

GRUPPO CATTOLICA ASSICURAZIONI

CODE OF CONDUCT



PRESENTATION

The “Code of Conduct” gathers together a set of general and specific principles and norms which are to be considered points of reference for the operating practices of the companies belonging to the “Cattolica Group”.

Uniformity with regard to inspiration and actions of all who are involved in the Group’s activities provides the cornerstone for the promotion and protection of the very identity of Cattolica.

We therefore wish to make the contents of this document known to those who are to enact its provisions and who are to ensure compliance with the same. Generally speaking, the regulations are juridical in nature, but their cogency relies first and foremost on an ethical approach. This document is therefore to be considered a ‘tool’ which must progressively be adopted, to an ever greater extent, by those who work within the “Group” in a spirit of harmonious collaboration, and who further the interests of “Cattolica”.

INTRODUCTION

The “Cattolica Assicurazioni Group” includes companies which specialise in various areas of the insurance sector and in associated activities and operate throughout Italy.

The Parent Company, “Cattolica Assicurazioni”, is a cooperative. “Cattolica” favours its own growth and growth of incomes and returns, while ensuring the continuity of its identity – an identity rooted in ethical and social values of Christian inspiration.

The company was born in Verona in 1896. Its aims were mainly to provide safeguards for small landowners against damage in general, including damage caused by hail showers and fire. These safeguards were to be provided while bearing in mind the needs of the person and of the family, considered components of social life.

Mission

The mission of the Group is to provide insurance services of the highest quality according to the principles outlined above, and to do so in the light of the specific needs of our members and of our customer base. Our prime objectives are therefore: creating stable, enduring value for members and shareholders,

meeting the needs of our customers, optimal management of internal and external co-workers, and further development of Group activities.

Quality of relations

The Group considers its policy of seeking out and fostering the highest quality of relations with stakeholders – members, shareholders, employees, agents, customers, partners, suppliers or consultants – a prime consideration in fostering its mission.

Function of the “Code”

This “Code” lays down a number of principles and regulations regarding conduct which must be complied with by all who work inside or outside the Group. These principles and regulations are established in order to ensure that the Group’s commitments to stakeholders are fully realised, the aim being to foster diffusion of the characteristics (including the cultural characteristics) which serve as inspiration for the Group. These considerations are to be considered also in the light of a specific style and approach that fosters accountability and correctness, to which all co-workers must comply.

Compliance with norms

Compliance with the general principles and the norms of conduct contained in the “Code” is to be considered an integral part of the contractual engagements of all co-workers – and primarily of all employees.

GENERAL PRINCIPLES

Within the Italian insurance marketplace the “Cattolica” brand is a well-known and distinct entity. Image-wise, our consistency of conduct, uninterrupted over a period of one hundred years, has singled us out. Our style is familiar to many – just as there are many who are appreciative of our entity. One hundred years of commitment to correctness in our dealings and to reliability, honesty, fairness, sincerity and accountability, have left a definite mark – familiar to many, and by means of we may be recognised for our merits.

Within a constantly evolving scenario, in which corporate profiles have become a crucial competition driver, by insisting on these principles not only do we maintain our ties with our own traditions and foster a fundamental consistency of approach to the tasks at hand; we also create an added value which contributes to the development of our activities and to achievement of corporate goals.

This is why the Group is most anxious that its co-workers, without exception, perform their duties diligently and with care and attention, and comply all times with the principles of legality, integrity, fairness, unbiased conduct and accountability.

Legality

As they go about their professional duties, our co-workers must strictly comply with current provisions of law. On no occasion can illegal or incorrect conduct be justified in the name of a presumed benefit for the company.

Integrity

Our co-workers must perform their duties to the best of their ability. They must fulfil any engagements taken on, and must shoulder all pertaining responsibilities. They must avoid all situations which may lead to personal benefits, or which may even only be construed as potentially advantageous on a personal level, to the detriment of the interests of the Group or of Group customers, or in any case such as may be prejudicial to the Group's interests in terms of image.

Fairness

The conduct of co-workers, with respect to relations, assessments and decision-making processes, are to be guided by the principles of objectivity and justice. They must not allow personal relations to prevail over criteria of a professional nature.

