

FONDIARIA-SAI S.p.A.

Registered in Turin, Corso Galileo Galilei n. 12
Share Capital Euro 494,731,136.00 fully paid-in
VAT, Tax and Company Registration number: 00818570012
Registered in the Isvap role of companies at No. 1.00006
Parent Company of the insurance group FONDIARIA-SAI,
recorded under the insurance group role No. 030
Internet: www.fondiarria-sai.it

**SHAREHOLDERS' MEETING OF THE SAVINGS
SHAREHOLDERS**

First call on June 29, 2012, at the time of 10.00 AM, in Florence
Second call on July 2, 2012, at the time of 4.00 PM, in Turin
Third call on July 2, 2012, at the time of 4.00 PM, in Turin

**REPORT OF THE GENERAL REPRESENTATIVE OF THE
SAVINGS SHAREHOLDERS**

Dear Savings Shareholders,

the Special Shareholders' Meeting was called by the undersigned to report on the questions arising and debated during the Special Shareholders' Meeting held at Turin on April 13, 2012, which in turn was called on the request of a Saving Shareholder, holding a total number of shares above 1% of the total.

This Shareholders' Meeting:

- a) resolved to postpone the first point on the Agenda (*“Review of the Share Capital Increase Proposal and approval”*); this decision was taken following the request made by the proposer and in light of the necessity to undertake a careful and detailed evaluation of the matters arising during the Shareholders' Meeting Debate;
- b) resolved to mandate the general representative to evaluate and verify, also through specifically appointed consultants, and with prior approval of the Shareholder Mr. Andrea Tempofosco, the actions undertaken by the Directors of the Company which may have been harmful to the interest of the Saving Shareholders and assess what actions could be taken,

and report to a special Shareholders' Meeting to be called for such a purpose.

- c) resolved upon the creation of a fund pursuant to Article 146, Letter C, of Legislative Decree No. 58/1998 in the amount of Euro 500 thousand.

The undersigned illustrates below the matters on the Agenda of the Special Shareholders' Meeting called for June 29, 2012, July 2, 2012, and July 3, 2012.

(1)

Report on the first point of the Agenda (*“Report of the General Representative of the effects of the Share Capital Increase Resolution, taken by the Extraordinary Shareholders' Meeting of March 19, 2012, in relation to the Saving Shareholders' rights, and also in relation to further Company By-Law amendments approved in the same Extraordinary Shareholders' Meeting. Resolutions thereon”*).

The undersigned General Representative, in accordance with the matters arising in the Special Shareholders' Meeting of April 13, 2012, instructed the necessary detailed review to evaluate the effects the resolutions undertaken by the Extraordinary Shareholders' Meeting held on March 19 (elimination of the nominal value of the ordinary and savings shares, reverse-stock split of the ordinary and savings shares, share capital increase and relative procedures) could have on the rights of the Saving Shareholders.

In particular, this concerns the effect which the abolition of the nominal value of the shares could have on the privileged rights of the savings shares, which consists in the right to receive an increased total dividend, compared to the ordinary shares, of Euro 0.052.

This abolition of the nominal value of the shares could permit the issue - on the event of future share capital increases and on the same subscription level to the capital increase - of a higher number of shares, compared to those which would have been possible to issue where the nominal value was maintained (with consequent dilution - at parity of dividend level - of the unitary dividend of each ordinary share and with the greater probability that the above-mentioned increase, due to the Saving Shareholders, would be absorbed by the minimum privileged dividend of Euro 0.065).

In addition, it is necessary to verify whether the different treatments in the share capital increase approved between the ordinary shares (which will have the possibility to subscribe to shares of the same category at a presumably more advantageous price) and the saving shares (which, on the other hand, will have the right to subscribe to saving shares of a new category, with lesser rights compared to those of the current Saving Shareholders and, therefore, having a lower value, given that the value of the saving shares arises from the rights incorporated) undermines the rights of the Saving Shareholders.

In order, therefore, to evaluate and verify if the effects of the above mentioned resolutions taken by the Extraordinary Shareholders' of the company on March 19, 2012 undermine the rights of the Saving Shareholders, the undersigned requested legal and technical opinions independent of the Company, of the group to which it belongs, Unicredit, Unipol and other parties involved in the operation which, at the current moment, concerns Fonsai.

PKF Italia S.p.a. was requested to undertake the technical opinion which was made available to the Saving Shareholders and the public together with the present report.

Mr Umberto Morera was requested the legal opinion which was made available to the Saving Shareholders and the public together with the present report.

Both opinions on the resolutions taken by the Extraordinary Shareholders' Meeting of the company on March 19, 2012, found them not to be harmful to the Saving Shareholders.

(2)

Report n the second point on the agenda

(“Report of the General Representative on the activities undertaken based on the Mandate received by the Saving Shareholders of April 13, 2012”).

The Special Shareholders' Meeting, held on April 13, 2012, mandated the General Representative to evaluate and verify whether the actions of the Directors of the Company could have been harmful to the interests of the Saving Shareholders and report to them on any remedial actions.

The same Shareholders' Meeting resolved that any technical or legal consultants which the general representative appointed should be approved by the Saving Shareholder Mr. Tempofosco. This condition will be subject to the considerations outlined in the report at point 3 of the Agenda below.

The undersigned general representative, before awarding complex and, in particular, expensive appointments to verify the behaviour of the Boards of the Company, and the actions undertaken by them (with consequent determination of any damage caused) preliminary considered it necessary to verify whether the Saving Shareholders can legitimately undertake any action of responsibility against the above-mentioned parties.

