by ISVAP in accordance with Article 196 of Legislative Decree 209/2005 (so-called Private Insurer's Code).

Proposal to the shareholders meeting

In light of that stated above, the Board of Directors proposes the following resolutions:

“The Extraordinary Shareholders’ Meeting of Fondiaria-SAI S.p.A.:

- having reviewed the Board of Directors’ Report and the proposals therein;

resolves

- 1) *to amend the by-law provisions concerning the calling of the ordinary shareholders’ meeting for the approval of the financial statements approving, for Article 9 of the by-laws of Fondiaria-SAI S.p.A., with the following new text:*

Art. 9 – Meeting Call

“Shareholders’ Meetings are called by the Board of Directors, or by a member delegated to do so by the Board, at the registered office or elsewhere in Italy, by means of a notice published within the time limit provided by current legislation on the internet site of the Company and through the other means established in the regulation. In addition, this notice is published in the Official Gazette and, where required by the applicable regulation, in the daily newspaper “Il Sole 24 Ore”.

The day for the second or third call may be specified in the notice of the meeting.

Ordinary Shareholders’ Meetings to approve the annual accounts must be called within one hundred and twenty days of the end of the financial year.

This term may be extended to 180 days in accordance with the provisions of law.

Shareholders’ Meetings are also called – whether ordinary or extraordinary – whenever the Board of Directors deems that it is appropriate to do so, and in the cases provided for in law.

Shareholders’ Meetings may also be called by at least two statutory auditors giving prior notice to the Chairman of the Board of Directors”.

- 2) *to mandate the pro tempore legal representatives, also individually, within the legal limits, all powers necessary to execute the above resolutions, including, for indicative purposes only and not exhaustive, the power and the faculty to propose amendments to the above-stated resolutions and additions and deletions considered not to be of a substantial nature which may be deemed necessary for legal compliance.*

* * * *

Milan, January 29, 2012



Fondiaria – SAI S.p.A.

The Board of Directors