Unbiased conduct

All stakeholders must be held in equal esteem. Among our members, shareholders, co-workers, agents, partners, suppliers, consultants and customers there are none who are to be accorded preferential treatment or who are to be

discriminated against. This principle also applies with regard to compliance with the provisions of explicitly deliberated and published agreements.

Transparency

Disseminated information must be clear, precise, and exhaustive, and must be transmitted in timely manner, according to the needs and legitimate interests of the various stakeholders.

SPECIFIC NORMS

Relating to work relations

Work relations

Recruitment of employees of Cattolica Group requires application of a proper work contract. No employees are recruited without a contract.

Work conditions are as indicated in the pertaining national labour contract and the supplementary corporate contracts of each company, if and when applied.

Flexibility

As part of their functions as efficient organisations, the companies are to pay particular attention to needs relating to maternity and care of children, and are to conduct negotiations in compliance with current regulations, and in a manner in keeping with the need for efficient management of corporate activities, regarding all legitimate manners of organising full- or part-time working time schemes.

Equal opportunities

The Cattolica Group provides guarantees to all co-workers that, in its dealings with co-workers, the latter will be treated fairly and in accordance with the quality and quantity of the work carried out. Discrimination of all kinds is ruled out.

Work environment relations

The Cattolica Group provides conditions of the work environment that are conducive to maintenance of the personal dignity of co-workers. Offensive behaviour or the exertion of undue pressure on colleagues, of any kind and on the part of any person, is therefore strictly prohibited.

Relations between colleagues are to be respectful and are to reflect a spirit of collaboration and an awareness both of the inter-functional nature of activities and of the need to act strictly in accordance with shared objectives. Such objectives are to be pursued in a coordinated and integrated manner.

Employee empowerment and training

The Group considers its co-workers a fundamental value.

Commitment, motivation and professional conduct among co-workers are vitally important for achieving corporate objectives.

The Group companies pay considerable attention to the professional advancement of individuals, above all through promotion of constant training activities, for the learning of specific skills and – particularly with regard to officers and directors – for the full development of a managerial culture.

Training must not be improvised or limited to specific courses.

It must instead take the form of an ongoing process which is part of the working activities of co-workers. It must entail ongoing refresher courses, and courses for the acquisition of methodologies, tools, models and values which combine to foster professional growth. Managers are urged to seek out openings

for improvement, tools and procedures to foster the professional advancement of co-workers.

Protection of privacy

The personal data of employees are to be processed in due compliance with the provisions of law.

Detailed regulations and procedures are foreseen to ensure stored data security and to ensure that use of the said data is limited to the purposes for which the said data was requested.

Health and safety

The Group companies aim to provide employees with safe, comfortable work environments. The logistical and instrumental structures comply with high health protection standards.

Duties of personnel

General criterion

The companies of Cattolica Group require that the conduct of co-workers be legally, professionally and ethically correct and fair at all times.

At no time can unfair or dishonest behaviour be justified.

Confidentiality

All co-workers are obliged to respect the confidential nature of all non-public information acquired for professional purposes by the said co-workers.

Only if there is good reason may third parties, within the Group or externally, have access to such information.

Confidential information may only be transferred to those who require the said information for performance of tasks.

Personnel must avoid all situations that constitute a violation of this prohibition.

Communication

The information for all internal or external communication activities must be truthful, precise, strictly in accordance with needs, and correct.

To ensure precision and reliability of information, communication to the general public is to be conducted only by the departments charged with his task. No co-workers can make declarations outside the Group without prior, express consent.

Protection of information

Confidential information and documents – such as, for example, the personal data of members and customers, or the projects, strategies and know-how of the Group – are stored with due diligence (maximum standards apply) and protected both adequately and constantly, according to the instructions and procedures provided for the sectors within which information regulations apply.

Personal data protection

Co-workers entrusted with the task of processing personal data are to do so in full compliance with the provisions of law on “personal data protection”, and must carefully follow the instructions issued by the companies in the “letter of licence”.

The recipients of “letters of licence” are authorised to use only the data strictly required for performance of the tasks delegated to them and for purposes pertaining to their functions. Information cannot be copied or disseminated.

The archives are to be protected according to the security measures adopted by the companies. These measures limit access to data exclusively to those who have expressly received authorisation to access the said data.