In fact, it is evident, where the Saving Shareholders do not have a legitimate right, the undertaking of the above-mentioned appointment would not correspond to any common interest of the Saving Shareholders and could expose the general representative to an action of responsibility for having utilised the Fund in violation of Article 146, Paragraph 1, Letter C.

For the above purposes the general representative presented to Mr Tempofosco on April 27, 2012 a list of 3 legal advisors (which declared their independence from the company, the group to which it belongs, Unicredit, Unipol, and other parties involved in the operation which, at the present moment, concerns Fonsai) and specifically:

- a) Mr. Mario Cera, professor of commercial law at the University of Pavia;
- b) Mr. Umberto Morera, professor of banking law at the University of Tor Vergata Rome;
- c) Mr. Matteo De Poli, professor of banking law at the University of Padova.

Mr. Tempofosco did not reply until May 7, 2012 when the undersigned general representative solicited a reply.

Following this solicitation, Mr Tempofosco, on May 7, 2012, replied not expressing, however, either his approval nor a reason for his non-approval of the nominations indicated, but limiting to express his disapproval on the manner in which the undersigned intends to proceed (in particular, on the preliminary verification that the Saving Shareholders can undertake an action of responsibility).

The undersigned had to clarify to Mr. Tempofosco that the manner in undertaking the Mandate appointed by the Special Shareholders' Meeting is the responsibility of the general representative and not subject to his veto or direction, and that he only has the right to express his disapproval in the Shareholders' Meeting.

Consequently the undersigned reiterated the request for approval of the parties indicated, warning that where no reply was received by May 14, 2012, he would have to award the appointment to one of the professional parties indicated.

Mr Tempofosco replied on May 11, 2012 insisting upon the manner in which the general representative should undertake his Mandate, and, in any case, not indicating his approval (or his non-approval) on the nomination of the legal advisors communicated since April 27, 2012.

The reasoning of Mr Tempofosco to interfere in the manner in which the general representative intends to undertake the Mandate conferred to him by the Saving Shareholders' Meeting of April 13, 2012, goes well beyond the appointment which the Shareholders' Meeting conferred to Mr. Tempofosco (and this is evident not only from reading the Shareholder Meeting resolutions, but also the Minutes of the debate which preceded such a resolution).

The undersigned therefore on May 15, 2012 appointed Mr Mario Cera the assignment to express an opinion on the possibilities of the Saving Shareholders undertaking a legal action against the Corporate Boards: this opinion will be issued shortly and will be made available to the Saving Shareholders before the holding of the special Shareholders' Meeting.

(3)

Report on the third point on the agenda

("Report relating to the fund pursuant to Article 146, Letter C, of Legislative Decree No. 58 of February 24, 1998")

The undersigned communicated to the Company the resolution with which the Special Shareholders' Meeting held on April 13, 2012, decided upon the creation, in the amount of Euro 500 thousand, of the fund pursuant to Article 146 of the CFA and simultaneous request that the Company renounces the right to utilise the profits due to the Saving Shareholders exceeding the minimum guaranteed.

The Company, with communication of May 10, 2012, accepted the request of the general representative.

The fund was utilised in relation to the consultancy and opinions requested by the general representative up to today:

- Legal consultancy of, Mr Umberto Morera, from December 2011 and until the Special Shareholders' Meeting of April 13, 2012, of Euro 28 thousand;

- Technical opinion requested from P.K.F Italia s.p.a in relation to any rights affecting the Saving Shareholders, consequent to the resolutions taken by the Extraordinary Shareholders' Meeting of the Company held on March 19, 2012, of Euro 16 thousand;

- Legal opinion requested from Mr Umberto Morera, (for the same matter) of Euro 12 thousand;

Legal opinion requested from Mr Mario Cera, in relation to the possibility of the Saving Shareholders to undertake an action of responsibility of the Corporate Boards of Euro 5 thousand.

(4)

Report on the fourth point on the agenda

("Resignation of the general representative and appointment of new general representative, as well as determination of relative remuneration").

As already outlined in the previous paragraph 2, the special Saving Shareholders' Meeting, held on April 13, 2012, in providing the above-mentioned Mandate included a condition on the operations of the general representative, in that the choice of the consultants must be approved by another party, identified in the Saving Shareholders'

Meeting as Mr. Andrea Tempofosco.

This condition, in the opinion of the undersigned, appears in clear contrast to the responsibilities of the general representative who must be free in his choices, upon which he must act accordingly in various situations. The condition subsequently demonstrated in fact to be an obstacle in the undertaking of the Mandate due to the interpretation which Mr. Tempofosco made in relation to the appointment received by him from the Saving Shareholders' Meeting of April 13, 2012, as described in detail at the previous point 2.

Consequently, the undersigned, on May 16, 2012, resigned from office, which will take effect from the moment of the opening of the session whether this be in first, second or third call, of the special Shareholders' Meeting called for June 29, July 2 and 3, 2012.

The choice to remain in office until the regular constitution of the Shareholders' Meeting was undertaken by the undersigned so as not to leave the Saving Shareholders, even for a short period, without a representative and also in order to permit the undersigned, in the interests of the Saving Shareholders, to undertake those verifications illustrated in the preceding paragraphs 1 and 2, in order to permit the Shareholders' Meeting called to make further resolutions which the new general representative could implement.

Florence, May 21, 2012

General representative of the saving shareholders

Mr. Sandro Quagliotti