Companies are to make sure the recipients of “letters of licence” attend a specific training course on privacy and information security.

Conflict of interest

All co-workers are obliged to comply with the requirement of correct conduct and with the ruling that they must abstain from competitive practices according to the provisions of article 2105 of the Civil code, according to which “employees engaged in subordinate working activities must not conduct business dealings on their own behalf or on the behalf of third parties, and in doing so compete with the entrepreneur. The said employees must not disseminate information regarding the organisational aspects and methods of production of the company, or use this information in such a manner as might be prejudicial to the interests of the said company”.

All co-workers must therefore avoid any and all conflicts of interest involving their own interests and those of the Group. This ruling applies to conflicts of interest, whether or not such prejudicial effects be evident.

Although no full case list of such circumstances can be provided, the following examples may provide indications that are helpful to co-workers in their efforts to pinpoint and prevent the onset of conflicts of interest:

- no personal economic interest ties with persons with whom one has dealings (suppliers, consultants, fiduciaries etc.) in relation to the business of the Group or while competing with the Group;
- refusal of payments of money or transfer of goods of significant value, including benefits in kind, from competitors or from third parties which have dealings with the Group or which wish to have dealings with the said Group;
- turning down offers of professional collaboration outside the company or which interfere with duties toward the Group;
- abstaining from systematic acquisition of business contacts; the staff of the central or peripheral technical offices (underwriting or claim adjustment) must not manage policy portfolios.

Personal productive activities

All co-workers who conduct personal productive activities in their free time must inform the head offices of the employer company of the entity of the managed portfolio (excluding from this sum the sums relating to relatives' or family member insurance policies).

No directors can conduct personal productive activities.

Gifts

Co-workers must not directly or indirectly accept, call for, promise, offer or transfer sums of money or benefits in other forms (including gifts or gratuities, with the exception of items which are merely of symbolic value), also when illicit pressure has been exerted, or with a view to compensation of public officials, or the employees of public institutions, or the members of the families of the said officials or employees, for the purposes of bringing about certain actions, or conduct not in keeping with the public responsibilities of the said officials or employees.

Co-workers must, of course, not offer commercial gifts or other benefits which may constitute violations of laws or regulations, or which conflict with the Code, or which, if rendered public, may be prejudicial to the interests of the group, even when only in terms of image. Employees (and the families of employees) are not to receive gifts, gratuities or other benefits which may compromise their faculty of independent judgement, or which may create the impression that the said faculty has been compromised.

Use of Group assets

Personnel may make use of various assets owned by the Group. These assets must be used for professional and not personal purposes.

Personnel must use the said assets in an appropriate and responsible manner.

All assets must be returned to the Group when the work relation comes to an end.

Copyright

All co-workers are to comply with the regulations applying to copyright. The materials protected by copyright in the possession of the Group may not be reproduced. These regulations, of course, also apply to computer programmes. The documents produced by all co-workers during their working activities are owned by the company.

Decorum, respect for human and personal dignity and respect for work environments.

All co-workers, when dealing with subordinates or with superiors or – in general – with all colleagues, are to behave in a manner that reflects decorum and respect for human and personal dignity and for the work environments in question, in compliance with the ethical and cultural vision underpinning the articles of incorporation.

If problems arise in this regard, it is the duty of the pertaining human resources manager to intervene – in the manner most appropriate with regard to the cases to which the said manager's attention has been drawn – in order that the said problems find a solution. The pertaining human resources manager shall also inform the head offices of any developments or circumstances of this kind.

Conduct criteria applying to relations with customers

Customised, quality insurance services

Group activities are directed toward meeting the insurance needs of people.

Insurance services are therefore considered from a general vantage point. Our idea of a product does not limit itself to the guarantees provided in the policy itself; it instead regards various material – and above all the various immaterial – characteristics that emerge when meeting specific needs for guarantees.

Our products are therefore noteworthy for their high service content, for the provision of customised, quality products that include assistance and consultancy, within the framework of close relationships with our customer base and a marked degree of service accessibility.

Contracts and communication

The Group companies are committed to drawing up clear, transparent contracts, with no ambiguous or unduly comprehensible clauses or parts.

Customer information must be pertinent and provided in simple form.

Advertising communication activities must, likewise, provide information that is precise and truthful.

Conduct criteria applying to relations with agents

The conduct criteria specified are an expression of general principles which must be complied with also during operations involving intermediaries other than traditional agencies (banks, financial advisers).

“Agencies are not shops. Agents are a part of us”

Agents play a key role, also qualitatively, in the insurance activities of Cattolica Group. Agencies not only distribute products; they also characterise products through ongoing provision of carefully administered and competent consultancy and customer assistance services.

The activities of agencies form an integral part of corporate insurance processes. Collaboration and support are therefore necessary, and constitute a crucial aspect of efficient group insurance activities.

Co-workers interacting with the agency network must display a fair, unbiased attitude in their dealings with all agents.

Support activities

The Group companies organise various support actions for agency activities, managerial assistance and consultancy for planning of commercial development, agency communication and marketing.

A prime aim is training, consisting in specific courses, which must be carefully planned with a view to continuity. These actions target, above all, the new agencies entering the system

Conduct criteria applying to relations with suppliers and consultants

Selection of suppliers and consultants is based on the consideration of maximum benefits arising to the companies, provision of equal rights to candidates, and a correct, unbiased approach.

Co-workers entrusted with the task of selection must:

- select candidates on the basis of careful, objective assessments of quality, prices and aptitude with respect to the service required;
- not impede participation in the competition for securing contracts on the part of any candidates in possession of the requisites for competition;
- adopt selection criteria that are objective and in keeping with corporate needs;
- ensure sufficient competition for each job order.

The terms of the contracts must be clear, precise and unambiguous.

The Group companies must strictly comply with the said contracts.

Conduct criteria applying to relations with marketplace

Corporate governance system

The corporate governance system of Cattolica complies with the provisions of civil law, and – since the company is Milan Stock Exchange-listed – of specific Milan Stock Exchange regulations. Every year, the company draws up a report concerning corporate governance system compliance with the Milan Stock Exchange voluntary control system, to which Cattolica subscribes.

The model of corporate organisation is oriented toward achieving objectives as described in the corporate mission and toward compliance with the principles given the said mission.

Transparency towards Market

Cattolica wishes to provide all the information required by investors so that the latter may act on the basis of correct, precise knowledge of management and corporate strategic performance.

Cattolica is therefore committed to providing all investors with truthful, exhaustive, univocal and clear financial information in a timely manner.

To ensure precision and reliability of communication actions, market information is managed by administrative bodies and by the top management team. Communication actions may only be conducted by the designated departments.

The investor relations function was set up with this end in mind.

Internal dealing

In compliance with Italian Stock Exchange regulations, the Group has adopted a code of conduct with regard to internal dealing.

The said code includes the provision that persons considered particularly significant as a result of their role (administrators, regular auditors, board members) must periodically provide updates on share operations involving the quoted shares of Group companies.

Insider trading

Co-workers must not use non-public but significant information acquired through their corporate role in order to conduct securities operations regarding

Group company stocks and shares or the stocks and shares of other listed companies.

It is against the law to utilise information received by a procedure arising out of professional duties in order to conduct capital structure operations, advise others to conduct such operations or, quite simply, to inform third parties of developments such as may prove advantageous to such parties (art. 180 of Legislative Decree no. 58 of 24.2.1998 – T.U.F. (Financial Consolidation Act)).

Accounting and internal control

The Group has a policy of maximum accountability, according to best business practices, with the guarantee that all operations be duly authorised and controlled, and that, as practices, they be consistent among themselves and adequately processed by accounting procedures.

In full awareness of the crucial importance of internal controls for good management and corporate success, the group conducts awareness campaigns and informs its co-workers of the existence, aims and importance of internal controls, while making arrangements for procedures suitable for efficient analysis and management of the entrepreneurial risks which are a part of corporate operations.

The Group believes that it is its fundamental duty to achieve accountability with regard to the keeping of accounting records relative to corporate actions.

The group requires accurate reports from its co-workers. These reports must be timely and must provide detailed accounts of all financial activities.

Co-workers must keep truthful, accurate records of all financial operations.

Adequate support documentation must also be kept.

Internal Audits, as part of their own control programme, or when a request is made by the Internal Control Committee or by the top management teams of the companies, verify the quality and efficiency of the Internal Control System.

The internal auditors report in this regard to the Control Committee.